

4<sup>th</sup> July, 2018

Issue 3

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## Manufacturing Sector

### MIC greenlighted 3 automobile companies

Source – Automobile Journal

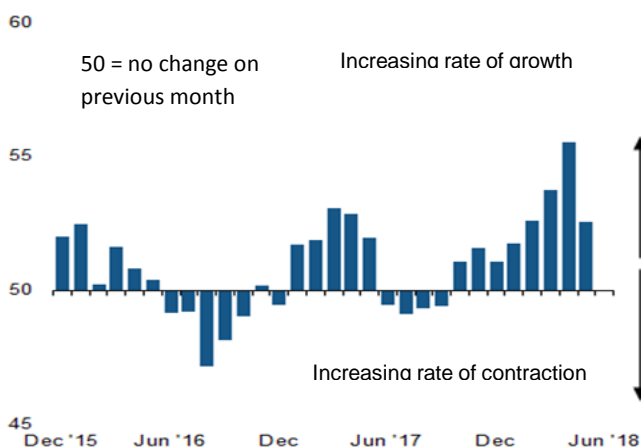
MIC granted permission for 3 foreign investors to engage in automobile sector within this year. The list includes 2 fully foreign investment companies, namely; Daehan Motors Company Limited (Hyundai), Precision Auto Engineering Company Ltd and 1 Joint venture Company called Gold AYA Motors International Group Company Limited.

Shwe Daehan company will manufacture both motorcycles and motorcars under the brand name of Hyundai. Precision Auto Engineering Co Ltd was permitted to set up an automobile assembling and manufacturing plant in Kayin State. The plant will produce two-wheeler, three-wheeler and a four-wheeler eco-car production. China - based Gold AYA Mortar International Group Company started its construction work in Mandalay Myotha Industrial park and expected to commence operation within 7 months. The company will manufacture 7 different types of cars like SUV, MPV, Trucks, Hybrids and has a plan to introduce 10 new Models.

### Myanmar manufacturing PMI indicates unchanged condition in operation in June

Source – IHS Markit

June survey data signalled no change in operating conditions on the previous month across Myanmar's manufacturing sector. Sian Jones, Economist at IHS Markit who compiled the survey, said that this month's data signalled an end to the recent eight month period of expansion across Myanmar's manufacturing sector. Operating conditions were unchanged from May, with output growth slowing. Moreover, new orders contracted for the first time since August 2017. Meanwhile, input prices rose sharply driven by high demand for inputs from China and exchange rate movements. Panellists also stated that adverse weather conditions delayed supplier deliveries further.



#### Key Points:

- PMI dips to 50.0 in June
- Output growth eases to weakest since April 2016
- New orders contract for first time since August 2017



## Trading Sector

### Puma Energy plans to build LPG Distribution in around 2019

Source – Daily Eleven

Singapore-based Puma Energy Company will start distributing *Liquefied Petroleum Gas* (LPG) for cooking in around 2019, according to a press conference at Union Business Centre on June 21. The Company is now conducting a survey on LPG market. It will materialize in around 2019-2020. The company will distribute LPG in different sizes to the market. It is reportedly known that it also plans to extend its footprint in Myanmar by constructing 50 retail gas stations within the next ten years.

In May 2017, Pump Energy opened a new state-of-the-art facility worth \$92 million in Thilawa. It was built to American Petroleum Institute (API) standards, and is the largest refined product import terminal in Myanmar.

## Service Sector

### KBZ bank changes minimum charge for money transferring

Source- KBZ bank

Effective from 1<sup>st</sup> July 2018, iBanking transaction fee will be charged as follow:

Transaction per day	iBanking Transaction fee
Up to 200 million MMK (Corporate)	0.0125% of transfer amount
Above 200 million MMK(Corporate)	0.025% of transfer amount
Maximum 30 million MMK (Retail)	0.025% of transfer amount (min 500 MMK)

The bank informed that there will be a charge for money transfer with the minimum of 500 MMK. The commission rate will stay the same, with only minimum charges increasing.

## Upcoming events

### Myanmar Block chain Forum 2018

Date: 14<sup>th</sup> July

Organizer: Pwel King Event

Contact: +959 773 668 613, +959 065 624 333

### New Companies Law Seminar

Date: 21<sup>st</sup> July

Organizer: Lincoln Legal Services

Contact: [sebastian@lincolnmyanmar.com](mailto:sebastian@lincolnmyanmar.com)

[nyeinchanzaw@lincolnmyanmar.com](mailto:nyeinchanzaw@lincolnmyanmar.com)

### Myanmar International Tourism Expo 2018

Date: 20<sup>th</sup> – 22<sup>nd</sup> July

Organizer: ICVeX

Contact: [info@icvex.com](mailto:info@icvex.com)

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## Government approves seven new express delivery providers

Source- Myanmar Times

The government has officially granted permission to a total of seven new registered express delivery providers to carry out operations in the country. Those delivery service providers will provide postal and parcel express delivery services both domestically and internationally and will be managed by the Ministry of Transport and Communications.

RG Express Services Co, Myanmar Zarla Distribution Co, First Courier Service Co, Hercules Logistics Co and UMG Logistics Co are permitted to provide delivery services domestically.

Meanwhile, RG Express Services, together with Door Asia Cargo Services, will extend their offerings overseas.

In the past, only State-owned enterprises such as Myanmar Post had been permitted to provide postal and delivery services in the country under the law. Private firms were first allowed into the sector in 2013.

## Korean investors eyes Retail Market

Source- Daily Eleven

It is reportedly known from Myanmar- Korea Investment Seminar that Korean investors prefer to invest in Myanmar Retail Market.

In Yangon, available retail space with high standard facilities is now amounted to over 320,000 square meters, according to Collier First Quarter Market Report. Occupancy rate hits around 90%. Average rental rate for 1 square meter of retail space is around USD 32 at the moment and it is likely to climb 4 to 5% in coming 2 to 3 years owing to the rising demand. Shopping malls in Yangon city are comprised by clothing stores with 55%, food and beverages with 18%, special stores with 9%, healthcare and aesthetic centers with 7% and others with 11%.

## Construction Sector

### Mottama Holdings announce US \$ 1 billion in new projects

Source – Myanmar Times

Mottama Holdings Limited, a Yangon-based company, has nine major projects in the pipeline, valued at US\$1 billion and expected to be all completed by 2022, according to the company's announcement on June 15. Mottama's nine projects cover residential apartments, office towers, shopping malls and public recreational centers.

There are four projects carried out with international partners: M Tower on Pyay Road, Min Residences on Mindhama Road, Mottama Centre and affordable housing project M Green Apartment in Yangon's Mingaladon township. The remaining five projects are domestic partnerships: an aquarium inside Kandawgyi Park, Harbour Trade Tower on Strand Road, HL tower on Pyay Road, Bonnamy Tower on Kyaik Wine Pagoda Road and Mottama Business Tower on Mindhama Road.



### No.3 Thanlyin Bridge to build in November

Source- Eleven Media

Transport authorities are planning to build US\$323 million worth No.3 Thanlyin Bridge in November and expected to finish in March 2021, according to Ministry of Construction. The intention to build the bridge is to ease traffic jam between Thilawa SEZ and other SEZs in Yangon and to attract foreign investments. The bridge will connect between Thanlyin and Thaketa townships by crossing Bago River. It is located about 125 kilometers away from No.1 Thanlyin Bridge.

The main bridge is 1,224 meters in length and overall length is 1,928 meters in length including road approaching the bridge. It will build with steel box girder and the base will build with steel pipe sheet pile. It can bear up to 75 tons of weight.

The design of the bridge is drafted by Japan and Myanmar engineers will build it under the supervision of Japan. It will be built with a US\$282 million loan from Japan International Cooperation Agency (JICA). It will facilitate transportation access for locals in Thanlyin, Kyauktan, Kayan and Thongwa townships.

### New Yangon Development Plan presented

Source- MMRD

New Yangon Development Company Limited is now putting effort to implement NYDC Town hall plan with the objective of creating economic growth, homes and 2 million jobs. The 20,000-acre project is being planned to build on the west of the Yangon River and south of the Panhlaing River to the river mouth. The company is fully owned by the Yangon Region Government.

Some US\$1.5 billion will be needed to execute for the 1<sup>st</sup> phase of this plan, and the Yangon Region government will provide a capital of \$7 million. It will need US\$ 5 billion for the whole project to complete.

NYDC has adopted the global model of Swiss Challenge, but they faced the criticisms of non-transparency and unfair in the selection process. Hong Kong Listed Company- China Communications Construction Company Ltd (CCCC) is selected to submit to Pre Projects Document which includes technical specifications, financial proposal, and business mode for being the reputable brand construction enterprise and financial capabilities to invest new city with the similar previous experience projects. Any qualified company will be challenged CCCC with better terms of tender assessment criteria. According to Mr. Serge Pan, Vice Chairman and CEO of NYDC, "they will only consider the cost comparisons with the similar way due to time savings and efficiency". For those who consider making investment in this new project, he guarantees IRR (Internal Rate of Return) 13%.

At the moment, responsible persons for this project emphasize mainly on the basic infrastructure as the first priority since most of Yangon residents are worried about supply of electricity, water utilization, power plant and transmission lines enough for old city and new city and especially overcrowded in Yangon due to new city's residents.



## **Korea-Myanmar friendship bridge (Dala) project to start construction work**

**Source- Myanma Alin**

Korea-Myanmar friendship bridge (Dala Bridge) is now being redesigned to meet bridge clearance criteria and expected to start construction work at the end of this year. It will link Phone Gyi Street in Lanmadaw township on Yangon side to Bo Min Young Street on the other side of the river (Dala Township).

The Myanmar Port Authority (MPA) negotiated with the Ministry of Construction over the new design of the Bridge to alter the clearance 54 meters instead of 49 and to place the bridge's two piers closer to each shore, aiming for ships to pass easily under the bridge.

The Bridge is estimated to cost \$168.173 million and the Korea Economic Development Cooperation Fund will provide EDCF loan of \$137.833 million. It will take 5 years to complete construction work and maximum allowable vehicle weight for this bridge is 75 tons.

## **Legislation**

### **Government abolishes 2% of withholding tax on domestic payment**

**Source- Myanmar Times**

The Ministry of Planning and Finance released its latest notification (47/2018) on withholding tax, which replaces notification (51/2017) released on May 22, 2017.

Effective July 1, an existing 2% withholding tax will be abolished on residents for payments involving cooperative business with the government, partnerships, joint ventures, companies, registered associations or organisations, cooperative societies, foreign companies, foreign enterprises involved in the purchase of goods and for work performed or services rendered within the country under a contract. Local small and medium enterprises and companies will also be exempt from paying the 2% withholding tax.

However, Payments by state organisations and enterprises for the purchase of goods and supply of services within the country under a contract will still be subject to a 2pc withholding tax. Non-residents will continue to pay withholding taxes at 2.5%.

Residents will be exempt from paying withholding taxes on interest on loans, while non-residents must pay 15%. Regarding royalties for the use of licenses, trademarks and patents, 10 pc of withholding tax will be levied on residents, while non-residents must pay 15%.

### **Announcement for re-registration of all registered companies and entities on 1<sup>st</sup> August**

**Source- Global New Light of Myanmar**

The Myanmar Companies Online (MyCO) registry system will commence service on 1st August 2018 with the enforcement of the Myanmar Companies law 2017. All registered Companies and other entities under the Myanmar Companies Act 1914 and Special Company Act 1950 will be required to re-register on (MyCO) registry starting from 1st August 2018 to 31st January 2019 during the 6 months re-registration period. Re-



registration can be completed electronically online or in person at the offices of the Directorate of Investment and Company Administration, using the prescribed forms for reregistration without any fees.

## **Economy**

### **Dollar gains against kyat**

**Source –Global New Light of Myanmar**

The Myanmar kyat has been depreciating against the US dollar in recent days. Starting from the middle of January, the dollar to kyat interbank exchange rate in Myanmar's currency market dropped to Ks1,322. The exchange rate fluctuated around Ks1,327 from January to April, and the highest rate was recorded at Ks1,331 during that period. The rate went up above Ks1,340 per dollar in May, and it reached above Ks1,350 in mid-June, hitting the highest point of Ks1,405 per dollar on 29 June.

According to U Than Lwin, a senior consultant at the Kanbawza bank, the increase in the dollar exchange rate might be attributed to the global political and economic climate. There is no significant rise in border trade, and the demand for US dollars has decreased.

### **Over \$50 million grant aid from Japan for financial market infrastructures**

**Source- Global New Light of Myanmar**

U Set Aung, Deputy Minister for Ministry of Planning and Finance, and Mr. Ichiro Maruyama, Ambassador extraordinary and plenipotentiary of Japan to Myanmar, exchanged notes concerning the grant aid for the project for the development of financial market infrastructures, worth 5,549 million Japanese yen (approximately US \$50.5 million) in Nay Pyi Taw on 14<sup>th</sup> June. The project aims to enhance the functions of CBM-NET, which was introduced in January 2016; thereby, adapting to the changes of the environment surrounding financial infrastructure. The enhanced CBM-NET is expected to contribute to strengthening the Myanmar economy further.

### **New national agriculture strategy to drive growth, if properly implemented**

**Source – Myanmar Times**

Building on the 2016 Agricultural Development Policy, MOALI, with the support of the Agricultural and Rural Development Coordination Group, drafted the five-year Agriculture Development Strategy with a corresponding investment plan. The aim of the ADS is to identify the investment priorities of the sector over the short, medium and long term.

The strategy also aims to accelerate growth in the sector through governance, productivity and competitiveness, driven by close cooperation between the government, farmers and businesses. Ideally, the strategy will promote inclusiveness, sustainability and resilience to climate change as well as development of the role of the private sector and farmers' organisations in generating growth within the agriculture space.

Suggestions on improving connectivity to market infrastructure, information and communication technology infrastructure and power infrastructure are also included.





## Tender

### Invitation for Bids

<b>Date-</b>	22 June 2018
<b>Loan No and Title</b>	3477-MYA; Irrigated Agriculture Inclusive Development Project ( IAIDP )
<b>No and Title</b>	IAIDP/Package 01; Rehabilitation of the Chaung Magyi Irrigation System
<b>Death Line</b>	7 August 2018 / 10:00 AM ( Myanmar Standard Time )

1. The Republic of the Union of Myanmar has received financing from the Asian Development Bank (ADB) toward the cost of IAIDP. Part of this financing will be used for payments under the contract indicated above. Bidding is open to Bidders from eligible source countries of the ADB.
2. The **Irrigation and Water Utilization Management Department (IWUMD**, “the Employer”) invites sealed bids from eligible Bidders for the **Rehabilitation of the Chaung Magyi Irrigation System** (“the Works”). The Works mainly include site investigations; remodeling of two main canals, distributary canals and minor canals; lining of canals; raising & strengthening of canal embankments; construction of drop and check-drop structures, head regulators, check structures, cross drainage culverts, reinforced concrete bridges, pipe outlets; replacement of flumes; rehab of bridges; & dismantle existing structures .
3. **International competitive bidding (ICB)** will be conducted in accordance with ADB’s [Single-Stage: Two-Envelope](#) bidding procedure and is open to all Bidders from eligible countries as described in the Bidding Document (BD). Bidder/s must satisfy evaluation & qualification criteria in section 3 of the BD, including the following; Participation in at least two contracts that have been successfully or substantially completed within the last five years and that are similar to the proposed works, where the value of the Bidder’s participation exceeds US\$ 4m (four million). The similarity of the Bidder’s participation shall be based on the physical size, nature of works, complexity, methods, technology or other characteristics as described in Section 6, Employer’s Requirements. (***For the complete eligibility and qualification requirements, Bidders must refer to BD*** ) .
4. For further information and to obtain a soft copy of the Bidding Document free of charge, bidders should submit their requests to any two of the following Contacts persons: U Tint Lwin, Director of Procurement- IWUMD, Ministry of Agriculture, Livestock and Irrigation (MOALI), Building No. 43, (IWUMD), Naypyitaw, Myanmar, Telephone: Facsimile number: 095-67-410102, 410509,
  - ✓ E-mail address: [tlwin4.irr@gmail.com](mailto:tlwin4.irr@gmail.com)
  - ✓ U Khin Zaw, Project Director ,IAIDP,Telephone; 09 2201984, E mail; [ukhinzaw1984@gmail.com](mailto:ukhinzaw1984@gmail.com)
  - ✓ U Maung Zaw, Project Manager, PMU, Telephone; 09 5143953, E mail; [maungzawkpg@gmail.com](mailto:maungzawkpg@gmail.com)
  - ✓ U Saw Win, National Procurement Specialist, Telephone; 09 256504116, E mail; [sawwin2912@gmail.com](mailto:sawwin2912@gmail.com).



5. A Pre-Bid Meeting will take place on 17 July 2018, 10:00AM (Myanmar time), at Conference Room of Deputy Director-General (Lower Myanmar), Bldg No.15, IWUMD Compound, MOALI, Naypitaw, Myanmar
6. Site visits will be allowed during the period 9 to 13 July 2018 (when IWUMD staff may be present at the site), but any other time may be accepted. If a Bidder plans to visit the Site, an access permit shall be secured from the Employer. To secure a permit, the Bidder should send a request to U Khin Zaw < Project Director (No.2 above) with contact address indicated above together with the following: (a) Copy of passport of Bidder's representative, (b) his/her position in the company, and (c) planned date & time of site visit.
7. The Bidder should send the request for an access permit together with the abovementioned documents, at least one week before the proposed site visit. Maximum of three representatives from each Bidder will be allowed to visit the site.
8. For those attending the Pre-Bid Meeting, the bidder or its authorized representative should have his/her memory stick or USB for the soft copy of the Bidding Document. No liability will be accepted for any potential bidder's non-receipt or loss of the document.
9. Bids should be delivered / submitted to: U Tint Lwin , Director of Procurement at the address given above in Paragraph 4(1), on or before the deadline of 7 August 2018, 10:00 AM (Myanmar local time), together with a Bid Security as described in the BD. Bids will be opened immediately after bid submission deadline (at same address) in presence of Bidders' representatives choosing to attend. Late bids will be rejected.
10. When comparing Bids, ADB's Domestic Preference Scheme will not be applied in accordance with the provisions stipulated in the Bidding Document.
11. If interested bidders can see and search in ADB website and IWUMD website.

**Source – Global New Light of Myanmar**



## Invitation for Proposal

**INVITATION FOR TECHNICAL AND FINANCIAL PROPOSALS**  
**THE DEPARTMENT OF RURAL DEVELOPMENT**  
Ministry of Agriculture, Livestock and Irrigation  
China-aided Pilot Project of Poverty Reduction Cooperation in Myanmar  
**CONSULTING FIRM FOR PROJECT BASELINE SURVEY AND M & E**

The Department of Rural Development (DRD) of the Ministry of Agriculture, Livestock and Irrigation as implementation agency (IA) of Myanmar, is jointly implementing the China-aided Pilot Project of Poverty Reduction Cooperation in Myanmar with the grant provided by the Chinese Government. The project aims to share China's successful experiences in poverty reduction and to enhance cooperation and exchange in poverty reduction and rural development between China and Myanmar by conducting poverty alleviation activities in two rural villages in the Nay Pyi Taw territory.

The Joint Project Management Office (JPMO) intends to apply part of the financing to recruit a qualified local Consulting Firm or Chinese Consulting Firm with branches in Myanmar to provide the services for project baseline survey and M&E in the two project villages and the two comparative villages.

The services shall include baseline survey in 2018 and comprehensive M&E works for the villages for 3 years starting from 2018 to 2020. The assignment is expected to start in July 2018. The TOR including detailed tasks and deliverables to be provided under the services can be obtained through the address mentioned hereunder.

The Joint Project Management Office (JPMO) now invites eligible Firms/ Companies/ NGOs to submit the technical and financial proposals. The Proposals must be submitted in scanned/PDF version or in sealed envelope by person to the address below by **16:00 PM Wednesday 4 July 2018**.

Attn:

\_\_\_\_\_  
U Ye Khaung, Deputy Director Joint Project Management Office (JPMO), Department of Rural Development,

Oce No.36, Nay Pyi Taw. Tel: +95-67418619 Fax: (+95-67418617) E-mail:  
chinamyanmarjpmo@gmail.com

Source – Global New Light of Myanmar

