

**Keynote Address by H.E. U Thaung Tun, Chairman of the Myanmar Investment Commission at  
“Myanmar Insight 2018”**

*Shangri-La Hotel, Bangkok , 20 July 2018*

**“Myanmar’s Political and Economic Climate: Enabling Environment  
for International Investment”**

**Your Excellency Minister Durongkaveroj,**

**Excellencies,  
Ladies and Gentlemen,**

**Sawadee Kap, Mingalabar!**

I consider it a privilege and honour to deliver the keynote address at this important seminar.

I am delighted to be back here in Bangkok.

As a frequent visitor to this beautiful city by the Chao Phraya river, I fully appreciate the reasons why some of our Thai friends refer to it as Krun Thep Mahanakon , " *City of Angels-- a city given by Indra and built by Vishnukam.* ”

The scenic beauty of the river and the warm hospitality extended to the Myanmar delegation makes us feel at home.

I wish to thank Foreign Minister Don Pramudwinai, for his kind invitation. I would also like to express our deep appreciation to Ambassador Boon-Long and the Thai Business Association of Myanmar for organizing this special event in conjunction with the 70<sup>th</sup> anniversary celebrations of the establishment of Myanmar-Thailand diplomatic relations.

Indeed, our ties go beyond seven decades of formal relations as our two nations are bound by religious, cultural and trade links that go back to antiquity.

Recent exchanges of visit between leaders have enhanced the bonds of friendship. Daw Aung San Suu Kyi chose to visit Thailand in June 2016 as guest of Prime Minister General Prayut Chan-o-cha. It was her first official visit abroad as State Counsellor. President U Win Myint also came to Bangkok last month on his first official visit abroad.

Similarly, General Prayut Chan-o-cha’s first official visit overseas as Prime Minister was to Myanmar in October 2014.

The outpouring of sympathy by the people of Myanmar for the Ma Po football team of 12 boys and their coach who became trapped by rising floodwaters after venturing into the Tham Luang caves near the border with Myanmar reflect the kinship that characterizes the relations between our two countries. Myanmar not only dispatched a team to assist in the rescue operations but also facilitated the visit of Myanmar monks to Tham Luang to pray for the safe return of the boys and the coach. There was great relief and joy among the people in Myanmar when they learnt of the success of the rescue mission. Never in the history of our two countries have there been so much empathy and goodwill between our two peoples.

As close neighbours and friends, it is opportune for us to explore how “**The Land of Smiles**” and “**The Golden Land**”, or in Sanskrit, “Suvarnabhumi” can complement each other as we adapt to a changing world environment and reach for new heights.

**Excellencies,**

**Ladies and Gentlemen,**

We live in a world of vast change and transformation. In the past forty years, our region has experienced the greatest surge of economic growth the world has ever seen. Rapid economic growth in ASEAN and the rest of Asia has generated trade, new technologies and movement of people, ideas, goods, services and capital.

To paraphrase Charles Dickens, **it is the best of times and the worst of times.**

It is the best of times as we see the global economic pendulum swing from West to East.

We live in an era where Asia is rising and is poised to shape the world.

ASEAN economic integration, coupled with innovation, free trade, growing people-to-people contacts and regional connectivity, presents us with vast opportunities.

The ten ASEAN countries, located at the crossroads of an economically vibrant region that stretches from India to Japan, has the potential to be the tourism, transportation and ICT hub of Asia.

Myanmar and Thailand, strategically located between two of the fastest growing economies in the world, India and China, have a pivotal role to play to ensure the success of ASEAN's vision to achieve an integrated region that promotes competitiveness, inclusiveness and a greater sense of community.

It is vital that countries in our neighbourhood remain connected and benefit from the globalization process.

On the other hand, these are the worst of times as the world is faced with unprecedented challenges, ranging from climate change to mass migration and protectionist tendencies.

The gap between the developed and the developing countries remains immense and the widening income inequality within nations has become a serious challenge of our time.

A prime challenge for us will be how to ensure that countries like ours benefit from globalization.

Less developed countries with weak links to the global economy risk falling behind.

The situation underscores the urgent need for us to work together to develop our economies through innovation and increased cooperation across the board.

It is therefore appropriate that ASEAN this year will focus on the themes of **'resilience'** and **'innovation'**. ASEAN's second objective will be to push ahead with economic integration in the region and improving regional connectivity, so that the region can stay competitive and prosperous.

In the circumstance, how can Myanmar and Thailand take advantage of our comparative strengths and cooperate for the benefit of our countries and the region as a whole?

With that in mind, let me turn to the change and transformation taking place in Myanmar to shed light on how our two countries can complement each other.

Until 2011, Myanmar was one of the world's most isolated countries in the world. Today, it is one of Asia's fastest-growing economies. It is turning faltering steps of reforms into firm strides.

The country as a whole is enjoying peace and stability. Tensions and strife in a few ethnic areas is being managed through the peace process. The Third 21<sup>st</sup> Century Panglong Peace Conference held in Nay Pyi Taw 11 to 16 July reached agreement on 14 principles relating to political, economic, social and land and environmental matters. These principles will be included in the draft accord on the establishment of a democratic federal union.

The new government has been working to revitalize the peace process while rebuilding the economy.

We believe that continued economic growth and rise in living standards will substantially contribute to the on-going peace process.

As a result of the ongoing changes, trade and investment have grown.

**While challenges remain, there are significant opportunities for investors.**

**Excellencies,**

**Ladies and Gentlemen,**

In the past eight years, the government has initiated a wide range of reforms to open its economy further to trade and investment. Recent measures include efforts to modernize the legal and regulatory framework for investment.

Necessary structural reforms have been made to boost Myanmar's development through greater integration with the world economy. Myanmar's **strengths** are considerable.

**First, Myanmar is strategically located.**

It lies at the crossroads between China, India, Bangladesh, Laos, and Thailand.

China, India and the ten ASEAN countries together represent a potential market of more than three and a half billion people.

The economies combined account for about \$15 trillion, or 20 percent, of global GDP.

Myanmar is the largest country in mainland Southeast Asia. It has significant potential for agricultural production and a rich endowment of minerals and natural gas.

It has a sizeable population of 53 million, the majority of whom are young.

Myanmar has easy access to the Bay of Bengal and the Andaman Sea. Myanmar's southern seaboard when combined with Thailand's thriving Eastern Economic Corridor would result in one of the world's leading economic corridors.

**Second, Myanmar is committed to economic liberalization and stable political transition.** In keeping with the change and transformation taking place in the political and economic fields, a new investment law has been promulgated to attract foreign direct investment. The law reflects further liberalization of the foreign investment law to accommodate the rapidly changing economic environment.

Important changes are taking pace in Myanmar.

Prominent among them is the Companies Law. Under the 1914 Myanmar Companies Act, a locally incorporated entity with any foreign shareholding is considered a foreign company in Myanmar. The new Companies Law changes this legal definition, allowing companies to have up to 35% of their shares held by foreign nationals. This will allow foreign investors to undertake business activities that were previously restricted to companies fully owned by Myanmar citizens.

The new law is expected to transform Myanmar's corporate landscape when it comes into effect next month -- on 1 August 2018.

The MIC has also been reconstituted to take forward the momentum of change and transformation. We have a new management at the MIC that is determined to turn Myanmar into a major regional trade and investment destination.

The change in Myanmar's investment climate has been recognized by the World Bank by awarding the Star Reformer Award to Myanmar last year.

But we will not rest on our laurels. We will continue to strive to improve the investment climate.

We will be proactive and seek responsible investment.

**Third, Myanmar is one of Asia's fastest growing economies.** According to **the World Bank**, its GDP grew by 6.4% in 2017/18 and is estimated to grow by around 7 % in the coming years.<sup>1</sup>

**Fourth, Myanmar aims to leapfrog its way into the future** riding on the back of rapid growth of mobile and Internet usage in the last five years. More than 90 percent of the country's 53 million people now have access to mobile phones.

We hope to bypass stages in capacity building through which other developing countries were previously required to pass during the process of economic development.

Myanmar is home to young men and women with extraordinary talent. A team of Myanmar students ranked 6 out of 163 competing teams from all over the world at the first international robotics competition held in Washington, D.C during in July 2017.

**Challenges** do remain. Poor infrastructure is holding back progress in realizing Myanmar's potential for development. The World Bank estimates that Myanmar will require US 20 billion in investment by 2030 in order to close the infrastructure gap.

Myanmar's energy potential has yet to be fulfilled. Myanmar remains one of the world's least electrified countries, notwithstanding natural gas and renewable energy resources. We are aware that lack of sufficient and stable electricity is a major challenge for promoting investment.

Myanmar's ports also need to be upgraded and expanded to meet growing demand.

Despite the challenges, business opportunities are still abundant and the critical need for foreign direct investment remains.

For investors, **these challenges can be turned into opportunities.**

Looking at our **bilateral cooperation**, we are confident that we can attract more investments from Thailand following the revamped companies law which will become effective at the beginning of next month.

In recent years, Thai investors have shown keen interest to invest in a wide range of sectors, including trading, banking, manufacturing, industry, livestock breeding, services and electricity generation.

Thailand is the 2nd largest trading partner of Myanmar after China. The trade volume is also on the rise and is expected to double in the next few years. Border trade is also an important part in our bilateral economic ties.

Thailand is the 3rd largest investor in the country. Currently, 117 projects with investments totaling US\$ 11.1 billion have been permitted as of June, 2018.<sup>2</sup>

**Excellencies,**

**Ladies and Gentlemen,**

Myanmar has much to offer as a promising investment destination. Thailand, in turn, has been promoting successive economic development schemes for over 50 years, successfully becoming an upper-middle income country.

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<sup>1</sup> <http://www.worldbank.org/en/country/myanmar/overview>

<sup>2</sup> DICA

With “Thailand 4.0”, it is endeavoring to become a value-based and innovation-driven economy.

This presents opportunities for a productive partnership. We can complement each other.

To conclude, let me simply say that **the time is ripe to invest in Myanmar.**

As Warren Buffet would say, **“Opportunities come infrequently, when it rains gold, put out the bucket, not the thimble”.**