

## SUCCESS STORY:

### Stimulating Investment and Business Opportunities in Chin State

Chin State is a landlocked remote state located in northwestern Myanmar. Due to its mountainous terrain, it faces many challenges in promoting business and attracting domestic and foreign investments compared to other Myanmar States and Regions. Despite recent infrastructure development and government commitment to improving road conditions, water supply and power distribution, business opportunities in Chin State are still not marketed extensively to potential investors. Unfortunately, the state has received very little foreign direct investment or major business initiatives, aside from construction companies working on government projects. To improve the current depressed economic condition, the Chin State Investment Committee was established in late 2017 by the Myanmar Investment Commission (MIC), with support from the Directorate of Investment and Company Administration (DICA) to attract investments.

To address the challenges faced by Chin State, the DaNa Facility implemented by DAI Europe and KPMG, in cooperation with DICA and funded by UK aid, has provided ongoing support since mid-2017 on capacity building for an investment core group in preparing an investment promotion and facilitation strategy. DaNa provided two capacity building workshops in Hakha in 2017 and 2018, with a third event scheduled for mid-2019, on investment facilitation. DaNa also provided

five national level workshops on investment promotion and facilitation in Hpa-An, Monywa, Nay Pyi Taw, Yangon and Mandalay in June 2017 and May 2019, to support State and Regional investment committees. These initiatives are contributing to strengthening the government decentralization agenda on empowering State and Regional governments to streamline regulatory procedures and improving inter-agency coordination. DaNa also supported developing the Chin State Chamber of Commerce and Industry Strategic Plan (2018-2020) and participation of Chin representatives in the national Invest Myanmar Summit 2019. To complement DICA's efforts on delegating authority to States and Regions on attracting investments more quickly, DaNa and DICA produced a Myanmar language Investment Promotion and Facilitation Handbook that is now widely used by DICA and relevant investment agencies, including those in Chin State.

As an integral part of improving Chin State's business image and facilitating business opportunities, the DaNa Facility supported the first ever Chin State Investment and Product Fair in Yangon from March 16 – 17, 2019. The event, conceived by DICA and DaNa in late 2017, highlighted five priority sectors: agribusiness, tourism, hydropower, textiles, and infrastructure including urban development, while showcasing Chin products in an innovative selection of booths.



Chin traditional dance at the Chin State Investment and Product Fair 2019 in Yangon



H.E. U Myint Swe, Vice President, and senior officials visit the exhibitions at the Chin State Investment and Product Fair

More than 800 people representing development partners, embassies, domestic and foreign chambers, local and foreign banks, private sector and different levels of government were involved, supported, and participated in business matching discussions. Approximately 500 members of the public also visited the booths and attractions over two days.

During the event, four memorandums of understanding were signed for prospective investments, including Norway Power Co. Ltd that includes foreign direct investment for a hydropower project worth \$50 million. The proposal was subsequently submitted to the Union Attorney General's Office. Three additional proposed domestic investments included: Chin Taung Yadanar Co., establishing an elephant foot yam processing plant worth \$1 million supported by the Myanmar Fruit, Flower and Vegetable Producers and Exporters Association (MFVP) and the DaNa Facility. The endorsement application is under review and primed for future investment. The Khumi Institute's proposal for an urban housing project in Paltewa worth about \$2 million was submitted to the state investment committee for endorsement. Finally, KL Amazing Co. Ltd., developing a hotel project worth \$1.6 million, is discussing land tenure matters with the Union Government.

H.E. Salai Lian Laui, Chief Minister of Chin State stated, "With the dedicated support of the DaNa Facility and UK aid our state is now capable of receiving domestic and international investors to trade Chin products and invest in Chin State in focused sectors. Chin State does not receive as many visitors as it should despite many beautiful tourist destinations and unique cultural heritage. Now, more investors are sending their inquiries and requesting meetings with the Chin State Investment Committee on agribusiness, mining, tourism and industrial zone development."

U Min Zaw Oo, Secretary of Chin State Investment Committee and Head of the Chin State DICA office, is now confident in overcoming the challenges to attracting investments. He said, "Without DaNa Facility and UK aid support, I couldn't imagine how to get investors' attention and promote Chin State as one of the investment destinations in Myanmar. Moreover, the investment promotion and facilitation trainings in Hakha, Monywa and Mandalay were very helpful to us and the investment handbook is very useful as a reference guide when we are dealing with prospective investors in a remote location like Chin State."

Overall, the Chin State Investment and Product Fair was acknowledged by government officials and participants as a tremendous success, stimulating awareness on business and investment opportunities as well as ongoing development in Chin State. Over 90% of survey responses received from the event noted that it was: good, very good, or excellent because it served as an opportunity to explore various Chin products and business opportunities conveniently in one location. Respondents also noted that the event was an excellent networking opportunity with Union and Chin Government officials, including the Chin State Investment Committee. About 20% of survey respondents were investors seeking new opportunities.

Chin State has become a forerunner in developing an investment promotion and facilitation strategy, with support from the DaNa Facility. Kayin State will follow, along with seven additional state and regional investment promotion and facilitation strategies led by the International Trade Center under the Trade and Investment Programme also financed by UK aid. Given DaNa's pioneering efforts, together with DICA, the Myanmar investment environment will be improved in the next few years, supported by competent national and sub-national investment promotion agencies, leading to increased jobs and incomes and enhanced livelihoods for the poor across the country.

**“ I felt that for the first time, people were able to feel a sense of community and family at an investment event. The culture and heritage of the Chin people were expressed in a wonderful manner enabling outsiders to easily understand and learn the beautiful history of the state. This is one special thing I felt that the other investment promotion events lacked and what this fair had in store for the participants. ”**

**Charles Steber**

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