

Keynote Speech by
Permanent Secretary
Myanmar Investment Seminar
31st May 2017 in Tokyo
1st July 2017 in Osaka

Excellencies,

Distinguished leaders of the Japanese's business community,

Invited distinguished guests, Ladies and gentleman,

First of all, it is a pleasure to be here and privileged for me to deliver key note speech on behalf of Myanmar Investment Commission in this Myanmar Investment Seminar. On behalf of the Chairman, His Excellency U Kyaw Win, and the members of Myanmar Investment Commission, I would like to thank all of you for attending this seminar. As the members of the Commission, we have been given responsibilities, by the Investment Law, to assess and approve investments.

I would also like to thank the Government of Japan for inviting us to Japan and make this seminar possible. In addition, I would like to appreciate, on behalf of MIC, organizers namely Japan International

Cooperation Agency (JICA) and co-organizer namely Japan External Trade Organization (JETRO) for conducting this seminar.

Also, we are all delighted to see such a great number of participants here today. With such interest and enthusiasm on your part, I hope you will be making investments in Myanmar. In any case, it is my honour to make a keynote speech in front of such distinguished guests and participants.

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In July last year, in the twelve-point economic policy that our Government announced, we showed our vision to “allow every citizen to freely operate the business they want and to increase foreign investments.” To support this policy, in November, we announced our Investment Policy whose most important message is, “We welcome responsible and mutually beneficial foreign investments.”

That is most fitting to Japanese businesses. I understand that you have a tradition of business ethics called, “San-Poh-Yoshi”, that means, businesses need to satisfy not only themselves but also the buyers as

well as the society. I have a great respect to all of you because, before businesses in the West started to talk about the “triple bottom-lines”, you had been already practicing it for centuries. It is also generally known in Myanmar that Japanese businesses put more emphasis on training their staff and workers than those from other countries. In other words, you are likely to contribute to developing our human resources. And, by the way, people in Myanmar are faster in learning Japanese language than our neighbouring country citizens, because, to us, the Japanese grammar is similar to our language and your pronunciation is easier for us than English. So, in my view, Japanese businesses fit very well into our welcoming list of “responsible businesses”. We just need to make your investment mutually beneficial.

I am happy to announce that the amount of foreign direct investment approval by MIC during the last fiscal year 2016/2017 surpassed our goal of 6 Billion USD, reaching 6.874 Billion USD. Although, on surface, Japanese investment ranked seventh last fiscal year, we know that in reality you have invested more. When we included investment coming via third countries, such as Singapore, we found that your investment amount turned out to be four times of the direct investment

from Japan, that is , 2.4 billion USD form April 2011 to October last year, which makes Japan ranking the third; a bronze medal if it were the Olympics. Although last year's approval of Japanese investment decreased somewhat, which may be due to anticipation the new Investment Law, I understand that the membership of Japan Chamber of Commerce and Industry, Japan, as of March 2017, reached 344, about 20% increase from March last year. Your interest in Myanmar seems to continue to increase.

In this respect, we are here to explain to you about our new Investment Law, investment rules and the accompanying notifications. Thanks to the dedicated staff at DICA, that is, Directorate of Investment and Company Administration, as well as colleagues from other ministries, including my own Ministry of Commerce (my own Ministry of Natural Resource and Environmental Conservation), we have been able to put together the new set of rules for foreign investments which is compatible with international standards. Let's call them a new investment regime.

Under this new investment regime, the most fundamental principle is, "We treat investments of Myanmar citizens and those of foreign

investors equally.” We have limited the areas of businesses for which investors need to obtain approval from us. We have streamlined investment procedures, and established a new mechanism of endorsement to provide incentives for those businesses that are not required to obtain our approval. We guarantee that your businesses shall not be nationalized by our Government in accordance with the law. We also guarantee that you are able to repatriate funds out of our country. We also set up a dispute settlement mechanism. Most importantly, we have made what used to be unwritten rules visible for everyone. As you can see, we are conforming to international standards. In other words, although Myanmar is called “the last frontier in Asia”, we are becoming a “normal” country to invest in. You may know that our fiscal year runs at the same period as yours, from April to March. Our fiscal year 2016/2017 marked an important milestone by establishing a more open, transparent and business-friendly investment regime as I just described briefly. In realising this, I would like to thank the Government of Japan and the Japanese Private Sector for their contributions. Through the Embassy of Japan as well as such organizations as Japan Chamber of Commerce

and Industry, Myanmar, you have provided comments and inputs which were very useful for us to know what foreign investors need, and we have taken them into account in developing the new investment regime.

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I said it is an important milestone, but it is only one milestone. We are determined to make our business environment even more conducive to our investors. We will continue to make our market more open, as we believe that healthy and fair competition and alliances among local and foreign investors will stimulate innovation and new business ideas, provide better products and services, grow our economy and create more decent jobs to our citizens. In other words, I recognize that what has been achieved so far, although it is a great achievement, was not fully satisfactory to everyone, and we will continue to make our business environment even more conducive. In doing so, I am happy to note that the Government of Japan is supporting us in improving our infrastructure and improving economic and social institutions. They

are also helping us in understanding the needs of the private sector through a policy dialogue called “Myanmar-Japan Joint Initiative.”

If I may make a little advertisement, DICA has a Japan Desk on the second floor of the building in Yangon with two Japanese advisors; one has been dispatched by JICA and the other by JETRO. So, when you come to Myanmar to consider investment, you are welcome to visit our Japan Desk to get useful information in Japanese. I would like to thank JICA and JETRO for helping us in this regard. Taking this opportunity, I would also like to thank JICA for helping us in upgrading our infrastructure, improving our Government institutions, and developing human resources in the Government and the private sector. In particular, I recognize the needs to upgrade the capacities of our civil servants not only at DICA but also in other ministries. We may now have a new investor-friendly investment regime; however, at the end of the day, this new regime will not work well, unless our officers are capable enough to put into practice what is written in the law, the rules, and the notifications. We are determined to develop capacities our people ourselves, but we appreciate very much that the Government of Japan and JICA continue their support in this area.

I hope that Myanmar and Japan jointly develop collaborative endeavors towards building a strong economic relationship within the spirit of equal partnership and mutual advantages.

Last but not least, I would like to thank Embassy of Republic of the Union of Myanmar in Japan for supporting to make this seminar.

Thank you again for your attention. I hope this seminar will be useful to you. In the next session, U Aung Naing Oo, Secretary of MIC, will explain the new investment regime in more detail, so that you will be even more attracted to invest in Myanmar.