



Is Myanmar the Next Economic Frontier in Asia?

Interview with
Keith Rabin, President,
KWR International, Inc.

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Once Seen as a Rising Star in Asia, Myanmar has been a Closed Economy for Almost 50 Years



Population: 54 Million • Literacy: 90% • Natural Gas Reserves: 40/206
GDP Real Growth Rate 5.3% • GDP (PPP) 79/226 • GDP Per Capita: 201/226
Internet Users: 110,000 • Mobile Cell Per Capita 215/217 • Source: CIA Factbook

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“Myanmar is (now) essentially starting from scratch in terms of building a modern economy.”

- “In the 1950’s Burma was seen as one of the Asian economies with the most potential. It was the world's largest rice exporter, exported oil to India, had timber, gems, minerals and good supplies of many other natural resources. It was also under-populated, with a well-educated workforce and a parliamentary system.”
- “In 1958 the military assumed power ... and ruled with great effectiveness. Political scientists ... viewed this as a positive development because the military were seen as a disciplined effective force and a good alternative to the politicians who were seen as corrupt. Elections were then held in 1960 and the military stepped down but then seized power again in 1962 ... and ... remained the dominant force in that society ever since. That does not mean it cannot reform and treat its people better. China has a military in power ... and it has done many things to raise living standards and become the world's second largest economy.”
- “The nation still has abundant natural resources, a strategic location between China and India and access to ... world’s busiest shipping lanes. It .. is one of 10 member countries of the Association of Southeast Asian Nations (ASEAN), a rapidly integrating market with collective GDP approaching \$800 billion.”

***David Steinberg, Georgetown University
Interview with KWR International Advisor (edited)***

Recent Reform is Unprecedented and Leading to New Optimism

- **2005: "Political change in Burma is so slow it's like glue going up a hill."**
Australian Prime Minister John Howard
- 2012: Myanmar Minister Says No Going Back on Reforms† *ABC News*
- 2012: Aung San Suu Kyi running for Parliament boost for Myanmar reforms†
The National
- 2012: "European Union is rewarding Myanmar's moves toward political reform by easing some sanctions against the regime." *Washington Post*
- 2012: (Japanese Trade Minister) Edano meets Suu Kyi, vows support for Myanmar economy to aid reform† *Japan Times*
- 2012: Singapore to Help Myanmar Modernize Economy† *WSJ*
- 2012: With US-Burma Ties on the Mend, Will a Lifting of Sanctions Be Next? *Time*

US Democrats and Republicans Endorse Reform Process

- Washington Resumes Full Myanmar Ties – *WSJ*
- Clinton offers Myanmar first rewards for reform – *Reuters*
- "Reform is for real," (Republican) Senate Minority Leader Mitch McConnell told reporters"- *AFP*
- US to issue sanctions waiver for Myanmar – *CBS News*
- **In divided US politics, rare agreement on Myanmar - *AP***



Enormous Opportunities for Trade and Investment

- Investors aim to reap benefits of Myanmar reforms – *AFP*
- Myanmar's Former Capital City Attracting Western Interest *Realty Biz News*
- "Myanmar has a high growth potential and could become the next economic frontier in Asia...." – *IMF*
- "If you can find ways to invest in Myanmar you will be very, very rich over next 20, 30, 40 years." - *Jim Rogers*



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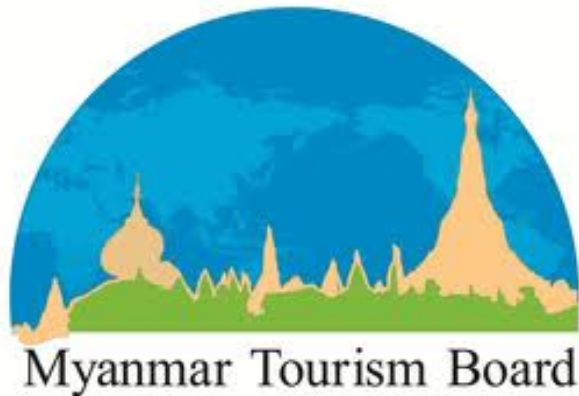
Potential Extends Across a Wide Range of Export Industries



Agriculture, Timber, Manufacturing, Mining & Energy are just a few sectors with potential

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... in addition to Technology, Tourism, Healthcare, Retail, Education and other Service Sectors



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Optimism is Certainly Warranted but are First Steps in Long Process

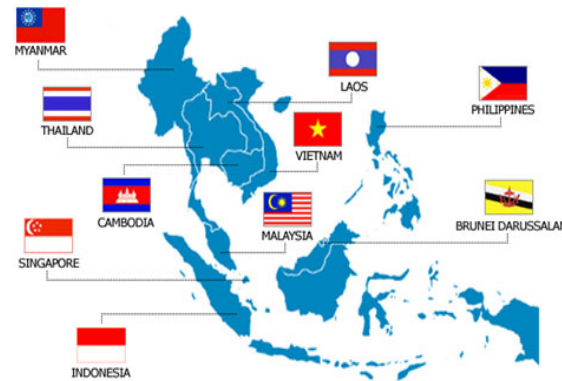
- While progress has been dramatic, much needs to be done to create sustainable change.



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Now is the Time to Monitor and Begin Planning an Entry Strategy

- Substantial progress and market opening likely as Myanmar government and private sector as well as donors, investors and corporations position themselves in advance of:
 - 2013: Hosting of Southeast Asian Games in Napidaw, Yangon & Mandalay;
 - 2014: Myanmar's Chairmanship of Association of Southeast Asian Nations (ASEAN); and
 - 2015: Establishment of region-wide ASEAN Economic Community



"Myanmar has a high growth potential and could become the next economic frontier in Asia," said IMF mission chief Meral Karasulu, whose team conducted an evaluation of the economy earlier in the month.
AFP, January 2012

- For more information on business and investment opportunities in Myanmar and Southeast Asia, please contact:



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