



Doing Business in Burma: 2014 Country

Commercial Guide for U.S. Companies

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- [Chapter 1: Doing Business In Burma](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations, Customs and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

[Return to table of contents](#)

Chapter 1: Doing Business In Burma

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)

Market Overview

[Return to top](#)

Since 2011, the Government of Burma has undertaken reforms to open Burma's economy to the global marketplace. The Government of Burma has adopted, among other changes, budgetary and tax reforms, monetary and financial sector regulatory changes, and liberalization of trade and investment in order to integrate its country in the international economy. Foreign trading partners have sharpened their focus on Burma and are considering the unique opportunities the country presents within a variety of different sectors. With a rich natural resources base, an estimated population of 60 million, a young labor force and a prime geographic location – strategically between India, China and linked with the countries that make up the Association of South East Asian Nations (ASEAN) – Burma is the subject of much interest from the international business community. The enactment of a new Foreign Investment Law in 2012, the easing of U.S. economic sanctions, and the complete lifting by the EU and Australia of their own sanctions (except for a ban on the sale of military goods and services), have encouraged foreign companies to consider investing on Burma. As a result, Burma's trade and investment linkages to the outside world are growing rapidly, as is economic growth at home, which is estimated to reach 8.25 percent in 2014.

Although Burma has adopted widespread reforms, the government still has a long road ahead to create the foundation for a healthy investment and commercial environment that helps further the country's development. The government has limited capacity, and a long list of competing priorities to consider as it decides which reforms to implement. The country still has numerous laws and regulations that are outdated and inadequate. Property rights are not well-established and land confiscation and contested land ownership remain concerns. Investor protection and the criteria for approving foreign investments are not well-defined, and Burma's weak rule of law means that it does not have in place the proper mechanisms and instruments for enforcing contracts or property rights and for settling disputes. Physical infrastructure is poor, and electrical power is both unreliable and inadequate. Bureaucratic red tape is burdensome, and corruption is widespread. A lack of reliable data and information adds to the frustration that many foreign investors experience when attempting to look up market data, consumer base information and other capital and financial indicators.

Consequently, Burma's market presents investors and traders with unique opportunities and potentially tremendous gains, but requires patience and persistence.

Market Challenges

[Return to top](#)

As noted, Burma still suffers from several market challenges and obstacles. For example, obtaining accurate and relevant market and financial data is onerous. Statistics for Burma's economy are difficult to obtain and verify, making it difficult to accurately predict future performance. Demand for well-educated and trained workers outstrips supply. Government ministers and their staff are overwhelmed due to the spike in interest from foreign governments, NGOs, and multinational businesses. Real-estate prices in Rangoon have tripled, and Burma's small number of hotels means that it can at times be extremely difficult to find accommodation - even with rates that verge on the exorbitant.

A sampling of the market challenges that Burma has begun to address, but needs to show significant progress on, includes:

- An unpredictable legal and regulatory system that relies on practices and government discretion rather than written laws
- Opaque economic policymaking, including laws and rules drafted without public consultation and frequent, unpublicized and unwritten policy changes
- Investments approved on a case-by-case basis by the Myanmar Investment Commission
- Weak rule of law and property rights; the judiciary is not independent and lacks experience with commercial litigation and arbitration
- Corruption and cronyism, aided by lack of legal certainty
- Weak or limited intellectual property laws
- Arbitrary tax policies
- A small and inexperienced financial sector and shallow domestic capital market
- Continued unpredictability as well as limited supply of electricity, outside major urban areas
- A weak educational system and unskilled work force
- Poor infrastructure including communications and transportation network
- Communication challenges resulting from the location of most government offices in the administrative capital, Nay Pyi Taw, 200 miles from the commercial capital of Rangoon

Market Opportunities

[Return to top](#)

As one of the least developed countries in Asia, Burma has market opportunities in nearly every sector, including infrastructure, transportation, telecommunications, tourism, hotels, agriculture, natural resources, professional services, and labor-intensive manufacturing. U.S. firms specializing in construction equipment, resource extraction, refining facilities, power generation, renewable energy, processed foods, auto parts, chemicals, computers, textiles, garments, fertilizer, animal feed, and medical equipment will find export potential in Burma.

Most experts estimate Burma's population at approximately 60 million people, which is comparable to that of neighboring Thailand. (Results from a census undertaken in April 2014 may offer greater precision.) Currently only about four percent of Burma's population is considered to be in the "consuming class" with incomes above the level

required for subsistence (around \$10 per day based on purchasing power parity PPP). The immediate consumer market for U.S. products is thus somewhat limited. As incomes rise, however, demand for U.S. consumer goods is expected to grow significantly. The most optimistic estimates project a quadrupling of Burma's GDP by 2030 during which the urban population is expected to double. Such dramatic growth is far from assured and assumes significant investment in upgrading the country's infrastructure. In the long term, domestic consumption in Burma will provide important business opportunities for U.S. firms.

Tourism is a sector with a significant potential for growth. According to official figures, Burma received 1,058,995 tourists in 2012 and 2.044 million tourists in 2013 – an increase of 93%. However, the tourism sector in Burma is still in its infancy and faces stiff competition from regional competitors with more developed infrastructure such as Thailand, which recorded more than 26.7 million tourists in 2013.

Market Entry Strategy

[Return to top](#)

The Embassy strongly advises U.S. business to consult with local and U.S. based professional services, including law firms (see Local Professional Services below) to determine the most appropriate entry strategy for Burma. Despite the passage of a new Foreign Investment Law in November of 2012, entering the Burmese market is not straightforward or easy. Many long-standing rules and regulations are undergoing revision or updating, while others may no longer be in place.

While the United States has eased economic sanctions, some restrictions remain in place, such as selling to the military or dealing with persons on the Specially Designated Nationals (SDN) list, which is maintained by the U.S. Treasury Office of Foreign Assets Control (OFAC).

The United States remains concerned about the protection of human rights, corruption, and the role of the military in the Burmese economy and as such requires all new U.S. investment in excess of \$500,000 to be subject to certain reporting requirements available at <http://www.humanrights.gov/2012/07/11/burmaresponsibleinvestment/>. There are several components to these reporting requirements. Investors will be required to file reports with the State Department on an annual basis, to include a version of the report that the Department will make publicly available. Companies will report on information regarding policies and procedures with respect to human rights, workers' rights, environmental stewardship, land acquisitions, arrangements with security service providers, and, aggregate annual payments exceeding \$10,000 to Burmese government entities, including state-owned enterprises. The purpose of the public report is to promote greater transparency and encourage civil society to partner with our companies toward responsible investment. The above reporting requirements apply to any new investment, whatever corporate form it might take.

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/35910.htm>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

Using an Agent or Distributor

[Return to top](#)

The Embassy strongly advises U.S. business to consult with locally based professional services, including law firms (see Local Professional Services below), for conducting due diligence on potential agents or distributors. This is critical because Burma lacks the equivalent of a Better Business Bureau and there is very little publicly available information on local companies. In addition, some U.S. sanctions remain in place, including restrictions on doing business with the military or individuals or companies on the SDN list, which is compiled and maintained by the U.S. Treasury Office of Foreign Assets Control (OFAC).

Establishing an Office

[Return to top](#)

The Foreign Investment Law passed in November 2012 allows foreign investors to establish private companies, branch offices, or representative offices in Burma. Foreign investment is restricted only in a small number of sectors, and foreign investors are free to negotiate their own capitalization requirements in a joint venture, subject to the approval of the Myanmar Investment Commission (MIC). The Foreign Investment Law is administered by the MIC and includes:

- Guaranteed protection against expropriation
- Guaranteed remittance of profits
- Guaranteed remittance of equity upon investment exit
- Permission to lease land up to 50 years (depending on type of enterprise) with two 10-year extensions possible

- Certain tax benefits including a five-year corporate tax exemption
- Company equity transferable with permission of MIC

Private companies, branch offices, and representative offices must complete a three step registration process:

- Obtain a permit from MIC
- Obtain a trading permit from the Directorate of Investment and Company Administration (DICA)
- Obtain a certificate of registration from the Companies Registration Office (CRO)

Registration fees for incorporating a foreign company or branch amount to \$1000 with an annual renewal fee of \$500. The DICA trading permit functions as a business license while the CRO certificate of registration allows the corporate existence of the investor in Burma. Representative offices, unlike companies and branches, are prohibited from engaging in direct commercial or revenue accruing activities.

U.S. businesses are urged to review the U.S. Treasury OFAC website, at a minimum, as well as to consult with local and U.S. based attorneys prior to investing in Burma.

Franchising

[Return to top](#)

Franchising is not prohibited by Burmese law, but does not exist in Burma to any visible degree. Since major multinational firms were unwilling to do business in the country until recently, only a few small regional companies operate local franchises, although there is strong interest among local businesspeople in franchising opportunities.

Direct Marketing

[Return to top](#)

Direct marketing in the form of multi-level marketing exists in Burma. However, this sector is still fairly novel and small.

Joint Ventures/Licensing

[Return to top](#)

Foreign investors may enter joint ventures with Burmese individuals, companies, or state-owned enterprises. Investment with 100% foreign ownership is permitted for most business activities. Foreign investments in only a relatively limited number of activities require a local partner; however, even in restricted sectors, foreign ownership of up to 80% is permitted. Under the Foreign Investment Law and its implementing rules and regulations, those restricted sectors include food production, beverage production, mining, plastics and some chemical industries, and real estate development. U.S. businesses should consult with locally based legal and business consulting firms to determine the specific rules and regulations that apply to their proposed investment or business activity.

Selling to the Government

[Return to top](#)

U.S. persons can sell products and services to the Government of Burma, but there are certain restrictions and requirements under remaining sanctions, such as selling to the Burmese military (including the Ministry of Defense and Office of Procurement). U.S. exports of arms to Burma are prohibited by the International Traffic in Arms Regulations (ITAR). U.S. persons are also required to notify the Department of State within 60 days of entering into an agreement with Myanmar Oil and Gas Company (MOGE) or if their aggregate investment in Burma exceeds \$500,000 (see <http://www.humanrights.gov/2013/06/19/fact-sheet-burma-responsible-investment-reporting-requirements/>).

Distribution and Sales Channels

[Return to top](#)

Distribution networks in Burma are fragmented and unreliable. Given the poor infrastructure, many companies choose to distribute their own products instead of using a logistics company. The majority of the retail market is comprised of small and medium sized businesses.

Rangoon is the major distribution center for goods imported by sea and air. Mandalay is the distribution hub for upper Burma, especially for goods imported by land from China and Thailand.

Rangoon's 18 international port terminals and wharves handle approximately 90 percent of the country's legal imports and exports. According to the Myanma Port Authority, there were 2159 international vessels with shipments that arrived in Rangoon in 2013-2014.

Selling Factors/Techniques

[Return to top](#)

Imported products are perceived as having much higher quality than locally-made products, a sentiment which largely stems from consumer experience with inferior quality products produced by government-run enterprises during the military regime. Moreover, small and local businesses generally have low standards of customer service, supply chain management, and professionalism when compared to international or even regional practices. Products of U.S. origin are considered high quality.

Electronic Commerce

[Return to top](#)

Electronic commerce is in its infancy in Burma and not yet a major factor in business relations, although there have been initial attempts to establish an online presence for real estate and car sales, for example. E-mail and internet are mainly available in urban areas of the country, but the internet is unreliable and very slow. Burma has one of the lowest rates of internet penetration rates in the world, estimated at approximately three percent or less of the population. Less than ten percent of the population is estimated to have mobile phones. The government has a very ambitious target of increasing mobile phone penetration to 80 percent by 2016.

Below is a partial list of web links to local newspapers, trade publications, trade promotion organizations, radio and television broadcasters, as well as contact information for a number of advertising and marketing companies. The U.S. Embassy in Rangoon assumes no responsibility for the professional ability or integrity of the persons and companies whose names appear in the following list in alphabetical order.

<http://7daynewsjournal.com/>
<http://www.commerce.gov.mm>
<http://www.mcpt.gov.mm/>
<http://www.mmtimes.com/>
<http://www.mrtv3.net.mm/>
<http://www.mrtv4.net.mm/>
<http://www.myanmar-business.org>
<http://www.myanmarvisa.com/newsletter.htm>
<http://www.padamyarfm.com/>
http://www.sstmyanmar.com/tourism/Interest/Myanmar_TV.htm
<http://www.umfcci.com.mm>

Forever Group Co. Ltd.

140-203, Olympic Tower (1),
Corner of Mahabandula Street and Bo Aung Kyaw Street,
Kyauktada Township, Yangon, Myanmar.
Phone: 95-1-535841, 534760, 505158, 505164, 204013, 256726
Email: thureintun@forevergroup.com
Website: <http://www.forevergroup.com.mm>

Golden Myanmar Information & Advertising Ltd.

10 (A), United Condo, 255-257, Bo Myat Tun Street,
Botahtaung Township, Yangon, Myanmar
Phone: 95-1-200 837
Fax: 95-1-901 0507

Innova Advertising Co. Ltd

798 (A), Aung Thukha Street,
Insein Township, Yangon, Myanmar
Phone: 95 9 4200 97901, 95 9 4922 6023
Email: innova.advertising@gmail.com

Mango Group (Mango Marketing and Mango Media)

No. 51.C, Golden Valley Street, Golden Valley Ward 2,
Bahan Township, Yangon, Myanmar.
Phone: 95-1-512884, 95-1-523338, 95-1-73036367
Fax: 95-1-512884
E-mail: info@mango.com.mm
Website: <http://www.mangoagency.com>

Medialane

58B, Myanma Gon Yaung Housing, Than Thu Mar Road,
Tamwe Township, Yangon, Myanmar

Phone: 95-1-430013, 95-1-430897
Website: <http://www.medialane.com.au>

Myanmar Spa Today Far East Advertising

No. 5, Thazin Street, Hlaing Yadanar Housing, Between Than Street and Thukha Street,
Hlaing Township, Yangon , Myanmar
Phone: 95-1-507102, 95-1-521200
Fax: 95-1-507102, 95-1-521200
Email: mstfadvertising@gmail.com

SAIL Marketing & Communications

403 Danathia Center, 790 Bogyoke Aung San Road,
Yangon, Myanmar
Phone: 95-1-211870, 95-1-227243 Ext.403
Email: admin@advertising-myanmar.com
Website: www.advertising-myanmar.com

TODAY Publishing House

Today Group of Companies
Building H, Myint Mo Kan Lann, Kan Yeik Mon Housing Estate,
Yangon, Myanmar
Phone: 95-1-507391, 95-1-507392, 95-1-507393, 95-1-507385
Email: today@today.com.mm
Website: <http://www.todaygroup.com.mm>

TODAY Ogilvy & Mather Myanmar

21, Aung Myay Thar Si Housing, Insein Street,
Kamayut Township, Yangon, Myanmar
Phone: 95-1-5136 43
Email: office@today.ad@com.mm
Website: <http://www.ogilvy.com>

Vero Public Relations

99 Condo Building 1st Floor, Room 2A, Dhamazedi Road,
Kamayut Township, Yangon, Myanmar
Phone: 95-1-512-017
Email: brian@veropr.com
Website: <http://www.veropr.com>

World Wide

No.155, 34th Street, 1st floor
Kyauktada Township, Yangon, Myanmar
Phone: 95-1-241094
Email: hl7508@gmail.com

ZOMIA Media Co.,Ltd.

No.219, 4th Flr., Bo Myat Tun Street
Botahtaung Township, Yangon, Myanmar
Phone: 95-1-295515, 95-1-397192

Pricing

[Return to top](#)

Pricing is not standardized or effectively controlled. Prices in the private sector depend on fluctuating exchange rates and the irregular availability of consumer goods transported from China, Thailand, Singapore, and other regional centers.

The Government of Burma has moved to end subsidies for gasoline, diesel and propane, thereby squeezing the black market sale of these goods. Currently, the price of petrol is 820 kyat per liter; diesel is 950 kyat per liter; and octane is 920 kyat per liter. Burma's Parliament also approved an increase in electricity prices effective April 1, 2014.

Prices in Burma include a commercial tax with rates of 5-100% depending on the types of goods and services (see Chapter Five, Import Tariffs). In March 2014, changes to the revenue law put into place new commercial taxes for purchased property. First-time property buyers will now be subject to commercial taxes ranging between 5-30% depending on the value of the purchased property.

Sales Service/Customer Support

[Return to top](#)

Aftermarket service and support is generally available for appliances purchased from reputable dealers who have imported these products legally. Illegally imported or grey market products of all kinds are widely available in Burma and are far cheaper than their legal counterparts, though no warranty or support is included. Although there are no 100% foreign-owned auto dealerships, several foreign automobile manufacturers have official showrooms and service centers in Rangoon: Chevrolet, Ford, GM, Toyota, Honda, Kia, Tata, Mercedes Benz and Suzuki. Due to the easing of imports of vehicles and spare parts, spare parts (for all mechanical and electrical products, especially non-Asian brands) are easier to obtain than in the past. However, most car owners usually repair their cars at local workshops using second-hand parts.

Some form of customer service in Burma is present in the private sector but sorely lacking by international standards.

Protecting Your Intellectual Property

[Return to top](#)

Burma has inadequate intellectual property rights (IPR) protection. Patent, trademark, and copyright laws and regulations are antiquated, deficient and do not provide adequate protection against infringement. The lack of a functioning patent system currently leaves patents unprotected except under the trademark system. Piracy of music CDs, VCDs, CD-ROMS, DVDs, books, and software occurs nationwide, particularly in the major urban centers of Mandalay and Rangoon and border regions. Most consumers of IT products, both private sector and governmental, use pirated software.

Nevertheless, the government recognizes the deficiencies in its IP environment and consequently has completed the draft of four new IPR related laws. At the time of this publication, Parliament was still considering all four draft laws. The focal ministry within

the government on IPR issues is the Ministry of Science and Technology (MOST), and since May 2013, MOST has met in a series of meetings with experts from the World Intellectual Property Organization (WIPO) and other organizations, such as the U.S. Patent and Trademark Office (USPTO) and the International Trademark Association (INTA), to consult on Burma's draft IP laws.

(For more detailed information on intellectual property, please see Chapter 6, Protection of Property Rights)

Protecting Your Intellectual Property in Burma

Several general principles are important for effective management of intellectual property ("IP") rights in Burma. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Burma than in the U.S. Third, rights must be registered and enforced in Burma, under local laws. Your U.S. trademark and patent registrations will not protect you in Burma. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Burmese market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Burma. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Burmese law. A list of local lawyers is available on the embassy website:

<http://photos.state.gov/libraries/burma/895/pdf/LocalAttorneys06062013.pdf>.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Burma require constant attention. Work with legal counsel familiar with Burmese laws to create a solid

contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Burma or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/ipprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov. This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking

imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Burma at:

Peter N. Fowler
Regional IP Attaché
U.S. Patent and Trademark Office
American Embassy Bangkok, Thailand
Tel: (662) 205-5913
Email: Peter.Fowler@trade.gov

Due Diligence

[Return to top](#)

U.S. persons and corporate entities are required to conduct due diligence to ensure that they do not deal with individuals or companies on the Specially Designated Nationals (SDN) list, which is compiled and maintained by OFAC. U.S. companies may also evaluate potential partners, though the lack of relevant market and financial data or publically available company ownership records can make the process difficult and time consuming. U.S. companies are advised to utilize the services of local and international professional services companies who specialize in performing due diligence services.

Local Professional Services

[Return to top](#)

In the past three years, many business consultancies and legal, accounting, or research firms have opened in Rangoon, including the well-known “Big 4” accountancy firms. The U.S. Embassy in Rangoon assumes no responsibility for the professional ability or integrity of the persons and companies whose names appear in the following list in alphabetical order.

Andaman Capital Partners

62 Pyay Road, 6 ½ Miles,
Hlaing Township, Yangon, Myanmar
Phone: 95-1-538-457
Email: info@andamancapitalpartners.com
Website: <http://www.andamancapitalpartners.com>

DFDL Legal & Tax

No. 134/A, Thanlwin Road, Golden Valley Ward (1)
Bahan Township (Box 729 GPO)
Yangon, Myanmar
Phone: 95-1-526-180
Email: Myanmar@dfd.com
Website: <http://www.dfd.com>

DKSH Services Ltd.

No. 013, Thitsar Road
Yankin Township, Yangon, Myanmar
Phone: 95-1-565-270 / 95-1-565-812
Email: premanster@gmail.com
Website: <http://www.dksh.com>

Duane Morris & Selvam

No, 10 Bo Yar Zar Street, Kyaukkone
Yankin Township, Yangon, Myanmar
Phone: 95-1-9510-3041
Email: bkheng@selvamandpartners.com
Website: www.selvamandpartners.com

Focus Consulting Group Co. Ltd

180, 1st Floor, Botahtaung Pagoda Road
Taw Win Myanmar Condo, Pazundaung
Yangon, Myanmar
Phone: 95-1-297249
Email: focusconsultinggroup@gmail.com

Four Rivers

26 B/2 Inya Road
Kamayut Township, Yangon, Myanmar
Email: info@fourriversasia.com
Website: <http://www.fourriversasia.com>

Golden Gate World Service Co. Ltd

Room 105, Bldg 4, Kyi Taw Housing
Upper Pazundaung Road,
Mingala Town Nyunt Township, Yangon, Myanmar.
Phone: 95-1-200618
Email: goldengateworld2010@gmail.com

Herzfeld, Rubin, Meyer & Rose Law Firm Ltd.

99B Myay Nu Street, Suite 6D, LAMAI Condo
Sanchaung Township, Yangon, Myanmar
Phone: 95-9-420-118-186
Website: <http://www.hrmr.us>
Email: andrew.lian@hrmr.us, eric.rose@hrmr.us

JF Group Audit Firm

33-49 Maha Bandoola Garden Street
Room 503, 5th floor, Shine Tower
Yangon, Myanmar
Phone: 95-1-377822
Email: wantin2008@gmail.com

Kelvin Chia Yangon Ltd.

Unit 1509), 15th Floor, Sakura Tower
339 Bogyoke Aung San Road
Yangon, Myanmar
Phone: 95-1-255399
Email: info@kcpartnership.com
Website: <http://www.kcpartnership.com>

Khin Su Htwe and Associates

Room-005, Bldg. No. C-1, Ground Flr,
Hnin Si Street, Yuzana High Way Complex
Kamayut Taungship, Yangon, Myanmar
Phone: 95-1-700659, 95-1-701225
Email: uhl@myanmar.com.mm

KPMG Advisory (Myanmar) Limited

No.32 Pyay Road First Floor, 6 1/2 Mile,
Hlaing Township, Yangon, Myanmar
Email: Myanmar@kpmg.com

Laurel Law Firm

No.128, 1st Floor, 41st Street
Botahtaung Township, Yangon, Myanmar
Phone: 95-1-245784
Email: koni.laurel@gmail.com

Mekong Economics

No. 34 Ma Po Street 4th Floor
Sanchaung Township, Yangon, Myanmar
Phone: 95-1-230-4043
Email: info.myanmar@mekongeconomics.com
Website: <http://www.mekongeconomics.com>

MMRD Research

Shwe Pyay Sone Market
Above Pyay Sone Win Naing Show Room
Building No.6, 6 to 9 floor
Corner of Set Yone Road and Ba Nya Da La Road
Yangon, Myanmar
Phone: 95-1-200326, 200846
Email: gm@mrrdrs.com
Website: <http://www.mrrdrs.com>

Myanmar Legal Services Limited

Room No. # 117, Inya Lake Hotel, No. 37 Kabar Aye Pagoda Road
Yankin Township, Yangon, Myanmar
Phone: 95-1-662-866 Ext. 1117, 95-1-657-792, 95-1-650-740
Email: MyanmarLegal@mptmail.net.mm
Website: <http://www.myanmarlegalservices.com>

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Kyauktada Township, Yangon, Myanmar
Phone: 95-1-255-406, 95-1-255055;
Fax: 95-1-255-100
Email: global.myanmar@mptmailnet.mm

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No. 141-145, 4th Floor, Bo Aung Kyaw Street
Yangon, Myanmar
Phone: 95-1- 245801, 95-1-249526
Email: NGWEINZALY@mptmail.net.mm

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San Yeik Nyein 5th Road,
Kamayut Township, Yangon, Myanmar
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Email: kyithasoe@gmail.com

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No. 52, Yaw Min Gyi Street
Yangon, Myanmar
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Email: info@pwplegal.com
Website: <http://www.pwplegal.com>

PricewaterhouseCoopers Myanmar Co., Ltd

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No. 65, Corner of Sule Pagoda Road and Merchant Road
Kyauktada Township, Yangon, Myanmar
Phone: 95-1-378661 / 95-9-440230341
Fax: [95] (1) 378662

Scipio Services Co. Ltd.

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Kyauktada Township, Yangon, Myanmar
Phone: 95-1-386395
Email: enquiry@scipioservices.com
Website: <http://www.scipioservices.com>

SGS (Myanmar Ltd)

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Lanmadaw Township, Yangon, Myanmar
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Email: sgsmyanmar@sgs.com, sgs_yangon@mptmail.net.mm

Thura Swiss Ltd.

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Website: <http://www.thuraswiss.com>

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Web Resources

[Return to top](#)

The U.S. Embassy in Rangoon assumes no responsibility for the accuracy of the information on these websites, or the professional ability or integrity of the persons and companies whose names are advertised on these websites.

<http://www.etrademyanmar.com/>
<http://www.umfcci.com.mm/>
<http://www.myanmar.com/>
<http://www.mofa.gov.mm/>
<http://www.moha.gov.mm/>
<http://www.commerce.gov.mm/>
<http://www.construction.gov.mm/>
<http://www.myancoop.gov.mm/>
<http://www.energy.gov.mm/>
<http://www.mora.gov.mm/>
<http://www.myanmar.gov.mm/ministry/MSWRR/main.htm>
<http://www.livestock-fisheries.gov.mm><http://www.moai.gov.mm/>
<http://www.hotel-tourism.gov.mm/>
<http://www.myanmar.gov.mm/PBNRDA/><http://www.myanmar-education.edu.mm>
<http://www.moh.gov.mm>
<http://www.myanmar.com/Ministry/culture/>
<http://www.csostatat.gov.mm/>
<http://www.mpt.net.mm>
<http://www.myanmar.com/finance/>
<http://www.myanmar.com/Ministry/Forest/>
<http://www.myanmar.com/Ministry/imm&popu/>
<http://www.yangoncity.com.mm/>
<http://www.dica.gov.mm>
<http://www.energy.gov.mm>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

- [Energy – Oil and Gas](#)
- [Power Generation](#)
- [Telecommunications](#)
- [Mining](#)
- [Construction Equipment](#)

Energy – Oil and Gas

The natural gas industry in Burma has great potential. There are 11.8 trillion cubic feet of proven gas reserves, though industry experts estimate unexplored offshore reserves could contain up to 71 trillion cubic feet. Burma's annual production of 465 billion cubic feet ranks it as the 36th largest producer in the world. Burma is a net exporter of natural gas, mainly to neighboring China and Thailand. There are four offshore gas fields in Burma: Yadana, Yetagun, Shwe, and Zawtika. 95 percent of Burma's gas production comes from the Yadana and Yetagun gas fields. China has purchasing rights to the Shwe gas field, discovered in 2004; operation of a pipeline to transport gas from the Shwe field to Yunnan province began in the second half of 2013. Thai based PTTEP has purchased rights to operate in the Zawtika gas field, and production is expected to start in mid-2014. A large portion of the gas is earmarked for export to Thailand.

There are 16 foreign companies working on 16 onshore blocks and 15 foreign companies working on 20 offshore blocks in Burma. All foreign investments in the industry are partnered with the Myanmar Oil and Gas Enterprise (MOGE). In January and April 2013, the MOE offered 48 onshore and offshore blocks for tender. In October 2013, the Government of Burma awarded 16 onshore blocks to 10 international bidders and one domestic firm (albeit incorporated overseas). In March 2014, it awarded the tender for exploration for oil and gas in 20 offshore blocks, including to companies such as Shell, Chevron, Total and Statoil/Conoco-Phillips.

The oil industry in Burma likewise offers significant investment opportunities. A net importer, Burma produces approximately 21,000 barrels of oil per day, ranking it 74th in the world. All oil production comes from onshore blocks, although offshore blocks will be coming online in the near future. The Government of Burma hopes to exploit more of Burma's estimated 3.2 billion barrels of oil reserves through foreign investment.

Power Generation

Electricity provision is a priority investment sector for the Government of Burma, with demand outstripping supply despite generation growth from approximately 9,712 million kwh in 2011-2012 to 13,048 million kwh in 2013-2014. The power shortfall is estimated

at about 30 percent of demand during the dry season. The 2012 Foreign Investment Law allows 100 percent foreign ownership in power generation, though hydropower and coal power projects require a joint venture or Build-Own-Transfer structure. Currently, only around 25 percent of the population in Burma has adequate access to electricity. Burma has an installed generating capacity of approximately 3,460 megawatts, of which hydropower comprises 2,660 megawatts, or roughly three-fourths of all electricity generation.

The Ministry of Electric Power (MOEP) has identified hydropower capability in 300 locations in Burma with a total potential generation capacity of over 45,000 megawatts. Current hydropower facilities produce only 2,500 megawatts. Most of Burma's 20 existing hydropower plants are located far from the major cities and suffer from capacity restraints during the latter part of the dry season (October-May) as reservoirs are depleted.

To diversify electricity sources, the Government of Burma is inviting foreign and domestic firms to assist with thermal power plant development. MOEP concluded five power purchase agreements in late 2013 and early 2014 with independent power producers, and has either announced (or is expected to announce) several tenders for gas-fired plants during the year. J-Power Co. of Japan has agreed to build a 600 megawatt coal-fired plant near Rangoon while South Korea's BKB has announced plans to build a 500 megawatt gas-fired plant. Coal and gas are currently underutilized as power sources in Burma due to inadequate infrastructure and plant maintenance.

Wind and solar energy are in the early stages of research and development. However, MOEP has signed Memoranda of Understanding (MOUs) for at least two solar projects, but which are not yet in development. Several pilot projects for wind energy have been implemented in Burma as well as several feasibility studies. The Ministry of Science and Technology (MOST) has committed to solar energy research in rural areas of Burma that are cut off from the national grid. The Ministry of Agriculture and Irrigation (MOAI) is considering biofuels as an alternative energy source. There are currently six biofuel plants in Burma that produce 3.75 million gallons annually. The Government of Burma is weighing the value of biofuel versus food production and is expected to look abroad for more efficient technologies.

The Electric Power and Renewable Energy Exhibition trade show is scheduled to be held at the Myanmar Convention Center in Rangoon from October 31 to November 1, 2014. Interested parties should contact the following organization:

Bangkok Exhibition Services Ltd.
SPE Tower, 9th Floor 252 Phaholyothin Rd., Samsennai, Phyathai
Bangkok 10400, Thailand
Phone: +66 (0)2/6151255
Fax: +66 (0)2/6152991
Web: <http://www.electricmyanmar.com>

The Government of Burma is encouraging investment by companies in power generation, transmission and distribution, renewable energy, and installation equipment.

Telecommunications

The telecommunication industry in Burma is essentially a green-field environment. Only an estimated 3 percent of the population uses the internet and only 10 percent or less are mobile phone users. However, mobile phone penetration is expected to increase to 50 percent during fiscal year 2014/2015, according to projections from the Myanmar Ministry of Telecommunications and Information Technology. The Government of Burma awarded a tender for telecommunications operating licenses to Norway's Telenor and Ooredoo (formerly Qatar Telecom) in late June 2013, supplementing the two existing domestic operators. Ooredoo and Telenor received their licenses, which allow the companies to build and operate a wireless network for 15 years, in early 2014 and plan to launch their services between July-September. As internet and mobile penetration increases, there will be IT business opportunities in virtually every sector. The arrival of foreign investment and joint ventures, as well as the development of domestic industry, will drive demand for computer software in Burma. Newly established private banks are in immediate need of specialized software and financial service technology to meet international standards. The anticipated boom in tourism will require hotels, travel agents, and airline companies to upgrade information networks.

E-commerce is another sector expected to grow in Burma. Some online advertising and sales portals exist, but usage is low due to the lack of internet access and credit card usability in the country. The expansion of telecommunication networks and modernization of the banking sector will change the landscape for e-commerce considerably. In particular, the advance of mobile payment technology will present opportunities for online distributors, bill payment applications, and customer loyalty programs.

In July 2011, the Government of Burma announced its second Information and Communications Technology (ICT) Master Plan, developed jointly with South Korea. The plan calls for increased human resource development through e-education such as online universities and specialized training schools. The ICT plan also supports the creation of an e-government platform to provide greater transparency and ease-of-access to citizens and businesses in Burma. The current online presence of the Government of Burma is limited. The few ministries that have websites are disconnected from one another and are rarely updated. The Government of Burma appears keen to welcome foreign investment to implement the ICT Master Plan.

Mining

Burma has significant mineral resources including gold, silver, copper, tin, tungsten, lead, zinc, and nickel. Precious stones, including jade, ruby, and sapphire, are one of Burma's largest exports. Burma accounts for approximately 90 percent of global jade and ruby production. Increasing privatization of the mining industry will create opportunities for foreign investors. However, the new foreign investment law restricts foreign investment in small and medium scale production of minerals and requires joint ventures for large scale production. Exceptions may be made on a case-by-case basis by the Myanmar Investment Commission (MIC).

The Government of Burma is expected to promote the development of Burma's mineral refining industry. Lacking modern refining capabilities, the country currently exports primarily raw and unfinished mineral products which are undervalued in the global market. Foreign technology and capital will be sought to build new, efficient refineries.

Coal mining is another area for foreign investment. Coal production in Burma increased twenty-fold between 1998 and 2011, reaching 1.4 million tons annually, and is expected to continue rising. The Ministry of Mines has identified 33 large coal deposits with estimated reserves of 488 million tons. Most coal in Burma is of inferior quality and designated for export to China. Increased domestic demand in Burma is likely to be met by increased imports of foreign coal. More coal refineries will be needed, however, to keep pace with production and export to China.

The first annual International Mining and Minerals Recovery Exhibition trade show was held at the Myanmar Convention Center in Rangoon from October 31 to November 2, 2013. The same exhibition will be held again from October 30 to November 1, 2014. Interested parties should contact the following organization:

Bangkok Exhibition Services Ltd.
SPE Tower, 9th Floor 252 Phaholyothin Rd., Samsennai, Phyathai
Bangkok 10400, Thailand
Phone: +66 (0)2/6151255
Fax: +66 (0)2/6152991
Web: <http://www.miningmyanmar.com>

Although the United States lifted the ban on most Burmese imports in November 2012, it still prohibits the direct or indirect import of jadeite and rubies mined in Burma. Companies seeking to invest in Burma's gems mining industry are urged to consult the U.S. Treasury Office of Foreign Assets Control (OFAC).

Construction Equipment

Burma is expected to invest heavily in infrastructure development to build its industrial and manufacturing sector as well as accommodate increasing urbanization. The construction and infrastructure industry in Burma is valued at approximately \$3 billion. Expert studies project industry growth at 9 percent per year over the next 5 years. Demand will be especially high for residential and commercial real estate. Annual demand for housing in Rangoon is forecast at 200,000 units per year. The Government of Burma may expand its limited government-funded social housing program. Major construction is also anticipated for road and rail networks, bridges, airports, marine ports, power plants, and water treatment facilities. A 2013 analysis by McKinsey & Co. estimated \$320 billion in necessary infrastructure investments over the next 20 years. Hence, growing market opportunities for construction machines and related equipment are expected.

The second annual Building and Construction Exhibition trade show is scheduled to be held at the Myanmar Convention Center in Rangoon from October 30 to November 1, 2014. Interested parties should contact the following organization:

Bangkok Exhibition Services Ltd.
SPE Tower, 9th Floor 252 Phaholyothin Rd., Samsennai, Phyathai
Bangkok 10400, Thailand
Phone: +66 (0)2/6151255
Fax: +66 (0)2/6152991
Web: <http://www.buildingmyanmar.com>

[Return to table of contents](#)

Chapter 5: Trade Regulations, Customs and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

Import Tariffs

[Return to top](#)

Burma is a member of the WTO. However international tariff standards cover only 18 percent of its goods and services. While its commitment to binding international tariffs agreements is limited, Burma generally levies tariffs that are comparable or lower than that of other countries in the region. Agricultural goods have an average tariff of 8.7 percent while non-agricultural goods have an average tariff of 5.1 percent. Tariffs generally range from 0 to 40 percent. Luxury items have the highest tariffs. As a member of the ASEAN Free Trade Area (AFTA), Burma has committed to the Common Effective Preferential Tariff Scheme (CEPT) to reduce intra-ASEAN import tariffs to near zero by 2015.

The government can levy three types of taxes on imports: import duties, commercial taxes, and license fees. The Customs Department bases its valuation on customs, insurance, and freight (CIF) value. For some commodities, the Customs Department uses its own reference guide to determine the value of imports. The guide lists prices in kyat based on the price of these goods in Burma, sometimes substantially lower or higher than their value outside Burma.

Trade Barriers

[Return to top](#)

Reforms over the past three years in Burma have started to remove some of the most significant barriers to trade including restrictive license requirements, export taxes, and arbitrary fixed exchange rates. However, many issues surrounding trade policy, which continues to evolve, remain confusing and opaque.

The government formally abolished a dual exchange rate system, which had hindered foreign trade and investment, in April 2012. The current exchange rate is a managed 'float regime' that closely reflects the true market rate. Nevertheless, the private

financial sector, foreign exchange market, and regulatory framework remain significantly underdeveloped.

In June 2013, the Government of Burma announced a two percent tax on all imports and exports. There will be certain exceptions to the import/export tax, mostly for intermediate goods that are imported, assembled, and re-exported. Foreign investors registered under the new investment law may also be exempt from this new tax.

The Government of Burma maintains a list of restricted imports and exports, although information is not publicly available. Amendments to trade policy are usually announced in local newspapers, if at all. The state has a monopoly on legal exports of teak, petroleum, natural gas, gems, jade, and pearls, though it sometimes authorizes others to export these products. Relevant government ministries control export of these natural resources. Beginning April 1, the Government of Burma prohibits the export of raw teak wood in an effort to conserve forest resources, although it will continue to export finished wood products.

Import Requirements and Documentation

[Return to top](#)

In May 2013, the Government of Burma removed license requirements for 593 imported goods including: processed foods, garments, paper products, paints, cosmetics, automobile parts, tires, construction materials, electrical appliances, computer accessories, and medical products. It also removed export license requirements for 166 goods including agricultural products, industrial forestry, and animal products. Import and export licenses for remaining goods may be obtained from the Ministry of Commerce. It should be noted that the Government of Burma maintains an unpublished list of restricted imports, but amidst recent reforms it is unclear what, if any, regulations are currently enforced.

Officially, the Myanmar Customs Department requires the following documentation:

1. Import license or permit
2. Invoice
3. Bill of Landing or Air Consignment Notice
4. Packing list
5. Other certificates and permits issued by the relevant government departments as a condition for import

U.S. Export Controls

[Return to top](#)

The U.S. government maintains a suspension of all licenses and other approvals to export/transfer defense articles or services to Burma under section 38 of the Arms Export Control Act (22 U.S.C. sec. 2778, as implemented by 22 C.F.R. 126.1).

The United States does not offer Commodity Credit Corporation credits to Burma.

Temporary Entry

[Return to top](#)

The government may allow temporary imports and exports for trade promotion or assembly purposes, with proper documentation from the Customs Department.

Labeling and Marking Requirements

[Return to top](#)

Certain images, such as those that display a Buddha image or the national flag, cannot be used on labels or trademarks.

In addition, Burma follows Codex guidelines and the ASEAN Common Principles and Requirements for the Labeling of Prepackaged Foods. All foods must be labeled and imported products must have the labels in Burmese, or a label in Burmese must be affixed with the name and address of the local importer and/or distributor and the country of origin. Under the Animal Development and Health Law (Appendix III), the Ministry of Livestock Breeding and Fisheries is responsible for the inspection of imported meat and meat products. However, before meat and meat products can be imported, the importer must obtain an import permit or license from the Ministry of Commerce. In addition to the import permit, each shipment must be accompanied by a health certificate, and the declaration of the shipment's contents. If the shipment passes the inspection for wholesomeness and quality, the office of the Director General of Livestock Breeding and Veterinary Department will issue a certificate of recommendation, which will allow the shipment to be released. The importer is responsible to pay for the inspection fee, the certificate of recommendation, and any expenses deemed necessary by the Director General. In practice, however, importers find it difficult to obtain certificates of recommendation from the Livestock Breeding and Veterinary Department.

Prohibited and Restricted Imports

[Return to top](#)

The Directorate of Trade, Ministry of Commerce, oversees amendments to the Commerce Ministry's list of prohibited imports. The list is published in trade bulletins and publications, but changes with little notice. The current list includes counterfeit money and goods, pornographic articles, narcotic drugs, playing cards, and items featuring images of the Buddha, Burmese pagodas, or the flag of Burma.

Customs Regulations and Contact Information

[Return to top](#)

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132 Strand Road, Yangon, Myanmar.
Tel: 95-1- 248-173, 95-1- 391-437, 95-1- 391-430~36
Website: <http://www.myanmarcustoms.gov.mm>

Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

Overview

[Return to top](#)

Burma's standards system is from the British colonial era and is outdated, disorganized, and decentralized. For measurement, Burma uses a confusing combination of traditional Indian weights and measures (e.g., viss and tical) as well as pounds and kilograms. Standards exist in many sectors (including pharmaceuticals, food safety, vehicle safety and emissions); however there are few standards for imported goods other than food and pharmaceuticals, and there are no product safety regulations. Burma's extensive black market, filled with counterfeit or unregistered products (notably pharmaceuticals and motor vehicles) that are imported illegally from neighboring countries, exacerbates the problem of standards enforcement.

Burma became a member of the International Organization for Standardization (ISO) in 1957, withdrew in 1965, and on July 1, 2005, rejoined as a corresponding member. As a member of ASEAN, Burma participates in the ASEAN Consultative Committee on Standards and Quality and is a signatory to various ASEAN agreements on standards and regulatory harmonization.

Standards Organizations

[Return to top](#)

Responsibility for drafting and enforcing various standards rests with myriad government departments, although it should be noted that government agencies responsible for setting and enforcing standards are generally underfunded and inefficient. The primary organizations that set and enforce standards are:

- The Ministry of Science and Technology maintains a standards library with national and international standards references. However, the government limits access to its libraries and refuses to share most government information with private citizens or organizations.
- The Myanmar Scientific & Technological Research Department, under the Ministry of Science and Technology, is the designated contact point for standardization issues.
- The Ministry of Health's Food and Drug Board of Authority (FDBA), oversees the national Food and Drug Administration (FDA) and its provincial and township affiliates. The FDBA and FDA are responsible for promulgating and enforcing

regulations and standards in the food and pharmaceutical industries (including imports).

- The Ministry of Health's Public Health Department, alongside various city governments (or "Development Committees"), is responsible for licensing and enforcing hygiene standards at restaurants and street stalls.
- The government-controlled Myanmar Engineers Association, which has some private sector membership, is working on establishing building codes and standards (though they do not yet exist comprehensively).
- The Yangon City Development Committee (YCDC), Rangoon's municipal government, is responsible for establishing weights and measures used countrywide, and for enforcing violations of these standards.
- The Ministry of Rail Transportation's Road Transport Administration Department sets and enforces standards for motor vehicle safety and emissions (checked annually).
- The Ministry of Transport's Inland Water Transport Department sets and enforces standards for water vehicle safety and operation (spot checked).
- The Timber Certification Committee of Myanmar (TCCM) is the national governing body to monitor the timber certification process and distribute Burmese timber to the international market.

The Government of Burma has never produced an annual plan of standards.

NIST Notify U.S. Service

Member countries of the WTO are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment	Return to top
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The Ministry of Health runs the National Health Laboratory and the affiliated Food Quality Control Laboratory and Drug Quality Control Laboratory. All labs are underfunded, poorly equipped and staffed, and troubled by allegations of corruption. Conformity assessments, as well as strict enforcements of standards are variable.

Product Certification

[Return to top](#)

Other than for foodstuffs and medicines, there are generally no requirements for product certification. There are no mutual recognition agreements (MRAs) with U.S. organizations. For imports (and a small handful of domestically produced products of international quality), the Government of Burma generally recognizes international product standard certification, as well as certification from standards organizations in the United States, Europe, and Japan. Due to rampant counterfeiting, the government does not accept product certification from neighboring countries, especially India, Thailand, and China. Burma does not yet have laws or regulations pertaining to Genetically Modified Organism (GMO) crops or seeds, which are currently imported without any restrictions.

Accreditation

[Return to top](#)

There is no national accreditation body in Burma.

Publication of Technical Regulations

[Return to top](#)

Laws and regulations are now published with increasing frequency in the gazette in the government-owned daily newspaper, Myanmar Alin and its English version, The New Light of Myanmar, The Burma Gazette as well as in the Ministry of Commerce's Trade News. However, the government issues most new standards internally and does not publish them regularly through any public media outlet. Producers and marketers usually rely on contacts inside the government, or learn by trial and error, to ascertain what new standards have been released or when old standards are changed. There is almost no opportunity for any company, foreign or domestic, to comment publicly on standards, although government officials occasionally and in an ad hoc fashion informally consult directly with businesspersons or through trade bodies.

Labeling and Marking

[Return to top](#)

Respective industrial sectors issue guidelines, including labeling/marketing requirements for their products, in compliance with international or bilateral rules of origin. There are few products for which domestic labeling and marking rules apply, though medicines and foodstuffs are two major exceptions. These products must be labeled with a license number (either from a Government of Burma, international, or select third-country standards body) in order to be legally sold in Burma. Generally, foodstuffs and medicine also have production and expiry dates. Due to poor enforcement and rampant counterfeiting, these labels are often fake or missing, especially on imported pharmaceuticals.

Contacts

[Return to top](#)

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Office Phone: 095-1- 664817
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Email: znaung579@gmail.com

Trade Agreements

[Return to top](#)

As a member of ASEAN, Burma participates in all intra-ASEAN agreements as well as multilateral free trade agreements with Australia, New Zealand, China, India, Japan, and South Korea. As one of ASEAN's least developed members, Burma has until 2015 to comply with required tariff reductions. The Ministry of Finance claims to have implemented 80 percent of Burma's tariff reduction plan.

Burma has bilateral trade agreements with Bangladesh, Sri Lanka, China, South Korea, Laos, Malaysia, the Philippines, Thailand, and Vietnam in the Asian region, as well as with a number of Eastern European countries. Burma is a member of WTO and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). Burma has border trade agreements with China, India, Bangladesh, Thailand, and Laos. The Government of Burma has signed a number of Memoranda of Understanding to expand bilateral trade with those countries. The United States and Burma also signed a Trade and Investment Framework Agreement in May 2013.

Web Resources

[Return to top](#)

- ASEAN Free Trade Area site: <http://www.aseansec.org/4920.htm>
- ASEAN-India Free Trade Area site: <http://www.asean.org/22563.htm>,
<http://www.asean-cn.org/default.aspx>
- ASEAN-China Free Trade Area site: <http://www.asean.org/19105.htm>
- ASEAN-Australia-New Zealand Free Trade Area site:
<http://www.asean.fta.govt.nz/>
- BIMSTEC site: <http://www.bimstec.org/>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Competition from State Owned Enterprises](#)
- [Corporate Social Responsibility](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

Openness to Foreign Investment

[Return to top](#)

Since 2011, Burma has taken significant reforms to improve its legal and regulatory framework in order to create an attractive business climate that will generate more inward foreign investment. According to the Organisation for Economic Co-operation and Development's (OECD) 2014 Investment Policy Review (IPR) of Burma (<http://www.oecd.org/countries/myanmar/investment-policy-reform-in-myanmar.htm>), Burma "has initiated a broad reform process to improve its legal and regulatory framework for investment to create a more favorable investment climate [and] the new Foreign Investment Law [signed by President Thein Sein on November 3, 2012 with implementing rules entering into force on January 31, 2013] and its accompanying implementing rules mark a milestone towards a more open and secure legal environment for investment but are only the first step in a long process."

The stated objectives of the 2013 Foreign Investment Law are to support:

- The extraction and export of the rich natural resources of the state for the benefit of the people;
- The creation and accumulation of jobs for the people;
- The development of human resources;
- The development of infrastructure such as banking and finance, modern roads, interstate highways, production of electricity and energy, and modern information technology;

- Transportation of rail, water and air via an international standard to enable citizens to do business throughout the world;
- The advent of businesses and investments which are in line with established international practices and norms.

The law's stated objectives point to a positive, forward-thinking approach by the government. In general, investors feel that the new Foreign Investment Law offers some improvements over the 1988 Foreign Investment Law by clearly spelling out certain responsibilities and powers granted to the government with regards to approval of investments. Nonetheless, the OECD notes that the new Foreign Investment Law "still leaves many questions unanswered, notably with respect to investor protection and the procedures for admitting foreign investors." In addition, Burma's current regulatory investment framework remains complex, and can cause confusion for investors given the numerous laws that regulate the entry of investors depending on the sector and the location, and depending on whether the investor is local or foreign. Investors have also complained that the government's investment approval process (outlined below) is opaque, complex, onerous with regard to the paperwork required, and lengthy. Investors have also noted that the increase of foreign investor scrutiny of the country and the increase of investment proposals have overburdened the government, thereby creating a bottleneck when it comes to investment approvals.

In addition to the general problems described above, the Foreign Investment Law continues to limit certain types of foreign investment. Specifically, under the Foreign Investment Law, foreign investments cannot be made in the following businesses and services:

- administration and conservation of natural forests;
- production of traditional medicines;
- drilling of oil wells whose depth does not exceed 1,000 feet;
- small and medium scale mining;
- cultivation and production of traditional herbal plants;
- wholesale trading of components and scrap-iron;
- traditional food production;
- production of religious items and wares;
- production of traditional and cultural items and wares;
- handicraft production;
- private specialist traditional hospitals;
- trading of raw materials used for traditional medicines;
- medical research and operation of laboratories for traditional medicine;
- ambulance services;
- care centers for the elderly;
- catering on trains, freight forwarding using trains, cleaning of coaches, management of trains;
- agency services;
- [erection and operation of] power plants with less than 10 megawatts; and
- printing, publishing and distribution of periodicals in local languages spoken in Myanmar, including the Myanmar language.

The implementing rules also restrict foreign investment in certain agriculture and farming businesses, certain animal husbandry businesses, certain fishery businesses. In addition, the implementing rules list those sectors requiring a joint venture (with a maximum of 80 percent foreign equity), as well as other foreign equity limitations and joint ventures permitted only with the state.

The Foreign Investment Law has no minimum capital requirement for foreign ownership, except for joint ventures in restricted sectors, although individual ownership requirements can be established by the Myanmar Investment Commission (MIC) (see below). In addition to the Foreign Investment Law, the State-Owned Economic Enterprises Law, enacted in March 1989 and still in effect today, also regulates certain investments and economic activities. Under this law, state-owned enterprises (SOEs) have the sole right to carry out the following economic activities:

- extraction of teak and sale of the same in the country and abroad;
- cultivation and conservation of forest plantations, with the exception of village-owned firewood plantations cultivated by the villagers for their personal use;
- exploration, extraction, sale, and production of petroleum and natural gas;
- exploration, extraction, and export of pearls, jade, and precious stones;
- breeding and production of fish and prawns in fisheries that have been reserved for research by the government;
- postal and telecommunications services;
- air transport and railway transport services;
- banking and insurance services;
- broadcasting and television services;
- exploration, extraction, and exports of metals;
- electricity generating services, other than those permitted by law to private and cooperative electricity generating services; and
- manufacturing of products relating to security and defense.

However, the MIC, "in the interest of the State," can make exceptions to this law. In the past, the MIC has routinely granted numerous exceptions including through joint ventures or special licenses in the areas of banking (for domestic investors only), mining, petroleum and natural gas extraction, telecommunications, radio and television broadcasting, and air transport services. The 2012 Foreign Investment Law and its implementing regulations continue to grant the MIC broad discretion with regard to its decisions on investments. This can at times be beneficial to investors wishing to engage in economic activities in certain prohibited economic sectors. For example, in 2013, the government opened a tender for the provision of telecommunication services to foreign companies, without any joint venture or local partnership requirements. The tender, widely regarded as fair and transparent, led to the government's decision in June 2013 to award operating licenses to Norwegian telecommunications company Telenor and Qatar-based Ooredoo. MIC's discretionary authority thus allowed Telenor and Ooredoo to engage in the otherwise prohibited telecommunications sector.

This level of discretion allowed to the MIC is concerning. Although, as the OECD 2014 IPR notes, the system gives the government flexibility "to open progressively and selectively to foreign investment and to try to maximize the potential benefits from that investment," the same flexibility also creates uncertainty for investors "concerning the criteria upon which the decision to admit them is based [and] creates opportunities for

corruption when individual officials are given responsibility for deciding on what basis to admit an investment project.”

The Foreign Investment Law also outlines the procedures the MIC must take in considering foreign investments. Investment approvals are made on a case-by-case basis, and interested foreign investors must first submit a proposal through the MIC, after which the MIC will vet the proposal and then vote on its approval. Although the MIC has no power to protect foreign companies, there is no evidence that the MIC discriminates against foreign investors. It should be noted that the MIC does not record some foreign investments if they do not require MIC approval, particularly for investors forming a joint venture with a military-controlled enterprise. Many smaller investments may also go unrecorded. Once licensed, foreign firms may register their companies locally, use their permits to obtain resident visas, lease cars and real estate, and obtain new import and export licenses from the Ministry of Commerce. Foreign companies may register locally without an MIC license, but in which case they are not entitled to receive the benefits and incentives provided for in the Foreign Investment Law.

In April 2013, the MIC's secretariat, the Directorate of Investment and Company Administration (DICA) launched a service center in Rangoon to facilitate company registration for foreign investors. The center serves as a one-stop shop, hosting representatives from relevant ministries. In order to further promote investment, the government intends to completely relocate the MIC to Rangoon by July 2014.

Please find below contact information for the MIC:

Chairman U Zeyar Aung
Myanma Investment Commission
Office No.32,
Nay Pyi Taw, Myanmar
Tel: 067-406122, 067-406123 (Director General)
Contact: U Aung Naing Oo, Director General, Directorate of Investment and Company Administration (DICA)

The government taxed overseas remittances prior to 2012. This contributed to the popularity of informal money transfer networks (aka the "hundi" system). Many overseas workers continue to use the hundi system to remit their money home though the volume of these informal transfers is declining gradually. Banks began introducing remittance services during 2012 and the volume of such formal transfer is low but growing, according to local bank managers, who forecast that they will overtake hundi remittances in two or three more years. According to the Foreign Investment Law, foreign investors have the right of remittance of foreign currency. Foreign investors are allowed to remit foreign currency overseas through banks which are authorized to conduct foreign banking business at the prevailing exchange rate.

In March 2014, the government passed the Union Taxation Law, which came into effect April 1, 2014. The law contains provisions on capital gains as well as income tax rates. Observers opine that the government introduced the new law, that includes some lowered tax rates and new tax breaks, as an incentive to reign in endemic tax evasion and illegal trade.

The Union Taxation Law stipulates income tax rates. Incomes taxes are payable in kyat and assessed at the following rates:

- between 1 to 2 billion kyat 0%
- between 2 to 5 billion kyat 5%
- between 5 to 10 billion kyat 10%
- between 10 to 20 billion kyat 15%
- between 20 to 30 billion kyat 20%
- over 30 billion kyat 25%

The law states that Burmese citizens residing abroad must pay, in foreign currency, a 10% income tax on their total income earned abroad (with certain exceptions). A company registered and incorporated in Burma must pay a 25% income tax on its total income.

Under the Union Taxation Law, capital gains from the sale and transfer of assets of companies conducting business in oil and gas sector is payable in kyat, even if the capital gain was in a foreign currency. Capital gains are assessed at the following rates:

- up to 100 billion kyat 40%
- between 100 and 150 billion kyat 45%
- over 150 billion kyat 50%

The Burmese armed forces are involved in many commercial activities via the Union of Myanmar Economic Holdings, Ltd. (UMEHL) and the Myanmar Economic Corporation (MEC). Foreign firms have in the past reported that an affiliation with UMEHL or MEC helped them receive the proper business permits when setting up a joint venture. Nonetheless, entering into business with UMEHL or MEC does not guarantee success for foreign partners. Under General License No. 17 issued by the Department of Treasury's Office of Foreign Assets Control (OFAC) on July 11, 2012, U.S. businesses are not allowed to invest or enter into an agreement with the Burmese Ministry of Defense or any state or non-state armed group, or any entity in which any of the above own a 50 percent or greater interest.

Although the majority of import/export procedures have not changed, the government has moved from a discretionary to an automatic licensing system since 2010/2011. As a result, licenses are no longer issued only in the administrative capital of Nay Pyi Taw, about 230 miles north of Rangoon, and the time required for obtaining licenses has decreased markedly since mid-2011 from approximately two weeks to 1 day for most items. Most exports permits are issued in Rangoon but some can also be issued by government branch offices at certain border towns such as Muse, Shwe Li and Myawaddy; import permits are issued in both Nay Pyi Taw and Rangoon, with wait times ranging from approximately 1 day in most cases to a maximum of one week.

TABLE: The following chart summarizes several well-regarded indices and rankings.

Measure	Year	Rank or Value	Website Address
TI Corruption Perceptions Index	2013	157 of 177	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom Index	2013	162 of 177	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2013	182 of 189	http://doingbusiness.org/rankings
Global Innovation Index	2013	Not ranked	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2012	Not included	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD
OECD FDI Regulatory Restrictiveness Index	2013	0.356 on a scale of 0-1	http://stats.oecd.org/Index.aspx?datasetcode=FDIINDEX#

Conversion and Transfer Policies

[Return to top](#)

In past years, foreign investors have encountered difficulties in legally transferring their net profits abroad. U.S. sanctions imposed in 2003 prohibited the export or re-export of financial services to Burma, which eliminated dollar denominated transactions and essentially cut off Burma from the world's financial system. However, there have been several major changes to the financial and banking system in Burma over the last two years. These changes, in turn, have led to increased foreign bank participation in addition to the entrance of U.S. and foreign financial service providers to the Burmese market.

On April 2, 2012, Burma's multiple exchange rates were abolished and the Central Bank of Myanmar established a managed float of the Burmese kyat with an initial auction at 818 kyat per one U.S. dollar. The kyat has appreciated gradually since then and the exchange rate during the first quarter of 2014 was approximately between 970 to 990 kyat / dollar.

Currently, the Central Bank of Myanmar allows 11 domestic banks to conduct international currency transactions. Although under current Burmese law foreign banks

are not allowed to operate in Burma, they are allowed to set up representational offices to explore the market, and to date, according to the Myanmar Central Bank, there are currently 35 such representational offices. In addition to foreign bank presence in Burma, U.S. companies such as Visa and MasterCard have also entered the market, and to date, there are no less than eight banks that allow automated teller machine (ATM) withdrawals using Visa and MasterCard.

According to the Foreign Investment Law, foreign investors have the right of remittance of foreign currency. Foreign investors are allowed to remit foreign currency overseas through banks which are authorized to conduct foreign banking business at the prevailing exchange rate.

In practice, the transfer of money in or out of Burma has been difficult, as many international banks have been slow to update their internal prohibitions on conducting business in Burma given the long history of U.S. and European sanctions that had isolated the country. The majority of foreign currency transactions are conducted through banks in Singapore. Despite the absence of any legal impediment, it appears that some U.S. banks still refuse to conduct money transfers to and from Burma. According to press reports and statements by government officials, the Central Bank of Myanmar plans to allow a limited number of foreign banks to open subsidiaries or branches in Burma in 2014, though the scope of financial services which they can provide will likely be limited.

Despite recent reforms, Burma's banks continue to face a number of significant regulatory restrictions that limit the growth of lending, though deposits have grown significantly over the past years, albeit from a low base. According to official figures published by Burma's Central Statistical Organization, total bank deposits by the end of November 2013 were approximately \$10.4 billion. As these limits are eased in the coming months and years, prompting further growth, the Government of Burma will need to address weaknesses in the country's supervisory and regulatory framework and in the internal business practices of private and government-linked banks.

Expropriation and Compensation

[Return to top](#)

According to the OECD 2014 IPR, Burma's "expropriation regime . . . does not appear to protect investors against indirect expropriations." In addition, it reports that Burma has not incorporated the principle of non-discrimination into its investment framework. Other than a constitutional safeguard that states that the government will not nationalize economic enterprises, there is no specific provision in Burma's legislation against expropriation without compensation. The Foreign Investment Law prohibits nationalization and states that foreign investments approved by the MIC will not be nationalized during the term of their investment. Specifically, the law states that "the Union Government guarantees that a business formed under the law shall not be nationalized within the term of the contract or the extended term if such term is extended." In addition, the law guarantees that the Government of Burma will not terminate an investment enterprise without reasonable cause, and on upon expiry of the contract, the Government of Burma guarantees an investor the withdrawal of foreign capital in the foreign currency in which the investment was made. Finally, the law states that "the Union Government guarantees that it shall not cease an investment enterprise

operating under a Permit of the Commission before the expiry of the permitted term without any sufficient reason.”

Aside from the possibility of outright expropriation by the Government of Burma, private businesses have been subject to predatory practices by regime-linked cronies. Given the weak rule of law in Burma and the pervasive and powerful system of patronage, larger and more well-connected entities have generally been able to muscle out smaller competitors by denying access to markets, forcing the sale of assets, or otherwise disrupting business operations. However, public scrutiny of businesses is beginning to increase due to a more free and vibrant local press and an increasingly energetic Parliament, and beginning to limit – or at least reduce the overt exercise of – such practices.

Dispute Settlement

[Return to top](#)

It is unclear on what grounds access to alternative dispute resolution, such as international arbitration, is an available option for foreign investors. According to the Foreign Investment Law, when disputes cannot be settled amicably between the parties concerned, the dispute should be settled according to the dispute settlement provisions of the “agreement” or in accordance with Burmese law if the contract contains no dispute settlement provisions, and that investors will inform the MIC about the dispute’s circumstances as well as which mechanisms will be used to settle the dispute. According to the OECD, however, the exact meaning in the law of the term “agreement” is not specified, and observers are confused if “agreement” refers to contracts concluded between state authorities and individual foreign investors, or whether it also refers to bilateral investment treaties containing an investor-state dispute settlement provision. The OECD notes that lack of clarity on this front makes the dispute settlement regulations “vague on what options are de facto made available to investors seeking to resolve their disputes.”

In the past, private and foreign companies suffered major disadvantages in disputes with Government of Burma and quasi-governmental entities. Foreign investors generally prefer to use the 1944 Arbitration Act, which allows for international arbitration. The Burmese government usually tried to stipulate local arbitration in all contracts it signed with foreign investors.

In order to address the concerns of foreign investors about dispute settlement in Burma, the government did take the significant step of acceding, on April 16, 2013, to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (“New York Convention”). However, it has not yet drafted domestic legislation to implement the New York Convention.

Courts are neither independent nor impartial, thereby making local arbitration unreliable. Companies facing adverse administrative decisions have no recourse. In addition, Burma is not a member of the International Center for the Settlement of Investment Disputes. The Attorney General's Office and the Supreme Court exercise nominal control over the legal system in Burma, but neither body is independent of the government.

Burmese criminal and civil laws are modeled on British law introduced during the colonial period, which ended in 1948. Every township, state, and division has its own law officers and judges. Following the transfer of power to a civilian government in March 2011, the regional military commanders and military authorities at the township, state, and divisional level no longer have authority over judicial decisions at the local and state/division level, although they still wield considerable influence that varies from region to region. Foreign companies have the right to bring cases to and defend themselves in local courts, but this option is rarely exercised due to concern about the impartiality of the courts. Foreign investors involved in conflicts with the government are unlikely to receive a court ruling in their favor.

There is no bankruptcy law in Burma, and antiquated insolvency laws – such as The Insolvency Act of 1910 and The Insolvency Act of 1920 – are rarely used.

Performance Requirements and Incentives

[Return to top](#)

According to Article 27 of the Foreign Investment Law, in order to promote foreign investment, the Government of Burma will grant new investors a five year tax holiday with an option for further exemption if the enterprise is “beneficial to the State.” The new Foreign Investment Law also details several other exemptions and avenues of relief such as a three year exemption on custom duties and the relief from commercial tax for goods produced for export. In addition, Article 27 (j) grants an exemption from customs duty or other internal taxes for any machinery or equipment, or materials imported in order to expand the business.

Article 24 of the Foreign Investment Law states that new foreign investment funded enterprises must have Burmese citizens comprise 25 percent of their total skilled employees/workforce by the first two years of operating, 50 percent by the subsequent two years, and 75 percent by the third two-year period. The law grants the MIC power to extend the time limit to employ Burmese workers for “knowledge-based business.”

Any enterprise operating under the Foreign Investment Law or the Myanmar Companies Act must pay income tax at a 25 percent tax rate effective April 1, 2012. Withholding tax on royalties and interest is 15 percent for resident foreigners and 20 percent for non-resident foreigners. Tax collection in Burma is, in practice, extremely lax, but foreign investors are an easy target for cash-strapped tax authorities. The Burmese fiscal year ends March 31; tax returns are due by June 30.

The recently-passed Myanmar Economic Zones Law also contains certain investment incentives for investors. Under the law, investors located in a Special Economic Zone (SEZ) may apply for income tax exemption for the first five years from the date of commencement of commercial operations, followed by a reduction of the income tax rate by 50% for the proceeding five year period. Under the law, if profits during the next third five year period are re-invested within one year, investors can apply for a 50% reduction of the income tax rate for profits derived from such re-investment.

Right to Private Ownership and Establishment

[Return to top](#)

To date, foreigners cannot purchase and own land or condominiums in Burma and – until September 2011 – could only rent property on a short-term basis, with leases typically limited to one year. However, according to Article 31 of the Foreign Investment Law, foreign investors may, depending on the type and value of investment, lease land for a period of up to 50 years and renewable for a further two 10-year periods. In order to do so, the foreign entity must first obtain permission from the MIC in order to lease land in Burma. In addition, a private entity can establish, buy, sell, and own a business only with the review and approval of the MIC. The Government of Burma has also drafted a new condominium law (to date, not yet passed) that would allow foreigners to purchase condominiums, but under strict rules that limit the condominium developer from selling and transferring no more than 40 percent of the condominiums on the sixth floor and above of the building to foreigners.

Most real estate transactions in Burma require cash, although banks have begun limited introduction of a consumer lending product that resembles a mortgage loan. Regular bank loans are difficult to obtain and are not available to foreigners. In accordance with The Transfer of Immovable Property Restriction Law of 1987, mortgages of immovable property are prohibited if the mortgagee is a foreigner, foreign company or foreign bank.

Protection of Property Rights

[Return to top](#)

On paper, Burma has a legal system which protects and facilitates the acquisition and disposition of property such as land and buildings. However, judicial decisions can often be influenced through government interference, personal relationships or bribes, resulting in a judicial process that is perceived as far from impartial and fair. Burma also suffers from an antiquated legal system and outdated legislation; many laws are vague and often subject to manipulation. A lack of rule of law and an ineffective, corrupt judiciary pose major challenges for U.S. private sector constituents looking to do business in Burma. Furthermore, local entities may engage in deceptive, coercive activities by bribing local judges or using personal connections to obtain favorable judgments.

In addition to deficient rule of law, Burma does not have adequate intellectual property rights protection. Patent, trademark, industrial design, and copyright laws and regulations are antiquated and deficient, and there is minimal regulation and enforcement of existing statutes. For example, the registration of patents and designs in Burma is still governed by the Indian Patents and Designs Act of 1911, enacted under British colonial rule. The British colonial government also published a Copyright Act in 1914, but neither the colonial government nor the Government of Burma ever instituted a means to register copyrights. Consequently, there is no legal protection in Burma for foreign copyrights. In addition, Burma has no trademark law, although trademark registration is possible. Some firms place caution notices in local newspapers to declare ownership of their trademarks. After publication, the owners can take criminal and/or civil action against trademark infringers. Title to a trademark depends on use of the trademark in connection with goods sold in Burma.

The lack of adequate intellectual property rights translates to piracy and other intellectual property rights violations in Burma. Piracy of music CDs, video CDs, CD-ROMS, DVDs, books, software, and product designs is evident nationwide, especially in border regions and in the two major urban centers of Rangoon and Mandalay. Most consumers of information technology products in Burma, both in the private sector and in government, use pirated software. Given the small number of local customers, poor state of the economy, and lack of infrastructure (e.g., unreliable electricity for manufacturing), piracy does not have a significant adverse impact on U.S. products.

The Government of Burma is attempting to address these legal deficiencies and the high level of piracy within Burma. After Burma joined ASEAN in 1997, it agreed to modernize its intellectual property laws in accordance with the ASEAN Framework Agreement on Intellectual Property Cooperation. The Ministry of Science and Technology has drafted four new intellectual property laws – on trademarks, copyrights, patents, and industrial design – with the aim of creating a modern, comprehensive legal framework for intellectual property rights and improving Burma's business climate. The Ministry of Science and Technology has received advice from external stakeholders and experts during the drafting process. It expects to submit the draft laws to Parliament during 2014. The Government of Burma is also exploring the establishment of a single national Intellectual Property Office that would monitor compliance with intellectual property laws and be responsible for further developing intellectual policy and regulations. In addition, the WTO has delayed required implementation of the Trade Related Aspects of Intellectual Property (TRIPs) Agreement for Least Developed Nations – including Burma – until 2021.

Transparency of Regulatory System

[Return to top](#)

Burma lacks regulatory and legal transparency. Though the current government has made efforts to become more transparent, in the past all existing regulations, including those covering foreign investment, import-export procedures, licensing, and foreign exchange, were subject to change with no advance or written notice, and without opportunity for public comment. The government continues to issue new regulations or laws often with no advance notice and little if any opportunity for review or comment by domestic or foreign market participants. In 2012 and 2013, the Government of Burma did publish new regulations and laws in government-run newspapers and "The Burma Gazette" more frequently than in the past.

Burma's written health, environmental, tax, and labor laws do not impose a major burden on investment. However, the unpredictable nature of the regulatory and legal situation – and irregular enforcement of existing laws -- makes investment in Burma extremely challenging without good and well-connected local legal advice.

Efficient Capital Markets and Portfolio Investment

[Return to top](#)

Burma has extremely small equity and debt markets in which foreigners cannot engage, and average citizens do not have portfolio investments. Banks are the primary buyers of government bonds issued by the Central Bank of Myanmar, which has established a fledgling bond market auction system. The Central Bank of Myanmar issues government

treasury bonds with maturities of two, three and five years. Several Burmese companies sell bonds privately on a very small scale.

Burma has one stock exchange, the Myanmar Securities Exchange Center, a joint venture of Myanmar Economic Bank and Japan's Daiwa Institute of Research. Almost no activity takes place on this unregulated stock exchange except for over-the-counter trading of government treasury bonds. However, on July 30, 2013, the Securities Exchange Law came into effect. The law provides the framework for the establishment of a stock exchange and is meant to promote the development of a market-oriented system, safeguard the participants who take part in the securities exchange certificate market, and encourage more participation by the public in financial markets. Specifically, the new law establishes a securities and exchange commission, the main regulatory body to supervise the securities market, as well as sets out licenses available for securities businesses (such as dealing, brokerage, underwriting, investment advisory and company's representative). In addition, the law provides for the establishment of an over the counter market, specifies the prohibited acts relating to securities trading (e.g. insider trading) and the penalties, and provides for the establishment of a securities depository and clearing business.

Implementation of the Securities Exchange Law is a positive step toward the development of an equity market. In 2012, the Central Bank of Myanmar signed a Memorandum of Understanding with the Tokyo Stock Exchange and Daiwa Securities Group to establish a fully-operational stock exchange by 2015. Observers had expressed concern that this target would be missed because of slow progress on establishing a regulatory framework and a securities regulator. Despite passage of the Securities Exchange Law, however, it is unclear whether it will be effectively implemented, including the establishment of a credible and securities regulatory commission, by 2015 and whether many Burmese companies will be ready to list on the new exchange.

Private companies, whether foreign or domestically controlled, are generally small in size. Usually, a small number of people or entities, often within the same family, closely hold the business shares.

Competition from State Owned Enterprises

[Return to top](#)

As noted, the Government of Burma reserves for state-owned enterprises many lucrative sectors and sectors deemed sensitive. According to the 1989 State-Owned Economic Enterprises Law, state-owned enterprises have the sole right to carry out certain economic activities (see above in Section 1).

Corporate governance of state-owned enterprises is not transparent, and state-owned enterprises are not required by law to publicly release annual reports. In general, a regulatory framework for corporate governance, including both private sector companies and state-owned ones, is lacking. In addition, the Government of Burma requires that state-owned enterprises use only state-owned banks for their financial transactions. Private enterprises do not compete on the same terms and conditions as state-owned enterprises. As a result, Burmese state-owned enterprises are inefficient and are

unlikely to be able to compete with the private sector, especially foreign companies, on a level playing field.

Starting in 2012, the Government of Burma began taking steps to reduce state-owned enterprises' reliance on government support and to make them more competitive through joint ventures. This included reducing budget subsidies for financing the raw material requirements of state-owned enterprises. The Government of Burma also continued efforts to privatize or lease enterprises and real estate properties to both foreign and domestic investors. Additional tenders for the sale or lease of state-owned enterprises and properties are expected during 2014.

Burma does not have a sovereign wealth fund.

Corporate Social Responsibility

[Return to top](#)

Burma does not have a deep awareness of Corporate Social Responsibility (CSR). Many local companies (and some international firms) still equate CSR with in-kind donations or charitable contributions. Burma is a deeply religious country with the majority of its residence practicing the Buddhist religion which holds that one may increase one's standing in the cycle of reincarnation by "making merit" through acts of charity. As a result, most Burmese business owners, including so-called cronies, often donate money, build schools, hospitals, low-rent apartments or even pay above the market wage as a result of their Buddhist faith.

Private companies owned by foreign nationals from China, South Korea, Japan or other ASEAN countries may practice some form of CSR, but such practices are largely absent in the Burmese market. Several U.S. companies are actively incorporating CSR as an integral part of their entry (or pre-entry) strategy for Burma.

The Government of Burma does not have in place corporate governance, accounting, or executive compensation standards. Nonetheless, since 2011, Burmese civil society organizations have become more vocal in protesting against companies or government sponsored projects which they view as violating social standards.

Political Violence

[Return to top](#)

There were no instances of political violence against Americans in 2013. Although political demonstrations and rallies are normally peaceful, spontaneous rioting, and attacks on individuals can occur due to the density of most gatherings and the mob mentality of unaccountability/anonymity that often prevails. Burma experienced sporadic bombing attacks in 2010 and 2011. In October 2013, an improvised explosive device, one of several employed over a 24 hour period, went off in a downtown Rangoon hotel, wounding many including an American woman. There is no indication that these attacks targeted U.S. citizens or U.S. interests. Local authorities regularly claim to discover explosive devices at various locations throughout Burma. In most cases, no groups claim responsibility.

While violence or demonstrations rarely target American or other Western interests in Burma, several ethnic groups are engaged in ongoing civil conflict with the Government of Burma. For decades, there has been anti-government insurgent activity in various locations, particularly near Burma's borders. These border areas have seen sporadic fighting between government forces and insurgent groups throughout the past 50 years. Currently, most ethnic minority groups have signed cease fire agreements with the central government. Nonetheless, in Kachin State, in northern Burma on the border of China, instances of armed clashes between the Kachin Independence Army (KIA) and the Burmese Army have flared up since June 2011.

Certain states in Burma also experience inter-communal violence. Violence between Buddhists and Muslims has led to enhanced international scrutiny. In 2012, riots and associated violence in Rakhine State in the western part of Burma left nearly 200 people dead and thousands displaced. In March 2013, in Meiktila in central Burma, violence between Buddhists and Muslims left more than 40 people dead. More recently, in March 2014, riots and looting in the capital of Rakhine State led to the destruction of international non-governmental organizations' (INGO) properties and supplies, and led to the mass evacuation of INGO staff. The national government reports that it is attempting to address and quell the violence.

For the latest security information, U.S. citizens living and traveling abroad should regularly monitor the Department of State's Consular Affairs website at <http://travel.state.gov>, where the current Worldwide Caution, Travel Alerts, Travel Warnings and health-information resources can be found.

Corruption

[Return to top](#)

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the

purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at:

<http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Burma is a party to the UN Convention.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>)

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco.)

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at www.justice.gov/criminal/fraud/fcpa.

Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

According to Transparency International, Burma is ranked 157th out of 177 countries surveyed for its 2013 Corruption Perceptions Index. According to the analysis, the ranking represents a significant improvement from the 2012 survey in which the country was ranked 172nd out of 176 nations (above only Sudan, Afghanistan, North Korea, and Somalia).

Although global perceptions of Burma's corruption are high, the Government of Burma appears to be taking steps to address corruption and grafting. Burma's Parliament passed the Anti-Corruption Law in August 2013. The law aims to eradicate bribery and promote accountability, and the law's provisions carry a maximum 15-year-sentence for politicians found guilty of engaging in corrupt practices and a maximum 10-year sentence for other authorities. In February 2014, the Parliament also appointed an Anti-Corruption Commission in order to reduce corruption and bribery. The Commission, mandated by the new anti-corruption law, consists of fifteen members who are officials in the executive, judicial and legislative arms of government.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.

- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

[Return to top](#)

Burma has signed several bilateral investment agreements, also known as "Protection and Promotion of Investment" agreements, with the Philippines, China, Laos, Vietnam, Thailand, Kuwait, and India. Observers opine that these agreements have had little impact on enhancing incoming investment from other countries in the region. More recently, on December 15, 2013, Japan and Burma signed a bilateral investment agreement, and in January 2014, Burma signed an investment guarantee treaty with Korea. On May 21, 2013, the United States and Burma signed a Trade and Investment Framework Agreement (TIFA). It is still too early to tell what impact, if any, these agreements will have in enhancing investment in Burma. Burma has also engaged in investment treaty negotiations with Japan, Russia, Mongolia, Bangladesh, Korea, Iran, Israel, Serbia, and Hong Kong, China.

Through its membership in ASEAN, Burma is also a party to the ASEAN Comprehensive Investment Agreement, as well as to the ASEAN-Australia-New Zealand Free Trade Agreement, the ASEAN-Korea Free Trade Agreement, and the China-ASEAN Free Trade Agreement, which all contain an investment chapter that provides protection standards to qualifying foreign investors.

Burma has bilateral trade agreements with Bangladesh, Sri Lanka, China, South Korea, Laos, Malaysia, the Philippines, Thailand, and Vietnam in the Asian region, as well as with a number of Eastern European countries.

OPIC and Other Investment Insurance Programs

[Return to top](#)

On February 6, 2014, the Export-Import Bank of the United States (Ex-Im Bank) announced that it would open for business in Burma to help finance short-term and medium-term U.S. export sales. Ex-Im Bank can now provide export-credit insurance, loan guarantees and direct loans for creditworthy export sales to Burma. Short-term insurance is available for sovereign transactions with repayment terms of 180 days or less, and up to 360 days for capital goods. Medium-term insurance, loan guarantees and loans are available for sovereign transactions with terms typically up to five years. The Ex-Im Bank is also able to provide long-term support in Burma, provided there are financing arrangements that eliminate or externalize country risks, such as asset-backed financings and structures that earn revenues offshore in a third country.

On December 17, 2013, Burma became a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA), which means that direct foreign investment into the country is eligible for the agency's investment guarantees.

Overseas Private Investment Corporation (OPIC) programs are expected to be available for Burma during the second half of 2014.

Labor

[Return to top](#)

Until March 2012, independent labor unions were illegal in Burma, and workers were not allowed to organize, negotiate, or in any other legal way exercise control over their working conditions. However, in October 2011, the Government of Burma passed the Labor Organization Law, which legalized the formation of trade unions and allows workers to go on strike for the first time in Burma's modern history. The Labor Organization Law took effect in March 2012 and by March 2014, roughly 900 enterprise level unions had been formed in a variety of industries ranging from garments/textiles to agriculture to heavy industry. Though the passage of the Labor Organization Law has engendered a nascent labor movement in Burma, due to the former suppression of the labor movement, there is a very low level of awareness of labor issues among workers, employers, and even government officials, although labor groups and unions as well as other civil society actors are devising awareness-raising campaigns in order to educate workers on their rights.

Burma's labor costs are very low, even when compared to most of its Southeast Asian neighbors. Older Burmese, particularly those over 65 years of age, are generally well-

educated. Many studied English in mission schools during the British colonial and early independence period. Nonetheless, the military's nationalization of schools in 1964, its discouragement of English language classes in favor of Burmese, the lack of investment in education by the Government of Burma, and the repeated closing of Burmese universities over the past 20 years have taken a toll on the country's young. Skilled labor and managerial staff are in high demand and short supply, leading to high turnover. Most in the 15-39 year old demographic group lack technical skills and English proficiency. In order to address this gap, the Government of Burma's Employment and Skill Development Law entered into effect in December 2013. Among other things, the law provides for compulsory contributions on the part of employers to a "skill development fund", although this provision has not been implemented yet.

Although government regulations set a minimum employment age, wage rate, and maximum work hours, managers do not uniformly observe these regulations, especially in the private sector. In 2009, the Ministry of Finance and Revenue set the minimum wage at 1000 kyat (roughly \$1.17) per day. The Ministry of Finance and Revenue has raised government salaries regularly since 2010 but has not revised the minimum wage for other workers. An average worker in Burma earns about 1500 kyat (roughly \$1.76) per day, although this amount can be more or less depending on the type of work and whether it is in urban or rural areas. On March 22, 2013, the Government of Burma's Minimum Wage Law came into effect. The law, however, does not update or specify Burma's minimum wage, and instead mandates the creation of a National Committee made up of government, private sector and civil society representatives to determine a minimum wage and its application.

The Government of Burma has utilized forced labor in its construction of commercial enterprises and for portage and military building. In addition, Burma has been condemned for recruitment and use of child soldiers in armed combat by the military and by non-state armed groups. These labor practices are inconsistent with Burma's obligations under several International Labor Organization (ILO) Conventions. Because of these practices, the ILO had imposed sanctions against Burma since 2000. Recent progress in labor rights and reform, however, led to the ILO suspending its sanctions against Burma in June 2012.

In addition to passage of the Labor Organization Law (see above), in March 2012, the Government of Burma passed the Ward or Village Tract Administration Law which defines, prohibits and criminalizes the use of forced labor in Burma, and simultaneously repealed an old colonial era law that had sanctioned the practice. In December 2013, the Government of Burma ratified ILO Convention 182 on the elimination of the worst forms of child labor. The ILO continues to work with the Burmese Government on forced labor issues under the Supplementary Understanding on Forced Labor which was signed in February 2007 and renewed in January 2012, and will also engage with the Government of Burma on the issues of child soldiers and child labor. The United States strongly supports ILO activities in Burma.

Although the government does not publish unemployment figures, anecdotal evidence indicates a level of unemployment as high as 20% and underemployment in formal, non-agricultural sectors. The IMF estimates a 4.02% unemployment rate in 2013.

The government has set aside 19 "industrial zones," large tracts of land surrounding Rangoon, Mandalay, and other major cities, and is exploring the creation of another seven industrial zones. However, all these areas are merely zoned for industrial use and none of them come with any special services or investment incentives.

Burma enacted a Special Economic Zone Law in January 2011 that was quickly replaced by the Myanmar Economic Zones Law which President Thein Sein signed into law on January 23, 2014. As noted above, under the new law, investors located in a SEZ may apply for income tax exemption for the first five years from the date of commencement of commercial operations, followed by a reduction of the income tax rate by 50% for the proceeding five year period. Under the law, if profits during the preceding five year period are re-invested within one year, investors can apply for a 50% reduction of the income tax rate for profits derived from such re-investment.

The new law also mandates the formation of an SEZ central authority and a management committee. The management committee will be responsible for setting wage levels and monitoring the ratio of local and foreign labor. Under the law, local skilled labor should compose at minimum 25 percent of the total workforce in the first year, 50 percent in the second year and 75 percent in the third year. The law also stipulates the conditions needed in order to establish new zones.

There are three SEZs in Burma: one in Dawei, Tanintharyi Division; one at Kyauk Phyu off the western coast of Rakhine State, and one in Thilawa on the outskirts of Rangoon. The Dawei and Kyauk Phyu SEZs are being developed as deep sea ports. Initially, Thailand-based Italian-Thai Development Public Company Limited (ITD) was the project developer of the Dawei SEZ. However, after ITD failed to raise sufficient financing, the Government of Burma took over the project, and the search for a new developer continues. The governments of Burma and Japan aim to establish a joint venture (with 51 percent Burma ownership) to develop the Thilawa SEZ, although the Thilawa SEZ already hosts port facilities that can accommodate larger vessels. Construction of the first factories to be built in Thilawa will begin in May 2014.

Investment figures compiled by the Burmese government include only investments approved by the MIC, only a fraction of which go forward. No statistics exist for disinvestment. The figures do not appear to include many small and medium Chinese investments.

Based on data available at the beginning of January 2014, cumulative foreign direct investment approved by the MIC totaled 655 projects, valued at \$45.33 billion, 8.4 percent higher than the cumulative total listed at the end of December 2012, US\$ 41.49 billion. The MIC expects the country's telecommunications and energy sectors be a significant driver of overseas business investment in 2014 and beyond.

According to the latest Government of Burma statistics provided by DICA, FDI approvals for Burmese FY 2013-2014 (April-March) totaled US\$ 4,107.055 million with 123

permitted enterprises. Leading sectors for this fiscal year were manufacturing (45 percent), telecoms (29 percent) and hotels/tourism (10 percent), in addition to investments in oil and gas, mining, transportation and real estate. This is a significant increase in recorded FDI approvals from FY 2012-2013, which totaled US\$ 1419.467 million with 94 permitted enterprises. Leading sectors in the last fiscal year were power, oil and gas, manufacturing, and mining.

The vast majority of approved new investment since 1997 has come from Asian countries. Nonetheless, in 2012, the United States, the United Kingdom, the European Union, and Australia all eased their bans on investment in Burma. On July 11, 2012 the United States Department of Treasury issued General License No. 17 which authorizes new U.S. investment in Burma in all sectors with the exception of investment with the Burmese Ministry of Defense, state or non-state armed groups (which includes the military), or entities owned by the foregoing. Moreover, the core legal authorities underlying the U.S. sanctions remain in place. U.S. persons are still prohibited from dealing with blocked persons, including both listed Specially Designated Nationals (SDNs) as well as any entities 50 percent or more owned by an SDN. The Treasury Department's OFAC publishes a list of SDNs available at www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx.

The United States remains concerned about the protection of human rights, corruption, and the role of the military in the Burmese economy and as such requires all new U.S. investment in excess of \$500,000 to be subject to certain reporting requirements available at <http://www.humanrights.gov/2012/07/11/burmaresponsibleinvestment/>. There are several components to these reporting requirements. Investors are required to file reports with the State Department on an annual basis, to include a version of the report that the Department will make publicly available, consistent with relevant U.S. law. Key information that companies report on include information regarding policies and procedures with respect to human rights, workers' rights, environmental stewardship, land acquisitions, arrangements with security service providers, and, aggregate annual payments exceeding \$10,000 to Burmese government entities, including state-owned enterprises. The purpose of the public report is to promote greater transparency and encourage civil society to partner with our companies toward responsible investment. The above reporting requirements apply to any new investment, whatever corporate form it might take. In addition, individuals or entities undertaking new investment pursuant to an agreement, or pursuant to the exercise of rights under such an agreement, that is entered into with the Myanmar Oil and Gas Enterprise (MOGE) must notify the Department of State within 60 days of their new investment.

According to Government of Burma statistics for 2013, in stock terms, the United States is the thirteenth largest foreign investor in Burma, with 15 approved projects totaling \$243.6 million, which amounts to 0.54% of the total foreign direct investment in Burma.

Major non-U.S. foreign investors in Burma are concentrated in resource extraction and include: Petronas (Malaysia), Total (France), PTTEP (Thailand), Shin Satellite (Thailand), Keppel Land (Singapore), Daewoo (South Korea), China National Construction and Agricultural Machinery Import and Export Co. (PRC), Gas Authority of India Ltd. (GAIL) (India), CNPC (PRC) and the China International Trust and Investment Corporation (PRC).

Government statistics do not report external investments made by Burmese companies. However, there is anecdotal information that some wealthy Burmese individuals and small family businesses have made investments in China and in neighboring ASEAN countries, especially Singapore.

TABLE: Foreign investment approvals as of January 1, 2014 (by sector)

Sector	Permitted Enterprises	
	No.	Approved Amount (in millions USD)
Power	7	19284.432
Oil and Gas	115	14372.272
Manufacturing	312	3710.349
Mining	69	2862.424
Hotel and Tourism	51	1797.921
Real Estate	22	1229.150
Transport & Communication	18	1217.016
Livestock & Fisheries	28	365.974
Agriculture	13	203.020
Industrial Estate	3	193.113
Other Services	15	54.392
Construction	2	37.767
Total	655	45327.830

TABLE: Cumulative foreign investment approvals as of January 1, 2014 (by country)

Particulars	Permitted Enterprises		
	No.	Approved Amount (in millions USD)	%
China	56	14227.599	31.39
Thailand	70	9995.0712	22.05

Hong Kong	68	6477.275	14.92
Singapore	103	3802.415	8.39
United Kingdom	67	3149.349	6.95
Republic of Korea	86	3047.303	6.72
Malaysia	46	1625.861	3.59
Vietnam	7	513.186	1.13
France	3	474.360	1.05
Japan	43	321.339	0.71
India	12	299.540	0.66
The Netherlands	7	249.136	0.55
United States	15	243.565	0.54
Indonesia	12	241.497	0.53
Philippines	2	146.667	0.32
Australia	15	99.776	0.22
Russia Federation	2	94.000	0.21
Austria	2	72.500	0.16
Panama	2	55.101	0.12
United Arab Emirates	2	45.500	0.10
Canada	16	41.883	0.09
Mauritius	2	30.575	0.07
Germany	2	17.500	0.04
Republic of Liberia	2	14.600	0.03
Denmark	1	13.370	0.03
Cyprus	1	5.250	0.01
Luxembourg	1	5.200	0.01
Macau	2	4.400	0.01
Brunei Darussalam	3	4.273	0.01

Switzerland	1	3.382	0.01
Bangladesh	2	2.957	0.01
Israel	1	2.400	0.01
Sri Lanka	1	1.000	0.00
Total	655	45237.830	100.00

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[Return to top](#)

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[Return to table of contents](#)

[Return to table of contents](#)

Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

How Do I Get Paid (Methods of Payment)

[Return to top](#)

In August 2012, state-owned and private banks in Burma started offering Letters of Credit (L/Cs) to facilitate international trading activities. State-owned banks typically require the importer to make a full payment deposit before issuing an L/C whereas private banks require a smaller percentage deposit. Private bank L/Cs are generally preferred by Burmese importers as they are processed faster and require less detailed information regarding the nature of the transaction than state-owned banks. Currently, the majority of banks in Burma are allowed to issue L/Cs and operate foreign currency accounts.

Private banks in Burma are still in the process of establishing stronger links with overseas banks in countries such as Singapore, Thailand, Malaysia, Australia, and South Korea. Under the foreign investment law, foreign entities may establish bank accounts in Burma provided they complete the appropriate registration process. The Foreign Investment Law guarantees repatriation of profits overseas.

Western Union, a U.S. company and leader in the global money transfer market, entered Burma in January 2013 by partnering with a large number of local banks.

How Does the Banking System Operate

[Return to top](#)

The gradual easing of strict government controls on the financial sector that began in 2011 has unleashed explosive growth in Burma's banks. According to official statistics, as of November 2013, total bank deposits were already worth approximately Kyat 21.6 trillion, or 21 percent higher than the previous 2012-2013 fiscal year (April-March).

Local banks are expanding their branch networks and as of May 2014, there are 636 private bank branches. Withdrawals of cash by Visa and MasterCard holders at local ATMs reflect rising spending by foreigners in the local market. Indirect foreign currency payments by local Burmese citizens for internet purchases reflect unmet demand for financial services, and are a byproduct of both local regulations and U.S. companies' unwillingness to engage in such transactions – even though the easing of U.S. sanctions has made such activity legal. Bank lending, while strong, is constrained in relative terms by regulatory restrictions and banks' self-imposed conservatism. The Government of

Burma has made banking reform a top priority, but many substantive issues have yet to be addressed.

There are four large state-owned banks that used to conduct all foreign currency transactions prior to recent reforms and which remain in operation today. The Myanmar Foreign Trade Bank (MFTB) still handles the majority of foreign currency exchanges related to trade and non-trade transactions. The Myanmar Economic Bank (MEB) functions as a commercial bank accepting savings and deposit account as well as issuing loans. The Myanmar Investment and Commercial Bank (MICB) services local and foreign investors. The Myanmar Agriculture and Development Bank (MADB) promotes economic enterprises in the agricultural sector.

As of February 2014, 15 out of 22 domestic private banks are permitted to operate foreign currency accounts. There are also 34 foreign banks with representative offices in Burma, though they remain barred from conducting business in the local market. The Government of Burma has said it plans to issue limited operating licenses to between five and ten of these banks by the end of 2014. Most of the foreign banks currently represented in Burma are from Japan, China, and ASEAN countries. There are no U.S. banks with representative offices in Burma at the time of writing.

Despite some reform, the banking system in Burma remains critically underdeveloped. Around 90 percent of the Burmese population does not use banks. Banks still operate mostly on a cash basis. ATMs are increasing in number, but often lack sufficient funds or fall prey to the country's frequent blackouts. A number of domestic banks now offer ATM services to MasterCard and Visa holders and began rolling out point of sale (debit/credit card) services throughout 2013. Although growing in scope, these services are largely limited to the main urban centers of Yangon and Mandalay and other major tourist zones. Banks began issuing MasterCard and Visa brand cards to domestic customers in late 2013. Interbank loans are virtually nonexistent. Individual and business loans have terms of one year or less.

Until recently, the Central Bank of Myanmar (CBM) was administered directly by the Ministry of Finance (MOF) and used primarily to finance government debt. The Government of Burma passed a law in mid-2013 giving the CBM autonomy, including the ability to conduct monetary policy independently. The International Monetary Fund (IMF) is working closely with the CBM to develop the latter's limited capacity to manage monetary policy and to reform Burma's banking system.

Banking regulations remain very restrictive compared to other countries. At the same time, Burma's banks remain poorly regulated and supervised by the CBM and MOF and are judged by observers to be involved in other (non-banking) activities that would be regarded as bordering on imprudent in many countries. The CBM continues to administratively fix an interest rate floor and ceiling for private banks of 8% and 13% on deposits and loans, respectively. Banks must maintain a minimum capital adequacy ratio (to risk-weighted assets) of 10%, a liquidity ratio (liquid assets to total assets) of 20%, a maximum allowable single-borrower exposure of 20% of capital, and a reserves-to-deposit ratio of 10%. Loans cannot be more than 80% of a bank's deposits, although in practice few if any banks appear to approach this ceiling. Withdrawals from savings accounts are limited to one transaction a week; this limitation does not apply to checking accounts or ATM accounts (which are separate from both checking and savings accounts).

In July 2012, the United States suspended its sanction on the export of financial services to Burma. In early 2013, the United States Department of Treasury also issued General License No. 19, which authorizes U.S. persons to conduct business with four Burmese banks (Asia Green Development Bank, Ayeyarwady Bank, Myanmar Economic Bank, and Myanmar Investment and Commercial Bank) even though their owners are on the U.S. Department of Treasury's Specially Designated Nationals (SDN) list. However, the USG still generally prohibits engagement in business activities with individuals or entities on the SDN list.

Foreign-Exchange Controls

[Return to top](#)

Burma's foreign exchange regulatory framework has evolved substantially since 2011. In order to ease its stringent foreign exchange controls, the Government of Burma enacted a new Foreign Exchange Management Law (FEML) in August 2012. The FEML liberalizes transfer payments related to current account transactions, though transfers related to capital accounts remain conditional. The application of the new law in practice continues to evolve. However, companies registered under the new investment law are guaranteed the ability to repatriate investment and profits in the foreign currency in which such investments were made, subject to the approval of the Myanmar Investment Commission (MIC).

The CBM established a managed float of the Burmese kyat in April 2012 with an initial auction at 818 kyat per one U.S. dollar. In May 2014, the kyat was trading at about kyat 960 per USD \$1.

U.S. Banks and Local Correspondent Banks

[Return to top](#)

There are no U.S. banks in Burma. Following the general easing of restrictions on the exportation or re-exportation of financial services to Burma in July 2012, U.S. financial institutions may enter into direct correspondent relationships with any non-blocked Burmese bank, and, as a result of General License No. 19, also with four blocked Burmese banks (Asia Green Development Bank, Ayeyarwady Bank, Myanmar Economic Bank, and Myanmar Investment and Commercial Bank). As a result of General Licenses 16 and 19, the special measures against Burma imposed under Section 311 of the USA PATRIOT Act no longer apply to the operation of correspondent accounts for those Burmese banking institutions, or to transactions that are conducted through such accounts, provided the transactions are authorized pursuant to the Burmese Sanctions Regulations.

Burmese banks have correspondent banking accounts with banks in Singapore, Thailand, Malaysia, Australia, and other (mostly Asian) countries.

Project Financing

[Return to top](#)

The World Bank and Asian Development Bank (ADB) reopened offices in Burma in 2012 to encourage ongoing political and economic reforms. In January 2013, the World Bank

and ADB approved grants and loans of \$512 million and \$440 million, respectively. From 2013 to 2014, the World Bank also approved projects for technical assistance to the telecommunications sector, technical assistance to support modernization of the public financial management system, stipends, scholarships and grants for students and schools. In total, these new projects are worth more than USD \$110 million.

U.S. Trade and Development Agency (USTDA) links U.S. businesses to export opportunities by funding project planning activities, pilot projects, and reverse trade missions while creating sustainable infrastructure and economic growth in partner countries. USTDA has launched its Burma program and is considering support for project planning and reverse trade missions, particularly in the energy and transportation sectors.

In May 2013, OPIC signed an Investment Incentive Agreement with Burma to support private U.S. businesses seeking to invest in Burma. At the time of this writing, OPIC was considering providing financial support to U.S. companies that have invested or are interested in investing in Burma.

On February 6, 2014, the Export-Import Bank of the United States announced that it can now provide export-credit insurance, loan guarantees and direct loans for creditworthy export sales to Burma. Short-term insurance is available for sovereign transactions with repayment terms of 180 days or less, and up to 360 days for capital goods. Medium-term insurance, loan guarantees and loans are available for sovereign transactions with terms typically up to five years. The Bank is also able to provide long-term support in Burma, provided there are financing arrangements that eliminate or externalize country risks, such as asset-backed financings and structures that earn revenues offshore in a third country.

Web Resources

[Return to top](#)

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Asian Development Bank: <http://www.adb.org/>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

Business Customs

[Return to top](#)

There are few specific etiquette rules for business contacts. However, it is appropriate for a visitor to wear business attire for official meetings and contract signing ceremonies. Burmese expect to exchange business cards at first meetings. Gifts are not required, although there is a custom of gift exchange at meetings with senior government officials.

Travel Advisory

[Return to top](#)

U.S. citizens traveling in Burma should exercise caution and check with the U.S. Embassy for an update on the current security situation. U.S. citizens are encouraged to carry their U.S. passports or photocopies of passport data and visa pages at all times so that if questioned by Burmese officials, they have proof of U.S. citizenship readily available. Americans in Burma should avoid , demonstrations, large public gatherings, and any area cordoned off by security forces.

In the past, U.S. citizens have been detained, arrested, tried, and deported for, among other activities, distributing pro-democracy literature and visiting the homes and offices of Burmese pro-democracy leaders. Since the transition of power to a nominally civilian government in March 2011, however, the risk of government reprisal for engaging in pro-democracy activities has greatly diminished. Nevertheless, taking photographs of anything that could be perceived as being of military or security interest may still result in problems with authorities. Should an emergency arise involving the detention of a U.S. citizen, especially outside of Rangoon, it may be difficult for U.S. Embassy personnel to assist quickly, because travel inside Burma can be slow and difficult. Burmese authorities also do not routinely notify the U.S. Embassy of the arrest of American citizens, and the Burmese government has obstructed access by consular officers to American citizen detainees.

Government security personnel may at times place foreign visitors under surveillance. Hotel rooms, telephones, and fax machines may be monitored, and personal possessions in hotel rooms may be searched.

Burmese law prohibits acquisition of another nationality. Burmese authorities require former Burmese citizens to surrender their Burmese nationality upon acquisition of U.S. citizenship.

Please see the most recent Country Specific Information sheet for Burma (Myanmar) at <http://travel.state.gov/content/passports/english/country/burma.html>. For the latest security information, Americans traveling abroad should regularly monitor the Department of State, Bureau of Consular Affairs' Internet site at <http://travel.state.gov>, where the current Travel Warnings and Travel Alerts, including the Worldwide Caution Travel Alert, can be found. Up-to-date information on safety and security can also be obtained by calling 1-888-407-4747 toll free in the U.S. and Canada, or for callers outside the U.S. and Canada, a regular toll-line at 1-202-501-4444. These numbers are available from 8:00a.m. to 8:00p.m. Eastern Time, Monday through Friday (except for U.S. federal holidays). The Department of State urges American citizens to take responsibility for their own personal security while traveling overseas. For general information about appropriate measures travelers can take to protect themselves in an overseas environment, see the Department of State's pamphlet A Safe Trip Abroad.

Visa Requirements

[Return to top](#)

The Government of Burma strictly controls travel to and within Burma. A passport and visa are required for all travelers entering the country. The application process for business visas varies and can be lengthy. The validity of visas varies. On-arrival Business, Entry and Transit visas are issued to those who meet the requirements (for additional information, refer to the Ministry of Foreign Affairs' official website: <http://www.mofa.gov.mm>). Tourists can work through authorized tour or travel operators to obtain a prearranged visa-on-arrival; there is no separate general visa-on-arrival facility for tourists. Children of any age listed in the passport of a parent must hold separate visas. In the past, visas were rarely granted to foreign journalists although the situation has improved following recent political reforms.

Travelers who over-stay their valid visa are required to pay a fine of \$3 per day upon departure at the Airport Immigration Office. After 90 days of over-stay, the fee increases to \$5 per day.

Information about entry requirements as well as other information may be obtained from the Embassy of the Union of Myanmar, 2300 S Street, NW, Washington, DC 20008, telephone: 202- 332-3344/4350, website: www.mewashingtondc.com, or the Permanent Mission of Myanmar to the UN, 10 East 77th Street, New York, NY 10021, Telephone: 212-535-1311. Overseas inquiries may be made at the nearest Embassy or Consulate of Burma (Myanmar).

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

Consular Section, Embassy Rangoon: <http://burma.usembassy.gov/service.html>

Telecommunications

[Return to top](#)

Burma's outdated communications systems are a serious impediment to conducting routine business activities as well as to general economic development. Regime authorities regularly monitor communications. The switching systems for Burma's land lines are improving but are still inadequate, particularly outside Rangoon and Mandalay. GSM and CDMA cell phone service, although very unreliable, is available in Rangoon, Mandalay, Bagan, and surrounding areas. Text messaging is available, but possibly monitored. Domestic phone calls cost approximately 50 kyat per minute. International phone calls cost on average USD \$4.50 per minute.

Mobile phones and SIM cards have become much more affordable in Burma. Mobile phones may now be purchased for as low as \$40. Rental phones are available at the airport for \$10 per day.

In April 2013, the Government of Burma began allocating 350,000 SIM cards per month for sale at less than \$2 each. Since permanent SIM cards must be registered in the name of a Burmese national, they are difficult for foreigners to obtain. Prepaid SIM cards are available for \$10 to \$30, but must be replaced every month. Some outlets will sell permanent SIM cards to foreigners, usually costing around \$150. Micro SIM cards (for use in iPhones, Samsung Galaxy phones and other high-end smart phones) are not available in Burma, but most phone shops can professionally cut normal SIM cards to fit into a Micro SIM slot.

International roaming with a number of western mobile networks is now available in Burma. In addition, some roaming services are becoming available with Asian networks, including Thailand (AIS), Singapore (M1 and Singtel), Indonesia (Telkomsel) and Vietnam (Viettel).

The state-owned Myanmar Teleport, Yatanarpon Teleport and Myanmar Post and Telecom (MPT) are the primary internet service providers in Burma. The privately owned RedLink Communications and Sky Net services comprise a small but growing share of the ISP market, though both operate through Yatanarpon Teleport. The companies offer email and dial-up, broadband, ADSL, WiMAX and satellite internet services, generally at very slow speeds. These services are available to all, but are prohibitively expensive for most Burmese, with initial activation and set-up fees starting at \$600 for non-dial-up service. Internet cafes are common in major cities and towns, costing around \$0.50 per hour. Wireless connections are available in a limited but growing number of locations in Rangoon, Mandalay, and other large cities.

In February 2014, the Government of Burma formally awarded two telecommunications licenses to Norway-based Telenor and Qatar-based Ooredoo. The two new mobile operators are expected to significantly improve mobile and internet infrastructure and communications as they roll out their services in Burma over the next year.

Direct service from Rangoon is available to Bangkok, Beijing, Chiang Mai, Doha, Gaya (India), Guangzhou, Hanoi, Hong Kong, Kolkata, Kuala Lumpur, Kunming, Phnom Penh, Seoul, Singapore, and Tokyo. The following airlines operate out of Rangoon's Mingaladon International Airport:

- Air Asia
- Air Bagan
- Air China
- Air India
- Air Mandalay
- All Nippon Airways
- Bangkok Airways
- China Eastern Airlines
- China Southern Airlines
- Dragon Air
- EVA Airways
- Golden Myanmar Airlines
- Korean Air
- Malaysia Airlines
- Myanmar Airways International
- Silk Air
- Singapore Air
- Qatar Airways
- Thai Airways
- Vietnam Airlines

China Eastern Airlines flies to Kunming from Mandalay. Air Asia and Bangkok Airways also offer flights between Bangkok and Mandalay.

A new international airport in the political capital Nay Pyi Taw opened in December 2011. There is a daily charter flight service between Rangoon and Nay Pyi Taw operated by FMI Air. In addition, Bangkok Airways now flies round-trip routes between Bangkok and Nay Pyi Taw five days a week. China Eastern Airlines also flies a daily route between Beijing, Kunming, and Nay Pyi Taw twice a week.

Travel in Burma can be dangerous as roads are often narrow and in extremely poor condition, particularly during the May-October rainy season. Government permission is still required for foreigners to travel by road in many areas. Rail travel is also possible in some areas, though it is very slow and the quality of the tracks is generally poor.

Burmese (Myanmar) is the official language throughout Burma, though languages of the various non-Burman ethnic groups are widely spoken in those groups' home regions. International businesspeople in Rangoon and Mandalay speak some degree of English, but English is not widely spoken outside main urban areas. Chinese is widely spoken in

Mandalay, Rangoon, and in major trade hubs near the China-Burma border. Thai is widely spoken in major trade hubs on the Thai-Burma border.

Health

[Return to top](#)

Water is not potable, and only bottled water should be consumed. Visitors should avoid unpasteurized dairy products and uncooked or undercooked meat and vegetables.

Visitors should consult their physician or local health authorities for a list of recommended immunizations prior to arrival. Dengue fever is the prominent, year-round health concern. Avoidance of mosquito bites through the use of mosquito repellent and the wearing of protective clothing is the only way to prevent this illness. Although malaria is not a problem in urban Rangoon, malaria prophylaxis should be taken if traveling to some parts of the country.

Medical facilities in Burma are inadequate for even routine medical care and a sufficient supply of personal prescription and over-the-counter medications should be hand-carried. Doctors and hospitals often expect immediate cash payment for health services, and U.S. medical insurance is not always valid outside the United States.

Information on vaccinations and other health precautions may be obtained from the Centers for Disease Control and Prevention's hotline for international travelers at 1-877-FYI-TRIP (1-877-394-8747); fax: 1-888-CDC-FAXX (1-888-232-3299); or via their Internet site at <http://www.cdc.gov/>.

Local Time, Business Hours, and Holidays

[Return to top](#)

Burma is 6.5 hours ahead of Greenwich Mean Time. Burma does not observe Daylight Savings Time.

Business hours are not uniform. Most private and government offices close on Saturday and Sunday, though shops are usually open six or seven days a week.

The following are public holidays (2014):

January 1 (Kayin New Year's Day)
February 12 (Union Day)
March 27 (Armed Forces Day)
April 14-18 (Thingyan (Water Festival))
May 1 (Workers' Day)
July 11 (Beginning of Buddhist Lent)
October 8 (End of Buddhist Lent)

The government schedules Muslim and Hindu religious holidays on short notice on the basis of lunar sightings.

Temporary Entry of Materials and Personal Belongings

[Return to top](#)

Burmese law does not limit the amount of foreign currency that can be brought into Burma, but any amount over \$2,000 must be declared on the customs and currency declaration forms. Departing tourists who declared over \$2,000 on arrival must have receipts for all items purchased in Burma, and the amounts of their purchases must tally with the amount of foreign currency exchanged for kyat. Travelers may not bring kyat in questionable amount into Burma or take it out of the country. Authorities often also check the passports of foreign travelers at domestic arrivals and departures.

Credit cards cannot be easily used in Burma as very few businesses are able to process credit card transactions. MasterCard and Visa have recently reentered Burma, but are not yet widely usable. Domestic banks have started operating ATMs that are compatible with international cards.

Web Resources

[Return to top](#)

<http://travel.state.gov/content/passports/english/country/burma.html>

<http://burma.usembassy.gov/service.html>

<http://www.myanmartourism.org/>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 9: Contacts, Market Research and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

[Return to top](#)

- Economic/Commercial Section at the U.S. Embassy Rangoon: BurmaBusiness@state.gov
- Regional Foreign Commercial Service Office at the U.S. Embassy Bangkok: Michael McGee Michael.mcgee@trade.gov <http://www.export.gov/thailand>
- Office of Foreign Assets Control, Department of Treasury, Washington, DC: <http://www.ustreas.gov/offices/enforcement/ofac>
- Consular Section at the U.S. Embassy Rangoon: consularrangoon@state.gov
- Burmese Government ministries website: <http://www.myanmar.com/Ministry>
- There are no independent trade associations in Burma. There are many government-affiliated chambers of commerce that fall under the umbrella of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI): <http://www.umfcci.com.mm/>
- The American Chamber of Commerce has a [chapter in Burma](#) that is run through the American Chamber of Commerce in [Thailand](#).

Market Research

[Return to top](#)

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports. Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

[Return to top](#)

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 10: Guide to Our Services

The President's National Export Initiative marshals Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

[Return to table of contents](#)