

The United States and Japan:
Assisting Myanmar's Development

Panel I Socio-Economic Conditions in Myanmar
Japanese Businesses and Economic Cooperation

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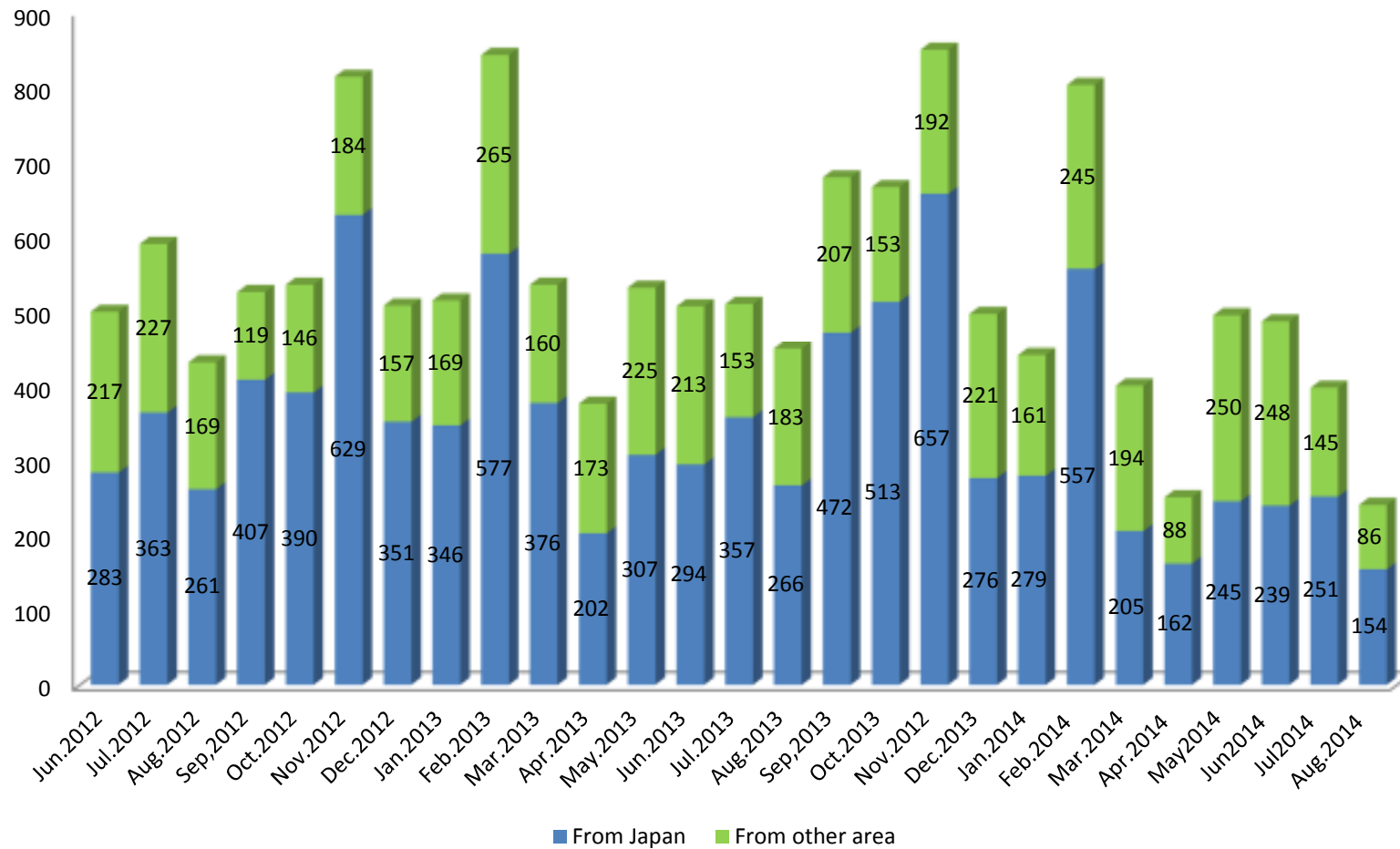
Number of Japanese groups visiting JETRO offices in FY2012

- Yangon had become the most popular city for Japanese business missions in FY 2012.

| 2012 | 2011 | Office | No. of groups | Change 12/11 |
|------|------|---------------|---------------|--------------|
| 1 | (7) | Yangon | 882 | +334% |
| 2 | (1) | Bangkok | 644 | +42% |
| 3 | (2) | Jakarta | 491 | +30% |
| 4 | (3) | Ho Chi Minh | 484 | +29% |
| 5 | (4) | Hanoi | 341 | +16% |
| 6 | (6) | Singapore | 325 | +34% |
| 7 | (4) | Shanghai | 227 | -38% |
| 8 | (9) | Kuala Lumpur | 212 | +30% |
| 9 | (11) | Manila | 193 | +51% |
| 10 | (12) | Phnom Penh | 175 | +43% |
| 11 | (9) | Hong Kong | 173 | +6% |
| 12 | (8) | New Delhi | 145 | -24% |

Visitors to JETRO Yangon by month (June 2012 to August. 2014)

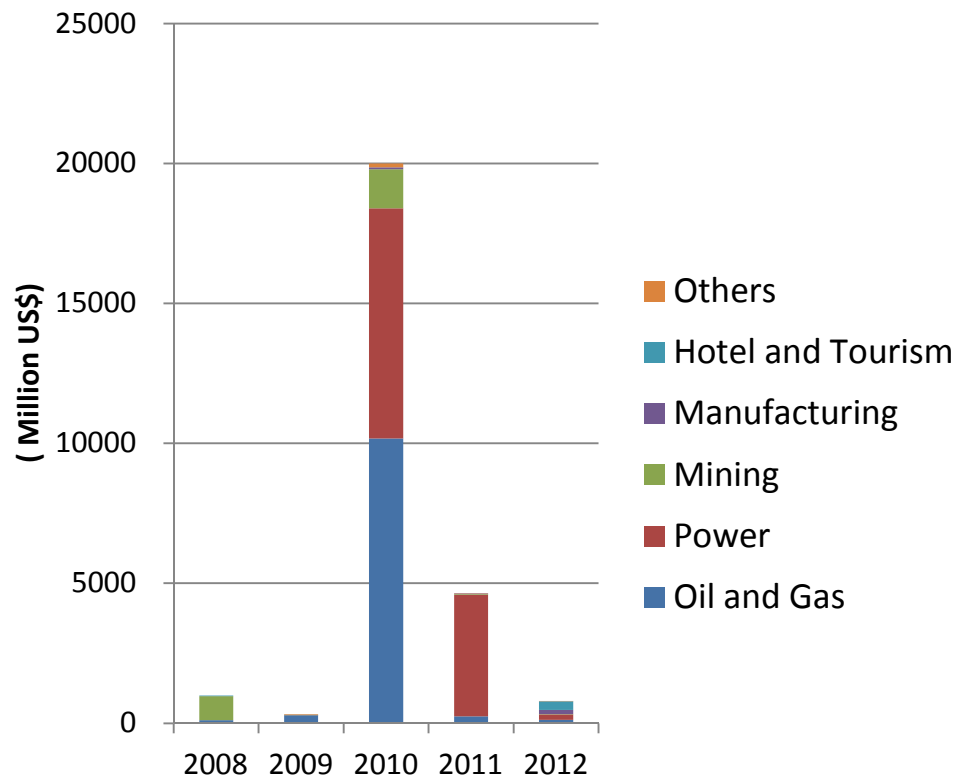
- Yangon still attracts many Japanese business missions now, although the number of visitors are recently becoming a bit smaller.



Recently FDI flows into manufacturing sector.

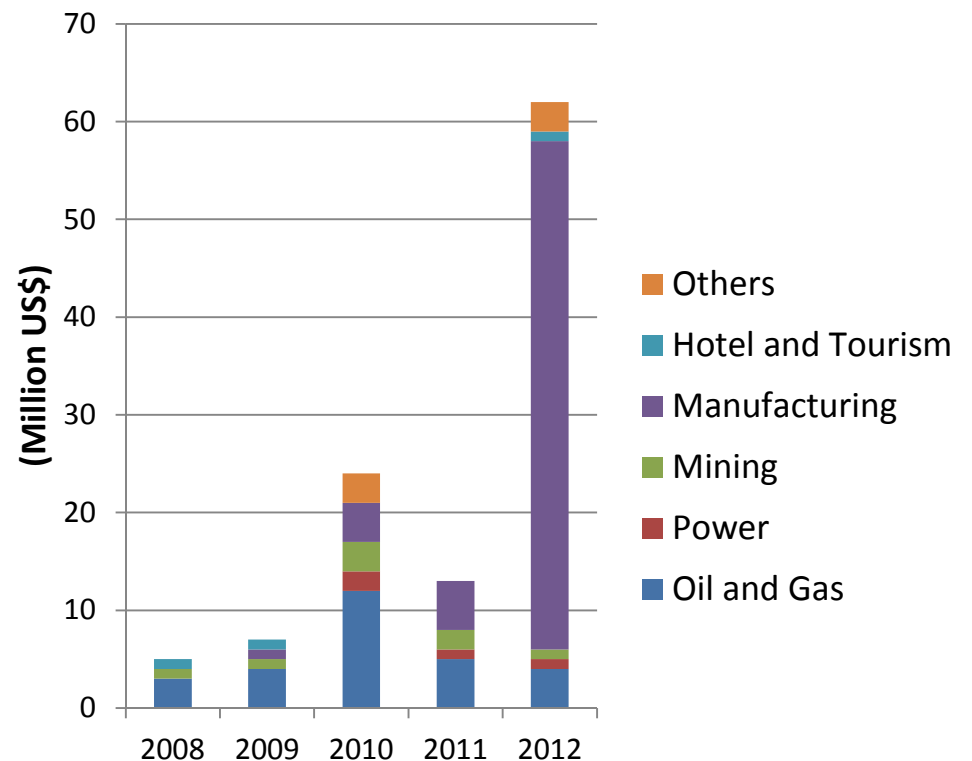
- Most of FDI in Myanmar flowed into energy sector, i.e. hydropower and gas (by neighbors' firms, China in particular) during the military government period.
- The number of FDI in the manufacturing sector substantially increased in FY 2012.
- The new international environment makes FDI-driven and Export-oriented growth strategy possible for Myanmar.

FDI to Myanmar (Approved Value)



(Source) CSO, *Selected Monthly Economic Indicators* (Dec., 2012).

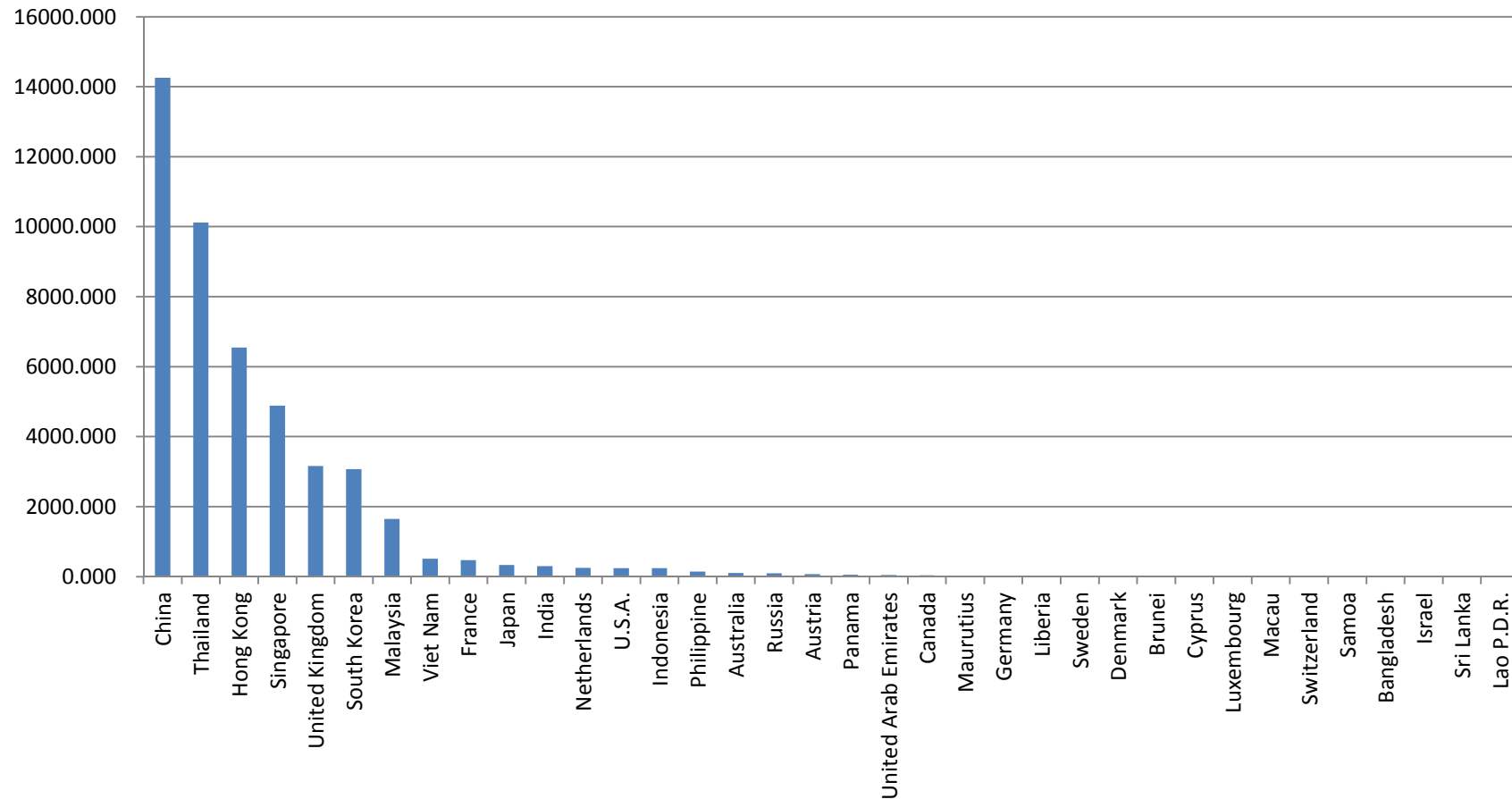
FDI to Myanmar (Approved Numbers)



(Source) CSO, *Selected Monthly Economic Indicators* (Dec., 2012).

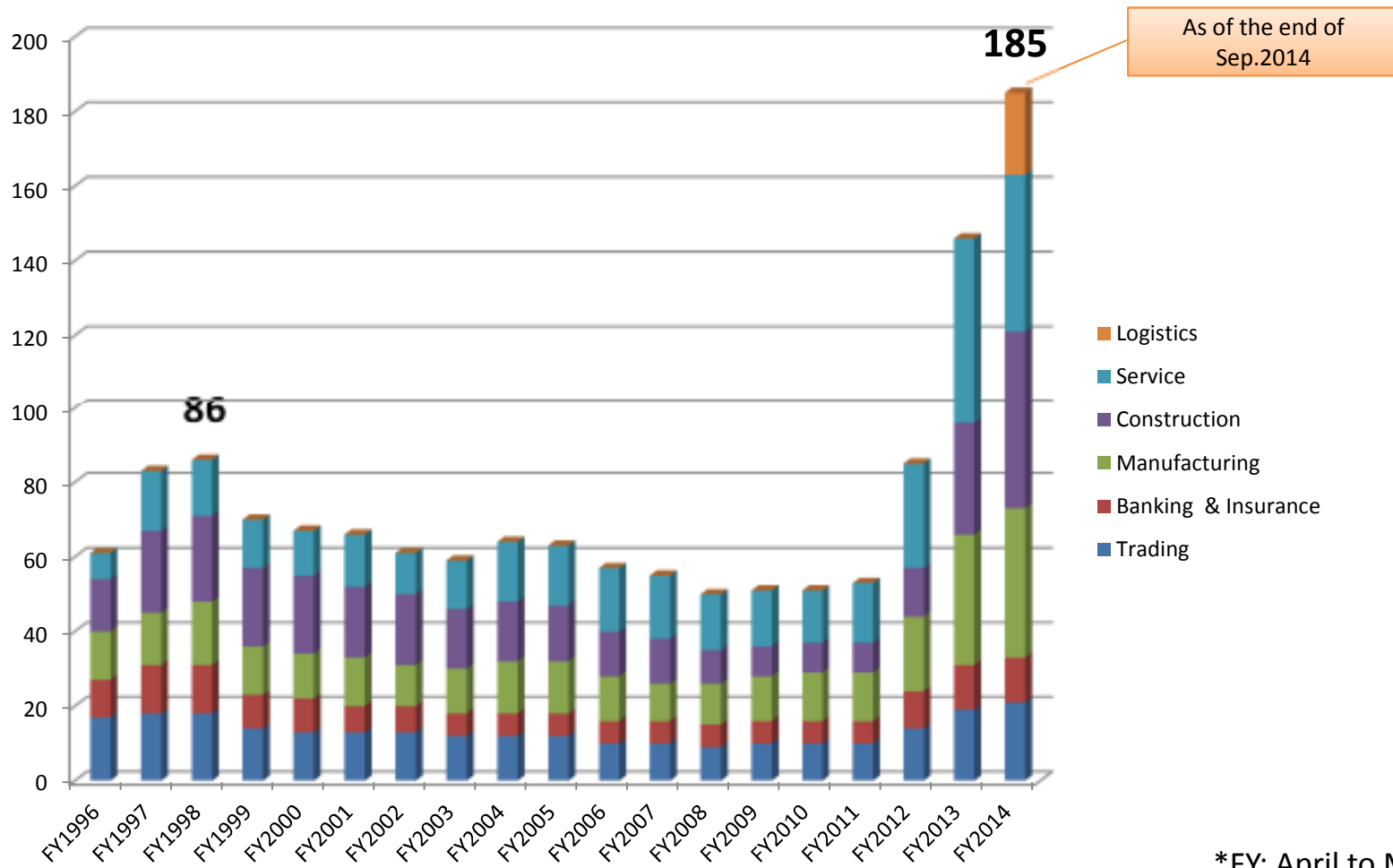
Foreign Investment of Permitted Enterprises as of(30/06/2014)

(By Country) (US\$ in Million)



Source: DICA, Ministry of National Planning and Economic Development, Myanmar

The number of JCCY members (FY1996 ~ FY2014)



*FY: April to March

Source: Japanese Chamber of Commerce & Industry Yangon(JCCY)

Mingaladon Industrial Park

【Location】

- Located in Mingaladon Area
(20 km north from the center of Yangon)
- 24km from Yangon Port
- 15 minutes from Yangon Air Port by car

【Management】 Mingaladon Industrial Park Co. Ltd.
(MIPCL)

【Capital】

| | |
|-----------------------------------|--------|
| Ministry of Construction, Myanmar | 88.89% |
| Kepventure(Singapore) | 11.11% |

【Land Use Plan】 General factories (41 Units)
744,650m²

【Establishment】 Feb.1998

【Infrastructure】

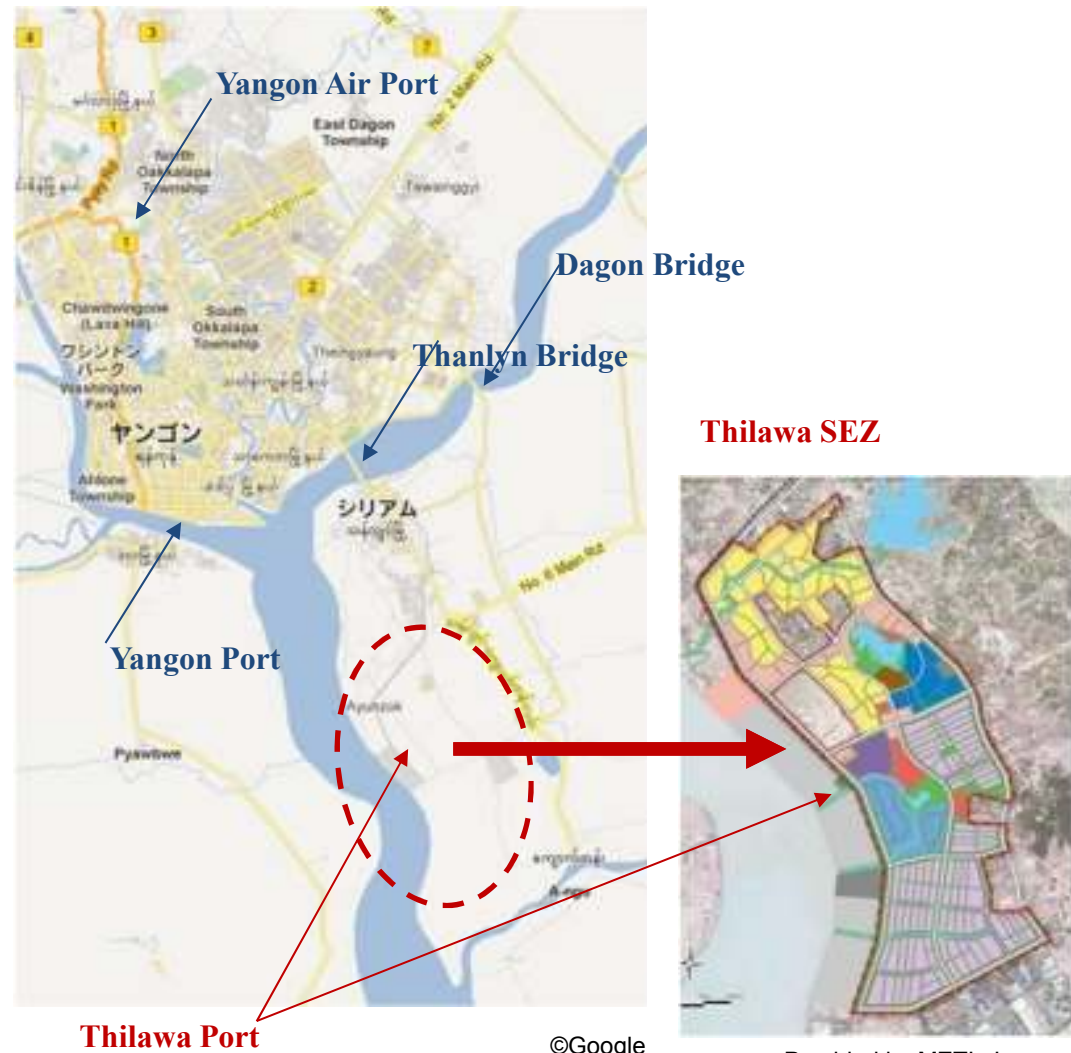
- Electricity : 20MW/33KV
- Water Supply : Total 5,000 m³/day from 15 wells)
- Waste Water Treatment : Total 5,000 m³/day
- Telecom : 300 IDD phones and fax lines
- Roads : Concrete paved (8m width)
- Dyke, Drainage & Regulating Pond: Allows proper drainage and prevents flooding

* Currently 6 Japanese factories exist and 4 are in operation.



Outline of Thilawa SEZ

- Comprehensive project including industrial park, commercial area and residential area by Myanmar and Japanese private sectors. Located 23km south-east of the center of Yangon city.
- Total development area extends to 2,400ha. 420ha(prioritized area)will be developed as 1st phase within 2015.
- Required infrastructure including power plant, water and sewage, communication system etc. are yet to be implemented.
- Supporting infrastructure including roads and bridges are to be implemented in parallel with the development of SEZ by Japanese low-interest loan.
- Thilawa port is in close proximity to SEZ. MITT(Myanmar International Terminal Thilawa) has 5 berths(1,000m) and present 350,000 TEU will be extended to 1,000,000 TEU in future. 24h/day operation.



Japan's ODA in the Socialist period

- Myanmar Ministry of Industry's Sinda Factory stopped the production of Hino heavy duty trucks, which had long been supported by Japanese ODA.



(By the author on April 29, 2014)

China's assistance in the military period

- Myanmar Ministry of Industry's Tonebo Factory recently stopped the production of Grand Tiger.



(by the author on April 28, 2014) 10

India's assistance in the military period

- Myanmar Ministry of Industry's Magway Factory did not even start the substantial production of heavy duty trucks.



(by the author Dec. 27, 2013) 11

- Instead of constructing factories, we are now working with Myanmar government officials on policy formulation for the private sector development including SMEs policy.



(by the author on April 29, 2014)

We visit private factories together with Myanmar government officials in order to observe the reality, and get ideas on promotion measures.



(by the author on April 29, 2014)

Thank you for your attention.
Your comments are most welcome.