

Thura NewsViews

Politics

Thailand to set guidelines for link with Myanmar

The Thai government is mulling the guidelines and standards for the vital infrastructure that will link the country with Myanmar's Dawei Special Economic Zone.

Thailand's National Economic and Social Development Council (NESDC) has requested the Thai Council of Ministers to follow its formal guidelines for planned roads and railways that will link the city of Dawei, in Myanmar's southern peninsula, with the Thai border, the Bangkok Post reported. These projects aim to be key trade routes between the two countries and adopt the Dawei SEZ into Thailand's Eastern Economic Corridor.

The negotiations are largely out of Myanmar's hands, but they are the latest development in Thailand's ongoing effort to develop new trade routes and partnerships with Myanmar. One key infrastructure project will be a new highway linking Dawei with Kanchanaburi, Thailand. The three-year project will be financed by a MMK 220.6 billion, 0.1 percent interest loan from Thailand.

If completed as planned, the Dawei SEZ would be one of the largest SEZs in Southeast Asia. But Myanmar's partnership with Thailand has been mired in disputes since the project's 2008 launch, and progress has been slow. Both countries agreed to speed up development of the Dawei SEZ in an August meeting in Nay Pyi Taw.

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This Week's Highlights

Yoma Strategic Holdings will increase its stake in leading mobile payment player Wave Money.

Myanmar and Japan sign a new grant agreement of over USD 4m for provisions of agriculture and construction equipment in Ayeyawady Region and Chin State.

76,000 companies have officially registered online using the MyCO portal according to DICA.

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Companies & Investments

Hot news regarding investments in Myanmar



Westin to open its first hotel in Myanmar

Nov 07, 2019
Global hospitality giant Marriott International will open the first of its Westin Hotels & Resort



General Electric eyes expansion in Myanmar

Oct 31, 2019
US technology giant General Electric (GE) may soon expand its Myanmar presence. Wouter Van Versch, P

Upcoming Events

- Myanauto
November 15, 2019 - November 17, 2019
- Myanmar Entrepreneurship Summit
November 16, 2019
- Asia IoT Business Platform
November 21, 2019 - November 22, 2019
- Green Power
November 28, 2019 - November 30, 2019
- Myanbuild
November 28, 2019 - November 30, 2019

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Highlights

Electricity Generating Authority of Thailand to trade electricity to Myanmar
November 8, 2019

Meanwhile, the bulk of Myanmar's land trade with Thailand passes through the border town of Myawaddy, on the Moei River. The two countries recently completed a second bridge linking Myawaddy with its Thai counterpart Mae Sot, and in October Thai and Myanmar officials inked an MOU to support the use of both Thai baht and Myanmar kyat for border commerce.

Economy

■ Embassy quashes rumors of Korean exodus

The Embassy of the Republic of Korea has officially denied rumors of a mass exodus of Korean businesses from Myanmar. The embassy issued a statement that emphasized South Korea's commitment to investing in Myanmar. It also claimed that it had not heard of any Korean businesses abandoning Myanmar for Bangladesh.

In recent weeks various Bangladeshi media reported that around 100 Korean businesses would relocate from Myanmar to its western neighbor. The reports appear to have heard that claim from the Bangladesh Economic Zone Authority. The rumors were swiftly dismissed by Myanmar Investment Commission secretary U Thant Sin Lwin, who told the Myanmar Times that "there are no cases at all of South Korean investors returning MIC permits and moving out of Myanmar."

The statement by the Korean embassy affirmed Thant Sin Lwin's comments, adding that, indeed, inquiries from prospective South Korean investors has been on the rise. South Korea has long been one of Myanmar's chief trade partners. The country has invested USD 3.9 billion in Myanmar, according to official data. The largest Korean-backed industries include oil and gas and manufacturing.

Investment from Korea's public sector is also on the rise. In September, during a visit to Myanmar by South Korean President Moon Jae-in, the two countries signed an agreement for a financing framework valuing USD 1 billion. That loan will finance a wide range of infrastructure projects.

Companies and Investments

■ Filipino giant to partner with Myanmar tycoon

A major Filipino corporation will invest USD 238 million into two companies owned by Serge Pun, one of Myanmar's tycoons. The investment will bring the combined value of those companies to more than USD 1 billion, according to the Financial Times.

The investment comes from the Philippines-based Ayala Corporation. The family-owned business took in USD 5.9 billion in revenue last year, mainly in telecoms, banking and real estate.

With this new investment, Ayala will own 20 percent of Serge Pun's primary two companies: Singapore-listed Yoma Strategic Holdings and Yangon-listed First Myanmar Investment (FMI). These two companies are involved in a wide variety of industries, from food and beverage, to agriculture, to property development. They have invested heavily in products and services targeted towards Myanmar's middle class, which they expect to grow as Myanmar develops.

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/\$ = 1,516K/1\$ (14/11/19)

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Legal Box by Duane Morris & Selvam LLP

Foreign bank licensing - third round

On 7th November 2019, the Central Bank of Myanmar (“CBM”), exercising the power conferred under section 184 of Financial Institution law 2016, issued the announcement for the third round of Foreign Bank Licensing tender to further liberalize the banking sector in Myanmar.

According to this announcement, it has been indicated that two types of licenses will be issued in the upcoming round, i.e. either as a Branch or a Subsidiary.

The minimum capital requirement for branch license shall be USD 75 million for its operation, with USD 40 million shall be locked-up for two years with the CBM. Whereas, the minimum capital requirement for subsidiary license shall be USD 100 million for operations.

Furthermore, onshore retail banking activities will also be permitted under the subsidiary license starting from 1st January 2021. Conversion of existing foreign bank branch into subsidiary will be allowed starting from June 2020.

From the 1st of January 2020, foreign bank ownership into a Myanmar domestic bank exceeding 35% of the capital of the domestic bank may also be permitted on case by case basis.

Through our office in Yangon, Duane Morris & Selvam advises corporations on investment, business and regulatory processes in Myanmar. For further information, please contact Mr Krishna Ramachandra (kramachandra@duanemorrisselvam.com), Mr Priyank Srivastava (psrivastava@duanemorrisselvam.com), or Mr CN Beilo (CBLo@selvamandpartners.com) or visit www.duanemorrisselvam.com. Duane Morris & Selvam is recognized as a leading law firm for Myanmar related Corporate, M&A and Projects (including Energy) work – The Legal 500 (2017, 2018 & 2019).

Over the years, Pun has earned the nickname “Mr. Clean” for keeping his enterprises largely above board and himself off international sanctions lists during Myanmar’s military era. Today, Pun’s companies still hold a reputation for international-standard products and services, although some businesses, particularly an airline, have shuttered. Speaking to the Financial Times, Yoma Strategic CEO (and Serge Pun’s son) Melvyn Pun said: “[Ayala’s] reputation is pristine...That’s why this partnership made a lot of sense: we value our reputation very highly.”

- **DHL opens new Yangon warehouse**

Global logistics and shipping giant DHL Supply Chain will ramp up its Myanmar presence with its first warehouse in Myanmar. DHL has invested MMK 1.58 billion into the multi-use site, which is located in the Dagon Seikkan Industrial Zone in Yangon. It will employ around 200 people, according to the Myanmar Times.

“Over the years, we have witnessed tremendous growth in Indo-China including Myanmar, and have scaled our offerings accordingly to meet our customers’ needs. Today, our customers can count on us to provide a full suite of integrated end-to-end supply chain solutions, pegged to the highest global standards of excellence,” the company said in a statement.

DHL began operating in Myanmar in 1982, under the country’s economically-isolated socialist regime. Today, DHL claims to be the only totally foreign-owned logistics company officially registered in Myanmar. Indeed, DHL has often been the face of legal shipping and supply chain operations in an economy that relies on bribes, smuggling or informal channels for much of its commerce. Myanmar’s notoriously underdeveloped ports and roadways, combined with impenetrable bureaucracy and red tape, have in the past made legitimate shipping all but impossible for many products.

Yet in recent years, legitimate online retailers have made inroads in Myanmar. One success story is shopping website Shop.com.mm, owned by the Alibaba Group, which has begun delivering products with relatively fast and reliable shipping. DHL’s Myanmar expansion could be another sign that good things are ahead for Myanmar logistics.

- **Tycoon will continue paying dividends to investors despite slump**

A company owned by one of Myanmar’s richest men will continue to pay high dividends to investors despite sinking profits.

U Khin Shwe, chairman of the National Development Company Group, made the announcement at the company’s annual shareholder meeting. He claimed that National Development had enough financial reserves to continue paying 12 percent dividends to investors, the Myanmar Times reported. The company will also not conduct mass layoffs, the chairman insisted. Indeed, he said the company planned to increase payouts to 20 percent at an undefined point in the future.

The announcement came amid a serious downturn for National Development, which mainly deals in high profile property development projects. According to data obtained from the company’s financial report by the Myanmar Times, the profits were down 14 percent this fiscal year, dropping from MMK 649 million to MMK 551 million. However, the company still has MMK 333 million in cash reserves and total assets of MMK 8.6 billion.

U Khin Shwe is a former United Solidarity and Development Party lawmaker and one of Myanmar’s richest people. He made a reputation in luxury property development, but his ties to the military kept him placed on the US Specially Designated National list until 2016. Today, he also owns the Zaykabar group of companies. He runs several charities and maintains a philanthropic image, however he has also been met with accusations of intimidating local communities out of their land to make room for his projects.

“I could personally even give out a rate of return of 15 percent, not 12 percent,” the Myanmar Times quoted him as saying. “We will be making more investments in the future. So, this is why we are paying the shareholders. They need to have money in their hands when we make future investments.”

Events

Name	Details	Organizer/Ministries	Contact Information
Myanmar Entrepreneurship Summit	Venue: Fortune Plaza, Yangon Date: 16 Nov 2019	Myanmar Young Entrepreneurs Association (MYEA)	https://myanpwel.com/event/detail/2196/myanmar-entrepreneurship-summit-2019 +95 (0)9765 000 719 +95 (0)9765 000 649
Myanauto	Venue: Myanmar Event Park (MEP) at Mindama, Yangon, Myanmar Date: 15-17 Nov 2019	AMB Tarsus Exhibitions Sdn Bhd	support@ambtarsus.com +603 2692 6888
Asia IoT Business Platform	Venue: Sedona Hotel, Yangon Date: 21-22 Nov 2019	Industry Platform Pte Ltd	irza@industry-platform.com +65 6733 1107
Myanmar Hardware Expo	Venue: Yangon, Myanmar Date: 28-30 Nov 2019	AMB Tarsus Exhibitions Sdn Bhd	support@ambtarsus.com +603 2692 6888
Green Power	Venue: Yangon, Myanmar Date: 28-30 Nov 2019	AMB Tarsus Exhibitions Sdn Bhd	support@ambtarsus.com +603 2692 6888
Myanwater	Venue: Tatmadaw Hall, Yangon Date: 28-30 Nov 2019	AMB Tarsus Exhibitions Sdn Bhd	support@ambtarsus.com +603 2692 6888
Myanbuild	Venue: Tatmadaw Hall, Yangon Date: 28-30 Nov 2019	AMB Tarsus Exhibitions Sdn Bhd	support@ambtarsus.com +603 2692 6888
Electricity & Energy Expo	Venue: Tatmadaw Hall, Yangon Date: 29 Nov-01 Dec 2019	Dagon Exhibitions	dagonexhibitions@gmail.com +959 450098008

Tenders

■ Ministry of Electricity and Energy: Open Tender

1. Myanmar Oil and Gas Enterprise under the Ministry of Electricity and Energy now invites open tender for 2019-2020 fiscal year for supply of the following respective items in MMK.

Sr No.	Tender No.	Description	Remarks
(a)	DMP/L-153 (19-20)	Spares for Volvo Tractor (54) Items	MMK
(b)	DMP/L-154 (19-20)	Spares for NAT C-245-125 Torque Converter (25) Items	MMK
(c)	DMP/L-155 (19-20)	Spares for Kobelco Excavator (73) Items	MMK
(d)	DMP/L-156 (19-20)	Spares for Drilling Rig Drive Group (21) Items	MMK
(e)	DMP/L-157 (19-20)	Spares for National C 300-100 (FH) Torque Converter (25) Items	MMK
(f)	DMP/L-158 (19-20)	Spares for A 1700 PT Pump Ex USS Oil Well Rig (16) Items	MMK
(g)	DMP/L-159 (19-20)	Assorted Sizes of Seamless Steel Casing (3) Items	MMK
(h)	DMP/L-160 (19-20)	Assorted Sizes of TRI Cone Bits (10) Items	MMK
(i)	DMP/L-161 (19-20)	Air clutch & Spares for Drawworks and Catworks (6) Groups	MMK
(j)	DMP/L-162 (19-20)	Spares for Drawwork and Catwork (6) Groups	MMK
(k)	DMP/L-163 (19-20)	Spares of All Swivels (7) Groups	MMK
(l)	DMP/L-164 (19-20)	5" Drill Pipe for HDD Rig (1900) M	MMK
(m)	DMP/L-165 (19-20)	Hand Tools for BOP & Wellhead (9) Items	MMK
(n)	DMP/L-166 (19-20)	Power Tong & Air Winch Spares (4) Groups	MMK
(o)	DMP/L-167 (19-20)	Assorted Sizes of Steel Wire Rope (10) Items	MMK

2. The open tender forms including description of materials/ Qty with detailed specifications and tender terms and conditions can be available during office hours commencing from **4th November, 2019** at the Finance Department, Myanmar Oil and Gas Enterprise at No. 44, Complex, Nay Pyi Taw, Myanmar.
3. The interested bidders should submit the technical specifications with original bid bond and commercial quotation in each separate sealed envelopes on which to be addressed to the Managing Director, Myanmar Oil and Gas Enterprise and should reach in tender box of the Myanmar Oil and Gas Enterprise not later than **2:00 p.m.** on **4th December, 2019**.
4. The tender closing date and time is **4th December, 2019 at 2:00 p.m.**
5. Further information can be obtained at the Myanmar Oil and Gas Enterprise under the telephone number: +95-67-411206.

■ Yangon City Development Committee: Invitation for Bids

1. The government of the Republic of the Union of Myanmar has received a loan from Japan International Cooperation Agency (JICA) toward the cost of Greater Yangon Water Supply Improvement Project (MY-P5), Lagunbyin WTP and Nyaungnnapin WTP No. 1 & No. 2. Also need to include upgrading the existing dosing facilities

of the Nyaunghnapin WTP No. 1 & No. 2. It is intended that part of the proceeds of the contract for the Supply and Delivery of Poly Aluminium Chloride.

2. Bidding will be conducted through procedures in accordance with the applicable guidelines for procurement under Japanese ODA loans, and is open to all eligible bidders from eligible source countries, as defined in the loan agreement.
3. The Yangon City Development Committee (YCDC) now invites sealed bids from eligible and qualified bidders for the procurement of the Supply and Delivery of Poly Aluminium Chloride.
4. Interested eligible bidders may obtain further information from and inspect the bidding documents at the office mentioned below.
5. A complete set of bidding documents may be purchased by interested bidders on the submission of a written application to the address below, and upon payment of a non-refundable fee MMK 50,000.
6. The provisions in the instructions to bidders and in the general conditions of contract are the provisions of the Standard Bidding Documents under Japanese ODA loans for the procurement of goods.
7. Bids must be delivered to the address above at or before **2:00 p.m. on 5th December, 2019**.
8. Bids will be opened in the presence of the bidders' representatives who choose to attend at **2:00 p.m. on 5th December, 2019** at the office of Engineering Department (Water and Sanitation), Yangon City Development Committee at 12 1/2 Storey Office Building No. 390, Merchant Road, Botahtaung Township, Yangon, Myanmar.
9. The address (es) referred to above is (are):

Mr. Myint Zaw Than, Head of Department, Engineering Department (Water and Sanitation), YCDC

Office: 12 1/2 Storey Office Building, No. 390, Merchant Road, Botahtaung Township, Yangon, Myanmar

Email: lagunbyin@gmail.com

■ **Ministry of Transport and Communications: Open Tender**

1. Myanma Railways under the Ministry of Transport and Communications invites open tender for supply of the following items in MMK or Euro.

Sr No.	Tender No.	Description
1.	12(T)9/MR (CME)/ Kyat	Procurement for Assembling and Manufacturing of (5) Nos of Microprocessor Controlled 1200 HP Complete Knocked-Down Meter Gauge D.E.L
2.	12(T)10/MR (CME)/Euro	Procurement of (5)Sets of Diesel Engine & Main Alternator Sets with Foundation Frame and Related Necessary Parts for Microprocessor Controlled 1200 HP D.E.L
3.	12(T)11/MR (RBE)/Euro	Wheel Steel Forged for RBE (240) Nos
4.	12(T)12/MR (ISN)/Euro	Wheel Monobloc for YDM 4 Locomotive (240) Nos
5.	12(T)13/MR (ISN)/Euro	Spare Parts for Alco Engine (100) Items
6.	12(T)14/MR (ISN)/Euro	Spare Parts of Caterpillar Engine (94) Items
7.	12(T)15/MR (ISN)/Euro	Spare Parts for DPMS (89) Items

2. The tender closing date and time is **10th December, 2019 at 2:30 p.m.**
3. Tender documents can be obtained at its office starting from **29th October, 2019** within office hours.
4. Further information can also be obtained by reaching to the Deputy General Manager, Supply Department, Myanma Railways at the Corner of 51th Street and Merchant Street, Botahtaung Township, Yangon under the telephone numbers: +95-1-291985 and +95-1-291994.