

2nd ASEAN-OECD IPR Review

ASEAN Sec, Indonesia, 10-11 December 2014

Excellencies, Distinguished guests, Ladies and gentlemen,

Mingalar bar!

On behalf of Ministry of National Planning and Economic Development, I would like to say thank you OECD and ASEAN Sec for giving me a chance to share Myanmar's experience on IPR review. As a developing country, for Myanmar, Investment is a cornerstone to stimulate economic development, and attracting international investment and diversifying the sources and sectors.

Thanks to the Australia and New Zealand for their support for IPR Review under the ASEAN-Australia-New Zealand FTA Economic Cooperation Support Programme, as well as to the OECD and the ASEAN Secretariat, Myanmar successfully launched comprehensive review including a special focus on investment in agriculture in early 2014.

It was the first international project on investment policy that Myanmar had undertaken in the new government.

All of you noted that the Myanmar government has embarked on an ambitious path of political, economic and social reforms aiming for broad-based economic development and growth.

To create a modern and open economy, Myanmar has had to reform many of her laws and regulations and also continuing its reform process

to be in line with the changing environment. The Investment Policy Review described many of those reforms, notably the Foreign Investment Law of 2012 and its implementing regulations, which are regulatory framework for foreign investment.

To achieve the comprehensive nature of the project, the review process was involved by cross-government task force of 17 agencies, many different stakeholders, including the private sector, civil society and international cooperating partners.

The process of undertaking was helpful for us by building capacity, bringing different ministries together, sharing good practice from other parts of the world, including from our friends of ASEAN. We have also benefitted greatly from numerous trainings and regional seminars organised by OECD and ASEAN based on the Policy Framework for Investment. These have provided our officials with crucial lessons from other countries on how to make investment policy reform happen and how to promote more and better investment.

The review allows us to take advantage of OECD diagnosis and benchmarking to support Myanmar's ambitious reform programme.

Its recommending areas where we could do more to create a suitable climate for investment indicated future measures including in promoting responsible investment.

It also provides access to recommendations based on good practices in investment policy making and implementation.

We understand that we need to continue to streamline procedures for approving investment while also minimizing policy uncertainty. We need to review the many sectoral restrictions on foreign investment

over time and gradually to align our investment regulations with those in other countries.

At the same time, we need to improve our framework for promoting investment, such as through the one-stop shops but we recognise that we still have much more to do. The OECD recommendations provide a roadmap for reforms.

Thanks to this cooperation and the many workshops with the OECD, we understand better how we can move forward with reforms to improve the investment environment in Myanmar. There are 82 recommendations for Myanmar. If I would choose the part of investment facilitation and promotion, among others, especially, the review highlighted the good practices for screening and pointed out to narrow the scope of screening to only the most important sectors and largest investments where Myanmar is operating with long entry process. Moreover, it indicates that restrictions on FDI are also extensive and most restrictions relate to joint venture requirements.

As a follow-up or based on recommendations of OECD, MIC reviewed the economic activities and issued the revised Classification of Types of Economic Activities, and Economic Activities which required Environmental Impact Assessment, and which are not required to grant exemption and relief from tax on 14th August 2014 to be more transparent in doing business in Myanmar.

MIC, playing the leading role for ease of doing business in Myanmar, was reformed on 29th May 2014 by comprising 13 members. DICA was restructured and recruited more staff for improving the functions of MIC and DICA itself. In addition to Nay Pyi Taw branch office, new branch offices were opened in Mandalay, Taunggyi and Mawlamyine to

provide investment related information and facilitate company registration.

Directorate of Investment and Company Administration (DICA) is initiating for combining of the Foreign Investment Law and the Myanmar Citizens Investment Law into a more comprehensive law with the cooperation of International Finance Cooperation (IFC). At the same time, DICA is drafting the Myanmar Companies Act which was enacted 100 years ago and out of step with today's operating environment. With ADB technical and financial assistance, modifications are underway to align its provisions with the current economic environment and comply with international standards. The aim is to finalize those drafts in the year of 2015.

Let me conclude by thanking Australia and New Zealand again, as well as the experts from the OECD. This Review provides much food for thought and Myanmar is study the recommendations carefully. Myanmar welcomes assistance by the international community in implementing these many recommendations, as well as other measures to assist us on the path to an open economy.

Thank you for your attention!