

SOUTHEAST ASIA MYANMAR



Southeast Asia



Quick Overview of ASEAN Region



- Established in 1967, the **Association of Southeast Asian Nations (ASEAN)** aims to accelerate economic growth, social progress and cultural development in the region and to promote regional peace and stability.
- The ASEAN Chapter** provides a legal and institutional framework to support regional integration.
- In 2010, ASEAN Trade in Goods Agreement (ATIGA) entered into force, upon the notification of the ratification of all ASEAN Member States.



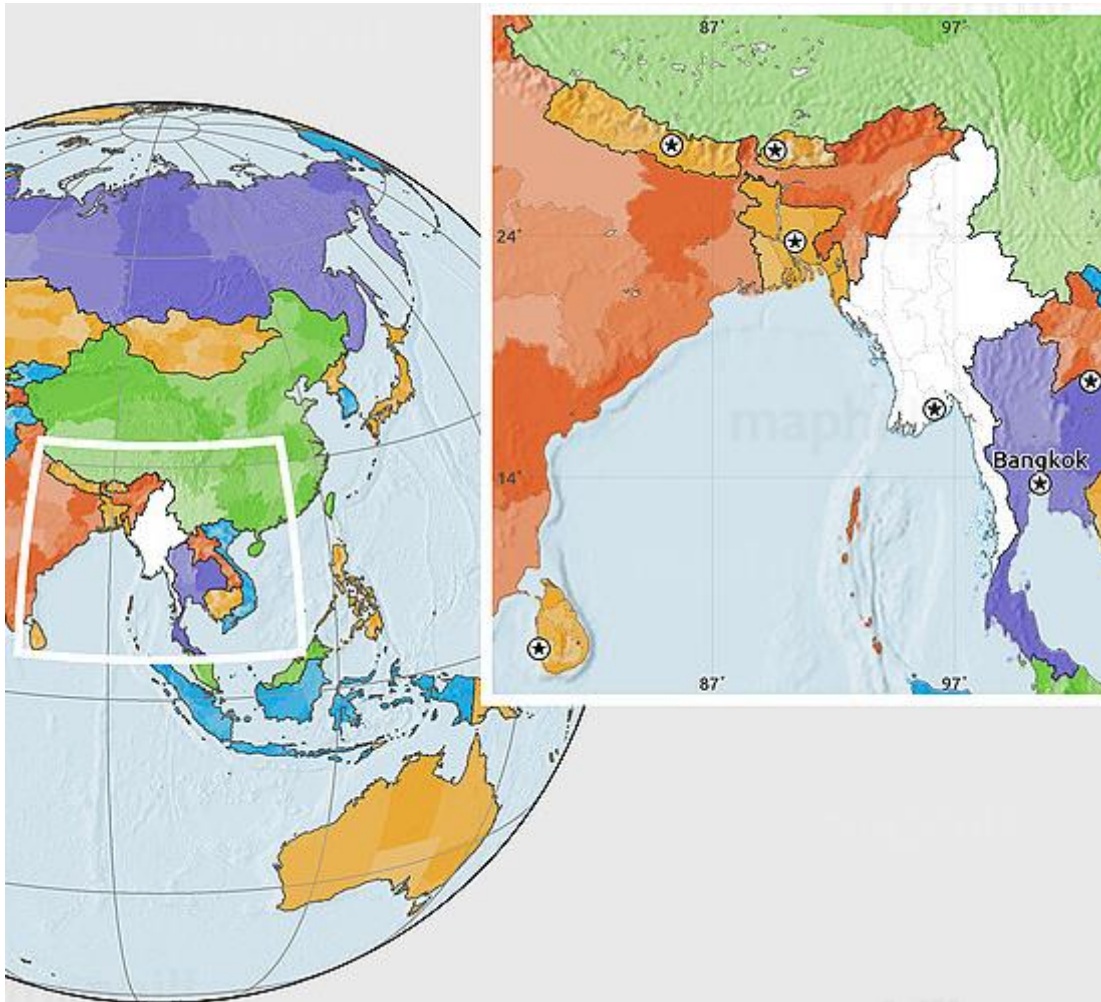
ASEAN BY Population		GDP/cap*
Indonesia	261.1 million	3'605
Philippines	103.3 million	2'906
Vietnam	92.7 million	2'111
Thailand	68.8 million	5'907
Myanmar	52- 61 million	1.262
Malaysia	31.1 million	9,420
Cambodia	15.7 million	1'269
Laos PDR	6.7 million	2'220
Singapore	5.6 million	52'920
Brunei Darussalam	0.4 million	26'958

*GDP per capita prices in USD
 *Source: www.asean.org

ASEAN is gaining considerably in importance as a trade bloc and is now the third largest in the world after the European Union and the North American Free Trade Agreement.

Population	> 630 million
Collective GDP	USD 2.5 trillion or CHF 2.3 trillion <i>11th largest integrated economy and 3rd largest in Asia</i>
Land Area	4.44 million km2
Headquarters	Jakarta <i>Secretary General: H.E. Le Luong Minh (till 2017)</i>

Myanmar



Area: 676'578km²

Economic growth: 6.3%
next year >7%

Capital: Naypyidaw

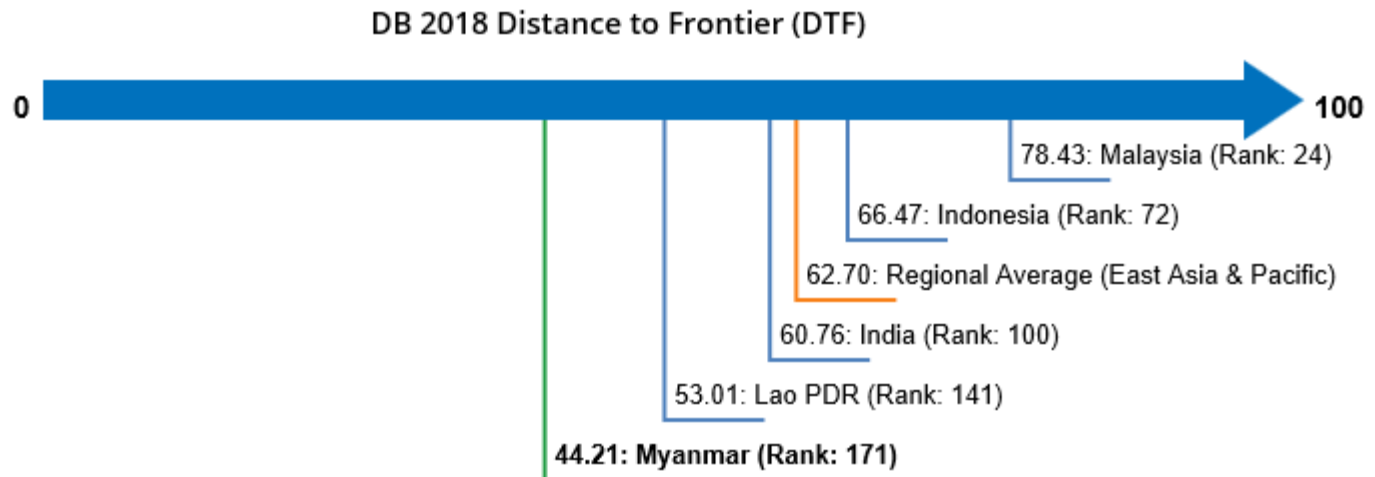
Population (est.): 51Mio?

Language: Burmese,
English

Strengths: proximity to
dynamic economies

Weaknesses: poorly
diversified economy

Ease of doing business



Source: doingbusiness.org

Interview with Dr. Aung Thura, CEO of Thura Swiss in Myanmar



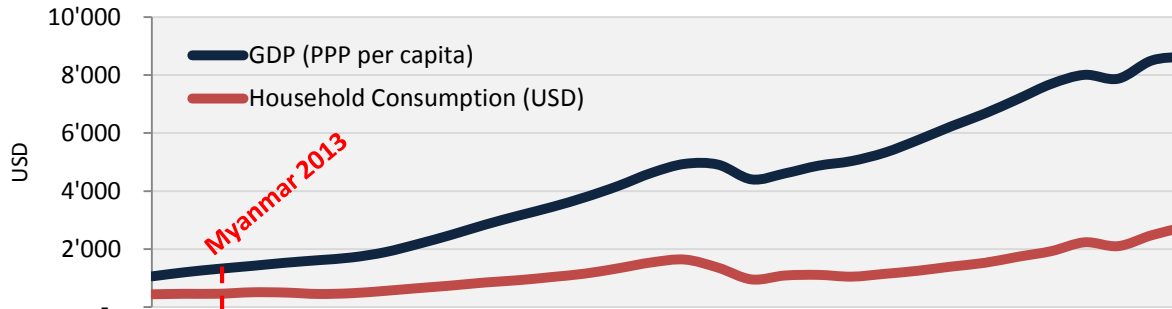
- Economic overview
- Trends & Opportunities
- Challenges in Myanmar
- Market entry strategies



Economic overview

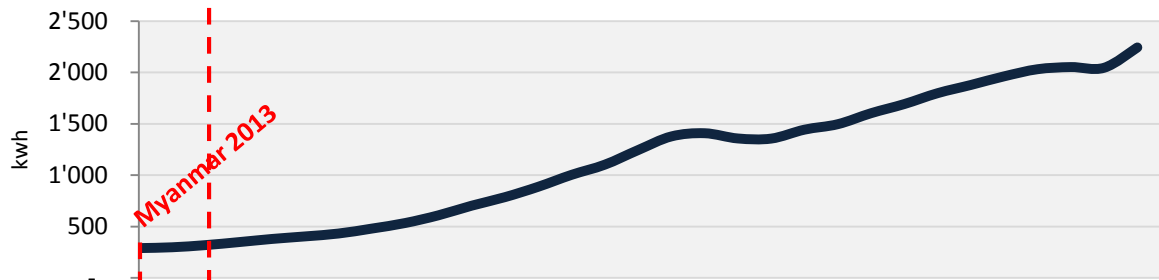


GDP & Household Consumption in Thailand



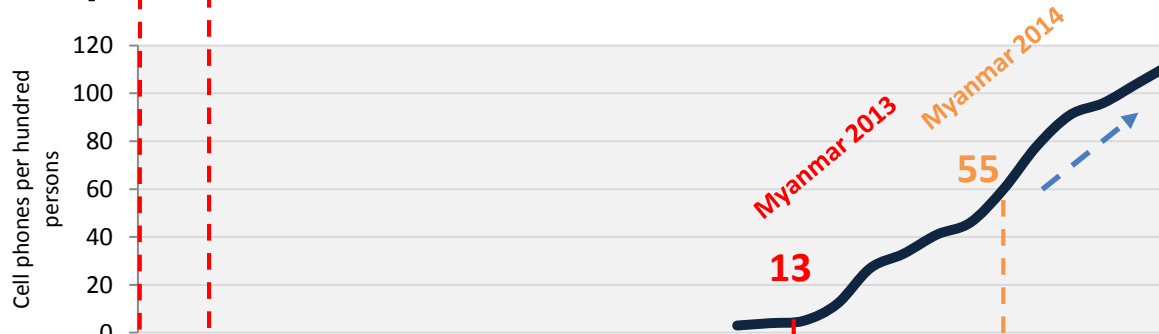
In terms of GDP, household and electric power consumption, Myanmar is lagging ca.30 years behind Thailand

Electric Power Consumption in Thailand



Myanmar is less than ten years behind Thailand in mobile phone penetration, and has achieved in 1 year what Thailand managed in 7

Mobile Phone Penetration in Thailand



Technology will help Myanmar to leapfrog certain stages of development e.g. in online payments and social media sharing.

Trends & Opportunities



FMCG:

- Brand loyalty and preferences are not yet defined
- Almost 50% of monthly income is spent on food and household products

Banking and Finance:

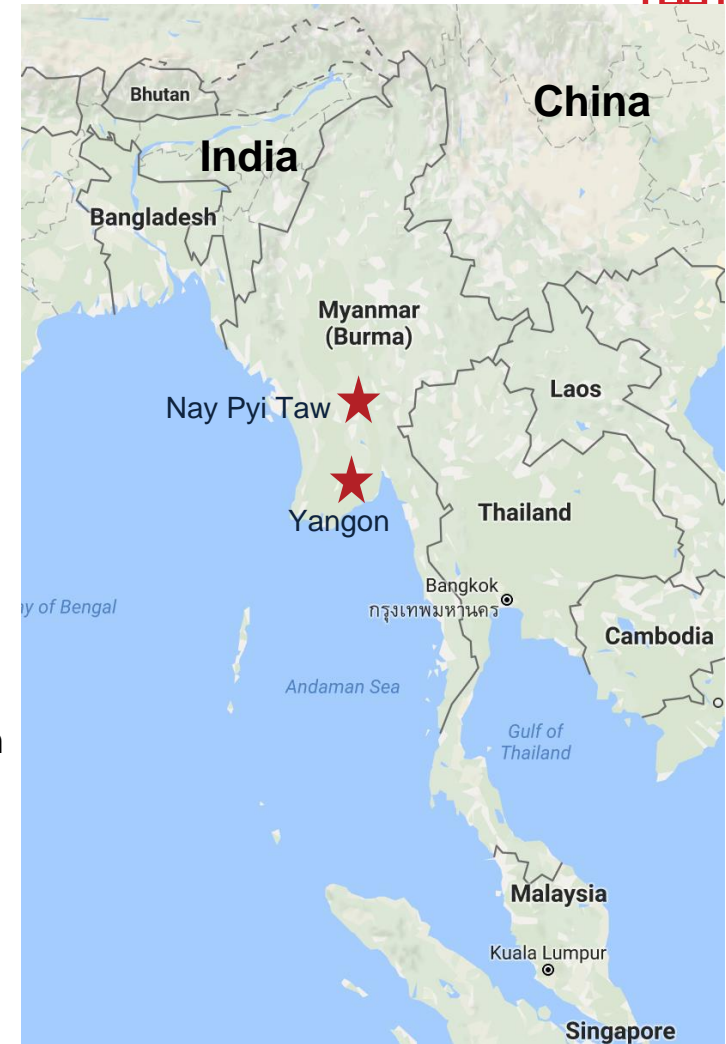
- High growth rate on a low base
- Huge potential in this sector, an extremely immature insurance market and tight lending restrictions.

Telecommunications:

- 2013 the entry of foreign players
- Price of sim cards move from more than USD 1,000 to USD 1.5
- Robust growth since 2014, and tremendous increase in the mobile and internet penetration rate

Other Hot Sectors:

- Logistics
- Downstream Oil & Gas
- Technology (Financial)
- Slowdown: Construction



Challenges



Electricity

Frequent power outages in the hot season

Workforce

Years of economic isolation has lead to a lack of skilled labor

Bureaucracy

Still long government and ministry application and approval processes

Banking services

Only basic banking services are offered, with a significant proportion of the population lacking bank accounts

Real estate

Office / accommodation space is difficult to find, ownership issues, land prices are high

Local players

Local players and conglomerates have a hand in almost every sector, with significant market share from years of lack of competition



- **Myanmar Companies Law** passed parliament in November 2017, allowing foreigners 35% ownership in local companies (previously 0%)
- **Myanmar Investment Law (MIL)** was signed in October 2016, active since April 2017
- Only a restricted list of sectors require local partner. **Most businesses can be 100% foreign owned**
- New **Myanmar Investment Commission (MIC)** one-stop-shop for foreign investments
 - **MIC Endorsement** for smaller projects, allowing long-term lease of 50 years
 - **MIC Permits** for strategic and capital intensive projects or projects that utilize public property
 - **Strategic benefits tailored to specific sectors** (E.g. tax, no custom duties for imports of raw materials or equipment for manufacturing purposes)
- MIL **removes local contract rules** giving foreign companies greater flexibility in their hiring practices (no quotas required for skilled labour)
- Allows foreign companies to undertake “**trading activities**” in some sectors:
 - JV’s allowed to import & sell (e.g. new cars, agricultural & medical products, construction material)
 - MoC currently drafting wholesale & retail trading regulations)

Decisions to be made:

- How to find the right partner
- Own presence in Myanmar
- Covering Myanmar out of Thailand/Singapore

Remember



ASEAN is a **regional market** with big opportunities

- ... **but each country** needs to be managed individually
- ... because there are significant differences in terms of economic development, political climate and social maturity

Finding the **right talents** require extra effort

- Important to engage the right partners / coach them
- Quality and prudence are more important than speed

Be prepared for **changes** when doing business in SEA, very dynamic compare to Europe.

- Mid/long-term planning is good, but usually not accurate (be flexible!)
- Need to constantly adapt to the local pace and practices

Upcoming Events

Event	Relevant for
Singapore Airshow 2018 6-9 February Changi Exhibition Center, Singapore	Aviation industry , e.g. aircraft and parts manufacturing to avionics to MRO to charter and other related services
Swiss Education Fair 2018 24 February Suntec Convention Center, Singapore	Education institutes, e.g. universities, boarding schools, etc.
Asia Health 2018 2-4 April Suntec Convention Center, Singapore	Medical device owners, manufacturers
IDEM Singapore 2018 13-15 April Suntec Convention Center, Singapore	Dental product owners, manufacturers
Food & Hotel Asia 2018 24-27 April Suntec Convention Center, Singapore	Hospitality & Food Service Equipment, Supplies & Services
Singapore Fintech Festival 2018 November (TBC) Singapore Expo, Singapore	Fintech and related technologies, e.g. Blockchain, payments, RegTech, InsurTech, etc.

An extract of our satisfied customers in South East Asia



Thank you for your attention



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