

Thura NewsViews

Politics

■ Myanmar Visa requirements eased for Asian visitors

The Ministry of Hotels and Tourism (MHT) will extend visa preferences for people from Japan, South Korea, China and India. The initiative is aimed to boost Myanmar's tourism numbers. Since late 2018, visitors from Japan and South Korea have enjoyed visa exemption when entering Myanmar. People from China and India were eligible for visas on arrival. The new policy will extend those preferences, until September and November, 2020, respectively.

Relaxing visa requirements for those countries has greatly increased the tourist numbers, the MHT claimed. It said 2.14 million foreign visitors entered the country in the first half of 2019. It is contrasted with 1.72 million during the same period in 2018.

The MHT has also said it would extend similar preferences to people from six additional countries in October. Formerly, Myanmar offered no visas on arrival for tourists. The prospective visitors had to endure a lengthy and expensive application process at a foreign consulate. However in recent years, the government has instituted e-visas, visas on arrival and paperless immigration in an attempt to boost the tourism sector. It has shown disappointing growth in Myanmar's new democratic era. MHT data shows that these measures have had a positive impact. However, the ministry has been suspected of inflating the numbers by counting routine border crossings on the Thai and Chinese borders as tourism.

Nevertheless, optimism from both the public and private sectors seems to be high. The Yangon Region Tourism Working Committee granted permits for 21 new hotels between May and August, reported the Daily Eleven. The total investment for those new hotels will be almost USD 240 million.

■ KBZ Bank hires American law firm after UN accusations

According to a CNBC report, Kanbawza Bank (KBZ) is seeking counsel from a US-based law firm after it was named in a recent UN report calling for broad sanctions against military-affiliated companies.

KBZ hired the law firm Williams & Connolly for legal representation in response to the UN Fact-Finding Mission on Myanmar's report. It called for a

Thura Swiss Ltd.
Economic Research
Shwe Hinthar B 307
6 1/2 Miles Pyay Road
11 Qtr. Hlaing Tsp.
Yangon, Myanmar

Phone +95 (0)1 654 730
Fax +95 (0)1 654 733
info@thuraswiss.com
www.thuraswiss.com

September Highlights

Myanmar and South Korea inked bilateral agreements for the construction of the Korea-Myanmar Friendship Bridge and the Korea-Myanmar Industrial Complex (KMIC).

The public has nothing to be concerned about the unfounded rumours of runaway non-performing loans (NPLs) at local banks, according to CBM.

The government expects to collect MMK 3 trillion more from the electricity generation in fiscal year 2019-2020 as tariffs have increased.

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global boycott against businesses associated with the Myanmar military. The report accused KBZ of funding a border fence to keep displaced Rohingya Muslims from returning to Myanmar from Bangladesh. Doing business with KBZ and other military-affiliated companies supports human rights abuse on Myanmar's western border, the report claimed.

KBZ has agreed to pay Williams & Connolly a USD 250,000 retainer for its services, according to registration documents obtained by CNBC. "Additional services will potentially include providing advice regarding legal consequences of the report, providing advice on lobbying and public relations issues related to the representation, lobbying U.S. government officials in the Executive Branch, Congress, and/or the United Nations, and discussing the matter with U.S. or international media organizations," the documents said.

Despite KBZ's precaution, the full impact of the UN report remains to be seen. Political activist groups and some politicians from ASEAN members have spoken out in support of sanctions. Furthermore, in August Belgian satellite operator Newtech cut ties with military affiliated telco Mytel. So far, however, there have been no official sanctions.

Economy

■ UK to keep Myanmar trade preferences with or without EU

A post-Brexit United Kingdom will maintain its tariff-free "Everything but Arms" trade preferences with Myanmar. This is so announced despite the UN's call for sanctions against military-affiliated businesses. Warren Pain, head of trade and investment for the British Embassy, told The Myanmar Times that the UK will continue to offer Myanmar zero tariffs on all goods save weaponry, whether or not the European Union decides to change its trade policy concerning Myanmar.

Pain emphasized that the stance does not indicate a change in the spirit of Britain's trade policy. He, however, argued that the UK will continue to mirror the EU in its commitment to ethical trade. Britain simply does not find its current trade arrangement unethical, he said. Despite the recent report by the UN Fact-Finding Mission on Myanmar, urging the international community to boycott a host of businesses that it says directly contribute to human rights abuses.

"It's all about the responsibility and not a political position in terms of our relationship with the EU and not [about] wishing to diverge from current policies. We honestly think that this is the right ethical approach at this stage and time," according to Pain.

He pointed out that Britain bought about USD 415 million worth of goods and services from Myanmar last year. The commodities include garments, fish and food products bearing the greatest portion. Some critics fear that foreign nations renegotiating established trade arrangements would present its own set of human rights issues. The garment industry alone employs more than 500,000 people in Myanmar, who are mostly women. Last year, historian Thant Myint U urged the European Union to maintain its trade preferences despite concerns about working conditions in factories. He argued that boycotting Myanmar's exports would not resolve human rights issues, but only make things worse for Myanmar's poor.

Myanmar in Figures

GDP (PPP): \$330.88bn (2017)

GDP (official ex.rate): \$59.5bn (Jan 2018)

GDP growth rate: 7.23% (2017)

Population: 54.22 mn people (Apr 2019)

Inflation: 6.5% (2017)

Foreign trade: \$29.2bn (2016-2017)

FDI: \$75bn (31/12/2017)

International reserves: \$5.2bn (Jan 2018)

CBM rate Kyat/\$ = 1,535K/1\$ (05/09/19)

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- **Yangon Stock Exchange hit highest trade volume to date**

August was the best month to date for the Yangon Stock Exchange (YSX), with a total of 322,176 shares traded. The total value of those trades was MMK 1.9 billion, according to the YSX monthly report. That number is up from MMK 1.22 billion in trades for the month of July.

A new online trading system may be partly responsible for the bump in trades. This month U Maung Maung Win, deputy minister of the Ministry of Finance and Planning, called on stakeholders to do their part to attract new investors. He spoke at the third annual Yangon Stock Exchange Expo event held on September first, including seminars and panel discussions.

Launched in 2016 with support from Japan, the YSX is still a new development for Myanmar. Indeed, Currently only five companies are traded on the exchange: First Myanmar Investment (FMI), Myanmar Thilawa SEZ Holdings (MTSH), Myanmar Citizens Bank (MCB), First Private Bank (FPB), and TMH Telecom Public Co. Ltd.

Growth has been relatively slow, although in August the Nikkei Asian Review reported that the YSX is developing an alternative market in which investors can trade shares of unlisted companies. Around 60 companies are eligible to be traded on the new market. This include companies with more than 100 shareholders and/or companies that have been publicly traded in the past. The Securities and Exchange Commission of Myanmar will allow foreign investors to trade on the YSX by the end of the year.

Companies and Investments

- **New Dawei-Kanchanaburi highway planned**

The Myanmar government continues to invest in its southern coast with an ambitious new highway connecting Dawei to Kanchanaburi, Thailand.

An official call for tender bids will be released soon, Dawei Special Economic Zone Management Committee Secretary U Tint Tun Naing told The Myanmar Times. The project will be financed by a MMK 220.6 billion, 0.1 percent interest loan from Thailand. The road will replace the current dirt track connecting Dawei to the Thai border and is planned to be completed in three years.

U Tint Tun Naing said the road will be a crucial component of the Dawei Special Economic Zone. If completed, the Dawei Special Economic Zone would include nine zones and a deep sea port. It will be the largest SEZ in Southeast Asia. Nevertheless, progress has been slow since work began in 2008. Disputes with Thai partners stalled progress entirely in 2013, with the Myanmar government complaining of performance issues from Thai construction companies. Work resumed in 2015 with new investment from Japan.

The Myanmar government is also investing heavily in the region's tourism infrastructure. An Italian company was recently approved to construct a USD 3.2 million hotel in Kawthaung. The government also recently put out an invitation for tender bids for a large-scale renovation of the Dawei Airport.

- **Housing project planned by Malaysian developer**

Malaysian developer Berjaya Land will invest USD 624 million into a low-to-middle income housing project in Yangon. According to company chief executive Datuk Pee Kang Seng, speaking to reporters at the Malaysia-Myanmar Connect (MMC) seminar in late August, the 74-hectare development will be completed in phases over the next six years. The project is slated for 10,000 housing units and 1.2 million square feet of retail space.

The upcoming development was not the only project discussed by Malaysian investors at the MMC event. It was attended by more than 100 companies. According to Gilbert Lee, president of the Malaysian Myanmar Business Chamber (MMBC): "Malaysian businesses are keen to invest in sectors such as technology, construction, manufacturing, and service in Myanmar. They showed extra interest in agriculture-based businesses."

Myanmar and Malaysia have has some political tension in recent years as thousands of Muslims from Rakhine State have sought refuge from Malaysia. A problem some have blamed on Myanmar's mistreatment of the ethnic minori-

ty. Nevertheless, Lee argued that the bleak media image of Myanmar portrayed does not represent the investment opportunities for Malaysian companies. He encouraged Malaysian investors to tour Myanmar and see for themselves.

Oil and gas, manufacturing, transportation and telecommunications, hotel and tourism, real estate, agriculture, livestock and fishery are the most common sectors for Malaysian investment, according to data reported by The Myanmar Times. Malaysia is the 10th largest source of foreign direct investment in Myanmar. Investments amounted more than USD 1.9 billion during the last fiscal year.

Events

Name	Details	Organizer/Ministries	Contact Information
Myanauto	Venue: Rose Garden Hotel, Yangon	AMB Tarsus Exhibitions Sdn Bhd	darren@ambtarsus.com +95-9-3149 6493
Myanmar Global Investment Forum—2019	Venue: MICC 2, Naypyitaw Date: 10-11 Sep 2019	Euromoney Conferences	rsvp@euromoneyasia.com +852 2842 6961
Printech Myanmar	Venue: MEP at Mindama, Yangon Date: 12-14 Sep 2019	UBM Allworld Exhibitions	yeemon.chen@ubm.com +95-1-378957
International Processing & Packaging Exhibition	Venue: Myanmar Expo Hall, Yangon	UBM Myanmar	yeemon.chen@ubm.com +95-1-378957
Myanmar Connect	Venue: Pan Pacific Hotel, Yangon Date: 17-19 Sep 2019	TelCap/ Capacity Media	info@capacitymedia.com +44-020-7779-7227
Agri Myanmar	Venue: Rose Garden Hotel, Yangon Date: 26-28 Sep 2019	Minh Vi Exhibition & Advertisement Services Co., Ltd (VEAS)	info@veas.com.vn +95-9-4200 25684
International Construction Power & Mining Exhibition	Venue: Fortune Plaza, Yangon	UBM Myanmar	yeemon.chen@ubm.com +95-1-378957
Medex Exhibition	Venue: Tatmadaw Hall, Yangon	AMB Tarsus Exhibitions Sdn Bhd	support@ambtarsus.com +603-2692-6888
Myanmar Textile Summit	Venue: Yangon Date: 30-31 Oct 2019	ECV International	marketing@ecvinternational.com +86-2156-797705
Myanmar Plas Print Pack	Venue: Yangon Convention Center, Yangon Date: 1-4 Nov 2019	Chan Chao Int'l Co., Ltd.	overseas@chanchao.com.tw +886-2-2659-6000
International Conference on Wireless Communications and Sensor Networks	Venue: Yangon Convention Center, Yangon Date: 1-2 Nov 2019	SciencePlus	papers.scienceplus@gmail.com +91 8763630137

Tenders

■ Ministry of Transport and Communications: Invitation for Bids

1. The Government of the Republic of the Union of Myanmar has received a loan from Japan International Cooperation Agency (JICA) towards the cost of the Yangon Mandalay Railway Improvement Project Phase II. The Bid is invited by Myanma Railways as follows:

Invitation for Bid	Description: Procurement of Multiple Tie Tamper and Rail Inspection Car	Issuing Date	Closing Date & Time	Non-refundable Document Fee
IFB No: IFB-MR/BD/2110	Supply of (1) Two (2) units of Multiple Tie Tamper and (2) One (1) unit of Rail Inspection Car.	4th September 2019	18th October 2019 At 2:00 pm	USD 1,000

2. Bidding will be conducted through procedures in accordance with the applicable Guidelines for Procurement under Japanese ODA Loans, and is open to all Bidders from eligible source countries, as defined in the Loan Agreement.

- (1) The Eligible Nationality of the Contractor(s) shall be Japan in case of the prime Contractor.
- (2) In case where the prime Contractor is a joint venture, such joint venture will be eligible provided that the nationality of the lead partner is Japan, that the nationality of the other partners is Japan and/or the Republic of the Union of Myanmar and that the total share of work of Japanese partners in the joint venture is more than fifty percent (50%) of the contract amount.
- (3) The Myanma Railways, Ministry of Transport and Communications now invites sealed Bids from eligible Bidders for the design, manufacture, supply, installation, delivery, testing and commissioning of Multiple Tie Tampers and Rail Inspection Car described above ("Procurement of Goods"). International Competitive Bidding will be conducted in accordance with JICA's Single-Stage (One Envelope) Bidding Procedure.
- (4) A complete set of the Bidding Documents may be purchased and inspected by interested Bidders upon submission of a written application to the address below during office hours from 9:30 a.m. to 4:30 p.m. on Monday to Friday (except public holidays of Myanmar).
- (5) Bids must be submitted to the address below, on or before 2:00 p.m. on October 18th, 2019 and must be accompanied by a Bid security of Japanese Yen Thirty-Seven Million (37,000,000.-JPY).

3. Managing Director

Myanma Railway, Ministry of Transport and Communications

Nay Pyi Taw Railway Station Compound, PobbaThiri Township, Nay Pyi Taw, Myanmar

Telephone: +95-67 77024, Facsimile number: +95-67-677164

Email address: dgmplan.rail@mrt.gov.mm, dgm.planning.mr@gmail.com (not for submission but for clarification)

■ **UNICEF: Expression of Interest for Pre-Qualification**

1. UNICEF invites Sealed Expressions of Interest (Eoi) for Pre-qualification of Design and Supervision Consultancy Firms to undertake **construction of “One(1) Central Expanded Program (cEPI) training centre and Seventeen (16) vaccine cold chain sub-depots in Nay Pyi Taw Union Territory and (14) different regions of Myanmar.”**
2. Selection criteria includes:
 - (1) Registration and valid licenses to operate in Myanmar
 - (2) Specific technical experience
 - (3) Experience in management of multiple sites
 - (4) Proven in-house technical capacity with qualified Human Resources and required Equipment
 - (5) Proven experience/capacity to work in remote geographical contexts
 - (6) Audited financial report for the last two years
 - (7) Reference checks— preferably previous work experiences with UN Agencies preferable
3. Interested consultancy firms who have the required licenses to operate in Myanmar in this field are invite to request for the Eoi form through email at the following address: **msoe@unicef.org** with the reference mentioned subject. Last date to collect EOI form is **12th September 2019**. **Kindly mention Reference in the subject.**
4. The duly filled in Eoi form along with the requested information and documentation must be delivered in hard copy as per instructions in the Eoi form on or before 3:00 pm (local time Yangon/Myanmar) 27th September 2019. Late receipts of the EOIs shall be rejected. Responses to EOIs sent via email also not be accepted.