

# Easing rules to help start businesses

**R**EFORMS that strengthen macroeconomic management are absolutely essential for economic stability which, in turn, is a strong magnet for increased investment.

An important reform which can be considered “revolutionary” is the modernization of the more than one hundred years old Companies Act to reflect the current business and regulatory environment.

The Myanmar Companies Law was enacted on 6 December 2017. It came into effect on 1 August 2018 with the implementation of the electronic registry.

During the August-December period of 2017, only 3,758 new companies were formed in Myanmar. During the same period in 2018, 32,917 companies were re-registered and 8,514

new companies were established and registered under the Myanmar Companies Online (MyCo) electronic registry system.

The number of new companies has more than doubled in 2018, and reflects the ease of starting a business in Myanmar.

In the 2016 Ease of Doing Business report, Myanmar showed the best performance in reforms. But its ranking dropped slightly to 155 in 2017. The report covers not just one country, but 190, and each country tries to better its score every year.

Previous assessments of Myanmar on Ease of Doing Business were made based on the old Company Act and old rules and regulations. The new law was enacted in 2017.

The new law makes it easier to run a business as it does away with many unnecessary regulations.

Under the incumbent government, the registration fee was reduced from 1 million kyats to 500,000 kyats. In 2017, the fee was brought down to just 250,000 kyats.

Now, registrations can be completed online and as a result, the process only involves three steps. The duration has also been shortened. Previously, registering a company took at least three days, but now it can be completed within hours. If you have a mobile phone, you can register within hours.

We can say that more reforms were made, and some procedures for establishing a company were also abolished. How much we score on Ease of Doing Business does not matter. A high score with poor conditions on the ground is useless. We aim to make doing business easy and convenient by easing restrictions as much as possible.

This will provide greater flexibility to companies in the conduct of business and management of internal affairs, and, at the same time, ensure certainty and stability in corporate regulations.

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# Myanmar Economic Development: Past, Present and Future

By Dr. Maung Aung

(Continued from previous article appeared on the issue of 11 January)

**I**NDUSTRIAL Revolution changed the Northern Hemisphere countries such as Europe and United States, East Asian country Japan into rich countries, while the countries in the Southern Hemisphere remained poor.

When the industrial revolution was happening, railroads were a huge importance to the local economies, supplying them with immense loads of cargo. The industrial revolution hugely impacted the north because they were an industrial region. It did not affect the South much because they relied on slavery.

Second amazing economic change had taken place in 1970 with rapid communication technology across the world in the age of globalization with the shift of industries to cheap labor countries, multiplying with more industrial countries on this planet.

G - 7 (The Group of Seven) is a group consisting of Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States. These countries, with the seven largest advanced economies in the world, have been expanded into G - 20, and more countries are likely to join in a near future.

Evidences showed that the outward looking economic policy in conjunction with strong economic integration with larger economic community being adopted by China, Poland, and Mexico in the 1980s have developed rapidly. Therefore, our country has set in the full implementation of outward looking economic policy, and now opening up to the world in stages.

## Time to take part actively

Each and every citizen has the duty and responsibility in taking part actively for the development of the country in anticipation of progress for the posterity. On the part of the state, necessary laws and basic infrastructure have been implemented, and that regular meetings in addressing the difficulties are in progress headed by Vice Presidents.

Moreover, Ministry of Investment and Foreign Economic Relations was newly established



A huge petrochemical facility in Kyaukphyu: Initial Gas Station. PHOTO: PHOE KHWAH

with focus on market oriented economic system and outward looking economic policy, which is in fact to be implemented by the public in the private sector with capable strength of human resources.

According to Notification 48/2018 of Office of the President, Republic of the Union of Myanmar on 21 June 2018 Myanmar Companies Law takes effect in accordance with the Myanmar Companies Law section 1(b) on 1 August 2018, allowing (35) per cent of investment from foreign companies, resulting with more advantages to Myanmar side. More foreign investors are expected to come in.

More SMEs are to be registered with momentum with proper functioning so as to win trust with international partners, and that the latest economic opportunities must be accessible to the public so that they could take part in the development endeavors.

## The Challenges

Facing many difficulties, the new government during the initial two years period had to solve such as that of flooding in the country, that of the world trade war triggering the hikes of dollar; that of northern Rakhine issues, that of the fake news, that of the international pressures, and that of maintaining GSP privileges.

It is necessary to keep up the

The economic reforms process requires reflections on the past and constant observation in the present to benefit the people. All citizens must work to enhance their capability for performing tasks and uplift the economy of the nation.

implementation of peace process and to keep the stability of the nation.

Success of the Myanmar economic development depends on the reform of the state and that the tasks are to be dealt by the business community and the people. The main economic sectors such as the agriculture sector, the industrial sector, and the service sector have many untapped resources. The existing problems such as that of lack in investment, technical knowhow, and foreign market access had been resolved to a certain extent.

## Prospect of agriculture sector

Having abundant of land resources, we could go ahead with cropping intensity for multiple crops using dams and reservoirs with plenty of space for improve-

ment in Asian region.

Despite the foreign investment in the country is still thin, we could expect more as the state has opened up. Contract farming on the basis mutual interest of the farmers could be considered for market access towards China and India.

The cultivation of the high yield crops is on the plan, and therefore, a strong market competition is likely to take place. Animal breeding industry on fish, prawn, chicken, pig, and cow could be elevated through foreign investment and technical knowhow. We have potential in producing food.

## Potential in industrial sector

As a result of economic and investment reform, the export oriented industry is sure to prosper in the near future. Building of indus-

trial sector is a way of rapid development as it involved the supply of raw materials, creating large job opportunities for workers, market distribution of produced goods.

These huge enterprises need to produce merchandise intended for foreign countries, the establishment of industries connected with world production land routes, and the construction of deep sea ports. Therefore, Yangon and its environment are most likely to become an industrial sphere, and that Mawlamyine, Dawei, Patheingyi, and Kyaukphyu are also poised to become industrial cities.

## Potential of Service Industry

Trade, transport, communication, hotel and tourism, education, and health in the service industry sector have potential for development. When the export oriented industry sector developed, the trade value would be elevated, and at the same time, the finished goods, and other accessories could be exported.

As the connected roads with the neighboring countries have been completed, the border trade would be in the upswing, and also the transit trade, the re-export trade, and the re-import trade would be in the up-tempo status.

At a time when the ASEAN Economic Community has been activated, the businesses in trade,

transportation of goods, communications, wholesale and retail trades, banking services would be flourishing. Thanks to the visa exemption facilities and the border entry and exit permissions, all the related services would be functioning well.

Opportunities stand out for the economic development of Myanmar with the completion of the South Asian Road starting from Vietnam in connectivity with the roads to India, linking the projects of the Belt and Road Initiative (BRI), leading westwards from Asia to Europe.

These are the future economic potentials in general concept and perspective; however, one factor is certain that the market oriented economic system and the outward looking economic policy is sure in its making, with the possibility that Myanmar becoming the central hub of Asian economy.

## Let us united

Today, in responding the challenges and for the continuous economic development of the country, the people under the directive of the state must work hard in unity. Especially, the five national objectives of the (71) Anniversary of Independence Day must be taken up seriously by the people in building modern developed and peaceful nation.

As the economy is the basic building block of a nation, the new economic opportunities being offered by the state must be utilized as practical purpose by the business people and the public as earliest as possible.

By taking the lessons of the past, constant observation is to be made in the economic reform process for the benefit of the people. All the citizens must equipped themselves with fine capabilities in their tasks and uplift the economy of the nation.

In conclusion, based on the chronicle of Myanmar economy and the world market, the author of this article firmly believed that the clear cut market oriented economic system and the outward looking economic policy being adopted by the state would surely pushed up the Myanmar economy with strength, power and might.

Translated by UMT (Ahlon)

### Myanmar Daily Weather Report

(Issued at 7:00 pm Sunday 13 January, 2019)

**BAY INFERENCE:** Weather is partly cloudy to cloudy over the Andaman Sea and the Bay of Bengal.

**FORECAST VALID UNTIL AFTERNOON OF THE 14 January, 2019:** Light rain will be isolated in Taninthayi Region. Degree of certainty is (80%). Weather will be generally fair in Natogyi and Magway Region and partly cloudy in the remaining Regions and States.

**STATE OF THE SEA:** Sea will be slight to moderate in Myanmar waters. Wave height will be about (3-5) feet off and along Myanmar Coasts.

**OUTLOOK FOR SUBSEQUENT TWO DAYS:** Slight decrease of night temperatures in Upper Sagaing Region, Kachin, Northern Shan and Chin States.

**FORECAST FOR NAY PYI TAW AND NEIGHBOURING AREA FOR 14 January, 2019:** Generally fair weather.

**FORECAST FOR YANGON AND NEIGHBOURING AREA FOR 14 January, 2019:** Partly cloudy.

**FORECAST FOR MANDALAY AND NEIGHBOURING AREA FOR 14 January, 2019:** Generally fair weather.

## Invitation to young writers for Sunday Special

The Global New Light of Myanmar is accepting submissions of poetry, opinion, articles, essays and short stories from young people for its weekly Sunday Next Generation Platform. Interested candidates can send their work to the **Global New Light of Myanmar** at No. 150, Nga Htat Kyee Pagoda Road, Bahan Township, Yangon, in person, or by email to [ce@globalnewlightofmyanmar.com](mailto:ce@globalnewlightofmyanmar.com) with the following information: (1) Sector you wish to be included in (poetry, opinion, etc.), (2) Own name and (if different) your penname, (3) Your level of education, (4) Name of your School/College/University, (5) A written note of declaration that the submitted piece is your original work and has not been submitted to any other news or magazine publishing houses, (6) A color photo of the submitter, (7) Copy of your NRC card, (8) Contact information (email address, mobile number, etc.).— Editorial Department, The Global New Light of Myanmar

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