

**Welcoming Remarks by DDG U Than Aung Kyaw
at**

“Myanmar-Korea Investment Promotion Seminar”

Date: 20th June 2018, Time 09:00 ~ 17:00

Venue: Lotte Hotel Yangon

H.E Secretary General Mr. Lee Hyuk,

H.E Ambassador Mr. Lee Sang-wha,

Business Executives,

Distinguished Guests, Ladies and Gentlemen,

Good morning!

- It is indeed a great pleasure and honor for me to be here today to deliver the welcoming remarks on this occasion of the Myanmar-Korea Investment Promotion Seminar which is jointly organized by the Myanmar Investment Commission and the ASEAN Korea Center.
- First of all, I would like to extend deep appreciation to H.E. Mr. Lee Hyuk, Secretary General of AKC and ASEAN-Korea Center for their dedicated efforts in making this event possible as we aim to further develop economic and business cooperation between Myanmar and Korea.
- I warmly welcome Korea Business delegation for their strong interest in Myanmar's economy especially in manufacturing, construction and retail business.
- This seminar is part of the continuous effort undertaken by the cooperation of Myanmar Investment Commission and ASEAN Korea Center to update Korea companies on Myanmar's investment environment and the existing investment opportunities in Myanmar. The first mission of AKC was organized in last February and Investment Promotion Seminar on infrastructure and manufacturing was also conducted successfully. It is my great expectation that this seminar also could eventually lead Korean investors to understand

investment environment in Myanmar and to extend the linkages between Local companies and Korea Companies.

Excellencies, Distinguished Guests, Ladies and Gentlemen,

- In shaping an investor-friendly business climate, the new Myanmar Investment Law (MIL) and the new Myanmar Companies Law are the regulatory foundation that creates confidence in Myanmar as a place in which to invest.
- One of the key considerations of the new Myanmar Investment Law is to streamline the procedures and make everything more simplified for foreign investors. The unique characteristics of Myanmar Investment Law are that of encouraging responsible business, supporting investors to do businesses simply through transparent, simplified and quick procedures, not requiring MIC permit for every investment project, providing a guarantee not to expropriate investments directly or indirectly, offering income tax exemptions according to the zones and promoted areas, reducing the development gap between the States and Regions by power delegation and setting up a grievance mechanism.
- Moreover, the new Companies Law simplifies procedures and lowers compliance costs. The key features of the new Law include:
 - allowing foreign investors to hold up to 35 percent of shares in local firms,
 - allowing companies with a single shareholder and single director to be established,
 - replacing a company's Memorandum and Article of Association into a single document called a company constitution,
 - providing tools to shareholders and stakeholders to create better corporate governance and greater transparency and
 - using a new electronic registry system.
- Together with the new Myanmar Investment Law, the new Companies Law represents an attractive and effective platform on which foreign and local investors can develop new businesses, create employment and contribute to country's economy.

Excellencies, Distinguished Guests, Ladies and Gentlemen,

- I would like to highlight some advantages that Myanmar offers, a competitive manufacturing location with low labour cost, a sizable domestic market and strategic geographical position which connecting not only South Asia with South-East Asia but also between China and India.
- Manufacturing is in the list of in the Myanmar Investment Commission's promoted sectors and the MIC announced in June 2017 that investment projects' proposal for import substitution and export promotion industries would be given priority consideration by the MIC.
- When we look at the trend of Investment, before 2011, major FDI entered into resource based industries, from 2011 to 2015, FDI were mainly focused on the labor intensive industries to create more job opportunities especially for agro-based industries.

Excellencies, Distinguished Guests, Ladies and Gentlemen,

- As a result of the creation of the investor friendly environment, the annual inflow of FDI increases year by year. According to the May 2018, a total of 1,485 foreign enterprises from 49 countries investing in 12 sectors were permitted with the total pledge amount of US\$ 76.176 billion. Among them, the leading sectors are oil and gas sector accounting for 29.42%, power sector for 27.57%, manufacturing sector for 12.65% and transport and communication sector for 11.89% of the total permitted amount of foreign investment. At present, China is taking first position and followed by Singapore and Thailand respectively.
- Nowadays, Korea investment stands in 6th position among 49 countries with the amount of US\$ 3.816 billion as of May 2018. In addition, 636 Korean companies are registered and opened as branch offices in Myanmar.
- Currently, the major sector of Korean investment is oil and gas sector and manufacturing sector stand at the 2nd.

- International Brands, like Coca-Cola, Starbucks, Pizza Hut, Nestle, Carlsberg, Heniken, Scania, Nissan, and Ford are now operating manufacturing factories in Myanmar. Moreover, well-known Korea companies, like CJ, Posco and Lotte are also investing in Myanmar.

Excellencies, Distinguished Guests, Ladies and Gentlemen,

- It is well known that we have long history of friendship between two counties and economic and trade cooperation stands remarkable success. I believe that this seminar will strengthen the existing relationship between the two countries.
- Throughout this Investment Seminar, we will provide investors with multi-dimensional information for better understanding of untapped investment opportunities and potentials in manufacturing and retail businesses.
- It is my pleasure to inform you that one on one business matching which aim to provide a platform for both Myanmar and Korea Businesses will be conducted at the end of the seminar.
- Some Korea investors may consider as challenges on the current infrastructure weakness of Myanmar. But, I have known that Korea people handled such challenges successfully in the past and built the country to be an industrialized nation.

Therefore, I would like to request Korea friends to apply as a resource to achieve all win situations in Myanmar.

- I would like to conclude my welcoming remarks by inviting Korean investors who are from manufacturing and construction and retail business sectors to invest in this country with good opportunities, and I do hope this forum will bring fruitful outcomes for two countries.
- Thank You!