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Myanmar showing potential for investors

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MYANMAR is not only rich in natural resources but its 50-million population provides a steady source of workers.

Coupled with cheap wages, investing in Myanmar seems the right choice to be made, especially for labour-intensive industries.

Infrastructure like roads, bridges and industrial zones are being built to make transportation of goods more efficient and speedier.

Airports are being upgraded or new ones built. The new Mandalay International Airport, for instance, can now accommodate Boeing 747 aircraft. Similar focus is being given to ports.

The people's purchasing power has increased over the decade. So has the standard of living. The number of new condominiums and apartments coming up in the Yangon area is one indicator that Myanmar today has changed for the better.

Malaysian ambassador to Myanmar Datuk Mohamed Noh, as such, did not hesitate to call on Malaysian businessmen to open up or relocate their operations to Myanmar.

He said Malaysia had many labour-intensive industries that could be relocated to countries like Myanmar to take advantage of the cheap labour.

Manual workers are generally paid between RM60 and RM70 per month compared to more than RM500 in Malaysia.

"Come and 'park' yourselves now before the entry of giants from the other countries," he told a delegation of Malaysian journalists in Yangon last week.

Mohamed felt that once the big boys arrived on the scene, it would be difficult for Malaysian businessmen to compete unless they managed to build the contacts and networks.

This, he said, could only materialise if Malaysian businessmen were to enter the country now.

"The laws on investment are similar to Malaysia. There are no problems actually," he said.

Another factor that should be capitalised by businessmen are the close ties between Myanmar and Malaysia, following a visit to Myanmar by Prime Minister Datuk Seri Dr Mahathir Mohamad in January.

"The close ties provide a conducive environment for Malaysian companies to invest here. This is one advantage not available to other foreign investors."

The ambassador is a strong advocate of the "prosper-thy-neighbour" policy espoused by Dr Mahathir. He feels Malaysia should help the economies of Asean member countries.

As an emerging country rich in natural and human resources, Myanmar encourages private sector participation for rapid and sustainable development.

Foreign investment is allowed in almost all sectors of the economy that still relies heavily on agro-based industries. What is in store for Malaysian companies?

Mohamed said potential areas are maize and oil palm, mining and construction of infrastructure projects.

In the food production industry, Malaysia's familiar noodle snack brand, Mamee, has carved a name under Myanmar Mamee Double Decker Ltd after just four years in the market.

Khaun Mha Khaung (tasty and delicious), the product's tagline in

Myanmar, has become a popular jingle among local people.

With an annual growth rate of 60 per cent, the company is confident it will not be long before it emerges as the No. 1 noodle and snack food company in Myanmar.

It employs 130 local workers at its factory located in the Pyin Ma Bin Industrial Complex outside Yangon.

Lieutenant Colonel Hla Min, from the Office of Strategic Studies, Ministry of Defence, did not hide his disappointment over the misrepresentation in the media about his country.

He said people always had the impression that Myanmar was not stable, the situation volatile with bombs exploding here and there.

"Even the United States advises its nationals against travelling to Myanmar. We do not want to argue with their perception. What we can say is come and experience life in this country on your own. See and then be your own judge."

Hla Min was confident that visitors would go back with a different outlook. "It is one of the safest places in the country for tourists," he assured.

The colonel, however, did not dispute that travelling to some parts of the country like the border areas with Thailand was still not permitted while other regions required permission.

But it was a matter of time before these restrictions would be lifted as efforts towards reconciliation, via development, gained momentum.

Hla Min said development in these areas was part of the confidence-building measures. "When the people can actually see and enjoy the benefits of development, gradually we will gain their trust and confidence."

The effectiveness of this approach has been demonstrated in the border areas of Lauk Kai and Monglar in the Shan State.

Once the stronghold of drug lords and insurgents, Monglar has been declared free of drugs while three-quarters of land grown with opium in Lauk Kai have been replaced with other crops.

The policy adopted by Yangon is to pit development against opium, and to date, the former seems to have gained the upper hand.