



MYANMAR REPORT

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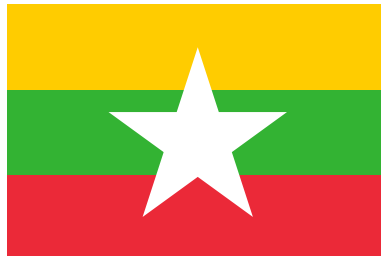
MYANMAR REPORT

By CIMB Asean Research Institute



MYANMAR REPORT

MYANMAR AT GLANCE



Official name: Republic of the Union of Myanmar

Population: 62.4 million (IMF 2011 estimate)

President: U Thein Sein

Capital: Nay Pyi Taw

Largest city: Yangon

Size: 676,552 sq km

Official language: Myanmar language

Major religion: Buddhism

Currency: 1 kyat (Kt) = 100 pyas

Natural Resources: petroleum, timber, tin, antimony, zinc, copper, tungsten, lead, coal, some marble, limestone, precious stones, natural gas

Myanmar is divided into 14 States and Regions. It consists of 67 districts, 330 townships, 64 sub-townships, 2891 wards, 13698 village tracts and 64817 villages.

Myanmar is made up of 135 national races, of which the main are Kachin, Kayah, Kayin, Chin, Bamar, Mon, Rakhine and Shan.



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HISTORY

Myanmar (or Burma) was a British colony from 1824 until 1948. Under colonial rule, Myanmar was mainly an exporter of rice, teak and minerals and there were no attempts to industrialise. In the 1930s, educated elite began to mobilise and started a nationalist movement. Three prominent nationalists were Aung San, U Nu and Ne Win. Aung San led the Burma National Army against the Japanese and co-founded the Anti-Fascist People's Freedom League (AFPFL), which negotiated with the British for an independent Myanmar. In July 1947, Aung San and six of his cabinet were assassinated. U Nu replaced Aung San in the AFPFL and led Myanmar to independence in January 1948.

Myanmar was a democratic state between 1948 and 1962. The AFPFL held power for most of the period, except for 16 months of military rule between 1958 and 1960, after which the military stepped down after losing an election. The failings of the regime were apparent. The declining economy led to social unrest and regional insurrections. Inflation was high and corruption became increasingly common. These weaknesses paved the way for the 1962 military coup, led by General Ne Win and the Socialist Revolutionary Council. The coup marked the beginnings of socialist rule and the military totalitarian government. The military created its own party called the Burma Socialist Program Party and announced the "Burmese Way to Socialism", which described the blueprint for economic development according to the ideology of the Socialist regime. The coup leaders arrested political and ethnic minority leaders, closed down the parliament and demolished the federal structure. Any opposition was ruthlessly suppressed. Poverty and isolation increased greatly and in 1987 Myanmar was recognised as one of the Least Developed Nations in the world.

The 1988 nationwide pro-democracy protests were led by students and monks. The protests culminated in widespread strikes and massive demonstrations, demanding the end of military rule. The army reacted by killing thousands of protestors. During the crisis, Aung San's daughter, Aung San Suu Kyi emerged as a national icon and the National League for Democracy (NLD) was formed in September 1988.

After Ne Win's official resignation, a new organisation, the State Law and Order Restoration Council (SLORC) - later renamed as State Peace and Development Council (SPDC) - took over the government. It was headed by General Saw Maung, although many believe that Ne Win still controlled behind the scenes. SLORC promised they would manage the transition to democracy and hold an election in 1990. Yet, Aung San Suu Kyi was put in house arrest in July 1989 and thousands of NLD supporters were arrested. The military lost the 1990 election to NLD but refused to hand over power and declared the election null and void. In April 1992, General Than Shwe replaced Saw Maung as chairman of the SPDC and became prime minister.

Aung San Suu Kyi won the Nobel peace prize in 1991, still under house arrest. She was released in 1995 but her movements restricted. She was placed again under house arrest 2000-2002 for defying travel restrictions. In May 2003, many members of the NLD were imprisoned and Aung San Suu Kyi was put in house arrest for the third time, following a clash between the NLD and government supporters.

Khin Nyunt was appointed Prime Minister in 2003 and he announced a roadmap to democracy. After only a year in office, Khin Nyunt resigned and was arrested because of a power struggle with SPDC's chairman Than Shwe.



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General Soe Win was appointed prime minister following Khin Nyunt's arrest. Soe Win was an ally of Than Shwe and also against political reform. He died in 2007.

Thein Sein, who is the current president, then became prime minister. He was criticised by the international society for the government's response after Cyclone Nargis in May 2008, and also for the government's implementation of a new constitution, also in 2008.

Following the new constitution, general elections were held in 2010 for the first time in 20 years. Several military generals resigned from the military in order to run in the elections. The government registered a new political party, the Union Solidarity and Development Party (USDP) and ran in the elections under the new name. The USDP won 76% of all parliament seats in the elections, which were boycotted by many parties, including the NLD, and were considered to be neither free nor fair. The subsequent reform process was therefore a surprising development, for both the international society and the Myanmar public. Only a few days after the election, Aung San Suu Kyi was released from house arrest.

General Than Shwe officially resigned from his position as head of state and appointed the prime minister at the time, Thein Sein as his successor. Thein Sein took office as president of Myanmar on 30th of March 2011.

The new civilian government has taken on a series of economic and political reforms. It has released and given amnesty to thousands of political prisoners, relaxed media censorship, improved labour and union laws, drafted new foreign investment laws and special economic zone laws, allowed the NLD and other previously banned opposition parties to run for parliament, introduced managed float of its currency the kyat, signed several peace agreements with ethnic minorities, increased budget spending for health and education, and many more.

International delegations have flocked into Myanmar since the start of the reform process. Myanmar has received many official visits, including from the US Secretary of State Hillary Rodham Clinton, and UK Prime Minister David Cameron. Myanmar has signed several Memorandums of Understanding on economic cooperation, including with Japan, Singapore and Thailand. International financial institutions such as the World Bank, the IMF, and the Asian Development Bank have reengaged with Myanmar, restructuring debt and releasing new aid.

Myanmar is set to be the ASEAN chair in 2014, just a year before the establishment of the Asean Economic Community in 2015.

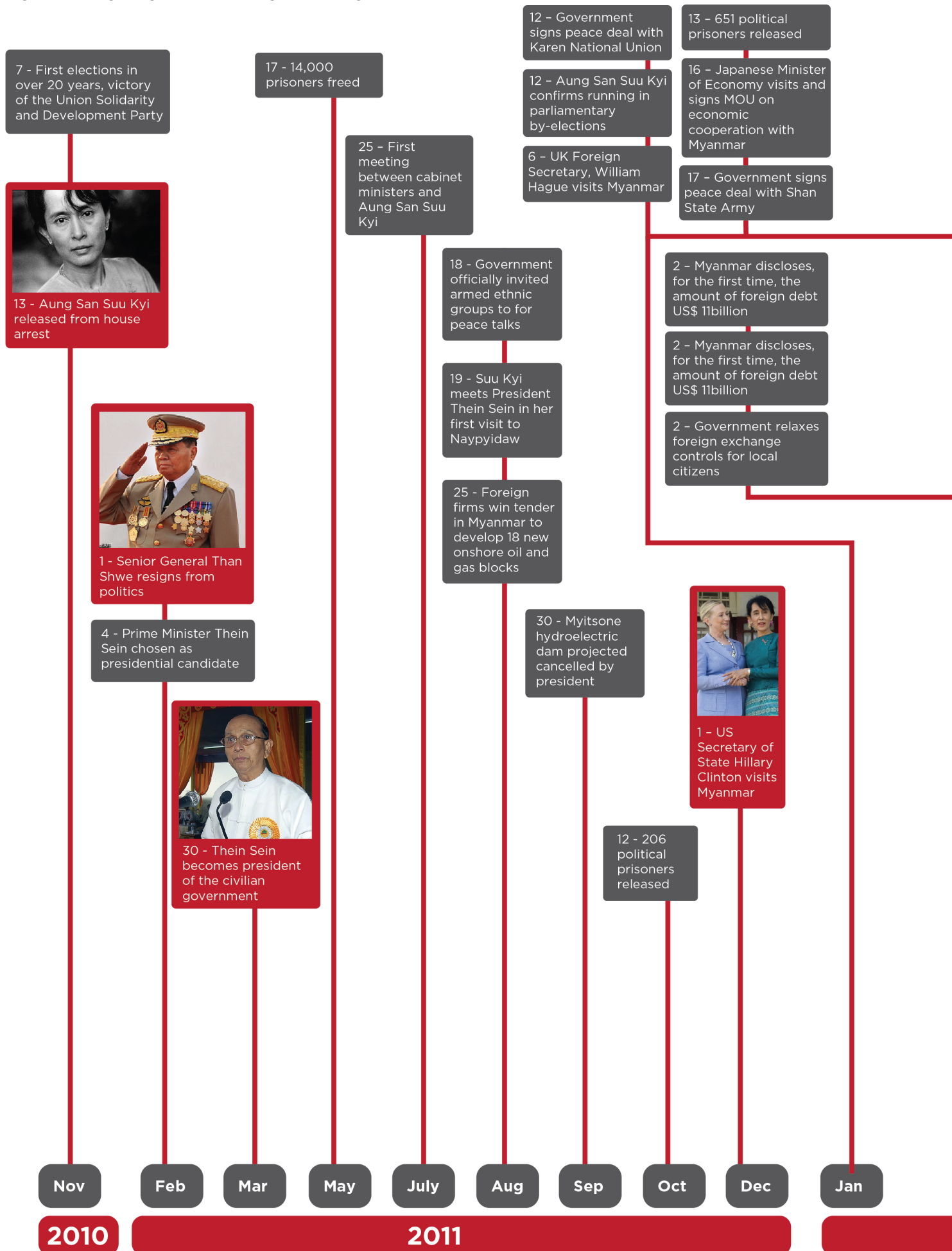


RECENT REFORMS

Timeline of Events



RECENT REFORMS - TIMELINE OF EVENTS





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ECONOMY

Although a resource-rich country, Myanmar is the least developed economy in ASEAN and has the second lowest GDP per capita in Asia, after Afghanistan. It was classified by the United Nations as one of the Least Developed Countries in the world in 1987. The government has a target of reducing the poverty rate from 26% to 16% by 2015.

Myanmar has high potential for rapid growth and could become the next economic frontier in Asia with its abundance of natural resources and its strategic position in Asia, between the two economic giants of China and India. The Asian Development Bank predicts that the country will grow 6.0% this year and 6.3% in 2013 but could grow as much as 7%-8% per year for a decade or more and raise its per capita income to US\$2000-3000 by 2030.

According to statistics from the government of Myanmar, GDP growth rate has been over 10% since the beginning of 2000s but these figures have been deemed overestimated by international organisations. According to the IMF, growth has been around 5% for the period.

	Fiscal year				
	2007	2008	2009	2010*	2011*
GDP (US\$ billion, current)	20.2	31.4	35.2	45.4	51.9
GDP per capita (US\$, current)	351.0	537.3	595.7	759.1	856.8
GDP growth (%, constant prices)	5.5	3.6	5.1	5.3	5.5
Inflation (% annual change in CPI)	32.9	22.5	8.2	7.3	4.2

* Estimates

Source: Asian Development Bank

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TRADE

Myanmar trade has increased substantially over the past decade, and especially since 2005 when natural gas exports took off. Other major exports include agriculture products, gems, and timber. Both imports and exports reached over US\$ 9 billion in 2011.



Myanmar has been a member of the World Trade Organisation since 1995. Its main export partners are Thailand, China, India, and Japan. Its main import partners are China, Thailand, Singapore, South Korea, and Malaysia.



Myanmar started a managed float of the kyat in April this year. The Kyat is now valued at 864 per US dollar (as of 20 September 2012). It had previously run a fixed exchange rate policy with grossly overestimated official exchange rate of between 5-6 kyat a dollar, which stifled trade and led to a dual exchange rate system.

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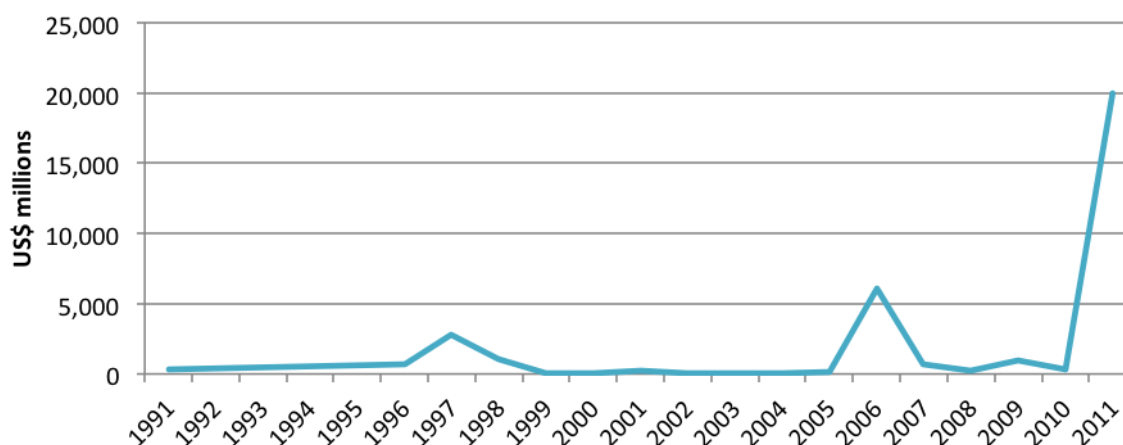
INVESTMENT

Myanmar opened up to foreign investment in 1988 and the Union of Myanmar Foreign Investment Law (FIL) was promulgated in 1988. The law is currently under revision.

China, Hong Kong, Thailand and South Korea dominate foreign direct investment in the country, as most Western firms have been shut out of the market by US and EU sanctions. The majority of the investments are in the electricity, mining, and oil and gas sectors.

Investment in Myanmar has been low for the past two decades with the exception of two spikes. The first spike was right before the Asian financial crisis in 1997, after which investment collapsed, exacerbated by the government's tightening on foreign capital. The second spike was after 2005 due to a big hydroelectric project developed by Thai companies along the Salween River.

Total value of Foreign Investment



Thai companies were traditionally the main investors in Myanmar but China has surpassed Thailand as Myanmar's largest investor ever, in only two years.

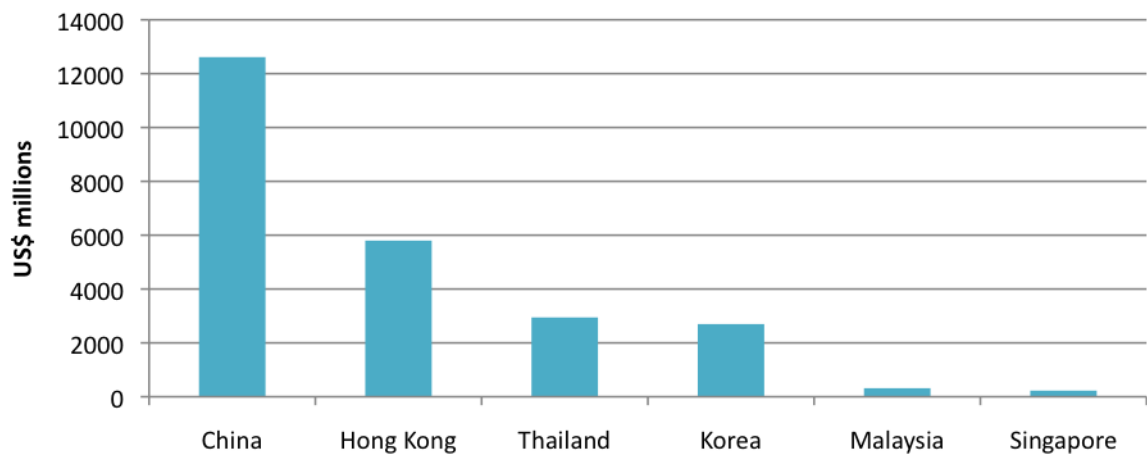
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Total Investment in Myanmar 1991-2009



Chinese, including Hong Kong, investment in Myanmar in 2010 and 2011 was over US\$18 billion. That exceeds than the US\$13.4 billion of total foreign investment over the period 1991-2009. Chinese companies have been investing in all sectors from infrastructure and natural gas to timber and precious gems.

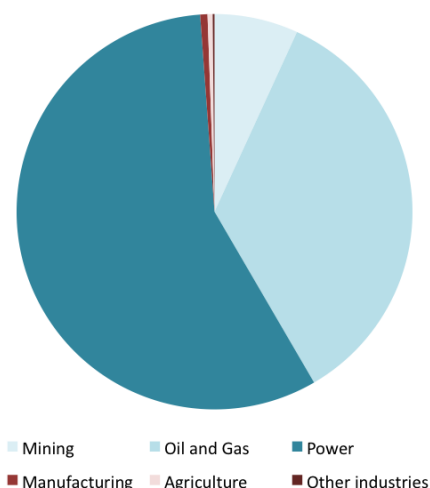
Total Investment in Myanmar 2010 & 2011



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Sector	Total Investment 2005 -2012* in US\$ millions
Power	19,067.50
Oil & Gas	11,581.95
Mining	2,280.17
Manufacturing	198.24
Agriculture	138.75
Other industries	49.929
Total	33,676.49

Investment by Sector 2005 - 2012*

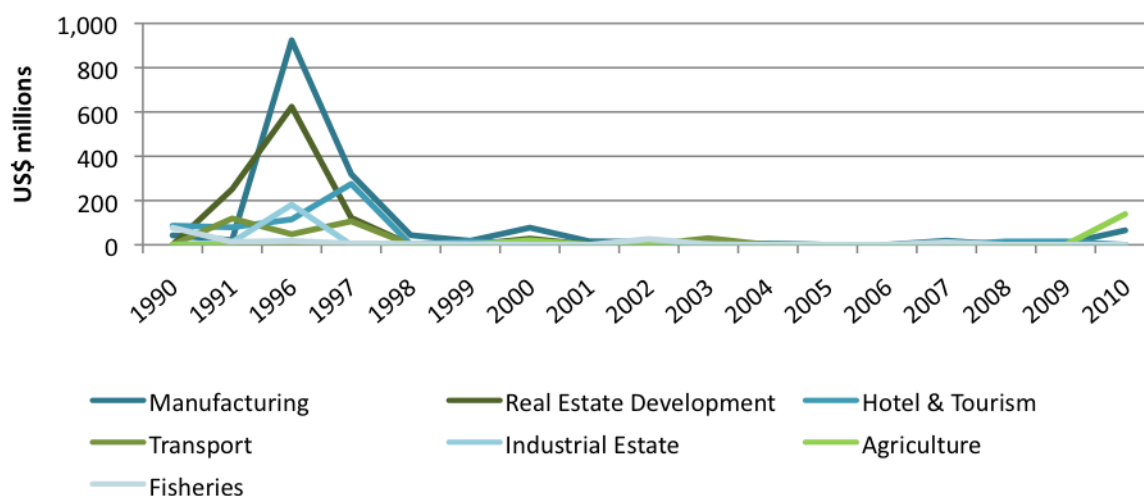


*Until mid year 2012.

Investment in the power sector is by far the largest portion of total investment, with a share of more than half of the value of total investments. Investments in the oil and gas sector have increased steadily for the past few years. Investments in the mining industry were almost non-existent until Chinese companies started investing in 2008.

Investment in manufacturing reached its high point of US\$923 million right before the Asian Financial Crisis. After the crisis investment plummeted and has remained low since. The same pattern holds for other smaller industries, with investments virtually non-existent.

Investment in Smaller Sectors



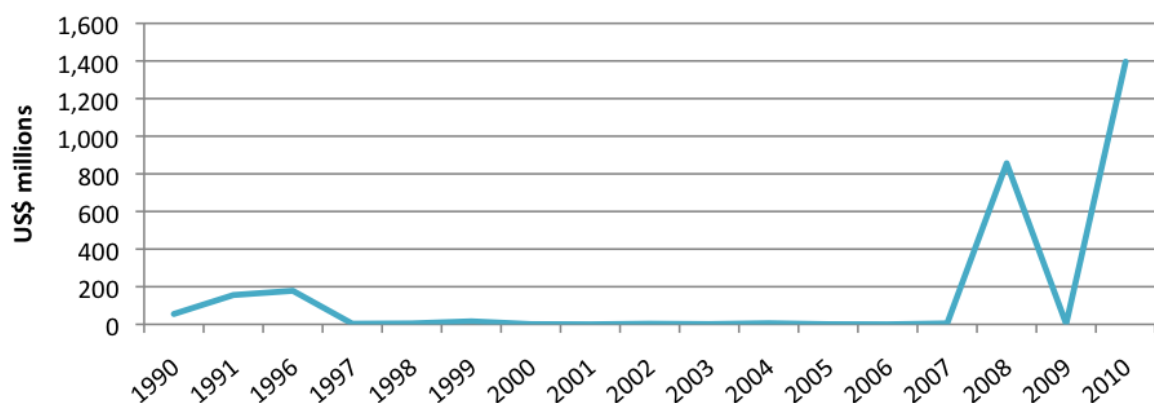
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SECTORS - MINING

The Myanmar Mines Law was promulgated in 1994. Projects involving foreign investment require the approval of the MIC, although applications concerning mineral prospection, exploration and production have to be submitted through the Ministry of Mines. According to the Ministry of mines, the types of possible investment are through production sharing or profit sharing arrangements. The Ministry intends not to make any new investments by itself but to encourage foreign investors to invest. The Ministry is prepared to offer new areas or deposits for new projects or to provide raw materials and existing facilities as its participation in the joint ventures.

China has become increasingly involved in the mining sector of Myanmar, following the 2001 Memorandum of Understanding between Myanmar's Ministry of Mines and the Chinese Ministry of Lad Resources on the exploration and investment in mining in Myanmar. There were two major investments in the mining sector in the past few years, both from Chinese investors. CNMC Nickel Company Ltd invested US\$ 856 million in a Ferronickel mines in Mandalay and Sagaing divisions, in July 2008. Wanbao Mining (Hong Kong) Copper Ltd invested US\$997 million in a production sharing arrangement with the Republic of the Union of Myanmar Economic Holding Ltd. for the production of Cathode Copper in May 2010.

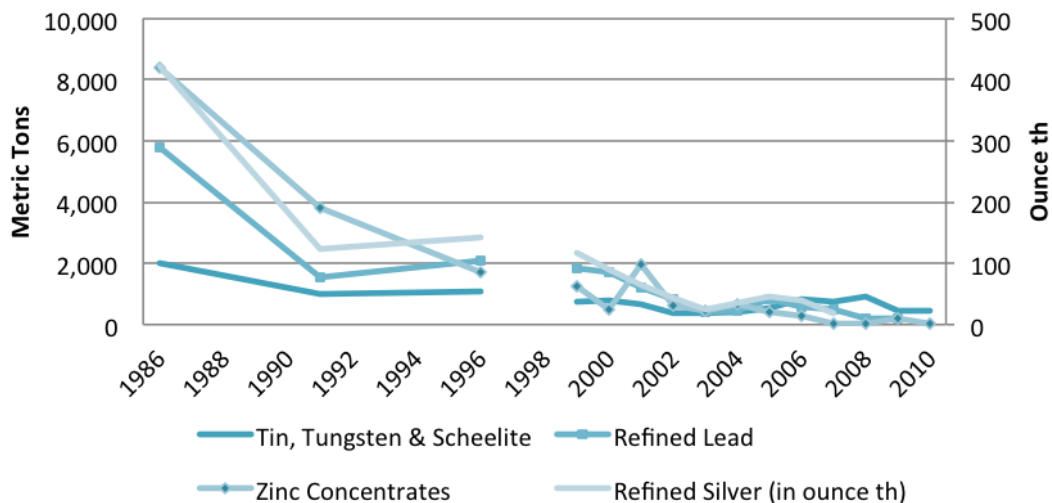
Foreign Investment in Mining



Myanmar's mining industry suffered a steady decline since the 80s because no new mines were developed and many of the old mines were not maintained and therefore deteriorated.

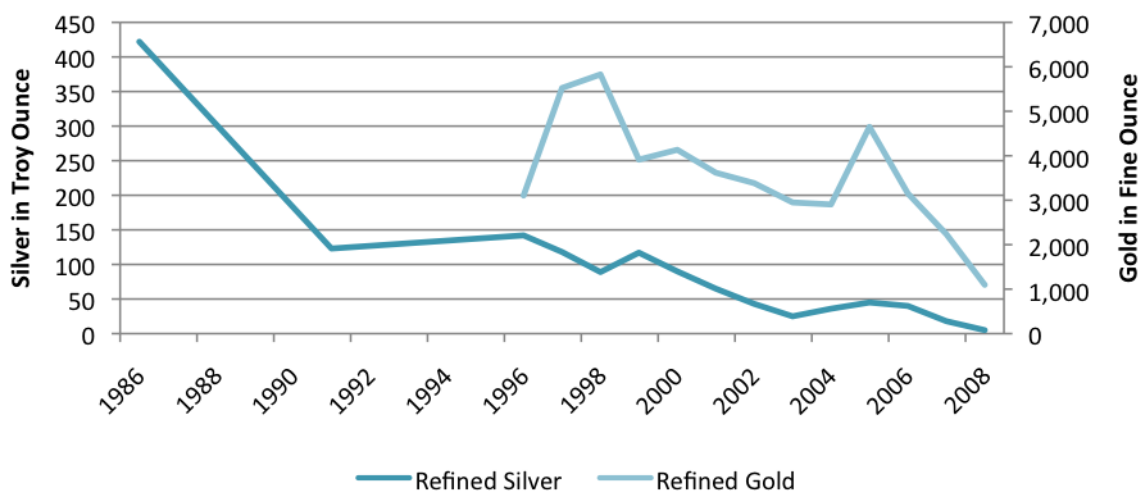
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Mineral Extraction



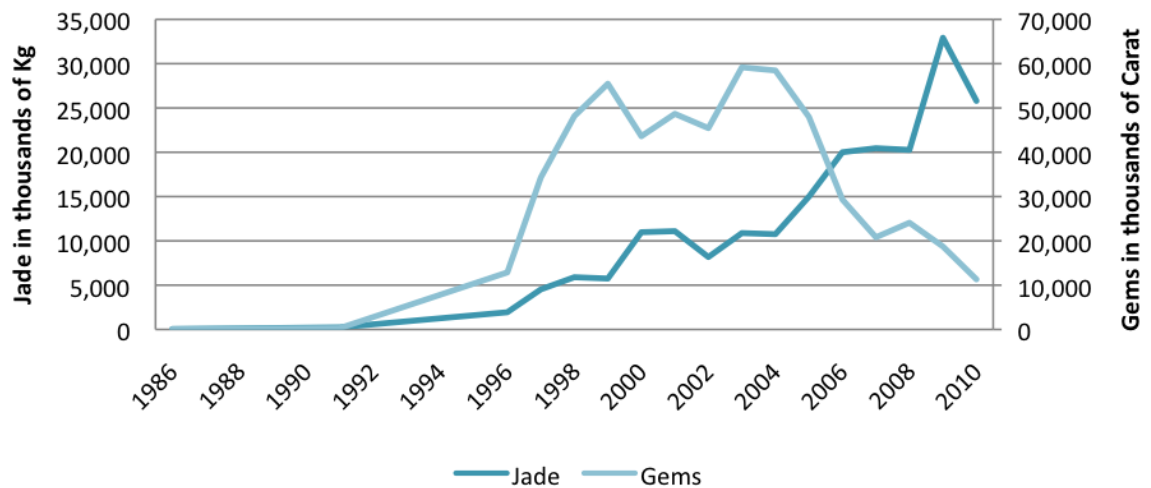
The production of gold and silver has been on a steady decline, with silver production at only 5 troy ounces in 2008 and gold production just over 1000 fine ounces. More recent figures are not available.

Mineral Production: Gold and Silver



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Mineral Production: Precious Minerals



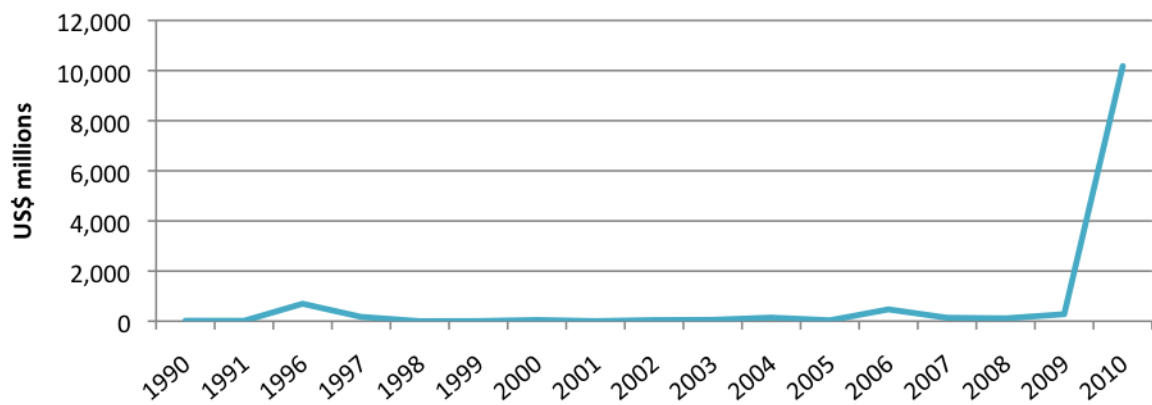
The production of jade is the only mineral production on an upward trend. The production of gemstones has been decreasing since 2004, with especially sharp decreases in the production of rubies and sapphire. Despite the overall decrease in mineral production and extraction, the number of mines has increased from 8 in 2001 to 497 in 2007, which is the latest available data. Many mining projects are small scale and their position is often kept secret. This large discrepancy in the number of mines and the volume of output can possibly be explained to some extent by the recency of the new mines, which have yet to produce substantial output. The smuggling of precious stones and metals could also explain the discrepancy.



SECTORS - OIL & GAS

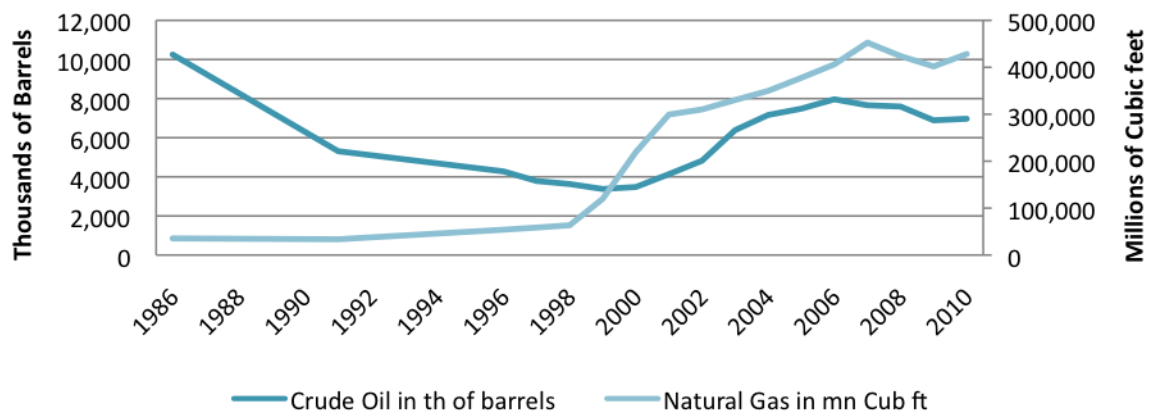
Investment in the oil and gas sector skyrocketed in the year 2010 when total foreign investment in the oil and gas sector was US\$10.2 billion, compared to US\$279 million in 2009. The investments are mainly to import natural gas into China. The South-East Asia Natural Gas Pipeline Co Ltd invested US\$2.15 billion to transport natural gas into China via pipeline from Kyauk Phyu. Daewoo International, ONGC Videsh Ltd, Gail Ltd and Korea Gas Corporation invested US\$1.98 billion in the development and sale of natural gas and US\$443 million to construct an offshore natural gas pipeline system.

Foreign Investment in Oil & Gas



The production of natural gas started to take off in 1999. Natural gas production is over 98% pipeline gas and the rest is compressed natural gas.

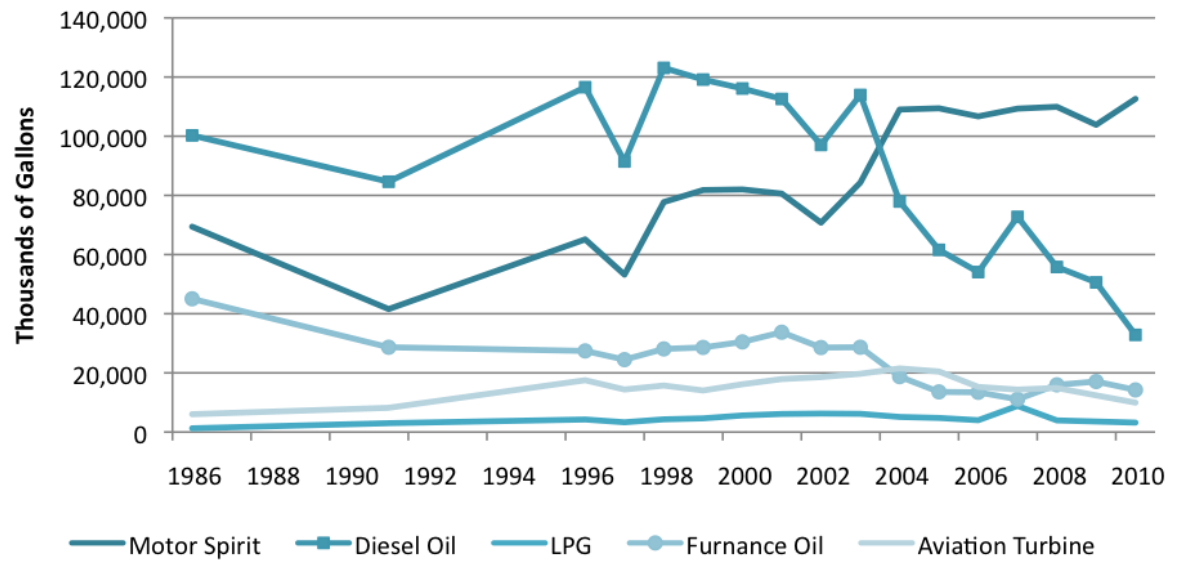
Crude Oil and Natural Gas



Oil production is predominately in motor spirit and diesel oil. The production of diesel oil has been on a downward trend whereas the production of motor spirit has increased.



Types of Petroleum



Myanmar was running a trade deficit before they started to export natural gas. Myanmar has had a trade surplus since 2001, because of natural gas exports.



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PLANTATION

Myanmar's plantation industry is currently focused on the rubber and teak sectors. According to the Myanmar Rubber Planters and Producers Association, export of rubber is expected to increase to more than 100,000 tonnes in the 2011-12 financial year, fuelled by strong demand in China, India, and ASEAN. The size of rubber plantations in the country has increased to 496,878 hectares in the 2010-11 financial year. Rubber plantation activity is concentrated around the Mon, Shan, Kachin, and Kayin states. The Chinese government has provided subsidies for Chinese businesspeople to develop rubber plantations in the neighbouring Kachin and Shan states for export back to China as part of its opium substitution programme.

Myanmar's climate supports cultivation of teak. Natural teak thrives in Bago Yomas to the north of Yangon. Of the country's 13,479,000 hectares of natural teak forest, around 80.3% are productive, though production of natural teak has been above the annual allowable cut since 2001-02. After the government gave permission to the private sector in 2006 to start plantations, 19,705 hectares of teak plantations have been established. Overall, there are 305,720 hectares of teak plantations in the country, with an annual planting rate of 9862 hectares. Most of the teak produced is exported, with India, Bangladesh, and Thailand being main markets.

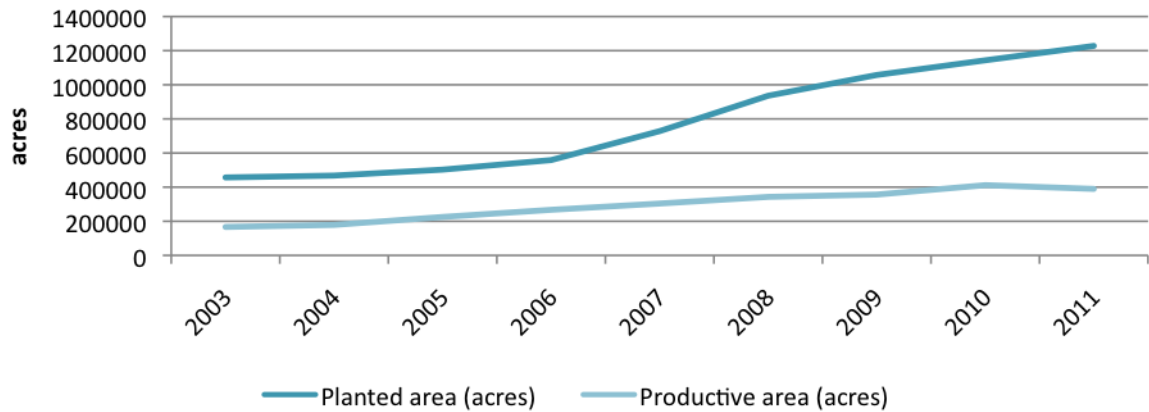
Myanmar has a series of regulations to protect its forests, including the Forest Law (1992), Forest Policy (1995), and Forest Rules (1995). These laws aim to find a balance between economic growth and sustainability. In 1997, the country, with the help of the UN, adopted Myanmar Agenda 21 that aims to integrate the management of natural resources and provides a blueprint for sustainable development. Other regulations include the Protection of Wildlife and Wild Plants and Conservation of Natural Areas Law (1994), the National Forestry Action Plan (1995), and the Community Forestry Instruction (1995). The National Commission for Environmental Affairs is the national coordinating body, with the Ministry of Forestry and Ministry of Agriculture and Irrigation involved in regulations and management.

The Central Committee for Management of Culturable Land, Fallow Land and Waste Land has laid down measures to attract foreign entrepreneurs to establish agriculture-based industries. The committee can approve up to 5,000 acres of land for duration of up to thirty years for investors with expertise, technology, and capital. Depending on the type of agricultural crops, exemptions from payment of land revenue shall be granted for a period of two to eight years from the lease, along with at least three years of income-tax exemption from the year of commencement of business. There are also other incentives provided by the Foreign Investment Law, such as accelerated depreciation of assets, income tax relief on reinvested profits, reduction of up to 50% on income taxes due on products exported from Myanmar, exemption from customs duty on machinery and other capital goods as part of operations, and guarantees against nationalisation.

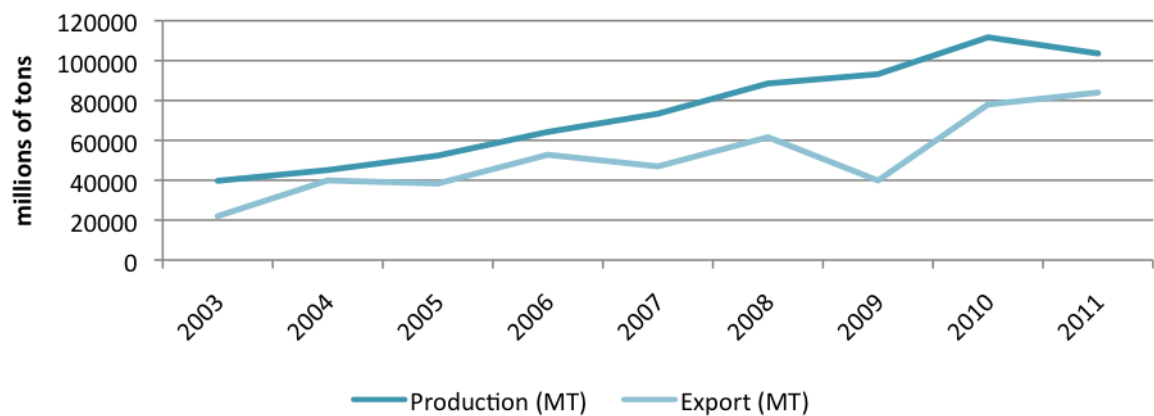
For the plantation industry, the government welcomes perennial and seasonal crops such as rubber, oil palm, and cashew nuts, and horticultural crops such as mango, banana, and pineapple. Where general agriculture is concerned, the government also invites investment in sugar mills, cotton processing factories, jute mills, seed processing facilities, and production of light agricultural machineries and small farm implements.

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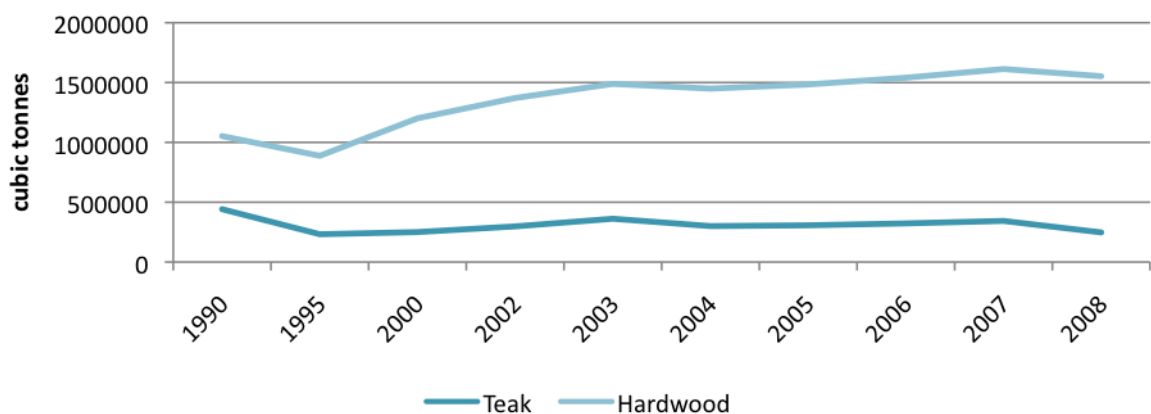
Rubber Acreage



Rubber Production and Exports



Teak and Hardwood Extraction



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TOURISM

After years of economic and political sanctions, tourists are once again returning to Myanmar for its pristine beaches, cultural heritage, and relatively underexplored cities and natural wonders. Tourist arrivals through Yangon International Airport increased 21.8% in 2011 to around 360,000, and the total figure for the whole country in 2011 is 816,369. There are currently 731 hotels, motels, and guesthouses in the country. This is in contrast to Thailand, which has over 4,000 hotels and resorts, and attracted over 19 million visitors in 2011. Currently, the hotel chains in Myanmar are dominated by Asian-based companies such as Shangri-la Hotels & Resorts, which runs Traders Hotel in Yangon, GHM Luxury Hotels, which runs the Strand in Yangon, and Singapore's Sedona Hotels International. Mandalay and Bagan also have five-star hotels. Locally, the Htoo Group of Companies, headed by Tay Za, one of the richest businessmen in Myanmar, owns the most hotels in the country.

There are six domestic airlines in Myanmar, of which Myanmar Airways is state owned. Myanmar Airways International is the only Myanmar international airline.

After calling for a boycott of the "Visit Myanmar Year" in 1996, the opposition National League for Democracy now "welcomes visitors who are keen to promote the welfare of the common people and the conservation of the environment and to acquire an insight into the cultural, political, and social life of the country." However, it also noted that local populations have been displaced without due compensation and environments damaged as a result of tourism in Myanmar.

The tourism industry is regulated by the Myanmar Tourism Law (1990) and the Myanmar Hotel and Tourism Law (1993). There are five tourism related associations in Myanmar; the Hotelier Association, Tourism Association, Marketing Promotion Committee, Chef Association, and Restaurant Entrepreneurs Association. Long-isolated Myanmar offers tourists an exotic destination that is relatively unaffected by rampant development in other Southeast Asian countries. Due to the sudden surge in tourist arrivals, many hotels in major tourist destinations are overbooked and the prices have skyrocketed. Entrepreneurs and diplomats looking for opportunities are pushing up hotel prices.

Tourism income

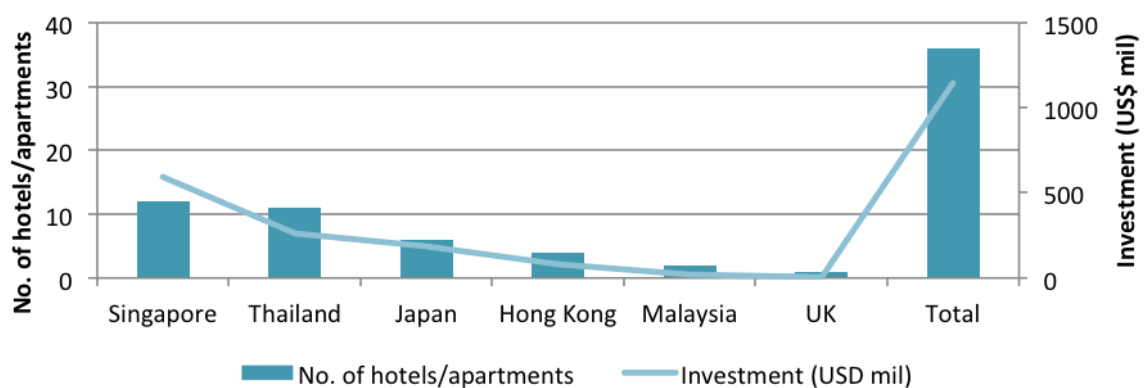
Year	2008	2009	2010	2011
Total earnings (US\$ millions)	165	196	254	319
Average expenditure per person per day (US\$)	95	95	102	120
Average length of stay (days)	9	8.5	8	8

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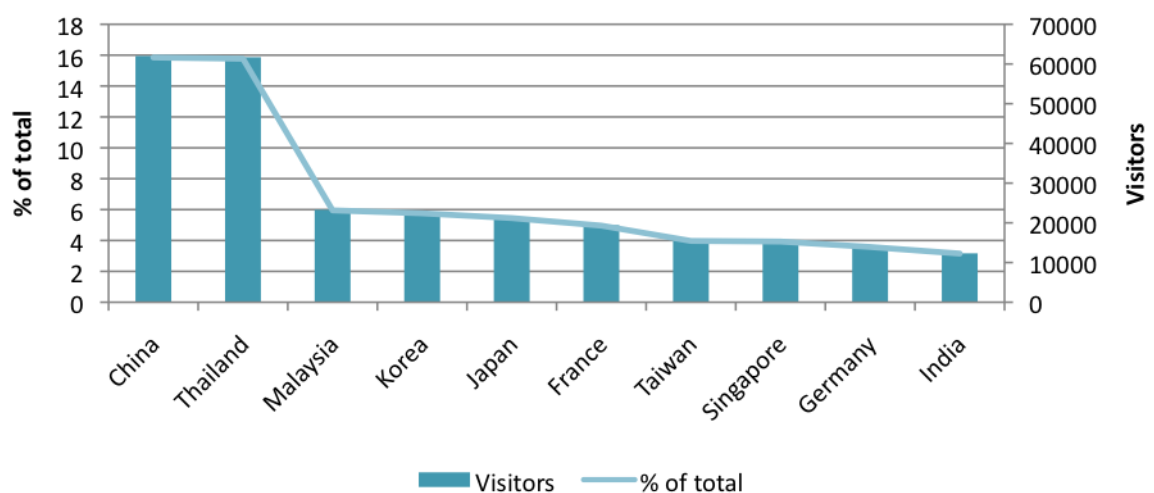
Tourist arrivals

Location	2005	2006	2007	2008	2009	2010	2011
Yangon entry point	227300	257594	242535	187766	234417	297246	364743
Mandalay and Bagan Gateways	4918	5920	5541	5553	8861	13442	20912
Naypyidaw Gateway	-	-	-	-	-	-	5521
Border Tourism	427988	366547	468358	537911	519269	480817	425193
Total	660206	630061	716434	731230	762547	791505	816369

Foreign Investment in Myanmar Hotels and Apartments, by source



Visitors by Nationality





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INFRASTRUCTURE AND LOGISTICS

There are significant logistics and infrastructure challenges in Myanmar. According to the World Bank's World Trade Indicators 2009/10, the latest data available, while Myanmar has a relatively less restrictive trade regime compared to its peers in East Asia and among low income countries, it performs poorly on the Logistics Performance Index. Out of a possible top score of 5, Myanmar scored 2.33, or 147th out of 150 countries in the world and the lowest in ASEAN, with its weakest performance in its quality of trade and transport related infrastructure. Among ASEAN countries, Myanmar has the highest rate of physical inspection of containers and longest customs clearance time.

Myanmar is currently undergoing a series of projects to improve the infrastructure of the country. The first phase of construction for Nay Pyi Taw International Airport was completed in December 2011, bringing the number of international airports in the country to 3 (the others being in Yangon and Mandalay). The country currently has around 6500 km of railway tracks, but they are not connected to any neighbouring country. With about 10,271 km of waterways, Myanmar's industries also rely heavily on ships for transport, with sea the mode of trade for 90% of Myanmar's imports and exports. Yunnan is accessible from Myanmar using the river port at Bhamo on the Irrawaddy River, which also leads to the Indian Ocean. Asian Highway 14 connects China to Myanmar through Kunming to Mandalay via Ruili-Muse-Lashio. Myanmar also has good road links between Yangon and Sittwe, capital of Rakhine state near the Bangladesh border. The Indo-Myanmar Friendship Road is a 160 km highway that links the northeastern Indian border town of Moreh in Manipur state with Kalewa on the Chindwin River in Myanmar. Major highways in the country are the Yangon-Mandalay Highway, the Yangon-Pyay Road, and the Western Union Highway. Most highways have only two lanes on most stretches. According to World Bank 2011 figures, Myanmar only has 1.24 mobile phone subscriptions and 0.034 fixed broadband internet subscriptions per 100 people, but the number is on the rise.

With the opening of Myanmar, trade and economic opportunities can be multiplied if the country improves its infrastructure through improved linkages with its neighbours. Myanmar currently has 12 border trade posts with Thailand, India, and China, and a series of projects are currently underway with these neighbours. The groundbreaking ceremony for the Kaladan Multi-Model Transit Transport Project that plans to link Sittwe Port on the Bay of Bengal to Kaletwa on the Kaladan river and across to the Indo-Myanmar border was held in December 2010. The Greater Mekong Sub-region East-West Corridor aims to connect the South China Sea to the Bay of Bengal (from Vietnam's Danang Port in the East to Myanmar's Mawlamyine in the West). The land route will take only 1,000 km whereas the sea route, which passes through the Malacca Straits, takes 4,000 km.

The Dawei port and special economic zone project, due to be completed in 2015, is one of the most ambitious projects that the Myanmar government has undertaken. The construction of a 160 km eight lane highway and rail link will connect the port with the Thai border. 22 wharfs will be constructed to accommodate deep-sea vessels. An industrial estate in the free zone trade will facilitate petrochemical, oil and gas, and medium and light industries. Foreign banks will also be able to operate in the zone. The port will be directly across the Bay of Bengal from Chennai.

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Myanmar is also implementing an information and communications technology (ICT) master plan from 2011 to 2015, aimed at increasing tele-density, which was 5.4% in 2011, developing ICT infrastructure, and improving ICT human resource. With cooperation from ASEAN and South Korea, a cyber university and e-learning centre is under construction.

Unreliable power supply is however a problem, even in Yangon. In spite of that the Myanmar government cancelled the Myitsone Dam project that was supposed to create the fifteenth largest hydroelectric power station in the world. It has also halted the construction of a coal-fired power plant in Dawei port, citing environmental concerns and local opposition. India is looking at building hydroelectric dams for Myanmar in the Chindwin River Valley. The Myanmar government has also pledged to divert its natural gas supplies to domestic use.

Infrastructure projects to connect Myanmar with its neighbours are made riskier by unrest in the border regions. Insurgencies around Manipur state in India that borders Myanmar are making trade dangerous and limiting development. Northeast India is also very poor, and has weak connectivity with other parts of India. To facilitate trade between ASEAN and India, effort also needs to be taken within India.

Ongoing and prospective infrastructure projects for ASEAN-India connectivity in Myanmar

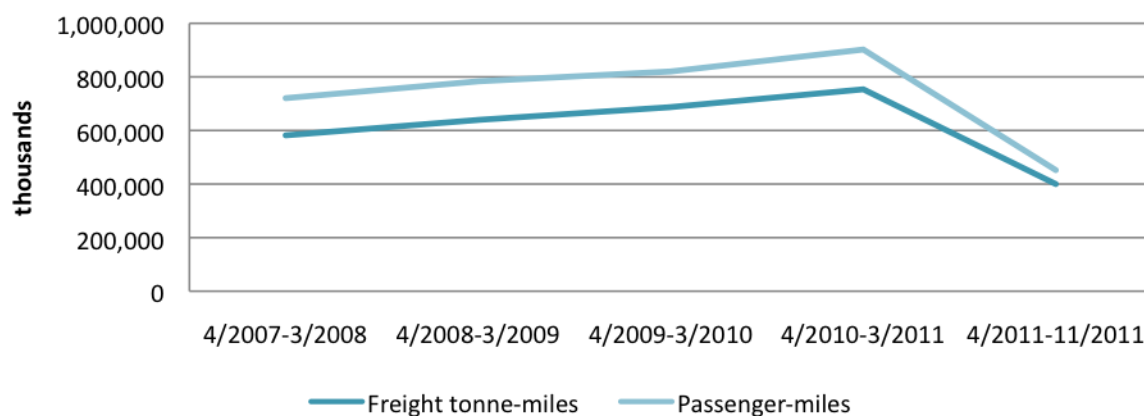
Sub-Sector	Project Name	Cost (US\$ mil)	Status
Port, Rail, Road	Dawei deep sea port	8,600	Ongoing
Road/Bridge	Dawei-Magul-Lenya-Kawthaung	-	Ongoing
Port, Rail, Road	Kyaukphyu deep sea port	10,000	Ongoing
Road/Bridge	Dawei-Maesamee Pass	-	Prospective
Road	Kaladan Multimodal Project (Setpyitpyin to Indian border)	49.1	Ongoing
Port/Maritime	Kaladan Multimodal Project (Sittwe Port, Kaladan River development)	68.2	Ongoing
Road/Bridge	Upgrading below Class III road (Chaung U-Kalay)	-	Ongoing
Road/Bridge	Upgrading below Class III road (Kengton-Taunggyi)	-	Ongoing
Railway	Lasio-Muse Railway	479.5	Prospective
Road/Bridge	Muse-Kyaukphyu	-	Prospective
Railway	Rehabilitation of Kalay-Mandalay rail line	162	Prospective
Railway	Tamu-Kalay railway	97.7	Prospective
Road/Bridge	Tanine-Pansauk Road	-	Prospective
Railway	Thanbyuzayet-Three Pagoda Pass railway	246.2	Prospective
Road/Bridge	Thingannyinaung-Kawkareik	-	Prospective

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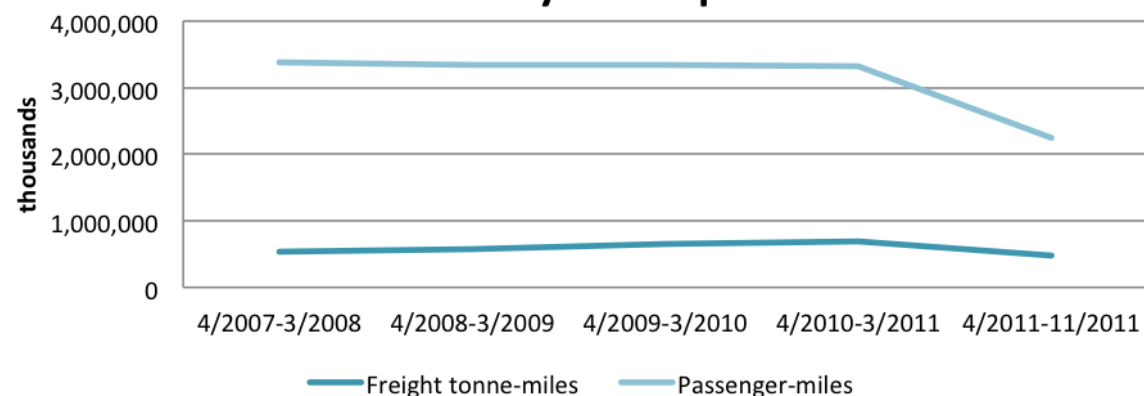
Sea-borne Cargo



Inland Water Transport

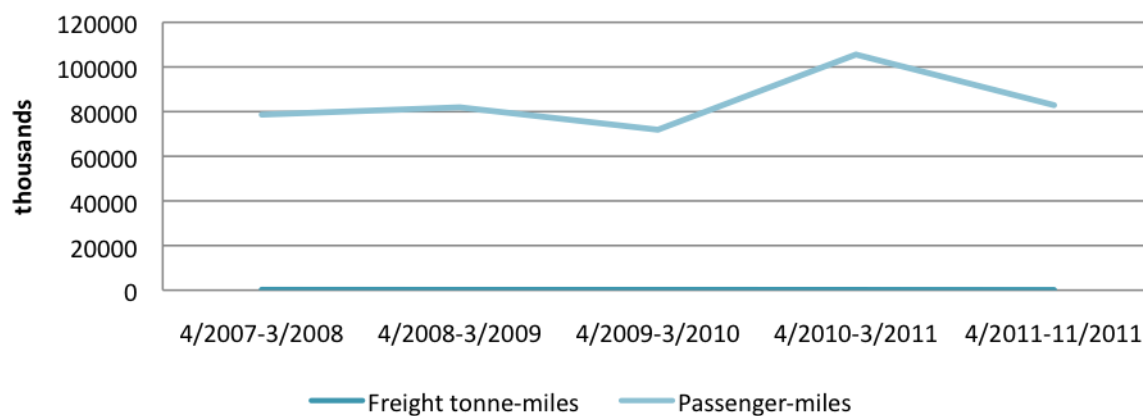


Railways Transport

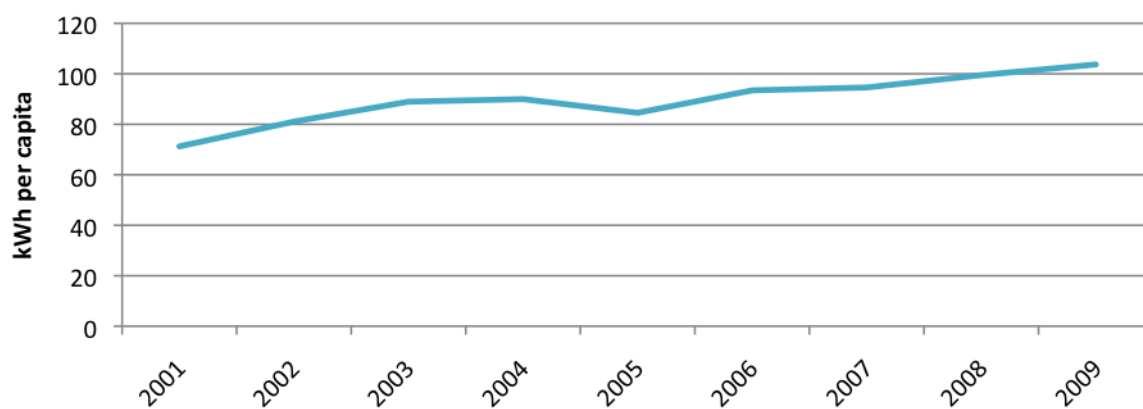


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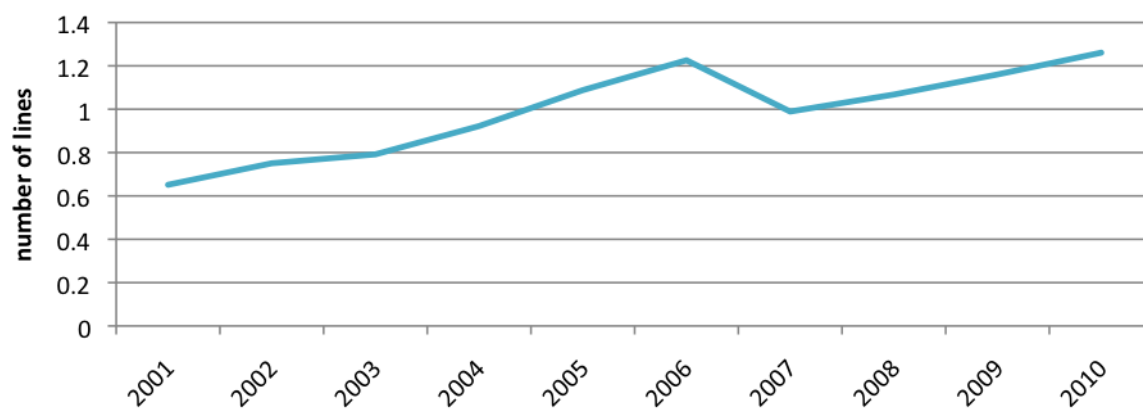
Airways Transport



Electric Power Consumption



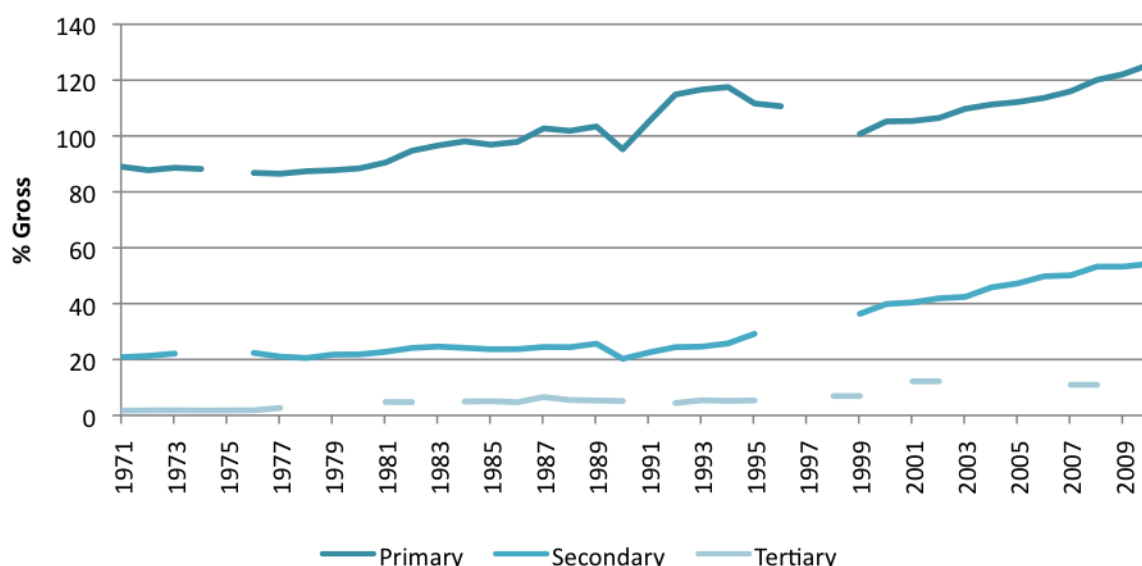
Telephone Lines (per 100 people)



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EDUCATION AND HEALTH

Education Enrollment Ratio



Gross enrollment ratio has been patchy, due to the government's frequent closing of schools to control dissidents. The gross enrollment ratio for primary education is higher than 100%, because of people older than primary age going to primary school. Secondary school enrollment has been improving since the start of the millennium and is now just below 60%. Tertiary education enrollment decreased from 12.2% in 2001 to 10.9% in 2007.

Public universities were closed for the general population between December 1996 and July 2000. After reopening, the courses have been significantly shortened to push the backlog of students through the system. During the closure, the military set up private universities just for children of military officials. Literacy rate, as a percentage of people aged 15 and above, has increased from 78.6% in 1983, to 89.9% in 2000 and finally 92% in 2009.

Public expenditure on education has been low, between 1-2% of total government expenditure, but recently the government has doubled the budget for education.

Nearly all schools are publicly run but recently private schools were allowed to open for high school classes. Last academic year there were ten privately-run high schools on a pilot run, which formally opened June 2011 after a successful pilot year.

Malaria is the leading cause of reported mortality in the country. Myanmar is also among the 22 countries globally with the highest incident of tuberculosis. The overall prevalence of HIV is estimated at 0.67%.

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Public Health Expenditure as % of Total Health Expenditure



The public expenditure on health decreased from 19% of total health expenditure in 1995 to less than 10% in 2009. The rest is privately funded. Furthermore, public health expenditure was less than 1.5% of total government expenditure over the period. Total health expenditure (public and private) fluctuated around 2% of GDP for the same period. The government has however quadrupled the budget for the health sector. Since 2007, private sector medical services can legally provide health care after receiving a license from the government. Private hospitals had been prohibited up till then. The private, for profit, sector is mainly providing ambulatory care though some providing institutional care has developed in Yangon, Mandalay and some large cities in recent years. Funding and provision of care is fragmented. They are regulated in conformity with the provisions of the law relating to Private Health Care Services.

