

WEEKLY NEWSLETTER (MYANMAR)

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2.1 SECOND CITY SPECULATION SEES LAND PRICES DOUBLE

Land prices have exploded west of Yangon following an announcement by the mayor of Yangon that it will be the site of a new city.

Though information on the project proposed by Mayor U Hla Myint is still scarce, it has proven enough to drive a flurry of speculation in the area.

Prices have doubled in a week, said Ko Min Min Soe, Mya Pan Thakin real estate agent.

“After the information came out on August 22, the land price went immediately higher,” he said. “Now there is a crowd of brokers and speculators in Bayar Ngotou village in Twante township – nobody is buying but everyone is talking about the price.”

Land prices in the village used to be about K7 million to K15 million an acre, though land with road access stood at closer to K100 million an acre, he said.

With the speculation rush, land now costs at least K20 million an acre on August 29, and is showing no signs yet of coming back down, said Ko Min Min Soe.

There had been only moderate interest in the area until U Hla Myint’s speech at the hluttaw on August 22. He said that a new city is to be built between the Pan Hlaing river and Twante canal, in the area of Twante, Kyeemyindaing and Seik Gyi Kha Naung To townships on some 30,000 acres of land.

U Hla Myint said it was to be built by previously low-profile firm Myanmar Saytannar Myothit Public Company, and claimed it could cost as much as US\$8 billion to complete. However, officials have since said an open tender will be set up at a later date following an outcry on the project.

U Hla Chit, a broker normally working in Dala township, said property dealers particularly from Dala and Hlaing Tharyar are moving to the area of the new city.

“When the market moved, the brokers followed,” he said.

“We now wait for rich men from Yangon city, and if they want to buy land, we take them to the farmers.”

While there have been a few deals, high asking prices are prohibiting many transactions, he said.

Some farmers are getting rich out of the speculation, with many not selling parcels but instead insisting on selling all their property in one shot.

Local Twante broker U Tin Ngwe said that while there is not much information about the project, it is not stopping the speculators.

Rumours have circulated that about one third of the declared 30,000 acres of the project have already been purchased by Myanma Saytannar Myothit, though it has not been confirmed, he said.

“The price of land in the area is now 10 times higher than what it was two years ago,” said U Tin Ngwe.

Prices had been slowly increasing even before U Hla Myint’s speech, though shot up significantly on August 23.

Some farmers are not selling their land because they expect prices to keep climbing, he said. “However, most are eager to sell the land. Some are doing deals where they can still use the land for farming until development begins,” said U Tin Ngwe.

One mason from Bayar Ngotoe village said he sold his small parcel of land, but now has no idea where to go and what business to do.

U Hla Chit, a resident from nearby Dala township, said his experience from Dala showed that rising profits often worked against landless poor people, who were forced to move off land as its value increased

2.2 PRESERVING HERITAGE

Yangon can be both a modern city and a city of heritage if it makes the right decisions, according to historian U Thant Myint-U. While Yangon is seeing a slew of modern high rises and developments under construction, and more being announced on a regular basis, it could be easy for the city’s unique buildings to be lost.

But there is no reason Yangon cannot both preserve its historical structures and develop into a modern city, said U Thant Myint-U, founder and chair of Yangon Heritage Trust (YHT).

If we can do both, the city could have a great feel, and will be special – one of the most beautiful areas around Southeast Asia,” he said.

Yangon’s heritage offices are often government-owned offices, though many have fallen into disuse or been abandoned following the move to Nay Pyi Taw in 2005.

U Thant Myint-U said it is important that heritage building preservation is a priority now, before the city develops too far for preservation and restoration to be feasible.

He added a systematic approach can reveal the most suitable way to preserve each building. Some could be rented out privately for commercial or residential uses, while others could continue their roles as government offices.

Financial support for heritage building preservation will also be easier to allocate if preservation proceeds systematically, he said.

Nevertheless, it will be expensive to properly preserve Yangon's heritage buildings.

Finding funding for restoration projects will be difficult, said U Nay Wein, deputy director of Yangon City Development Committee's Department of Building.

Although the buildings belong to the government, it is tough to find the finances to maintain them, he said.

"Other countries have lots of funding by international organizations or local governments for their own heritage preservation projects," he said.

It is important that Yangon promotes its heritage, or it could become a city along the lines of Bangkok or Jakarta – modern, but not special, according to YHT director Daw Moe Moe Lwin.

"Today, one of the main reasons foreigners visit Yangon is to be surprised and appreciate our historical buildings – many of which are over 100 years old," she said.

Other countries' governments support their own heritage buildings through leasing them to private companies to use for specific purposes, or even giving financial support directly to poorer people to help them maintain their buildings.

U Thant Myint-U said another possibility is the government leasing historical buildings to private companies with the understanding they not only have to maintain that building but the others in the vicinity.

Developers also said there is room for preservation of historical buildings in the city.

Marga director John Barnes has said it is shame that Yangon's many heritage buildings are not all being renovated and properly maintained.

It is important to not rush into planning, but instead to encourage teams of experts to look at preserving historical buildings, said Dr. Pwint, associate professor in Yangon Technological University's Department of Architecture.

"Countries that have good habits with preserving heritage buildings remake dead buildings into live buildings, such as schools, office, restaurants and other uses," she said. "The best method of keeping heritage buildings is to creatively adapt them, keeping the building's functions and the sense of the place."

There are a number of novel preservation techniques around the globe, she said.

In Japan, heritage house owners often welcome visitors like a museum, showing traditional cultures and food, with supplies from the government. In places like Austria, heritage buildings are much in demand, leading to extensive renovations by people wanting to live in them.

Similar measures may work in Yangon, said Dr. Pwint. For instance, historically important buildings like the General Aung San house could work as a museum, while U Thant's former house is already being used as a museum.

“To keep these heritage buildings we need international experts and money,” she said.

If funding is not forthcoming, preservationists will have to turn to like-minded businesspeople for assistance in renovation.

Dr.Pwint also called for comprehensive rules and regulations on managing heritage buildings.

3.1 HYDROPOWER DEVELOPMENT FLOWS ON TO WESTERN FIRMS

Western companies will likely build the next set of hydropower dams in Myanmar, following years of Chinese construction dominating the industry, according to Ministry of Electric Power (MOEP) deputy minister U Maw Thar Htwe.

The previous military government had signed agreements for 60 hydropower projects, mostly with Chinese firms but also Thai and Indian companies, he said last week.

“The trend for hydropower project implementation is to turn to Western companies,” he said. “We are going to work only with international-standard companies who have reliable construction quality and financing.”

Although 60 agreements had been signed, only 37 are still continuing, as several were cancelled by the civilian government, said U Maw Thar Htwe.

Deals to create projects such as Htamanthi in Chin State, Lay Nyo 1 and 2 and Seintin in Rakhine State, as well as a few others were stopped.

“We will not allow these projects if they don't complete environmental and social impact assessment surveys,” he said.

President U Thein Sein also halted the high profile Myitsone project in Kachin State in 2011 following public opposition over its potential impact.

However, Myanmar is also keen to address a chronic electricity supply problem partly through hydropower.

MOEP is planning several new hydropower projects with companies from Western countries in Europe and North America.



The Shweli 3 project is to be built by firm from the United Kingdom and France, while the Middle Yeywar and Bawgata projects will be built by Norwegian firms, and the Middle Paunglaung project will be handled by Austrian or British firms.

Future projects will also heavily consider Western companies, the deputy minister added.

However, the government also signed agreements with three Chinese firms and a Thai company to build four hydropower projects on Thanlwin river last year.

U Maw Thar Htwe made the remarks while speaking at a resettlement site for nearly 10,000 people, relocated following concerns over flooding from Upper Paunglaung Hydropower Project. Authorities said it was the first such large-scale relocation site in Myanmar.

The resettlement of 23 villages and the hydro project cost an estimated K320 billion (US\$329 million) implemented by a Chinese firm but owned by MOEP.

The Upper Paunglaung generating station is to start testing next month, with the two Chinese-manufactured turbines on line by the end of the year. It has total installed capacity of 140 megawatts.

[4.1 FEE INCREASE HITS YANGON LIQUOR SELLERS](#)

Liquor businesspeople may be reaching for the bottle for consolation after Yangon Region’s decision to raise the annual license fees that shops and manufacturers must pay to operate.

Fees will significantly increase for a range of different liquor manufacturers and sellers after legislation was passed on September 1, with licenses for beer manufacturers increasing the most, by a multiple of 10.

While some businesspeople oppose any license fee increase, others say the rules are unfair as they only apply to businesses in Yangon Region and disproportionately affects smaller businesses.

Raising fees so dramatically in one region but not the rest of the country will stifle local competition, said a senior official of the Myanmar Liquor Association.

“I support the idea of raising annual fees to ensure more quality products, it’s a fair idea – but the whole industry across the country should be treated equally,” said the official, who also represents a large-scale liquor manufacturer.

Raising liquor licenses may squeeze out the industry’s small players and raise state revenues, though the laws may be unevenly applied. For instance some firms could use one cheaper type of license as cover to engage in other types of liquor trade, he said.



The official also said he predicted increased fees in one area would lead to a flight of liquor businesses outside the Yangon region.

The fee increase was proposed by the General Administration Department of the Ministry of Home Affairs in May – the same institution that said it raided about 2000 illegal liquor sellers in Yangon in the first four months of the year.

Wholesale import license fees are set to triple to K3 million a year, while distribution licenses go from K1.2 million to K3million. Liquor shops and liquor-selling restaurants will see licenses double to K1 million and K1.2 million respectively, according to the laws which are to come into force this fiscal year.

At the top end, the price of a distiller’s license increased about five-fold, with licenses now sitting from K5 to K15 million depending on the distiller’s size. Likewise, brewer’s licenses increase by a factor of 10 to now cost from K5 million to K50 million depending on size.

The fee increase also comes as large-scale foreign manufacturers such as Heineken and Carlsberg breweries are set to enter Myanmar, challenging local incumbents.

Although the government will receive more state revenues from the fees, the increase will likely be passed on to consumers, said U Nay Myo Aung, Yangon Region representative for Seikkan township.

“If the government raises taxes on producers, they will increase their prices to maintain their profits, and consumers will be hurt,” he said.

Other small-scale players say they have already been forced to change their business plans by license fees.

U Sein Win, former distributor of locally made liquor brand 555 BE based in Thingangyun township, said he had switched from a distribution license to a cheaper restaurant license.

“There wasn’t much benefit to staying as a distributor, I can’t compete with the most popular brands, and it’s a narrowing market for a small guy like me,” he said.

Although liquor businesspeople have complained that it is unfair Yangon and the rest of country charge different fees, some officials say it is part of a Union system that different areas have different rules depending on local circumstances.

U Ye Tun, a Pyithu Hluttaw member of the Shan National Democratic Party, said local government policy depends on the stance local parliament suggests it should take.

The focus should not be on raising government revenue, but on controlling alcohol consumption and bringing rules in line with best international standards, he said.

4.2 FOREIGN TRADER PLANS GREETED BY OPPOSITION

A possible opening of the import-export sector to foreign companies is being opposed by some local business claiming they risk being out-performed.

Officials from the Ministries of Commerce and of National Planning and Economic Development have said it is an eventual goal at several press events in recent weeks, and many businesspeople support the move, saying it will help Myanmar products penetrate foreign markets.

Still, many local businesspeople say they oppose any plans to open the import-export sector.

Daw Toe Nandar Tin, owner of Annawa Dewi seafood factory in Yangon, said local businesses are often already struggling, while international companies will have far cheaper access to capital.

“In a situation where foreign companies with large capital are permitted to trade, they could quickly monopolize the country’s trading system,” she said.

“Local trading businesses will be hit strong – I worry a lot for this.”

However, others say that if foreign firms are not permitted to trade, it will be difficult to develop domestic industries.

Independent economist U Hla Maung said countries like South Korea, Taiwan, Singapore and Hong Kong have given permission for foreign firms to conduct training, and as a consequence grown larger and larger.

“International companies know how to sell goods to the world market, and how to find buyers. Local companies don’t know how to do that,” he said.

U Hla Maung added local companies will have the opportunity to partner with foreign giants to grow their business.

“I don’t think local business will collapse because of foreign firms,” he said.

Local firms are indeed often struggling to stand, and in many cases have only recently begun operating, said U Maung Aung, economic advisor to the Ministry of Commerce.

However, they do not have adequate capital and skills to penetrate many international markets, which requires connections with foreign firms, he said.

“Trading in the international markets by cooperating with foreign firms has a lot more potential than being limited to the local market,” he said.

U Maung Aung also cautioned that the market would not be opened overnight, adding it will take some time before permission is given.

The Ministry of Commerce has been reviewing the country's trade policy with the assistance of the World Trade Organization to bring it into line with international practices, and it is important to follow international best practices, he added.

Local businessperson U Hnin Oo said that while the US and the EU have eased sanctions on Myanmar, it is proving difficult for local companies to penetrate foreign markets.

“I don't think local businesses would be hit by permitting foreign firms to do trading,” he said. “Instead, we can find better opportunities by cooperating with them.”

Local business often have a knee-jerk reaction to protect local commerce, when they should be looking at opportunities to invest in foreign countries, especially ones that only recently opened their doors to Myanmar, he said.

“Many Myanmar businesses rely on rent-seeking and don't know how to do formal business, and so they worry about how to compete on level playing fields,” he said.

U Hnin Oo added that some large projects such as the special economic zone require foreign interest to be a success, and so it is important to welcome their inclusion.

Other local businesses said they are actively seeking trade links with established markets.

Myanmar Agribusiness Public Company managing director U Ye Min Aung said that even though there are opportunities to sell Myanmar rice to Europe, he reckons it will difficult without international partners. He added the firm is discussing possible tie-ups with European companies.

He added the national government had also considered and rejected proposals to raise excise taxes on beer and cigarettes earlier this year, partly in a bid not to discourage foreign investors from entering the sector.

[4.3 FOREIGN FIRM SIGNS ON FOR MICROFINANCE](#)

The subsidiary Myanmar Investments International Ltd has signed an agreement with a local company to create a microfinance company in Myanmar.

Claiming the newly formed Myanmar Finance International could be the first foreign microfinance joint venture in the country, the partners have agreed to contribute US\$4.8 million in capital, it said in a press release.



Myanmar Investments will contribute \$2.75 million and own 55 percent of the new firm, while Myanmar Finance Company (MFC) – the local partner, which currently provides loans to small-scale business operators in Yangon and Bago regions – will own the rest.

Myanmar Investments International listed on the London Stock Exchange’s AIM submarket in June 2013.

U Aung Htun, managing director of Myanmar Investments, said in the press release that there are lots of regional microfinance success stories.

“ A well-run microfinance business in a well-regulated environment represents a socially responsible investment as well as an attractive commercial opportunity as has been demonstrated elsewhere in Southeast Asia,” he said.

U Htet Nyi, founder and managing director of local partners MFC, said the new joint venture will enable the firm to offer more loans more quickly, adding to its estimated 10,000 clients.

The joint venture is conditional on the new firm, Myanmar Finance International, receiving its own microfinance license, which is expected to be issued by the Myanmar Microfinance Supervisory Enterprise, an arm of the Ministry of Finance, the press release said.

Myanmar has prioritized developing microfinance as a way to promote poverty alleviation and development. In 2011, a microfinance law was released, and authorities have been working on follow-up rules and regulations governing the industry.

More than 200 organizations have so far received microfinance licenses, though the new firm will be one of the biggest, it claimed.

Myanmar also currently maintains a cap on loan size of K500,000 (US\$514) and a cap on interest rates of 2.5 percent a month for MFIs.

Independent economist U Hla Maung said that the 2.5pc interest rate microfinance institutions are allowed to provide is well below rates as high as 10pc that local moneylenders often charge farmers, but is still about twice what banks are allowed to charge

4.4 EXPAT WORKERS FIND THEIR NICHE

The growth of international businesses interested in setting up shop has been paralleled by growth in foreign workers at least temporarily calling Myanmar home.

Whereas a year and a half ago there were not many foreign expatriate workers, or expats, around, now “they are just about everywhere,” said Ko Lin Kyaw Tun, director of Yangon-based Career Development Consultancy.



“That is definitely an indicator that something is changing in the business world,” he said.

Expats from numerous countries are coming to Yangon, driven by the demand their expertise from foreign and – increasingly – local companies alike.

“Even the local companies are starting to bring in expats,” said Ko Lin Kyaw Tun. “They are forming joint ventures with foreign companies, so they need this international standard ... to connect with other international companies.”

Business leaders said that foreign expats often have a range of experience they can bring to bear in local markets.

Andrew Rickards, CEO of Yoma Strategic Holdings, said the firm is fortunate to have employees from diverse backgrounds, including foreigners and locals.

The majority of its employees are Myanmar people who never left the country, though he said the firm also employs expatriates and returned Myanmar people.

While repatriates often bring both local and international experience, expatriates often have experience garnered in different markets. In Mr Rickards’ case he has worked in a number of Asian countries

including India, Vietnam and Indonesia.

“I think there’s a lot of relevance because a lot of what I’m seeing here today I might have seen 10, 15, 20 years ago in some of these other markets,” he said.

Mr Rickards credited a strong management team with assisting Yoma Strategic’s performance in recent years.

yet for many companies – particularly local companies – there are significant cost hurdles for hiring foreigners.

Expats are generally not cheap. A 2014 Salary Survey report by Myanmar Survey Research (MSR) said the median salary is US\$4000 for an expat, with ranges between \$2000 and \$9000 a month most common. And this estimate does not include additional perks for some, like housing, schooling and transportation allowances.

Salaries for Myanmar people tend to be lower. Although all salaries range widely based on factors like industry, experience and qualifications, MSR’s survey shows a middle-manager earns about \$1000 a month when paid in US dollars and \$417 a month when paid in Myanmar kyat in the private sector. Similar middle management at INGOs earn \$830, at embassies about \$1030 and government \$179, the data shows.

MSR associate director U Ye Nyunt said that differences are not necessarily a matter of preferences for foreigner or local, but rather that it depends on ability.

“Sometimes a local employee can do a much better job than a foreigner, so it depends on the skill,” he said.

Foreigners are educated abroad, often at quality institutions, while Myanmar people are not always able to attend top-end universities.

Expats also have the benefit of international experience, which is lacking in Myanmar given its years of isolation.

“Skills, and international experience and learning – these areas are very important to determining salaries,” said MSR research program director U Maung Maung Than.

MSR’s research also shows that expats are claiming expenses are on the rise in Yangon.

In the 2013 fiscal year expats claimed to spend \$2500 a month supporting their lifestyle, including \$300 on food, \$900 on accommodation and \$1300 on other expenses, though the figure has grown this year to \$2900 a month, with \$400 going to food, \$1100 on accommodation and \$1400 on other expenses.

PJ Bernardo, principal foreign consulting attorney at Kelvin Chia Yangon, said that unlike some countries there is no strict quota on the number of foreigner and local employs, unless it is stated in an investment permit from Myanmar Investment Commission.

As local manpower capacity is currently not too strong in several sectors, foreigners often fill the gap, though as capacity grows, firms will gradually hire more locals, he said.

Kelvin Chia foreign consulting attorney John Lichtefeld said the MIC has a requirement to train local staff, with the idea being to continuously hire more and more Myanmar for skilled positions and proactively train them up, though its policies are also somewhat flexible.

Expats are also usually confined to technical and managerial positions.

Mr Bernardo said international managers play a role in bridging local and international practice, while running the business at the day-to-day level is usually in the hands of Myanmar people.

[4.5 RICE, CORN EXCLUDED IN TAX EXEMPTION FOR BORDER TRADE WITH CHINA](#)

Myanmar’s major exports to China, rice and corn, are not included in the 97 per cent tax exemption granted for China-Myanmar border trade, according to the Ministry of Commerce.

“China used to grant 95 per cent tax exemption for Myanmar’s agricultural products and now, the percentage is raised to 97, but the main export products – rice and corn – are not included in the tax exemption yet,” ministry adviser Dr. Maung Aung said.

He said both sides would discuss expanding the tax exemption to the two items.

Myanmar and China are currently negotiation a deal on rice exports to China. Representatives from China’s general administration of quality supervision, Inspection and quarantine agency have held talks here for a contract on rice exports. Officials said the contract would likely be signed at the meeting of Asian ministers of agriculture and forestry this month in Nay Pyi Taw.

“The Chinese side is mainly focused on the quality of Myanmar rice. So, the requirement is to be able to produce rice that meets their standards and we need to educate farmers on how to do this,” Maung Aung said.

He said exporters needed to follow the example set by India, where high-quality Basmati rice is exported. “Our previous concept was not correct. High-quality rice produced in local market for export could not be found. We need to correct this,” Maung Aung said.

In fiscal year 2012-2013, 1.4 million tonnes of rice were exported. Last year rice exports fell to 1.2 million tonnes and this year exports are expected to exceed 1 million tonnes.

Due to sanctions by western countries and poor quality, rice exporters have primarily targeted African markets. Most rice exported by land goes to China. The government’s new five-year export strategy puts rice at the top of its priority list for exports and aims to crack the European market.

[4.6 MYANMAR CONSIDERS SENDING WORKERS TO TAIWAN](#)

The Overseas Employment Agency Federation is planning to send Myanmar workers to Taiwan despite lingering concerns over possible impacts on Myanmar-China relations.

Min Hlaing, chairman of the federation, said that Myanmar workers, male and female, could earn between Ks 600,000-800,000 per month.

“Discussions are underway,” Min Hlaing said. “Despite the One-China policy, our seamen are being hired by Taiwanese companies. Plus, Myanmar also has established bilateral trade with Taiwan. Therefore, sending workers to Taiwan won’t jeopardize the relationship with China.”

According to Ko Tun from the Migrant Workers Rights Network based in Thailand, the federation and agents in Taiwan should sign a memorandum of understanding to clarify dubious issues.

“This should ensure that any possible dispute will be solved easily,” he said.



Many Myanmar workers, mostly without legal documents, suffer from mistreatment overseas. There is no official data on the number of Myanmar workers overseas. According to Thai official data, nearly 2 million of them are in Thailand.

Myanmar currently sends workers to 15 countries, including Thailand, Malaysia, Singapore, Korea and Japan, officially. Macau will soon become another destination for Myanmar workers.

In August, Min Hlaing also unveiled the plan to send Myanmar workers to work in casinos and factories in Macau. He said that an MOU with an agency in Macau would be signed soon.

“Macau is a peaceful and tranquil country. Its salary levels are two or three times better than Thailand and Malaysia. They [Macau] give a salary of more than US\$1,000 to security workers. Moreover, it has sufficient labor rights. We are going to send workers to Macau after signing an MOU. The Ministry of Labor also called for the signing of an MOU without delay,” Min Hlaing said.

He estimated that if Myanmar workers do work in factories and casinos in Macau, they would be paid a monthly salary of at least US\$600 to more than US\$1,000.

Millions of Myanmar citizens work abroad due to the shortage of job opportunities and low salaries at home, according to the International Migrant Organization.

4.7 FIRST SOLAR ENERGY PLANTS PLANNED

Myanmar will soon welcome the first-ever solar energy project, through the investment of about US\$480 million – the biggest investments by a US company in the country since the easing of sanctions.

When completed in 2016, the project is expected to account for 10–12 per cent of the country’s power generation.

US-based ACO Investment Group on August 28 signed an agreement with the Ministry of Electric Power, paving the way for two 150-megawatt solar energy plants. United States Trade Representative Michael Froman witnessed the signing. In a statement, it attributed the agreement to the extensive advocacy by senior officials the US departments of state and commerce. In July 2012, the US lifted nearly all of its sanctions on the country.

“Efforts like these support the ambitious definition of development that is at the heart of President Obama’s trade agenda,” said Froman during his remarks at the ceremony. “By promoting trade and investment, we are unlocking even more opportunities for workers and businesses in both countries that promote not only higher incomes at home and around the world, but also drive sustainable development. We’re doing this because we know that trade works best when its benefits are broadly shared.”



Myanmar currently produces 3,300 MW of power, with licenses to 23 companies operating in 84 townships. In December, the Ministry of Electric Power announced the bid for gas-fired, hydropower and coal-fired power plants. Hydropower contributes 76 per cent of total installed capacity of the country's power generation mix, with natural gas 21 per cent and coal 4 per cent.

While only 20,000 of the 64,000 villages in Myanmar have access to electricity, Myanmar plans to extend the access to 10,000 more villages this year and another 10,000 in 2015.

In 2013, Thai solar developer SPCG announced plans to operate small renewable solar farms to serve demand for electricity in rural communities in Myanmar. In the same year, another Thai company, Green Earth Power, also signed a memorandum of understanding for a 210 MW solar project with Myanmar's electric power ministry. There has been no progress.

Managed by ACO Investment Group's portfolio company Convalt Energy, the project in Mandalay will bring much-needed power to Myanmar's national grid. In addition to being 100 per cent renewable, the project will complement other renewable power sources. Myanmar depends heavily on hydropower, which decreases in output during the dry season, when solar sources are at their peak.

According to Bloomberg, ACO co-founder Hari Achuthan, a former Credit Suisse Group AG banker, said last year that the fund is betting \$700 million on Myanmar as the country offers investors the best growth opportunity in Southeast Asia.

ACO expects the project will create a total of 400 construction jobs in Myingyan and Meiktila districts, where the two 150MW plants are expected to be located, along with an additional 100 permanent jobs. US export content will make up about 20 per cent of the project value.

In a statement, the Office of the US Trade Representative said that communities in the Mandalay Region would also benefit from the project's investments in infrastructure and training. The project will boost the city's manufacturing potential and resources and help provide power to develop the Myotha Industrial Zone, which is located within 15 miles of one of the plants. Additionally, the project will improve local logistics infrastructure, especially for the solar industry, but also more generally through developing roads.

It added that as part of their responsible investment efforts, many US companies are actively engaging local communities through corporate social responsibility programmes. These include, for example, making available millions of dollars in microfinance to rural citizens, funding programmes for empowering women entrepreneurs, and providing clean water to those without access to potable water. Continuing this tradition, Convalt has pledged to train local employees and help build libraries at nearby schools