

**Memorandum of Intent**  
**among**  
*{the Government of the Republic of the Union of Myanmar,*  
*the Government of the Kingdom of Thailand,*  
*and the Government of Japan}( Alternative )*  
**on the Cooperation for the Development of Dawei SEZ Project**

*{The Government of the Republic of the Union of Myanmar, the Government of the Kingdom of Thailand and the Government of Japan}( Alternatives ),* hereinafter referred to as the “Three Countries”,

RECALLING the establishment of ASEAN Economic Community by the end of 2015,

RECOGNIZING the importance of the cooperation of the Three Countries in the Comprehensive Development of Dawei Special Economic Zone Project (hereinafter referred to as “the Project”) to promote integrated economic development and enhance connectivity in and around Mekong sub-region,

HAVE EXPRESSED their intention to cooperate in the Project, as follows:

**Paragraph 1**  
**Equity Investment**

- (1) The Government of Myanmar and the Government of Thailand welcome the intention of the Government of Japan to cooperate with the Government of Myanmar and the Government of Thailand by making an equity investment in Dawei SEZ Development Company Limited (hereinafter referred to as the “SPV”) through an appropriate and acceptable procedure by relevant organizations, such as Japan Bank for International Cooperation (JBIC) or Japan International Cooperation Agency (JICA).
- (2) In this regard, the Three Countries recognized the necessity of prompt and proper implementation and coordination, including the modification of Framework Agreement and Shareholders Agreement of the SPV, to meet the preconditions for the equity investment. The shareholders of the SPV will re-consider strengthening the role of SPV and the governance structure for the comprehensive development of the Dawei SEZ project, and will advise the Dawei SEZ Management Committee to make necessary modifications in the Agreements previously signed.
- (3) Hence, the Three Countries acknowledged the necessity of ensuring clear and rigorous distinction between Initial Phase Development and Full Phase Development of the Project, and clarifying the functions of the SPV in respective phases.
- (4) The Three Countries intended to initially have equal shareholding of the SPV and the number of its board members, who properly perform responsibilities of the

Board in accordance with the Shareholders Agreement and the Articles of Association.

- (5) The Three Countries shared the recognition that the role, authority and governance of the SPV should be reviewed in order to get strengthened and reinforced on the basis of a sustainable business plan based on discussion among the Three Countries, from the viewpoint of guideline of activities, decision making mechanism, financial sustainability, budget and personnel so that the SPV would be able to effectively promote and lead the Project.

#### **Paragraph 2**

##### **Technical Collaboration in Full-Phase Development**

- (1) The Three Countries intended to cooperate in the elaboration of the existing Master Plan by conducting the necessary technical studies, engineering designs and detailed development plans in a timely manner, within 3 (three) years, in order to ensure the effective implementation of the Full-Phase Development of the Project.

This should be in line with the long-term development plan of Myanmar and of the region as a whole and take into consideration the initial phase projects in an appropriate manner.

- (2) The Government of Japan expressed its intention to provide technical assistance to the Project. The scope of technical assistance will be mutually agreed by the Three Countries.

In this regard, the Government of Japan expressed its intention to dispatch JICA experts to support the SPV and to provide suggestions for the Project, and the Government of Myanmar and the Government of Thailand welcomed Japan's intention.

- (3) The Three Countries will utilize any relevant Models that have already been available and may seek to develop new Models if necessary in developing and elaborating the Master Plan.

#### **Paragraph 3**

##### **Construction of Full-Phase Highway Road**

- (1) The Government of Myanmar and the Government of Thailand welcomed the Government of Japan's intention to conduct pre-feasibility study as soon as possible to explore ways of construction of the full-phase new highway road.
- (2) The Three Countries confirmed that the full-phase highway road will be in line with the existing two-lane road to the extent feasible while pursuing most beneficial design for user industries and its development plan will be discussed by the Three Countries.

**Paragraph 4**  
**Environmental and Social Considerations**

The Three Countries recognized that the Project would contribute to narrow the development gap through offering decent job opportunities for the Myanmar people. The Three Countries also intended to take proper measures to safeguard environmental and social considerations in line with the international standards.

**Paragraph 5**  
**Other Matters**

Affirming the necessity of the utilization of public funds in a sustainable manner in respective development stages of the Project, the importance of the realization of suitable cost-benefit balance among the Three Countries, and the roles of public and private sectors, the Three Countries recognized the advantage of utilizing expertise of international institutions and consultants, based on their expertise in the subject matter.

**Paragraph 6**  
**Final Matters**

- (1) This Memorandum will commence on the date of signing. It will remain operative for a period of 5 (five) years.

The duration of this Memorandum will be renewed for a further period of 5 (five) years each, unless terminated by any of the Three Countries giving six months prior written notice to the other Countries.

- (2) This Memorandum may be modified by the Three Countries in written mutual agreement.

This Memorandum of Intent was signed in triplicate as a non-legally binding document in Tokyo, July 4 2015 in English language.

---

HAN SEIN  
DEPUTY MINISTER FOR  
TRANSPORT OF THE  
REPUBLIC OF THE  
UNION OF MYANMAR

---

ARKHOM  
TERMPITTAYAPASITH  
SECRETARIAT – GENERAL  
OF THE NATIONAL  
ECONOMIC AND SOCIAL  
DEVELOPMENT BOARD  
OF THE KINGDOM OF  
THAILAND

---

*TBD*

