



UK Trade
& Investment

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**BUSINESS
IS
GREAT**
BRITAIN

Burma

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[Doing Business in Burma](#)

- Population: 51.4 million with 60% trainable workforce age under 40.
- Area: 676,572sqkm, 3 times bigger than UK.
- GDP 8.3% in 2015.
- Inflation 8.18% in 2015, average 5.31% in 5 years.
- FDI increased to \$2230m in April from \$150m in March 2015, with average \$518m in 3 years.
- Telecom network coverage 30m, Mobile users 13.3m, social network users 3.8m.
- Improved transparency index 156th (Just report) but easier to start business and to connect electricity reported by World Bank, Doing Business 2016.
- Strategically located between China (1.36bn pop) and India (1.35bn pop), and door to ASEAN market (625m pop). (see Map)
- New Foreign Investment Law issued in 2013, followed by allowed [list of Economic Activities](#). [A&O](#)



Figure : Location Plan of Growth Areas and Economic Corridors

Oil and Gas in Burma

- Burma is one of the world's oldest oil producers, having exported its first barrel more than 150 years ago.
- The industry has historic links to the UK and Scotland in particular. In 1886 the Scottish owned Burmah Oil was the first foreign firm to drill for oil in Burma.
- Burma has estimated proven gas reserves of 10 trillion cubic feet and proven oil reserves of 50 million barrels, according to the US Energy Information Administration
- Gas comprises 90% of total products and Burma is the 10th largest producer of natural gas globally- most of which is exported to China and Thailand via existing pipelines

Why the time is right to do business in oil and gas

- New political reforms introduced in 2011 have seen sanctions lifted, allowing international oil and gas companies to enter the market
- In January 2013, Burma announced tenders for 20 onshore oil blocks with offers for a further 10 offshore blocks pending
- Research firm, IHS Global Insights estimates that Burma possesses 3.2 billion barrels of oil and 18 trillion cubic feet (tcf) of natural gas reserves – making it one of the world's hotspots for exploration
- The Government of Burma has a desire to attract businesses that meet international standards in health, safety and the environment.

List of International companies working with Ministry of Energy with their offshore blocks and contract value

International Company	Blocks	Signing Date	Contract value in USD
Oil India+Marcator+Oilmax Energy	M-4+YEB	December 4, 2014	120.9 million
Ophir Energy	AD-3	December 4, 2014	258.3 million
Berlanga Holding	M-8	December 5, 2014	153 million
Royal Dutch Shell	AD-9, AD-11, MD-5	February 5, 2015	1.215 billion
Total E&P Myanmar	YWB	February 25, 2015	67 million
BG and Woodside Energy	A-4, A-7, AD-2, AD-5	March 20, 2015	1.08 billion
Chevron (Unocal Myanmar)	A-5	March 24, 2015	277.85 million
TRG and CFG	M-15	March 30, 2015	125.25 million
Eni and Petrovietnam	MD-2, MD-4	March 31, 2015	402.25 million
Reliance Industries	M-17, M-18	March 31, 2015	189 million
Staoil and ConocoPhillips	AD-10	April 30, 2015	323.65 million
Tap Oil	M-7	August 26, 2015	170.75 million

Source: Myanmar Times

More Potential Blocks

- There are currently 10 offshore blocks available in Burma.
- 9 Deepwater (Rakhine and Tanintaharyi)
- 1 Shallow Water block
- Bidding process likely to take place in 2016/17

Where are the Supply Chain Opportunities?

- UK's North Sea expertise is well respected
- Lack of local capacity in terms of skilled personnel
- Burma's government and business community are keen to diversify their commercial partners
- Many international energy companies in Burma wish to work with trusted partners

Doing Business in Burma

- Burma's economic reform process has been underway for over 3 years and is beginning to show results. Economic growth in 2014 to 15 was 8.5% and the forecast for 2015 to 16 is similar.
- Burma's Gross Domestic Product (GDP) is currently USD 59 billion and it has a GDP per capita of USD 869, making it the poorest country in south east Asia.
- McKinsey's report '[Myanmar's Moment](#)' suggests Burma has the potential to quadruple GDP by 2030.
- The diverse nature of Burma's economy and its broad development needs, presents opportunities for British business in a broad range of sectors. However many of these opportunities will take time to realise.
- UKTI Burma has identified 4 priority sectors for UK business; these are sectors, which are believed to have immediate and achievable opportunities. However, there are opportunities in other sectors such as infrastructure, agriculture, aerospace and retail.

What are the concerns and challenges?

- Political uncertainty – many waiting until after the election to invest or scale up
- Corruption – the UK Bribery Act is tough
- Infrastructure – both physical and technical, can make doing business here expensive
- Capacity – finding staff is a real challenge
- Competition – particularly from regional companies who have a head start

Top Tips

- To do business in Burma's energy sector, companies must engage with MOGE
- Face time is important. Successful companies have worked hard to build relationships.
- Finding a trusted local partner or agent is often the key to be able to do business successfully