

SOUTHEAST ASIA

Myanmar

★Naypyidaw

GDP: **\$64.3bn**

Five-year economic growth rate: **-4.4%**

Population: **53.7m**

Total clean energy investments, 2009-2014: **\$518.9m**

Installed power capacity: **4.4GW**

Renewable share: **4.8%**

Total clean energy generation: **961.0GWh**

Top energy authority:

Ministry of Energy, Energy Planning Department

OVERALL RANKING
2014 2015

OVERALL SCORE
2015

42 37 0.85

PARAMETER	RANKING	SCORE
I. Enabling Framework	44	0.84
II. Clean Energy Investment & Climate Financing	38	0.33
III. Low-Carbon Business & Clean Energy Value Chains	17	2.60
IV. Greenhouse Gas Management Activities	53	0.21

SCORE SUMMARY

Myanmar in 2015 achieved a 0.85 overall score, to finish 37th among all *Climatescope* nations. The country's ranking rose five places from 2014, when it scored 0.78. This was largely due to improved scores on both parameters I and II.

Myanmar's score on Parameter I Enabling Framework increased year-to-year from 0.65 to 0.84, while its ranking improved from 49th to 44th. A new electricity law was introduced in 2014 to promote foreign investment in power projects.

The country's ranking on Parameter II Clean Energy Investment & Climate Financing rose thanks to a tenfold surge in clean energy investment, to \$575m. The showcase deal was the financing of a two-phase 300MW solar project. Myanmar's Parameter

II metrics were 38th place in 2015 with a score of 0.84 and 48th place in 2014 with a score of 0.26.

Myanmar in 2015 scored 2.60 on Parameter III Low-carbon Business & Clean Energy Value Chains, ranking 17th. An increasing number of distributed solar project developers and distributed energy service providers were added. Myanmar was ranked 21st on Parameter III in 2014, with a score of 2.22.

On Parameter IV Greenhouse Gas Management Activities, Myanmar fell to 53rd position in 2015 from 40th in 2014, scoring 0.21 in 2015 versus 0.71 in 2014. It experienced reverse momentum on capacity-building indicators.

For further information, access www.global-climatescope.org/en/country/myanmar

OVERVIEW

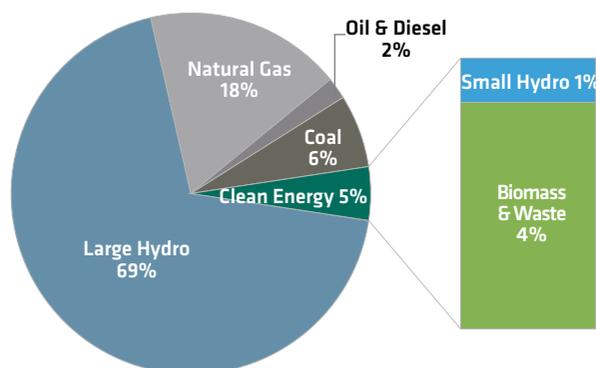
Myanmar's energy sector confronts a low electrification rate of 35%. The country had an installed power capacity of 4.4GW in 2014, of which 4.1GW was connected to the grid, mainly large hydro (3GW). The off-grid generation is mainly small hydro and biomass.

With assistance from multilateral agencies, Myanmar is formulating a long-term policy to address its low electrification. However, in the medium term (2013-2016) increasing efficiency of the existing power generation projects is a prime focus. Another objective is to reduce its reliance on coal and increase cleaner forms of power generation. The country targets an additional 3.5GW of capacity from upgrades and new power projects by 2016, including geothermal, wind and solar PV power plants.

Myanmar has recently opened to international commerce, and its economy and power sector are at an infant stage. It has limited capacity to develop its power sector and must rely on foreign investment for capacity building.

INSTALLED POWER CAPACITY BY SOURCE, 2014 (%)

4GW total installed capacity



Source: Bloomberg New Energy Finance, Ministry of Energy - Energy Planning Department, Myanmar Electric Power Enterprise, National Energy Management Committee, Renewable Energy Association Myanmar, Yangon City Electricity Supply Board, Ministry of Electric Power, Ministry of Industry, Ministry of Mines, Electricity Supply Enterprise, Ministry of Environmental Conservation and Forestry.

KEY POLICIES

Tax Incentives

Under a 2014 tax law, no commercial tax is to be charged on the sale of plants and crops utilized in power generation projects, solar panels, charge controllers and inverters produced locally.

Source: Bloomberg New Energy Finance Policy Library

To encourage foreign investment the government passed a revised version of the electricity law in 2014 that permits foreign investment in power projects of any size in Myanmar with a maximum 80% ownership. The previous electricity law only allowed Myanmar citizens to invest in power projects and the project size was limited to 10MW. After the electricity law's revision, Myanmar's electric power ministry signed a memorandum of agreement with Thai developer Green Earth Power to build a 220MW solar plant in the Magway Region.

In 2015, the government released a National Energy Policy that aims to refine and develop regulations and guidelines for investors to help maximize the usage of the country's renewable resources.

Despite significant equity-investment interest from foreign developers, substantial challenges remain in the form of off-take and sovereign risk. The state-owned Rural Development Bank and multilateral banks to date are the few providers for loans to infrastructure projects.