

Research Centre for Sustainable Hong Kong
City University of Hong Kong

TRAINING PACK MYANMAR

Cultural Diversity and Risk Management: Hong Kong
Professional Services, Overseas Investment and Special
Economic Zone Development in Myanmar

多元文化與投資風險管理：
香港專業服務、緬甸的外商投資及經濟特區發展



Professional Services Advancement Support Scheme

Economic and Trade Cooperation Zones Along Belt
and Road Workshop Series

一帶一路海外工業園區工作坊

December 2021

ABOUT THIS TRAINING PACK

This training pack is provided to registered participants prior to workshops in attempt to equip them with sufficient institutional background knowledge so as to enhance the quality of their interaction with speakers and other participants of the workshops, and to provide a resource for future reference. The pack includes the background materials (the essential information such as various political systems, religious inclinations, legal institutions, foreign investment laws, accounting regulations and tax systems) and information of Special Economic Zones (SEZs) based on consolidation of relevant research findings from secondary resources.

Drafting Team:

Ms Man LUO

PhD Student Researcher, Department of Public Policy, City University of Hong Kong

Mr Jeffrey CHUNG

Research Assistant, CSHK and Department of Public Policy, City University of Hong Kong

Phyllis Lai Lan MO

Associate Director, CSHK

Professor of Accountancy, Department of Accountancy, City University of Hong Kong

Professor Linda Chelan LI

Director, CSHK

Professor of Political Science, Department of Public Policy, City University of Hong Kong

This material/event is funded by the Professional Services Advancement Support Scheme of the Government of the Hong Kong Special Administrative Region.

Any opinions, findings, conclusions or recommendations expressed in this material/any event organised under this project do not reflect the views of the Government of the Hong Kong Special Administrative Region or the Vetting Committee of the Professional Services Advancement Support Scheme.

ACKNOWLEDGEMENTS

The content of this training pack draws from the drafting team's desktop and field research, including findings of multiple research meetings in Myanmar and elsewhere in 2019 with senior Myanmar government officials, business representatives, management of Special Economic Zones (SEZs) and local academics.

Our heartfelt gratitude goes to the CSHK research team, other CityU scholars and researchers participating in our Myanmar research and discussions, and all the parties for providing invaluable insights, advice and assistance, including but not exclusively the following (in alphabetical order): Dr. Debby Chan (Visiting Fellow, Department of Public Policy, CityU), China Harbour Engineering Company, Directorate of Investment and Company Administration (DICA), Dr. Renaud Egreteau (Associate Professor, Department of Asian International Studies, CityU), Hong Kong Trade Development Council, Marga Group, Myanmar Consulate General in Hong Kong, Myanmar Economic Association, Myanmar Hong Kong Chamber of Commerce (MHKCC), Myanmar Institute of Strategic and International Studies, Oversea-Chinese Banking Corporation (OCBC) Bank, University of Yangon, Yangon University of Economics and other participants engaged in our research.

We would like to thank the Policy Innovation and Coordination Office (PICO) for funding our research work with its Strategic Public Policy Research (SPPR) grant (project number S2016.A1.009) from 2017-2020, and the Research Grants Council, Hong Kong, for funding support to related research through the Humanities and Social Sciences Prestigious Fellowship Scheme (HSSPFS) 2018/19. Last but not least, we would like to thank the Professional Services Advancement Support Scheme (PASS) of the Hong Kong Special Administrative Region Government for funding and supporting CityU CSHK PASS Workshop Series.

TABLE OF CONTENTS

Executive Summary	9
List of Figures/Tables	10
Chapter 1: Business Environment in Myanmar	13
Chapter 2: Case Study on Thilawa Special Economic Zone	46
Chapter 3: Responsible Investment in Myanmar	60
Appendices	67
1) Country and Economic Overview	67
2) Foreign Direct Investment	72
3) International Trade	74
4) Infrastructure Overview	79
5) COVID-19 in Myanmar	82
References	84
About CSHK PASS Workshop Series and CSHK	88

EXECUTIVE SUMMARY

Since China put forward the Belt and Road Initiative (BRI) in 2013, many Chinese enterprises began participating in the overseas economic and trade cooperation zones (ETCZs). Many countries aspire that their ETCZs could imitate the successful experience of China's special economic zones (SEZs) to stimulate rapid economic development. In December 2017, the Hong Kong Special Administrative Region (HKSAR) Chief Executive, Mrs. Carrie Lam, and the Chairman of the National Development and Reform Commission, Mr. He Lifeng, signed the Arrangement for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative (the Arrangement) to leverage Hong Kong's distinctive role in advancing the BRI. Hong Kong shall reach towards a strategic cooperation in the investment projects and special zones development, with a view to better managing the risks of investing in foreign countries (HKSARG, 2017).

Despite the expectations for Hong Kong's inputs in the ETCZs, including entrepreneurial initiatives, commercial investment, and professional services, numerous concerns and uncertainties continue to stand in the way of realizing the Arrangement, such as conflicting labour relations, the Covid-19 pandemic, unclear political and environmental governance, as well as unfamiliar cultural and religious practice. These concerns have affected the way HK enterprises and investors explored emerging markets in the Belt and Road countries.

To identify the concerns of Hong Kong enterprises, the CSHK research team has conducted extensive desktop research, textual analysis, in-depth interviews, and fieldwork visits to unpack the challenges, including the COVID-19 pandemic and the upheaval after the 2021 military coup, and to scrutinize the pathways whereby Hong Kong businesses may take part for mutual gains and sustainability. This training pack will 1) contextualize the business environment in Myanmar, 2) discuss the ETCZ/Special Economic Zone (SEZ) development in Myanmar, with a focus on the Thilawa SEZ, and 3) illuminate the considerations for doing business in Myanmar (mostly before the 2021 coup). In addition, a range of critical background materials, including information about the country and economic overview, foreign direct investment, international trade, consumer behaviors, infrastructure, key industries and investment opportunities and a list of SEZs in Myanmar are included in the appendices. We hope these materials will facilitate the further exploration into Hong Kong's niches in the evolving situations in Myanmar.

FIGURES

	Page
Figure 1.1	Administrative Map of Myanmar 14
Figure 1.2	Geographical location of Myanmar in Asia 15
Figure 1.3	Approval Process of MIC Permit 22
Figure 1.4	Approval Process of Endorsement 22
Figure 1.5	Daily Reported Trends of New Infections and Deaths of COVID-19 in Myanmar (31 December 2019 – 22 October 2021) 41
Figure 1.6	Real GDP growth and contributions to growth by sector 43
Figure 2.1	Industrial and Special Economic Zones in Myanmar 47
Figure 2.2	Geographical Location of Myanmar Special Economic Zones 48
Figure 2.3	Map of Thilawa SEZ 52
Figure 2.4	Geographical Location and Advantages of Thilawa SEZ 53
Figure 2.5	Flow chart of Overall Procedures 59
 Appendices	
Figure A2-1	FDI Inflow 72
Figure A3-1	Merchandise Trade 74
Figure A3-2	Major Export Commodities (2020) 74
Figure A3-3	Major Import Commodities (2020) 75
Figure A3-4	Major Export and Import Markets (2020) 75
Figure A3-5	Trade in Services 76
Figure A4-1 A	Map of JICA Major Infrastructure Projects in Myanmar 81
Figure A5-1	COVID-19 trends in Myanmar 82

TABLES

		Page
Table 1.1	Restricted Foreign Investment Activities	20
Table 1.2	Environmental Regulations of Myanmar	25
Table 1.3	Employee salaries in MMK-pay companies	29
Table 1.4	Minimum Monthly Wage Levels in ASEAN (2019/2020)	30
Table 1.5	Electricity Rate for Non-domestic Consumption, from July 2019	30
Table 1.6	Water Costs	31
Table 1.7	Fuel Costs (MMK)	31
Table 1.8	Industrial land lease in Yangon	32
Table 1.9	Commercial land lease in Yangon	33
Table 1.10	Office space for lease in Yangon	34
Table 1.11	Commercial space for lease in Yangon	34
Table 1.12	Warehouse for lease in Yangon	35
Table 2.1	Investment Structure of Myanmar Japan Thilawa Development Limited	49
Table 2.2	Development of Dawei SEZ in Phases	50
Table 2.3	Thilawa SEZ Overview	51
Table 2.4	Tax Incentives for Investments in Special Economic Zones	54
Table 3.1	Major Themes in Interviews	61
Table 3.2	Cumulative Approved Foreign Direct Investment by Country of Origin, As of 30 November 2020	63
Table 3.3	Some Major Chinese Investment Projects	64
Appendices		
Table A1-1	Country profile	67
Table A1-2	Major economic/political events of Myanmar after independence	69
Table A1-3	Economic overview	71
Table A2-1	FDI Inflow by Country / Region (2020-2021)	73

CHAPTER 1

BUSINESS ENVIRONMENT IN MYANMAR

Myanmar is the largest country in Mainland Southeast Asia and 40th largest in the world, with a size of 676,578 square kilometers. The north, east and west are mountainous areas and the south is a plain area, with a coastline of 2832km along the Bangladesh gulf and Andaman Sea (see Figure 1.1). Myanmar's geographic location place it in a very strategic position. Located in the junction of South Asia, Southeast Asia, it is bordered on the east, the north, and the west by five neighboring countries, including China, India, Bangladesh, Thailand and Laos (see Figure 1.2). It has easy access to the world's major shipping lanes through the Bay of Bengal in the south and southwest. Myanmar could hence become the hub for trade and transportation in the region as well as a gateway to the Far East, South East Asia, and South Asia. With a 2,200 km long border with southwest China, Myanmar is also of strategic value to China's border security and trade. It remains however easier to cross and travel through Myanmar from the north to the south, rather than from the east to the west because of a difficult terrain, a lack of infrastructures, and ongoing armed conflict in the border areas.

FIGURE 1.1 Administrative Map of Myanmar



Source: UN Geospatial, Map No. 4168 Rev. 4, January 2016.

FIGURE 1.2 Geographical location of Myanmar in Asia



Source: Britannica¹

1 <https://www.britannica.com/place/Myanmar>

1.1 Government policies and priorities

Decades of economic mismanagement and political isolation under military rule (1962-2011) have ranked Myanmar amongst the least developed countries, despite its rich natural endowments and strategic location (Pick & Thein 2010; United Nations 2021). In particular, twenty-five years of Marxist-inspired economic dirigisme under the Burma Socialist Programme Party (1962-1988) resulted in economic collapse (Nakanishi 2013). However, in 1988 the armed forces staged another coup d'état and announced transitional policies towards a market-oriented economy (Kubo 2013). A new Foreign Investment Law was enacted within the same year. Since then, foreign capital began to flow in, mostly in the sector of resource extraction (McCarthy 2000). In the late 1990s and early 2000s, major Western countries imposed economic sanctions to protest the violations of human rights of the military government (Factbox 2011; Holliday 2011). As Western capital dwindled, Asian investments continued. In particular, Chinese investments rose considerably after 2008 to become a major source of Foreign Direct Investment (FDI) in Myanmar (Bissinger 2012). In 2010/11 fiscal year (April to March), China accounted for USD 8.3 billion, or 41.4% of total FDI approved in the year ('Foreign investment' 2011).

In March 2011, the military junta embarked on a transition towards a semi-civilian administration. It fostered significant changes in politics and the economy. A new government was formed following controversial elections held earlier in November 2010. Led by the military-supported Union Solidarity and Development Party (USDP), it took several measures to liberalize the economy and attract more diverse foreign investment (Than 2015; Freeman 2014). Myanmar's relations with US and other Western countries gradually improved, with the sanctions relaxed by European Union in 2013 ('EU lifts' 2013) and US in 2012 (Sayre 2016). The passage by the USDP government of a new Foreign Investment Law in 2012 expanded the range of businesses that could be wholly owned by foreign enterprises, bringing about a surge in FDI and diversification of its sectoral distribution (Gelb, Calabrese & Tang 2017). At the same time, the Myanmar-China relationship experienced a considerable cooling off. For instance, in response to strong public opposition to a Chinese-backed hydropower project in northern Myanmar – the Myitsone Dam – the USDP government suspended the project supported by the state-owned China Power Investment Corporation in September 2011 (Chan 2017).

In the November 2015 general election, the National League for Democracy (NLD) led by Aung San Suu Kyi defeated the USDP (Barany 2016). NLD formed a new semi-civilian government and started a cautious consolidation of economic and financial reforms (Maw 2018). A key electoral promise was to improve the living standards of the general public and raise aggregate national income in order to remove the country from the list of Least Developed Countries. The Myanmar Sustainable Development Plan (MSDP) (2018-2030) released in August 2018 provided a long-term vision of a peaceful, prosperous, democratic country and transformational economic growth, consisting of 3 Pillars, 5 Goals, 28 Strategies and 251 Action Plans. The MSDP acknowledged the role of the private sector as the primary engine of economic growth and job creation and prioritized market-based solutions (Ministry of Planning and Finance 2018), and laid out the principles of FDI transparency and public engagement.

Measures have been taken to update investment-related legislations, improve the economic regime, and strengthen investment promotion. A series of original legislations were passed by the NLD-controlled Parliament, such as the Companies Law (December 2017), Myanmar Investment Law (October 2016), Industrial Zone Law (May 2020), and Insolvency Law (February 2020). The new Myanmar Investment Law (MIL) took effect in 2017 to combine the old Citizens Investment Law and the Myanmar Investment Law, putting the domestic and foreign investments under the same regulatory framework. The new Companies Law passed in 2017 sought to modernize Myanmar's corporate framework and open up Myanmar's economy to foreign minority ownership (Dezan Shira & Associates 2017). A new Ministry of Investment and Foreign Economic Relations was set up in November 2018 to improve investment policy infrastructure and enhance international economic cooperation, and further measures were rolled out in banking, insurance, education and retail (Allen & Overy LLP 2019). The Myanmar Investment Promotion Plan (MIPP) was launched in October 2018, with an aim to receive USD 200 billion from FDI over the next two decades. Besides strengthening trade ties with its ASEAN neighbors, Myanmar will also target FDI from East Asia, which includes South Korea, Japan and Greater China under its 20-year investment plan.

The COVID-19 pandemic dealt a heavy blow to the NLD government's economic record in its last months. Lockdown measures restricted access to labor, the closure of the overland border with China and Thailand disrupted the supply of industrial inputs and the flow of migrant workers, and the domestic and international consumer demand remained soft. Precautionary behavior and travel bans negatively impacted wholesale and retail trade, tourism-related services, and transportation. According to the World Bank's Myanmar Economic Monitor released in June 2020, the country's economic growth in a baseline scenario was projected to drop from 6.8% in 2018/19 fiscal year to 0.5% in 2019/20 fiscal year (World Bank 2020).

However, since the coup staged in February 2021 by the armed forces, the Myanmar economic environment has deteriorated sharply. Renewed armed conflict, a popular Civil Disobedience Movement, continuing restrictions on the Internet, the freezing or withdrawing of foreign investment, and a new round of international sanctions have had a strong impact on the country's development and humanitarian situation (see subsection 1.12). The military-led State Administration Council (SAC) that took power in February 2021 has since struggled to stabilize the kyat currency² and keep the banking system afloat. The SAC is still seeking to engage with foreign business groups and drafted the Myanmar Economic Recovery Plan (MERP) to revive businesses (also affected by the ongoing pandemic) and attract international and local investors (Oo & Liu, 2021). The MERP has focused on salvaging plummeting business confidence by streamlining business regulations, digitizing government services, and reducing taxes, beside the ongoing shutting down of the world economy during the Covid-19 pandemic. It has also sought to stabilize the banking sector, in addition to supporting agriculture, livestock, and fisheries. However, critics have pointed out the lack of consultation and the rejection of structural reforms put forward by the ousted NLD government.

1.2 Regulatory framework³

The current regulations governing the registration of companies and foreign investment in Myanmar are the Myanmar Companies Law 2018 (MCL) and Myanmar Investment Law 2016 (MIL). Two steps must be completed before operating in Myanmar:

1. Register the company with the Directorate of Investment and Company Administration (DICA).
2. Obtain an MIC permit or endorsement from the Myanmar Investment Commission (MIC).

The Myanmar Investment Law (MIL) applies to all investors whether local or foreign, big or small. Investors are defined to include natural persons, companies incorporated in Myanmar, foreign companies with a registered branch in Myanmar, any other kind of enterprise established under the Myanmar Companies Law or an entity established in accordance with the laws of any other country. Investments covered by the MIL include those in companies, equipment and other moveable property, shares, intellectual property rights, contractual rights and assignable rights. Most commercial transactions would be considered investments under the MIL (Berwin Leighton Paisner 2017).

The Myanmar Investment Commission (MIC) is a government-appointed body which is responsible for verifying and approving investment proposals, and regularly issues notifications about sector-specific developments. It is comprised of representatives and experts from government ministries, departments, and governmental and non-governmental bodies. After the coup d'état staged in February 2021, the new military government renewed its members; the MIC has since been chaired by Lieutenant-General Moe Myint Tun.

The Directorate of Investment and Company Administration (DICA) is a key agency within the Ministry of Investment and Foreign Economic Relations (MIFER), and is mandated to promote private sector development and to boost domestic and foreign investment by creating a conducive investment climate. DICA is in charge of handling company registrations for local and foreign businesses under the Myanmar Companies Law. DICA also serves as a secretary to the MIC, the responsible body for investment applications.

³ Best efforts were made to include any new measures introduced subsequent to the February 2021 coup, where possible.

1.3 Investment Vehicles

A foreign investor may establish a 100% foreign-owned company, register as an overseas corporation, or enter into a joint venture arrangement with a Myanmar citizen, company, or state-owned entity.

A 100% foreign-owned company may be incorporated, which is usually a subsidiary of an overseas entity. In practice, the foreign investor seeking an MIC permit will need to incorporate a company in Myanmar. Furthermore, the distinctions in potential liability between a foreign company and an overseas corporation are not clearly specified in the Myanmar Companies Law. The only advantage of opting to register an overseas corporation over incorporating a foreign company is the less onerous filing and corporate secretarial compliance obligations and a certain flexibility as to how much “onshore” activity the overseas corporation can perform.

A joint venture is permissible for any project in Myanmar, though as discussed below there are certain business sectors specified in the MIC Notification which require a partnership with a Myanmar citizen or company. In general, the shareholding ratios are to be decided “by mutual agreement” of the parties; however, the MIC has the discretion to set shareholding ratios between foreign and local investors in specific sectors. Sometimes, in certain sectors, the MIC requires ministry approval, which has previously been contingent upon a public-private joint venture or other analogous system, including a Build-Operate-Transfer contract (BOT) or other partnership with the government.

Foreign investors may also appoint a business representative or enter into an agency arrangement with a Myanmar citizen or 100% Myanmar-owned company for certain activities, such as import/export, trading and retail distribution activities that are generally prohibited to foreigners unless MIC approval for the activity has been attained.

1.4 Negative list of investment restrictions

Myanmar has adopted a negative list approach for restrictions. If not included on the list (Table 1.1), the sectors are open for investment. The Myanmar Companies Law in force from 1 August 2018 allows up to 35% foreign ownership in a Myanmar company before it is considered a foreign owned company, allow businesses operating in a restricted business to have a minority foreign shareholder. A private company can be incorporated with a minimum of one shareholder and one director.

TABLE 1.1 Restricted Foreign Investment Activities

Allowed to be carried out only by the Union	Security and defence, arms and ammunition, national postage stamps, air traffic services, pilotage services, natural forest and forest area, radioactive metals, control of electric power system and inspection of electrical business
Not allowed for foreign investors	Publishing and distribution of periodicals in ethnic languages, fresh water fisheries, establishment of quarantine station for export and import of animals, pet care services, forest products, prospecting, exploration, feasibility study and production of mineral for small and medium scale, tour-guide service, mini-market, convenient store
To be carried out with the approval of the relevant Ministry	Research activities related with fishery, manufacturing and domestic distribution of all kind of confectionary including those of sweet, cocoa and chocolate, development, sale and lease of residential apartments and condominiums, local tour services
Development status of infrastructure PPP model	Publishing of periodical newspaper in foreign languages, cable TV, laboratory services for the animal diseases diagnosis, aircraft repair and maintenance, wood-based industries, private hospital services, 100 acres and above urban development projects, etc.

Source: DICA, based on MIC's Notification 15/2017

If an investor is unsure whether their investment falls under any of the restricted categories, or whether a Permit may be required, they may submit an Investment Screening Application. MIC will issue non-binding guidance on whether the investment is subject to any restrictions under the MIL.

1.5 Procedures of investment approval

The MIL stipulates two categories of investment approval procedures—MIC permit and investment endorsement. It changes the role of the MIC - with fewer investment proposals now requiring a MIC Permit. A new Endorsement process - whereby proposals are fast-tracked by being 'endorsed' by the MIC - is now also available to investors.

According to the MIL, investments are required to get a MIC Permit, if they are:

- strategic and sensitive investments
 - » technology related (including communications, information, medical, transport infrastructure, urban developments, extractive/natural resources or media sector) and the investment value exceeds USD20 million
 - » government concessions where the investment amount exceeds USD20 million
 - » investments in conflict areas, border regions or across national borders.
 - » conducted across more than one state and region
 - » agricultural investments requiring more than 1,000 acres or non-agricultural investments requiring more than 100 acres
- large capital-intensive investments – an investment value exceeding USD 100 million
 - » investments with a large environmental or social impact
 - » if the investment requires an Environmental Impact Assessment
 - » where the investment is located in a designated protected area, reserve, major biodiversity area or within areas of cultural significance
 - » if the investment requires the expropriation of land or interferes with the right of people to use the land and it affects more than 100 people
- investments which use state-owned land
 - » only affects land being directly leased from the State
 - » does not affect land where the lease is less than 5 years or if the lease is a sub-lease where the head lease has already been approved
- other designated investments – none being currently designated

4 <https://www.paulhypepage.my/guide-faq/what-are-the-5-types-of-business-entity-in-malaysia/>

FIGURE 1.3 Approval Process of MIC Permit



Source: DICA

If investors are not in the category of investment activities which require an MIC permit as described above, the investors are not required to submit a permit proposal to the MIC. However, in order to enjoy the right to use land under Chapter XII, and one or more of the exemptions and reliefs under Sections 75, 77 and 78 of the MIL, the investors should undergo an investment endorsement application process (Figure 1.2). The MIC may also refer some projects to the National Assembly if, in the MIC's view, the project "may have a significant impact on the security, economic condition, environment, and national interest of the Union and its citizens". It is currently unclear under precisely what circumstances this additional approval requirement may be required.

The MIL decentralizes investment approvals, setting up state and regional investment committees which are empowered to issue endorsements for investments with a prescribed capital amount under USD 5 million or Myanmar Kyat (MMK) 6 billion. Applications for endorsements below this threshold may be submitted directly to the state and regional investment committees for approval.

FIGURE 1.4 Approval Process of Endorsement



Source: DICA

Remarks: The approval process follows the same steps for the Endorsement, Tax Incentive and Land Rights Authorization.

If no Permit is required and the investor does not wish to apply for a Tax Incentive or a Land Rights Authorisation, the investor need not apply for any approval. Even with no approval the investment will be regulated by the MIL.

1.6 Environmental Regulations

Part of Myanmar's reform process involves updating and enforcing environmental policy and legislation. The Framework for Economic and Social Reform (FESR 2013) and the National Comprehensive Development Plan (NCDP 2011-2030) documented a vision of sustainable development encompassing strong economic growth, social well-being of the people and care for the environment.

The Environmental Conservation Law (ECL 2012) and Rules (ECL Rules 2014) both have implications for domestic and foreign investors in Myanmar. Article 7 of the ECL states the duties and powers of the Ministry of Environmental Conservation and Forestry (MOECAF), which include:

- Prescribing environmental quality standards on emissions, effluents, solid waste, production procedures, processes and products
- Facilitating the settlement of environmental disputes
- Specifying categories and classes of hazardous wastes generated from the production and use of chemicals or other hazardous substances used in industry, agriculture, mineral production, sanitation and other activities
- Prescribing categories of hazardous substances that may significantly affect the environment
- Prescribing the terms and conditions for effluent treatment in industrial estates, buildings, and other sites and emissions of machines, vehicles and mechanisms
- Developing and implementing a system of environmental impact assessment (EIA) and social impact assessment (SIA)
- Enforcing compensation by polluters for environmental impacts; collecting funds from organizations which benefit from natural ecosystems and revenues from businesses which explore, trade and use natural resources, in order to support environmental conservation works

The ECL Chapter 10 'Prior Permission', Articles 21-25, describes that MOECAF, with the approval of the Union Government, can stipulate categories of business, work-sites, factories, or workshops which cause environmental impacts to require 'prior permission'. The ECL Rules, Chapter 12 "Prior Permission, Articles 62-68 further describes "Prior Permission."

In 2016, Myanmar passed new Environmental Quality Standards (EQS), Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) procedures. New conditions may be attached to existing investments, in order for them to comply with Myanmar's evolving environmental regulations. The Environmental Conservation Department (ECD), MOECAF can provide additional information to investors who are unsure if they must meet specific environmental requirements.

ECD has been working with other ministries to test the new EIA system. ECD has provided support, guidance, and review for environmental assessments of more than 123 investment projects. This includes 40 projects by the end of 2014 - mostly in energy, infrastructure, and manufacturing - which underwent full EIA.

Investors are strongly encouraged to familiarise themselves with Myanmar's environmental legislation. Investors can support Myanmar to promote more responsible investment by complying with the national environmental regulatory framework.

Foreign investors can also consider environmental and social standards which govern their operations in other countries and apply best practice to safeguard the environment and human wellbeing in Myanmar.

TABLE 1.2 Environmental Regulations of Myanmar

Regulation	Further Information
Environmental Conservation Law (2012)	For English and Myanmar version please refer to http://www.ecd.gov.mm/?q=policy
Environmental Conservation Rules (2013)	<p>The official version of the Environmental Conservation Rules exists only in the Myanmar language: http://www.ecd.gov.mm/sites/dica-demouupdate.local5.mspiral.net/files/Law%20PDF/EC%20Rules_notification_0.pdf The English draft below is offered to support investors, but is not an official legal reference: https://www.dica.gov.mm/files/uploads/pdf/ec_rules_eng_version_draft.pdf</p>
Environmental Quality Standards (EQS) (2016)	<p>The official Environmental Quality Standards currently exist only in the Myanmar language. http://www.ecd.gov.mm/sites/default/files/Law%20PDF/National%20Environmental%20Quality%20%28Emission%29%20Guidelines%20_0.pdf The English draft below is offered to support investors, but is not an official legal reference: http://www.ecd.gov.mm/media/national-environmental-quality-emission-guidelines-final-draft-english-version-0 Below is a list of sector laws which are related to environmental regulation or management. This list is intended to support investors to comply with Myanmar's laws, and may be updated from time to time. It is not an official legal reference. https://www.dica.gov.mm/files/uploads/pdf/myanmar_legislation_related_to_environment_website.pdf</p>
Development status of infrastructure PPP model	<p>The official Environmental Quality Standards currently exist only in the Myanmar language. http://www.ecd.gov.mm/sites/default/files/Law%20PDF/National%20Environmental%20Quality%20%28Emission%29%20Guidelines%20_0.pdf The English draft below is offered to support investors, but is not an official legal reference: http://www.ecd.gov.mm/media/national-environmental-quality-emission-guidelines-final-draft-english-version-0 Below is a list of sector laws which are related to environmental regulation or management. This list is intended to support investors to comply with Myanmar's laws, and may be updated from time to time. It is not an official legal reference. English version: https://www.dica.gov.mm/files/uploads/pdf/myanmar_legislation_related_to_environment_website.pdf</p>

1.7 Benefits and tax incentives for foreign investments

One of the main advantages for foreign investors under the Myanmar Investment Law (MIL) is the enjoyment of significant benefits and tax incentives.

Land Use Rights

Foreign investors under the Myanmar Investment Law have the ability to lease land for an initial maximum term of 50 years. The lease can thereafter be extended for two additional ten-year terms. Furthermore, a long-term lease may be sub-leased or mortgaged under the terms of the MIL with prior approval from the MIC. However, land ownership has long been contested in Myanmar, particularly in rural areas, and remains the source of major protracted conflicts, some involving foreign companies (Linn 2015; Kramer 2015).

Government Guarantees

Foreign investors enjoy three significant guarantees from the government under the Myanmar Investment Law that:

- The industry will not be nationalized during the term of the project;
- The investors permit will not be revoked without sufficient cause; and
- The investor will have the right to remit profits in the same currency in which the investment was made.

Transfer and Sales of Shares

The Myanmar Investment Law and the Investment Rules allow a foreign investor to transfer shares to another foreign investor or Myanmar citizen subject to the notice/approval of the MIC.

Tax Exemptions and Reliefs

In January 2020, the Ministry of Investment and Foreign Economic Relations (MIFER) announced tax exemptions for investments made in five priority sectors in all 14 states and regions in Burma as well as the capital territory. The tax exemption period is seven, five, or three years, depending on whether the investment takes place in an underdeveloped, moderately developed, or adequately developed region or state. For a list of priority sectors by state and regions, please see MIFER's website at: <http://www.mifer.gov.mm/region>

- In addition, the MIC may grant any or none of the following discretionary benefits:
- If beneficial for the state, depending on the progress of investment activities, an additional corporate income tax exemption/relief may be provided for a suitable period;
- If the entity reinvests profit from its business or part of its reserve funds within one year, the tax exemption/relief may be extended to income from such reinvested profit or reserve funds;
- A right to accelerate the depreciation rate for the machinery, equipment, buildings, or other working capital and to claim the same as a deductible expense;
- If the products of any production work are exported, then the tax exemption will be allowed for up to 50% of the profits on these exports;

- Expenses for research and development may be deducted from income;
- A right to carry forward and set-off up to three consecutive years from the year the loss is sustained, if the loss is sustained within two years of exemption or relief from income tax becoming applicable;
- A right to exemption/relief of duty, other internal tax or both on imported raw materials for three years after establishment;
- A right to exemption or relief from duty, other internal tax or both on the imported machinery, equipment, tools machinery parts and accessories necessary for the expanded work with the approval of commission; and
- Exemption and relief of commercial tax on the products manufactured for export.

It should be noted that the MIC will not automatically grant these exemptions. Most of the exemptions and reliefs must be sought by applying to the MIC.

Businesses which will not be granted exemptions and relief from commercial tax and custom duty include:

- Manufacturing of alcohol, beer, cigarettes, similar products and related services;
- Sale and distribution of petroleum, diesel, engine oil and natural gas;
- Repair and maintenance of vehicles and similar services;
- Industrial, not involving high technology and minimum capital investment, that can be carried out by a Myanmar citizen (excluding labor intensive business);
- Production, extraction (logging) on the basis of the long-term lease of forested areas (reserved, protected forest areas);
- Extracting natural resources (excluding exploration and the production of oil and gas);
- Construction and sale of buildings;
- Rental services of vehicle, machinery, and equipment; and
- Restaurant, food and beverage activities.

1.8 Banking and finance

The banking sector is overseen by the Central Bank of Myanmar (CBM) which was established in 1948 following independence. Under the 2013 Central Bank of Myanmar Law, the CBM is an autonomous institution, although it nominally remains within the Ministry of Planning and Finance (Turnell 2014). The CBM acts as the licensing authority and regulator of all state-owned, private banks and foreign banks in Myanmar, as well as having statutory responsibility for developing capital markets. Under the Financial Institutions Law of 2016 (FIL), the CBM may license four kinds of financial institutions: banks, non-banking financial institutions (NBFI), scheduled institutions, and credit bureaus.

By 2020, there are 4 specialized state-owned banks, 24 Myanmar privately owned banks, 13 branches of foreign banks, and almost 200 microfinance institutions (MFI), of which more than 20 are foreign-owned. One credit bureau has been issued a license by the CBM, but it is not yet operational. Currently, there is no credit rating agency in Myanmar.

Domestic banks are not well capitalized and do not engage in the typical lending and financial services that you would find in more developed countries. They offer very little in the way of consumer banking products, predominantly deal with savings and have very little working capital. Domestic bank lending is mostly in the form of overdraft facilities or short-term loans that are restricted to one year and loans must be collateralized, usually by a mortgage by way of deposit of title deeds over immovable property. All domestic banks have suffered from prolonged closures and considerably reduced their activities after the 2021 coup.

The governments led successively by the USDP and the NLD however took measures to open up the banking sector, with provisional operating licenses granted to nine foreign banks in 2014 and four additional foreign banks in 2016. The 13 foreign banks are allowed to set up a branch office in Myanmar, which may provide deposit accounts, term loans or working capital, trade financing and other related banking services to local companies. Additionally, the foreign branch office may provide currency exchange to foreign entities and domestic banks in foreign currency. But they are prohibited from engaging in retail banking in the local market or lending to local companies.

The MIL does not place any restrictions on how an investment may be funded, however when applying for a Permit or a Tax Incentive details of the type of funding needs to be provided. If the investment is funded with an offshore loan (including a shareholder loan) prior approval from the Central Bank of Myanmar (CBM) is required in accordance with the Foreign Exchange Management Law. An application for the offshore loan is required to be submitted through the MIC.

Onshore loans which are available through local banks or in the case of foreign investors, foreign banks with registered branches in Myanmar do not require CBM approval.

1.9 Major costs

The exchange rate of USD to MMK floated in the range of 1,300-1,600 during 2017-2020. Since the coup in February 2021, the exchange rate has been surged from 1,329 to around 1,800 in November 2021, peaking at 1,961 in the middle of October.

Manpower cost

Salaries in Myanmar are paid in Myanmar Kyat (MMK) or United States dollar (USD). However, 97% of locally owned companies, 90% of local-foreign joint ventures, and 86% of foreign owned companies pay in MMK. Table 1.3 shows salaries of local staffs in various positions in MMK-pay companies according to a survey in June 2018, when the exchange rate of USD to MMK was about 1,350. Myanmar has the lowest minimum monthly wage level among ASEAN countries (Table 1.4)

TABLE 1.3 Employee salaries in MMK-pay companies

Sr	Position/rank (Local staff)	MMK per month		
		Minimum	Median	Maximum
1	Managing Director	3,000,000	6,000,000	9,000,000
2	Director	1,800,000	3,000,000	7,000,000
3	General Manager	800,000	1,800,000	5,000,000
4	Manager	500,000	800,000	2,400,000
5	Assistant Manager	400,000	600,000	1,600,000
6	Accountant	300,000	600,000	1,500,000
7	Supervisor	250,000	400,000	800,000
8	Secretary	270,000	400,000	800,000
9	Assistant Accountant	250,000	380,000	800,000
10	Receptionist	200,000	300,000	600,000
11	Office Staff	180,000	250,000	600,000
12	Sales Staff	180,000	300,000	600,000
13	Driver	210,000	300,000	500,000
14	Security Guard	150,000	200,000	400,000
15	General Worker	140,000	200,000	350,000
16	Cleaner	120,000	150,000	300,000
Daily wage		MMK per day		
17	Unskilled/hard labor	4,800	7,000	15,000

Source: DICA (2018), based on Salary Survey Report 2018 by Myanmar Survey Research Co Ltd

TABLE 1.4 Minimum Monthly Wage Levels in ASEAN (2019/2020)

Country	Last	Previous	Reference	Unit	USD/Month
Myanmar	4800	4800	Dec/19	MMK/day	109
Vietnam	4420	4180	Dec/20	VND Thousand/ Month	191
Myanmar	190	182	Jan/20	USD/Month	190
Thailand	331	325	Dec/19	THB/Day	330
Indonesia	4.28	3.94	Jan/20	IDR Million/ Month	304
Malaysia	1200	1100	Feb/20	MYR/Month	297
Philippines	537	537	Dec/19	PHP/day	330

Source: Trading Economics.

Utility Costs

Electricity Costs

Electricity rates for both domestic and non-domestic consumption (companies, industries, embassies, and international organizations) increased significantly in July 2019 as the previous price was financially unsustainable.

TABLE 1.5 Electricity Rate for Non-domestic Consumption, from July 2019

Actual Electricity Consumption (kWh/month)	Kyat/kWh	USD/kWh
1-100	125	0.067
501-5,000	135	0.072
5,001-10,000	145	0.077
10,000-20,000	155	0.083
20,000-50,000	165	0.088
50,000-100,000	175	0.093
>100,000	180	0.096

Source: Ministry of Electricity and Energy

Water Costs

TABLE 1.6 Water Costs

Actual water consumption (cu-m/ha/24 hours)	Charge (net of any tax) (In USD)
0-60	0.60 per cu.m
Over 60 to 120	0.70 per cu.m
Over 120 to 180	0.80 per cu.m
Over 180	To be discussed later

Source: DICA 2018

Sewage Treatment Charge shall be based on 85% of monthly water consumption volume. The rate shall be USD 0.60 per cubic meter (net of any tax).

Fuel Costs

TABLE 1.7 Fuel Costs (MMK)

Kind	Unit	Yangon	Mandalay	Wholesale price in Yangon
Diesel	Litre	900-910	945-970	880-890
Octane 95	Litre	915-930	975-1,010	
Octane 92	Litre	865-880	935-960	820-830
Premier Diesel	Litre	915-925	955-980	885-898

Source: DICA 2018, quoting the Myanmar Fuel Association on July 4, 2018

Manpower cost

TABLE 1.8 Industrial land lease in Yangon

Sr	Industrial Zone (IZ)	Township	Area (Sq-ft)	Package price per month	Price per sq-ft (MMK)
1	Hlaingtharyar IZ	Hlaingtharyar	30,600	10,800,000	353
2	Hlaingtharyar IZ	Hlaingtharyar	43,000	5,000,000	116
3	Hlaingtharyar IZ	Hlaingtharyar	43,000	3,000,000	70
4	Hlaingtharyar IZ	Hlaingtharyar	74,000	5,100,000	69
5	Hlaingtharyar IZ	Hlaingtharyar	65,000	9,800,000	151
6	Hlaingtharyar IZ	Hlaingtharyar	26,000	7,800,000	300
7	Shwe Linban IZ	Hlaingtharyar	43,000	3,000,000	70
8	Shwe Linban IZ	Hlaingtharyar	43,000	2,500,000	58
9	Shwe Linban IZ	Hlaingtharyar	87,000	2,000,000	23
10	Dagon Seikkan IZ	Dagon Seikkan	95,000	6,000,000	63
11	Dagon Seikkan IZ	Dagon Seikkan	43,000	3,000,000	70
12	Dagon Seikkan IZ	Dagon Seikkan	470,000	32,400,000	69
13	East Dagon IZ	East Dagon	109,000	14,000,000	128
14	East Dagon IZ	East Dagon	11,250	2,300,000	204
15	East Dagon IZ	East Dagon	119,000	2,900,000	24
16	Shwe Thanlwin IZ	Hlaingtharyar	130,000	39,000,000	300
17	North Okkalapa IZ	North Okkalapa	13,000	13,000,000	1,000
18	North Okkalapa IZ	North Okkalapa	30,000	4,000,000	133
19	North Okkalapa IZ	North Okkalapa	15,000	25,000,000	1,667
20	North Okkalapa IZ	Thaketa	43,000	8,000,000	186
21	Thaketa IZ	Thaketa	20,000	2,700,000	135
22	Thaketa IZ	Thaketa	30,000	6,000,000	200
23	Thaketa IZ	Shwepyitha	43,000	3,000,000	70
24	Shwepyitha IZ	Shwepyitha	15,000	2,500,000	167
25	Shwepyitha IZ	Shwepyitha	54,000	10,000,000	185
26	Wartayar IZ	Shwepyitha	43,000	1,700,000	40
27	NA	Mingalardon	28,000	15,000,000	536
28	South Dagon IZ	South Dagon	45,000	6,500,000	144
29	South Okkalapa IZ	South Okkalapa	10,800	3,000,000	278
30	Ngwe Pin Lae IZ	South Okkalapa	43,000	2,500,000	58

Source: DICA 2018, data from <https://www.shweproperty.com/>, <https://www.imyanmarhouse.com/>, Golden Hexagon Journal

TABLE 1.9 Commercial land lease in Yangon

Sr	Location	Township	Area	Package price per month	Price per sq-ft (MMK)
1	Myittar Street	South Okkalarpa	3,600	2,500,000	694
2	Mahabandoola Bridge (Near)	Botathaung	5,000	3,000,000	600
3	No 3 Main Road	Mingaladon	43,000	4,000,000	93
4	Shwe Aye Road	Insein	3,600	2,500,000	694
5	Pyi Kabar Aye Pagoda Road	Mayangone	5,000	3,000,000	600
6	Pyi Htaung Su Street	Dagon	43,000	4,000,000	93
7	Inya Street	Kamayut	10,125	6,793,749	671
8	Yamonena Road	Dawbon	5,000	3,000,000	600
9	Than Lwin Road	Bahan	10,125	6,793,749	671
10	Pyay Road	Kamayut	8,000	5,000,000	625
11	East Race Course Road	Tamwe	14,810	8,000,000	540
12	Phoe Sein Street	Tamwe	30,800	9,000,000	292
13	Yadana Road	Dagon Seikkan	20,000	2,000,000	100
14	Waizayanta Road	Thingangyun	6,500	4,500,000	692
15	Kan Street	Hlaing	15,750	13,000,000	825
16	Thuwanna VIP3 Housing	Thingangyun	9,600	1,000,000	104
17	Pyay Road	Sanchaung	9,200	15,000,000	1,630

Source: DICA 2018, data from Ahkyoesaung Journal and Golden Hexagon Journal

TABLE 1.10 Office space for lease in Yangon

Sr	Location	Township	Area	Package price per month	Price per sq-ft (MMK)
1	Botahtaung	Botahtaung	1,650	4,500,000	2,727
2	Lay Htaunt Kan Street	Thingangkyun	1,772	4,076,250	2,300
3	Hockey Tower	Mingalartaungnyunt	5,060	15,125,605	2,989
4	Moe Kaung Street	Yankin	3,200	5,500,000	1,719
5	U Wisara Road	Bahan	4,821	13,117,372	2,721
6	Min Ye Kyaw Swar Street	Lanmadaw	1,300	20,000,000	15,385
7	Kabar Aye Pagoda Road	Bahan	2,600	10,597,600	4,076
8	West Shwe Gone Dine Road	Bahan	10,800	29,343,600	2,717
9	Mingalar Street	Sanchaung	1,760	2,989,250	1,698
10	14th Street	Lanmadaw	1,500	1,200,000	800
11	Yangon InnSein Street	Mayangone	1,800	4,000,000	2,222
12	Pansodan	Kyauktada	2,100	4,076,250	1,941

Source: DICA 2018, data from <https://www.shweproperty.com>

TABLE 1.11 Commercial space for lease in Yangon

Sr	Location	Township	Area	Package price per month	Price per sq-ft (MMK)
1	Bahan	Bahan	10,000	45,000,000	4,500
2	Sat Yone Street	Mingalartaungnyunt	5,000	7,500,000	1,500
3	Min Ye Kyaw Swar Street	Lanmadaw	6,500	20,000,000	3,077
4	Ye Kyaw Street	Pazaungtaung	910	1,500,000	1,648
5	Nawaday Street	Dagon	880	1,300,000	1,477
6	Bogyoke Aung San Street	Botahtaung	1,350	3,500,000	2,593
7	Laydaungkan	Thingangyun	1,680	2,000,000	1,190
8	Mahabandoola Street	Pabedan	4,000	8,200,000	2,050
9	No 1 Industrial Road	Yankin	9,000	48,924,000	5,436
10	Laydaungkan	Tam we	3,000	2,500,000	833
11	Yadanar Street	Thingangyun	1,440	3,500,000	2,431
12	Shwegodaing	Bahan	1,620	1,200,000	741
13	Kabar Aye Pagoda Road	Bahan	1,600	3,000,000	1,875
14	Insein Road	Mayangone	1,800	4,000,000	2,222
15	Alanpya Pagoda Road	Pabedan	1,780	10,464,300	5,879
16	Tabinshwehtee Road	North Dagon	1,050	800,000	762

Source: DICA 2018, data from <https://www.shweproperty.com>, <https://www.imyanmarhouse.com>

TABLE 1.12 Warehouse for lease in Yangon

Sr	Location	Township	Area	Package price per month	Price per sq-ft (MMK)
1	Thaketa	Thaketa	3,200	1,500,000	469
2	Shwe Pyi Tha	Shwe Pyi Tha	20,000	7,000,000	350
3	Industrial Zone 2	Hlaingtharyar	20,000	8,000,000	400
4	Shu Khin Thar round Street	Thaketa	6,000	2,500,000	417
5	Shwe Lin Ban	Shwe Lin Ban	4,800	4,700,000	979
6	South Okkalapa	S Okkalapa IZ 1	2,800	2,000,000	714
7	Dhamma Yone	Pyay Road	2,700	2,000,000	741
8	East Dagon	East Dagon	20,000	7,000,000	350
9	South Dagon	South Dagon	675	600,000	889
10	Mingalardon	Mingalardon	7,200	4,000,000	556
11	Mingalardon	Mingalardon	1,800	7,000,000	3,889
12	Mingalardon	Mingalardon	20,640	10,000,000	484
13	Mingalardon	Mingalardon	20,296	10,000,000	493
14	Shwe Lin Ban	Shwe Lin Ban	7,500	3,000,000	400
15	Shwe Lin Ban	Shwe Lin Ban	10,800	4,000,000	370

Source: DICA 2018, data from Ahkyoesaung Journal, Golden Hexagon Journal

1.10 Tax system

The major tax laws in Myanmar include:

- The Union Tax Law (UTL);
- The amended Income Tax Law of 1974 (the ITL);
- The amended Commercial Tax Law of 1990 (the CTL);
- The amended Specific Goods Tax Law of 2016 (SGTL);
- The amended Myanmar Stamp Act; and
- The Tax Administration Law of 2019 (the TAL)

The Internal Revenue Department, under the Ministry of Planning, Finance, and Industry (previously referred to as Ministry of Planning and Finance or MoPF), administers taxation in Myanmar.

Myanmar Tax Profile

Corporate income tax (CIT)

According to Myanmar Income Tax Law, a company is recognized as a resident company if it is formed under the Myanmar Companies Law 2017 (MCL) or any other applicable laws of Myanmar and the control, management and decision-making of the company are situated and exercised wholly in Myanmar. In addition, companies registered under the Myanmar Investment Law (MIL) and Special Economic Zone Law (SEZL) are treated as resident companies.

A company which is not formed under any of the above laws is recognized as a non-resident company. An overseas corporation (previously regarded as branch office or representative office) in Myanmar is also treated as a non-resident company.

Generally, resident companies are taxed on a worldwide basis, and income from sources outside Myanmar is taxable. Non-resident companies are taxed only on income derived from sources within Myanmar. Both resident and non-resident companies are liable to pay corporate income tax at a rate of 25% on total net profit before deduction on relief. A company registered under the MIC/SEZ is entitled to enjoy certain exemptions and relief from taxes (see Section 1.6).

Personal income tax (PIT)

The Myanmar citizens and foreigners who lived in Myanmar for at least 183 days are deemed as residents subject to the existing tax laws. Residents are taxed based on all Myanmar income source except on the salary income of non-resident citizens who are working abroad. However, personal tax collection rates have remained low (Owen & Htun 2018) Non-residents foreigners are taxed only on the income derived within Myanmar. The PIT rate on the residents and non-resident foreigners after deduction on exemptions and reliefs are as follows –

- 0% for taxable income MMK 0 – 2,000,000
- 5% for taxable income MMK 2,000,001 – 5,000,000
- 10% for taxable income MMK 5,000,001 – 10,000,000
- 15% for taxable income MMK 10,000,001 – 20,000,000

- 20% for taxable income MMK 20,000,001 – 30,000,000
- 25% for taxable income over MMK 30,000,000

No tax is payable if total income under salaries does not exceed MMK 4.8 million in a year. Besides, the basic allowance is granted 20% as a relief for resident individuals, but the total of such basic relief must not be more than MMK 10 million of income within an income year.

Capital gains tax (CGT)

In Myanmar, capital gains are determined as income and fall within the scope of the Income Tax Law. Capital gains are taxable at a rate of 10% (where the value of capital assets disposed exceed MMK 10 million) for resident and non-resident taxpayers. The capital assets include land, building, vehicle, share, bond, securities or other similar documents.

The CGT rate on the transfer of shares in oil and gas companies increases the amount of net profit earned on the transfer. The rates are as follows:

- 40% (net profit is less than USD100 m)
- 45% (net profit is between USD100 m – USD150 m)
- 50% (where net profit exceeds USD150 m)

Commercial tax (CT)

The CT is imposed on goods produced in Myanmar, imported goods, trading and services apart from the list of goods and services listed as exemption under the Union Taxation Law.

The CT rate is generally 5% charged on goods, services and trading. 3% commercial tax and 2% commercial tax are levied on the sale of constructed building and the sale of gold and jewellery respectively. However, the CT will not be levied on goods, services and trading in the case of cooperative and private businesses if the total sale is up to MMK 50 million in a year. Even though the CT is not levied on them, producers, service providers and importers are liable to deduct money from the payment of their customers and consumers.

Specific goods tax (SGT)

The SGT is imposed on the listed specific goods such as cigarettes, alcohols and beers, wines, cars, woods, industrial oils and natural gas that are imported, exported or manufactured in Myanmar. When it comes to taxable specific goods, importers, manufacturers or exporters are liable to pay tax in the case of importation, manufacture or exportation. If a person is in possession of specific goods that are untaxed, he is liable to pay SGT. apart from the specific goods that are exempted under the Union Taxation Law. The importer must pay SGT before specific goods are taken. As for manufacturers and exporters, they must pay SGT within 10 days after the end of the month in which specific goods are sold or manufactured and exported. In the case of possession of untaxed specific goods, the goods owner must pay SGT within 7 days after finding them. All companies that manufacture, import and export taxable specific goods in Myanmar must register at the relevant township revenue department in accordance with stipulations described in Specific Goods Law. In addition to the manufacturer or exporter must pay tax on taxable specific goods, they must send the relevant township tax officer a quarterly return within 10 days after the end of relevant three months.

Stamp duty

The Myanmar Stamp Act 1899 (last amended by the NLD government in November 2019) that prescribes stamp duty applicable on all chargeable instruments such as lease agreements, share transfer agreements, joint venture agreements and loan agreements. It also provides that if the instruments chargeable with stamp duty are executed outside the Union of Myanmar, it may be stamped within three months from receipt in Myanmar. If the instrument chargeable with stamp duty is not properly stamped, it is inadmissible as sound evidence before courts even though this does not affect the validity of relevant legal documents. In general, some of the common instruments are required to be stamped as follows –

- Duty payable on the sale of immovable property – 4% of the value of the sale
- Duty payable on the rental of immovable property (contract made between 1 and 3 years) – 0.5% of the value of the lease
- Duty payable on the rental of immovable property (contract made more than 3 years) – 2% of the value of the lease
- Duty payable on the sale or transfer of shares – 0.1% of the value of the transferred shares
- Duty payable on the bonds (including mortgage deeds) – 0.5% of the value of the bond
- Duty payable on joint venture agreements, production or profit sharing contract, construction agreements or other similar agreements – 1% of the value (maximum duty is MMK 150,000)

Property tax

Immoveable property (land and buildings) situated within the city development area is subject to property taxes, such as general tax, lighting tax, water tax and conservancy tax, imposed by the city development committee to cover the cost of maintaining the city.

Double tax agreements

In terms of international tax agreements, the Myanmar Income Tax Law provides that the government may enter into an agreement in which the matter of income tax is included with any foreign state or international organization. The terms and conditions of such agreement must be followed notwithstanding anything contained in any other provisions of the Income Tax Law. At present, Myanmar has concluded tax treaties with India, Malaysia, Singapore, Korea (Rep.), Thailand, United Kingdom, Vietnam and Laos. Also, there are double tax agreements with Indonesia and Bangladesh, which are required to be ratified.

Tax relief cannot automatically be obtained; that is to say, taxpayers need to claim tax treaty reliefs to internal revenue department through the relevant revenue office by submitting the certificate of residency, contracts and the other necessary documents.

Myanmar accounting requirements

The enterprises in Myanmar are required to maintain proper books of accounts in accordance with the Myanmar Accounting Standards which were drafted based on the 2010 version of the International Financial Reporting standards. In addition, audited financial statements must be filed with the corporate income tax return within 3 months from the fiscal year ended, i.e. within 31 December following the respective fiscal year (1 Oct to 30 Sept, since 2018).

Periodicity of local books to be closed: at least once a year (there is no specific requirement in the law , it depends on tax return requirement / management decision-monthly / quarterly.

Documentation to be presented with the financial statements: none unless the entity is a Myanmar Investment Commission approved company.

1.11 Foreign worker requirements

Localization requirements relaxed

The Myanmar Investment Law of 2016 removes the quota requirements of the superseded Foreign Investment Law which required a certain percentage of positions within an entity to be held by Myanmar citizens.

Requirements to Obtain a Myanmar Work Visa and Stay Permit

A foreign individual who intends to do business in Myanmar can apply for either of the following two visas:

- Business Visa: A business visa is valid for 70 days and the holder of a business visa can apply for a multiple entry visa for three months, six months, and one year.
- Employment Visa: An employment visa is valid for 70 days and the holder can apply for a multiple entry visa and stay permit in the manner as a business visa holder

However, they need to obtain a work permit to stay for a period longer than 90 days. In Myanmar, there are two types of work permits available to foreign employees:

- Stay permit: On its own, this permit is valid for a single trip to Myanmar. It allows the holder to stay and work in Myanmar for either three months or one year.
- Multi re-entry permit: This permit allows foreign nationals to work in Myanmar for a year, during which they can travel internationally. Applicants should note that holding a valid stay permit is a prerequisite for the multi re-entry permit.

General Procedures

To travel to Myanmar, foreign employees will need to obtain a business visa. The requirements for this visa typically include:

- A completed visa application form
- A letter of invitation from the employer in Myanmar
- A passport with at least six months of validity
- A copy of the information page of the passport
- Two recent passport photographs
- A guarantor from the employer with a copy of the company registration certificate

An employment visa application requires an invitation letter or appointment letter of the Company, Labor Registration Certificates issued by the Ministry of Labor, Immigration and Population certifying payment of taxes imposed. The period of stay is 70 days

which can be extended upon application in the same manner as a business visa for three/six months.

Foreign workers will also need to obtain a stay permit after arriving in Myanmar. To get this permit, applicants will need to provide:

- A completed application form
- A letter of recommendation from the employer
- A passport that is valid for at least six months and an extra copy of the passport's information page
- A copy of the applicant's CV
- Two passport photos
- Company documents from the employer, including the company affidavit and certificate of registration

In theory, foreign nationals who are planning to stay in the country for more than 90 days continuously must obtain a Foreigner's Registration Certificate (FRC) within 90 days of their arrival for USD 9. The FRC is valid until 30 November each year after which it must be renewed.

1.12 Impacts of COVID-19 Pandemic and 2021 Military Coup

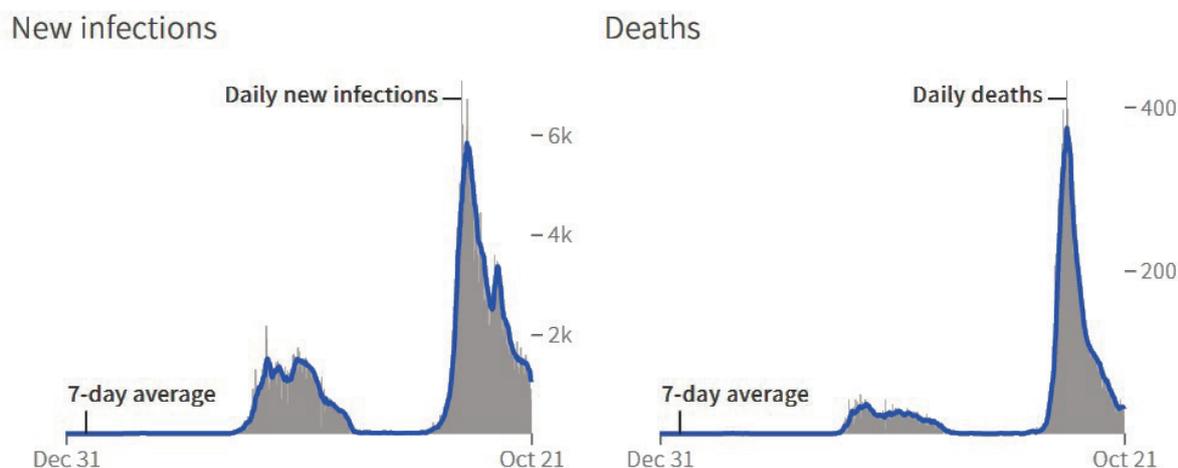
COVID-19 Third Wave

The coronavirus pandemic began with two laboratory-confirmed cases on March 23, 2020. The NLD government rapidly implemented measures to contain the virus, including travel restrictions, partial lockdowns, closure of major businesses, quarantining incoming travellers, construction of quarantine facilities, and food and cash assistance programmes (Oo, Tun, Lin, & Lucero-Prisno III 2020). In the first wave that ended in early August 2020, Myanmar recorded only 374 confirmed cases with 8 deaths. But soon the country was hit by a major second wave, with daily cases increased from less than 10 to over 1,000 in mid-October. The NLD government decided to nonetheless proceed with the organisation of general elections on 8 November 2020. As of 25 December, Myanmar had recorded 119,788 confirmed cases and 2,532 deaths (Ministry of Health and Sports [Myanmar] 2020).

In the aftermath of Myanmar's coup stage on 1 February 2021, strikes and, staff shortages, military violence against medical staffs, and widespread distrust of the authorities have weakened Myanmar's under-resourced healthcare sector and reversed the country's hard-won progress in the fight against COVID-19. Since early July 2021, Myanmar has reported a third wave, with daily record-breaking numbers of confirmed COVID-19 cases and deaths in what is a rapidly escalating third wave. The medical sector has spearheaded the Civil Disobedience Movement (CDM) against the coup, with doctors and nurses walking out of public hospitals and COVID centers in protest. This led to medical staff being targeted by the junta, including widespread warrants, arrests and deaths as well as the military occupying hospitals at one point. The health system has all but collapsed with many major hospitals having had to shutter and turn away patients. The daily new infections and daily deaths peak at over 6000 and nearly 400 in July (Figure 1.3). By 22 October 2021, there had been 491,584 infections and 18,465

coronavirus-related deaths reported in the country since the pandemic began. As of 16 October 2021, Myanmar has administered 12.3 million doses of COVID vaccines. 8.35% of the population has been fully vaccinated and 12.13% has been partly vaccinated, amounting to 20.48% in total (Our World in Data 2021).

FIGURE 1.5 Daily Reported Trends of New Infections and Deaths of COVID-19 in Myanmar (31 December 2019 – 22 October 2021)



Source: DICA 2018, data from <https://www.shweproperty.com>, <https://www.imyanmarhouse.com>

The third wave of COVID-19 is expected to further weaken economic activity in the final quarter (July to September) of FY2021, and potentially well into FY2022. These impacts have the potential to be significantly worse than what was observed in 2020, given the much weaker state of the economy in mid-2021, and the current lack of capacity in the public health system to adequately respond. Stay-at-home measures and precautionary behavior will restrict mobility, further weaken consumption and investment, and result in additional disruptions to businesses' operations. External trade will also be constrained by recently imposed closures of border crossings.

Military Coup

On 1 February 2021, Commander-in-Chief Min Aung Hlaing, the commander-in-chief of Myanmar's Armed Forces (the Tatmadaw) since 2011, staged a coup d'état and overthrew the democratically elected government led by the National League for Democracy (NLD). The armed forces have claimed fraud in the general elections held three months earlier in November 2020, which Aung San Suu Kyi's NLD won by a landslide, as rationale for the coup (Barany 2021). State Counsellor Aung San Suu Kyi and President Win Myint were detained alongside a wide range of other political figures. A massive, popular movement rejecting the coup then unfolded. Elected members of the ousted parliament, veteran politicians, civil society organizations and the leadership of some ethnic armed groups then formed a range of umbrella movements and political bodies representing the opposition to the newly formed military junta. In particular, ousted MPs created the Committee Representing the Pyidaungsu Hluttaw (the name of the Parliament of the Union), which then founded the National Unity Government (NUG) to ensure continuity in the representation of the Myanmar people and seek international recognition. These bodies have been labeled 'terrorist organizations' by the army-run SAC.

In the immediate aftermath of the military's coup, SAC leaders sought to keep the economy on track by presenting themselves as business-friendly, arguing that economic policies would remain unchanged during the state of emergency. The junta even appointed some prominent civilian administrators and well connected, savvy and English-speaking former ministers, such as Aung Naing Oo, to key economic positions (Tun, Thuzar & Montesano 2021).

The series of popular protests that followed the coup – in particular a massive Civil Disobedience Movement (CDM) affecting most of Myanmar's public services – focused on restricting the junta's control of vital services and resources, particularly through peaceful strikes and a domestic boycott of military-linked conglomerates and factories. This, alongside some recent policies announced by the SAC, has severely impacted Myanmar's public and private sector, including in banking, health and transportation (International Crisis Group 2021).

Through the period from February to April, a nightly ban on fixed-line and fiber internet services was imposed, mobile data and wireless broadband networks were cut, and social media access was heavily restricted. The fixed-line services have been gradually resuming, but the fixed wireless connectivity and mobile data connectivity on which the vast majority of people in Myanmar rely, remains unavailable ('Update: internet access, censorship, and the Myanmar coup' 2021). To strengthen surveillance, the junta has already suspended provisions in the 2017 Law Protecting the Privacy and Security of Citizens, thereby allowing the military to search and seize peoples' belongings and intercept phone call data without warrants. The junta launched deadly crackdowns on anti-coup protesters and imposed martial law in industrial areas. The death toll as a result of Myanmar's coup this year has topped 900 by July, according to a Special Rapporteur on the situation of human rights in Myanmar of the United Nation ('Special Rapporteur on the Situation of Human Rights in Myanmar Tells Human Rights Council that the International Community is Failing the People of Myanmar' 2021).

The US, the European Union (EU), the UK, Australia, and Canada have imposed several waves of sanctions on Myanmar in an effort to increase pressure on the military since it took power in the coup, including trade embargoes, asset freezes, travel bans, and investment bans. The US Government sanctioned 12 individuals and 3 entities, freezing any of their US assets and barring Americans from dealing with them (McMillan, Test & Tovar 2021). The EU expanded existing measures against Myanmar, targeting 8 individuals and 4 state-owned (or military-controlled) organizations for asset freezes and investment prohibitions (Council of the EU 2021). UK implemented autonomous sanctions through Myanmar (Sanctions) Regulations 2021, which imposes 'financial, trade, and immigration' restrictions, including the prohibition on the export and transfer of military and communications technology and financial services to Myanmar ('Myanmar sanctions: guidance' 2021). In coordination with the US, the UK, and the EU, Canada expanded its Myanmar sanctions regime in response to the military coup and ongoing human rights abuses. Its 2021 sanctions entailed additional asset freezes for 16 individuals and 10 entities in Myanmar ('Myanmar sanctions' 2021).

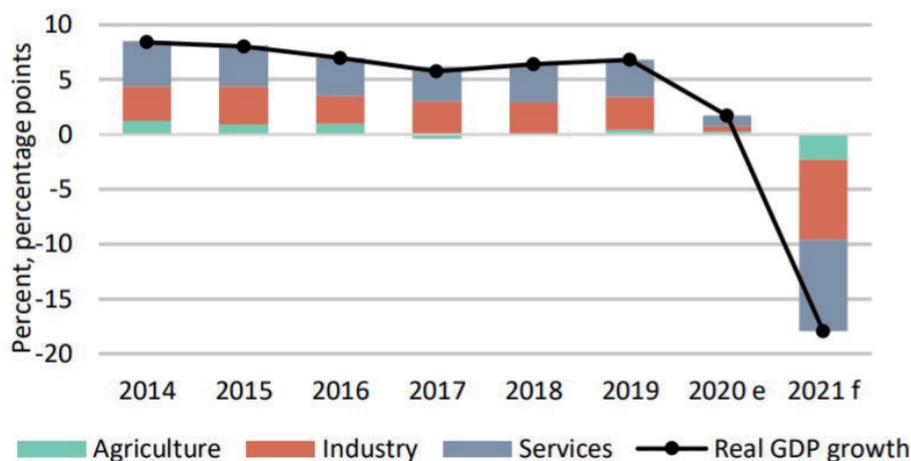
Impacts on Economy

The COVID-19 outbreak and the military takeover in February 2021 have severely impacted the national, formal economy. Demand has been hit by reduced mobility, lower incomes and employment, logistics and transport constraints, and a reduction in new investment and new orders. Critical health, education, and business services have been disrupted, due in part to the Civil Disobedience Movement (CDM) and associated worker strikes, which emerged as a protest against the coup. Liquidity shortages and banking sector disruptions have also limited businesses' ability to pay employees and suppliers. Internet access was heavily restricted in the first three months following the coup. Together with ongoing protests and security fears, these shocks have weakened consumption, investment, and trade, and constrained businesses' operations and the supply of labor and inputs.

Fall of Economic Growth

Myanmar economic growth fell from 6.8% in 2018 to just 1.7% in 2019 as the garment, tourism and retail sectors experienced significant slowdowns during the pandemic (Figure 1.4). Before last year's November election, the World Bank and the Asian Development Bank predicted that Myanmar would bounce back strongly from the economic impact of the global COVID-19 pandemic, with the economy set to grow at around 6 percent in 2021. The NLD Government launched the COVID-19 Economic Relief Plan in April 2020 to inject fiscal stimulus and fast-track structural reforms. However, the significant deterioration in the political situation alongside COVID-19 is increasingly expected to lead to an economic collapse. The World Bank (2021) estimates that the economy is expected to contract around 18% in Myanmar's 2021 Fiscal Year (Oct 2020-Sep 2021) with a broad-based contraction across all sectors, coming on top of weak growth in FY2020. Fitch Solutions (2021), an affiliate of the global rating agency Fitch Ratings, have revised down the real GDP forecast of 2021 Fiscal Year to a 20% contraction, from a 2% expansion previously.

FIGURE 1.6 Real GDP growth and contributions to growth by sector



Source: World Bank (2021).

Downturn of Industries

Virtually all sectors of the private sector, public services and civil service are severely stressed or stalled as the civil disobedience movement continues and the economy declines. Access to banking services is severely restricted with individuals having withdrawals capped or prohibited. Logistics have ground to a halt with ports facing significant bottlenecks and significant staff shortages in road and rail transportation due to ongoing strikes.

Manufacturers are seeing severe contractions in orders alongside increasing costs due to transport costs, material shortages and the continued depreciation of the kyat which is subsequently increasing the price of fuel and food. Since the coup, manufacturing sector has lost orders from major foreign brands, including H&M and Italy's Benetton, due to the instability of business environment and deterioration of human rights under military rule. Major investors have pulled out, ceasing partnership with military-owned companies.

Five days after the coup, the Japanese beer giant Kirin for instance announced it cut ties with the army-run Union of Myanmar Economic Holdings Ltd (Lewis 2021).

The emerging digital economy and Fintech market similarly collapsed after the military regime introduced large-scale internet restrictions across Myanmar. The Internet blackouts have affected everything from mobile money to e-commerce and online food delivery services. Since March, when the regime blocked mobile internet and broadband services. E-commerce business is down by 75%, while online food delivery services nationwide are down 80% following the coup ('Myanmar's Economy in Freefall under Military Regime' 2021).

Political instability has forced a halt on all major infrastructure projects in Yangon, Myanmar's commercial capital, including the Korean Industrial complex, the Japan-backed Yangon-Thanyin Bridge and the extension of the Thilawa Special Economic Zone.

Suspension of FDI

According to a joint survey launched by 10 Foreign Chambers of Commerce in Myanmar and participated by 372 companies in April, the impact of the events of 2021 had a stronger negative impact on companies after only two months than a whole year of pandemic in 2020 (Foreign Chambers of Commerce in Myanmar 2021). About 13% of the companies have ceased all activities, a third of respondents reported a 75 percent-plus reduction in their activities since the military coup, and 21 percent said they have reduced activities by between 50 percent and 75 percent, while only 5% reported that the crisis had no impact on their business activities. Among the impacts cited by respondents to the joint survey were interruptions to banking services and payments (77%), the disruption to internet connections (70%), and staff being unable to travel freely (65%). Many companies have recorded no income at all during the last two months and some of them already had to completely terminate their operations in a larger proportion than in 2020.

Firms' confidence about the future is extremely weak, and there is ongoing uncertainty and concern about how the environment for doing business will evolve. Many foreign investors have retreated or intended to retreat from Myanmar, including the Norwegian telecoms firm Telenor, one of the biggest foreign investors in Myanmar, that faced the challenges of weighing up human rights, safely serving its customers and maintaining network access under the junta rules (Mcpherson & Potkin 2021). According to the data from DICA (2021), foreign direct investment (FDI) increased in Financial Year 2020 but gradually dried up after the coup in February. Only 7 FDI projects were approved during February to July 2021, much less than 113 projects approved in the same period in 2020. Most of the FDI this financial year is accounted by a liquefied natural gas power plant supported by UK that will cost \$2.5 billion.

While investor sentiment is well down on previous years, some investors have identified opportunities to invest or expand. One of the leading mobile telecommunications network operators is in the process of changing hands, for example, and new investments and M&A activity are occurring across a few sectors. While the risk profile for investment and doing business has generally worsened, and regulatory processes have become slower and less predictable, the ability to move quickly in making opportunistic investments provides a real advantage to those who are active and not concerned with international sanctions. Investors who are able to size up and manage current risks, and develop practical solutions to execute deals and new investments, may be rewarded in the longer term – but this has to be done with eyes wide open to

constraints posed by international financial sanctions. Acquiring good access to local insight and support in a time of flux and uncertainty will also be essential.

Lack of Financial Liquidity

A lack of liquidity has made it difficult for individuals and businesses to make and receive payments, and continues to constrain economic activity. Despite bank branch re-openings and several interventions from the Central Bank of Myanmar (CBM), physical currency remains in short supply, at least in part due to a shortage of the raw materials needed to print banknotes. Access to banking services remains limited. Banks are continuing to impose strict withdrawal limits, and long queues at bank branches and ATMs persist. Trust in the formal banking sector appears to have largely diminished, with informal systems and markets emerging to allow customers to access physical kyat currency and make payments.

Throughout 2021, the kyat reference rate had depreciated considerably. In January, the dollar bought around 1,350 kyats. In September, the rate hit a record high with almost 3,000 kyats in Yangon's street markets (Kurtenbach 2021). The CBM has intervened 36 times between February and September 2021, and sold US dollars into the market to mitigate downward pressure on the exchange rate and alleviate foreign currency shortages, but reports indicate that US dollars remain difficult to access. At the same time, the exchange rate depreciation, together with trade and logistics constraints (and external factors in some cases), has led to significant price rises for imported goods. Fuel prices are up around 50 percent since the end of January. But weaker demand, particularly for discretionary purchases, is likely to have partly offset these inflationary pressures. Nevertheless, average annual inflation of 6 percent is projected for FY2021, which would be consistent with a significant acceleration in inflation in the second half of the year.

The fiscal position has been seriously strained by the dual shocks of COVID-19 and coup, which are affecting revenue collection and financing. In recent years fiscal policy has been structurally constrained by low revenue collection, with tax revenues at around 6 percent of GDP among the lowest in the world. With limited deficit financing options, the further reduction in revenues will limit the envelope for spending on critical public services, in an environment where the capacity to spend effectively is also likely to be constrained. Alternatively, a return to reliance on large-scale CBM financing is possible, but this would unwind gains made in recent years to reduce deficit monetization and could potentially have significant impacts on the exchange rate, inflation, and the overall credibility of macroeconomic management.

The country is having a cash shortage problem with people rushing to withdraw money from their bank account while banks are unable to provide cash. This lowered the customers' confidence in the banking system pushing people to opt to buy either dollar or gold instead of keeping the money in the bank.

CHAPTER 2

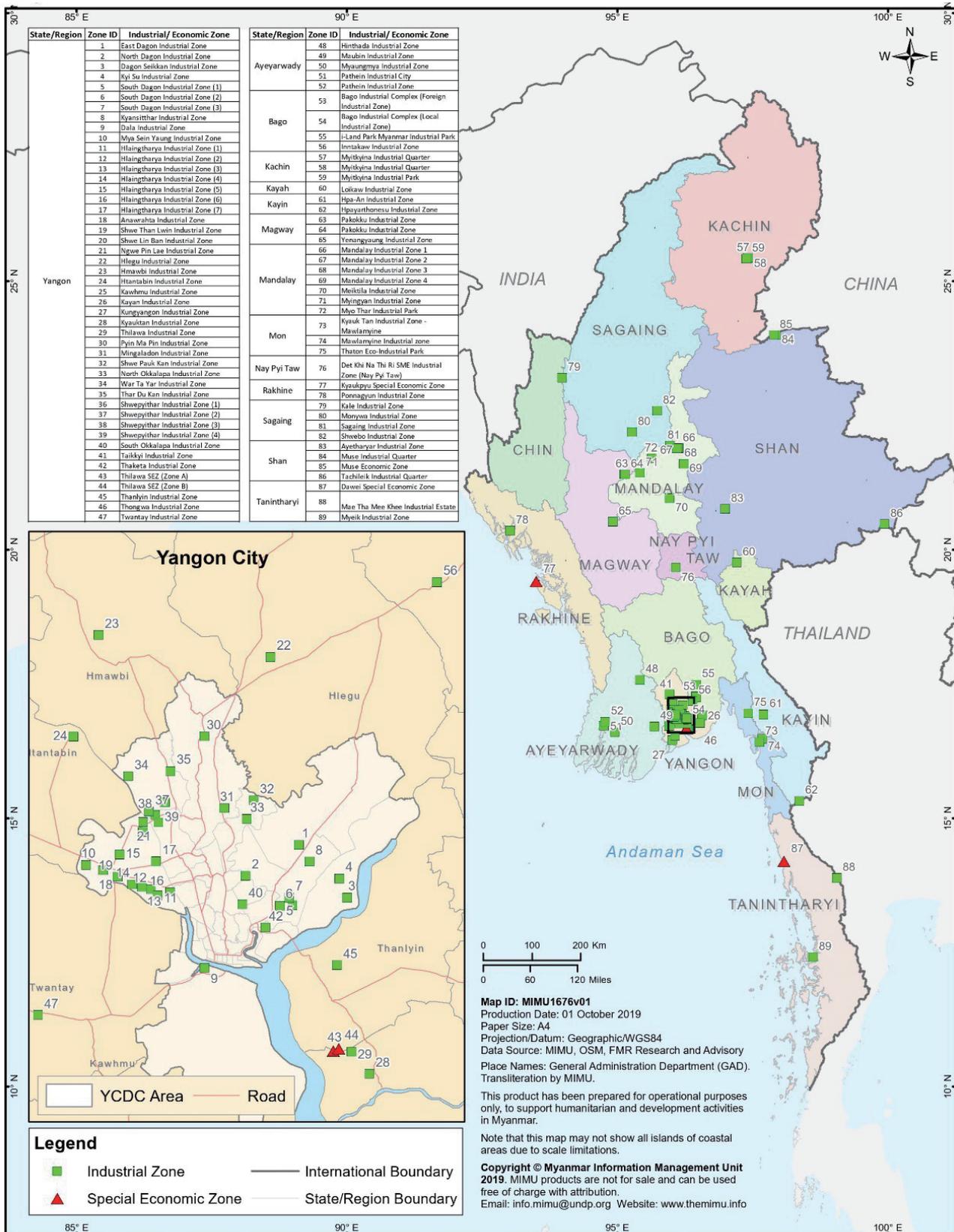
CASE STUDY: THILAWA SPECIAL ECONOMIC ZONE

2.1 Basic Information on Industrial and Special Economic Zones in Myanmar

Industrial Zones

By 2019, there are 89 industrial and special economic zones in Myanmar, including three Special Economic Zones (Myanmar Information Management Unit 2019). 47 zones are located in Yangon State, including the Thilawa SEZ that is about 20 kilometres southeast of Yangon City (Figure 2.1). The industrial zones are mainly scattered around large cities, like Mandalay.

FIGURE 2.1 Industrial and Special Economic Zones in Myanmar



Disclaimer: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Source: Myanmar Information Management Unit (2019).

Industrial zones were first introduced by the Myanmar authorities in the 1990s to encourage private sector to participate in manufacturing and foster industrial clusters (HKTDC 2016). The number of industrial zones has gradually grown over the years.

The most recent development is the New Yangon City Project with a proposed area of 4,745 hectares of land development in southwest Yangon. Phase one of this project was optimistically slated for completion by 2020. An agreement with a China-owned construction company, China Communications Construction Company, has also been signed to further improve and build the facilities and infrastructure.

Special Economic Zones

The current development of Special Economic Zones (SEZ) in Myanmar is governed by the Myanmar Special Economic Zone Law, passed by the USDP government in 2014. There are currently three SEZs established in Myanmar:

- Thilawa SEZ, in Yangon Region
- Dawei SEZ, in the Thanintharyi Region
- Kyaukphyu SEZ, in Rakhine State

FIGURE 2.2 Geographical Location of Myanmar Special Economic Zones



Source: Nash (2017).

Thilawa SEZ

Thilawa Special Economic Zone, located on the outskirts of Yangon, is the first SEZ built in Myanmar, and has first become commercially operational since September 2015. Thilawa SEZ is developed by a Myanmar-Japan joint venture company with the name of Myanmar Japan Thilawa Development Limited, where the Myanmar government, Japanese government, Myanmar private consortium and Japanese private consortium have stakes (Table 2.2).

TABLE 2.1 Investment Structure of Myanmar Japan Thilawa Development Limited

Name	Share	Representative of
Thilawa SEZ Management Committee (TSEZMC)	10%	Myanmar government
Japan International Cooperation Agency (JICA)	10%	Japanese government (Implementing agency of Official Development Assistance (ODA) of the Government of Japan)
Myanmar Thilawa SEZ Holdings Public Limited (MTSEZ)	41%	Myanmar private consortium (9 enterprises, each holds 5% share)
MMS Thilawa Development Co., Ltd.	39%	Japanese private consortium (Marubeni, Mitsubishi and Sumitomo as an equal investment limited liability partnership)

Thilawa is the most successful industrial park project in Myanmar. As of 30 September 2019, a total of 113 companies from 18 countries had hired lands in Thilawa SEZ with the total investment of over USD 1.86 billion (Myanmar Thilawa SEZ Holdings Public Limited 2020). Most of them come from Japan (51%), ASEAN (23%), East Asia (except Japan) (16%), and Europe (5%). Investors into SEZ form a wide range of sectors including apparel, building materials, packaging, food and beverage.

Dawei SEZ

Dawei SEZ is located in Tanintharyi Region of Myanmar. Dawei city is the capital city of Taninthayyi Region, which occupies the southern part of Myanmar and borders Thailand in the east and south and Andaman sea in the west. The governments of Thailand and Myanmar signed a memorandum of understanding (MOU) to develop the Dawei Special Economic Zone in 2008. The Government of Japan agreed to participate in the project by providing technical and financial support in 2015 and declared its commitment to invest in the full-phase implementation of the project in November 2019.

Plans for the Dawei SEZ include a deep-sea port, a vast petrochemical estate, a dam and two reservoirs, an industrial zone for light industries, and road and rail links to Thailand. The development of Dawei SEZ will be done in phases. The total designated area for the SEZ is 196 sq km and the initial phase occupies 27 sq km. The various industries will be developed in line with the phased development of key infrastructures (Table 2.2).

TABLE 2.2 Development of Dawei SEZ in Phases

	Initial Phase (2015-2020)	Full Phase (after 2020)
Size	Up to 27 sq km	196.5 sq km
Focus industries	Light and medium manufacturing, labor-intensive in nature	Heavy manufacturing, scale and infrastructure-dependent in nature
Supporting infrastructure	Set-up and development of infrastructure	Addition, upgrade and enlargement of infrastructure
Developer	To be done by Consortium of Thai companies led by Italian-Thai Development PLC	Allocation of individual projects to be determined by the Myanmar government

Source: Dawei Special Economic Zone Management Committee (n.d.).

Since its initiation in 2008, the development of Dawei SEZ has hit numerous snags, including funding shortfalls, local opposition and concern over displacement, inadequate compensation, and environmental damage (Aung 2018). This long-delayed mega project experienced was suspended in January 2021, when the Dawei Special Economic Zone Management Committee canceled the contracts with the project's contractor Italian-Thai Development Plc (ITD) due to broken agreements about financial obligations.

Kyaukphyu SEZ

The development of Kyaukphyu Special Economic Zone is closely related to China-proposed Belt and Road Initiative (BRI). Kyaukphyu is the terminus of the China-Myanmar Oil and Gas Pipelines running to Kunming in China's Yunnan Province, along which is the China-Myanmar Economic Corridor (CMEC), a key transport route of the BRI. An MOU to build CMEC was signed between the governments of China and Myanmar in September 2018. The Kyaukphyu SEZ project is part of the corridor. In November, the Kyaukphyu Special Economic Zone Management Committee and the CITIC Consortium from China signed a framework agreement to jointly develop the Kyaukphyu SEZ project and Deep Sea Port project.

Reports show that the CITIC takes 51% of the industrial zone, and provides 70% of the funding for the Deep Sea Port project, and the Myanmar-Kyaukphyu Special Economic Zone Holdings Groups of Company composed of 42 local private companies takes the rest (Oo 2020). The SEZ project will be initiated after the Deep Sea Port project ('Kyaukphyu SEZ project comes after Kyaukphyu Deep Sea Port project' 2018). Recently, the junta have expedited the two projects in Kyaukphyu. The junta reorganized the Kyaukphyu Special Economic Zone Management Committee in May and invited bids to provide legal services to the two projects in August 2021 (Chaudhury 2021).

2.2 General information on Thilawa Special Economic Zone

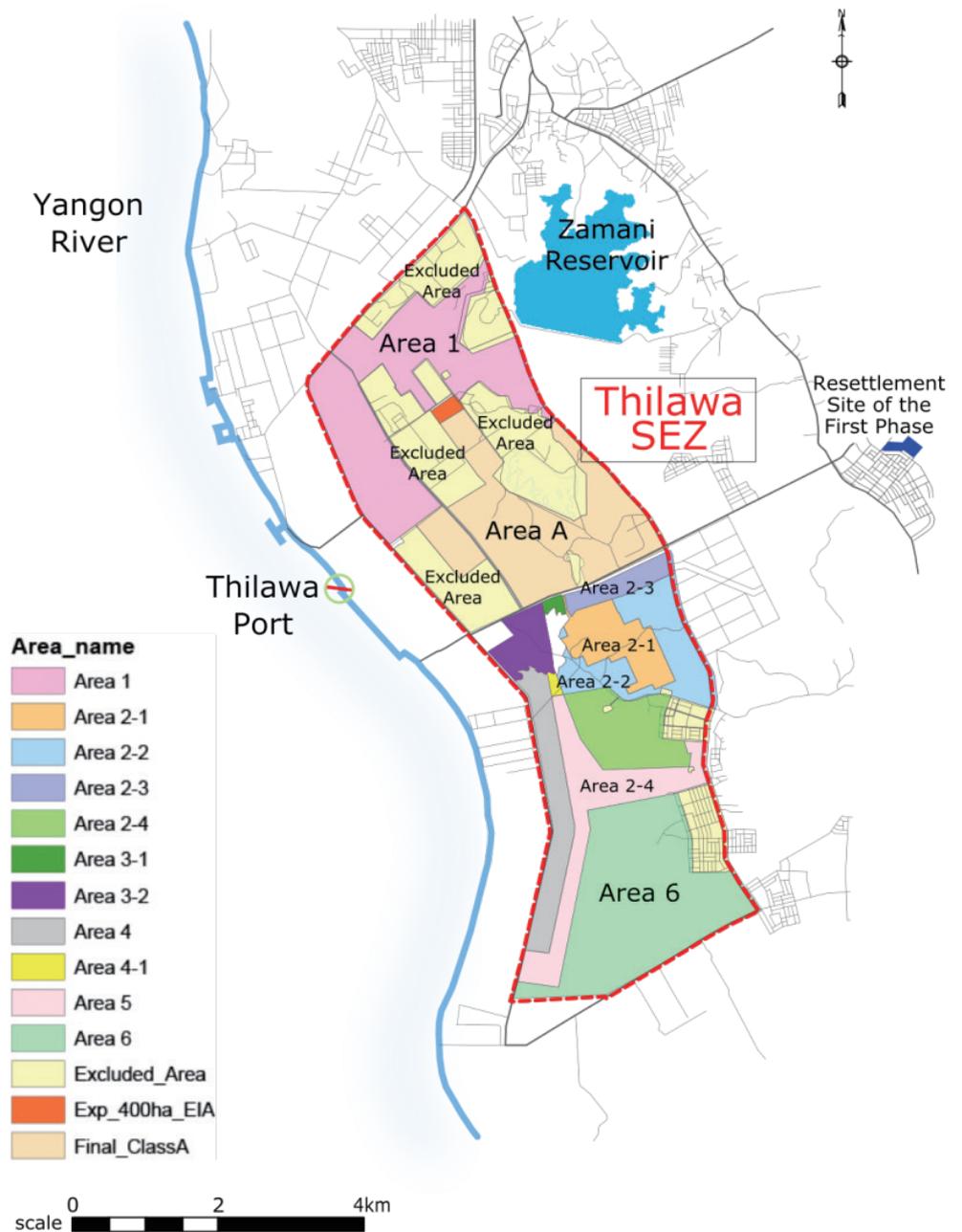
Project Outline

The allocated land for Thilawa SEZ zone is approximately 5,027 acres (approximately 2,400 hectares) located in Thanlynn and Kyauktan townships in Yangon Region. The Thilawa SEZ have developed Zone A and Zone B of industrial area, and factories and offices for rent (Table 2.3). By September 2019, 99% of the salable area of Zone A and 48% of Zone B Phase 1-3 had been leased out, and 100% of the rental factories and 82% of the rental offices had been occupied. There are still 1,768 hectares of land available for future development, about 3 times of completed development over past 6 years (Myanmar Thilawa SEZ Holdings Public Limited 2020). Work has begun on the fourth phase of Zone B with an area space of 49 hectares since 2020.

TABLE 2.3 Thilawa SEZ Overview

Zone	Area	Status
Zone A	405 Hectares	Operational since September 2015 Comprises fully operational infrastructure including residential and commercial areas of 35 hectares
Zone B	224 Hectares	Phase 1, 101 hectares, operational since August 2018 Phase 2, 77 hectares, operational since August 2019 Phase 3, 46 hectares, operational since April 2021 Phase 4, 26 hectares, construction started in 2020
Rental Factory	15 units 1,500 m ² (30m x 50m) per unit	Under operation
Rental Office	11 units 25-85 m ² per unit	

FIGURE 2.3 Map of Thilawa SEZ



Source: Thilawa Resettlement (n.d.).

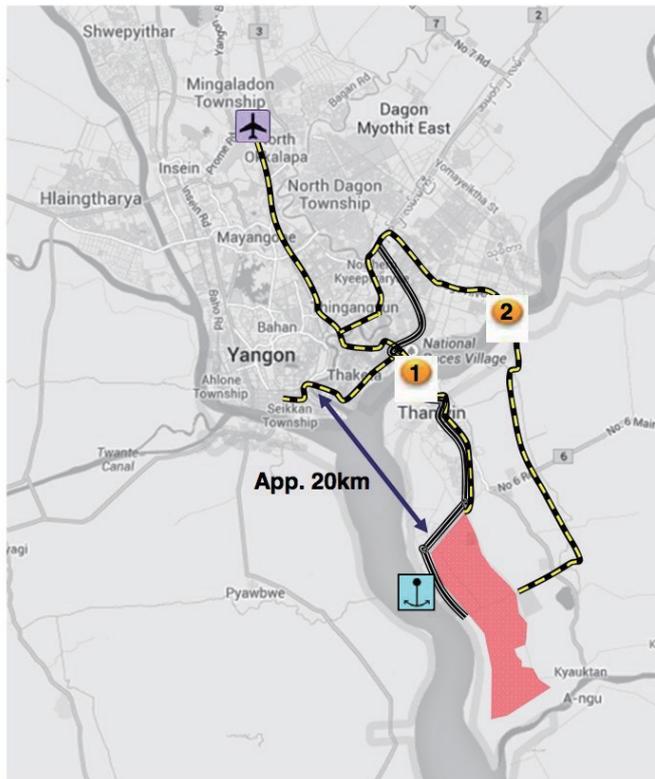
Advantages

Thilawa SEZ's strategic location, reliable infrastructure, steady supply of electricity and waste management coupled with generous benefits for export-oriented companies and efficient operations makes it an attractive destination for investment in Myanmar.

Thilawa SEZ is positioned in geographically strategic location on the bank of Yangon River and about 38 kilometers away from Mingaladon International Airport and 23 kilometers from downtown area of Yangon Commercial District. It is located next to

one of the main ports called Myanmar International Terminals Thilawa (MITT) (Figure 2.2). Besides, the road to Thilawa SEZ is connected to the major road transport network across the whole country. Hence, both industries that focus on export markets as well as domestic market find it easy for expanding their distribution network.

FIGURE 2.4 Geographical Location and Advantages of Thilawa SEZ



-  **Thilawa Port**
-  **Intl' Airport**
-  **1 Thanlyin Bridge**
-  **2 Dagon Bridge**
-  **Main Roads**
-  **Railway Line**

Source: Thilawa Special Economic Zone Management Committee (n.d.).

The Japan International Cooperation Agency (JICA) is a Japan's administrative agency which provides bilateral aid in the form of technical cooperation, ODA loans and grant aid. For the Thilawa SEZ development, the Government of Japan and JICA provide all types of ODA assistance, including technical cooperation, Japanese ODA loans and grant aid to build power, water, communication, road, port and other infrastructure in the surrounding area, as well as to assist the management of Thilawa SEZ Management Committee.

Unlike other industrial zones around Yangon, the Thilawa SEZ has all necessary infrastructures available for investors. Once the location in the Thilawa SEZ is confirmed and the investment permit is issued, electricity, telecommunications including the Internet access, and purified water supply will be connected. Services for liquid waste, solid waste and industrial waste management are also readily available.

Tax Incentives

In the Special Economic Zones, free zones, promotion zones and other zones exist. Free zones are mainly focused on export-oriented markets and include manufacturing, transportation, and wholesale areas that are entitled to customs duty and other tax exemptions relating to goods in the SEZs and the goods imported to this zone. Promotion zones are mainly based on the domestic market and the markets in SEZs. In this zone, investments can be made in manufacturing, housing, departmental stores, banking, insurance, schools, hospitals and recreational places. Myanmar Special Economic Zones Law of 2014 provides tax incentives to investors in SEZs (Table 1.2).

TABLE 2.4 Tax Incentives for Investment in Special Economic Zones

FREE ZONES	PROMOTION ZONES
Income tax exemption for the first seven years	Income tax exemption for the first five years
After seven years, 50% relief of current legal income tax rates for five years	After five years, 50% relief of current legal income tax rates for the second five years
After 12 years, 50% relief of current legal income tax for profit that is reinvested within one year as a reserve fund for the next five years	After 10 years, 50% relief of current legal income tax for profit that is reinvested within one year as a reserve fund for the next five years
Exemption from commercial tax (similar to valued-added tax in other jurisdictions)	For the first five years, exemptions from customs duties and other relevant taxation on production machinery and replacement parts; and construction materials for building the business's own facilities, such as factories, warehouses and offices
Exemptions from customs duties and other relevant taxation on imports of raw materials for production machinery instrument and necessary spare parts for production; construction material for building such as factories, warehouses and own offices and motor vehicles	For the resources listed above, 50% relief of the custom duties and other taxation the next five years
	The customs and other taxation shall be paid for the importation of raw materials and other goods for production
The exemptions of customs duties and other relevant taxation on the import of trading goods, consignment goods, motor vehicles and other materials which are essential for a business's free-tax wholesale trading, export trading and services of provision and transportation	For the resources listed above for, the option to apply for a refund of customs duties and other taxation paid on importing them, if the goods they help produce are exported abroad or into a Free Zone
The option to apply for exemption on import tax or value-added tax for goods imported from a local or Promotion Zone to a Free Zone for the investor of Free Zone	Exemption of commercial tax and value added tax during the relevant relief period provided in the Special Economic Zone Law
	In all other cases, businesses shall regularly pay the customs and other taxes upon importing raw materials and other goods for production

Source: DICA, Myanmar Special Economic Zones Law 2014.

The development of Zone B for 101 hectares was implemented on 24 February 2017 and applications for Zone B has been accepted (Thilawa SEZ Management Committee n.d.). The investment policy of the Thilawa Management Committee for the first phase of Zone B is to give more priority to labor-intensive industries and/or export-oriented industries. Out of these priority industries, the labor-intensive and export-oriented industries that require more inputs from industries outside the Thilawa SEZ (in other words, industries that will form stronger links with the firms outside the SEZ) will be given more weights. Quantitative and qualitative assessments will be adjusted accordingly so as to be in line with this investment policy and to increase the number of labor-intensive and export-oriented industries in the first phase of Zone B.

One Stop Service Center (OSSC)

Thilawa SEZ Management Committee has established the One Stop Service Center (OSSC) from various government departments under its close supervision in order to provide efficient and fast services to customers and investors. Thilawa SEZ Management Committee (TSMC) together with its One Stop Service Center (OSSC) team comprised of designated officers from 13 relevant ministries are providing quick and reliable, predictable services to all investors by maximizing use of advance technology and best practices, and minimizing use of direct communication among people to people approach. Road and Transportation Administration Department and Food and Drug Administration Department are not directly stationed but are on call whenever investors required services.

The One Stop Service Center (OSSC) is designed with Front Office and Back Office, where Front Office staff are hired from private sector in order to avoid direct contact between investors and back office to prevent corruption. Application for any services that range from application for investment permit to application for company registration, import/export declaration, tax registration, multiple-entry visa, stay permit, etc., can be made to the Front Office of the One Stop Service Center. Investors are not required to contact or go to any other government organizations or ministries. Any approval, permits and services required by any investor can be acquired from the One Stop Service Center.

Online application for some services is also available so that investors do not even need to come to the One Stop Service Center to acquire these services. Necessary payments can also be made online via the e-Commerce system (<https://www.thilawasez.gov.mm/>).

2.3 Procedures for setting up a business at Thilawa SEZ

Setting up a Business in SEZ

Investors planning to locate in the Thilawa SEZ need to set up a new business (i.e. a new company incorporation) at the One Stop Service Center of Thilawa SEZ because the incentives and privileges that a business in the SEZ may be different from those outside the SEZ.

However, investors need to go through the following process in sequence:

- Reserve the land with the Developer (i.e. Myanmar Japan Thilawa Development Co., Ltd. - MJTD)
- Apply for investment approval to the Regulator (i.e. Thilawa SEZ Management Committee)
- Get the new company incorporated at the One Stop Service Center of the Thilawa SEZ. The incorporation of a new company takes only 1 day; however, the proposed company shall be incorporated only after the investment is approved.
- After the investment approval and the company incorporation is done, investors need to go through additional process for the application of Environmental Conservation and Protection Plan (ECPP), building permit, fire safety certificate, etc.

Investment Approval Criteria

The investment approval for in-SEZ investors (locators) rests in the Thilawa SEZ Management Committee, while investment approval for investors outside Thilawa SEZ is granted by the Myanmar Investment Commission (MIC).

In order to grant the investment approval, the Thilawa SEZ Management Committee makes quantitative and qualitative assessment/evaluation on each investment proposal. Investors are scrutinized based on 9 priority factors that mainly include (a) number of employees (b) investment amount (c) level of exports (d) whether or not the technology is new to Myanmar (e) whether or not the investor is a reputable and transparent entity (f) investment per hectare (g) number of employees per hectare (h) level of water consumption and (i) level of electricity consumption. The main criteria in the qualitative assessment include how the investment could be beneficial for the country, how it could be complementary with other industries, how it could fulfill the needs of Thilawa SEZ, etc.

Investment Application Procedures

First of all, investors wanting to locate in the Thilawa SEZ are to discuss with the Developer (i.e. Myanmar Japan Thilawa Development Co., Ltd.- MJTD) for land reservation. The developer will communicate with the Regulator (i.e. Thilawa SEZ Management Committee) regarding the permissible type of business. If the type of business is permissible, and the required land can be available and reserved, sign the Reservation Agreement with the Developer. However, the Reservation Agreement is not the approval of investment. If the investment is not approved, reservation agreement will be terminated and reservation fee will be returned by the MJTD. The overview of investment application process is as follows.

1. Pre-application:

Before the application is made (or when the application is sent online but not yet officially accepted), investors need to answer the questionnaires and send to the Thilawa SEZ Management Committee either by email or by online submission. The questions in the questionnaire are main factors taken into consideration in the quantitative assessment for investment approval. The answers to the questions will be assessed quantitatively if the application should be officially accepted.

2. Investment Application: Apply to the Thilawa SEZ Management Committee with the Application Form that can be downloaded on the website of Thilawa SEZ Management Committee (<https://www.myanmarthilawa.gov.mm/investment-application>). And send one copy of the Investment Application Form to the Developer, MJTD. Provide the following information when the application is submitted. Online application is also available.

- 1) Location of the land in the SEZ, and location of the factory
- 2) Water supply plan
- 3) Electricity supply plan
- 4) Building/factory construction plan
- 5) Plan for installation of machinery and equipment
- 6) Environmental management plan
- 7) Investment Application Form (Form-1) and its Cover letter

3. Investment Approval:

The Thilawa SEZ Management Committee will permit (by issuing the Form-2 as the Investment Permit), or permit with conditions (i.e. to permit when prescribed conditions are met), or reject within 30 days from the submission of application.

4. After receiving the Investment Permit, sign the Land Lease Agreement with the Developer. Send a copy of the Land Lease Agreement to the Thilawa SEZ Management Committee within six months after issuance of the Investment Permit. Company Registration:

5. Apply for registration of the new company at the One-Stop-Service-Center of the Thilawa SEZ Management Company. This Application for company incorporation can be made at the time the application for investment permit is submitted. The process of company incorporation takes only two days; however, the new company's registration will be given only when the investment permit is granted.

6 Building Permit and Fire Safety Certificate:

Apply for building permit and fire safety certificate. This application can also be made together with investment application or when the investment is approved as per the investor's convenience. It will take 30 days for the Thilawa SEZ Management Committee to review. Application for building permit and fire safety is to be reviewed by the developer of SEZ, MJTD, to check if the standards are in compliance with their regulation and after that the SEZ Management Committee is to check further compliance.

7. Environmental Conservation and Prevention Plan (E CPP):

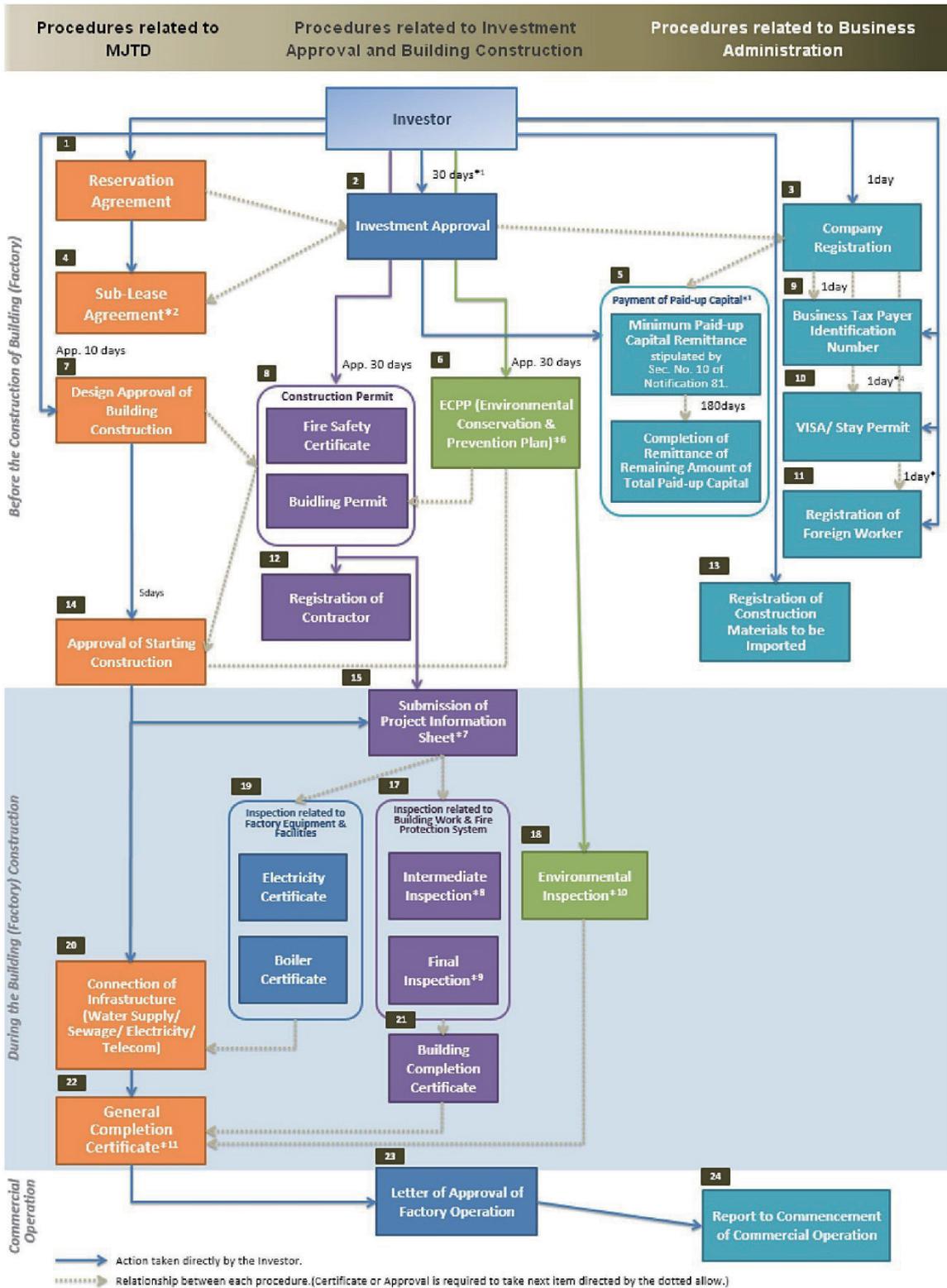
Submit the E CPP. It can be submitted together with investment application or after the investment is approved as per the investor's convenience. It will take 30 days for the Thilawa SEZ Management Committee to review. If the proposed industry is included in the list of IFC's Environmental, Health and Safety Guidelines; or if it has a large scaled furnace facility with gas emission; or if it has a large volume waste water discharge (i.e. more than 50 cu.m per day) with treatment system for hazardous substance and other pollutants; or if it generates substances with odor (e.g. manure, organic fertilizer, ammonia, wastes, etc.); or if it uses/disposes hazardous substance, the Initial Environmental Evaluation (IEE) report or Environmental Impact Assessment (EIA) report, depending on type of industry, must be submitted. It will take 30 days to approve IEE or EIA. If the proposed industry is not included

in the aforementioned lists, just ECPP is enough. In summary, everybody needs to submit the ECPP. However, depending on different industry, the Thilawa SEZ Management Committee shall instruct whether IEE or EIA needs to be submitted. The Environmental Management Plan (EMP) shall be submitted together with the IEE or EIA.

8. Start the construction of the factory

Commercial operations must be commenced within three years after the issuance of the Investment Permit. If that's not possible, a proposal (with sound reasons) can be submitted to the Thilawa SEZ Management Committee within 30 days before the expiry.

FIGURE 2.5 Flow chart of Overall Procedures



Source: Thilawa SEZ Management Committee (n.d.).

CHAPTER 3

RESPONSIBLE INVESTMENT IN MYANMAR

A CSHK research team conducted a 7-day research trip to Myanmar in late 2019, before the outbreak of COVID-19 epidemic in 2020 and the military coup of 2021, to understand how different stakeholders observed China's BRI projects and their perception of Hong Kong's roles and opportunities in Myanmar. This chapter draws upon findings from the research trip.

3.1 Fieldwork and discussions

A CSHK team had in-depth interviews with officials in the central government, leaders of Chinese state-owned firms, Hong Kong investors, foreign bankers, local academics, and university students, taking us to the largest commercial centre Yangon, the new national capital at Naypyidaw, and Thilawa Special Economic Zone near Yangon during a research trip in November 2019. The team has continued our engagements and discussions with the key stakeholders to keep abreast of the developments.

TABLE 3.1 Major Themes in Interviews

Themes	Sub-Themes
1. Challenges on Investment	<ul style="list-style-type: none"> ▪ Energy and infrastructure ▪ Talent ▪ Financing ▪ Policy and legal environments ▪ Engagement with government and the public
2. Government's policies, plans, and challenges in economic development	<ul style="list-style-type: none"> ▪ Investment promotion policies and regulatory regime ▪ Measures to improve business environment and infrastructure ▪ Challenges in international politics, governance capacity, and state finance
3. Developments of and Views on BRI	<ul style="list-style-type: none"> ▪ Progress of BRI projects ▪ Positive and negative impacts of BRI projects ▪ Irresponsible investment and public sentiments

Before February 2021, Myanmar had become a popular investment destination. As Myanmar is still listed by the UN among the least developed countries, the insufficient supply of energy and infrastructure, lack of educated labors, the backward financial system, corruption, strict public scrutiny, and the imperfect legal and regulatory framework have posed challenges to investors. The gaps in infrastructure, such as transportation links and electricity shortage are the major challenges for the attraction of FDI. Road conditions are to be improved. Electricity supply is erratic. Blackouts occur from time to time even in the largest city Yangon and Capital Naypyidaw. Myanmar has low-cost and abundant labor force (over 20 million) that favors manufacturing industries, but there is a problem of a shortage of educated labor, as well as professionals like accountants. Financial products are very limited because the country has been closed for decades. The stock exchange market is recently re-established, but there are only a handful of listed enterprises and no secondary market. Besides, Myanmar is still a cash-based society, due to distrust of the banking system, adding much costs to sales and banking. Only 10-15% of the population in Myanmar owns a bank account. Nonetheless, the telecommunication industry has developed fast in the past few years, and the e-wallet and mobile payments have made their debut in the market.

Even so, the respondents from commercial circles were confident about the business prospects (before the coup and ongoing pandemic), as the great potential would be further released with the opening-up and reform process. Whereas, they expressed concerns about the slow pace of economic reforms under the second half of the NLD-led administration. There were still many institutional restrictions on business activities. The legal system remains outdated, and the implementation of laws and regulations may vary across different townships. Also, the operational efficiency, transparency and openness of the bureaucratic system are low. Various departments of government have made endeavours to improve the business environment, cultivate talent, and promote foreign direct investment and trade.

The NLD government faced challenges in balancing economic development and environmental and social sustainability in the late 2010s. The pursuit of sustainability has been established as a primary goal of the government, with the Myanmar Sustainable Development Plan 2018-2030 (MSDP) released in August 2018. Meanwhile, to boost its economy, the government was interested in the large infrastructure projects proposed, invested, financed, and constructed by China, recently in the name of Belt and Road

Initiative (BRI). The decisions on large projects were vulnerable to disputes and public resistance, especially when the investors were Chinese state-owned enterprises, who had a reputation of social and environmental irresponsibility, resource grab, and collusion with the military (Chan 2017; Kirzherr, Matthews, Charles & Walton 2017).

The Myanmar public placed high expectations on the corporates' Environmental, Social and Governance (ESG) performance, requiring them to consider their influence on the employees, the clients, the communities, and the environment, and to positively take social responsibility (Guest 2016). Hong Kong professionals can provide talent training services and consultation services for investors to perform corporate social responsibility, especially the Chinese investors that have gaps in knowledge, experience, and techniques in the implementation of CSR and public engagement (Li, Luo, Mo & Chung 2021). The Myanmar authorities under both the USDP and NLD administrations, along with civil society organization and local academics have routinely appealed to the Chinese government and investors so that they strengthen the ESG considerations in their investment activities (Calabrese and Cao 2021). Several Chinese enterprises have recognized the significance of responsible business and increased inputs in this area (SiuSue & Zhang 2017).

3.2 Chinese and Hong Kong Investment in Myanmar

As of the end of November 2020, closely following Singapore, China is the second top investor accounted for 25% of cumulative approved FDI in Myanmar, at a total value of USD 21.52 billion. Hong Kong is also an important investor that contributes USD 9.75 billion, or 11%, ranking fourth in the list (Table 3.2). Notably, the official statistics of Chinese FDI reflect only a partial picture of total Chinese investment and projects in Myanmar. First, the "government-to-government" projects between China and Myanmar were not included in the FDI statistics compiled by DICA (interviews, Yangon, 2019). In addition, Chinese capital also flowed in the country through international financial hubs such as Hong Kong and Singapore, and tax havens like the Cayman Islands, so that some FDI attributed to these regions were in fact originated from China (Salidjanova 2011; Thant 2019).

TABLE 3.2 Cumulative Approved Foreign Direct Investment by Country of Origin, As of 30 November 2020

No.	Country	Amount (Billion USD)	(%)
1	Singapore	23.99	27.41
2	China, P.R.: Mainland	21.52	24.59
3	Thailand	11.42	13.05
4	China, P.R.: Hong Kong	9.75	11.15
5	UK	4.97	5.68
6	Republic of Korea	4.06	4.64
7	Vietnam	2.22	2.54
8	Japan	1.98	2.26
9	Malaysia	1.97	2.25
10	Netherlands	1.57	1.80
...			
	Total	87.50	100.00

Source: Data extracted from DICA (2020).

By the end of the 2000s, Chinese investment in Myanmar had mainly flowed in the power, mining, and oil and gas sectors. Since the launch of BRI in 2013, more Chinese infrastructure projects have started in Myanmar, including the construction of industrial zones, highways, railways and ports that were approved through government-to-government agreements. Chinese investment in hydropower, infrastructure and mining sectors are small in number but large in size. Some major investment projects are listed in Table 3.3. Large Chinese state-owned enterprises are the major investors and contractors of the projects.

TABLE 3.3 Some Major Chinese Investment Projects

Project	Investor	Project Status	Investment Amount (Billion USD)
Oil and gas pipelines	China National Petroleum Corporation (CNPC)	In operation (gas pipeline in 2013, oil pipeline in 2017)	2.54 (expected)
Letpadaung Copper Mining	Wanbao Mining Co., Ltd.	In operation (suspended from Nov 2011 to July 2015)	1.065
Shweli Hydropower Project	China Huaneng Group	In operation	0.46 (2.96 billion RMB)
Myitsone Dam	China Power Investment Corporation (CPI)	Construction is suspended since 2011	0.80 (invested) 3.6 (expected)
Kyaukphyu Deep Sea Port (part of SEZ)	CITIC (leading a consortium of 6 enterprises)	Framework Agreement signed in Nov 2018	1.3
Muse-Mandalay Railway	China Railway Group	MoU for feasibility study signed in Oct 2018	7
Yangon New City Development	China Communications Construction Company Ltd.	Framework Agreement signed in Nov 2018	1.5

Unlike the concentration in infrastructural construction and extraction in Chinese investment, Hong Kong investors are engaged in a wide range of industries, including manufacturing, energy, hospitality, and real estate. Finance, energy, and real estate accounted for the largest shares, with several large investors including VPower Group, Marga Group, and i-Land Industrial Park, while most investors are small and medium enterprises in labour-intensive industries and professional services industries. Hong Kong investors are keen to invest in Myanmar despite the pandemic in 2020, with permitted FDI of USD 1.4 billion in the fiscal year 2019-20 that takes up 23% of the total inflow (Ko 2020a, para 7).

3.3 Responsible Investment and Operation

Responsible business is a major topic in the discussions, which is not only significant for Chinese investors but for all. Compliance with laws and government guidance is far not enough to mitigate the social and environmental impacts and share benefits to the communities. Rather, enterprises are encouraged to fully respect human rights, operate lawfully, responsibly conduct their and adopt voluntary best practices and internationally respected guidelines. Driven largely by an active development sector, and a growing awareness of the importance and benefit of responsible business conduct by some larger corporate investors and business associations, the focus on ESG considerations when doing business in Myanmar was becoming more apparent. The followings are several tips:

Collaboration with the government and military-backed enterprises

The State Economic Enterprises that function as operational departments within line ministries have historically been an important part of the Myanmar economy and the military-backed enterprises have the majority stakeholder position in all of the major industrial corporations, including gems sector, banking, tourism, real estate, transportation, and metals. Collaboration with them, however, could engender a negative public attitude.

After the 2021 coup, the sensitivity increased around doing business with military-owned entities, or businesses or people who do business with military-owned entities. The imposition of targeted sanctions against some of these entities by the EU and some foreign governments has given further impetus to these considerations, as have the consumer and other stakeholder movements that have sprung up domestically and internationally to oppose doing any business that may benefit the military. More comprehensive due diligence exercises throughout their value chains to verify that none of the business partners, customers, or suppliers have military links.

Information release and public engagement

As learned from the experience of Chinese projects that suffered from strong resistance, the information gaps and misunderstandings are significant reasons for the hostility, and can only be resolved through honest dialogue. The information asymmetry and insufficient communication may lead to misunderstandings and resentments, which is an important reason for the mistaken accusations of environmental pollution of Letpadaung Copper Mine (Charltons 2013; Chan & Pun 2020). Foreign players that deal only with the government and ignores the voices of the people risk landing themselves in trouble, only if the government concerns public support, as in the case of Myitsone Dam project (Liao 2011).

A positive strategy of information release and stakeholder engagement could improve the transparency of businesses activities and help the companies to become trusted players. The enterprises should provide information about their policies, standards, and practices on issues such as anti-corruption, organizational transparency, and human rights, health, safety, and the environment, which are of significant concern to the Myanmar people. Enterprises are recommended to map and engage with

stakeholders, even the ones who seem hostile, to minimize misunderstandings and cultivate trusts.

Upholding international norms and standards

Obeying laws is far not sufficient to mitigate the social and environmental impacts of procurement, production, and sales in Myanmar. As common to see in developing countries, the laws are lacking in Myanmar in many areas, especially the health and safety and the environment, and where laws exist, they are often poorly designed and enforced. To ensure social and environmental responsibility in overseas business activities, international organisations have developed guidelines for multinational enterprises. The compliance to the international norms, standards and frameworks not only benefits the local markets and societies, but also contributes to a stable environment for their business activities and the trust of the public. Some most popular international standards include the UN Global Compact providing principles of human rights, labour, the environment and anti-corruption, the social standards of the International Labour Organization that focus on the areas of employment, training, conditions of work and life, and industrial relations, and the United Nations Guiding Principles on Business and Human Rights.

The Myanmar Centre for Responsible Business (MCRB) established in 2013 by the Institute for Human Rights and Business and the Danish Institute for Human Rights has been pivotal in steering companies operating in Myanmar towards responsible conduct based on international standards and best practices. It provides a platform for the creation of knowledge, building of capacity, undertaking of advocacy and promotion of dialogue amongst businesses, civil society, governments, experts, and other stakeholders. Cooperation and communication with MCRB and other similar international organizations could help the enterprises in Myanmar to lift capability and level regarding how to perform corporate social responsibility.

APPENDICES

Appendix 1. Country and Economic Overview

1.2. Country overview

TABLE A1-1 Country Overview

Official name	Republic of the Union of Myanmar (Formerly known as Burma)
Capital	Naypyidaw (Yangon is the largest city and former capital until 2006)
Total area	Total: 676,578 sq km (39th in the world) • Land: 96.94% • Water: 3.06%
Landscape	Myanmar slopes from north to south. The country as a whole can be divided into five physiographic regions—the northern mountains, the western ranges, the eastern plateau, the central basin and lowlands, and the coastal plains.
Climate	Although Myanmar locates in the monsoon region of Asia, its climate is greatly modified by its geographic position and its relief. It has three seasons: the cool, relatively dry northeast monsoon (late October to mid-February), the hot, dry inter-monsoonal season (mid-February to mid-May), and the rainy southwest monsoon (mid-May to late October).
Population	55,199,000 (2021 est.) The population of Myanmar remains quite youthful, with roughly one-fourth of the people under age 15. However, the proportion of young people has been decreasing steadily since the late 20th century, as the birth rate has declined from notably above to significantly below the world average.
Population growth rate	0.81% (2021 est.) (119th in the world)
Population distribution	Population concentrated along coastal areas and in general proximity to the shores of the Irrawaddy River; the extreme north is relatively underpopulated
Population - major urban areas	5.422 million in Yangon, 1.469 million in Mandalay (2021)
Median age	Total: 29.2 years (133rd in the world) • Male: 28.3 years • Female: 30 years (2020 est.)

Human Development Index (HDI)	0.583 (2019) 0.579 (2018) 0.572 (2017)
Corruption Perceptions Index Ranking	137 / 180 (2020) 130 / 180 (2019) 132 / 180 (2017)
Language	Official languages: Burmese Recognized regional languages: Kachin, Kayah, Karen, Chin, Mon, Rakhine, Shan
Ethnicity	68% Bamar 9% Shan 7% Karen 4% Rakhine 3% Chinese 2% Indians 2% Mon 5% others (2018) Note: the government recognizes 135 indigenous ethnic groups
Religion	87.9% Buddhism (official) 6.2% Christianity 4.3% Islam 1.6% Others (2014)
Government	Unitary parliamentary assembly-independent republic under a military junta
Education	Literacy: - definition: age 15 and over can read and write - total population: 89.1% - male: 92.4% - female: 86.3% (2019) School life expectancy (primary to tertiary education): - total: 11 years - male: 11 years - female: 11 years (2018) Education expenditures: 2% of GDP (2019)
Health infrastructure	Physician density: 0.68 physicians/1,000 population (2018) Hospital bed density: 1 bed/1,000 population (2017) Maternal mortality rate: 250 deaths/100,000 live births (2017 est.) Current Health Expenditure: 4.8% of GDP (2018)
International organization participation	ADB, ARF, ASEAN, BIMSTEC, CP, EAS, EITI (candidate country), FAO, G-77, IAEA, IBRD, ICAO, ICRM, IDA, IFAD, IFC, IFRCS, IHO, ILO, IMF, IMO, Interpol, IOC, IOM, IPU, ISO (correspondent), ITU, ITUC (NGOs), NAM, OPCW (signatory), SAARC (observer), UN, UNCTAD, UNESCO, UNIDO, UNWTO, UPU, WCO, WHO, WIPO, WMO, WTO

Sources: CIA World Factbook⁴, Wikipedia⁵, Statista⁶, Worldometers⁷, UNDP⁸, Transparency International⁹

4 <https://www.cia.gov/the-world-factbook/countries/burma/>

5 <https://en.wikipedia.org/wiki/Myanmar>

6 <https://www.statista.com/statistics/526518/urbanization-in-myanmar/>

7 <https://www.worldometers.info/world-population/myanmar-population/#:~:text=The%20median%20age%20in%20Myanmar%20is%2029.0%20years.>

8 <http://hdr.undp.org/sites/default/files/Country-Profiles/MMR.pdf>

9 <https://www.transparency.org/en/countries/myanmar>

1.2 Major economic/political events of Myanmar after independence

TABLE A1-2 Major economic/political events of Myanmar after independence

Timeline	Milestone
1948	Burma becomes independent with U Nu as prime minister.
1962	U Nu's faction ousted in military coup led by Gen Ne Win, who abolishes the federal system and inaugurates "the Burmese Way to Socialism"
1974	New constitution comes into effect, transferring power from the armed forces to a People's Assembly headed by Ne Win and other former military leaders
1975	Opposition National Democratic Front formed by regionally-based minority groups, who mounted guerrilla insurgencies.
1982	Law designating people of non-indigenous background as "associate citizens" in effect bars such people from public office.
1987 – 1988	Currency devaluation wipes out many people's savings and triggers anti-government riots. Thousands of people are killed in anti-government riots. The State Law and Order Restoration Council (Slorc) is formed.
1989	Slorc declares martial law, arrests thousands of people, including advocates of democracy and human rights, renames Burma 'Myanmar', with the capital, Rangoon, becoming Yangon. National League for Democracy (NLD) leader Aung San Suu Kyi, the daughter of Aung San, is put under house arrest.
1990	NLD wins landslide victory in general election, but the result is ignored by the military.
1991	Aung San Suu Kyi awarded Nobel Peace Prize for her commitment to peaceful change.
1997	Burma admitted to Association of Southeast Asian Nations (ASEAN)
2003 August	Khin Nyunt becomes prime minister. He proposes to hold convention in 2004 on drafting new constitution as part of "road map" to democracy.
2005 November	Myanmar says its seat of government is moving to a new site near the central town of Pyinmana; it is later given the name Nay Pyi Taw.
2007	Wave of public dissent sparked by fuel price hikes in September. Dozens of activists are arrested. Military government declares 14 years of constitutional talks complete and closes the National Convention. Buddhist monks hold a series of anti-government protests. Normality returns to Rangoon in October amid heavy military presence.
2008 April	Government publishes proposed new constitution, which allocates a quarter of seats in parliament to the military and bans Aung San Suu Kyi from holding office.
2009 August	Aung San Suu Kyi is convicted of breaching conditions of her house arrest, following visit by an uninvited US national in May. The initial sentence of three years' imprisonment is commuted to 18 months' house arrest.

2009 October	Aung San Suu Kyi begins talks with Myanmar's military leaders and is allowed to meet Western diplomats.
2010 March	Government announces that long-awaited election laws have been passed, with provisions for an electoral commission hand-picked by the junta.
2010 October	Government changes country's flag, national anthem and official name.
2010 November	Main military-backed party, the Union Solidarity and Development Party (USDP), claims resounding victory in first election for 20 years. Opposition groups allege widespread fraud and the election is widely condemned as a sham. The junta says the election marks the transition from military rule to a civilian democracy.
2011 March	A week after the election, Aung San Suu Kyi - who had been prevented from taking part - is released from house arrest.
2011 September	Thein Sein is sworn in as president of a new, nominally civilian government.
2011 December	President Thein Sein suspends construction of controversial Chinese-funded Myitsone hydroelectric dam, in move seen as showing greater openness to public opinion. US Secretary of State Hillary Clinton visits, meets Aung San Suu Kyi and holds talks with President Thein Sein. US offers to improve relations if democratic reforms continue. President Thein Sein signs law allowing peaceful demonstrations for the first time; NLD re-registers as a political party in advance of by-elections for parliament due to be held early in 2012.
2012 April	NLD candidates sweep the board in parliamentary by-elections, with Aung San Suu Kyi elected. The European Union suspends all non-military sanctions against Burma for a year.
2015 November	NLD wins enough seats in parliamentary elections to form a government.
2017 March	The United Nations human rights council decides to set up an investigation into alleged human rights abuses by the army against the Rohingya Muslim minority.
2018 August	A UN report accuses Myanmar's military leaders of carrying out genocide, war crimes, and crimes against humanity against Rohingya Muslims, calling for six generals to face trial at the International Criminal Court. It also accuses Aung San Suu Kyi of failing to prevent the violence. Myanmar rejects the findings.
2021 February	The governing NLD beat pro-military candidates in the November parliamentary elections, prompting the army to allege voting fraud and overthrow the government. Army chief Min Aung Hlaing takes over for one-year period.

Source: BBC¹⁰

¹⁰ <https://www.bbc.com/news/world-asia-pacific-12992883>

1.3 Economic Overview

TABLE A1-3 Economic Overview

Income status	Developing/Emerging Lower-middle income economy
Currency	Kyat (MMK)
GDP (PPP)	\$258 billion (2021 est.)
GDP per capita (PPP)	\$ 4,830 (2021 est.)
GDP Growth	6.8% (2017 est.)
	5.9% (2016 est.)
	7% (2015 est.)
Unemployment rate	4% (2017 est.)
	4% (2016 est.)
Gini Index Coefficient	30.7 (2017 est.)
Inflation, consumer prices (annual %)	8.8% (2019 est.)
	6.8% (2018 est.)
	4.6% (2017 est.)
Industries	Agricultural processing; wood and wood products; copper, tin, tungsten, iron; cement, construction materials; pharmaceuticals; fertilizer; oil and natural gas; garments; jade and gems
GDP by sector	Agriculture: 24.1% (2017 est.) Industry: 35.6% (2017 est.) Services: 40.3% (2017 est.)
Internet users	30.68% (July 2018 est.)

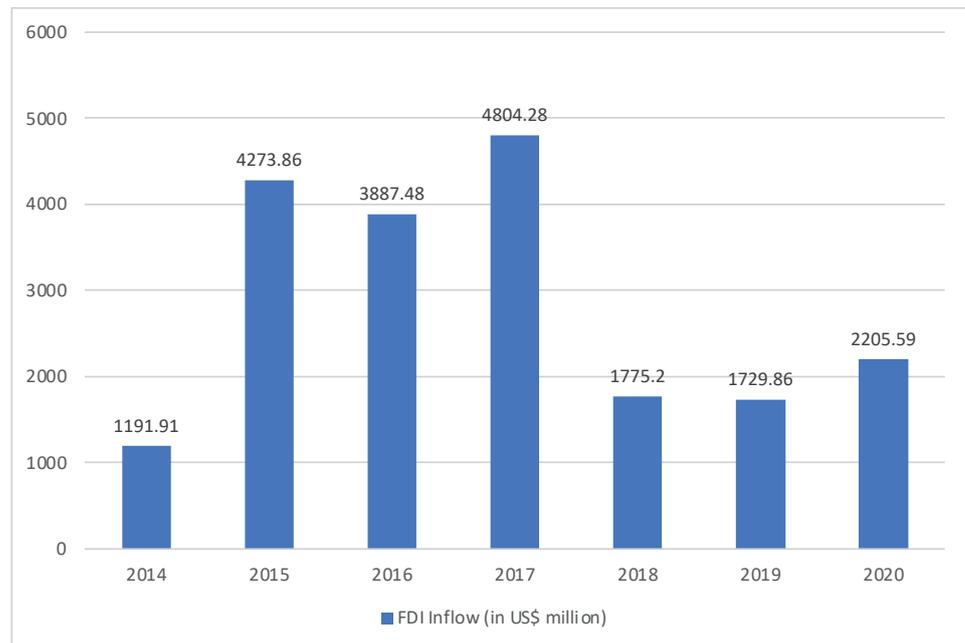
Source: CIA World Fact Book¹¹, World Bank Dataset¹²

11 <https://www.cia.gov/the-world-factbook/countries/burma/>

12 <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>

Appendix 2 Foreign Direct Investment

FIGURE A2-1 FDI Inflow



Source: DICA, Myanmar¹³

¹³ https://www.dica.gov.mm/sites/default/files/document-files/website_0.pdf

TABLE A2-1 FDI Inflow by Country / Region (2020-2021)

Ranking	Country / Region	FDI Inflow (US\$ million)	Percentage
1	UK	2506.918	66.12%
2	Japan	518.761	13.68%
3	Singapore	429.336	11.32%
4	China	175.834	4.64%
5	Thailand	99.185	2.62%
6	South Korea	32.614	0.86%
7	Hong Kong SAR	11.138	0.29%
8	Marshall Island	10.7	0.28%
9	Malaysia	2.1	0.06%
10	Brunei Darussalam	1.469	0.04%
11	India	1.2	0.03%
12	Vietnam	1.2	0.03%
13	Samoa	0.5	0.01%
14	China (Taipei)	0.443	0.01%
Total		3791.398	100.00%

Source: DICA, Myanmar¹⁴

Note: The top country, UK, accounted for two-third of FDI inflow into Myanmar in 2020-2021, while the top-5 countries accounted for more than 98% of the total inflow.

14 https://www.dica.gov.mm/sites/default/files/document-files/yearlycountry_8.pdf

Appendix 3 International Trade¹⁵

3.1 Merchandise and Service

FIGURE A3-1 Merchandise Trade

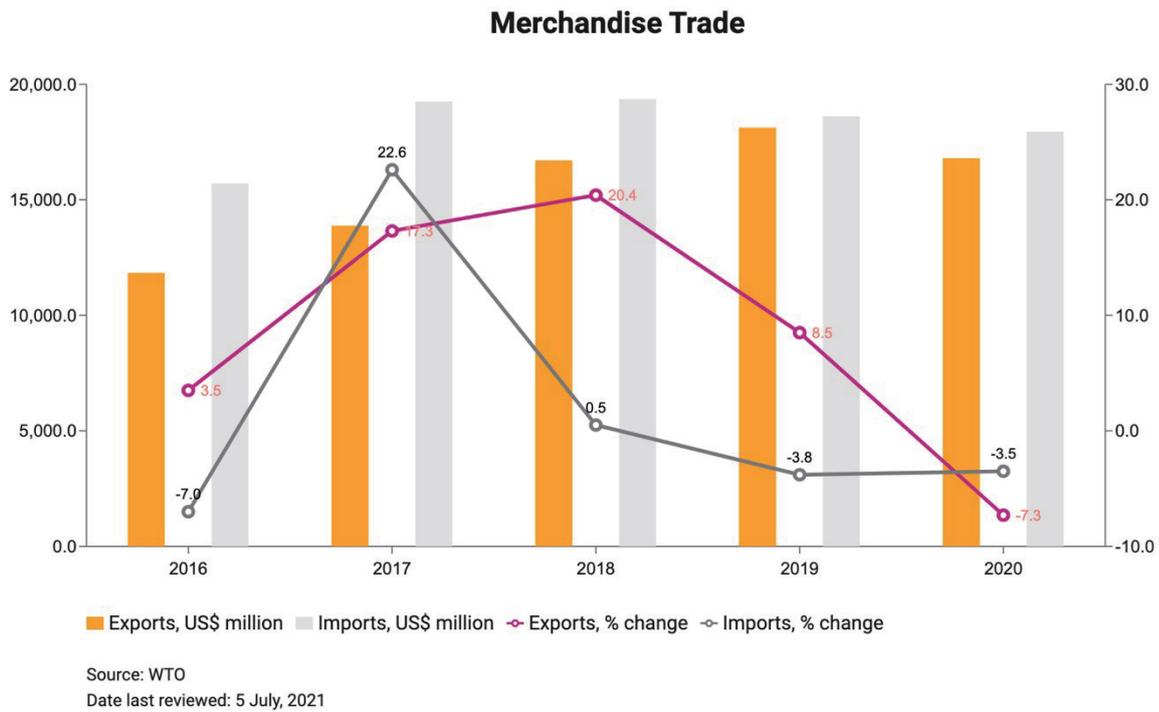
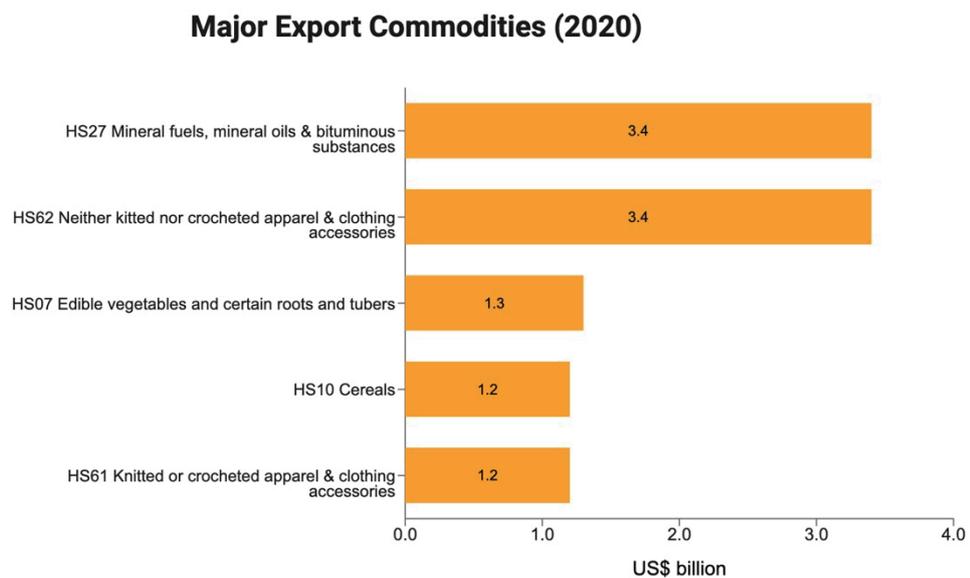


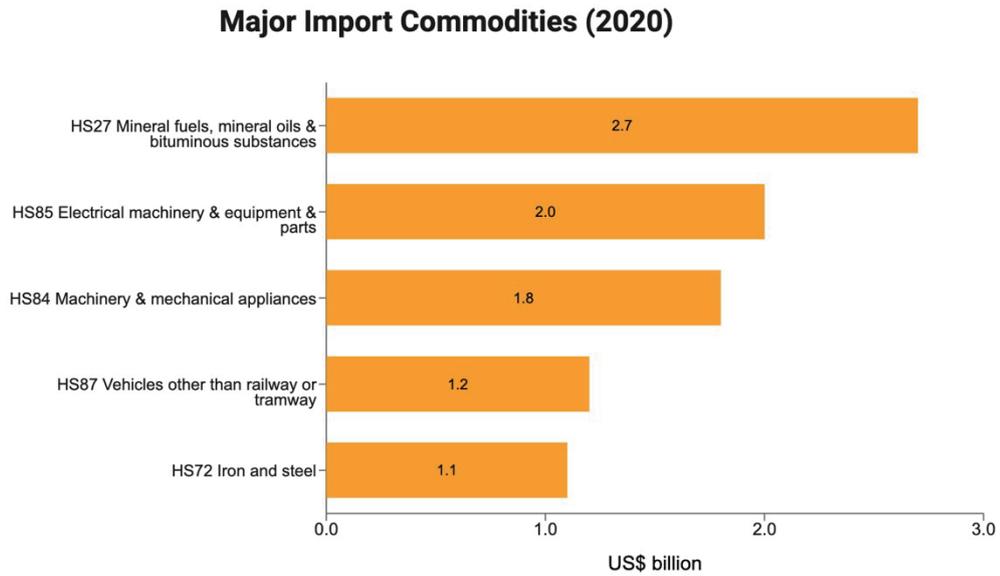
FIGURE A3-2 Major Export Commodities (2020)



Source: ITC-Trade Map
Date last reviewed: 5 July, 2021

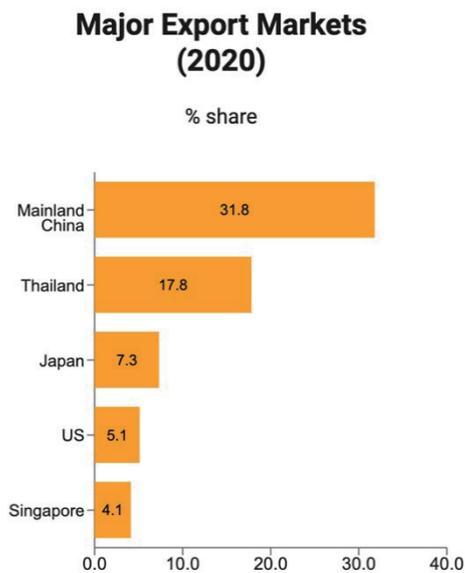
¹⁵ All graphs and information in this section are drawn from HKTDC Myanmar: Market Profile (<https://research.hktdc.com/en/article/MzU4MDI4MzMz>)

FIGURE A3-3 Major Import Commodities (2020)

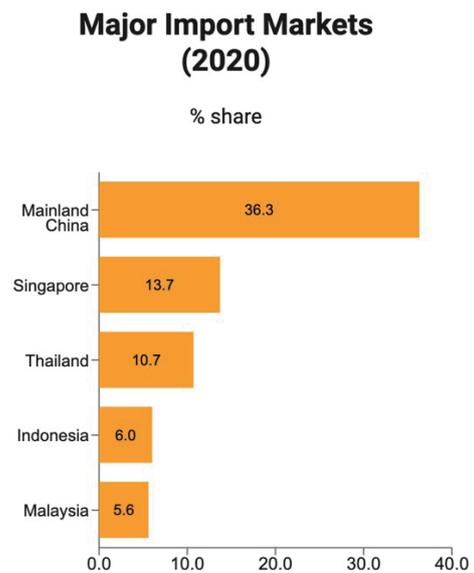


Source: ITC-Trade Map
Date last reviewed: 5 July, 2021

FIGURE A3-4 Major Export and Import Markets (2020)

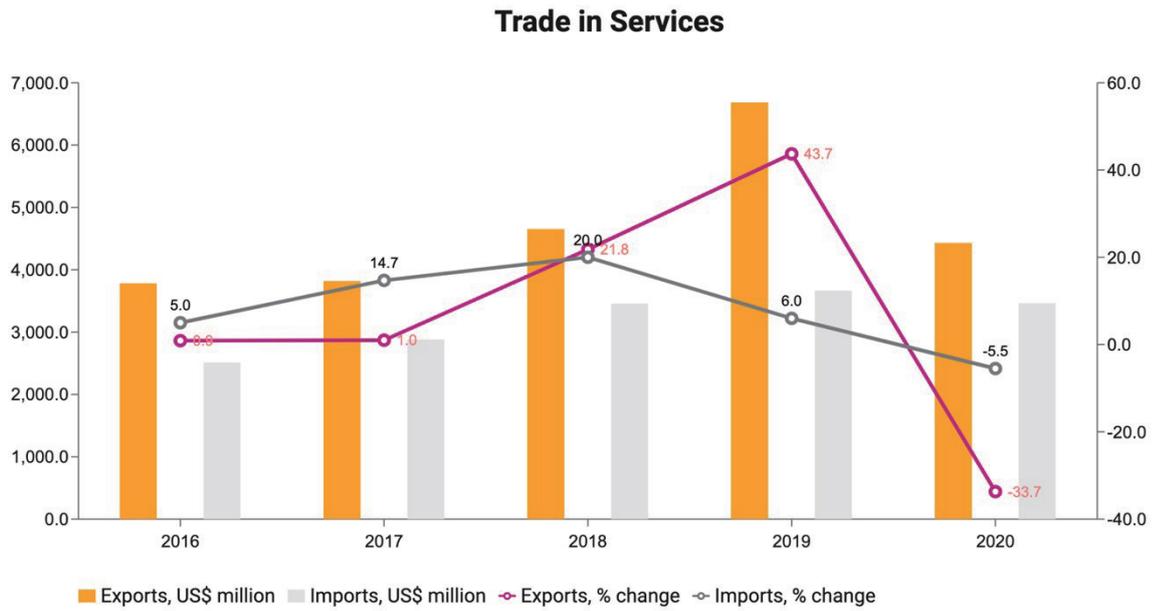


Source: ITC-Trade Map
Date last reviewed: 6 July, 2021



Source: ITC-Trade Map
Date last reviewed: 6 July, 2021

FIGURE A3-5 Trade in Services



2020 (estimate)

Source: WTO

Date last reviewed: 27 July, 2021

3.2 Trade Policies

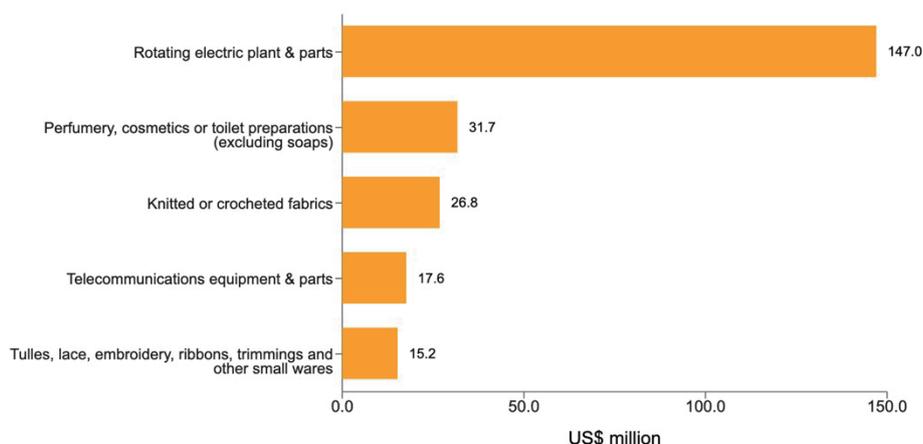
- Myanmar has been a member of the World Trade Organization (WTO) since 1 January 1995.
- Categorised as a least developed country (LDC) by the United Nations, Myanmar is a beneficiary of a number of Generalized System of Preferences (GSP) schemes, including those accorded by Australia, Belarus, Canada, the European Union (EU), Iceland, Japan, Kazakhstan, New Zealand, Norway, the Russian Federation, Switzerland, Turkey, and the US.
- Effective on 29 March 2021, the US suspended all engagement with Myanmar under the 2013 Trade and Investment Framework Agreement (TIFA). The suspension is expected to remain in effect until the return of a democratically elected government.
- The average Most Favoured Nation (MFN) applied tariff rate on agricultural products is 9.6%, while that for non-agricultural products is 6%.
- Commercial tax is levied at a general rate of 5% on the sale of most goods and services. 14 groups of products are also subjected to Specific Goods Tax, such as cigarettes, tobacco, liquor, wine, timber and natural gas.
- In December 2020, the Myanmar government approved a new import protection law – Law to Prevent an Increased Quantity of Imports – aiming to support and protect the competitiveness of local manufacturers and SMEs against an increase in imports into Myanmar. The new law enables the Ministry of Commerce to conduct an investigation to determine the risk and impact the increase of imports is having on the domestic market.
- Certain products require recommendations from the relevant government department for importation. For example, importation of machinery equipment and components will need to seek permission from Myanmar Investment Commission (MIC). Packaged food and drinks, medical devices and cosmetics require an import recommendation and Drug Registration Certificate from the Food and Drug Administration (FDA).

Source: WTO – Trade Policy Review

3.3 Hong Kong's Trade with Myanmar

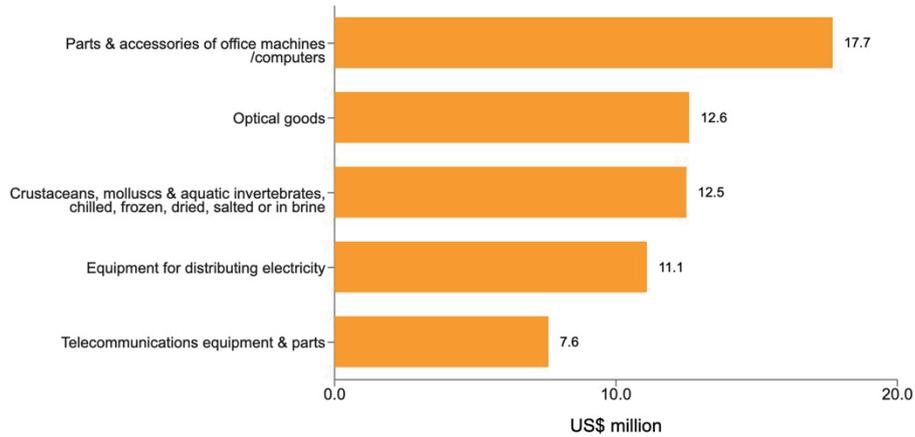
In 2020, Myanmar was Hong Kong's 8th largest export and import market in ASEAN.

Major Export Commodities to Myanmar (2020)



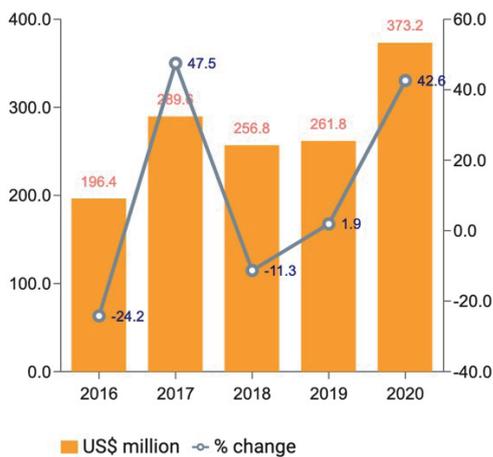
Graph shows the main Hong Kong exports to Myanmar (by consignment)
Source: Hong Kong Trade Statistics, Census & Statistics Department
Date last reviewed: 20 July, 2021

Major Import Commodities from Myanmar (2020)



Graph shows the main Hong Kong imports from Myanmar (by consignment)
 Source: Hong Kong Trade Statistics, Census & Statistics Department
 Date last reviewed: 20 July, 2021

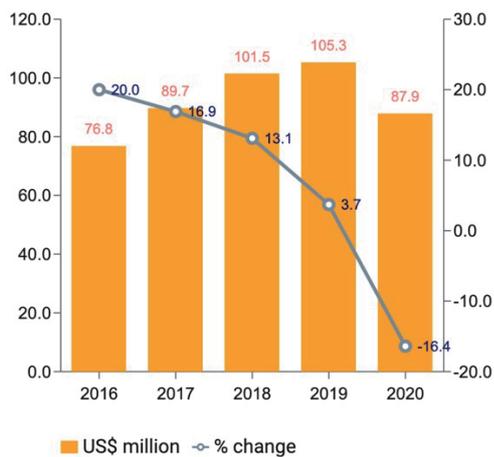
Merchandise Exports to Myanmar



■ US\$ million — % change

Graph shows Hong Kong exports to Myanmar (by consignment). Trade figures are converted at a fixed exchange rate of HKD7.8 per USD.
 Source: Hong Kong Trade Statistics, Census & Statistics Department
 Date last reviewed: 20 July, 2021

Merchandise Imports from Myanmar



■ US\$ million — % change

Graph shows Hong Kong imports from Myanmar (by consignment). Trade figures are converted at a fixed exchange rate of HKD7.8 per USD.
 Source: Hong Kong Trade Statistics, Census & Statistics Department
 Date last reviewed: 20 July, 2021

Appendix 4 Infrastructure Overview

Transportation and Connectivity

The Ministry of Transport and Communications oversees the transport sector through various departments, directorates and state-owned companies tasked with managing their respective sub-segments. It implements the National Transport Master Plan (NTMP) which directs huge public investment (\$21.7bn) to new transport infrastructure to overcome the challenges of ageing transport infrastructure (road and rail networks), urban and port congestion, and a lack of multi-modal connectivity in Myanmar. Planned projects include dozens of new north-south and east-west highways, refurbishment of the national railway, new mass transit systems in Yangon and Mandalay, and a port expansion programme that could enable the country to become a major regional trans-shipment hub (Oxford Business Group 2020¹⁶).

Myanmar's success in improving its transport infrastructure is clearly demonstrated by progresses in Yangon. For instance, the Yangon International Airport has been significantly upgraded and ports have been modernised (with work on a 400-metre wharf near the Thilawa Special Economic Zone completed in December 2018). A new \$290m container terminal on the Yangon River has received in-principle approval, and a deepwater port at Kyaukphyu in Rakhine State is in the pipeline as part of China's Belt and Road Initiative. Nevertheless, transport infrastructure in the countryside remains below standard. (Oxford Business Group 2020¹⁷).

Infrastructure Deficit

There is a substantial need for large-scale investment in transport infrastructure in the country. In July 2016 Asian Development Bank (ADB) officials told regional media that the sector was in need of \$45bn-60bn of investment over the next 15 years, with this figure set to rise further if near-term action was not taken. The bank's "Transport Sector Policy Notes" reported that Myanmar had fallen well behind its ASEAN peers in terms of infrastructure development due to a significant lack of investment, which has kept an estimated 20m citizens from basic road access, while 60% of highways and most rail lines in the country remained in need of urgent maintenance and rehabilitation. According to the ADB, Myanmar's investment in transport infrastructure averaged 1-1.5% of GDP per year from 2005 to 2015 compared to 3-5% for countries at a similar level of development. The bank noted that sufficient investment could bring logistics costs down by 30% (Oxford Business Group 2020¹⁸).

16 <https://oxfordbusinessgroup.com/overview/taking-big-steps-large-scale-projects-aim-address-infrastructure-gap>

17 <https://oxfordbusinessgroup.com/myanmar-2020/transport-infrastructure>

18 <https://oxfordbusinessgroup.com/overview/taking-big-steps-large-scale-projects-aim-address-infrastructure-gap>

Project Bank

Launched in February 2020, the Myanmar Project Bank offers potential investors key data on proposed infrastructure projects such as descriptions, status, total estimated cost, financing plans and time lines. All projects listed in the bank are fully supported by the government and align with the Myanmar Sustainable Development Plan (MSDP)—a road map for achieving inclusive and transformational economic growth.

There are around 130 projects in the bank, such as power plants, inland ports and expressways. The projects are currently assigned with various status levels, ranging from "implementing" to "conducting feasibility study" to "project contract development" (The Irrawaddy, 2020¹⁹).

The Myanmar government said the Project Bank will help identify, screen, appraise and prioritize investment projects based on social, environmental, economic and risk indicators. The online platform will help increase public-private partnerships and opportunities for the private sector to invest in national development objectives. Some projects listed may still call for additional financing (The Irrawaddy, 2020²⁰).

Outlook

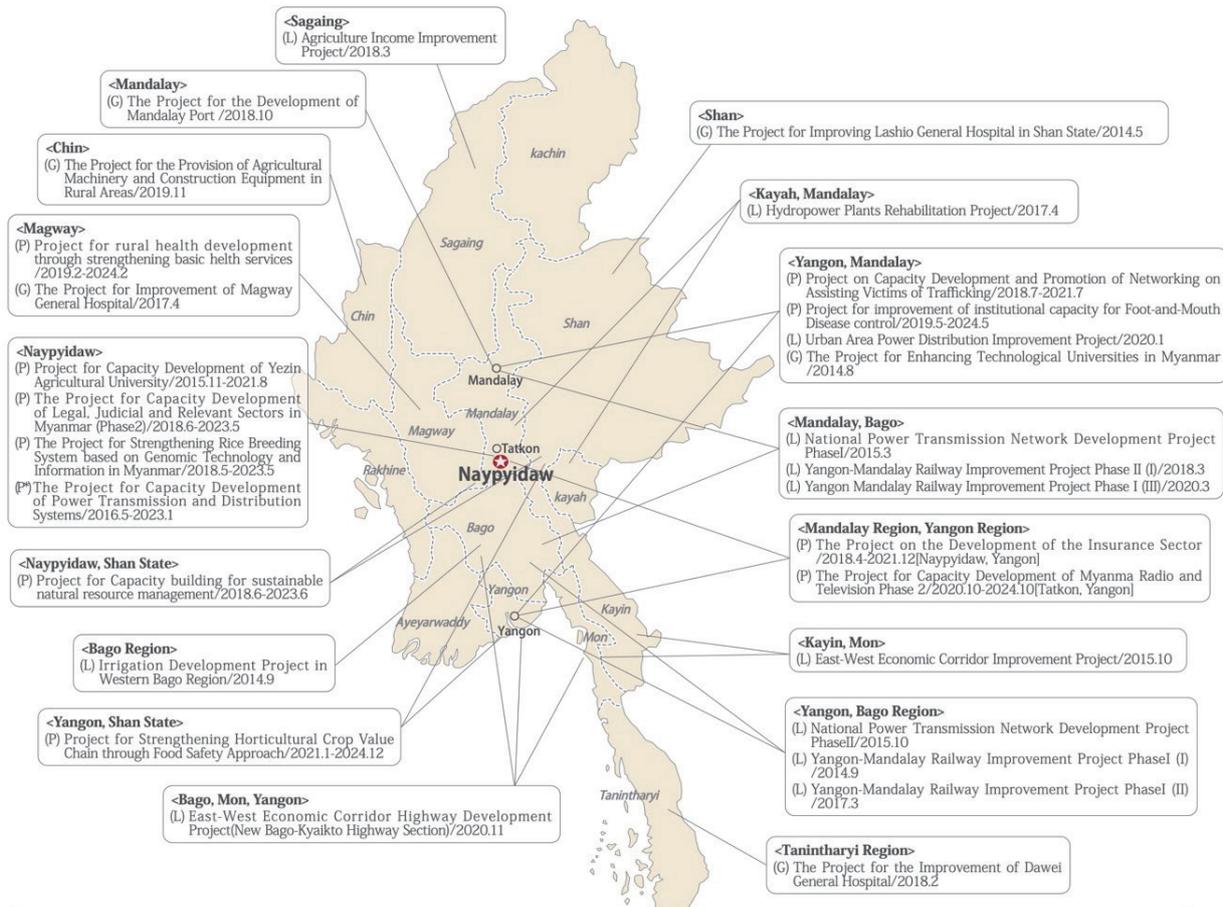
Although Myanmar's widening infrastructure deficit continues to pose a major challenge across the rail, road and port segments, the sector is poised for significant near-term growth, with private investment set to rise on the back of a bold transport agenda supported by multiple neighbours. New investment in road and rail networks will complement ongoing work at a network of SEZs, bolstering cross-border connectivity and reducing port congestion, and while overcapacity in the aviation sector could pose a long-term challenge, rising passenger and cargo volumes indicate plenty of space for further investment across all segments of the industry (Oxford Business Group 2020²¹).

19 <https://www.irrawaddy.com/news/burma/whats-new-myanmars-project-bank.html>

20 <https://www.irrawaddy.com/news/burma/myanmar-launches-online-project-bank-development-projects.html>

21 <https://oxfordbusinessgroup.com/overview/taking-big-steps-large-scale-projects-aim-address-infrastructure-gap>

(P)Technical Cooperation (D)Development Study/Technical Cooperation for Development Planning (L)Loan (G)Grant Aid



- <Yangon and its environs (Thilawa Area)>**
- (P) Project for Urban Development Management in Yangon/2018.8-2021.8
 - (P) The Project for Improvement of Water Supply Management of Yangon City Development Committee Phase2/2021.4-2024.3
 - (D) The Project for Sustainable Planning and Improvement of Solid Waste Management in Yangon City/2019.12-2022.12
 - (L) Urgent Rehabilitation and Upgrade Project Phase1/2013.6
 - (L) Infrastructure Development Project in Thilawa Area Phase1/2013.6
 - (L) Greater Yangon Water Supply Improvement Project/2014.9
 - (L) Infrastructure Development Project in Thilawa Area PhaseII/2014.9
 - (L) Power Distribution Improvement Project in Yangon (Phase1)/2015.6
 - (L) Infrastructure Development Project in Thilawa Area Phase I (II)/2015.6
 - (L) Yangon Circular Railway Line Upgrading Project/2015.10
 - (L) The Project for Construction of Bago River Bridge/2017.3
 - (L) Greater Yangon Water Supply Improvement Project (Phase II) (I)/2017.3
 - (L) Yangon Sewerage System Development Project/2020.1
 - (L) Yangon Urban Development Project/2020.1
 - (L) Infrastructure Development Project in Thilawa Area (Phase3)/2020.3
 - (G) The Project for Improvement of Foot-and-Mouth Disease Control/2016.6
 - (G) The Project for the Construction of New Yangon Specialist Hospital/2018.3
 - (G) The Project for the Development of Japan-Myanmar Aung San Vocational Training Institute /2019.7
 - (G) The Project for the Rehabilitation of Vessel Traffic Navigation Aids in Yangon River/2020.7

- <All Area/Wide Area>**
- (P) Project for Development of Malaria Elimination Model in Myanmar/2016.3-2022.3 [Bago Region, Kayin]
 - (P) The Project for Improvement on Accessibility of Rice Certified Seed/2017.10-2023.4
 - (P) Project of Myanmar-Japan Center for Human Resources Development PhaseII /2018.4-2023.3
 - (P) Project for Quality Improvement in TVET Program/2018.7-2023.7
 - (P) Project for National Skills Standards (NSS) Development/2018.8-2021.8
 - (P) The Project for Human Resource Development of Medical Engineering/2018.5-2023.10
 - (P) Project for Enhancing Capacity of Weather Observation and Forecasting in Myanmar /2019.6-2022.5
 - (P) The Project for Capacity Development of Road and Bridge Operation and Maintenance /2020.4-2022.9
 - (P) Project of Capacity Development for National Single Window and Customs Modernization by Introducing Automated Cargo Clearance System Phase2/2020.7-2023.6
 - (P) Project for Strengthening Industry-Academia-Government Collaboration for Engineering /2021.1-2025.1
 - (P) Project for Enhancement of Sign Language Support Service/2021.7-2025.6
 - (P) The Project on Improvement of Railway Service and Rolling Stock Maintenance /2017.7-2023.7 [Naypyidaw, Yangon, Insein, Mingey, Pynmana]
 - (D) Project for Promoting Investment for Enhancing Industrial Competitiveness/2019.2-2024.5
 - (L) Regional Development Project for Poverty Reduction PhaseI/2013.6
 - (L) Communication Network Improvement Project/2015.3[Yangon, Naypyidaw, Mandalay]
 - (L) Project for the Development of Finance for Small and Medium-sized Enterprises/2015.6
 - (L) Regional Development Project for Poverty Reduction PhaseII/2017.3
 - (L) Agriculture and Rural Development Two Step Loan Project/2017.3
 - (L) Power Distribution System Improvement Project in Major Cities/2017.3
 - (L) Project for the Development of Finance for Small and Medium-sized Enterprises (Phase2) /2018.3
 - (L) Housing Finance Development Project/2018.3
 - (L) Regional Infrastructure Improvement Project/2020.1
 - (L) Project for the Development of Finance for Small and Medium-sized Enterprises (Phase3) /2020.11
 - (G) The Project for Installation of Operation Control Center System and Safety Equipment/2014.3 [Yangon, Bago, Mandalay]
 - (G) The Programme for Emergency Assistance to Poor and Vulnerable Community in Ethnic Minority Areas and Yangon/2015.3 [Kachin, Shan, Yangon city]
 - (G) The Programme for Rehabilitation and Reconstruction of Schools in Flood and Landslide Affected Areas/2015.12
 - (G) The Project for the Development of Financial Market Infrastructures/2018.8[Naypyidaw, Yangon, Mandalay]
 - (G) The Project for the Improvement of Aircraft Surveillance System/2019.4[Naypyidaw, Yangon, Mandalay]
 - (G) The Project for Human Resource Development Scholarship/2016.6/2017.6/2018.6/2019.7 /2020.7

Technical Cooperation : Ongoing and planned (R/D signed) projects, *Technical Assistance Project related to ODA Loan
 Development Study/Technical Cooperation for Development Planning : Ongoing projects
 Loan : Ongoing and planned (L/A signed) projects
 Grant Aid : Ongoing projects (G/A or E/N signed)

Source: JICA, Myanmar²²

22 https://libportal.jica.go.jp/library/Data/PlanInOperation-e/SoutheastAsia/030_Myanmar-e.pdf

Appendix 5 COVID-19 in Myanmar

Key Figures

- Number of confirmed cases: 516,146
 - Deaths: 18,989
 - Vaccine doses: 24,253,764
- (From 3 January 2020 to 19 November 2021)

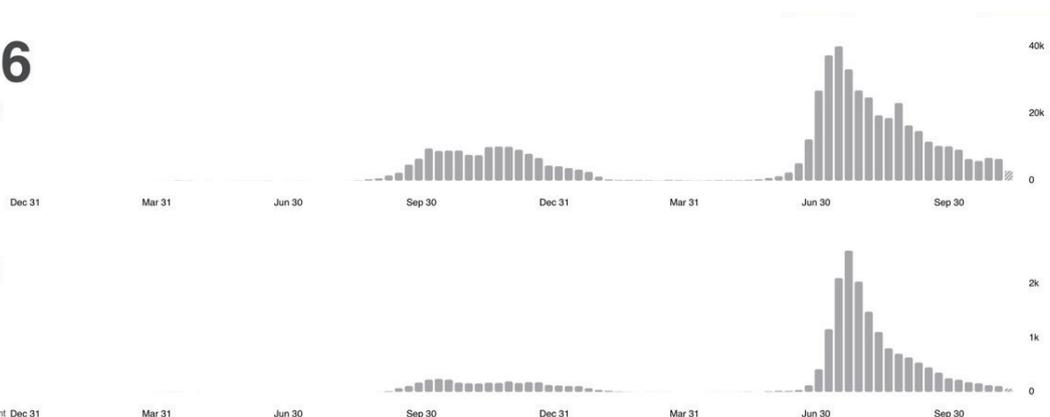
FIGURE A5-1 COVID-19 trends in Myanmar

516,146
confirmed cases

18,989
deaths

Source: World Health Organization
Data may be incomplete for the current Dec 31 day or week.

Source: World Health Organization



COVID-19 hit the economy in Myanmar well before its first wave arrived in Myanmar, as border trade with China closed in late January, international tourists ceased to visit Myanmar and factories closed down due to shortages of imported raw materials and capital flight since February (Diao et al., 2020).

The first wave of COVID-19 in Myanmar started on 23 March when two Myanmar young men returning from the US and the UK respectively tested positive and became the first two confirmed cases in Myanmar²³. The first locally transmitted case was confirmed on 28 March. On 29 March, landing of all international commercial passenger flights in all Myanmar airports were banned. On 30 March, President Win Myint formed the Committee for COVID-19 with senior members from various union ministries. Myanmar was one of the first countries that carried out an extensive quarantine measures for infected persons within the country, but also for returnees to prevent imported transmission of COVID-19 (Aung et al 2021). For instance, the Yangon government urged people to stay at home during the 10-day Thingyan Festival holiday on 3 April 2020. Another example is that Mandalay, Myanmar's second most populous city, stopped entry and exit of all vehicles from 7 to 21 April. However, the general public did not believe in the severity of the virus (many believed that the virus would die in hot temperatures), causing people to neglect the health messages (Aung et al 2021). Also, it was a challenge to keep street vendors at home since their loss of income made it difficult for their family to survive (Aung et al 2021). To tackle the economic challenge posed by COVID-19, the government established an Economic Recovery task force to develop a Comprehensive Economic Recovery Plan (CERP) on 27 April. However, due to the government's very limited fiscal resources, the budget was only approximately \$2 billion, mainly targeted at supporting industries such as garment manufacturing (Boughton et al. 2021). Also, Myanmar appealed for help from the international community for medical equipment and supplies. The first wave ended on 19 August.

23 <https://www.straitstimes.com/asia/se-asia/myanmar-confirms-first-coronavirus-cases>

The second wave started in September, when Yangon was placed in lockdown in response to record increase in cases. Myanmar experienced one of the most severe COVID-19 outbreaks in Southeast Asia by late 2020 despite the government's rapid containment measures and public health responses. For instance, restrictions on travel were put in place, during which individuals could not travel beyond their township, and vehicles required a QR code to justify the reason for their travel (Aung et al 2021). Poor healthcare infrastructure, limited investment over 60 years of military rule and ongoing domestic conflicts were identified as the major causes of Myanmar's vulnerability to the pandemic (UN 2020)²⁴. The pandemic has subsequently further disrupted the country's economy, which was further destabilized by the early 2021 coup d'état as healthcare workers participated in the subsequent civil disobedience movement. It is thought that infection rates have been underestimated and vaccination programme slowed since the coup.

In July 2021, Myanmar experienced the third wave as it set daily record numbers of COVID-19 cases and deaths. A rapid increase in bodies at crematoriums suggest a lack of testing was resulting in many COVID-19 related deaths not being counted. As a result, the government announced a nationwide lockdown and additional holidays from 17 July to 25 July to address the pandemic.

Vaccination

Myanmar became one of the first countries in Southeast Asia to begin its vaccination programme in January 2021. Several countries donated vaccines to Myanmar, such as China (500,000 doses)²⁵ and India (1.5 million doses)²⁶. To date, Myanmar has by far administered at least 24,253,764 doses of COVID vaccines, equivalent to about 22.4% of the country's population (assuming every person needs 2 doses)²⁷.

24 https://www.un.org/sites/un2.un.org/files/sg_policy_brief_covid_south-east_asia_30_july_2020.pdf

25 <https://www.irrawaddy.com/news/burma/china-donates-500000-covid-19-vaccines-myanmar-junta.html>

26 <https://asia.nikkei.com/Spotlight/Coronavirus/Myanmar-starts-India-made-COVID-jabs-but-China-vaccine-on-hold>

27 <https://graphics.reuters.com/world-coronavirus-tracker-and-maps/countries-and-territories/myanmar/>

REFERENCES

- Allen & Overy LLP 2019, *Myanmar's economic liberalisation: three years on*, viewed 22 December 2020, <https://www.allenoverly.com/en-gb/global/news-and-insights/publications/myanmars-economic-liberalisation-three-years-on>
- Aung G 2018, 'Postcolonial Capitalism and the Politics of Dispossession: Political Trajectories in Southern Myanmar', *European Journal of East Asian Studies*, vol. 17, pp. 193-227.
- Aung M.N. et al 2021, 'Community responses to COVID-19 pandemic first wave containment measures: a multinational study', *Journal of Infection in Developing Countries*, vol. 15, no.8, pp.1107-1116. doi:10.3855/jidc.15254
- 'Aung San Suu Kyi wins outright majority in Myanmar election' 2015, *The Guardian*, 13 November, viewed 22 December 2020, <https://www.theguardian.com/world/2015/nov/13/aung-san-suu-kyi-wins-myanmar-landmark-election>
- Barany, Z 2016, 'Moving toward Democracy: The 2015 Parliamentary Elections in Myanmar', *Electoral Politics*, no. 42, pp. 75-77.
- Bissinger, J 2012, 'Foreign investment in Myanmar: a resource boom but a development bust? (report)', *Contemporary Southeast Asia*, vol. 34, no. 1, pp. 23-52.
- Berwin Leighton Paisner 2017, 'Guide to The Myanmar Investment Law', *Website of Bryan Cave Leighton Paisner*, viewed 25 September 2021, <https://www.bcplaw.com/images/content/1/5/v2/150322/BLP-guide-to-Myanmar-Investment-Law.pdf>
- Boughton D. et al. 2021, 'Impacts of COVID-19 on agricultural production and food systems in late transforming Southeast Asia: The case of Myanmar', *Agricultural Systems*, no.188. <https://doi.org/10.1016/j.agsy.2020.103026>
- Calabrese, L & Cao, Y 2021, 'Managing the Belt and Road: Agency and Development in Cambodia and Myanmar', *World Development*, vol.141, 105297.
- Chan, DSW 2017, 'Asymmetric bargaining between Myanmar and China in the Myitsone Dam controversy: social opposition akin to David's stone against Goliath', *The Pacific Review*, vol. 30, no.5, pp.674-691.
- Chan, DSW & Pun, N 2021, 'Reactive to domestic constraints: dynamic operations of a China-backed copper mine in Myanmar, 2011-2021', *Eurasian Geography and Economics*, pp.1-25.
- Council of EU 2021, 'Myanmar/Burma: third round of EU sanctions over the military coup and subsequent repression', 21 June, viewed 22 October 2021, <https://www.consilium.europa.eu/en/press/press-releases/2021/06/21/myanmar-burma-third-round-of-eu-sanctions-over-the-military-coup-and-subsequent-repression/#>
- Dezan Shira & Associates 2017, 'Myanmar's new Companies Law', *Asean Briefing*, 11 December, viewed 22 December 2020, <https://www.aseanbriefing.com/news/myanmars-new-companies-law/>
- DFNL 2020, 'Myanmar Legal, Tax & Investment Guide 2020', *Website of The Myanmar Private Equity & Venture Capital Association*, viewed 22 October 2021, <https://mpevca.org/wp-content/uploads/2020/07/Document-5.pdf>
- Diao, X., Aung, N., Lwin, W.Y., Zone, P.P., Nyunt, K.M., Thurlow, J., 2020. Assessing the impacts of COVID-19 on Myanmar's economy: A social accounting matrix (SAM) multiplier approach. In: MAPSA Working Paper no 01. IFPRI, Yangon, Myanmar. <https://doi.org/10.2499/p15738coll2.133745>. DICA 2018, 'Cost of doing business in Myanmar, survey report 2018', viewed 3 June 2021, <https://www.dica.gov.mm/en/news/cost-doing-business-myanmar-survey-report-2018>
- DICA 2020, *Yearly approved amount of foreign investment (by country/ region)*, viewed 28 December 2020, https://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/yearly_country_13.pdf
- DICA 2021, *Foreign Investment by Country*, viewed 22 October 2021, <https://www.dica.gov.mm/en/taxonomy/term/38>

'EU lifts sanctions against Burma' 2013, *BBC*, 22 April, viewed 28 May 2020, <https://www.bbc.com/news/world-asia-22254493>

'Factbox: sanctions imposed on Myanmar' 2011, Reuters, 11 October, viewed 20 December 2020, <https://www.reuters.com/article/us-myanmar-sanctions/factbox-sanctions-imposed-on-myanmar-idUSTRE79A0YR20111011>

Fisher, J 2016, 'Myanmar: Thein Sein leaves legacy of reform', *BBC*, 30 March, viewed 28 May 2020, <https://www.bbc.com/news/world-asia-35916555>

Fitch Solutions 2021, *Economic Collapse Awaits Myanmar in FY2020/21*, 1 April, viewed 29 August 2021, <https://www.fitchsolutions.com/country-risk/economic-collapse-awaits-myanmar-fy202021-01-04-2021>

Foreign Chambers of Commerce in Myanmar 2021, '*Joint Survey on the Impacts on Business Operating in Myanmar*', viewed 22 October 2021, <https://www.amchammyanmar.com/sites/default/files/content-files/2021-05%20-%20Report%20on%20joint%20survey%20April%202021.pdf>

'Foreign investment approvals reach US\$20bn in 2010/11' 2011, *The Economist*, 1 August, viewed 30 December 2020, http://country.eiu.com/article.aspx?articleid=748324059&Country=Myanmar&topic=Economy&subtopic=Re_2

Freeman, NJ 2014, 'Navigating the Economic Reform Process', In *Southeast Asian Affairs* 2014, pp. 224-240, ISEAS Publishing.

Fuller, T 2011, 'Myanmar suspends construction of Myitsone Dam', *The New York Times*, 1 October, viewed 22 December 2020, <https://www.nytimes.com/2011/10/01/world/asia/myanmar-suspends-construction-of-controversial-dam.html>

Gelb, S, Calabrese, L & Tang, X 2017, *Foreign direct investment and economic transformation in Myanmar*, China: Carnegie-Tsingua Center for Global Policy, viewed 28 May 2020, <http://set.odi.org/wp-content/uploads/2017/04/SET-Myanmar-FINAL-170404.pdf>

Guest, DJ 2016, 'Myanmar Centre for Responsible Business: A Pioneering Country-Based Initiative', *Business and Human Rights Journal*, vol. 1, no. 2, pp.341-348.

HKTDC 2016, '*Myanmar Rising: Industrial and Special Economic Zones*', 16 August, viewed 22 October 2021, <https://hkmb.hktdc.com/en/1X0A72FF/hktdc-research/Myanmar-Rising-Industrial-and-Special-Economic-Zones>

HKSARG 2017, *The Arrangement for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative*.

Holliday, I 2011, *Burma Redux: Global Justice and the Quest for Political Reform in Myanmar*, Hong Kong: Hong Kong University Press.

Industrial and Special Economic Zones- Myanmar Information Management Unit-01Oct2019 http://www.themimu.info/sites/themimu.info/files/documents/Sector_Map_Industrial_and_Special_Economic_Zones_MIMU1676v01_01Oct2019_A4.pdf

Industrial and Special Economic Zones- Myanmar Information Management Unit-01Oct2019 http://www.themimu.info/sites/themimu.info/files/documents/Sector_Map_Industrial_and_Special_Economic_Zones_MIMU1676v01_01Oct2019_A4.pdf

International Crisis Group 2021, '*The Cost of the Coup: Myanmar Edges towards State Collapse*', Brussels/Yangon: ICG, Briefing No. 167.

Kirchherr, J, Matthews, N, Charles, KJ & Walton, MJ 2017, 'Learning it the Hard Way: Social safeguards norms in Chinese-led dam projects in Myanmar, Laos and Cambodia', *Energy Policy*, no. 102, pp.529-539.

Ko, TK 2020a, 'Hong Kong still keen to invest in Myanmar despite', *Myanmar Times*, 22 October, viewed 28 May 2020, <https://www.mmtimes.com/news/hong-kong-still-keen-invest-myanmar-despite-pandemic.html>

Kramer, T 2015, 'Ethnic Conflict and Land Rights in Myanmar', *Social Research*, vol. 82, no. 2, pp. 355-74.

- Kubo, K 2013, 'Myanmar's two decades of partial transition to a market economy: a negative legacy for the new government', *Post-Communist Economies*, vol. 25, no. 3, pp.357-370.
- Kurtenbach E 2021, 'Myanmar political standoff leaves economy in tatters', *AP News*, 15 November, viewed 18 November 2021, <https://apnews.com/article/business-southeast-asia-myanmar-prices-asia-3d699e552d9efbd1e05837aa3b08146e>
- Lewis, L 2021, 'Kirins's flawed exit from Myanmar tests the bounds of the ESG', *Financial Times*, 12 April, viewed 22 October 2021, <https://www.ft.com/content/2f73a1d4-e9c9-41e0-90d8-bb05cf4e3b1b>
- Mcperson, P & Potkin, F 2021, 'Telenor sale of Myanmar unit stalls as junta seeks local buyer participation -sources', *Reuters*, 10 November, viewed 18 November 2021, <https://www.reuters.com/world/asia-pacific/telenor-sale-myanmar-unit-stalls-junta-seeks-local-buyer-participation-sources-2021-11-09/>
- Li, LCL, Luo, M, Mo, PLL & Chung, JSY 2021, 'The Belt and Road Initiative and Myanmar: Challenges for Responsible Investment', *China and the World*, p.2150011.
- Liao R 2011, 'Lessons from the Irrawaddy', *China Dialogue*, 10 October, viewed 22 October 2021, <https://chinadialogue.net/en/energy/4574-lessons-from-the-irrawaddy/>
- Linn, SN 2015, 'Myanmar: Conflicts over Land in a Time of Transition', *Economic & Political Weekly*, vol. 50, no. 9, pp. 69-73.
- McCarthy, S 2000, 'Ten Years of Chaos in Burma: Foreign Investment and Economic Liberalization under the SLORC-SPDC, 1988 to 1998', *Pacific Affairs*, vol. 73, no. 2, pp. 233-262.
- McMillan, BM, Test, LS & Tovar, A 2021, 'US Government Imposes Sanctions Against Burma', *Sanctions & Export Controls Update*, 26 February, viewed 22 October 2021, <https://sanctionsnews.bakermckenzie.com/us-government-imposes-sanctions-against-burma/>
- Ministry of Health and Sports (Myanmar) 2020, 'COVID-19 Situation Report 262 (25-12-2020)', <http://mohs.gov.mm/su/orhx6034ORhttp://mohs.gov.mm/su/orhx6034OR>
- Ministry of Planning and Finance 2018, *Myanmar Sustainable Development Plan 2018-2030*, viewed 28 December 2020, https://themimu.info/sites/themimu.info/files/documents/Core_Doc_Myanmar_Sustainable_Development_Plan_2018_-_2030_Aug2018.pdf
- 'Myanmar's Economy in Freefall under Military Regime' 2021, *The Irrawaddy*, 22 April, viewed 22 October 2021, <https://www.irrawaddy.com/news/burma/myanmars-economy-freefall-military-regime.html>
- 'Myanmar sanctions: guidance' 2021, *website of UK Government*, 29 April, viewed 22 October 2021, <https://www.gov.uk/government/publications/myanmar-sanctions-guidance/myanmar-sanctions-guidance#prohibitions-and-requirements-imposed-by-the-myanmar-sanctions-regulations-2021>
- Myanmar Thilawa SEZ Holdings Public Limited 2020, 'Annual Report FY2019', viewed 22 October 2021, https://www.mtshmyanmar.com/sites/default/files/MTSH-Annual-Report-2017-2018_0.pdf
- Nitta, Y 2019, 'After 3 years, Suu Kyi running out of time to energize Myanmar economy', *Nikkei Asia*, 30 March, viewed 20 December 2020, <https://asia.nikkei.com/Politics/After-3-years-Suu-Kyi-running-out-of-time-to-energize-Myanmar-economy>
- Oo, CC 2020, 'Govt, CITIC in Talks on \$1.3 Billion Kyauk Phyu Deep Sea Port', *Myanmar Business Today*, 25 February, viewed 20 November 2021, <https://mmbiztoday.com/govt-citic-in-talks-on-1-3-billion-kyauk-phyu-deep-sea-port/>
- Oo, D & Liu, J 2021, 'Investors Spooked by Myanmar Crisis as Economy Braces for Free Fall', *The Diplomat*, 20 October, viewed 23 October 2021, <https://thediplomat.com/2021/10/investors-spooked-by-myanmar-crisis-as-economy-braces-for-free-fall/>
- Oo, MM, Tun, NA, Lin, X & Lucero-Prisno III, DE 2020, 'COVID-19 in Myanmar: Spread, actions and opportunities for peace and stability', *Journal of Global Health*, vol.10, no.2.
- Our World in Data 2021, *Coronavirus (COVID-19) Vaccinations*, viewed 22 October 2021, https://ourworldindata.org/covid-vaccinations?country=OWID_WRL
- Owen, J & Htun, HM 2018, *Attitudes towards Taxation in Myanmar*, Yangon: Asia Foundation

Pick, T & Thein, HH 2010, 'Development failure and the resource curse: the case of Myanmar', *International Journal of Sociology and Social Policy*, vol. 30, no. 5/6, pp. 267-279.

Reuters 2021, COVID-19 *Tracker-Myanmar*, viewed 22 October 2021, <https://graphics.reuters.com/world-coronavirus-tracker-and-maps/countries-and-territories/myanmar/>

Sayre, A 2016, 'US sanctions on Myanmar lifted, but other restrictions remain', *Sanctions Alert*, 11 November, viewed 20 November 2020, <https://sanctionsalert.com/us-sanctions-on-myanmar-lifted-but-other-restrictions-remain/>

SiuSue, M & Zhang, YY 2017, 'From Impediment to Adaptation: Chinese Investments in Myanmar's New Regulatory Environment', *Journal of Current Southeast Asian Affairs*, vol. 36, no. 2, pp.71-100.

'Special Rapporteur on the Situation of Human Rights in Myanmar Tells Human Rights Council that the International Community is Failing the People of Myanmar' 2021, United Nations Geneva, 7 July, viewed 20 November 2021, <https://www.ungeneva.org/en/news-media/meeting-summary/2021/07/afternoon-special-rapporteur-situation-human-rights-myanmar>

Thilawa Special Economic Zone Management Committee n.d., '*Geographic Advantage*', viewed 22 October 2021, <https://www.thilawasez.gov.mm/page/geographic-advantage>

Thilawa Resettlement, in 피움 2018, '미얀마 '딜라와' 경제특구(Thilawa Special Economic Zone)와 이주민의 끝나지 않은 이야기', *PIDA*, viewed 22 October 2021, <http://pida.or.kr/pium/?q=YToxOntzOjEyOiJrZXI3b3JkX3R5cGUiO3M6MzoiYWxsljt9&bmode=view&idx=501387&t=board&category=8T343u3m55>

Thilawa SEZ Management Committee n.d., '*Investor List*', viewed 22 October 2021, <https://www.thilawasez.gov.mm/page/investor-list>

Thilawa SEZ Management Committee n.d., '*Flow chart of Overall Procedures*', viewed 22 October 2021, <https://www.myanmarthilawa.gov.mm/overall-procedures>

Tun, HMM, Thuzar, M & Montesano, M 2021, '*An Attempt to Lead Myanmar Back to the Future? Data on the State Administration Council Regime's Union Ministers*', Singapore: ISEAS, Perspectives No. 137.

Turnell, S 2014, 'Banking and Financial Regulation and Reform in Myanmar', *Journal of Southeast Asian Economies*, vol. 31, no. 2, pp. 225-240.

United Nations 2020, Policy Brief: The Impact of COVID-19 on *South-East Asia*, https://www.un.org/sites/un2.un.org/files/sg_policy_brief_covid_south-east_asia_30_july_2020.pdf

United Nations 2021, List of Least *Developed Countries (as of 11 February 2021)*, viewed 2 March 2020, https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/ldc_list.pdf

UN Cartographic Section 2011, 'Administrative map of the Union of Myanmar', Nations Online, viewed 25 December 2020, https://www.nationsonline.org/oneworld/map/myanmar_map2.htm

'Update: internet access, censorship, and the Myanmar coup' 2021, Accession, 13 October, viewed 20 November 2021, <https://www.accessnow.org/update-internet-access-censorship-myanmar/>

World Bank 2020, Myanmar Economic Monitor: *Myanmar in the Time of COVID-19*, 26 June, viewed 22 October 2021, <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/806001593183687694/myanmar-economic-monitor-myanmar-in-the-time-of-covid-19>

World Bank 2021, *Myanmar Economic Monitor July 2021*, 23 July, viewed 22 October 2021, <https://pubdocs.worldbank.org/en/525471627057268984/Myanmar-Economic-Monitor-July-2021>

Than, MTT 2015, 'Myanmar's Economic Reforms: Hard Choices Ahead', *Social Research*, vol. 82, no. 2, pp. 453-480

Trading Economics n.d., '*Minimum Wages | Asia*', viewed 22 October 2021, <https://tradingeconomics.com/country-list/minimum-wages?continent=asia>

Nakanishi, Y 2013, *Strong Soldiers, Failed Revolution: The State and Military in Burma*, Singapore: NUS Press.

ABOUT CSHK PASS WORKSHOP SERIES AND CSHK

About CSHK PASS Workshop Series

The Research Centre for Sustainable Hong Kong (CSHK) of City University of Hong Kong is funded by the 'Professional Services Advancement Support Scheme' (PASS) of the Commerce and Economic Development Bureau, HKSAR Government to conduct a Project entitled 'Advancing Professional Development on Economic and Trade Cooperation Zones Along Belt and Road', with the objectives to enhance the understanding of Hong Kong professional services on Economic and Trade Cooperation Zones (ETCZs) along the Belt and Road countries, deepen the understanding of key stakeholders of ETCZs on the competitive edges of Hong Kong professional services and business sectors; and explore potential development opportunities via exchange of ideas and sharing of analyses. From January 2021 to March 2022, the Project will organize 6 professional workshops and 2 symposia (opening and closing), inviting zone operators, local enterprises, professional service leaders, expert scholars and government officials as speakers to conduct comprehensive and in-depth sharing on opportunities, challenges and experiences of overseas development in 7 countries (Cambodia, Sri Lanka, Vietnam, Malaysia, Djibouti, Belarus and Myanmar) and their respective ETCZs. A tentative schedule is as follows:

Date	Programme
7 January 2021	Opening Symposium
8 February 2021	Professional Training Workshop 1 – Cambodia
27 April 2021	Professional Training Workshop 2 – Sri Lanka
11 June 2021	Professional Training Workshop 3 – Vietnam
19 August 2021	Professional Training Workshop 4 – Malaysia
26 October 2021	Professional Training Workshop 5 – Belarus & Djibouti
16 December 2021	Professional Training Workshop 6 – Myanmar
March 2022	Closing Forum

Activities are all free-of-charge, and they will mainly be conducted in English to project a global orientation and facilitate participation of overseas stakeholders. Each participant will get a training pack containing country information and analysis for each professional training workshop. Investment / enterprises representatives, representatives from professional service sector, scholars and students who are interested in understanding more about ETCZs are welcome to participate and interact to discover more opportunities for collaboration.

The Project is supported and collaborated by a number of professional bodies and business chambers in Hong Kong, including Certified Management Accountants, Australia (Hong Kong Branch), Hong Kong Chinese General Chamber of Commerce (CGCC), Hong Kong General Chamber of Commerce (HKGCC), Hong Kong Institute

of Certified Public Accountants (HKICPA), Law Society of Hong Kong and The Society of Chinese Accountants and Auditors (SCAA) (names listed in alphabetical order). We thank Golden Resources Group and Red Circle Company Limited for sponsoring the Project generously. Our Supporting Organizations include Association of Women Accountants Hong Kong, Hong Kong Financial Services Development Council, Hong Kong Electronic Industries Association, Hong Kong Trade and Development Council, HK PolyU MBA Alumni Association and JCI Jayceettes. Supporting Units from City University of Hong Kong, include CityU Eminence Society, College of Business, CityU-TsinghuaU EMBA+MPA Programme, College of Engineering, College of Liberal Arts and Social Sciences, College of Science and School of Law.

About Research Centre for Sustainable Hong Kong (CSHK)

The Research Centre for Sustainable Hong Kong (CSHK), established in June 2017, is an Applied Strategic Development Centre of City University of Hong Kong (CityU). Professor Linda Chelan Li, Professor of Political Science at Department of Public Policy, CityU, is the Director of CSHK. The mission of CSHK is to analyze and develop solutions to meet critical sustainability issues in Hong Kong from a multi-disciplinary perspective. Members of CSHK are from a wide range of disciplines, including public policy, philosophy, international relations, applied social studies, communication, law, economics and finance, accountancy, management science, civil engineering, biological engineering and environmental science. CSHK houses the Sustainable Hong Kong Research Hub (SusHK Hub) and supports all the research and collaborative activities with stakeholders from different sectors and regions. Established by a multi-disciplinary research team based in CityU in November 2016, SusHK Hub is an open platform and network for facilitating synergies and collaborations of our members from the academia, industry, professional services and business sectors, as well as government. Currently, it has over 2,000 local and overseas hub members, and has been supporting our research work and events closely. CSHK has recently completed a 3-year Special Public Policy Research (SPPR) project entitled "Hong Kong Professional Services in the Co-evolving Belt-Road Initiative: Innovative Agency for Sustainable Development" Project funded by Policy Innovation and Coordination Office (PICO), HKSARG [S2016.A1.009.16S]. In recognition of CSHK's research in B&R, CSHK is also awarded the Humanities and Social Sciences Prestigious Fellowship Scheme (HSSPFS) by UGC in 2019. A Chinese book entitled 《解構·倡議—專業服務與一帶一路》(Co-evolution of Hong Kong's Professional Services and the Belt and Road Initiative) was published in July 2019 by City University of Hong Kong Press, and an English book entitled 'Facts and Analysis: Canvassing Covid-19 Responses' was published in February 2021.



Research Centre for
Sustainable Hong Kong

香港城市大學
City University of Hong Kong

Contact Us

Website: www.cityu.edu.hk/cshk
Email: sushkhub@cityu.edu.hk
Facebook: www.facebook.com/sushkresearchhub
LinkedIn: <https://www.linkedin.com/company/cityu-cshk>
WeChat: HK持續發展研究中心CSHK
Office Tel: 3442 8914

