

WEEKLY NEWSLETTER (MYANMAR)

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2.1 DOWNTOWN CONDOMINIUMS AT THE FRONT OF PROPERTY BOOM

Downtown condominium prices are leading the charge for more expensive real estate in Yangon.

While properties across the board have increased in the last three years, a large influx of people wanting to move downtown are leading to a climbing market, even as more projects come online, real estate agents say.

The most expensive units are on the four main east–west roads in the downtown core, said Ko Sawr Lay, agent from Shwe Trigan real estate. Newly-built, good quality condominiums on Bogyoke Aung San, Anawrahta, Maha Bandoola and Strand roads now cost between K250 and K300 million each.

“Prices are so high downtown compared to two years ago, even though there are more projects,” said Ko Sawr Lay.

However, he dismissed concerns about a possible bubble in the short term, claiming there are increasing numbers of business and residents moving downtown.

“Compared with two years ago, there are so many high-rise construction projects in the downtown area, but still, prices are higher,” he told The Myanmar Times.

“Downtown condos and apartments won’t see a demand drop any time soon – even though prices are high – because most businesses and residents are gathered there,” he said.

Ground floor apartments are in particular demand to rent out to businesses, said Ma Myat Thu, agent from Moe Myint Thawdar real estate.

She said it is not just property on the four main roads that has become valuable.

New condominiums in buildings with elevators in the downtown streets with numbers instead of names – usually indicating a side street – are now starting at about K200 million.

“We get a lot of clients looking to rent downtown, in areas like Lanmadaw, Latha and Kyauktada townships. Dagon and Bahan, which are near downtown, are also popular,” she said.

Yangon is attracting lots of people from the other regions and states, and they are often keen to relocate downtown near employment opportunities, said U Maung Aye, central executive committee member of the Myanmar Real Estate Association.



“Yangon is full of migrant workers, families and students, as well as foreign investors and workers,” he said.

Many of the recent residents aim to move downtown, as it has lots of workplaces and social goings-on, despite transportation often being a challenge.

“While transportation is not easy, people come downtown for businesses, offices and classes.”

While some analysts have spoken of the possibility of a property bubble, Phoenix real estate agent Ko Htun Htun said he has not seen signs yet that the market will slow down. Demand has continued to be strong, though prices have not seen the large gains of previous years.

However, property dealers are eyeing all the proposed high-end condominiums announced for construction in Yangon, attempting to anticipate what effect that will have as they come online in the next few years, he said.

Although many large-scale projects have been announced, not all of them are likely to be seen through to completion.

Another unknown is the condo law, which has been much-discussed and undergone several drafts but has not yet passed into law.

Sai Kun Naung real estate marketing manager Ko Hein Zaw said many would-be investors are also wary of a potential impact from the condominium law when it is finally passed. But with the large demand from foreigners and for rentals continues, condo prices will likely keep climbing year-on-year.

Previous drafts of the condominium law have included provisions allowing for foreign ownership up to a certain amount of a building, and above the fourth floor.

2.2 SURGE OF DOMESTIC INVESTMENT IN HOTELS, TOURISM ACCELERATING

Investment by Myanmar nationals in the hotels and tourism industry has reached nearly US\$690 million, making it their third most heavily invested industry, according to the Directorate of Investment and Company Administration (DICA).

Local businesspeople have been pouring money into the industry for the past three years by constructing hotels and related buildings following an easing of licensing by the Myanmar Investment Commission (MIC).

DICA said its figures counted cumulative investment up till the end of July.

As of the end of June the number of permitted hotels reached 1,019, with most in Yangon and Mandalay, according to the Ministry of Hotels and Tourism.



More than 2 million tourists visited Myanmar last year and 3 million are expected this year.

The number of licensed hotels, motels and guesthouses has increased steadily since 2010 when there were only 700 in the country. Fifty were added in each of the next two years, and 123 were added last year, bringing the total to 923. In the first six months of this year the number shot up by 96 to 1,019.

Investment by Myanmar nationals in hotels and tourism accounts for 14 per cent of their total investment in the 11 industrial categories that the MIC uses to classify investment.

3.1 ZAWTIKA SPURS GROWTH IN STATE GAS EXPORT REVENUE

The state's daily revenues from natural gas exports now reach US\$15 million a day, driven up by the beginning of exports from PTT Exploration and Production's Zawtika offshore project.

If the trend were to continue, Myanmar would collect about US\$5.5 billion this fiscal year – far more than the \$3.299 billion the Ministry of Commerce figures show the country earned last year, according to Ministry of Energy officials.

With the addition of Zawtika, the country now has four active gas fields producing about 1.9 billion cubic feet per day, of which 1.6 billion cubic feet is exported, said the official, who requested anonymity as he was not allowed to speak to officials.

The official said the \$15 million figure is calculated using a natural gas price of \$11.45 per million British thermal units.

“Myanma Oil and Gas Enterprise [MOGE] will get its deserved share of the money from gas exports,” the official said.

Although officials said state revenues now total about \$15 million a day from the four offshore gas projects, several MOGE officials contacted by The Myanmar Times declined to discuss the transparent management of resources or release a figure valuing the output of all the country's oil and gas projects.

MOGE has production rights worth 15 percent of the Yadana project, 20.45pc of Yetagun, 15pc of Shwe and 20pc of Zawtika.

However, Myanmar is also to receive 50pc of cash flow from Yadana and Yetagun projects, as the cost recovery phase is finished, the official said.

Natural gas was first exported from Yadana in 1998 and Yeagun in 2000. The Shwe gas project began in 2013 while Zawtika began earlier this month.



Retired MOGE official U Thein Lwin said that while the revenue figures can be impressive, the amount of development caused by the energy sector also needs to be measured.

“If you are entirely exporting natural gas, the country will retain its current status as a poor nation,” he said. “Actually, the domestic market should be given priority for natural gas production.”

Following a slate of on and offshore blocks being awarded since 2011, the government stands to benefit by receiving increased payments through areas such as production sharing, royalties and various fees and taxes.

The government will also receive hundreds of millions of dollars as signature bonuses when companies sign the production-sharing agreements for 16 onshore petroleum blocks conducted last year. The Ministry of Energy conducted tenders for 16 onshore blocks and 30 offshore blocks in 2013, with a total of 27 companies awarded exploration and production rights – though follow-up agreements need to be signed.

4.1 TAIWAN EYES MYANMAR’S GEMS, TEAK AND AGRICULTURAL PRODUCTS

Taiwan is interested in importing teak, gems and agricultural products from Myanmar, a senior trade official from the island nation said during a trade mission to Myanmar.

“Jade and ruby from Myanmar receive great attention in Taiwan. Ruby from Mogok [also called Ruby Land] is very precious and popular in Taiwan, as is jade from Hpakant in Kachin State,” said S H Wan from Taiwan Trade Centre’s Asia-Pacific Region Market Development Department.

Taiwanese tourists usually go to Bogyoke Market to buy gemstones and jade, he said during the 2014 Taiwan Trade Mission to Myanmar Trade Fair at the Sedona Hotel in Yangon on August 28.

He also said there was a market for teak and other hardwoods in Taiwan because the country has many finished-wood factories. “There are also Taiwanese finished-wood plants in Malaysia and Indonesia. Teak from Myanmar is purchased and produced into finished-wood products in China or Thailand and then, exported to Taiwan. As Taiwan is an island, it has to depend on foreign countries for many products. We are interested in these,” Wan said.

He estimated that export value of goods from Taiwan to Myanmar could reach US\$200 million this year. Major exports are steel and related products, as well as information and communications technology products such as computers, mobile phones, and spare parts for machines.

“This is just my estimate,” he said, adding that trade relations between the two countries will be enhanced by having trade missions from Taiwan visit twice a year



4.2 FOREIGN FIRM IN MICROFINANCE JOINT VENTURE

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 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.

Independent economist U Hla Maung said that 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.

He said that lower interests than 2.5pc are often required for agricultural workers and other industries with tight margins.

4.3 AUSTRALIA, CANADA STRESS IMPROVED LAWS TO GROW TRADE

Australian and Canadian trade ministers both made their pitch for increased trading ties between their respective countries and Myanmar, claiming an improved local legal environment is important to attracting business.

The two ministers visited as part of the ASEAN Economic Ministers (AEM) meeting held on August 25 to 28 in Nay Pyi Taw, though also made separate Yangon stops on the trip.

Australia and New Zealand signed an amendment to their joint free trade agreement with ASEAN on August 26, which Australia trade and investment minister Andrew Robb said is to create a common set of rules for areas like customs procedures, aiming to reduce paperwork and costs.

Australia exported about A\$116 million (US\$108 million) to Myanmar in 2013, about two thirds of which was wheat, while Myanmar shipped exports worth about A\$21 million in the other direction – largely comprised of seafood.

Mr Robb said Australia is keen to assist with creating “the rules that can help Myanmar not only trade with us, but trade with the rest of the world”.

There is an absence of rules that give certainty and predictability, which if developed could help grow investment and trade.

“With our aid program we are trying to help Myanmar develop the rules and regulations,” he said. “Myanmar makes its own rules, but it has to have a set of rules that are consistent and well thought out.”

Robb characterized the relationship between people from Myanmar and Australia as very comfortable and very easy. “I think it means that we can work well together and there is a respect from Australia towards Myanmar and its history and its former success and its potential,” said Mr Robb in an interview in Nay Pyi Taw.

Australia provides substantial aid annually to Myanmar, and works closely with government and civil society, he said. Mr Robb added he plans to bring a delegation of Australian businesspeople to the country in the future.

Canada minister for international trade Ed Fast said the country is also looking to strengthen ties in the ASEAN region, making a particular push since 2011 through measures such as hosting an ASEAN delegation in Canada.



“Right now we’re looking at improving our trade promotion activities within the ASEAN Region,” he said.

Although Canada does not have a free trade agreement with ASEAN, Mr Fast said Canada is negotiating the Trans Pacific Partnership free trade agreement with a number of countries including four ASEAN members. It has also has foreign investment treaties with Thailand and the Philippines.

Canada’s merchandise trade with ASEAN reached US\$16.5 billion in 2013, though only a small fraction - \$17 million – was with Myanmar, according to Canadian government statistics.

Mr Fast also called the country “Myanmar” when speaking to reporters in Yangon on August 28, while other Canadian officials have called it “Burma” at recent press conferences. Asked about the name issue, Mr Fast said :”I’m in Myanmar, and I am respectful of the name that the people of Myanmar refer to their country as.”

4.4 FOCUS ON CLOSING THE ASEAN ECONOMIC GAP: MINISTER

Minister of national planning and economic development U Kan Zaw called for efforts to close the economic gap between different ASEAN countries during his opening address of the 46th ASEAN Economic Ministers meeting in Nay Pyi Taw on August 25.

Macroeconomic stability, streamlining regulations and investment in infrastructure and human resources are key areas to be addressed, he said.

“Though we are trying our best to narrow down the development gap among ASEAN members, it is still a great threat to the sustainability of socio-economic development of ASEAN achieved over the past four decades,” he said.

Statistics show large differences in ASEAN members’ relative wealth. Singapore at US\$54,775 and Brunei at \$39,942 have the largest current GDP per capita, while countries like Myanmar at \$868 and Cambodia at \$1016 sit at the lower end, according to April 2014 statistics from the International Monetary Fund.

U Kan Zaw’s comments followed President U Thein Sein’s speech, where he called for work on SME development, enhanced public-private partnerships and moving ASEAN beyond 2015 as the three key deliverables for ASEAN member states.

Myanmar is this year’s ASEAN chair, and is hosting a number of meetings on different areas of concern throughout the year. While the Economic Ministers’ meeting is more low-key, some of the meetings – such as the Foreign Minister’s August 8 to 10 meeting – drew wide attention and visits from international heavyweights such as US secretary of state John Kerry.

4.5 POULTRY PRODUCERS FLOCK AGAINST CHICKEN IMPORTERS

Mandalay Region’s poultry trade association is urging restrictions on imported chickens, claiming they could destabilize the local production industry.

Cheap imports could undercut local producers, hurting the domestic industry as well as related industries and the workers they employ, said U Kyaw Htin, chair of the Mandalay Region Poultry and Egg Production and Trading Association.

“Other countries care about their local industries,” he said.

“We can’t rely only on trading for our country, we need manufacturing. Our country can’t manufacture cars or airplanes, but we can do poultry very well and improve it step-by-step.”

U Kyaw Htin added that other countries are often careful to protect their own agricultural industries, and that the poultry sector is particularly worthy of support as it is only beginning to build modern industrial farms.

One factory aiming to process 12,000 frozen chickens a day will be finished in 2015, and more are planned in Yangon and Mandalay, he said.

Larger-scale production will close the gap between prices on the farms, at K3000 a viss (1.6 kilograms or 3.6 pounds), and at the market, where prices are about K6000 a viss.

“If frozen farms come, the price will fall, as will the price of eggs,” he said.

Myanmar Livestock Federation deputy chair U Hla Hla Thein said foreign firms were entering Myanmar, claiming there is not enough meat or quality abattoirs to produce poultry, as well as pigs and cattle.

“But I don’t accept this point for chicken,” he said. “We don’t need the imports, we have enough chicken.”

Imported chicken will also be less fresh than locally produced chicken, he added.

The Myanmar Livestock Federation said domestic poultry farming has increased annually by about 5pc in recent years until 2013, where it grew 20pc. The federation predicted even larger growth this year.

Chicken feeds salesperson and Mandalay Region poultry association secretary U Nay Thurain said he met with three foreign firms who want to import chicken. While two of the companies are looking primarily to sell chicken to oil companies working in remote areas, he claimed the third would like to import 30 tons a month at the price of \$200 a tonne, or about K320 a viss.



“This is a totally unreasonable price,” he said. “It is intended to destroy our market.”

Discussions downplayed concerns of foreign companies setting up factories within Myanmar, such as Thai firm Charoen Pokphand (CP), as it runs its own production facilities inside the country. Rather they took aim at imports of foreign-manufactured finished poultry products.

Businesspeople also pointed out that the poultry industry has trouble finding land, as authorities currently do not allow poultry farms on industrial land – even though exceptions are made for non-agriculture industries like petrol stations.

Population expansion is also leading to more houses being built, meaning residential areas are encroaching on poultry farms, often requiring them to relocate due to complaints.

The poultry industry hopes a draft law by the Ministry of Agriculture and Irrigation will help with the issues, said U Hla Hla Thein.

Mandalay Region consumes an estimated 2.5 million chicken, while about 12 million are eaten across the whole country in one month.

4.6 EXPERTS MOVE AGAINST MONEY LAUNDERING

The government has formed a committee to combat money laundering in the country, aiming to get off a list of the world’s worst offenders.

Experts from 15 different institutions including government ministries as well as the Central Bank and Supreme Court were named to the Anti-Money Laundering Central Board last week.

The board’s joint secretary U Soe Myaing said Myanmar longs to be removed from the list of countries with a bad reputation in money laundering.

“Foreign investors and the country’s economy are slowed by the impact of perceptions of money laundering ,and the global community deals with us critically,” he said.

Separately, investigators have also said they are looking into the capital and property of U Ne Win’s grandson, U Aye Ne Win, who is part of a consortium planning to buy part of businessman U Tay Za’s stake in Asia Green Development bank.

Meanwhile, the intergovernmental organisation Financial Action Task Force (FATF), which focuses on money laundering, once again pointed to Myanmar as a major source of money laundering in an October 2013 report. It listed Iran and North Korea as the worst offenders, while 11 countries including Myanmar occupied the next spot.

Officials say Myanmar has taken steps to stem money laundering. It enacted an Anti-Money Laundering Law in March, modernising a law that officials said was 70 percent outdated.



The new law incorporated 40 recommendations from FATF in areas like penalties, with a one-year prison sentence implemented for convicted launderers. The new law also lays out the role of the judge and offers two or three chances to appeal.

U Soe Myaing said that not only laundered money will be seized, but also the properties funded by the unclean money.

While banks will be the main target of efforts, Myanmar will also investigate jewelry shops, notaries and real estate agents, he said.

“With e-banking, money transfers will be so fast, meaning money laundering will also be fast,” he said. “If we cannot handle the problem effectively, our country will drift into nightmares.”

Experts pointed out that the most prominent money launderers in Myanmar are likely keen to repatriate funds that were moved abroad during the previous regime, though added illegal income has also found its way into the property sector.

Economist Sean Turnell, associate professor at Australia’s Macquarie University, said laundered funds can be most profitably applied back home in all sorts of projects.

“This requires a degree of ingenuity to bring it back, but most often through front companies presenting the money as foreign investment, remittance flows and so on,” he said.

“The front line for money laundering is the ‘banking system’ which must identify illicit funds through ‘know thy customer’ and other requirements. There are laws in place for this in Myanmar, and the CBM seems to be doing all it can which brings us again to the banking system broadly, and banks individually,” he said.

Myanmar’s banking sector has been regarded as containing some money launderers, with Myanmar Universal Bank particularly well known for its role before being shut down in 2005. The government has seized about US\$200 million in 73 cases of money laundering since 2004, according to officials from the Financial Investigation Unit (FIU).

U Thurein Zaw, FIU senior investigator, said five current suspects will be prosecuted under the old laws, as new rules and regulations are still being drafted.

Agencies such as gold shops and banks are also required to confirm a customer’s identity and report to the FIU when they use more than K100 million at a time, he said.

The FIU is also investigating U Aye Ne Win’s family property and foreign currency after hearing about their plan to purchase shares of Asia Green Development bank from prominent entrepreneur U Tay Za – beginning several months before reports in local media, he said. However, U Thurein Zaw said the organization would issue any more information on it at this time.

FIU police captain U Myint Soe said it is important to figure out who is the ultimate beneficiary of a business, as rich people often hide their profiles.

4.7 AIRBUS HELICOPTERS GET TOURISTS OFF THE GROUND

European aircraft-maker Airbus is looking at Myanmar's burgeoning tourism sector as well as oil and gas as markets for its helicopters, according to Airbus Helicopters Southeast Asia vice president Lionel Sinai-Sinelnikoff.

“Our first target is Myanmar’s rapidly growing oil and gas industry,” he said. “But now we hope that soon there will be a few helicopters for tourism as well.”

Mr Sinai-Sinelnikoff said helicopter rides for tourists could work like Myanmar’s popular hot air balloon services, with guests booking spaces through hotels and travel agencies.

Hot air balloons have only limited abilities, while helicopters offer the possibility of landing en route, and do not rely so heavily on the wind.

The firm is looking to sell its EC225 helicopters, which can fly 200 kilometres (124 miles) per hour and accommodate seven passengers in addition to a pilot, as well as rent its fleet out in collaboration with tourism firms.

Tourism insiders welcomed efforts to increase the offerings for tourists in Myanmar.

Myanmar Airways International general manager Daw Aye Mra Tha said growth in tourism is promising, and plans to introduce helicopter tours would provide a new service for visitors to travel to out-of-the-way places.

“This type of service will benefit not just tourism but also different areas such as health, short business trips or rescues,” she said.

Airbus Helicopters, formerly Eurocopter, is part of large European aerospace firm Airbus Group. It claims a fleet of 12,000 helicopters worldwide in about 150 countries.

Mr Sinai-Sinelnikoff said the firm has a customer Centre in Singapore, while its branch in Bangkok will manage Myanmar until it opens an office in the country.

Meanwhile, earlier this month Yangon Airport received its first private aviation facility, with a joint venture between Thai firm MJets and local partners Wah Wah Group. The joint venture is supported by Myanma Airways and Department of Civil Aviation Myanmar.

4.8 CAR DEALERS MULL IMPORT FINANCE

Commerce Minister U Win Myint has pledged to smooth the complicated system for importing foreign vehicles by allowing new payment methods.

Currently most vehicles are imported to Myanmar using consignment, meaning foreign exporters own the car but send it to a Myanmar broker, who then sells it for a commission usually between five and 10 percent.

However, most other countries use an array of different financing methods, including direct payments for imported vehicles and letters of credit, where the transaction is essentially guaranteed by banks, allowing the seller to ship the cars before receiving payment.

U Win Myint said the current system of consignment imports had been intended to help car traders, but the reality is different. “Traders have to pay twice as much and cars are taking a long time to arrive,” he said.

The ministry is also planning to shorten the turn-around time to approve showrooms from one week to three days, he added.

Importers can apply for licenses in Yangon, but showrooms need approval in Nay Pyi Taw.

Myanmar is one of the only countries relying solely on a consignment system for vehicle imports, which is cumbersome for foreign exporters, said U Soe Tun, president of the Myanmar Automobile Manufacturers and Distributors Association.

Myanmar’s 67 auto import companies face a number of delays, making their products late-to-market, he said.

“The government says they are thinking about local businesspeople, but this system is used nowhere else,” he said. “It’s probably because government officials don’t have first-hand knowledge of buying,” he said.

U Soe Tun said that direct transfers are currently easier than letters of credit, which take seven to 10 days to be approved.

However, a Myanmar Economic Bank official in Nay Pyi Taw said both letter of credit and direct transfers have their advantages. Letters of credit are safer for both sides with the documentation, but direct transfers are easier to follow up on later if there is a problem.

Auto importers say they are uncertain which system – consignment, letter of credit or direct transfer – is the best choice.

U Khant Win from ASE Auto said that after the minister’s remarks he is not sure which system is best.



Yet while consignment ostensibly calls for no payment until the cars are sold, industry insiders say at least 90 percent of sales centers informally pay for the cars before they arrive.

Local sales centers use hundi unofficial remittance to send money to foreign firms, then send the money again officially through the banks when the cars arrive, and the foreign company repays one time using hundi.

Another official at a sales Centre who requested anonymity said most company owners open another company abroad and use to sell the cars, in a bid to get around the 3.5pc tax on consignment imports.

Some businesspeople with Yangon showrooms have opened a company in Singapore and ordered cars from Japan, then export a commodity the other way, making the books balance out in an attempt to avoid taxes.

Myanmar has also signed agreements with several countries on the issue, including Russia, Nepal and Sri Lanka this year, and Indonesia, South Korea and Thailand in previous years.

4.9 RTAD LOOKING TO LIMIT IMPORTS TO LEFT-HAND DRIVE

Left-hand drive cars may soon be the only vehicles allowed to be imported to Myanmar if some government officials get their way.

While the Road Transport Administration Department (RTAD) cannot make a final decision without advice from the Ministry of Commerce and Customs Department, allowing left-hand drive vehicles is more appropriate for Myanmar given vehicle drive on the right, said RTAD director U Moe Myint.

“From the perspective of our departments, left-hand drive makes more sense for our country’s road rules,” he said.

Currently the department restricts imports of buses and mini-buses for public transportation to left-hand drive vehicles, and would like to extend the rules, he said.

The move to left-hand drive vehicles has been a stated government goal, and importers said there have been brief periods where right-hand drive vehicles were not allowed to be imported. Still, car importers said above all they would like clarity about rule changes.

One sales centre owner said RTAD had already warned car importers that a change in rules may be coming.

“We want to know exactly what the department will do for left-hand and right-hand drive cars,” the owner said. “As far as we know, in 2015 RTAD will restrict vehicle imports to left-hand drive cars, but we need confirmation so we have time to prepare.”



Car importers have in the past criticised authorities for frequently changing the rules, claiming to end up being stuck with stock worth far less than they paid to import due to rule changes. In May, Minister of Commerce U Win Myint pledged an end to the rule changes, saying the car import policy would never change.

Myanmar importers often favour Japanese used cars which have the steering wheels on the right side, as the country drives on the right.

At the start of 2014, importers were briefly restricted to left-hand drive only vehicles, though the rule was later rescinded. However, rumors have remained the left-hand drive vehicle import policy will be reinstated.

“On behalf of all colleagues, I want to say that we want to know what’s going to happen in the future,” said U Soe Htun, owner of Farmer Auto and chair of the Myanmar Automobile Manufacturers and Distributors Association (MAMDA).

Foreign investors often want assurances lasting over the next five or ten years for their planning, he said. “If we can’t explain, we face difficulties inviting foreign investment. Even if we can’t predict the next five years, we want to know what’s going to happen in 2015.”

U Soe Htun said any change to left-hand drive only imports will cause problems. MAMDA is planning to collect internal opinions and present them to government officials.

Union of Myanmar Federation of Chambers of Commerce and Industry chair U Win Aung said there needs to be one policy that is effective for the automobile industry in both the short and long term.

“This policy must be in line with Myanmar’s current situation,” he said.