



A PROFESSIONAL APPROACH TO INVESTMENT PROMOTION



THE INVESTMENT DECISION

50% facts – 50% emotions

Initially Myanmar score high on the emotional side. But how about the facts? How about sustaining the positive emotional image?



FOREIGN INVESTOR AS A CUSTOMER

- The customer is always right
- Be the preferred contact point
- Be the trusted supplier of input for investors decision
- Make the Job easy for the investors staff
- Success is the best advertising



THE OUTLINE OF INVESTMENT PROMOTION

Foreign Companies

Should we
expand our
business?

Where to
locate?

Who to
talk to?

What it
is really
like?

Getting
established

Now
what?

aftercare

Analyses

Benchmark
service

Facilitate
contacts

Fact-finding
tour

Practicalities
when setting
up base

Investment promotion body



THE FACTS

- Be honest
- Cost and quality
- Benchmark



OPERATING COSTS

- Space
- Labour (remember social contributions, year end bonus etc).
- Utilities
- Logistic costs
- Tax
- Client dependent



QUALITY

- Business environment
- Regulatory framework
- Quality of labour
- Infrastructure
- Universities
- Corruption



BENCHMARK

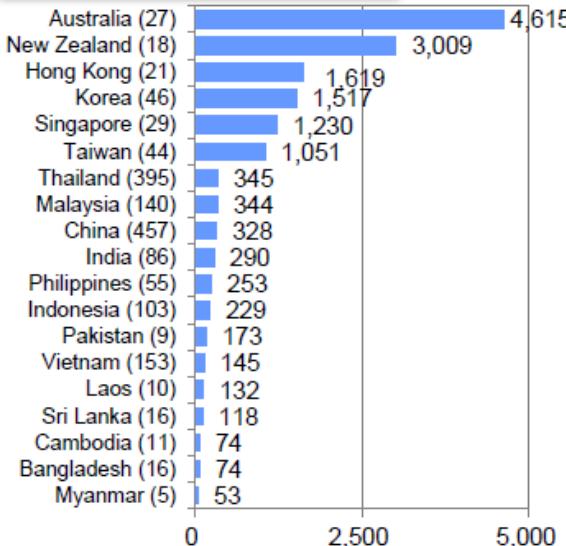
- Sometimes good news
- Sometimes bad News

7. Wages (2) Monthly Wages

Numbers in parentheses indicate
numbers of firms responded
n=23

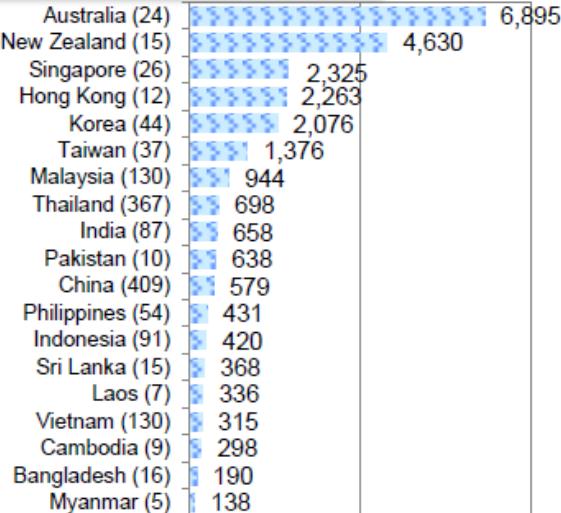
Workers, Manufacturing

Unit: US\$



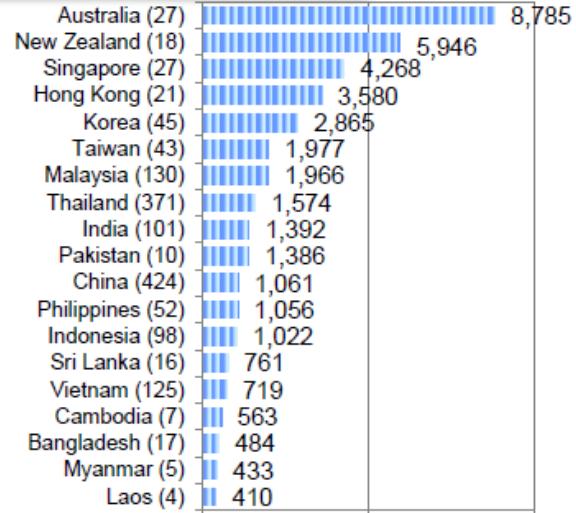
Engineers, Manufacturing

Unit: US\$



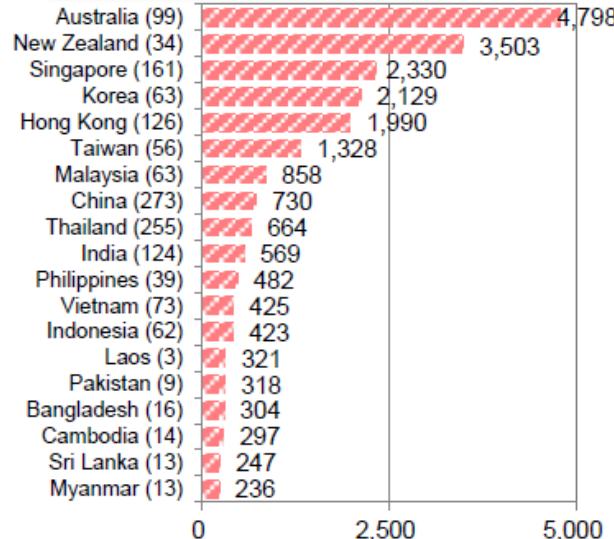
Managers, Manufacturing

Unit: US\$



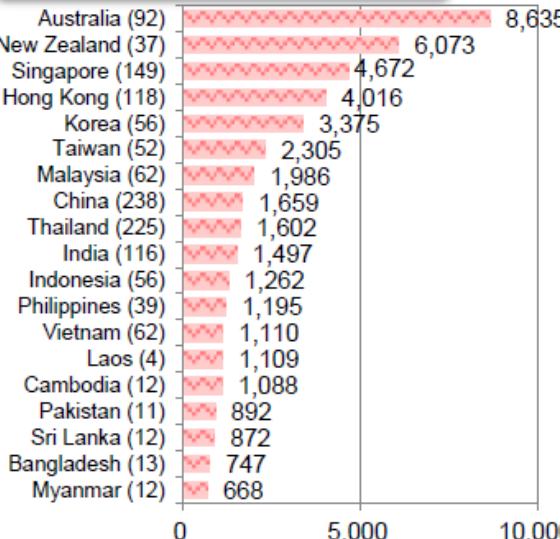
Staff, Non-Manufacturing

Unit: US\$



Managers, Non-Manufacturing

Unit: US\$



Base salary: as of October 2012, excluding benefits and allowances.

Worker: Full time employee with three years experience in manufacturing operations. Excludes contract and probationary workers.

Engineer: Full time employee who is a graduate of a vocational school or college with five years experience.

Manager (Manufacturing): Full time employee with college degree and the rank of section chief or higher, with ten years experience.

Staff: Full time employees with three years experience in routine office work. Excludes temporary and probationary employees.

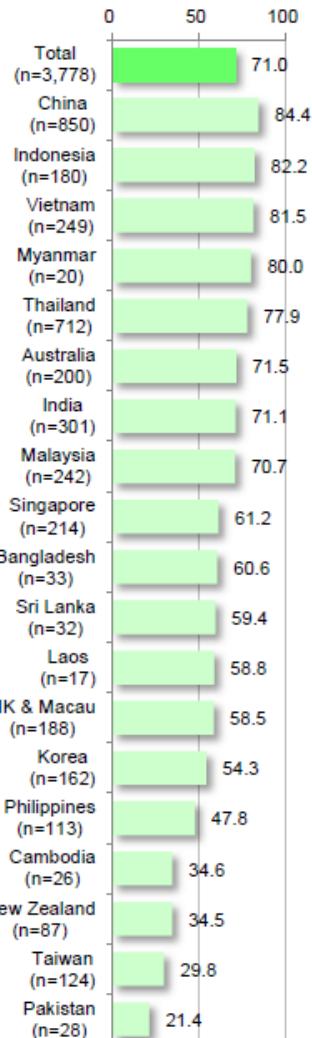
Manager (Non-manufacturing): Full time employee with sales responsibility at the rank of section chief or above and ten years experience.

Note: Except for Cambodia, average total pay burdens were reported in local currency (it was selective between local currency or US dollars for Myanmar) and converted to US dollars at the average exchange rate as of October, 2012 (announced by each country's central bank). In Myanmar, because some firms used different currencies (the local currency or US\$), averages were calculated after converting salaries to US dollars.

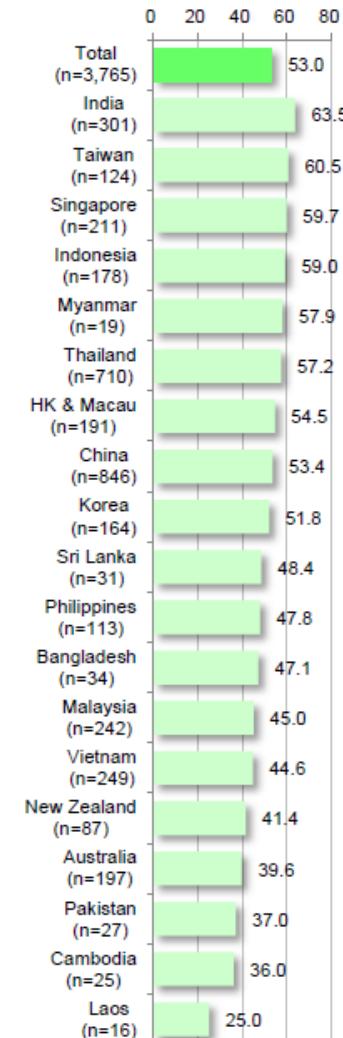
Problems common to all regions (top 10, multiple answer, response rate for each country/region)

(%)

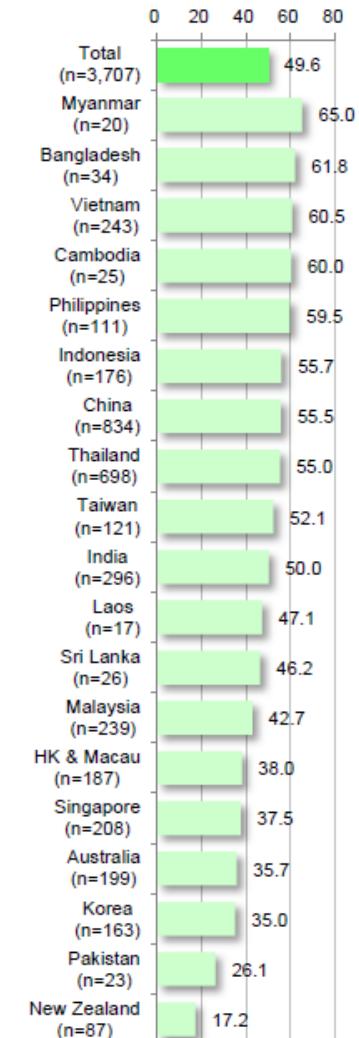
Wage increase



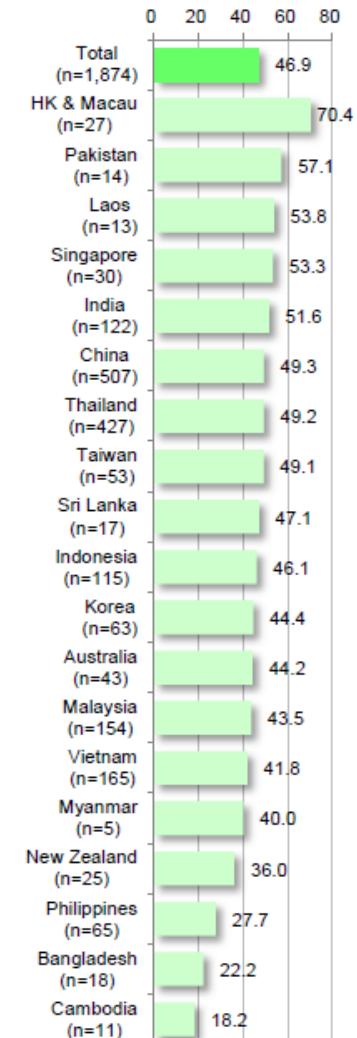
Competitors' market shares are growing (cost-wise competition)



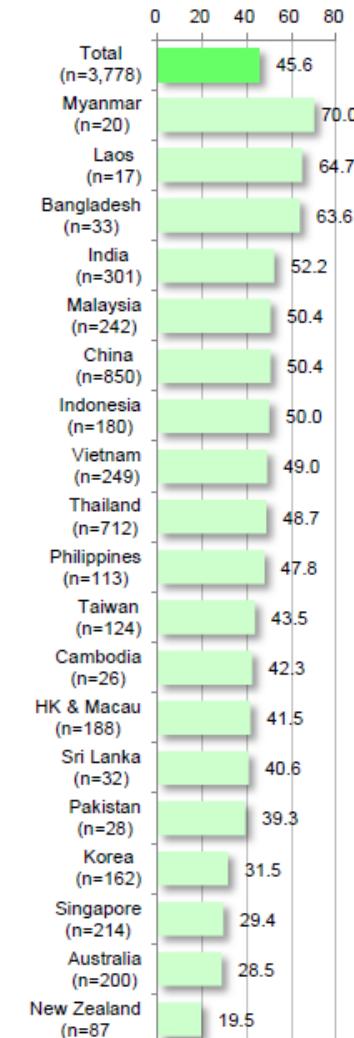
Lack of employee performance/employee awareness among local staff



Increase in procurement costs



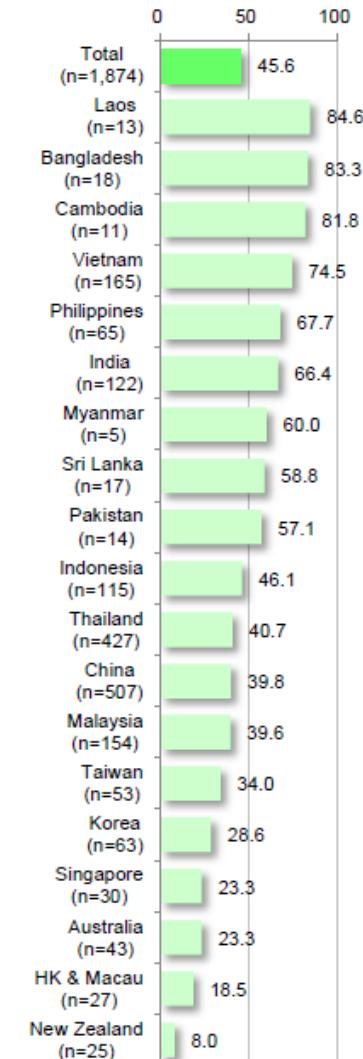
Quality of employees



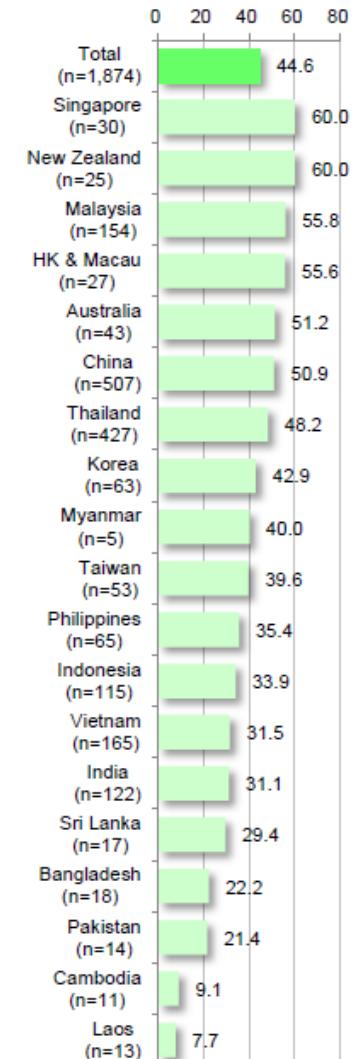
Problems common to all regions (top 10, multiple answer, response rate for each country/region)

(%)

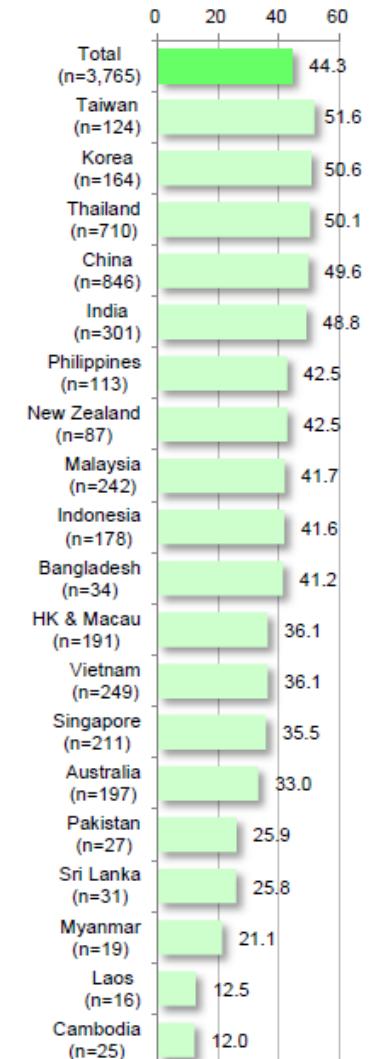
Difficulty in local procurement of materials/parts



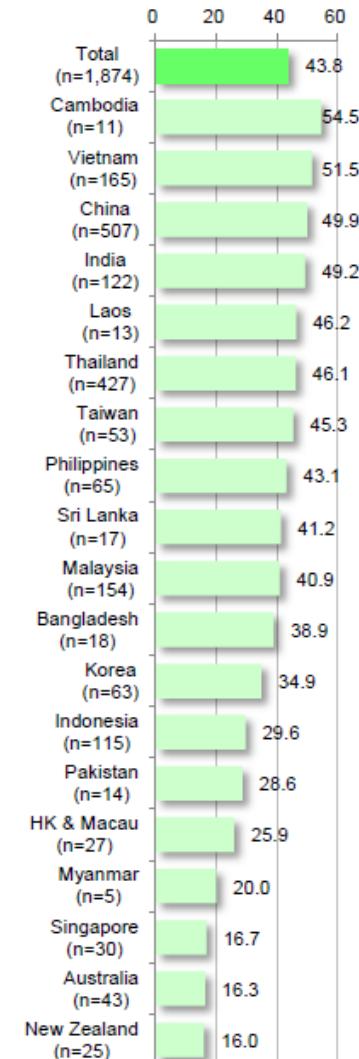
No more room for cost-cutting



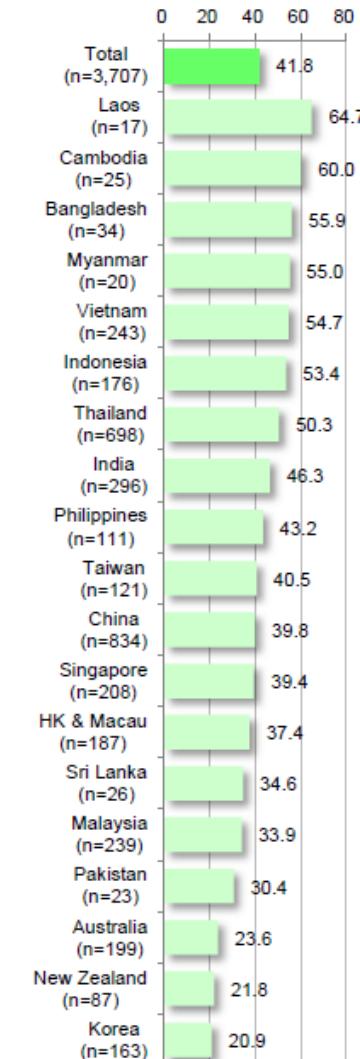
Major clients requesting lower prices



Difficulty in quality control



Difficulty in recruiting executive staff



DENMARK IS AN ECONOMIC HIGH FLYER

2012

	Best Place to do Business (EIU)	Best countries for Business (Forbes Magazine)	Ease of doing Business (World Bank)	The best country to start a business in (Wall Street Journal)
	2008-2012	2012	2012	2010
1	Denmark	New Zealand	Singapore	Denmark
2	Finland	 Denmark	Hong Kong	Canada
3	Singapore	Hong Kong	New Zealand	U.S
4	Canada	Singapore	United States	Sweden 
5	Switzerland	Canada	Denmark	New Zealand
6	Australia	 Ireland	 Norway	Ireland 
7	Hong Kong	Sweden	 United Kingdom	 Switzerland
8	Netherlands	 Norway	 Korea, Rep.	Norway 
9	Sweden	 Finland	 Iceland	Iceland
10	USA	United Kingdom	Ireland	 Netherlands

FOR THE LOW CORPORATE TAX?



ATTRACTIVE
BUSINESS
ENVIRONMENT

- ***Low corporate tax***
- ***Flexicurity***
- ***26% tax for foreign expats***
- ***Virtually no social security payment for the employer***

NETHERLANDS	20.9
SWEDEN	16.4
FINLAND	15.9
IRELAND	11.9
DENMARK	7.4



Produced by The Institute of International and European Affairs, www.iiea.com
Effective EU Corporate Tax Rates

UNITED KINGDOM	23.2
GERMANY	22.9
ITALY	22.8
NETHERLANDS	20.9
SPAIN	20.9
POLAND	17.7
HUNGARY	16.7
SWEDEN	16.4
FINLAND	15.9
AUSTRIA	15.7
PORTUGAL	14.9
SLOVENIA	14.8
GREECE	13.9
IRELAND	11.9
ROMANIA	10.4
CYPRUS	9.4
FRANCE	8.2
ESTONIA	8
CZECH REPUBLIC	7.4
DENMARK	7.4
SLOVAKIA	7
LATVIA	6.5
BELGIUM	4.8
BULGARIA	4.6
LUXEMBOURG	4.1
LITHUANIA	0
MALTA	No data



This graphic illustrates effective corporate tax rates across the European Union (based on a standardised sample business).

Data is drawn from the World Bank and International Finance Corporation "Doing Business" database.

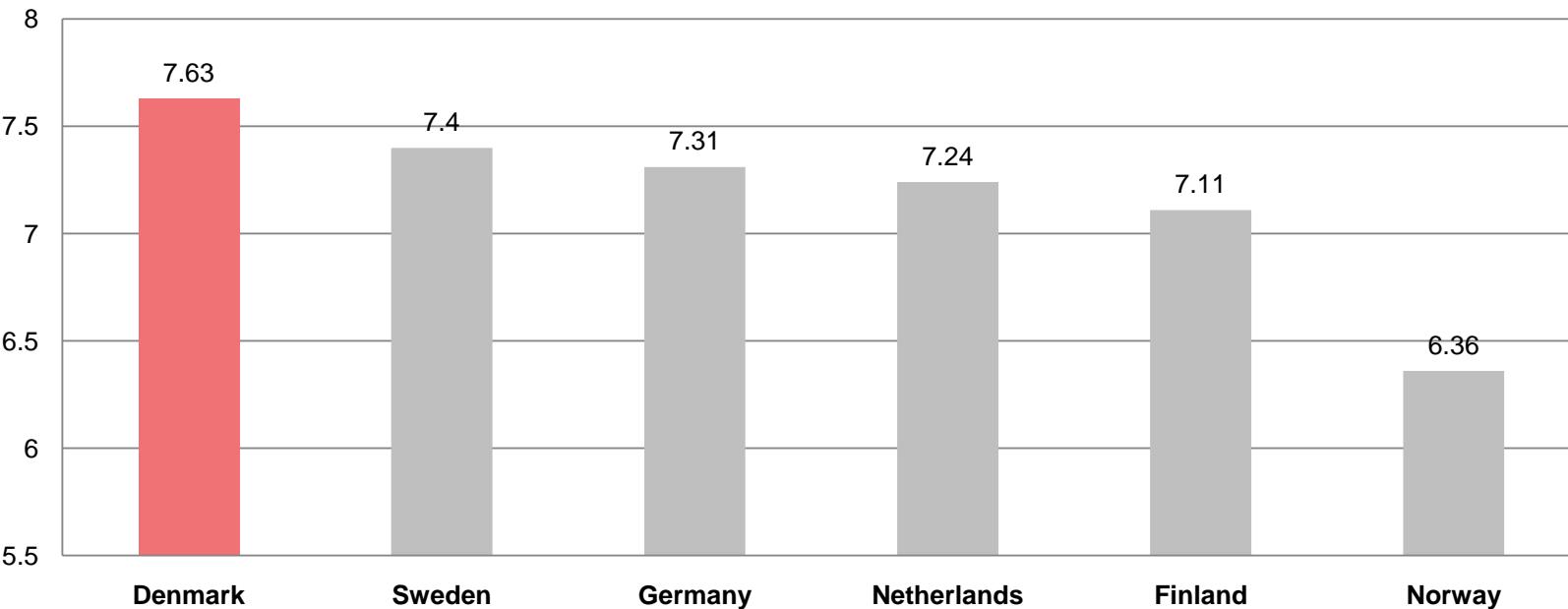
The methodological details can be found at:
<http://www.dobusiness.org/methodology/paying-taxes#profit>

The data is available at:
<http://www.dobusiness.org/data/exploretopics/paying-taxes>



DENMARK COMPARES WELL

DENMARK RANKED NO.1 IN THE WORLD ON
PRODUCTIVITY OF COMPANIES

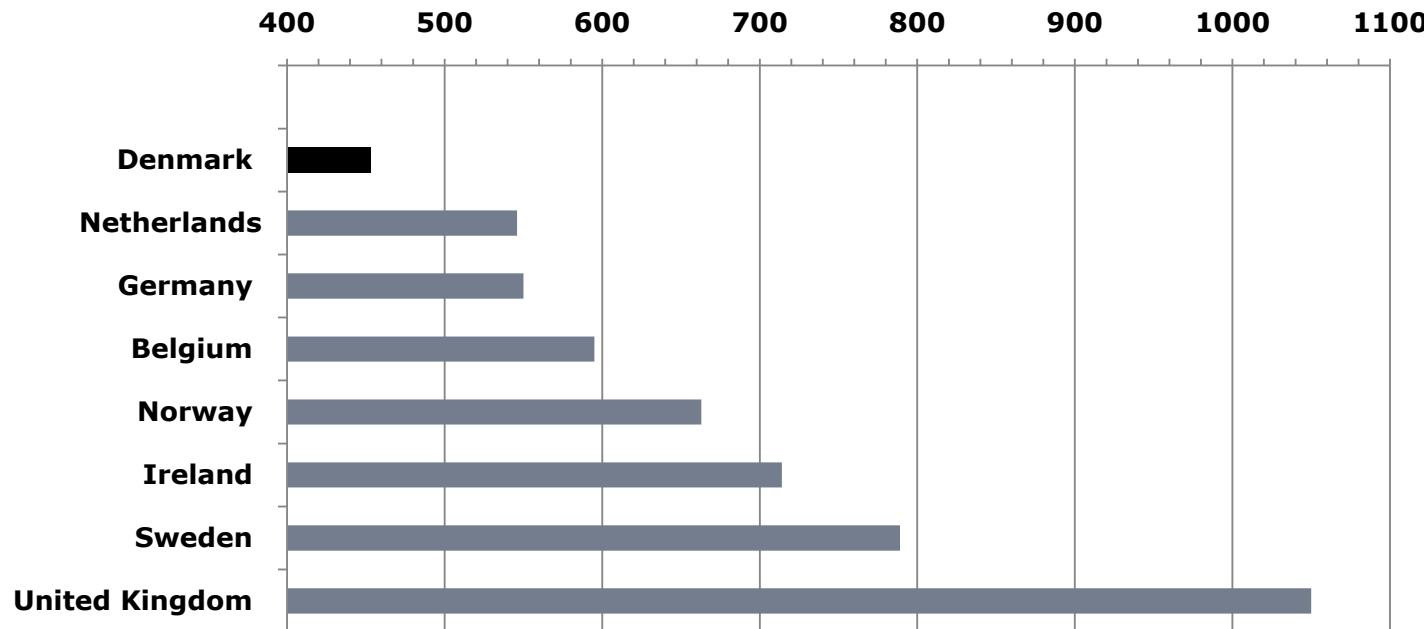


Source: IMD 2010



LOW EUROPEAN OFFICE RENT COSTS

Office rent 2012



Total occupation cost, IMD 2012



THE OUTLINE OF INVESTMENT PROMOTION

Foreign Companies

Should we
expand our
business?

Where to
locate?

Who to
talk to?

What it
is really
like?

Getting
established

Now
what?

aftercare

Analyses

Benchmark
service

Facilitate
contacts

Fact-finding
tour

Practicalities
when setting
up base

Investment promotion body



Network Partners

