

**Enterprise
Singapore**

GrowingEnterprises^{SG}

 **Singapore
Accreditation
Council**

Your Trusted Partner in Accreditation

 **Testing
Inspection
Certification**
An Interest Group of Singapore Manufacturing Federation

Market access into Myanmar for TIC companies

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11 November 2020



Outline

1. Introduction
2. Myanmar as a potential market identified in TIC Plan 2025
3. Overview of business landscape
4. TIC landscape in Myanmar
5. Setting up in Myanmar

Introduction

About Enterprise Singapore and Quality & Excellence Group

QEG - Building Trust in Singapore Products and Services



We grow stronger Singapore enterprises



MISSION

Grow stronger Singapore enterprises by building capabilities and accessing global opportunities, thereby creating good jobs for Singaporeans.



4 PILLARS OF ENTERPRISE SINGAPORE



Building resilient, competitive industries and enterprises



Tapping global opportunities for Singapore



Developing Singapore as a top global trading and startup hub



Building trust in Singapore products and services

About Enterprise Singapore and Quality & Excellence Group

Building on our Quality & Excellence infrastructure to enable industry transformation and internationalization



STANDARDS DEVELOPMENT



Develop and review Singapore standards to facilitate interoperability, conformance and market access

TESTING, INSPECTION & CERTIFICATION (TIC)



Competent, accredited TIC players provide supporting services

ACCREDITATION



Accreditation programmes to ensure TIC quality

CONSUMER PRODUCT SAFETY, WEIGHTS AND MEASURES



Ensures accurate weights and measures transactions, and safety of household consumer goods sold

Assess conformance of enterprises to standards

Ensure competence and impartiality of TICs

for industry & enterprises, as well as public health and safety



Quality Products & Services



Excellent Organisations



Market Penetration



Health, Safety & Environment

About TIC Interest Group



Mission

To serve and advance the interests of the TIC Industry in Singapore

Roles of TIC Interest Group



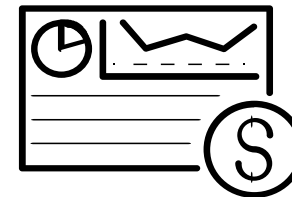
Champion the interests of the members via regular engagements with industry and policymakers



Develop and provide recommendations to industry/policymakers TIC services that can support national or industry initiative



Raise the profile and public awareness of TIC sector



Upgrade the capabilities of TIC sector

****TIC IG membership fees will be waived for the first year***

Enterprise Singapore

Singapore Accreditation Council



National Accreditation Body of Singapore

TIC Development



To spearhead industry development for the TIC sector in Singapore

SMF TIC IG



To serve and advance the interest of the TIC industry in Singapore



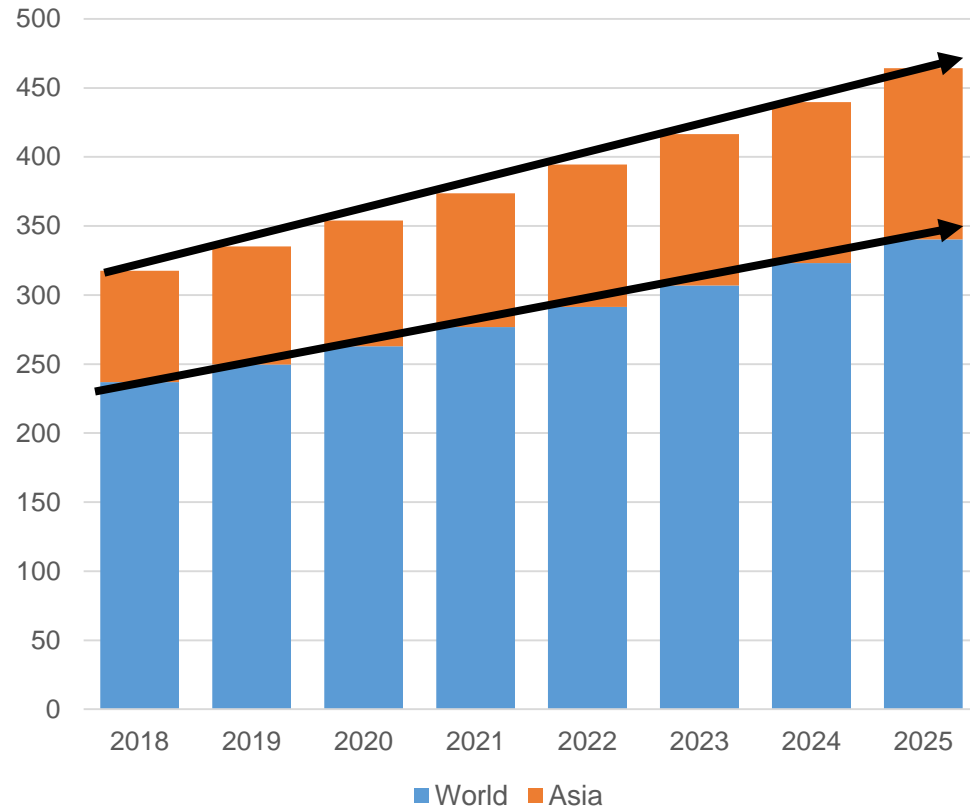
Myanmar as a potential market identified in TIC Plan 2025

TIC market size in SEA

SEA expected to record strong growth in the TIC sector



TIC Market Size
(USD Billion)



- Asia TIC market expected to outperform global growth at a CAGR of 6.34% annually to 2025
- TIC in SEA will grow at CAGR of 4.61%
- Singapore's TIC industry contributes 22% to SEA's market

This presents a wealth of potential opportunities to be captured in SEA.

TIC Opportunities in Myanmar



Nascent national quality infrastructure (eg accreditation body, national metrology centre and TIC services)



Capability and capacity gaps in fulfilling end industries' TIC needs



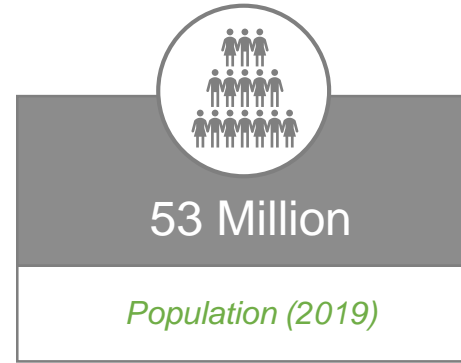
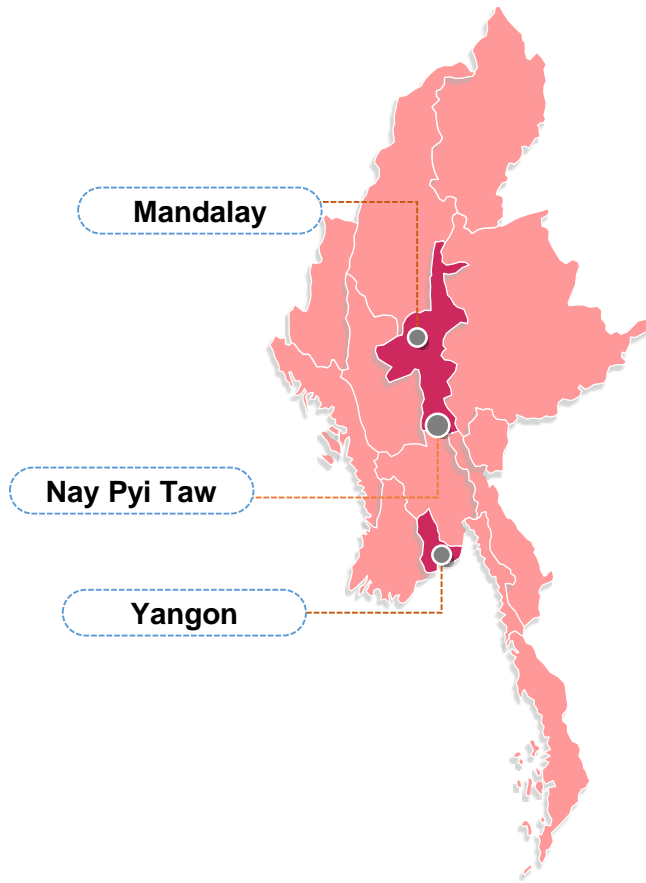
Several bilateral agreements put in place to foster/facilitate business relationships between both countries

Grow mindshare of Singapore's TIC services and implement TIC activities in Myanmar

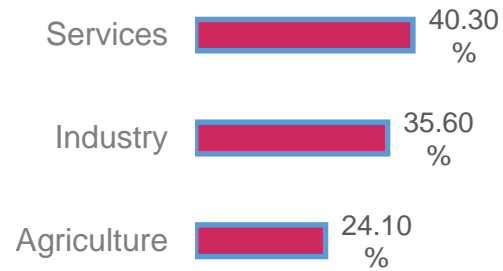
- Address TIC gaps in the region by providing Singapore TIC solutions
- Consider administering advisory and certification services out of Singapore

Overview of business landscape

Country Overview: Myanmar



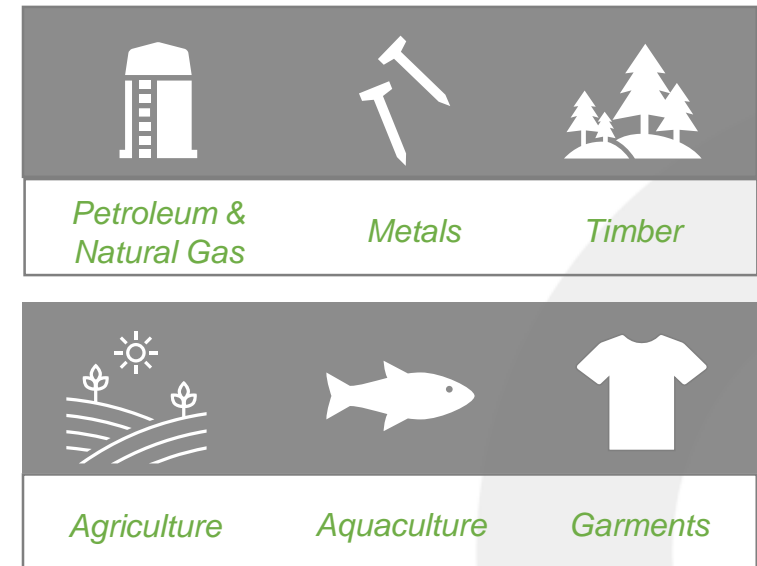
Sector Contribution to GDP:



Key trading partners:



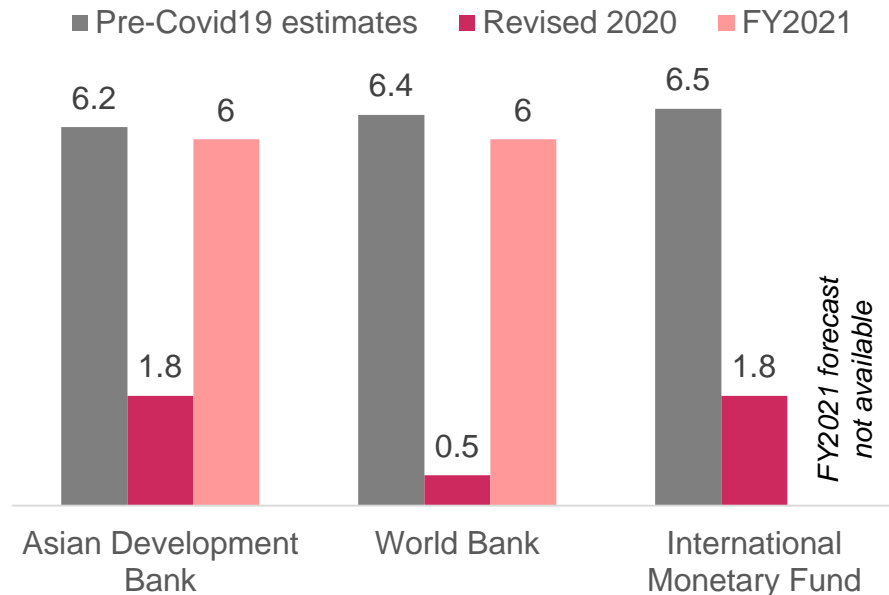
Key industries and exports:



Prior to COVID-19, the incumbent Myanmar government has already begun liberalizing certain sectors to jumpstart economic growth

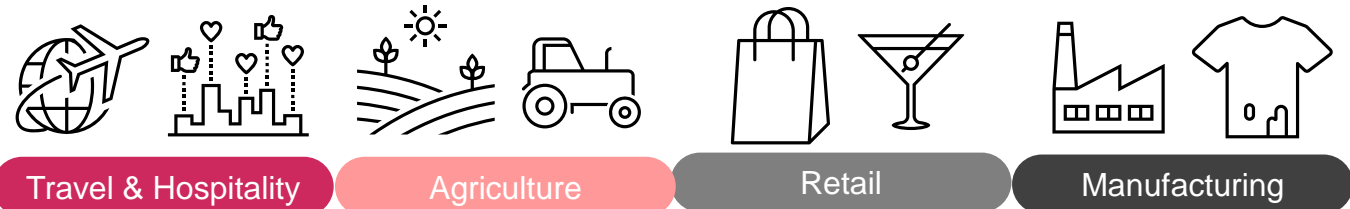
- Regulatory reforms and sector liberalization
 - Myanmar Investment Law in 2016 which combined regulations for both foreign and domestic investments under one set of laws.
 - Myanmar Companies Law 2017 which allowed foreigners to own up to 35% equity interest in local entities, thus opening up many more sectors to foreign investment and competition.
 - Liberalisation of the retail, wholesale and private education sector allowing 100% foreign-owned companies as well as joint ventures to carry out retail and wholesale businesses, and 100% foreign capital investment in private education
- Supported by streamlined company registration processes with the Directorate of Investment and Company Administration (DICA)

The Myanmar government has rolled out two sets of economic recovery plans in the last 6 months to address the socio-economic fallout from COVID-19



- Average of 6% y-on-y growth in the last few years
- Significant slowdown for FY2020 and economic rebound in FY2021 remains to be seen.
- Heavily dependent on the Myanmar government's intervention policies to support key sectors underpinning its economy to mitigate impacts of downturn while attracting foreign investments

Sectors heavily impacted by COVID-19:



- April 2020: COVID-19 Economic Relief Plan (CERP)
 - Financial stimulus and ease strains in banking sector
 - Promote trade and investment
 - Promote adoption of digital services
- September 2020: Myanmar Economic Recovery and Reform Plan (MERRP)
 - Transparency to attract responsible investments
 - Support for agriculture, energy and connectivity infrastructure
 - Investing in human capital and innovation

Marked shift in receptiveness towards the use of digital solutions and services in Myanmar catalysed by COVID-19



Uptick in e-commerce

Online shopping transactions have risen sharply since mid-March 2020 as e-commerce platforms play a critical role in providing access to essentials amidst movement restrictions and stay-home measures



Increased reliance on apps, receptiveness towards digital payments

Services that deliver food, groceries, medical supplies and packages continue to do well, and there is also a change in payment behaviour as people move towards digital / cashless transactions to minimise person-to-person contact.

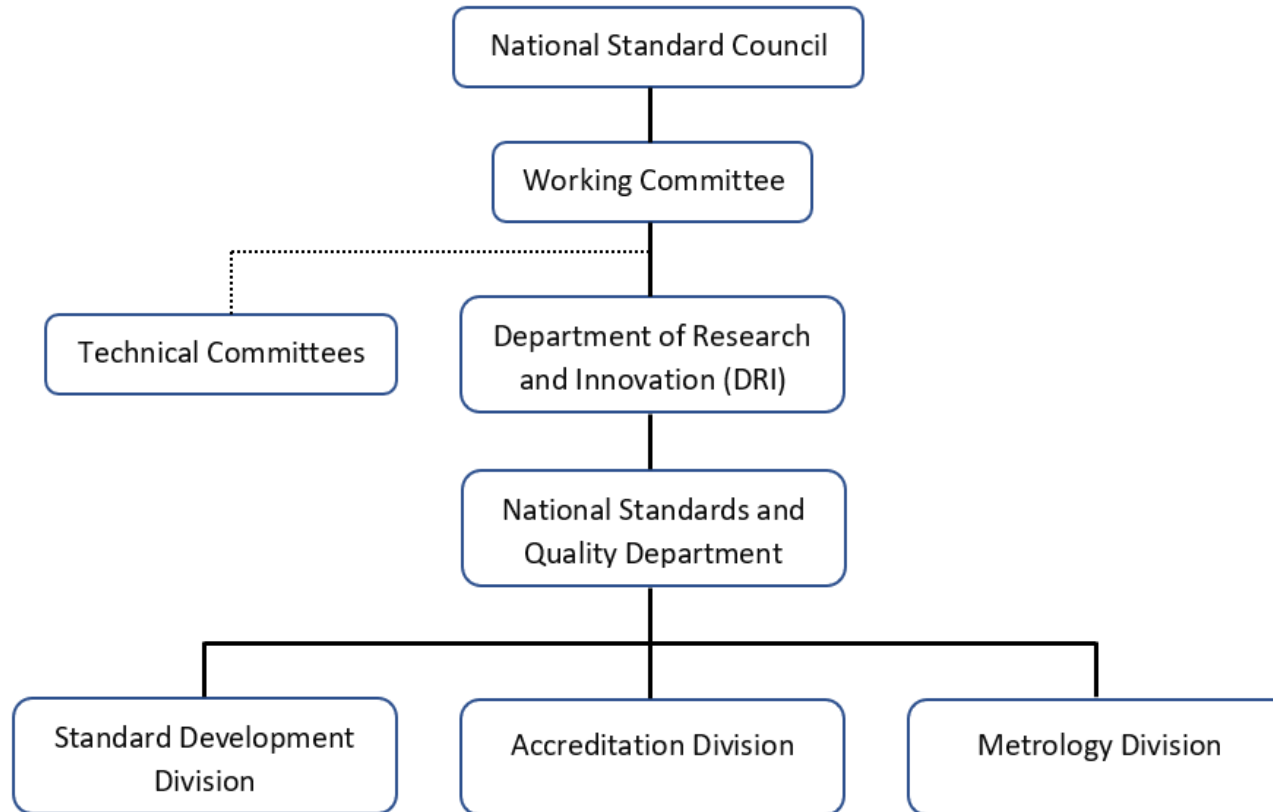


Working from home

Adapting to new processes and digitalisation of the workplace, though also impeded by infrastructure limitations such as power outage and limited bandwidth on ISP networks

TIC landscape in Myanmar

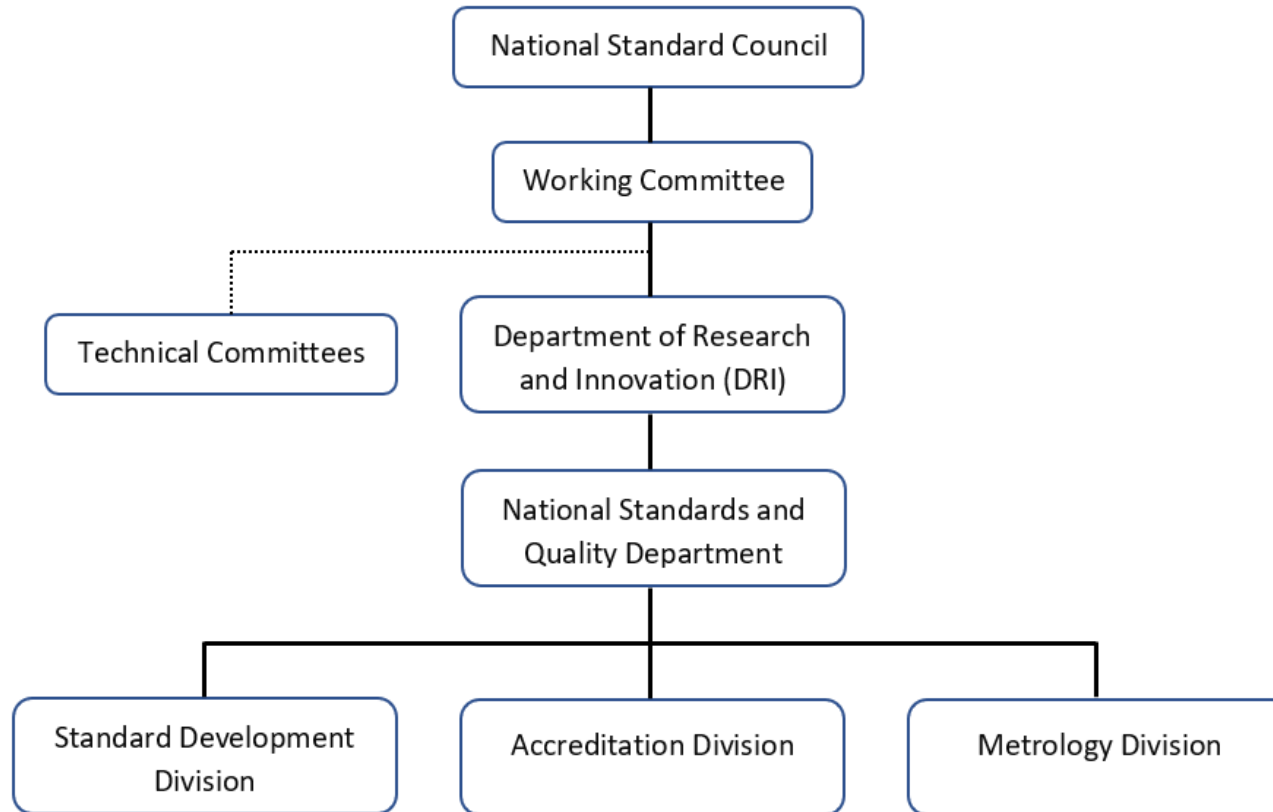
Testing, inspection and certification matters subsumed under the Myanmar Law of Standardization.



National Standards Council (NSC)

- Lays down policy, prescribe standards (with reference to international standards), reports to Cabinet on standard-related matters, and oversee the activities of technical committees.
- The working committee of the NSC is chaired by the Minister of Education and involves Deputy Minister, Permanent Secretary, Director General and officers from other ministries.

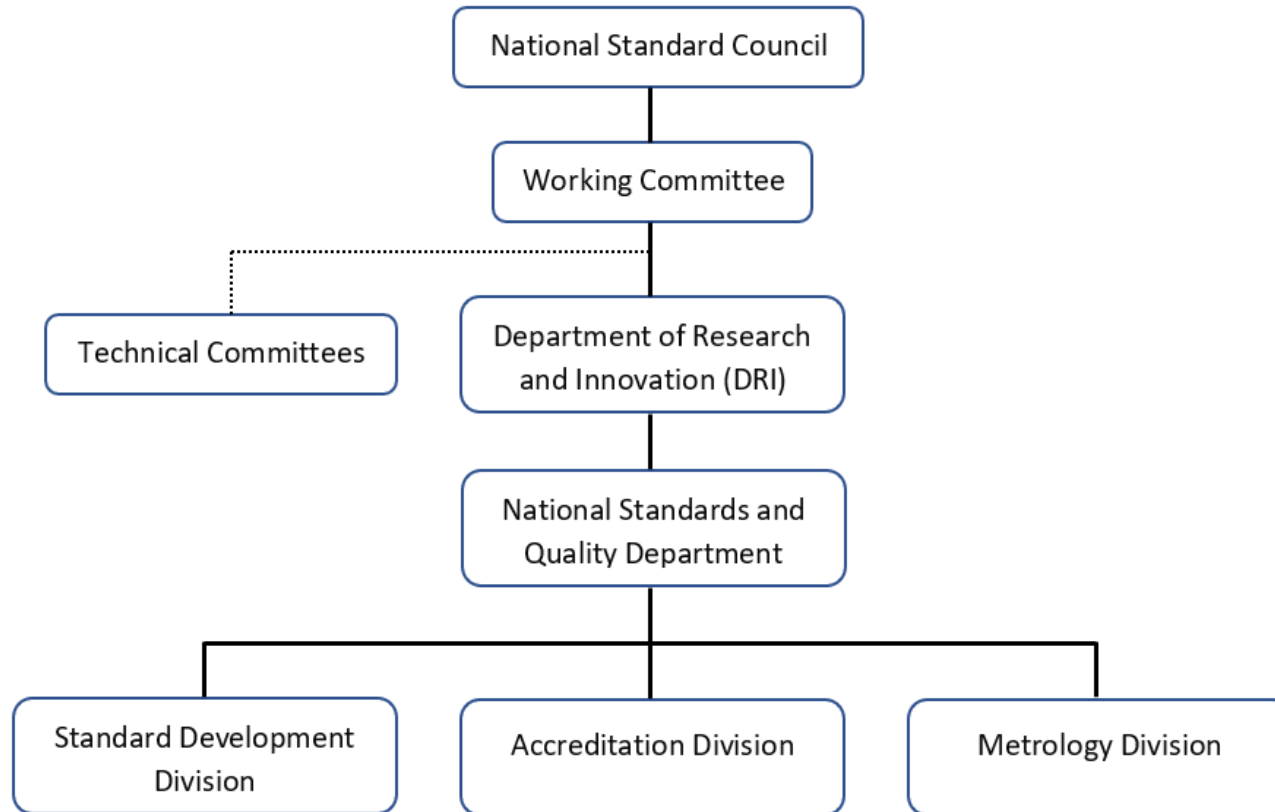
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Working Committee & Technical Committees

- Draft and submit standards to the Council for approvals
- Report to the NSC after assessing companies to issue accreditation to, and to renew the terms of accreditation accordingly;
- Prescribe the technology, production process and equipment for the standard;
- Inspect organisations which have obtained standard certifications
- Organize trainings, seminars and workshops relating to standardization
- Advise the Council on implementation of standards

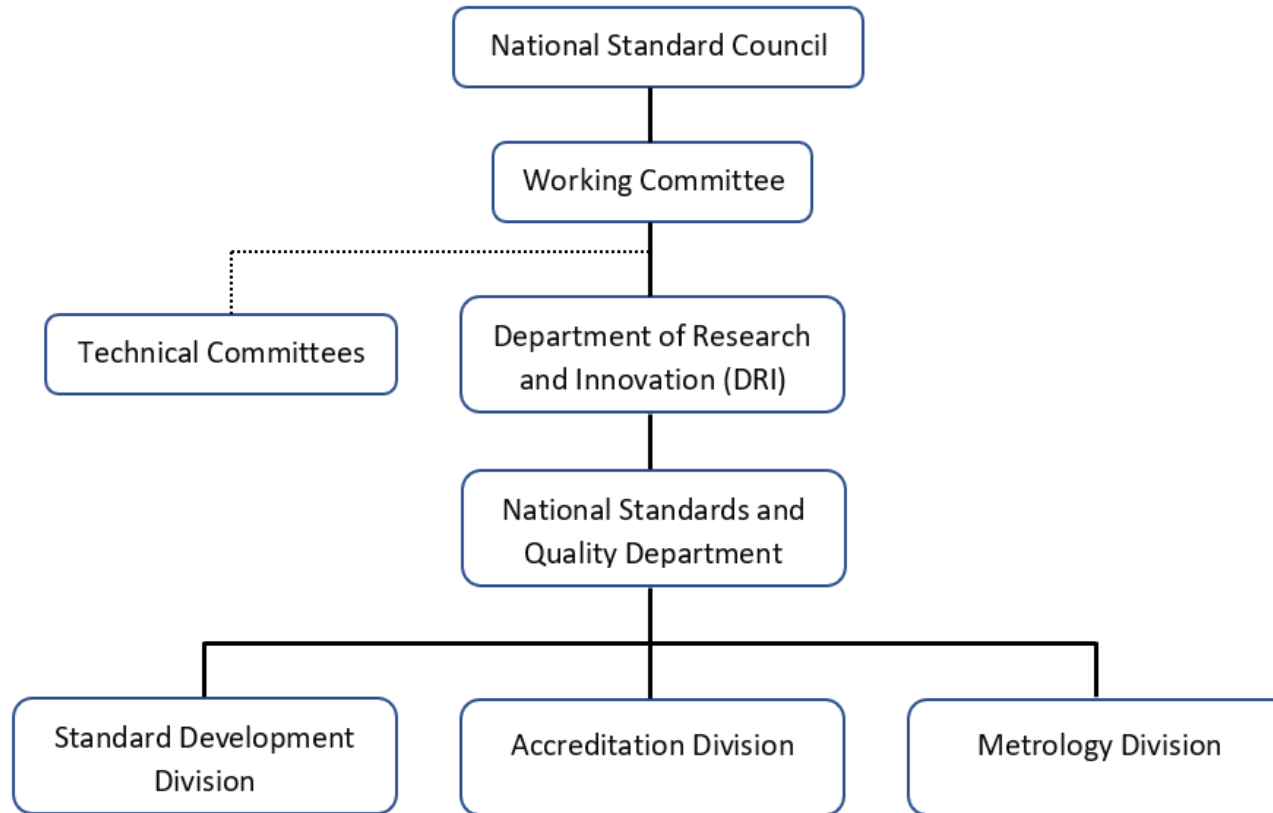
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Department of Research and Innovation (DRI)

- Multi-disciplinary research department which conducts scientific and technological R&D activities
- Also responsible for the coordination of the Myanmar National Quality Infrastructure (NQI) for the industrial, economic and social development of the country
- DRI includes nine research departments and five technical support departments.

Testing, inspection and certification matters subsumed under the Myanmar Law of Standardization.



National Standards and Quality Department (NSQD)

- Provides technical support for Myanmar's National Quality Infrastructure (NQI)
- Promote and ensure compliance with Myanmar's trade commitments.
- Establish, maintain and disseminate Myanmar's national standards
- Provide internationally recognized accreditation
- Provide calibration and measurement services to industry and other government organizations
- Participate and represent the country in international and regional NQIs

To date, Myanmar has a total of 439 standards which cover 24 sectors

- First set of standards developed in Myanmar in 2018.
- Adoption of technical regulations directed by respective government departments overseeing sector, with a technical committee set up for each sector.
- For companies that apply for certification for conformity to standards, a technical committee assessment is required.

1.	Electronics and Electrical Products	13.	Wood-based products
2.	Medical devices	14.	Agricultural processes
3.	Automobiles	15.	Agri-based products
4.	Boilers	16.	Livestock and Fisheries
5.	Iron & Steel	17.	Food
6.	Building & Construction	18.	Cosmetics
7.	Pharmaceuticals	19.	Traditional Medicine
8.	Rubber-based products	20.	Environmental Protection
9.	Energy	21.	Management Systems
10.	Mechanical	22.	Conformity Assessment
11.	Chemical	23.	Occupational Health and Safety
12.	Communication and Information Technology	24.	Universal Character Set Myanmar Unicode System

TIC companies in Myanmar

International companies



Management System, Agricultural Processes, Foods, Consumer Goods and Retail, Minerals and Environmental Resources, Oil & Gas, Chemicals



BUREAU
VERITAS

Oil & gas processing, Energy and Utilities, Manufacturing, Transportation, Mining and metals. Shipping, Consumer goods and Retail, Real estate



Agriculture, Food, Minerals and Metals, Consumer goods



Agriculture, Food, Environmental Protection



Electrical equipment,
Mechanical equipment



OMIC Myanmar:

Agriculture, Food,
Industrial products,
Machinery, Minerals.
Chemicals, Shipping

Local companies

IQC Global Engineering Myanmar



Management Systems,
Environmental Protection, Food,
Medical devices. Health and Safety.
Communication and Information
Technology. Good Manufacturing
Practice, Good Storage Practice

Royal Chan Myae Shwe Pyi:



Management Systems, Environmental
Protection, Food, Medical devices,
Energy, Health and Safety,
Communication and Information
Technology, Good Manufacturing
Practice, Good Storage Practice



Myanmar Innovative Life Sciences:

Food, Livestock

Setting up in Myanmar

TIC companies are allowed to operate in Myanmar with 100% foreign ownership

Company Registration and Permits

1. Register at Directorate of Investment and Company Administration with a registration fee of MMK 150,000.
2. Registration steps include:
 - a. Checking availability of company name
 - b. Obtaining company registration forms (available at DICA website) and submitting signed forms
 - c. Payment of the government fees
 - d. Receiving company registration certificate from DICA
3. Apply for permit or endorsement from the Myanmar Investment Commission (MIC), depending on investment value (whether it is below or more than US\$5 million).

Approval and Licensing for TIC

1. A TIC company that set ups in Myanmar has to apply for an operating license at the Department of Research and Innovation (DRI) to allow for operations in Myanmar.
2. DRI will conduct inspections on premises for whether or not the company is able to carry out the required assessments and other necessary services
3. DRI will submit inspection findings and recommendations to the National Standard Council (NSC) through the technical committee for standards.
4. If satisfactory, the NSC will endorse the operating license for the TIC company through DRI.

Note: SAC accreditation is recognized in Myanmar as part of ongoing bilateral arrangements under an MoU

Common challenge faced by Singapore companies face when looking to gain market entry include clarifying regulations, due diligence and HR management

Clarifying regulations

- Unclassified sectors that do not allow for full foreign ownership / local partners retain majority shareholding
- Certain level of ambiguity in the legal and financial frameworks and business practices as these are still evolving

Due diligence

- Identifying suitable partners with complementary capabilities, which could take time
- Corporate due diligence on potential partners

Currency risks

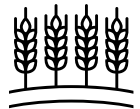
- The US dollar is the prevalent trade and business currency for Myanmar as the *kyat* is not internationally traded
- Balancing currency risks with their operating costs in a dual currency system

Training and talent retention

- Talent pool for skilled workers is fairly small in the urban areas and wages can be disproportionate based on their experience and capability
- With demand exceeding supply, it is a jobseeker's market rather than an employer's market where job mobility is high for those who are trained and have relevant experience

ESG's support for Singapore companies looking to internationalise

Singapore companies in Myanmar:



Agriculture



Food Services

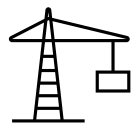


Retail

etc.



Digital Services



Construction



Logistics

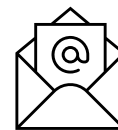
Support from ESG

- Sharing of market information
- Introduction to local partners and/or enablers for market entry
- Overview and clarification of sector-specific regulations

Bilateral platforms:

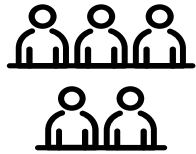
- Bilateral Investment Treaty signed in September 2019
- SAC and Myanmar Department of Research & Innovation MOU on partner accreditation body for accreditation of conformity assessment bodies in 2017
- Avoidance of Double Taxation Agreement ratified on 26 June 2009

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Moving Forward



Champion the interests of the members via engagements with industry & policymakers:

- Centralized platform for ESG and other stakeholders to engage TIC players on TIC development initiatives
- Representation in various SAC and Standards Development committees
- Working through TIC IG to address issues/concerns from TIC companies/industry



Raise the profile and public awareness of TIC sector:

- Joint efforts with ESG to develop Singapore as the TIC Hub to address local and regional TIC demand
- Organize overseas mission trips



Upgrade the capabilities of TIC sector:

- Foster collaborations amongst TIC players to leverage support programmes such as STEER to build TIC capabilities
- Co-organize relevant training sessions/webinars

Thank you!

ESG

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