

Philipp Dera, Volker Friedrich

Myanmar - The Last Investment Frontier in Southeast Asia Recent Political & Economic Developments

GBP International Country Study

EXECUTIVE SUMMARY

Prepared by **GBP International**
June 2012
www.gbp-international.com

© 2012 GBP International Sdn. Bhd,



TABLE OF CONTENTS

P4 INTRODUCTION

P5 POLITICAL OVERVIEW

P6 THE GEOSTRATEGIC PERSPECTIVE

P7 THE REFORM PROCESS

P7 POLITICAL RECONCILIATION

P8 THE BY-ELECTIONS

P8 THE LEGISLATION

P9 FREEDOM OF EXPRESSION

P10 ECONOMIC DEVELOPMENT

P11 ECONOMIC REFORMS

P12 ENERGY SECTOR

P14 EXCHANGE RATE

P15 FOREIGN INVESTMENTS

P16 TOURISM

P17 TELECOM MARKET

P18 HIGHLIGHTS OF SELECTED LOCAL ENERGY PROJECTS

P18 THE DAWEI DEVELOPMENT PROJECT

P20 SHWE NATURAL GAS & OIL PIPELINE PROJECTS

P22 MYITSONE DAM PROJECT

P23 COMPARATIVE FACT SHEET

P24 OUTLOOK

P26 ABOUT GBP INTERNATIONAL

P27 AUTHORS

P28 APPENDIX

P28 SOURCES

P30 LIST OF ABBREVIATIONS

P31 MAP OF MYANMAR

© 2012 GBP International Sdn. Bhd.
All rights reserved.

Project Director: Volker Friedrich
Lead Analyst: Philipp Dera
Consultant: Michael Lause
Consultant: Jonathan Theis

GBP International (European HQ)
Moosdorfstr. 7-9
12435 Berlin
Germany

Phone: +49 30 93624739
Fax: +49 30 53699801

GBP International Sdn Bhd (Asian HQ)
UOA Centre 19-9-6, 19 Jalan Pinang
50450 Kuala Lumpur
Malaysia

Phone: +60 3 2162 8545
Fax: +60 3 2162 8546

GBP International (Myanmar)
No. 10 Hnin-Si street
Thin-Gan-Gyun Tshp.
Yangon, Myanmar

Phone: +95 1 570 350
Mobile: +95 9 4310 6739

To get a complete copy of this report, please send an Email to
info@gbp-international.com

info@gbp-international.com
www.gbp-international.com

Dramatic and unexpected political developments have pushed Myanmar into the lime light of the international media.

Its opening is politically and economically significant due to its geostrategic location, which will potentially shift the region's trade routes.

Myanmar's strategic location and its wealth of natural resources offers advantages few other countries have.

Despite the remarkable reform process, significant challenges will remain.

Overall, political reforms are being initiated from "above" and many critical topics, such as corruption, civil war, military dominance and government mismanagement have yet to be addressed.

To get a complete copy of this report, please send an Email to:

info@gbp-international.com

EXECUTIVE SUMMARY

Myanmar is arguably the last economic frontier in Asia.

For decades, the country's economy was outperformed by its neighbours. Recent political developments have pushed Myanmar onto the path of the 21st century. What sets Myanmar apart from other underdeveloped nations in Asia is the fact that the country is rich in resources such as vast oil and gas reserves, hydropower, minerals and timber, located mainly in the ethnic minority regions. Myanmar also has a large, relatively young population representing potential domestic demand and competitive labour structures.

While Myanmar offers considerable investment opportunities, significant challenges will remain in the short and medium term. On the other hand, long-term investors might find attractive rewards for taking conscious risks. Investors need to monitor the market very carefully and need a reliable source of information on investment policies, in order to take advantage of the unique opportunities that the transformation process permits.

The Myanmar Country Study, conducted by GBP International, examines the significant political and economical transformation process now taking place in Myanmar.

This initial report is designed to provide perspectives on the recent developments, the current reforms and the opportunities and challenges resulting for foreign companies and investors. The study draws upon qualitative interviews with senior representatives of leading local companies as well as on a survey of leading European companies about their engagement in Myanmar. The quantitative and qualitative findings were combined with external intelligence to provide insight into the current economical developments in Myanmar. Most importantly, the study examines real opportunities and challenges that are being faced by foreign companies when entering the local market.

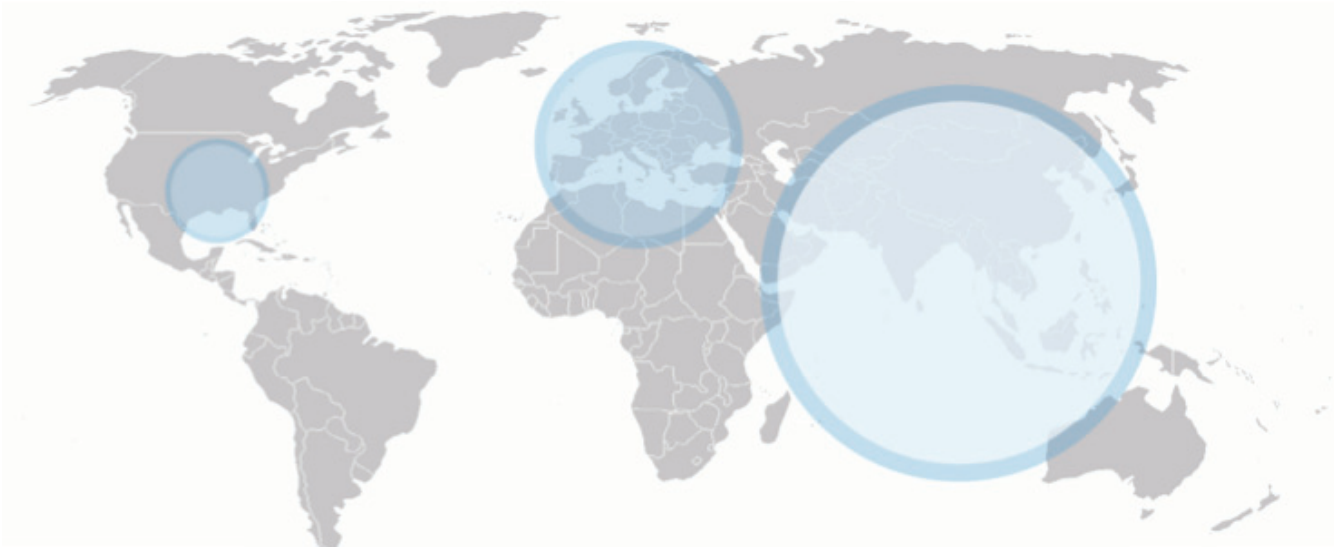
By consolidating our long-standing experiences in Asia-Pacific, GBP International seeks to provide a valuable resource for companies and investors that are intending to position themselves and take advantage of the opportunities now emerging in Myanmar. GBP International has spent years developing contacts in Myanmar and has identified investment opportunities, especially in the industry and tourism sector.

To receive further informations on specific investment opportunities in Myanmar, please contact us directly.

To get a complete copy of this report, please send an Email to info@gbp-international.com



www.gbp-international.com



GBP International is an independent consulting company based in Asia and Europe. With local and international experts in offices across China, India, Southeast Asia and Europe we have successful operations in all major Asian and European markets.

The Myanmar market is a corner stone of GBP International's expansion in Asia-Pacific. With the foundation of the Myanmar German Business Association (MGBA) in 2011 and the establishing of its Myanmar office in Yangon, GBP International is dedicated to foster the cultural and economic relations between Myanmar and Europe, working extensively with both, Myanmar and international companies.

GBP International (European HQ)
Moosdorfstr. 7-9
12435 Berlin
Germany

Phone: +49 30 93624739
Fax: +49 30 53699801

GBP International Sdn Bhd (Asian HQ)
UOA Centre 19-9-6, 19 Jalan Pinang
50450 Kuala Lumpur
Malaysia

Phone: +60 3 2162 8545
Fax: +60 3 2162 8546

GBP International (Myanmar)
No. 10 Hnin-Si street
Thin-Gan-Gyun Tshp.
Yangon, Myanmar

Phone: +95 1 570 350
Mobile: +95 9 4310 6739