

**Embassy of India  
Yangon, Myanmar**

**EXPRESSION OF INTEREST**

**Feasibility Report for the “Establishment of Industrial Zone in Sittwe”**

I. Government of India (GoI) has committed to provide assistance to Government of Myanmar (GoM) for consultancy services for preparing feasibility report for the “Establishment of Industrial Zone in Sittwe”. The Embassy of India in Yangon therefore invites Expression of Interest (EOI) from eligible organizations, as per the eligibility criteria detailed below, to be considered for engagement as the Project Consultant to prepare feasibility report for the “Establishment of Industrial Zone in Sittwe”.

**II. Scope of Work**

- Detailed assessment shall be made of the extent of industrial and services development in Myanmar with respect to opportunities for foreign collaboration.
- Further to the above, assessment of prospective new industries / sectors (based on demand-supply gap) and business opportunities thereof.
- Whether the zone should be developed as an industrial zone or would it be beneficial to have a SEZ
- Understanding the Myanmar industries expectations from the proposed Industrial Zone.
- Analysis of industries expectations for amenities to be provided at the proposed Industrial Zone.
- Detailed analysis of the advantages of the proposed Industrial Zone, its importance to the country including socio-economic impact, export promotion, employment opportunities, etc.
- Identify value proposition of the proposed Industrial Zone at Sittwe-assess why investors would be interested to invest in the Industrial Zone (e.g. location, availability of labour, fiscal incentives, import/export incentives, availability of input materials/natural resources, integration with regional value chains, Kaladan Multi Modal Transit Transport project, etc.)
- Identify areas of synergy given the accessibility to the Indian North East Region.
- Study on connectivity of the hinterland to the proposed industrial zone in Sittwe.
- Issues faced in connectivity and infrastructure concerning the industrial zone.
- Various connectivity options for improving link to the hinterland.
- In case a bridge is constructed connecting Ponnagyun and Myinbya, its impact on the proposed industrial zone by way of improved linkages.

**Sectoral Study:**

Suggesting type of industries & services (sector-wise) which are best suited for the proposed Industrial Zone keeping in view various critical production factors such as availability of labour, proximity to sources of raw material (upstream linkage), power, proximity to markets (downstream linkages), proximity and connectivity to the India North Eastern Region. The consultant shall establish benchmarking of the proposed Industrial Zone and evaluate which industry mix shall enjoy the comparative advantage of being housed in the proposed Industrial Zone.

On basis of this study, the Consultant will be expected to make suggestion(s) on development phasing and prioritization at the proposed Industrial Zone.

**For this study:**

- Comparative Assessment of various sectors in Myanmar and their attractiveness to potential investors in the proposed Industrial Zone.
- For the above analysis to be based on assessment of Import v/s Indigenous Production (comparative advantage study), demand analysis, availability of labour, raw material, etc.
- Specific recommendations on industries (sector-wise) to be established in the proposed Industrial Zone.
- Specific attention to be paid to the need and availability of pool of skilled and unskilled labour depending on the sectoral coverage.

**Market Focus Study**

Suggesting focus of the proposed Industrial Zone, i.e., should it be solely export-oriented or should it focus on both export and domestic market. Based on this, recommend the necessary distribution and administrative infrastructure to be created. Also, to study the merits / demerits of allowing Myanmar Companies in proposed Industrial Zone.

**For this study:**

- Assessment of level of production & productivity and quantum of demand for the products of the proposed Industrial Zone in the domestic and export market.
- Study the advantage of exports from the proposed Industrial Zone keeping in view various bilateral trade agreements of Myanmar with India and other countries.
- Study the competition posed by other SEZs in Myanmar, the Myanmar laws and regulations so as to determine the merits / demerits of making the proposed Industrial Zone exclusively export-oriented or otherwise.
- On basis of the above, recommend focus of the proposed Industrial Zone, i.e., should it be solely export-oriented or should it focus on both export and domestic market.

**Incentives / Exemption / concessions / protection from Laws:** Suggesting type of incentives / exemption / concessions / protection from various laws (incl. taxation & labour laws), if any, for co-developer & utility / amenities players at the project level as well as unit level investors, balancing the provisions of Myanmar law and expectations of Indian industry. Also, study and suggest various industry-specific incentives / exemption / concessions / protection from laws.

**Risk Analysis & Risk Mitigation strategies:** Detailed risk assessment, covering market risk, business risk, credit risk, operational risk, political risk, social risk, regulatory risk, legal risk, climate risk (including presence of natural & manmade hazards) etc. Based on this assessment, study likely impact on project costs, schedule. Risk mitigation strategies so as to make the proposed Industrial Zone viable in the long run.

## **Financial analysis**

- Rough estimation of construction costs (based on some standard design of SEZ), operation and maintenance costs, costs on support infrastructure development & infrastructure improvement in / around surrounding area, cost of R&R, etc., as part of its preliminary financial analysis and appraisal of the Project.
- Preliminary assessment of the financial viability of the Project including impact of various incentives being given by Myanmar.
- Revenue model that would be adopted by the developer both while marketing and for O&M to be suggested.
- Assess the potential need for public financing and sources of potential public financing.

**Model of SEZ:** Based on positioning of the proposed Industrial Zone and revenue and risk profiling of proposed development, consultant would recommend the development model and commercial format (PPP, DBFO, etc.,) to be adopted for establishing the proposed Industrial Zone, keeping in view the provisions of prevailing relevant laws in Myanmar and other socio-economic-political factors. Also to make detailed comparative analysis of SEZs (already established / being established) in Myanmar. In case of format where in co-development private sector partner would be chosen, the consultant would recommend on concessional framework necessitated.

**Attracting Investors (developers / industries):** Understanding the interest and expectations of the investors in the proposed project and on basis of these suggesting strategies to attract investors.

It will also include the interest and expectations of the utilities players, service providers and proposed industry segment in the proposed Industrial Zone.

## **Infrastructure Study**

To provide an overview of the prevailing core physical infrastructure and natural resources at / around the proposed Industrial Zone site including connectivity with road / ports / rail / air & other urban centres and markets. On basis of this assessment the study shall enlist the major / minor external and internal infrastructure needed to make the proposed Industrial Zone successful.

Also, identify restrictions, if any, imposed by Myanmar law in processing / non-processing areas within the SEZs. Also study proximity to other living centres near the proposed Industrial Zone and the possibility to monetise surplus assets being created by the developer by providing services to these living centres.

### **For this:**

- Existing Infrastructure Survey: Survey the existing physical infrastructures at the proposed site near Kaladan Project and assess their condition, including the need for their relocation or restoration, as the case may be.
- Existing utilities mapping, assess and plan permanent and temporary utilities Survey: Accurate physical and ground details, such as alignment of roads, details of existing

structures on the proposed development area, land use details, utilities (telephone lines, signal lines / equipment, HT / LT lines, water supply, drainage / gas lines and OFC cables, etc.), trees and other plantation and access to adjacent properties.

- Assessment of impact on infrastructure demand in terms of water, sewerage, power and communications. Mitigation plans for increase in infrastructure demand shall also be prepared & incorporated into the site plan.
- Assessment of infrastructure needed to treat and / or recycle effluents / waste water / sewage / solid waste or any pollutants released from the industrial units in the proposed Industrial Zone especially textile and marine products processing units.
- Study of sources of water to ensure uninterrupted supply for the proposed Industrial Zone and adequate augmentation of other utilities like electric supply, sewerage lines, storm water drainage, etc.
- Keeping in view the market orientation (including export market) of the proposed Industrial Zone, recommendations on the necessary distribution and regulatory infrastructure to be created.
- Cluster the short-listed sectors into areas within the Sittwe Industrial Zone, e.g. textile manufacturing, food processing, etc. with demarcation between each area. Develop the spatial plan for Sittwe Industrial Zone in 2D and 3D map of the zone.

Incorporate recommendations of the Environment Impact Assessment (EIA) Study and Socio-economic Impact Assessment (SEIA) Study that would be carried out by agencies appointed through Embassy of India, Yangon.

Human Resource Planning Study: To provide an overview of the prevailing level of Human Capital (skilled / unskilled) in different sectors and strategies to maintain supply as well as development of human capital.

Any other study or survey which the Consultant considers necessary or which the Authority (including Myanmar Government) may stipulate for successful completion of the services under the Consultancy shall be carried out.

**Governance Structure:**

1. Assess potential governance structure options, e.g. role of master developer, role of sub-developers and role of investors.
2. Assess the governance structure between public sector (Myanmar Govt. and Indian Govt.) and private sector.

**Policy recommendations:**

- a. Propose policy recommendations to the Myanmar and Indian Government to enhance attractiveness of the proposed Industrial Zone at Sittwe, including
- b. Infrastructure policy recommendation
- c. Sector specific policy recommendation
- d. Governance recommendation,
- e. Fiscal recommendation.

## **Marketing and Communication Plan**

1. Develop a marketing brochure that can be provided to potential developers and investors (private sector),
2. Develop a communication plan, e.g. for communication to the press and including different channels (e.g. website, press releases, road shows, etc.)
3. Organise Workshop with potential investors of shortlisted sectors to confirm interest to identify the bottlenecks to be overcome before investors will be attracted to Sittwe Industrial Area.

## **Environment and Social plans**

1. Identify steps to ensure environmental sustainability,
2. Plan for social sustainability (e.g. plan resettlement, compensation process if relevant)
3. Plan for CSR and other projects (e.g. training),

## **Tender Preparation:**

1. Identify tender projects (if any), including scope of each tender,
2. Draft tender documents.

## **III. Eligibility Criteria**

Interested firms should meet the following pre-eligibility criteria before deciding to submit an RFP bids:

- The Applicant for pre-qualification may be a national or international (registered in Myanmar) individual, firm or consortium, with the relevant experience in the field of Special Economic Zone (SEZ) / Industrial Zone / etc. as consultant.
- Experience in consultancy (like feasibility and related studies, development partner search, marketing industrial park, etc.) for Industrial Park or SEZ or Industrial Infrastructure.
- All experience claimed should have been undertaken in the last seven years from the date of application.
- The bidder should have experience of providing consultancy in one similar project not less than USD 120,000/-/INR 72,00,000/- or two similar projects not less than USD 75,000/-/ INR 45,00,000/- or three similar projects not less than USD 60,000/-/INR 36,00,000/-.
- The Applicant should have achieved an Average Annual turnover of United States Dollar One hundred and fifty thousand (US\$150,000) in last 3 years from consultancy services. Proofs of IT return, Audit Report and Balance Sheet to be enclosed.
- Bidder shall not be under a declaration of ineligibility for corrupt and fraudulent practices.
- The applicant shall have adequate and sufficient in-house resources and expertise to deliver this project in a timely manner.
- The applicant shall be deemed to be ineligible, if the organization has been barred or blacklisted by the Central and/or State Government or any agency there under in India or Myanmar.

#### **IV. Submission of EOI**

Eligible and interested organizations are requested to submit their EOI in a sealed envelope superscripted “**Feasibility Report for the “Establishment of Industrial Zone in Sittwe”**” comprising the following:

- a. Brief profile of the organization including its constitution, ownership, governance and organizational structures, main activities, names and qualifications of its key managerial and technical personnel etc;
- b. Audited financial statement of past three financial years or a copy of its published annual report providing relevant financial information of past three financial years;
- c. List of similar projects undertaken in past seven years including project name, location, size, scope, value and duration with owner/ client’s completion certificate.
- d. Any other documentary proof demonstrating the organization meeting the eligibility criteria listed in Section III above.

The EOI may be submitted to First Secretary (E&C), Embassy of India, 545-547, Merchant Street, Post Box No. 751, Yangon, Myanmar latest by **1700** Hrs on **March 07**, 2018.

#### **V. Evaluation of EOI**

- a. Evaluation of EOI received from eligible organizations would be based on an assessment of their past track record of successfully implementing similar projects; experience of working in Myanmar or other similar disaster-prone/ disaster-affected areas; availability of suitably qualified technical human resources; and overall financial and organizational strength.
- b. Suitable organizations would accordingly be shortlisted for an invitation to the pre-bid conference and issuing of detailed Request for Proposal (RFP). Embassy of India, Yangon reserves the right to issue the RFP only to shortlisted organizations after evaluation of their EOI.