

# Thura NewsViews

## Politics

### ■ Myanmar foreign debt now totals USD 10.2 billion

Myanmar ended the 2017-2018 fiscal year with US\$10.2 billion in foreign debt, the Joint Public Accounts Committee reported to the Union Parliament. That is an 11.5% rise from the previous fiscal year.

According to the committee, China is Myanmar's largest creditor with loans totaling roughly US\$4 billion. Most of it was taken out by the Ministries of Electricity and Energy, Defense, Industry and Agriculture, Livestock and Irrigation, the Myanmar Times reported. Japan accounted for the second highest amount of debt, holding loans totaling US\$2.5 billion. Other creditors include Thailand, India, the UK and institutions, such as the Asian Development Bank.

By way of explanation, the committee identified a number of failed government projects and investments as well as embezzlement and mismanagement of funds within government ministries. One Mandalay Region official embezzled K2.6 billion from a US\$400 million loan from a Chinese company for rural development and microfinance loans. The committee recommended stronger oversight and corporate governance.

Myanmar has taken advantage of hundreds of millions of dollars interest-free

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### August Highlights

Yangon-based Citizen Business Insurance Public Ltd (CB Insurance) has formalised a joint venture with Thai Life Insurance PCL (Thai Life)

Thailand's PTT Group and an Indian consortium have been chosen to supply and distribute electricity and natural gas.

Fin-tech services have boomed following an increasing number of mobile users, says Fitch Solutions Macro Research.

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## Companies & Investments

Hot news regarding investments in Myanmar




**Yangon to receive much needed new bus stops**

Jul 12, 2018  
U Maung Aung, secretary of the Yangon Region Transport Authority, stated this week that FMIDecaux ha

**Hello Communications to build train station along Yangon Circular Railway**

Jul 12, 2018  
Through a joint venture with a local firm, Hello Communications will commence its work at Thamine st

**Upcoming Events**

Myanmar Blockchain Forum 2018  
July 14, 2018

Myanmar Supply Chain Summit  
August 29, 2018

Health & Humanitarian Supply Chain Forum  
August 30, 2018

Myanmar Global Investment Forum  
September 11, 2018 - September 12, 2018

Myanmar Connect 2018  
September 18, 2018 - September 19, 2018

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**Highlights**

Trade with the Netherlands exceeds USD 61 million  
July 12, 2018  
Bilateral trade with the Netherlands reached USD 61.98 million in two months according to the ...

loans from organizations such as the IMF. The fund is aimed to combat poverty and develop its infrastructure. However, government ministries have also readily taken on high-interest loans, the committee pointed out. The Ministries of Electricity and Energy and Industry, in particular, have taken out loans bearing high interest rates of 2.5% and 4%.

■ **Violence in northern Myanmar threatens trade and tourism**

Violence in northern Myanmar with an alliance of ethnic armed organizations (EOA) is spreading across the region. The events are threatening important trade arteries and tourism destinations in Shan State.

An attack by the Northern Alliance of EAOs at the Defense Services Academy on 15th August left 14 dead, including one civilian. The alliance also launched artillery at a bridge in Nawngcho township to the northeast. On Sunday morning, an ambulance driver was killed near Lashio when a gunman opened fire on his vehicle. Automatic weapons and a rocket propelled grenade were used on the attack. Local media have reported more clashes in and around the Shan State townships of Kutkai, Kyaukme, Theinni and Muse.

Although there have been occasional clashes in the far northern reaches of Shan State in recent years, they have rarely threatened cities further to the south. Pyin Oo Lwin and Hsipaw in particular are major tourism destinations. The two cities also lie on a main artery linking China to Mandalay and central Myanmar. Political analyst U Maung Maung Soe told the Myanmar Times that he expects the violence to continue spreading. "I think the military will begin offensives in the areas controlled by [the Northern Alliance, especially in Palaung villages, because the alliance attacked Pyin Oo Lwin, an important city for the military, where the Defence Services Technological Academy is located," he said.

■ **NLD suspends senior party member**

The National League for Democracy (NLD) has suspended a high-ranking party member for rules violations. U Myo Yan Naung Thein, secretary of the Central Committee for Research and Strategic Study was put on suspension for undisclosed infractions, U Nyan Win, a party spokesperson announced.

"We received the investigation report on U Myo Yan Naung Thein. The Central Executive Committee decided at its meeting to suspend him from his duties according to party rules, as he committed infractions," party spokesperson U Myo Nyunt told reporters on Sunday.

Although the party has not revealed the specific rules violations, the announcement follows a series of suspensions within the NLD. According to an article in the Myanmar Times, the party suspended on Monday three of its officials in Tanintharyi Region and is running an investigation against them. The investigation is related to a scandal that has plagued the party since NLD Tanintharyi chief minister Dr Lei Lei Maw was arrested. Her charges were suspicion of nepotism and corruption after she awarded several high value no-bid infrastructure contracts. Four senior NLD officials resigned their positions amid the scandal.

"We investigated [the three suspended officials], and this was the penalty decid-

**Myanmar in Figures**

GDP (PPP): \$330.88bn (2017)
GDP (official ex.rate): \$59.5bn (Jan 2018)
GDP growth rate: 6.2% (2018)
Population: 54.22 mn people (Apr 2019)
Inflation: 7.1% (2018)
Foreign trade: \$35.9bn (2017-2018)
FDI: \$80.9bn (30/06/2019)
International reserves: \$5.2bn (Jan 2018)
CBM rate Kyat/\$ = 1,520K/1\$ (22/08/19)

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ed on by the party. We suspended them from all of their duties, but no further details can be provided,” the NLD spokesperson said.

## Economy

### ■ **China-Myanmar high speeds railway route planned**

Myanma Railways has decided on a route for a high speed railway linking Mandalay with Muse on Myanmar’s northern border. It could dramatically increase access between the two countries. The route will begin in Amarapura, just south of Mandalay, and pass through 11 townships. These includes Pyin Oo Lwin and Hsipaw, U Htay Hlaing, deputy general manager of Myanma Railways, told The Myanmar Times.

The route will span 414 kilometers and take three hours from start to finish. Myanma Railways said, the run-time is down from the previous travel time of 15 hours. The railway project is part of the ongoing China-Myanmar Economic Corridor project, a key component of China’s Belt and Road Initiative. It aims to create a trade route spanning from China to west Asia and eastern Europe. The project has been in the works since October 2018, when the Ministry of Transport and Communications green-lit a feasibility study from the China Railway Eryuan Engineering Group. According to a Myanmar Times report, the line will have 36 stations and cost roughly US\$7 billion.

With this announcement, the railway project seems on schedule for completion, although recent violence has threatened cities that lie along the new path, including the town of Hsipaw, from which more than 50 tourists were recently evacuated. In the past, ambitious transportation routes have proven to be flash-points for conflict with armed ethnic groups. When improvements began on the highway linking Yangon and Mae Sot, Thailand, for example, tensions increased between the union government and armed Kayin militias, who began extracting tolls from travelers.

Whether or not the railway project will lead to new conflict remains to be seen. For now, Myanma Railways cannot even begin construction until it completes a social-environmental impact study. The completion date could be years away from commencement.

### ■ **Crops flood damage down from last year**

Myanmar crops suffered less damage from monsoon flooding this year, U Myo Tint Tun, deputy permanent secretary of the Ministry of Agriculture, Livestock and Irrigation said.

Myo Tint Tun claimed that although 728,000 hectares of farmland were affected and around 16,000 destroyed. That number represents only a fraction of the damage seen in last year’s monsoon season. “Last year, over 445,000 hectares were flooded, and in Kayin, Mon, and Bago, 161,000 hectares of crops were destroyed. It means crop damage this year is a tenth of the previous year,” he said.

Seasonal flooding is a yearly dread for Myanmar’s agriculture sector, which accounts for almost 40% of the nation’s GDP. Farmers in and around the Ayeyarwady River delta grow the highest quantities of rice and other staple crops. They also bear the brunt of the flooding, exacerbated by the region’s high poverty and poor infrastructure.

Despite the relatively low crop damage, the human toll is as high as ever. As of August 13th, 97,000 people were remained displaced, according to the latest data from UNOCHA. This week, the official death toll from a devastating landslide in Mon State rose to 75. More are feared to be trapped under the debris.

## Companies and Investments

### ■ **Tanintharyi airport invites tender bids for upgrade project**

Myanmar’s Department of Civil Aviation (DCA) put out a request for tender proposals last week to upgrade the Tanintharyi Airport. The aim is to renovate and expand the Kawthaung airport in the southern region of Tanintharyi. The DCA is searching for both independent investors and partner shareholders to construct and maintain runways, warehouses, terminals and other infrastructure. The contract terms could extend to 30 years, with the option to renew for an additional 10 years, according to a Myanmar Times report. The search for new investors follows the collapse of a major \$36 million tender awarded to Golden Myanmar Airlines.

Kawthaung airport is a main port of entry for the Tanintharyi Region, home of both the Dawei Special Economic Zone and several holiday destinations. The government is promoting the region as it works to revitalize the struggling tourism industry. Dawei, in particular, while boasting some of the most attractive beaches in Southeast Asia, is relatively underdeveloped and difficult to access.

## Events

Name	Details	Organizer/Ministries	Contact Information
Arena Convention & Exhibition	<b>Venue:</b> Novotel Yangon Max Hotel, Yangon <b>Date:</b> 23-24 Aug 2019	Malaysian Institute of Estate Agents	secretariat@miea.com.my +603-7960 2577
Myanmar Phar-Med Expo	<b>Venue:</b> Rose Garden Hotel, Yangon <b>Date:</b> 5-7 Sept 2019	Minh Vi Exhibition & Advertisement Services Co., Ltd (VEAS)	info@veas.com.vn +95-9-4200 25684
Myanauto	<b>Venue:</b> Rose Garden Hotel, Yangon <b>Date:</b> 6-8 Sept 2019	AMB Tarsus Exhibitions Sdn Bhd	darren@ambtarsus.com +95-9-3149 6493
Pintech Myanmar	<b>Venue:</b> MEP at Mindama, Yangon <b>Date:</b> 12-14 Sept 2019	UBM Allworld Exhibitions	yeemon.chen@ubm.com +95-1-378957
International Processing & Packaging Exhibition	<b>Venue:</b> Myanmar Expo Hall, Yangon <b>Date:</b> 12-14 Sept 2019	UBM Myanmar	yeemon.chen@ubm.com +95-1-378957
Myanmar Connect	<b>Venue:</b> Pan Pacific Hotel, Yangon <b>Date:</b> 17-19 Sept 2019	TelCap/ Capacity Media	info@capacitymedia.com +44-020-7779-7227
Agri Myanmar	<b>Venue:</b> Rose Garden Hotel, Yangon <b>Date:</b> 26-28 Sept 2019	Minh Vi Exhibition & Advertisement Services Co., Ltd (VEAS)	info@veas.com.vn +95-9-4200 25684
International Construction Power & Mining Exhibition	<b>Venue:</b> Fortune Plaza, Yangon <b>Date:</b> 9-11 Oct 2019	UBM Myanmar	yeemon.chen@ubm.com +95-1-378957

## Tenders

### ■ Myanmar Timber Enterprise: Open Tender

1. Myanmar Timber Enterprise under the Ministry of Natural Resources and Environmental Conservation will sell teak & hardwood round logs and sawn timbers by open tenders in USD. Particulars of the open tender sales are as follows:

(a)	Date and Time	<ul style="list-style-type: none"> <li>• 22th August, 2019 (09:00) a.m. <b>(EX-SITE/YANGON) HARDWOOD LOG ONLY</b></li> <li>• 23th August, 2019 (09:00) a.m. <b>YANGON &amp; EX-SITE TEAK/HARDWOOD (LOG AND CONVERSION)</b></li> <li>• 26th August, 2019 (12:00) Noon <b>YANGON TEAK LOG ONLY</b></li> </ul>
(b)	Commodities and Volume	<ul style="list-style-type: none"> <li>• TEAK LOGS ABOUT (1105) TONS</li> <li>• THIRD QUALITY &amp; UP TEAK CONVERSION ABOUT (170) TONS (EXPORT MARKETING &amp; MILLING DEPARTMENT)</li> <li>• PADAUK, PYINKADO, IN, KANYIN, THITYAR, INGYIN, THINWIN ABOUT (16221) TONS</li> <li>• HARDWOOD LOGS (<b>INCLUDING 2018-2019 EXTRACTION YEAR</b>)</li> </ul>
(c)	Place	<ul style="list-style-type: none"> <li>• TAW WIN HALL, GYOGONE, INSEIN TOWNSHIP, YANGON.</li> </ul>

2. Further information can be obtained within office hours at the head office of the Myanmar Timber Enterprise under the telephone numbers: +95-1-528771 and +95-1-377296 or through email address [marketing1p-py@gmail.com](mailto:marketing1p-py@gmail.com) or at its website - [www.mte.com.mm](http://www.mte.com.mm).

### ■ Ministry of Agriculture, Livestock and Irrigation: Invitation for Sealed Bids

1. The Government of the Republic of the Union of Myanmar has received financing from the International Development Association (IDA) of the World Bank Group toward the cost of the National Electrification Project (NEP), and intends to apply part of the proceeds toward payments under the contracts for **Supply, Installation and Maintenance of Solar PV Systems for Households and Public Facilities**. These contracts will jointly finance by the government of Myanmar.
2. The Department of Rural Development under the Ministry of Agriculture, Livestock and Irrigation now invites sealed bids from eligible bidders for supply, installation and maintenance of solar PV systems for households and public facilities in the following States and Regions:
  - Lot 1 - NEP Solar PV Packages in Kayin (4), Ayeyarwaddy (8) and Tanintharyi (5)**
  - Lot 2 - NEP Solar PV Packages in Sagaing (5)**
  - Lot 3 - NEP Solar PV Packages in Shan North (5) and Shan East (4)**

Bidders may bid for one or several contracts, as further defined in the bidding document. Bidders wishing to offer discounts in case they are awarded more than one contract will be allowed to do so, provided those discounts are included in the letter of bid.
3. For quick reference, some key qualification requirements include:
  - The average annual turnover (or annual sales volume) of the last three years should be a minimum of

USD 3,000.000 and accumulative if bidding for multiple lots.

- The bidder has successfully completed at least two contracts in supplying, installing, supervising, commissioning and/ or maintaining off-grid solar PV systems with batteries, in any year over the last five years, and at least one of the two contracts had a value equivalent to or greater than 50% of the corrected Bid Price. The details of the qualification requirements are in the bidding document.
4. Bidding will be conducted through the International Competitive Bidding procedures as specified in the World Bank's Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers dated January 2011 (revised July 2014) ("Procurement Guidelines"), and is open to all eligible bidders as defined in the Procurement Guidelines.
  5. Clarification of the bidding document will be conducted through email or letter to the Purchaser as stated in ITB 7.1 of the bidding document.
  6. Interested eligible bidders may obtain further information from the address given below and inspect the bidding document during office hours at the address given below.
  7. A complete set of bidding documents in English may be obtained free of charge by interested eligible bidders upon the submission of a written application to the address below. The bidding documents will be issued through email only. In case of any difficulty in obtaining the bidding documents, interested parties may contact in writing to the address given below.
  8. Bids must be delivered to the address below on or before **3rd September, 2019 at 10:00 a.m.** Electronic bidding will not be permitted. Late bid will be rejected. The outer bid envelopes marked "**ORIGINAL BID**", and the inner envelopes marked "**TECHNICAL PART**" will be publicly opened in the presence of the Bidders' designated representatives and anyone who choose to attend, at the address below on or before 2nd September, 2019 at 10:00 a.m. All envelopes marked "**SECOND ENVELOPE: FINANCIAL PART**" shall remain unopened and will be held in safe custody of the purchaser until the second public opening.
  9. All bids must be accompanied by a Bid Security as stated in ITB 19.1 - Bid Data Sheet of the Bidding Document.
  10. The address (es) referred to above is (are):

Attention: Dr. Soe Soe Ohn, Director, Project Manager of National Electrification Project

National Electrification Project

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