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

Workers, Manufacturing

Unit: US$

- Australia (27): 4,615
- New Zealand (18): 3,009
- Hong Kong (21): 1,619
- Korea (46): 1,517
- Singapore (29): 1,230
- Taiwan (44): 1,051
- Thailand (395): 345
- Malaysia (140): 344
- China (457): 328
- India (96): 290
- Philippines (55): 253
- Indonesia (103): 229
- Vietnam (153): 173
- Pakistan (9): 145
- Laos (10): 132
- Sri Lanka (16): 118
- Cambodia (11): 74
- Bangladesh (16): 74
- Myanmar (5): 53

Engineers, Manufacturing

Unit: US$

- Australia (24): 2,325
- New Zealand (15): 2,030
- Singapore (26): 1,706
- Hong Kong (12): 1,376
- Korea (44): 944
- Taiwan (37): 688
- Thailand (367): 658
- Malaysia (130): 579
- India (87): 538
- Pakistan (10): 431
- China (409): 420
- Philippines (54): 368
- Indonesia (91): 336
- Sri Lanka (15): 315
- Laos (7): 298
- Vietnam (130): 271
- Cambodia (9): 258
- Bangladesh (16): 190
- Myanmar (5): 138

Managers, Manufacturing

Unit: US$

- Australia (27): 8,785
- New Zealand (10): 5,946
- Singapore (27): 4,268
- Hong Kong (21): 3,860
- Korea (45): 2,865
- Taiwan (43): 1,977
- Thailand (371): 1,906
- Malaysia (130): 1,574
- India (101): 1,392
- Pakistan (10): 1,386
- China (424): 1,081
- Philippines (52): 1,060
- Indonesia (90): 1,022
- Sri Lanka (16): 761
- Vietnam (125): 719
- Cambodia (7): 563
- Bangladesh (17): 484
- Myanmar (5): 433
- Laos (4): 410

Staff, Non-Manufacturing

Unit: US$

- Australia (99): 4,798
- New Zealand (34): 3,503
- Singapore (161): 2,230
- Hong Kong (63): 2,129
- Korea (126): 1,960
- Taiwan (56): 1,828
- Malaysia (63): 858
- China (273): 730
- Thailand (255): 664
- India (124): 569
- Philippines (39): 482
- Vietnam (73): 425
- Indonesia (62): 423
- Laos (3): 321
- Pakistan (9): 318
- Bangladesh (16): 304
- Cambodia (14): 297
- Sri Lanka (13): 247
- Myanmar (13): 236

Managers, Non-Manufacturing

Unit: US$

- Australia (82): 8,635
- New Zealand (37): 6,073
- Singapore (149): 4,016
- Hong Kong (118): 3,755
- Korea (66): 2,305
- Taiwan (52): 1,986
- Malaysia (62): 1,869
- China (236): 1,658
- Thailand (225): 1,002
- India (116): 1,497
- Indonesia (56): 1,262
- Philippines (39): 1,185
- Vietnam (62): 1,110
- Laos (4): 1,088
- Cambodia (12): 802
- Sri Lanka (12): 872
- Bangladesh (13): 747
- Myanmar (12): 688

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
- **Total (n=3,778)**: 71.0%
- **China (n=162)**: 84.4%
- **Indonesia (n=186)**: 82.2%
- **Vietnam (n=249)**: 81.5%
- **Myanmar (n=20)**: 80.0%
- **Thailand (n=712)**: 77.9%
- **Australia (n=200)**: 71.5%
- **India (n=301)**: 71.1%
- **Malaysia (n=242)**: 70.7%
- **Singapore (n=214)**: 61.2%

#### Competitors’ market shares are growing (cost-wise competition)
- **Total (n=3,765)**: 53.0%
- **India (n=301)**: 63.5%
- **Taiwan (n=124)**: 60.5%
- **Singapore (n=211)**: 59.7%
- **Indonesia (n=170)**: 59.0%
- **Myanmar (n=19)**: 57.9%
- **Thailand (n=710)**: 57.2%
- **HK & Macau (n=191)**: 54.5%
- **China (n=846)**: 53.4%
- **Korea (n=164)**: 51.6%

#### Lack of employee performance/employee awareness among local staff
- **Total (n=3,707)**: 49.6%
- **Myanmar (n=20)**: 65.0%
- **Bangladesh (n=34)**: 61.8%
- **Vietnam (n=243)**: 60.5%
- **Cambodia (n=25)**: 60.0%
- **Philippines (n=111)**: 59.5%
- **Indonesia (n=178)**: 55.7%
- **China (n=534)**: 55.5%
- **Thailand (n=668)**: 55.0%
- **Taiwan (n=121)**: 52.1%

#### Increase in procurement costs
- **Total (n=1,874)**: 46.9%
- **HK & Macau (n=27)**: 70.4%
- **Pakistan (n=14)**: 57.1%
- **Laos (n=13)**: 53.0%
- **Singapore (n=30)**: 53.3%
- **India (n=122)**: 51.6%
- **China (n=507)**: 49.3%
- **Thailand (n=427)**: 49.2%
- **Taiwan (n=53)**: 49.1%
- **Sri Lanka (n=17)**: 47.1%

#### Quality of employees
- **Total (n=3,778)**: 45.6%
- **Myanmar (n=20)**: 70.0%
- **Laos (n=17)**: 64.7%
- **Bangladesh (n=33)**: 63.0%
- **India (n=301)**: 52.2%
- **Malaysia (n=242)**: 50.4%
- **China (n=850)**: 50.4%
- **Indonesia (n=180)**: 50.0%
- **Vietnam (n=245)**: 49.0%
- **Thailand (n=712)**: 48.7%

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*Note: The percentages indicate the response rate for each country/region.*
Problems common to all regions (top 10, multiple answer, response rate for each country/region)
### DENMARK IS AN ECONOMIC HIGH FLYER 2012

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FOR THE LOW CORPORATE TAX?

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

![Effective EU Corporate Tax Rates](image)

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

Denmark: 400
Netherlands: 500
Germany: 600
Belgium: 700
Norway: 800
Ireland: 900
Sweden: 1000
United Kingdom: 1100

Total occupation cost, IMD 2012
THE OUTLINE OF INVESTMENT PROMOTION

- Should we expand our business?
- Where to locate?
- Who to talk to?
- What is really like?
- Getting established
- Now what?

Foreign Companies

- Analyses
- Benchmark service
- Facilitate contacts
- Fact-finding tour
- Practicalities when setting up base

Investment promotion body
Network Partners

- Universities
- Business Organisations
- Ministries
- Civil Society
- Finance Venture
- Regional Government
- Advisory Experts