

Thura NewsViews

Politics

■ Negotiations with Northern Alliance do not produce ceasefire

On September 17, government peace negotiators conducted a highly anticipated meeting with members of the Northern Alliance in the town of Kengtung, Shan State. The session ended with no bilateral ceasefire agreement. However, Zaw Htay, director general of the President’s Office, told reporters that significant progress had been made. “The outcome of the meeting was good and satisfactory,” U Zaw Htay said.

He explained that although the government had planned to finally agree on a ceasefire, the deal could not be ratified by all members of the Northern Alliance. It includes the Kachin Independence Army (KIA), Arakan Army (AA), Ta’ang National Liberation Army (TNLA), and the Myanmar Democratic Alliance Army (MNDAA).

Another round of talks are slated for October, but the Myanmar army’s unilateral ceasefire ends on September 21st. “It could be problematic if we can’t sign one before the deadline, because we won’t know what to do with the results of this meeting,” U Zaw Htay said.

Still, Ta’ang National Liberation Army General Secretary Tar Bone Kyaw remained optimistic. “It yielded good results,” he said. “We agreed on some

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September Highlights

A logistics hub and truck terminal in the outskirts of Yangon to ease traffic congestion and provide enough parking for trucks is planned to be built.

IKBZ Insurance on Tuesday announced the launch of IKBZ Life, a new insurance company fully dedicated to life insurance products.

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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 ...

procedures to sign agreements, which could stop the fighting.” In addition to further talks, these agreements included establishing special liaison offices and the safe return of displaced civilians.

Conflict with the Northern Alliance is not new, but a recent outbreak of violence in August has displaced thousands of civilians. It also disrupted border trade and sent both sides scrambling for a peace deal. The Myanmar army has declared unilateral ceasefires of its own, although Northern Alliance members have accused the army of violating them. Whether or not both sides can agree on a lasting peace remains to be seen in October.

■ **Parliament cuts budget by MMK 400 billion**

The Myanmar parliament has cut the government budget by more than MMK 400 billion for the 2019-2020 fiscal year. Lawmakers cited shifting policies and reducing excess spending as reasons for the reduction. The reduction leads to a budget of roughly MMK 32 trillion designated for the year.

U Aung Min, deputy chair of Joint Public Accounts Committee, explained that research groups audited several government ministries and cut funding for projects that will not be completed this year. This amount accounts for about MMK 20 billion of the reduction.

“Another point is that electricity prices were increased. We have calculated consumption of up to 300,000 units. As the expenses are now 1.5 times of the previous rate, we have allowed spending of up to 1.8 times and cut the rest,” The Myanmar Times quoted U Aung Min as saying.

U Aung Min was referring to a steep rise in power tariffs that took effect in July. The price hike was designed to reduce the need for power industry subsidies. The government spends around USD 500 million each year on power subsidies. Economists and media members largely praised the move to raise power prices.

The trimmed-down government budget was also popular, thus gaining parliamentary approval with no objections.

Economy

■ **Power production hits 5,600 Megawatt in Myanmar**

The Ministry of Electricity and Energy (MOEE) says Myanmar is now producing 5,600 megawatt of power per year. It will not stop there, according to a report by Eleven Media. Rising demand for power and the government’s ambitious nationwide electrification goals are the cause of the surge.

“At the present, electric consumption in Myanmar is increased from 15 to 19 percent year by year,” Win Khaing, Minister for Electricity and Energy, told Eleven Media. “We [expect] the electric consumption will be increased to 4,531 megawatts by [the 2020-21 fiscal year] and we are [planning] to increase the electricity production [by] 2,757 megawatts.”

Currently, 4.9 million households are not connected to the national grid, accounting for around 50 percent of the population. U Win Khaing said the government plans to break the 50 percent mark by the end of this year. It aims to reach 100 percent electrification in the city of Yangon by the end of next year.

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/\$ = 1,536K/1\$ (19/09/19)

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To meet these goals, new power plants are already in the works in Tanintharyi Region, Yangon Region and Ayeyarwaddy Region. The MOEE says it will continue to rely on hydroelectric dams and natural gas power plants for production. More solar power production is planned to be introduced in 2020.

It remains to be seen if the recent tariff increase in Yangon will stunt the growing demand for power. In July, power bills more than doubled for many households. This is a move designed to make the Yangon Electricity Supply Corporation (YESC) more sustainable and reduce reliance on government subsidies. YESC earnings leapt 65 percent as a result.

■ **Saudi drone attack impacts on local fuel prices**

Industry experts are predicting that the recent spike in global fuel prices results in higher petroleum product prices. It is expected that it will make Myanmar fuel imports more expensive. Myanmar imports diesel and petrol from Singapore and there are also imports from Thailand and China at the border.

Global oil prices rose 20 percent in the wake of the weekend's attack on a Saudi Arabian oil facility. The attack has removed 5 percent of global supplies. The estimated value of lost production is about 5.7 million barrels a day. Based on reports, experts expect that significant volumes could come back on stream within days. However, it could take weeks to restore full capacity.

U Win Myint, secretary of Myanmar Petroleum Trade Association, said that "if global oil prices stabilise, then local prices will be stable as well. But if prices remain high the local prices will be high." He added that local fuel prices are regularly subject to global price shifts.

The local oil price also depends on the stability of the exchange rate of the Myanmar Kyat. If the Kyat is weak, import prices will be high.

According to the Ministry of Commerce (MOC), fuel imports have actually decreased so far in fiscal year 2018-19. Diesel imports fell by a value of USD 379 million and petrol fell by USD 5 million.

■ **Myanmar slices taxes on undeclared income in de facto amnesty law**

Myanmar's Union Parliament has approved the 2019 Tax Law, cutting taxes for unassessed income to rates as low as three percent. The new law serves as a de facto amnesty for individuals and businesses with high levels of undeclared income.

Under the new law, which goes into effect on October 1st, income with no identified source will only be taxed three percent up to MMK 100 million, five percent up to MMK 300 million, 10 percent up to MMK 3 billion, and 30 percent for MMK 3 billion and higher.

Previous rates for such income were between 15 and 30 percent, which parliament feared incentivized people to not declare their full wealth and not pay their full taxes. In theory, the drastically lower tax rate will entice people to divulge their true income and actually pay their taxes rather than risk tax evasion charges.

A similar proposal was brought before parliament last year, but critics bashed the tax cut as rewarding those who have neglected to pay taxes and punishing law abiding citizens who have always paid the full amount.

However, this year's vote comes amid rumors of an unpaid debt crisis sparked by comments from U Soe Thein, deputy governor of the Central Bank of Myanmar (CBM). The rumors caused long lines at bank branches as people scrambled to withdraw their money. (And equally long lines at Yangon's gold shops.)

Although the government denied a full-blown crisis (and U Soe Thein soon resigned his post), it hopes the tax amnesty will allow companies and entrepreneurs to re-invest their unassessed income and begin paying off their outstanding loans. In a recent editorial, Frontier magazine pointed out that the Asia-Pacific Group on Money Laundering declared that Myanmar needed to make "major improvements" to avoid landing on their international grey list.

"Myanmar is undergoing an observation period and could be placed back onto the grey list next year," the editorial argued. "Given the lack of a progress, a tax amnesty that encourages those with undeclared income to put it into the property sector is not going to be viewed favorably." Parliament voted 498 'yes' out of 570 to approve the tax bill.

Companies and Investments

■ Japanese replace Chinese in Yangon railway project

Myanma Railways has dropped its planned Chinese partner Sino Great Wall for Yangon's new central railway station project. The Japanese firm Sumitomo has been selected as the new partner.

The ambitious development in downtown Yangon will take eight-years to complete and cost USD 2.5 billion. Sino Great Wall had been initially chosen for the consortium of development partners but it has been dropped. This happened after a track record of debt problems. U Aung Thu Latt, General Manager of Myanma Railways, told The Myanmar Times that the Japanese company Sumitomo was chosen based on the advice from international consultancies. The project will continue exactly as planned despite the partner change.

The consortium still includes two members that work closely with Sino Great Wall, the Myanmar Times reported. These partners include local developer Mottama Holdings and Singaporean firm Oxley Holdings. They are working with Sino Great Wall on two high-profile condominiums. Mottama is currently developing nine projects worth USD 1 billion, all yet to be completed. Singaporean analysts have flagged Oxley Holdings for high debt levels.

The eight-year, USD 2.5 billion Central Railway Station project is designed to improve the speed and efficiency of Yangon mass transit with a new, 63.5-acre complex. It will also renovate and preserve the existing Yangon Central Railway station, which is a heritage icon.

■ Myanmar Rice Federation expands China export deal

The Myanmar Rice Federation (MRF), the umbrella association for Myanmar's rice industry, will export 250,000 tonnes of rice to China. A new MOU was signed with the China National Cereals, Oils and Foodstuffs Corporation, The Myanmar Times reported.

The MOU expands on an existing agreement signed in June that calls for an export volume of 100,000 tonnes. However, Myanmar has exported 90,000 tonnes of rice to China already. A Times report pointed out that border trade volume has been down due to renewed fighting near the border and tighter restrictions from China as it tries to clamp down on illegal trade. The MRF signed the new export deal as it searches for new potential trade partners overseas.

During its colonial period, Myanmar was the world's top rice exporter. However, agricultural exports collapsed in the late 20th century under its disastrous socialist regime. The MRF claims that Myanmar consumes almost all of its rice domestically and exports relatively little. Myanmar still produces some of the highest amounts of rice in the world. In the 2017-2018 fiscal year, Myanmar only exported 3.6 million tonnes of rice, according to official data. That is small fraction of China's rice imports, which can number in the hundreds of millions of tonnes.

Underdeveloped infrastructure and a failure to conform to international market standards has kept exports low for all crops. However, for years the MRF and Myanmar government have been looking for new rice markets. According to a recent industry report by the World Bank: "There are good market prospects to accommodate higher rice exports from Myanmar over the next 10-15 years. China is becoming a large net importer of Myanmar rice. The European Union has opened its markets for duty free imports from Myanmar."

Events

Name	Details	Organizer/Ministries	Contact Information
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 Date: 9-11 Oct 2019	UBM Myanmar	yeemon.chen@ubm.com +95-1-378957
Medex Exhibition	Venue: Tatmadaw Hall, Yangon Date: 9-11 Oct 2019	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
International Conference on Wireless Communications and Sensor Networks	Venue: Mandalay Date: 1-2 Nov 2019	SciencePlus	papers.scienceplus@gmail.com +91 8763630137
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
Oil & Gas Myanmar	Venue: Novotel Yangon Max, Yangon Date: 6-7 Nov 2019	Fireworks Myanmar	myanmar@asiafireworks.com +95-9-2501-75661
Myanmex Myanmar Marine Expo	Venue: Yangon Convention Center, Yangon Date: 7-8 Nov 2019	Fireworks Myanmar	myanmar@asiafireworks.com +95-9-2501-75661
ASEAN LPG Forum Series LPG Myanmar	Venue: Sedona Hotel, Yangon Date: 13-15 Nov 2019	Gas Academy	info@gasacademy.com.sg +65-6742-2485
Asia IoT Business Platform	Venue: Sedona Hotel, Yangon Date: 21-22 Nov 2019	Industry Platform Pte Ltd	irza@industry-platform.com +65-6733-1107

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 swan 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"> • 26th Sept, 2019 (09:00) a.m. (EX-SITE/YANGON) HARDWOOD LOG ONLY • 27th Sept, 2019 (09:00) a.m. YANGON & EX-SITE TEAK/HARDWOOD (LOG AND CONVERSION) • 30th Sept, 2019 (12:00) Noon YANGON TEAK LOG ONLY
(b)	Commodities and Volume	<ul style="list-style-type: none"> • TEAK LOGS ABOUT (1130) TONS • THIRD QUALITY & UP TEAK CONVERSION ABOUT (386) TONS (EXPORT MARKETING & MILLING DEPARTMENT) • THIRD QUALITY & UP TEAK CONVERSION ABOUT (192) TONS (WOOD BASED INDUSTRIES DEPARTMENT) • PADAUK, PYINKADO, IN, KANYIN, THITYAR, INGYIN, HTAUK KYANT, THIT MAGYI, SAGAWA, TAUNGPEINNE ABOUT (16704) TONS • HARDWOOD LOGS (INCLUDING 2018-2019 EXTRACTION YEAR)
(c)	Place	<ul style="list-style-type: none"> • TAW WIN HALL, GYOGONE, INSEIN TOWNSHIP, YANGON.

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 or at its website - www.mte.com.mm.

■ Ministry of Electricity and Energy: Invitation for Bids

1. The Ministry of Electricity and Energy has received financing from the World Bank towards the cost of the National Electrification Project, and intends to apply part of the proceeds towards payments under the contract for Concrete Pole for National Electrification Project.
2. The Ministry of Electricity and Energy now invites sealed bids from eligible bidders for supply of concrete pole 10 meter and 12 meter, for the total quantities of 115,400 Concrete Poles to be delivered in 2020 to multiple destinations in all Regions and States of Myanmar. Domestic preference with the margin of 15% will apply. The goods will be grouped into 2 lots and bidders may submit bid for any one or more lots. Evaluation and award of contract will be on a lot-wise basis.
3. Bidding will be conducted through the International Competitive Bidding procedures as specified in the World Bank's Procurement Guidelines and is open to all eligible bidders.
4. Interested eligible bidders may obtain further information from Project Manager, Office No (27), Ministry of Electricity and Energy, nep.pmomoep@gmail.com and inspect the bidding documents during office hours at the address given below.
5. 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.
6. Bids must be delivered to the address below on or before **10:00 a.m. on 30th October, 2019**. Electronic bidding will not be permitted. Late bids will be rejected. Bids will be publicly opened in the presence of the bid-

ders' designated representatives at the Yadanar Hall, Grand Floor, Office Building No. 27, Ministry of Electricity and Energy, Nay Pyi Taw at **10:00 a.m. on 30th October, 2019.**

7. All bids must be accompanied by a Bid Security as stated in ITB 19.1 Bid Data Sheet of the bidding document.
8. The address (es) referred to above is (are):

National Electrification Project

Project Manager, Project Management Office

Office: Building No. 27, Ministry of Electricity and Energy, Nay Pyi Taw

Telephone: +95-67-3431175

Fax: +95-67-3431176

Email: nep.pmomoep@gmail.com

■ **Ministry of Electricity and Energy: Invitation for Bids**

1. The Ministry of Electricity and Energy has received financing from the World Bank towards the cost of the National Electrification Project, and intends to apply part of the proceeds towards payments under the contract for **ACSR Conductor for National Electrification Project.**
2. The Ministry of Electricity and Energy now invites sealed bids from eligible bidders for supply of ACSR Conductor to be delivered in 2020 to multiple destinations in all Regions and States of Myanmar. Domestic preference with the margin of 15% will apply. The goods will be grouped into 5 lots and bidders may submit bid for any one or more lots. Evaluation and award of contract will be on a lot-wise basis.
3. Bidding will be conducted through the International Competitive Bidding procedures as specified in the World Bank's Procurement Guidelines and is open to all eligible bidders.
4. Interested eligible bidders may obtain further information from Project Manager, Office No (27), Ministry of Electricity and Energy, nep.pmomoep@gmail.com and inspect the bidding documents during office hours at the address given below.
5. 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.
6. Bids must be delivered to the address below on or before 10:00 a.m. on 1st November, 2019. Electronic bidding will not be permitted. Late bids will be rejected. Bids will be publicly opened in the presence of the bidders' designated representatives at the Yadanar Hall, Grand Floor, Office Building No. 27, Ministry of Electricity and Energy, Nay Pyi Taw at 10:00 a.m. on 1st November, 2019.
7. All bids must be accompanied by a Bid Security as stated in ITB 19.1 Bid Data Sheet of the bidding document.
8. The address (es) referred to above is (are):

National Electrification Project

Project Manager, Project Management Office

Office: Building No. 27, Ministry of Electricity and Energy, Nay Pyi Taw

Telephone: +95-67-3431175

Fax: +95-67-3431176

Email: nep.pmomoep@gmail.com