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# Myanmar opens doors wider to foreign capital

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NAYPYITAW -- The government here has halved the number of industries with restrictions on investment from abroad, fully opening up retailing and other areas in what could prove a watershed moment for Myanmar's long-isolated economy.

The move is likely to embolden Japanese and other foreign multinationals on the fence about entering one of Asia's least-developed markets.

Reported this week, a new directive from the Myanmar Investment Commission leaves up barriers to foreign capital in about 100 industries.

Unfettered access to the retail sector represents a particularly big change. The government had planned to create an opening only for large stores. Japanese players Aeon and Lawson want to make a move but have been put off by investment restrictions.

Under the new directive, foreigners can wholly own businesses in tourism, warehousing, and other industries in which they previously had to enlist local partners. Analysts reckon that tourism in Myanmar has bright growth prospects, and the government is helping it along.

Not everything about doing business in Myanmar has become crystal-clear. Foreign companies still need permission from the MIC and other government bodies to move into the country. And when it comes to importing goods -- a must for retailers -- the Ministry of Commerce weighs each application individually. The new directive mentions neither of these regulatory hurdles.

"The government may retain discretion in granting case-by-case approval," says Yasuhide Fujii, a managing partner at accountancy KPMG in Myanmar.

President Thein Sein's government is rushing through economic reforms ahead of a general election next year. A ban on foreign-operated banks is expected to be lifted as early as next month.