

Engagement Could Assist Myanmar's Economic Development

The Resource Industry Story





Steve Knott, Chief Executive of the Australian Mines and Metals Association (AMMA), a resource industry employer group, recently spent a week in Myanmar with the first official Australian Trade Delegation.

He chatted to M-ZINE+ about his impressions of Myanmar, its people and its beer, and how engagement with the Australian private sector could assist Myanmar's economic development.

"Myanmar is a country that's in rapid transition with an abundance of opportunities and rich endowment of a variety of central resources, be that agriculture, water, mining, and oil and gas. However, it's set against the backdrop of enormous challenges to have a regulatory and investment framework, labour standards to attract the necessary foreign investment to get those major projects or major investment initiatives up and running.

The key theme throughout the week in all the meetings we've had with various ministerial staff members, ministers, the President and a range of NGOs, is that there has to be, for foreign investment, clear transparency on the investment decisions that are going to be made.

Part of their license to operate is to be able to show that the investment process is both sound and the funds are being directed to the areas of appropriate need for major projects so investment certainty is critical.

Another issue which led to Australia lifting their sanctions against Myanmar, where some other countries opted to only suspend their sanctions, was in a large part due to Myanmar agree-

ing to a program set down by the International Labour Organisation (ILO) do deal with two key issues. These were reducing the worst forms of child labour – taking steps to eliminate that – and allowing trade unions to be formed as well as employer organisations.

We met the Myanmar employer's federation president yesterday, so we can see that the base is being put there for these labour standards to improve in time and we think that's a positive thing.

Other things that many in developed countries take for granted include the continuity of electricity supply. So for businesses wanting to invest, that energy supply issue is something that we understand and plans are being put in place to address that challenge, but that will take time.

A number of things are being put in place that we hope will lead to more investment in Myanmar and assist the country lift up many of the people in the community who are currently living in poverty or don't have a job. Creating employment opportunities is one of the best ways to get people out of poverty.

Private sector engagement

I know for a fact there are major mining and oil and gas companies looking to invest in Myanmar, so part of the trade delegation here means that we can go back and answer many of the questions they have. We've had access from the President to the opposition leader, so we'll be able to give some firsthand advice as to what experience and real life issues we saw while we are here. The Ambassador here, Bronte Moules, is a powerful source in terms of a business contact for people in Australia, so this visit will assist enormously to dispel some of the myths without shying away from the fact there are huge challenges in developing the nation of Myanmar.

As global citizens, I think there is a general desire from many people, not just from Australia, to assist in developing the economic prosperity of Myanmar.

Australians have been very cautious with their investment decisions in Myanmar and the amounts invested have been quite low. That's not uncommon from Western countries that have strict regulation practices in place.

We have a lot of similarities with Myanmar in terms of the resource-rich nature of our country.

We have AUS \$250 billion dollars' worth of projects already committed in Australia and there's another AUS \$250 billion already under consideration. We look like we're about 100,000 people short in our sector between now and 2015 so there's a huge amount of train-

Steve Knott with Aung San Suu Kyi



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ing that's being undertaken in Australia to get people job-ready for those opportunities.

But what's often not reported is that Australia exports a lot of its expertise around the globe, particularly in places like West Africa, South Africa, right throughout the Asia Pacific region.

We have some of the world's best engineers, tradespeople, geologists, so there is a high demand for those people and in terms of a practical assistance to Myanmar, having those types of people come over here and train up local resources and exchange programmes is under our consideration and hope to be launched in time.

The Labour, Trade and Investment Mission to Myanmar, Australia's first official mission of this nature,



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did include meetings with President Thein Sein, an array of Ministers and NGOs, the Central Bank and Aung San Suu Kyi.

Against this background for Myanmar, issues like the basis for foreign investment, business transparency, financial regulations, judiciary, observance of ILO core labour standards, reliable energy supplies, infrastructure, peace talks and so forth were all discussed in an open manner.

The President's address to the delegation outlining the reform progress to date traversed a broad range of issues, plus it outlined future positive opportunities for Myanmar. In relation to Aung San Suu Kyi, while detailing the many issues confronting Myanmar, she also identified there were some reasons for some cautious

optimism.

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On a lighter note, Australia is very well known as a beer producing and beer appreciating nation.

Myanmar Beer, being a past winner of the gold medal in the Australian International Beer awards, attracted some responsible and discernible interest by several of the delegation.

I for one can attest, and I stress in moderation, it certainly passed the Aussie taste test.” +