



White Book 2017

Trade & Investment Policy Recommendations



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EUROPEAN CHAMBER OF COMMERCE IN MYANMAR

EuroCham serves as the voice of European business in Myanmar. Its main mission is to significantly increase the presence of European investment in the country and to improve the business climate – by advocating for European industry interests with the government and organisations in Myanmar, the ASEAN region and the EU.

With a strong, growing network of partners, EuroCham offers on-the-ground support to European businesses interested in commercial endeavours in Myanmar, whether in the form of advocacy, business services, research or networking.

A key instrument in EuroCham’s advocacy work are Advocacy Groups which serve as a platform for information sharing and discussion. Their main objectives are: (i) to promote transparency, compliance and rule of law for the further development of Myanmar, (ii) to provide the Myanmar authorities with relevant industry international know-how in order to improve the overall business environment and (iii) to strengthen relationships with other governmental agencies and bodies.

This white book is the first edition of an annual publication by EuroCham Myanmar identifying the year’s focal business, trade and investment issues affecting EuroCham’s members, the business community and, in many cases society at large.

Compiled from white papers drafted by EuroCham’s advocacy groups, the White Book offers holistic and realistic recommendations to the heads of relevant ministries and departments of the Myanmar government, the Delegation of the European Union to Myanmar, Ambassadors, Consuls, and Trade Commissioners of the European member state missions in Myanmar, international, sectoral and partner organizations in Myanmar and media.

Yangon, June 2017



EUROCHAM CHAIRMAN OF THE BOARD



On behalf of the EuroCham Board of Directors, its Advocacy Groups, EuroCham's Partner Members and all members, I am honored to present you the White Book 2017 | Trade & Investment Policy Recommendations. This White Book is the result of a joint cooperation between our Advocacy Group member companies, which are investing and operating in a number of industries.

This White Book provides you with a useful overview of how the current business environment is perceived by European investors on a sectoral basis. EuroCham currently has five so-called Advocacy Groups covering the following sectors: CSR, Construction, Energy, Logistics and Health. As new sectors are still in the making, the White Book will cover more sectors over time. Each Advocacy Group has been asked to identify the

main issues their industries are facing and to come up with policy recommendations they believe the Myanmar authorities should give more priority to during the coming 12 months.

EuroCham wishes to continue its good cooperation with the Myanmar authorities. Please let me take this opportunity to warmly thank all government officials who have met and worked with us. Thanks to their ongoing support, we can help the country to boost job creation and economic development in a sustainable manner.

This year has been an exciting year for Myanmar. Many European businesses are looking at this last frontier market in Asia that is Myanmar. This interest has manifested itself in the large numbers of companies and investors EuroCham has gathered at its many country briefings all over Europe and Asia, but also in the numerous business delegations that have visited our chamber this year and the year before.

Nevertheless, Myanmar's business climate has still a number of challenges to overcome in order to capitalize more on the investment potential from Europe. EuroCham will continue to work closely with the EU Delegation in Myanmar and the Myanmar authorities to help overcome these challenges in a way that is transparent and constructive.

I look forward to next year's White Book. The achievements to come will send a strong message to European businesses, that Myanmar is an attractive investment destination with a government that truly is a committed and reliable partner.

Sincerely yours,

David Levrat
Chairman of EuroCham Myanmar

EU AMBASSADOR TO MYANMAR



Myanmar is a country of opportunities. After decades of isolation, it is experiencing a remarkable transition, offering hope of a brighter future for millions of people within the country.

As a partner in this complex transition, the European Union is supporting Myanmar and its people with the objective to help the country develop into a peaceful and prosperous democracy. The EU engages politically for democracy, values, security and prosperity. It offers both financial assistance and technical expertise to foster development in key areas for a prosperous future: peace, education, health, agriculture, governance, to name just a few. Where people suffer the impact of conflict and natural disasters, the European Union also offers humanitarian assistance to the poorest and most vulnerable people in this country.

As part of attaining the political goals, the European Union also puts emphasis on trade and investment. The path to lasting economic development must go through sustainable business; promoting transparent and responsible commercial links is pivotal for Myanmar. European businesses can play a role in this, sharing its best practices and European standards of doing business in a country thirsty for responsible trading partners. As Europeans we know from experience that a functioning market is the driving force for sustainable development, and in turn for the consolidation of democracy.

Through the European Chamber of Commerce in Myanmar (EuroCham), which opened in 2014 in Yangon, the EU supports European companies interested or engaged in Myanmar. The chamber also functions as a link to the Myanmar government on advocacy and issues related to trade and investment.

Myanmar wants to become an attractive destination for business, and is working towards improving its business climate and securing a business friendly environment for investors at the level of some other countries in the region. This white book gathers knowledge and experience acquired by European businesses active in Myanmar on how the climate for trade and investments can be improved. The interest among European companies to invest in Myanmar and step up trade relations is considerable. Equally high are therefore the expectations vis-à-vis the government to make rapid headway to promote responsible business and create a level playing field for local and foreign companies.

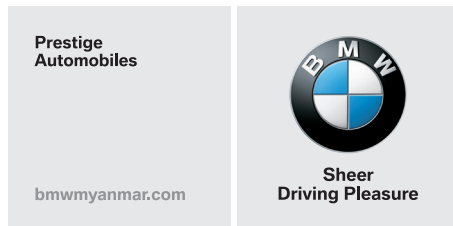
I very much welcome EuroCham Myanmar's initiative to develop the White Book 2017 Trade & Investment Policy Recommendations. It can be a useful tool to further strong and transparent economic relations between Europe and Myanmar. This White Book is the joint statement of EuroCham's Advocacy Group member companies, which are investing and operating in an ever increasing number of industries in Myanmar.

Roland Kobia
Ambassador of the European Union to Myanmar



Thank you to our Partner Members!

PLATINUM



GOLD



SILVER



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Myanmar language version

BUSINESS CLIMATE



Chronological Timeline of Myanmar's Economy

Myanmar has been notably involved with international trade since centuries ago as the main trade route between India and China. A strategic location, access to abundant resources and a large population are the added values and benefits that the country enjoyed. As a country with abundant farm land and agriculture being the main activity at that time, Myanmar topped rice and other agricultural exports surpassing its regional counterparts. Blessed with other types of natural resources, exports of these commodities also contributed to the economy to a large extent. Under British rule, the economy took a surge thanks to commodity trading such as teak, non-teak timbers, lead, tin and rice.

Myanmar's economy went through a number of ups and downs in its history due to changes in its political system, the adoption of inadequate policies and other external factors such as the global economic crisis.



Following Myanmar's independence from the United Kingdom in 1948, Prime Minister U Nu led a government, embarking upon a policy of nationalization which was an attempt to turn Myanmar into a welfare state through the adoption of central planning measures.

Following U Nu's Administration and a coup d'état led by General Nay Win who came into power introducing an economic scheme known as the Burmese Way to Socialism, a plan to nationalize all industries was rolled out and so began 50 years of military rule. With the poorly managed industrialization of local businesses, the country had relied heavily on imports from the onset. The government introduced an import-substitution system to replace foreign imports with domestic products. It was not a success due to the lack of competence of local industries and since imports were also banned, the country suffered from no or little access to the most basic necessities. Myanmar's designation as a least developed country in 1987 by the United Nations highlighted its economic bankruptcy.

Under the rule of the military government that inherited General Ne Win, economic performance improved. However, with targeted economic sanctions imposed by Western countries on the grounds of human rights violations, economic progress was slow.

In a shift to a democratic nation, the military junta transferred power to the first civilian government in decades following democratic elections. The new government led by President U Thein Sein took office in 2011.

Major changes in the economy under U Thein Sein's government

The new government initiated notable policy reforms and enacted laws that could potentially move the economic environment forward. The table below summarizes the political and economic reforms initiated by the new government.

Political Reforms	Economic Reforms
Amnesty for political prisoners	Unification of exchange rate
New government led by NLD in majority	Enactment of new laws (eg. Central Bank Law, Foreign Investment Law, Securities Exchange Law, Minimum Wage Law, etc)
Establishment of closer ties with the international community	Amendment of outdated laws
Nationwide ceasefire agreement under implementation	Launch of a stock exchange
	Opening up of sectors that were previously closed (eg. Telecom, Insurance, etc)
	Liberalization of investment opportunities by allowing involvement of private sector
	Infrastructural developments such as special economic zones, deep sea ports, new airports and upgrade of existing ones
	Opening up to FDI
	Development of a financial industry with payment system advancement and foreign banks entering the market
	Better access to finance by means of microfinance and mobile money

The new government led by President U Htin Kyaw has also put forward economic development as one of its priorities.

Significant Economic Reforms

The Financial industry also experienced significant improvements. In October 2011, 11 private banks were allowed to trade foreign currencies. The number of banks operating in Myanmar also increased with new entrants. Selected foreign banks were given the go-ahead to perform certain activities while many of the foreign banks remain as representative offices waiting for the permission from the Central Bank to fully operate as foreign banks. The Banking sector also witnessed improvements with the development of payment systems and technological advances.

The country's first ever stock exchange was launched and securities licenses were granted. The Insurance sector which was dominated by Myanma Insurance for decades was not open to the private sector. With a clear intention of providing better access to finance, the microfinance sector was empowered and now, the number of microfinance companies has increased. In anticipation of enhancing financial inclusion, mobile money was introduced and is developing gradually with an increase in the number of players.

In the telecom sector, in 2014, 100% foreign-owned companies such as Ooredoo and Telenor were awarded licenses to operate in the market which was once monopolized by a state-owned enterprise, Myanmar Post Telecommunications (MPT) which has now formed a consortium with Japan's KDDI to compete with foreign operators. In 2015, Myanmar National Tele & Communications (MNTC), a joint venture between Vietnam's Viettel and Myanmar's Star High Public Company was awarded a license to enter the market as the fourth telecom operator.

Infrastructural developments have also been witnessed in many shapes and forms: special economic zones and deep-sea ports emerged as joint investments between local and foreign counterparts. Deep sea ports are opening up for Myanmar to access international markets and to position Myanmar as another potential logistics hub in the region. In response to a growing number of visitors, the development of new airports and upgrade of existing airports are underway to serve an increasing number of passengers as well as to improve air cargo operations.

In the energy sector, the government privatized over 150 gas stations which were previously state-owned, allowing private players in the business of importation and distribution of fuel through wholesale and retail channels. Following this shift, the government continued privatizing other major economic activities such as importation and distribution of jet fuel to the private sector through a tender process.

Recent changes in the legal and regulatory framework

Over the years, the lawmaking body has been making improvements by enacting new laws and updating outdated laws.

Law/Act	Year of Enactment
Foreign Investment Law	2012
Social Security Act	2012
Environmental Conservation Law	2012
Minimum Wages Law	2013
Myanmar Citizens Investment Law	2013
Myanmar Special Economic Zone Law	2014
Union Tax Law	2015
Myanmar Investment Law	2016
Companies Act	2017

Although many laws and acts have been enacted over the years, many additional bills are still being finalized. Some of these include the Mining Law, Petroleum Law, Petroleum and Petroleum Products Law, Labor Law, Trademark Law, Copyright Law, Patent Law and Industrial Design Law.

The economy at a glance

According to the IMF's World Economic Outlook in 2016, Myanmar was ranked the world's fastest growing economy with GDP growth of 8.6%. Since 2011, the country has been experiencing a high GDP growth, an indicator of economic wellness of the country. Political and economic reforms have fostered economic development but growth is also being driven by increased consumer and investor confidence in the revitalization of the economy.

According to economic forecasts by ADB, Myanmar has attained the highest GDP growth rate among ASEAN members. The following chart shows the trend of GDP growth over the years since the country's transformation into a civilian government and future projections.

GDP Growth

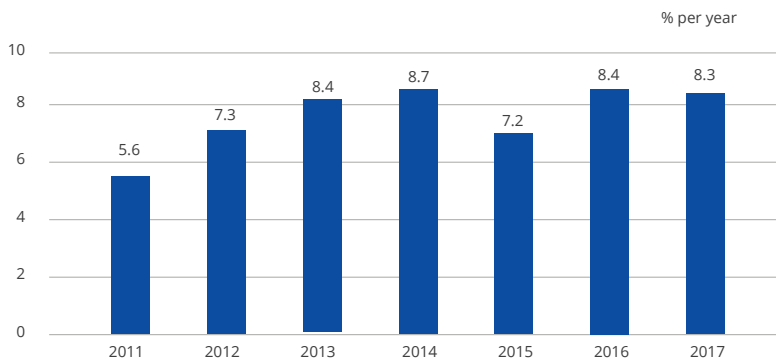


Figure 1: GDP growth and forecasts (Source – ADB)

FDI and Analysis

Most of the sectors that offer a clear potential for foreign investors have been the target of Myanmar's increased FDI over recent years. The following FDI figures show the economic wellness of the country and the sectors receiving the most foreign investments.

Yearly FDI Inflow (Permitted)

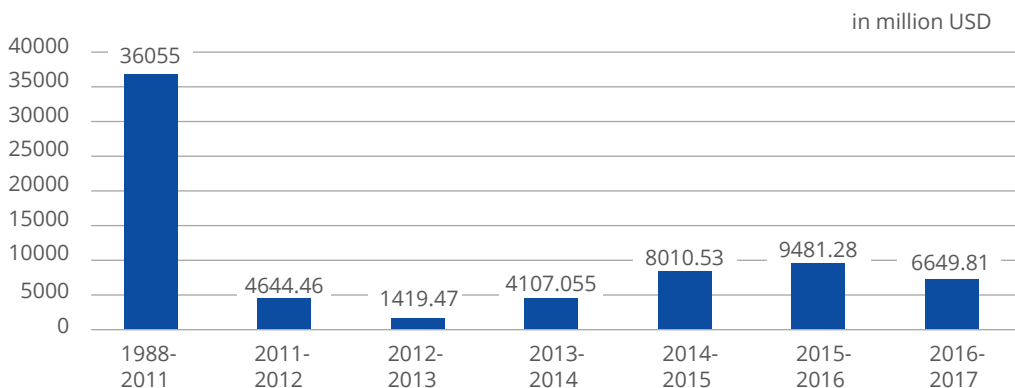


Figure 2: Yearly permitted FDI inflow (Source – DICA)

FDI has been increasing over the years starting in 2011, however it experienced a decline in 2016-2017 financial year as investments slowed down in line with policy changes as the new government took office in April 2016.

The following chart shows the sectors receiving the most FDI (in terms of permitted FDI) over the period from 2011 to 2017. The country's three largest recipient sectors, oil & gas, power and manufacturing, account for 55% of the total FDI inflow.

Share of FDI by Sector (2011 – 2017)

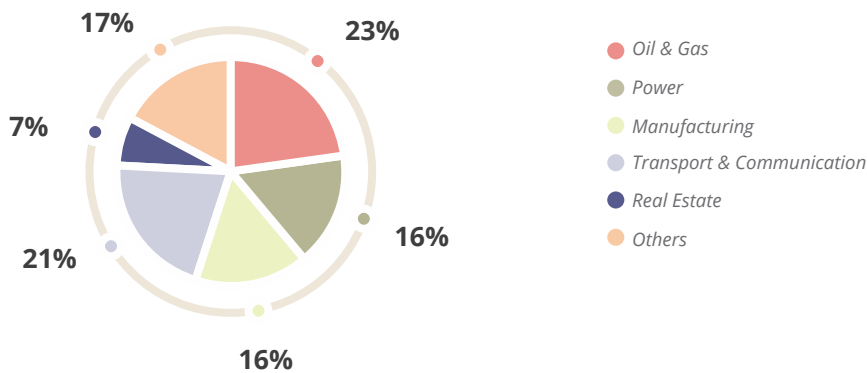


Figure 3: Share of permitted FDI by sector (Source –DICA)

The international community has also taken a key part in the economic development process. International companies have been setting up their footprints in the country to enjoy the benefits it has to offer and to strategically enter a market that offers huge growth potential. Starting in 2012, sanctions were also eased as well as lifted given the government's commitment and positive moves towards a democratic nation. The European Union also relaxed sanctions on Myanmar and since then, relations between Myanmar and the EU have improved and closer ties have been built. Cooperation between Myanmar and the EU has also been enhanced; the EU-Myanmar Investment Protection Agreement negotiations mark a turning point between the two communities. Moreover, Myanmar shows a lot of potential for European SMEs willing to invest in a frontier market.

Opportunities for investors

Mass market and strategic location

With a population of 51 million according to the 2014 Census, Myanmar is a vast market with abundant resources offering huge growth potential for investors. Given its strategic location and the development of deep sea ports, Myanmar — opening its door to international markets — could potentially become a logistics hub surpassing its regional counterparts.

Large talent pool with low labor costs

In terms of the population that falls within a working age group, this particular group accounts for the largest percentage of the country's total population. Myanmar offers a large talent pool, with a prescribed minimum wage of MMK 3,600 (approximately USD 3) per day, Myanmar offers investors the opportunity to benefit from a large pool of labor at low costs. Foreign investors have been setting up their footprints especially in labor-intensive industries such as the manufacturing industry. While Myanmar offers a large talent pool at lower costs, access to quality labor is a pressing issue for investors. With a limited base of quality labor, investors often face hurdles in recruiting the right people; due to a high demand for skilled workers, recruiters find themselves, at the same time, facing a shortage of qualified, skilled labor.

Infrastructural improvements gradually taking place

A dilapidated infrastructure has left Myanmar with little or no chance for industrial development and attracting foreign investments for decades. Over the years, infrastructural developments have been gradually taking place. Increased mobile phone penetration, better access to electricity, advanced banking systems, better road connectivity, development of special economic zones and deep-sea ports, development of new airports and the upgrade of existing ones are the most significant and notable infrastructural developments that have taken place.

Commitment to economic development

One of the main drivers of the positive changes that have taken place over the years is the government's commitment to the economic development of the country. Under the previous administration, many reforms have been initiated, enabling a hike in the economic indicators such as FDI, GDP, etc. The present administration of President U Htin Kyaw has also put forward economic development as one of its key priorities, however, at this stage, many private sector investors feel that greater emphasis is given to the peace building and national reconciliation process.

EXECUTIVE SUMMARY



Myanmar offers tremendous opportunities to investors with the potential for lucrative benefits, however challenges remain for investors in a number of areas. These barriers/bottlenecks need to be addressed effectively so that Myanmar offers an investment-friendly business climate for prospective investors who are keen to establish their presence in Myanmar. While there are general challenges relevant to all sectors, sector-specific challenges remain.

With the objective of raising awareness of the underlying challenges faced by key industries and the ways to address them, EuroCham has developed position papers for five specific sectors, namely:

- Construction and Infrastructure
- Corporate Social Responsibility
- Energy
- Health
- Logistics and Transport

Through these position papers, EuroCham aims to highlight the main obstacles in the relevant sectors and makes recommendations to the government with the aim to maximize the potential economic development of these sectors. As the members of each advocacy group have been working extensively in the relevant sectors, their knowledge, international expertise and practical experience could be a major contribution towards making positive changes in these industries.

While most of the recommendations are made to the government with the intention of streamlining and optimizing existing processes, EuroCham and its member companies stand ready to be involved.

The following is a summary of the policy recommendations endorsed by the Advocacy Groups for the year of 2017.

Construction and Infrastructure

- Implementing solid policies and applying effective control measures to ensure the safety of the population
- Striking a balance between the growth of the construction industry and environmental preservation
- Developing a master plan to restore Yangon and elevate it to the standards of other cities

Corporate Social Responsibility

- Developing a clear roadmap for navigating rightful practices of CSR in Myanmar with the involvement of all stakeholders
- Advocating the avoidance of regulations requiring mandatory spending on CSR
- Raising awareness on a business-oriented approach of CSR
- Promoting good corporate governance as an initial step towards CSR
- Enhancing collaboration between the public and private sectors to create synergies

Energy

- Improving coordination among the ministries involved in the energy sector to enhance efficiency and effectiveness
- Formulation of more agile procedures for the optimization of the processes at the Ministry
- Introducing a risk allocation framework and clear, well defined electricity pricing policies
- Enhancing investment in renewable energy through different means

Health

- Developing stringent measures and effective policies for controlling generics with no bioequivalence
- Enforcing a transparent reporting system among the stakeholders involved
- Increasing awareness and emphasis on patient safety by incorporating this into the curriculum of healthcare professionals
- Setting up Infection Control Units at hospitals for preventive measures
- Enacting policies and guidelines for the installation and maintenance of medical equipment at hospitals
- Streamlining the pharmaceutical product registration process at the Department of Food and Drug Administration (FDA)

Logistics and Transport

- Developing a deep-sea port at the delta region with a special economic zone and road networks
- Adhering to the World Trade Organization's agreements and standards in the Customs valuation process
- Increasing customs' operating hours at ports and optimizing overall efficiency
- Implementing rules that restrict the gate-in of containers before completion of the customs clearance process

METHODOLOGY



The very first white book of EuroCham in Myanmar has been developed through a close collaboration with each of the following industries' stakeholders: Construction, Corporate Social Responsibility, Energy, Health and Logistics. Each of the position papers has been developed following extensive consultation with every sector's industry stakeholders.

The Business Climate section presents an overview of the business environment in Myanmar. It has also been developed with the intention of providing readers with an outline of the potential Myanmar offers as well as of the challenges which could be barriers to doing business in the country. While sector-specific issues are raised in each of the position papers, general challenges which could be of hindrance to businesses in all sectors have also been highlighted.

The primary objective of the white book is to assist the government in tackling these issues and ultimately achieving an investment-friendly business environment. For this purpose, the position papers highlight issues in each of the sectors and provide constructive recommendations to the relevant government agencies.

The papers are structured as follows:

Issue Description

This section details the most pressing issues specific to the sector and their impacts on doing business.

Potential gains for Myanmar

This provides an illustration of what are the benefits to the business environment, economy and the country as a whole.

Recommendations

A presentation of measurable and attainable actions for effectively addressing the issues that were raised.

EuroCham wishes to emphasize its ongoing commitment and willingness to actively engage with the government in implementing the recommendations brought forward. EuroCham firmly believes that effective implementation of the recommendations could bring favorable benefits to Myanmar's high potential business environment.

GENERAL RECOMMENDATIONS AND CONCERNS



While Myanmar offers tremendous business opportunities for investors, there are a few bottlenecks that could potentially set back further development of the economy. EuroCham Myanmar wishes to take the opportunity to propose recommendations to the government to tackle these issues effectively.

Tax inefficiencies

European investors looking at Myanmar believe that the tax culture is in dire need of improvement and tax evasions are common due to a legacy of little to non-existent enforcement in the past. As it happens, the public has very limited knowledge and awareness of tax-related matters. Over recent years, the government has been active in implementing stricter measures to enforce the collection of taxes and reduce tax evasion. The tax system in Myanmar has also led to a degree of confusion as some practices do not comply with International Accounting Standards. Complex procedures also cost taxpayers additional resources such as time and manpower. Frequent changes in the procedures and systems without prior notice have also caused additional burden on the taxpayers.

Recommendations

The primary objective is to embrace tax culture throughout the country. Campaigns could be designed to effectively enhance tax education and raise awareness of the importance of tax in the country.

Simplifying and streamlining tax procedures could optimize the tax collection system as well as minimize the use of resources on unnecessary steps or methods.

Cooperation between the Tax Office and taxpayers could also be enhanced. Changes in procedures and systems should only take place with prior notice while also allowing time for the taxpayers to adapt to the new system.

There should be conformity between International Accounting Standards and actual practices to avoid confusion.

The government could also enforce effective measures to combat tax evasion such as penalty schemes.

Corporate governance practice still has room for improvement

The practice of good corporate governance in companies is still in its early stages. Most businesses lack corporate practices such as a proper organizational structure, a clear set up where the businesses abide by regulations such as tax, efficient and effective operation procedures and internal policies and practices. When dealing with many local businesses, foreign investors are advised to take into consideration that the lack of corporate governance could slow down the overall process.

Recommendations

Even though the government cannot dictate private companies how they should be run, it can provide incentives. Laws that carry relevance to a business or an industry could be translated and incorporated in, for instance, an employee handbook or the standard operating procedures so that laws, standards and regulations are adhered to.

The government could increase awareness about the importance of strong corporate governance and how it could benefit businesses. In doing so, the government could collaborate with the private sector on a sector-level basis to create more efficiency.

Intellectual Property laws not in place

One of the most threatening issues for investors in Europe looking at Myanmar is the absence of intellectual property laws. At the time of writing, Myanmar has no specific IP law or specific IP governing body. However, an existing domestic law, such as the Registration Act protects Trade Marks/Service Marks. In 2013, draft laws for industrial designs, patent, trademarks and copyright were submitted to the parliament and are still pending as it is unknown when these bills will be passed.

Recommendations

The law-making process could be more efficient so that time is not wasted on waiting for the bills to be enacted while losing intellectual property rights.

Once Intellectual Property laws are in place, European investors believe it is the primary role of the government to ensure the enforcement of these laws.

Bureaucracy slows down processes

Bureaucracy has been a longstanding issue both in the public and private sectors in many countries. Hierarchical organization structures, slow decision-making process, redundant steps and processes and low level of division of tasks are the factors that often cause significant slowdowns and delays for investors creating jobs in Myanmar.

Recommendations

Government agencies could start reviewing their own processes and conduct a thorough assessment by mapping out a clear process so that steps that are consuming the most resources in terms of time and manpower can be identified. Once these steps are identified, they can be streamlined to optimize the processes.

It is also advised that government agencies exercise some level of empowerment and delegation of tasks to encourage more efficient processes.

Prioritization of local businesses

In an attempt to protect domestic businesses, legislative reform efforts have had a special focus on local companies. As of today, foreign businesses are operating amid restrictions such as restrictive trading rights. Another example is that foreign banks are permitted to operate in the market by providing only a number of specific services. In order to attract foreign investors, Myanmar needs to offer an investment-friendly climate and provide a level-playing field. At the moment, the government is considering allowing foreign imports of agricultural, medical and construction materials, a very positive move towards enabling a level-playing field.

Recommendations

The government could review which industries that could have positive impacts on the economy by allowing trading rights. This could be done by means of prioritization on their level of importance and the impacts they could bring.

Infrastructural needs

Albeit ongoing infrastructural developments, there are still many infrastructural needs to be addressed. Although there is improved access to electricity, the provision of reliable electricity is still a concern. In order to attract more investments, a reliable infrastructure is essential so that foreign investors consider expanding their services to Myanmar.

Recommendations

The government could prioritize infrastructural needs on the basis of their level of importance and the impacts they could have. Regional Infrastructure Master Plans could be better developed encompassing infrastructural developments planned in the long run.

CONSTRUCTION AND INFRASTRUCTURE



INTRODUCTION

EuroCham Myanmar, together with leading European companies involved in the construction sector in Myanmar, teamed up to create the Construction & Infrastructure Advocacy Group in September 2016. This group represents the different actors involved in the construction of public buildings, commercial buildings, industrial facilities and infrastructure projects in general. The ambition of this group is to provide support and objective recommendations to the Myanmar government in its effort to build the nation in a sustainable, affordable, and qualitative fashion. With this document, the group would like to lay the first stone of our mission in Myanmar.

The construction industry has always been and remains one of the main sectors driving the growth of an economy. However, if not properly administrated or supervised, it could lead to quality and sustainability issues, loss of irreplaceable heritage sites, social issues, growth bottlenecks and also, in less frequent cases, serious accidents. It is of the utmost importance that the Myanmar government continues to take an active and well-thought role in accompanying the construction industry and its actors.

Issue Description 1: Developing laws and standards

With the boom of the construction industry, it is the role of the government to safeguard the safety of its population by enforcing clear construction laws and standards (regarding design, materials, construction methods and life cycle management). Although there are some regulations in place that already set out rules and regulations of the construction industry, they are still at the early stages of the implementation process. The diversity of actors responsible for enforcing the regulations as well as the lack of resources for enforcement represent challenges to implement and enforce proper controls and often leads to a poor safety and quality standards.

Potential Gains

The enforcement of laws and standards for stringent controls and measures on the construction industry provides assurances on the safety of the population. A clear roadmap will also undeniably help all stakeholders in the right direction to achieve the targets set for the industry. With established laws and standards in place, investors' confidence to enter the industry will rise.

Recommendations

Understanding the importance of the enforcement of rules and regulations is of crucial importance for the government to impose adequate measures and apply effective control measures. In order to reduce the burden on the government, it is recommended for the government to institutionalize self-regulating practices. Instead of the government getting involved in the full top-down process, it will prove more efficient and effective if the companies are committed and held liable for their own projects just like in other countries, where self-regulation has proven successful. In such a case, the government acts as an auditor that conducts random checks on the companies. As an initial step, a clear roadmap should have been developed to outline what the industry wants to achieve and where it wants to be in a specific period. The roadmap should define what kind of entities should be developed and who should be held responsible, as well as outline a clear certification scheme.

To achieve the emergence of construction companies acting in compliance with rules and regulation by implementing self-regulating practices reinforced by random checks and outlining a clear certification scheme

Issue Description 2: Balancing growth and the environment

Development will always have an impact on the environment. The design of the buildings and infrastructure, materials used and construction techniques, do not always fully take into consideration environmental concerns and impacts. With the fast-paced development of the construction industry in recent years and the lack of prioritization on the environmental concerns, Yangon has experienced deteriorations in different aspects which could potentially grow into significant problems if not tackled effectively. Pollution and energy wastage during the life cycle of buildings are also a common issue.

Potential Gains

By striking a balance between growth and the environment, the characteristics that define a well-run country could be restored. Being a country that is vulnerable to climate change and natural disasters, taking into consideration environmental factors will be the primary step towards tackling environmental problems such as pollution, energy and water efficiency and the likes. This will also help restore ecology as a key consideration and create common values for society, economy and the ecology.

Recommendations

The government should strengthen its efforts to balance the need for growth and the wellbeing of the environment, and include the environmental impacts of a building at the permit stage (energy efficiency, choice of materials, design, etc.). As the government has made ambitious plans, it is of crucial importance to set measures on the materials and techniques used so that quality and environmental impacts are not compromised. Compliance should lead to certification; one of the actions that should be taken is clarifying the green building codes in the Myanmar building codes and link them with international codes to allow both local and foreign projects to be certified locally and internationally. Once clarified, this could be presented in a symposium.

Introduce measures in relation to safety and environment by including environmental impact assessments in the permit stage, checking the quality of materials used and structuring green building codes to align with international standards

Issue Description 3: Safeguarding the master plan

Cities in Myanmar are growing extremely fast which makes it very difficult to always be: in line with the basic needs of the population, sustainable and future-proof. Currently, there are many different master plans in the works each with their own advantages and disadvantages. It is unclear which plan or plans will be adopted.

Potential Gains

By developing a master plan that is in line with the basic needs of the population and the industry, it is easier to develop the industry by filling the gaps. With a well-developed master plan, priorities to which the industry will be giving more emphasis will be set. It will also shape the direction in which the industry is going.

Recommendations

In order to elevate the standards to match those of other cities, the advocacy group sees a need for master planning which could safeguard the quality and safety of the people as well as ensure greenery is not compromised and sustain the livelihood for the population. The next steps should be to assess all the current masterplans instead of making new ones. Once one has been selected, clear guidelines for implementation need to be made. Irrespective of the choice of master plan, the construction must be based on clear quality and sustainability standards whether this is for low, middle, or high-income housing and infrastructure.

To select the most promising masterplan out of existing ones on the basis of quality and sustainability and inclusion for city residents from all strata of society

Issue Description 4: Preservation of heritage

A fast-paced growth of cities is posing threats to heritage structures. Although there have been organizations such as the Yangon Heritage Trust that has been continuously working on preserving the historical heritage sites of Yangon, the Construction Advocacy Group also shares its concerns with regards to natural attractions, religious and cultural heritage sites.

Heritage buildings are rarely economical to renovate as opposed to newer constructions and those that are preserved are often encroached by new structures.

Potential Gains

With increased efforts to preserve heritage, the city will be more attractive to its people and visitors. With an adequate system in place which encourages the general public to preserve heritage, it can be an inclusive process with the involvement of the different segments.

Recommendations

The ongoing efforts of the government to preserve the soul of Myanmar cities should be intensified. Moreover, there should be increased involvement of third-party stakeholders. The government should also step up its programs that encourage the general public's active participation in the preservation of heritage sites and ensure that they benefit from it. The items listed below are some of the measures proposed to the government.

- Institutionalization of the government to relay actions and plans encompassing the preservation of all kinds of heritage sites (the government has to implement schemes or plans that encourage the preservation of heritage such as tax incentive schemes for preserving buildings of 100 years and older).
- Enhancing the involvement of private sector in the process (the government should introduce systems where maintaining a heritage building could earn the resident/preserver some kind of benefits such as tax incentives.)
- Formation of a government entity or a body that can advise the public on heritage related matters. This entity should be the focal party that advises the general public on the kinds of actions to be taken for the preservation of heritage sites.

As a starting point, a government entity (for instance, a "department of heritage protection") should be set up to oversee the preservation and restoration of heritage sites in a year's time.

To further encourage the involvement of public and private in saving historical buildings by means of education programs, tax incentives and a government board dedicated to preservation of architectural, structural and cultural heritage of those buildings

Issue Description 5: Enforcing construction safety

Construction sites are becoming larger and more complex, implying greater environmental, health and safety risks for the workers and the local community. Proper mitigation measures could be seen as too costly and time-consuming by the players in the construction industry. Governmental intervention is required to change this culture. The government has issued a draft law to govern safety matters at construction sites, it is yet to be seen how effective the new law will be. Moreover, lower standards in education and certification schemes for safety professionals endangers the implementation of the law due to a shortage of the personnel in charge of enforcing and executing safety norms.

Potential Gains

By reinforcing measures on ensuring construction safety, it could help gear a positive image of the company. Being compliant to safety requirements will further help companies for future businesses such as entering into collaborations with foreign construction companies as they meet international standards.

Recommendations

Alongside the implementation of the new law, the government should step up their efforts to create an institute to train and certify safety personnel. This will enable self-regulation which could be an effective tool in such a case which reduces the burden on the government. As a first step, a safety professional training scheme could be developed on national scale.

Developing a safety training scheme, followed by the foundation of a safety training institute

CSR

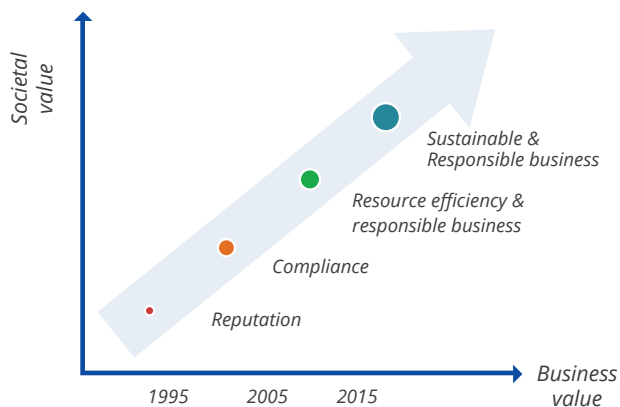


INTRODUCTION

As a developing country that has recently opened up and is experiencing rapid growth, areas of improvement and needs to be addressed are immense. Providing welfare and prosperity to the citizens is a monumental task. The involvement of stakeholders from multiple layers can help. Over the years, there have been a growing number of business organizations, led by large corporations embracing the concept of Corporate Social Responsibility, CSR. This was incorporated in their mandate to generate value sustainably and responsibly.

CSR is a trendy and complex subject. For the last 20 years, the way businesses considered CSR has evolved dramatically (cf. Scheme below). If CSR was firstly driven by reputation and was then translated into philanthropic efforts, compliance came shortly after. For investors and policy makers, higher transparency in business quickly turned into a major advantage of better risk control and a higher sense of responsibility. CSR was then a way to mitigate potential negative impacts. Then came a third wave where people, planet and profit became more aligned: saving energy became essential for both the planet's sustainability and the profitability of any operating business ; assessing the risks within the value chain contribute to better manage the social and environmental impacts which both represent high risk for the reputation of a brand or a company ; integrating CSR within the innovation process and engaging the companies' stakeholders allowing the design of new products and services that generate additional long term revenues. CSR is now viewed by the business community as a platform to unlock potential value and serves the purpose of governments to having it shared in a better, sustainable way.

CSR DRIVERS' EVOLUTION



While the majority of organizations in Myanmar still see CSR as a means of charity and philanthropy, few pioneering local organizations have already incorporated CSR into their business models and have achieved strong recognition for their impact on society. For example, a Myanmar company is producing a chemical-free paint: it is positive for its profits and better for the environment as well as for people's health. A new retail store is selling organic products grown in the country to support Myanmar farmers. More Myanmar companies are now providing better health insurance to their employees. Health and safety standards have been deployed in the oil and gas sector and are now becoming more common in other economic sectors. All these initiatives are positive developments and also a clear demonstration that CSR can help any organization manage their business in a more responsible and sustainable manner in the interests of Myanmar and its people.

We are convinced that these good practices can only spread based on their effectiveness and their impact, however the velocity of its adhesion by others can only increase if the public authorities adopt CSR in its true form and let it play its role as an economic engine rather than a passive philanthropy. This will indisputably encourage more companies and create a chain reaction in the service of a prosperous and fair economy in the country.

According to an article published in the Harvard Business Review in 2011 by Porter and Kramer, shared value can be defined as “policies and operating practices that enhance the competitiveness of a company which simultaneously advance the economic and social conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress.” Creating shared value is in all likelihood the ultimate goal of every business: this is exactly one of the key components of the CSR definition provided by the European Commission (cf. Box 1 below).

The EuroCham CSR Advocacy Group fully endorses this definition. European companies have to comply with different laws, norms and standards covering a wide range of topics. Recently, a new Directive has been published in order to reinforce the transparency requirements for large European companies (cf. Box 2 below). This is an asset, especially for doing business in Myanmar: transparency, business responsibility, strong corporate governance practices are key to fund a solid business environment.

Having a diverse cultural background in their home countries and being a driver for building peaceful, stable and fruitful relationships between the Member States, European companies have been the catalyst for allowing a positive change in Europe. It was not always a success from the start, but companies adopted a trial and error approach which makes them stronger today.

European companies currently operating in Myanmar are particularly willing to share and transfer their practical experiences and knowledge in managing their CSR projects. Local businesses in the private sector can therefore benefit immediately from this undertaking by avoiding pitfalls and tapping into the various sectors' best practices around the world.

The 2011 CSR definition by the European Commission¹

“The Commission puts forward a new definition of CSR as “the responsibility of enterprises for their impacts on society”. Respect for applicable legislation, and for collective agreements between social partners, is a prerequisite for meeting that responsibility.

To fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of:

- maximizing the creation of shared value for their owners/ shareholders and for their other stakeholders and society at large;
- identifying, preventing and mitigating their possible adverse impacts.

To maximize the creation of shared value, enterprises are encouraged to adopt a long-term, strategic approach to CSR, and to explore the opportunities for developing innovative products, services and business models that contribute to societal wellbeing and lead to higher quality and more productive jobs.

To identify, prevent and mitigate their possible adverse impacts, large enterprises, and enterprises at particular risk of having such impacts, are encouraged to carry out risk-based due diligence, including through their supply chains.”

¹ Cf. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52011DC0681>

Focus on the Non-Financial Reporting Directive

Since 2016, certain companies in EU Member States have been required to report non-financial information in their management report. In 2017, the 2014/95 EU Directive² on non-financial information disclosure will be transposed into local law for each EU Member States. This Directive on the disclosure of non-financial reporting (NFR Directive), amends the Accounting Directive 2013/34/EU to require certain large companies to disclose information on:

- a brief description of the undertaking's business model;
- a description of the policies, risks and outcomes as regards to environmental matters, social and employee aspects, respect for human rights, anti-corruption and bribery issues, and diversity in their board of directors.
- the outcome of those policies and
- non-financial key performance indicators relevant to the particular business.

This NFR Directive will reinforce the non-financial reporting of European Companies and will contribute to trust building notably in Myanmar.

Issue Description 1

Currently, Myanmar lacks a formal, established CSR definition that will affect positively its perception and clarify its objectives and subsequent practices. It is often confused with charity and philanthropy and is therefore not seen as part of an integrated business model. A definition of the adequate way to practice CSR and a clear roadmap for all stakeholders to easily navigate through the CSR journey are both required to reinforce and guarantee its impact on societal and economic values.

Potential Gains

Embracing a clear and precise definition is the first step to align on the primary role of CSR. This will help both the community; public and private sectors capture what can be achieved by CSR and how. Based on this, a clear roadmap can be formulated to pave the way for successful CSR practices in Myanmar and the milestones to achieve in the short and long run. The European Commission's definition can be used as a reference and inspiration in defining Myanmar's own CSR framework.

Perspective

An alignment of the objectives, content and operating model of CSR is the first consideration to secure future successes of sustainable and responsible business models in Myanmar. European companies are ready and willing to:

- Share their knowledge and best practices to nurture this debate with their counterparts and Myanmar authorities.
- Involve all the relevant stakeholders to build a specific roadmap for Myanmar which would detail a pragmatic approach to CSR and provide practical guidelines for businesses.

² Cf. <http://eur-lex.europa.eu/legal-content/ENG/TXT/?uri=CELEX%3A32014L0095>

CSR knowledge sharing with Myanmar companies and authorities, in addition to building a roadmap best tailored for Myanmar businesses

Issue Description 2

Today, companies submitting investment proposals to the MIC (Myanmar Investment Commission) are encouraged to allocate a percentage of their expenditures to fund CSR-like activities. While to this day, it is not a requirement by law, the EU Advocacy Group shares its concern that it could be extended to a legal enforcement at a later stage. This mandatory requirement would have a counter-productive effect as a new tax burden which would indisputably defeat the entire CSR purpose of positive transformation.

Potential Gains

In order for CSR to work, it must be tailored to each industry and business model that the various companies operate in. It must be specific, not generic and also take into consideration society's needs that must be addressed, first and foremost. By making CSR a mandatory expenditure, CSR would deviate entirely from its original concept as this would prevent companies from unleashing the natural forces of CSR by industry or sector. Additionally, if applied bluntly, it could adversely affect their business model, or lead to discouragement or disappointment.

Perspective

The Advocacy Group will strive for the avoidance of any regulation which would consider CSR as percentage of expenditure or net result or any other financial metrics and instead encourage any initiative that allows a positive spin creating sustainable shared value.

Painting CSR as a catalyst for positive change and creation of sustainable shared value

General Perspectives

- The government should also be involved in the process by supporting businesses to engage more in CSR works. Raising awareness and knowledge on a business-oriented approach of CSR could be enhanced through campaigns. Consultations and conferences can provide businesses practical learning about numerous CSR practices and concepts. Creating a dedicated body within the government (i.e. under a relevant Ministry) would ensure a form of accountability while easing the sharing of good practices. It could also help to track adoption and proper implementation of CSR.
- Promoting good corporate governance of CSR activities is also an enabler to maximize CSR impacts. That shall include compliance, transparency and efficient decision-making processes. The government may wish to draft a roadmap to create key milestones to achieve this, and CSR can assist companies engage in this process; first in the intention, secondly in the implementation of the CSR strategy.

- The Advocacy Group will encourage its member European companies which already engage in CSR activities in Myanmar to report their progress and results on a yearly basis. Besides, the Group will also ensure active engagement with its stakeholders to share its experience with Myanmar Business Leaders and Policy Makers.
- A tight collaboration between the public and private sectors is a pre-requisite to ensure that CSR delivers the expected value to all stakeholders as it creates connections and synergies amongst them. This will generate a dialogue that can enhance this cooperation and create a productive working environment between Myanmar officials and European companies.

Call for a collaboration between the public and private, with both entities working towards wider adoption and acceptance of CSR as an essential aspect of business

The Advocacy Group will put forward a ranking list of priority areas, it is committed to achieve the highest impact for Myanmar. The Advocacy Group consists of a number of diverse European companies, industries with various levels of expertise. For this reason, the group will be able to leverage its strengths in every chosen area and will be dedicated to working closely with any government agency.

Finally, the group will leverage all possible synergies by involving the private sector in an effort to produce fast and concrete results vs the originally set objectives.

ENERGY



INTRODUCTION

Myanmar with its decades-old infrastructure is particularly thirsty for energy as it races against time to restructure the economy, create jobs for millions of citizens and eventually build a new strong Myanmar, economically and socially. However, the World Bank report “Energizing Myanmar: enhancing access to sustainable energy for all” in 2016 shows that two-thirds of the population is still not connected to electricity grids¹. Despite the accruing energy demand and favorable geographical conditions – wind, solar, hydro and gas – for energy production, the developments in the energy industry have not been enough to underpin the expanding economy and meet burgeoning public expectations. Realizing that attaining energy security is an indispensable piece of a larger industry-wide reforms set in motion since 2012 and sensing the urgency to ameliorate the long-term negative impacts of insufficiency in energy supply, the government of Myanmar has undertaken a huge project – National Electrification Plan – which aspires to attain full electricity coverage nationwide by 2030.

In addition, as the reality of global warming sinks in, the negative effects it will have on Myanmar can no longer be ignored. The 2016 climate risk index puts Myanmar at second in the list of countries facing undesirable consequences of climate change². It is imperative that future energy policies integrate the environmental constraints and benefit from the new opportunities coming from the energy transition.

Therefore, Myanmar is now at a critical juncture of attaining both energy security and enhanced environmental conservation efforts. EuroCham Energy Advocacy Group understands that achieving this requires a committed and streamlined approach from the government. It is also understood that, in this ambitious drive to realize universal access to energy for its population, the private sector’s involvement is a necessary complement to the wills and efforts of the Government of Myanmar. On another note, the Energy sector in Myanmar is one of the biggest tax payer and employer in the country³.

The group, therefore, would like to present reasonable as well as pragmatic recommendations that we hope will help the respective ministries in realizing the country’s full energy potential.

Issue Description 1: The need for an improved coordination among energy related ministries on the one hand and between ministries and energy companies on the other hand

Among three main participating ministries in the sector: Ministry of Electricity and Energy; Ministry of Planning and Finance; and Ministry of Natural Resources and Environmental Conservation, the process of communications is lengthy. Redundant steps abound. With regard to an approval or regulatory process, the ministries have standards and requirements that contradict one another. Consequently, different requirements demanded by key ministries; and conflicting laws and regulations are hampering the investors’ sentiment and causing delays in tendering and completion of projects. Multinational corporations with energy projects in Myanmar have to spend a great deal of time, navigating complex regulations and then obtaining relevant approvals and permissions through various governmental departments and always conveyed through the Ministry of Electricity and Energy, adding an extra burden to the projects time span. This is compounded by the situation where private companies have very few platforms and avenues to effectively communicate their perspectives, and to propose how to improve and work together for timely completion of projects.

¹<http://documents.worldbank.org/curated/en/938301468186274141/Energizing-Myanmar-enhancing-access-to-sustainable-energy-for-all>

² <https://germanwatch.org/fr/download/13503.pdf>

³<https://www.adb.org/sites/default/files/institutional-document/33719/files/myanmar-energy-sector-assessment.pdf>

Potential Gains

- Better coordination among Ministries as well as with companies will help reduce delays in current and future projects. Moreover, projects that are delivered quicker will enhance the industry to develop faster (not only in the Special Economic Zones).
- When there is a platform for companies to suggest directly to all levels of government, and clarity regarding roles, responsibilities, standards, and requirements of each ministry and individual, it will be easier for foreign companies to support the government's reform efforts with their expertise and technology in energy exploration, production and distribution.

Recommendations

- As a first step, all three ministries and other relevant departments should hold regular meetings and discussion to begin work on streamlining procedures with new and effective internal authorization steps, with an emphasis on addressing major hindrances faced by energy companies operating in the country. Meetings and discussions should include officials and staff from as many levels of governance structure as possible. We recommend private companies to be invited to join so that the government can better grasp the perspectives of stakeholders from private sector.
- Then, supplement the created coordination scheme with conducting trainings for the ministries personnel in the procedures, requirements and knowledge area of other ministries, with the aim to enhance their understandings of energy related issues.
- In the future and in order to reduce project delays, the government should set up special designated committees to oversee and manage projects of similar scale. In addition to the committee being well-structured, it should associate members from both public and private sectors.

All-inclusive meetings and discussion to march towards effectively streamlined procedures, accessible mode of providing feedbacks; sustaining and reinforcing improved coordination with regular trainings for government officials

Issue Description 2 : The need for responsive and transparent procedures – in oil and gas sector – which are in sync with the changing environment

Oil extraction from onshore wells has existed in Myanmar since 18th century. With the discovery of natural gas from offshore fields, oil and gas sector has become one of major drivers for Myanmar's budding economy. The figures talk for themselves: oil and gas sector had the largest share of foreign investment by sector for two consecutive years starting from 2014 (over USD 3.2 billion in 2014-2015 and nearly USD 5 billion in 2015-2016). However, the old procedures in regulatory and approval process – which were put into practice at a time Myanmar had relatively lower investment in the sector – are no longer up-to-task after awarding about 36 offshore and onshore contracts to energy firms to carry exploration of oil and gas in the country. Because of increased workload among officers and the inadequacy of current procedures to handle more projects, energy firms carrying out projects in this sector regularly run into uncertainties regarding project details and execution.

In addition, the need for transparent procedures in tendering and procurement are now more necessary than ever if Myanmar were to attract more companies, some of which are still assessing the country's commitment to transparency with regard to procedures ranging from tendering, procuring, regulation and approval.

Potential Gains

- Should more transparency and responsive procedures be implemented, energy projects will deliver faster, insuring more revenues overall.
- Foreign investment will be more attracted by the Myanmar energy market, thus developing higher competition among themselves as well as bringing in higher volume of investments.

Recommendations

- Procedures are often set too long, and could easily be shortened whilst still taking into consideration the importance of each stage. For example, the approval of a vendor list can be done in two weeks, the approval of a contract can be processed within three weeks. However, hastening the approval procedures which will have lingering impacts on the society and economy is not encouraged. Instead, the government should develop and nurture a team made of expert personnel who can perform impartial assessment of procedures which currently negatively affect the environment and society. For example, the challenge of operating a block is too constraint by the time spent on waiting the Impact Assessment Study Approval.
- Lastly, the Union Government should review procedures as and when necessary to make required changes that are in tune with ever-changing and growing energy sector.

Regular appraisal of procedures to ensure their adaptability whilst also acknowledging environmental issues by appointing experts to perform impartial assessment of oil and gas projects' impact on environment

Issue Description 3 : Under-investment in renewable energy projects

Myanmar's high vulnerability to natural disasters induced by climate change raises an alarm to turn the tide against continuing environmental degradation. Combined with the country's relative poverty and recently established institutions to provide timely rescue efforts when disasters strike, it is more than important that the country looks beyond polluting traditional primary resources such as coal to increase energy production.

Although wind farms might be too costly for Myanmar right now, solar energy off grid networks can somewhat contribute to the National Electrification Plan since expanding national grid line to all regions of Myanmar is not a practical plan. Mini-grids and off-grids solar systems are proven to be reliable in empowering rural communities in many regions of South East Asian countries.

Furthermore, innovations in clean energy are widely accepted as a strong hedge against global warming and many companies and nations are testing many green technologies every day. As a result of this and other favourable circumstances, in some parts of the world such as India, solar prices have gone below coal.

Moreover, solar farms are also suitable for producing energy on a large scale. Myanmar already have about four large solar projects, in partnership with companies based in U.S., China and Thailand. Besides, solar energy hold much promise and potential due to Myanmar having extensive arid regions and receiving a large amount of sunshine all-year round in some places.

Potential Gains

- Since local population in quite a number of towns is opposed to coal power plants, opting for renewable energy is a win-win-win solution for locals, government and the private sector.
- Myanmar, already possessing a geographical advantage in harnessing solar power, can reap benefit from more efficient and cheaper technologies than the ones currently used coming out by looking for and inviting clean energy firms to the country.

Recommendations

- The Ministry of Electricity and Energy should establish a department solely dedicated to clean energy sector and projects.
- After establishing the department, it shall be held responsible for structured process and procedures for clean/renewable energy projects.

Establish a clean energy department tasked with promoting the country's potential in clean energy sector, especially for solar power

Issue Description 4 : Clear energy pricing policies and a conducive environment for Independent power producers

The current model of heavy subsidies by the government is incompatible with the ambitious electrification plan Myanmar has set. Low electricity tariffs inhibit end-users from adopting saving practices. The current defaults incurred by the government can be thought of as being invested in wastage of electricity due to low prices when they should instead be invested in power infrastructure (which includes production, transmission and distribution) to meet future demands. Energy and Power sector has indeed other major obstacles to overcome: out-of-date power transmission and distribution system and ineffectual pricing policies. Electricity tariffs must reflect the cost of production and distribution.

The lack of investments in power grids can lead to absurd situations: in Yangon, for example, production capacity can meet both demands and consumption of the city. However, the aging transmission lines and sub-power stations are getting in the way of providing electricity 24/7.

Finally, uncertainties about return on investment, arising from low tariffs policy along with the lack of policies and instruments designed for IPPs (Independent Power Producers), correspond to a higher risk for investors and thus are making it unable to foster the greater participation of IPPS in domestic electrification.

Potential Gains

- Avoid State generating debts
- Allow the State to collect revenues to be invested in power infrastructures and start a virtuous circle
- Promote energy savings behaviors in the country
- Strengthen investors' trust in the system and attract more investors for IPPs

Most independent power producers operating in Myanmar sell a large portion of their production to neighboring countries as risks are lower than selling to users in Myanmar. It results in locals not benefitting much. Thus, removing barriers to entry is paramount. More independent producers (IPPs) will find entering the Myanmar market more enticing when there exists a standardized framework for Independent producers, which includes transparent power purchase (PPA) agreement. In the future, more IPPs entering and jostling for market share will lead to competitive prices and an optimal price range will soon be reached.

Recommendations

- The Ministry of Planning and Finance and The Ministry of Electricity and Energy need to cooperate, with inputs from private companies, especially banks, and NGOs, on institutionalizing financial structure for IPPs, which clearly contains clauses and agreements on pricing structure of power purchase and who take responsibilities for transmission and distribution.
- Introduce incremental price hike for electricity, mainly targeting at heavy and affluent users.
- Run awareness campaigns to educate the public on the advantages of saving electricity and increasing tariffs.

In addition to tariff hike among heavy users, identifying entry barriers facing independent Power Producers (IPPs), and implementing measures to remove those barriers

Issue Description 5 : Strategic planning and investment needed in Domestic Gas Infrastructure

Myanmar currently lacks basic gas pipeline infrastructure thereby preventing its citizens from using its own widely available natural resource. Access to energy must include development and investment in not only power infrastructure, but gas pipeline network and other gas infrastructure as a priority in order to increase domestic consumption of gas.

Lack of access to modern energy services often results in households having to rely on inefficient and hazardous alternative fuels. Recent estimates show that each year 4.3 million premature deaths worldwide can be attributed to household air pollution resulting from the traditional use of solid fuels (WHO, 2014).

Potential Gains

Developing gas pipelines into Myanmar's cities and rural areas could help reduce not only indoor air pollution at household level but also diesel consumption in transport and back up generation. In Gujarat, India it was observed that providing piped natural gas for cooking in rural villages not only helped reduce indoor air pollution, but helped increase household income for poor families that were previously reliant on biomass. Women who previously spent 6-7 hours on collection, drying and cooking with biomass, were now able to save up to 5 hours every day with access to gas, which enabled them to take up more jobs, farming, setting up small businesses or explore other additional sources of income. Therefore, providing piped gas for cooking to households can be a key means of empowerment as well.

Often gas pipeline infrastructure is accorded less priority than power infrastructure, which can be a huge missed opportunity for a country like Myanmar which has significant domestic gas reserves, that could enable gas to become a strong economic backbone for multiple applications in the country. Availability of natural gas along with last mile connectivity through pipeline networks to cities and villages can further be a key enabler for industrial development in sectors like fertilisers, petrochemical, ceramics etc.

Recommendations

- Myanmar should consider developing an integrated plan for gas pipeline infrastructure along with the proposed power plants. Starting with a few nodal centers, there must be a roadmap for utilising Natural Gas for its different uses and applications including city gas transport, household cooking, power, and industries to spur the growth of the overall economy.
- Having city gas for cooking and transport along the key pipelines and power plants is a quick win for the country, and would ensure bankability of the pipeline network.

Building gas pipeline infrastructure and developing a roadmap to guide how to ration out natural gas among different applications to maximize the economic growth

HEALTH



INTRODUCTION

According to the 2014 Census Myanmar has 51 million citizens, all of whom have a need for the provision of reliable, high quality, healthcare solutions. Yet, with very little spending on this sector for the past decades, the healthcare sector is struggling to provide the necessary solutions and adequate care leaving Myanmar's healthcare sector lagging behind its regional counterparts. One of the key indicators demonstrating the need for improvement of the healthcare sector is Myanmar's life expectancy which stands at 64.7 years on average, the lowest of all ASEAN nations.¹

Since 2011, when the new civilian government came into power, healthcare spending has been gradually increasing aiming to generally upgrade the sector and bridge the gap between needs and availability. The government, with the support of the private sector as well as other relevant associations and organizations has been taking firm measures to address Myanmar's healthcare needs. Among those measures, there have been infrastructural developments, programs reinforcing manpower, and programs related to the prevention and fight against common infectious diseases. However, despite recent improvements, challenges, often rooted from the past, for instance, insufficient funding and mismanagement remain to this day.

Eurocham and its stakeholders in the Health Advocacy Group are confident that, through a collaboration with the relevant ministries key bottlenecks and issues that are holding back the development of the healthcare sector can be tackled. This will bring benefits to all the stakeholders involved, first and foremost the population of Myanmar.

This paper addresses topics that are considered key issues by the members of the Eurocham Healthcare Committee. These topics include: 1) Patient Safety and the risk of counterfeit and substandard drugs 2) The need for Medical Equipment Maintenance 3) Lengthy Registration Timelines limiting access to innovative and the provision of high quality healthcare products.

For all four topics mentioned above we will provide recommendations and potential upsides for Myanmar when these themes are properly addressed.

Issue Description 1: Patient Safety

1. Counterfeit and Substandard Drugs

The use of counterfeit and substandard drugs is a key issue causing a direct threat to patients' safety. Myanmar has high volumes of counterfeit and substandard products circulating in its pharmaceutical market. These products, which are often imported across border trade stations with bordering countries, have not passed bioequivalence tests and are transported and stored in uncontrolled conditions. Because of the lack of testing and control these drugs are a serious threat to patient safety resulting in potentially serious side effects including death.

2. Parallel Imports

A second threat to patient safety is the usage of products that derive from parallel imports. These products, although they are genuine, non-counterfeit, products in many cases produced by reputable pharmaceutical companies, are imported into the country without the permission of the intellectual property owner. Because there is no control by the intellectual property owner, storage conditions and transport of these products cannot be monitored and vouched for. In the case of pharmaceuticals, where transportation and storage conditions (in particular the temperature) have a non-negligible impact on the product's effectiveness, an absence of monitoring represents a risk as for some products inadequate storage temperatures often result in the said product being destroyed as deemed unfit for human consumption; if used these can result in further complications, serious side effects or even death.

¹ World Health Organization figure from 2015.

3. Generics originating from countries which do not enforce regulatory quality standards

Furthermore, generic products approved in good faith by the Myanmar Ministry of Health which originate from countries where the local authorities are unable or unwilling to enforce the regulatory quality standards pose further risks to an unsuspecting population. Issues such as poor manufacturing compliance to the registered dossier (such as using unregistered raw materials, inconsistency with the manufacturing process or formulation), poor monitoring of finished goods, and substitution of approved raw materials with counterfeit active pharmaceutical ingredients (“API”) negatively impact the quality of the product and its shelf life. This poses significant problems with respect to patient safety. In established markets such as the USA, Europe, and Australia, the impact of counterfeit medicines has been well documented. In the USA, counterfeit medicines have resulted in the deaths of many patients.

Myanmar is dealing with insufficient skilled manpower and healthcare professionals to serve the healthcare needs of a population of over 51 million people and for this reason, hospitals may not adequately monitor patients’ progress, track patient outcomes or report to relevant authorities. There is no clear reporting lines and tracking systems in place which allows patients, healthcare professionals and government units to report to each other to track the outcomes of a particular treatment or drug.

There is also a lack of vigilance and participation of patients in ensuring patient safety and little emphasis has been given by healthcare professionals on the importance of the quality of drugs for the purpose of patient safety. Some believe a lack of evidence proves a lack of problem, however, if data is not collected, it gives way to a general misconception. The issues stated above are well documented. In the context of an emerging Myanmar it serves as a basis for the new government to ensure the right priorities are set.

Potential Gains

- Having effective policies in place to control and ensure the quality of all pharmaceutical products supplied to the Myanmar market, ensuring patient access to safe, high quality pharmaceutical products.
- Eliminating counterfeit drugs will significantly reduce the risk counterfeit products represent to patient safety and will contribute to attracting foreign investors and encourage local manufacturers to gain market share from an industry inflated with counterfeit drugs.
- By bringing parallel trade to an end, the control on the distribution of pharmaceutical products goes back to the professionals: brand owners, local distributors and Multi-National Corporations logistics companies allowing the government to audit the quality of the distribution infrastructure and limiting the risks on patient health. The establishment of a regulatory pathway aligned with the World Health Organization for Biosimilars or Non-Comparable Biosimilars would ensure that only comparable Biologic products can enter the Myanmar market.
- Public awareness will be raised so that a larger portion of the public will understand and report to hospitals which will make the data available to industry professionals and consequently lead to the design of better products.
- A transparent system that supports the commercial legal framework will make it more attractive for overseas manufacturers to bring their life-saving products to Myanmar.

Recommendations

- Only generics that have proven to have bioequivalence with the originator brands should be considered for registration in Myanmar. There should be enough laboratories to test bioequivalence of drugs to ensure the fulfillment of minimum standard quality at an affordable price.
- The Ministry of Health may consider establishing a central testing laboratory to carry out regular checks of the quality of products sold in Myanmar. Random testing will identify products that have fallen out of specifications and illegally imported or counterfeit products. Assuming the penalties for breaches are significant and include the loss of marketing authorizations, this service will rapidly lead to a positive improvement in the quality of products available in Myanmar. Additionally, such a department may be financed through a fee for services such as activities as BE Testing for regulatory approvals of generics, plus the penalties applied for products identified as not meeting specifications.
- The government requires a fully inclusive and transparent tendering system, that shall include both original and generic drugs in its tendering system, to ensure access to innovative drugs. Decisions should be based both on pricing and proven quality to safeguard public benefit and safety. It is assumed that only products duly reviewed and registered by the Myanmar MOH would be included in a tender process.
- All treatment and diagnosis data should be made available to the industry and government. The transparent reporting and collection of Morbidity, Mortality, and Adverse Event Reporting is recommended to drive improvements in patient outcomes.

Establishing sufficient laboratories to test both before registration and after granting permission, and imposing penalties on drugs which fail to meet the required standards

- Patient safety materials should be incorporated into curriculum of healthcare professionals to enhance the practice of newly qualified practitioners in relation to patient safety.
- Every hospital should have Infection Control Units so they can take steps to prevent the spread of infectious diseases.
- We recommend the requirement for No Objection Letter be lifted.
- Removing the requirements of No Objection Letter to allow suppliers full rights under their commercial contracts to terminate arrangements with one distributor and move to another unhindered by government departmental administrative involvement.

Easier access to data on diagnosis and Treatment, curriculum incorporating patient safety materials, and infection control units in every hospital

Issue Description 2: Maintenance of Medical Equipment

Medical equipment is a necessity for hospitals and clinics which enables doctors to deliver an accurate diagnosis and treat patients adequately and effectively. Every medical device comes with a product life cycle in accordance with technology advancements and does require maintenance and replacement of parts over its life time, as a car would need regular servicing, oil changes and replacing the tires after a certain amount of mileage.

Today the industry is saddled with relatively old, and in many cases, non-functioning medical equipment without maintenance agreements in place and not being operationally budgeted (OPEX) for ad-hoc and re-active maintenance requirements. Additionally, maintenance is sometimes provided by non-qualified engineers, non-qualified service providers leading to poor after sales service, the use of counterfeit or unsuitable spare parts, and potentially quality and regulatory challenges.

Most budgets (CAPEX) and the focus are centered on the initial phase being the acquisition of new equipment and are limited on maintaining and/or replacing and managing the current equipment to maximize the use of the investments in medical equipment.

In addition, the sector faces a shortage of qualified biomedical engineers with the expertise to look after the equipment and the ability to perform basic maintenance and troubleshooting.

Potential Gains

- Functioning and performing equipment enables hospitals to make maximum use of the available equipment and provide the services to patients enabling doctors to run their operations effectively. This is especially of importance for a developing country with constraints on the scale of the availability of equipment and doctors and specialists for the population to cover.
- Well maintained equipment with the support of certified engineers, will help to diagnose and treat patients in the best possible way improving the quality of care to the people in Myanmar.
- After sales service agreements increases the economic life of the equipment and supports hospitals to manage the operational budgets by procuring after sales service agreements covering after sales service expenses and shifting the risk to the vendors.
- Qualified and certified after sales service secures genuine spare parts from the manufacturers and field service orders (FCO's) discipline to live up to quality and regulatory requirements.
- By investing in Biomedical Engineering Departments, hospitals will be in a better position to keep track and maintain the installed base within the scope a biomedical engineer can operate.

Recommendations

- The government should develop an after-sales service policy and system for all medical equipment installed across the country including how to manage the installed base in terms of what is installed, the location, installation date, warranty expiry date and after sales service requirements which can differ for each equipment family.
- Once a policy is in place and having the transparency on the installed base and status quo to start filling the after-sales service gaps where needed. As a next step, to request and start procuring after sales service agreements for the different equipment and brands based on the policy as laid out.
- In addition, the government should invest in the number and capabilities of Biomedical engineers who can support the policy on the ground, can provide basic technical support and serve as an interface to the vendors to live up to the after-sales service levels as agreed.

Beginning with developing after-sales service policy which is to be embellished with transparency, and finally aiming to have capable biomedical engineers who are to support the policy on the ground

Issue Description 3: Registration Timeline

The registration of new drugs and medical equipment with the Department of Food and Drug Administration (FDA) is lengthy and lacks a clear process mapping out the entire procedures to give registrants a clear understanding of what is involved. Complex systems, lengthy processes and vague, unclear guidelines are a major challenge for registrants as they have to bear the additional costs of time, money and manpower. In addition, lengthy registration timelines have an impact on the accessibility of innovative pharmaceutical products for the Myanmar people and may discourage pharmaceutical manufacturers from registering their products in Myanmar.

Potential gains

Streamlining and shortening the process will reduce the hurdle for pharmaceutical companies to register their products in the Myanmar market which will have a positive effect on the availability of products on the market and will allow patients to have earlier access to innovative products helping to improve their quality of life.

When streamlining the process further the FDA may be able to reduce the amount of manpower focusing on registrations allowing them to focus on other priority areas.

Recommendations

- Clear guidelines for the registration process and increased transparency will shorten the registration timeline of new products.
- Developing a standard process and standard set of registration forms and requirements will simplify the process and at the same time limit the number of unsuccessful submissions / comments to submissions which lead to a duplication of work.
- Developing a full funding model whereby the cost of providing a competent and efficient regulatory body is funded through activity based pricing. Companies may be found willing to pay a reasonable price for the registration of their products when they understand the requirements and can be assured of a reliable service and approval process. It also serves to ensure only those products that meet the requirements are submitted for approval.

Simplifying the registration process, by standardizing registration forms and requirements

LOGISTICS AND TRANSPORT



INTRODUCTION

Geographically, Myanmar is strategically positioned between the two largest Asian countries, China and India. The long Myanmar coastline can provide naval access in the proximity of one of the world's most strategic water passages, the Strait of Malacca, the narrow ship passage between Malaysia and Indonesia. In the future Myanmar could be at the heart of Asian logistics if it is well-equipped with deep-sea ports.

Currently, ports in Yangon can be divided into two areas. The largest is Myanmar International Terminal Thilawa, used mostly for containerized cargo, RORO (Roll-on/Roll-off) ships for the transport of cars and breakbulk vessels. This port is located 16 km from downtown Yangon and 16 km from Yangon River Bay and is next to the Thilawa Special Economic Zone, developed by a Japanese joint-venture company.

The International Terminal Thilawa consists of two terminals:

1. MITT (Myanmar International Terminal Thilawa)
2. MIPL (Myanmar Integrated Port Limited)

The second area is the Yangon City Terminals, which covers the following five terminals.

1. Bo Aung Kyaw Street Wharf (BSW)
2. Ahlone International Port Terminal (AIPT)
3. Myanmar Industrial Port (MIP)
4. Asia World Port Terminal (AWPT) & Htee Tan Port Terminal (HPT)
5. Sule Pagoda Wharf (SPW)

Other significant port developments around the country are the Dawei deep-sea port and Kyauk Phyu deep-sea port.

The Dawei deep-sea port and special economic zone is an infrastructure project aiming to transform Dawei into Myanmar's and Southeast Asia's largest industrial and trade zone. Plans for this project includes not only the deep-sea port but also a large surface for the oil & gas industry, a steel mill, heavy industries, a coal fired power plant and an LNG power plant. The expected completion date of this project is still unknown.

Another deep-sea port project, Kyauk Phyu is expected to be up and running by 2025 with plans to build an industrial park of approximately 1,000 hectare and Myanmar's highest-capacity port, with facilities able to handle 7 million 20-foot-equivalent-units (TEU) of containerized cargo per year.

Myanmar is currently going through a series of projects to improve the logistics sector. Yangon International Airport was expanded and the new international terminal has started its operations in March 2016 with the capacity to welcome 6 million passengers annually. Another important project is upgrading the Yangon - Mandalay Highway road which will expand and repairing the 620-km stretch of road connecting the country's two largest cities, Yangon and Mandalay via the capital, Naypyidaw. In spite of these recent development projects, Myanmar is still facing challenging issues in the logistics sector.

Issue Description 1: Requirement of Deep Sea Ports and Terminal Management

The lack of infrastructure at the ports is a significant constraint for the Myanmar sea trade. The existing facilities of ports are questionable for the traders as there have been serious port congestion problems at the terminals in the past. On top of this, as Myanmar's economy develops more trade in the market will follow. For the time being, the current main terminals are all river terminals which means that shipping lines are unable to bring in larger-sized vessels. Currently the maximum size that can call at the terminals are 167 meters LOA (length overall of the vessel) for Yangon City Terminals and 200 meters LOA for Thilawa. At the other end of the spectrum, in neighboring South East Asian countries such as Thailand or Vietnam, terminals can accommodate PANAMAX and Post-PANAMAX vessels (approximately 320 meters LOA).

Potential Gains

Myanmar is one of the last frontiers in Asia and significant trade growth is inevitable. Hence, careful planning to prepare for this expected growth is needed. By having deep sea ports, it allows shipping companies to be able to bring in larger vessels that can do long-haul voyages and increases the economies of scale. This means potentially reducing operating costs and increasing the attractiveness and appeal of Myanmar for shipping companies to develop more services and alternatives for the country to have access to the rest of the world. As a result, it can also lead to lower costs to the end consumer in Myanmar. With increased trade, there will also be more job opportunities for locals and development of rural areas in the delta region. This will also empower the trading economy of the country and attract more investors from all industries. Lastly, an additional benefit is reduced traffic congestion in the city areas.

Recommendations

As the current Yangon City Terminals and Thilawa are both river terminals, deep sea ports are requested by traders for future investments. The deep-sea port at the delta region with special economic zone (SEZ) and well-connected roads would be very beneficial. The feasibility study for the location of this deep-sea port should be validated by a neutral party within 12 months. The inclusion of a clear timeline for implementation is recommended.

A broad infrastructure plan encompassing a deep-sea port at the delta region and a dedicated special economic zone nearby, from which well-connected roads branch out to key cities

Issue Description 2: Non-Transparent Valuation Process

Traders have raised the issue of a lack of a clear and standardized policy regarding the valuation process. Price checks depend solely on the customs officers: price valuations rely heavily on internet prices published on sites such as Alibaba and Amazon, which mostly are retail prices and thus sometimes lead to over valuation. Disagreements over the value tags are a recurring matter between the officials and the importers. Hence, to avoid price raises, some traders even use informal methods such as bribing the officers which raises another issue, under the table payments. Although there is the MACCS system in place with customs officials, the process is still very much a manual one and depends on face to face interactions with customs officials.

The current valuation process is also very time consuming - in some cases it may take a month or more to complete.

Additionally, it must be pointed out that the Customs Department (under the Ministry of Finance) does not follow the same process of value assessment as the Ministry of Commerce and Trade at the time of import/export license applications (Ministry of Commerce Notification No. 74/2016). As a result, there are frequent discrepancies in the values approved by the two ministries causing further discrepancies and complications.

Potential Gains

The systematic valuation system will lead to an increased collection of duties and taxes within a clear and transparent process. As there will be no longer be a situation which involves the valuations being questioned, the negotiation and facilitation payment between officers and traders will cease. This in turn will also support the anti-corruption laws of the country's policy.

When it comes to the traders, the facilitation payments will no longer be a requirement, reducing additional expenses. The transparent valuation system will provide certainty and peace of mind for traders which will stamp out one of the constraints and enable further investments in the future.

In addition to the above, another advantage would be a reduction of the time it takes to release cargo shipments, resulting in a shortened supply chain (and further cost savings).

Recommendations

A key factor to solve valuation issues is the implementation of the World Trade Organization's GATT transaction value concept: the customs value of the imported goods shall correspond to the actual transaction value.

Needless to say, the implementation process is likely to be a prolonged one - for a successful implementation to take effect, a clear master plan and well-defined timetable are key. It is also crucial to ensure all stakeholders' involvement during the preparation and implementation stages.

Myanmar is a member of the World Trade Organization and has signed the valuation agreement in 1995. A five-year implementation grace period was granted, subsequently followed by another two-year extension period which has seen little progress since.

Transaction prices shall refer to the actual price paid or payable by the importer as a result of the sale by the supplier = actual market value = customs value.

This method will cover over 90% of all imports – for the remaining ones where value cannot be determined in accordance with this method, the World Trade Organization valuation agreement specifies alternative methods (value of identical goods, value of similar goods, etc.).

The transaction value concept places responsibility on the importer at the time of importation to truthfully declare correct and accurate values. Importers shall face serious consequences (penalties) if found to be engaging in fraudulent or dishonest conduct.

It is to be emphasized that shipments will be processed quicker through customs upon arrival and bona fide importers will have the benefit of paying duties and taxes in line with the actual values and will not be caught up in a situation of being overcharged.

On the basis of various documents and sources, such as invoices, L/C's, bank transfers, insurance certificates, Form D's and others, as well as the importer's own systems and processes, customs can verify whether the values declared amount to the transaction value.

Post clearance auditing becomes more important and takes on a greater role.

A Implementation of WTO's GATT transaction value concept for most imports into Myanmar while also adopting specific alternative methods of WTO for remaining types of goods.

The provision of thorough training to customs officials, importers/exporters, customs brokers and other stake holders will be essential. Foreign customs experts with a longstanding experience dealing with transaction value systems will be deemed suitable advisors.

Myanmar legislation and regulations will need to be further upgraded to fully reflect the terms and conditions of the World Trade Organization valuation agreement and clear, transparent processes will have to be set.

Appointing experts with valuable experience in transaction value systems at custom to train all stakeholders in import, export procedures

Issue Description 3: Gate and customs working hours

The current working hours for customs are 10 am to 5 pm which causes congestion and high logistics costs. Additionally, with the implementation of the daytime truck ban in force since 7 December 2016, most cargo reach the terminals during nighttime.

Potential Gains

As there will be extended customs clearance hours, this will partly reduce congestion at the port and speed up the overall process. Increased working hours at customs will also lead to the creation of more work opportunities.

Assuming the transit times are shortened, the logistics costs of the traders will be reduced and this will lead to lowered prices of consumer goods for the end users.

Recommendations

The customs' operating hours, which is the main department for the trading economy of the country should perform its duties 24 hours effectively and efficiently.

Extending the operation hours of the custom to all day and night with no closing hours

Issue Description 4: Customs Clearance post gate in

Current practices require the gate-in of containers into the terminals prior to the commencement of the customs clearance process.

Potential Gains

The congestion at the ports will be reduced as only containers that have completed the entire process will be allowed in the port. The costs of logistics will be lowered with the reduction in detention charges and allowing trucks to again complete one or more shipment per day as previously done. This will reduce the shipper's costs and increase revenue for trucking providers and improve efficiency across the entire process.

Recommendations

Containers should not be allowed to gate-in before the customs clearance process is complete. This will reduce congestion in the terminal areas and encourage customers to start the customs clearance process sooner which will streamline vessel operations as all gated-in containers are ready for loading.

Making custom clearance process to happen sooner by allowing containers to gate-in before clearance check

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AIPT	Ahlon International Port Terminal
API	Active Pharmaceutical Ingredients
ASEAN	Association of Southeast Asian Nations
AWPT	Asia World Port Terminal
BE	Bioequivalence
BSW	Bo Aung Kyaw Street Warf
CAPEX	Capital Expenditure
CSR	Corporate Social Responsibility
EU	European Union
FCO	Field Service Order
FDA	Department of Food and Drug Administration
FDI	Foreign Direct Investment
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
HPT	Htee Tan port Terminal
IP	Intellectual Property
IPPs	Independent Power Producers
L/C	Letter of Credit
LNG	Liquefied Natural Gas
LOA	Length Overall of the Vessel
MACCS	Myanmar Automated Cargo Clearance System
MIC	Myanmar Investment Commission
MIP	Myanmar Industrial Port
M IPL	Myanmar Integrated Port Limited
MITT	Myanmar International Terminal Thilawa
MM	Myanmar
MMK	Myanmar Kyat
MNTC	Myanmar National Tele & Communication
MOH	Ministry of Health
MPT	Myanmar Posts and Telecommunications
NFR	Non-Financial Reporting
NGOs	Non-governmental organization
OPEX	Operating Expenditure
RORO	Roll-on/Roll-off
SEZ	Special Economic Zone
SPW	Sule Pagoda Warf
TEU	Twenty-Foot-Equivalent Unit
UMFCCI	Union of Myanmar Federation of Chambers of Commerce
USA	United States of America
WTO	World Trade Organization

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