

Thura NewsViews

Politics

Can a high level meeting revive decaying peace?

On January 8th, State Counsellor Daw Aung San Suu Kyi and Military officials met with representatives of ten ethnic armed groups to discuss revitalizing Myanmar's once promising peace process.

The Joint Implementation Coordination Meeting (JICM), as it is officially called, is only held in times of need, and the peace process indeed seems to be beginning the new year at one of its lowest points since the groundbreaking National Ceasefire Agreement of 2015. In Rakhine State and Chin State, the Arakan Rohingya Salvation Army remains a looming threat, and the Arakan Army, a Rakhine Buddhist separatist group, launched raids and hostage-taking operations. Dozens of civilians were killed in the crossfire, including a national MP. In Shan State, fighting with the Northern Alliance of ethnic armed groups redoubled following coordinated attacks in August, 2019.

The conflict has taken an economic toll. Ongoing fighting in Rakhine and Chin State has been an obstacle to plans to repatriate hundreds of thousands of Rohingya Muslims whose flight to Bangladesh caused the United Nations to call for a boycott against the vast range of military-linked businesses. The fighting in Shan State has slowed, and even briefly halted, border trade with China, causing the Chinese government to pressure both sides to strike a lasting peace.

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This Week's Highlights

China's President, Xi Jinping, slated to visit Myanmar next week to celebrate 70th anniversary of bilateral relations.

Myanmar's poorer state, northern mountainous Chin State, to open its very first airport in a bid to attract business and tourists.

Car sales up 25%, production 29% in Myanmar in the period January to November 2019—highest growth in ASEAN.

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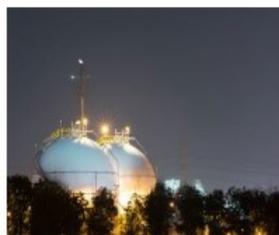
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Companies & Investments

Hot news regarding investments in Myanmar



MOEE OK's another gas fired plant amid LNG push

Jan 02, 2020
A Japanese-backed liquid natural gas (LNG) plant and terminal will be the latest in a series of LNG



Japanese beer giant struggling

Jan 02, 2020
Japanese beverage giant Kirin has said it will conduct a "further examination" of its My

Upcoming Events

Digital Learning Myanmar Conference 2020
January 19, 2020

TEDxYangon 2020: The Big Questions
February 2, 2020

Mobile Money & Financial Inclusion Summit
February 18, 2020 - February 19, 2020

International Conference on Future Computer and Communication
February 26, 2020 - February 28, 2020

International Conference on Computer Applications
February 27, 2020 - February 28, 2020

Highlights



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“We made a decision to negotiate with the government to find ways for all-inclusive in the peace process,” said General Yawd Serk of the Restoration Council of Shan State during the JICM meeting. We need to care that only 10 of us cannot succeed in the peace process.”

The JICM is merely the latest in a series of diplomatic efforts from the NLD government. In September, the government announced plans for the new “Peace Secretariat” to take over conflict negotiations from the much-criticized National Reconciliation and Peace Center. In October, State Counsellor Aung San Suu Kyi announced a new three-step plan to dialogue with NCA non-signatories. Yet the peace remains stagnant. In Shan State, no permanent treaty has come despite numerous unilateral ceasefires on both sides. Violence in Rakhine and Chin State has not slowed, and thousands of civilians remain displaced. Meanwhile, hundreds of thousands of Rohingya Muslims wait in IDP camps in Bangladesh.

It remains to be seen whether 2020 will bring real progress, or if peace will remain an elusive dream.

■ Myanmar ranks lowest in years for press freedom

Myanmar slipped one spot lower, to 138th, in the Reporters Without Borders (RWB) 2019 World Press Freedom Index.

It is Myanmar’s lowest ranking since 2013 in the self-styled “press freedom barometer,” which is based on surveys of media experts combined with data on abuses and violence against journalists. RWB cited the imprisonment of Reuters journalists Wa Lone and Kyaw Soe Oo as chief examples of Myanmar’s hostile media environment, especially when it comes to coverage of the Rohingya refugee crisis on Myanmar’s western border. It also condemned article 66 (d) of the Telecommunications Act, which limits online reporting and allows rich and powerful figures to sue their online critics for defamation.

“Media freedom is clearly not one of the priorities of the government headed by the “Lady of Yangon” [Daw Aung San Suu Kyi] that has ruled since 2016. Myanmar rose 20 places in the World Press Freedom Index from 2013 to 2017, but now the reverse is taking place,” RWB wrote.

That harsh criticism of Aung San Suu Kyi and her government comes despite a presidential amnesty that freed Wa Lone and Kyaw Soe Oo in May of last year. In response to their arrest and sentencing, the entire Reuter’s Myanmar team was awarded the Pulitzer Prize for International Reporting.

The World Press Freedom Index ranks countries based on the criteria of pluralism, media independence, media environment and self-censorship, legislative framework, transparency, and the quality of the infrastructure that supports the production of news and information.

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/\$ = 1,465K/1\$ (09/01/20)

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Economy

■ China border trade passes USD 1 billion in first month

The Ministry of Commerce says border trade between Myanmar and China passed the USD 1 billion mark in the first month of the 2019-2020 fiscal year. The booming trade comes despite a surge in violence along key trade routes and highlights Myanmar's growing trade relationship with China.

In October 2019, the first month of the fiscal year, the total trade value between Myanmar and China was USD 1,006,768, according to data obtained by Daily Eleven. Myanmar imported around USD 550 million from China. The high number illustrates a deepening trade partnership between the two countries as China continues to develop its Belt and Road initiative (BRI) in Myanmar. That project, the China-Myanmar Economic Corridor, calls for massive new infrastructure, including highways, oil and gas pipelines and a high-speed railway linking Mandalay with the border post of Muse.

"Myanmar and China will sign the MoU on the establishment of China-Myanmar border economic cooperation zones," Daily Eleven quoted Union Minister for Commerce Dr. Than Myint as saying. "We basically plan to build it at Muse-Namkham border in Myanmar side. China wants to implement it at Muse border."

The high trade volume comes after a summer of intense violence with the Northern Alliance of ethnic armed groups that hampered the flow of goods along the highway between Mandalay and Muse. The situation caused China to pressure both sides to end the fighting, although currently no permanent ceasefire has been reached.

■ Union org to propose minimum wage hike

A year of strikes and labor tensions may result in a rise in the national minimum wage.

The Confederation of Trade Unions of Myanmar (CTUM) has said that it will propose raising the minimum wage at this year's meeting of the National Committee for Minimum Wage. After conducting a broad survey of the cost of living in Yangon and several states and regions, the CTUM, a labor activist group, will recommend raising the daily minimum wage from MMK 4800 to MMK 7200, CTUM member U Win Zaw told the Myanmar Times.

The proposed wage increase comes after a year of strikes and protests among garment factory workers, notably in the cities of Patheingyi, in Ayeyarwady Region, and Hlaingthaya, a suburb of Yangon. In addition to higher wages and better working conditions, strikers called for greater protections for employees and accountability for owners and managers.

Myanmar's first daily minimum wage was set in 2015 at MMK 3600, and was increased to MMK 4800 in May, 2018. In both cases, the business community (led by members of the garment industry, Myanmar's main manufacturing sector) has argued that raising daily wages would drive foreign investors away from Myanmar and force factories to cut overtime and benefits for workers. Critics also argue that raising wages will only drive up the price of Myanmar-made products, thereby increasing inflation.

In its survey, the CTUM has also taken into account the plummeting value of the kyat, which has greatly reduced the buying power of the current daily wage. When the minimum wage rose in May 2018, one dollar was worth around 1330 kyat. At the time of writing, the exchange rate is 1470 kyat to one dollar. Minimum wage supporters also point out that Myanmar's is still one of the lowest in Southeast Asia. For example, Cambodia has a wage of USD 190 per month, roughly MMK 9000 per day.

■ Four ways Myanmar can boost online shopping

Even the United Nations says Myanmar is dismal for online shopping. The country ranked 126th in the The United Nations Conference on Trade and Development's (UNCTAD) "Business-to-Consumer (B2C) E-commerce Index." measuring an economy's preparedness to support online shopping. Although Myanmar has made great strides in the last few years with new online retailers such as Shop.com.mm, it still has a lot of ground to cover.

The UNCTAD ranking is based on four criteria: Internet server access, postal service reliability, share of population who use the Internet, and number of people older than 15 with a bank account or mobile-money-service account. This is a brief look at where Myanmar stands on each of these:

Access to Secure Internet Servers

This metric measures the number of secure internet servers per 1 million people. Myanmar reached only 24 out of 100 possible points, indicating that there is a lack of server collocation and cloud services providers in the country.

Postal Service Reliability

Unfortunately, sending non-digital parcels in Myanmar still has a long way to go. There are some successful private logistics services like DHL, which has recently opened a new warehouse in Yangon. However, outside the major cities, many people rely on informal channels and passenger bus services to send packages. For now, ambitious online retailers would likely need to create their own delivery networks to reach consumers outside of Yangon, Mandalay and Nay Pyi Taw.

Share of the Population who Use the Internet

The latest estimates put the percentage of the population actually using the internet at between 30 and 40 percent, which is disappointing given the high availability of affordable devices and data. Part of the issue might lie with family structures in rural areas, where often fathers have control of a single family smartphone.

People with a Bank Account or Mobile Money Account

This number is also low, but growing. Myanmar's finance sector has shown promise in its democratic era, with banks experimenting with home loans, credit cards and new account options tailored to working class people. Several failed e-money platforms have come and gone in the past decade, but some seem to be finally starting to catch on. KBZ Bank, for example, this summer reported USD 1.8 million in transfers on its new mobile wallet platform KBZPay. Yoma Bank's SMART and CB Bank's iBanking platforms are also vying for users.

What Myanmar Can Do

To rank higher in next year's UNCTAD index, the public sector should shift its focus from telecom infrastructure to internet penetration, especially for women in rural areas. (Fortunately, development organizations such as UNFPA have already launched programs designed to get more women on the internet.) If the government does not improve its postal service in the near future, it will be up to online retailers to forge their own reliable delivery networks. With this foundation, the e-commerce sector could be well-positioned to dovetail into Myanmar's fast-growing mobile money industry.

Companies and Investments

■ Western Union latest to cut ties to military

Money transfer giant Western Union announced that it is cutting ties with the military-owned Myawaddy Bank, becoming the latest foreign company to heed the United Nations's advice and sever business ties with the Myanmar Army (Tatmadaw).

In an email obtained by the Myanmar Times, the company said: "Western Union conducts agent due diligence and oversight through periodic reviews to determine whether these agents satisfy relevant regulatory requirements and Western Union policies. As a result of such a review, Western Union has ended its contract with Myawaddy Bank, effective immediately."

Myawaddy Bank is a subsidiary of a giant military business conglomerate called Union of Myanmar Economic Holdings Ltd (UMEHL). The move comes shortly after the military faced formal charges of genocide before the International Court of Justice after 750,000 Muslims from Rakhine State left Myanmar for refuge in Bangladesh. In August, the United Nations International Independent Fact-Finding Mission on Myanmar called for a global boycott against the vast array of military linked businesses. Although Myanmar's business community battered down their legal hatches (KBZ Bank, for example, hired an American law firm after it was named in the UN report), the response from the Tatmadaw's business partners has been limited.

The announcement from Western Union, however, may be a sign that the boycott is gaining momentum following Myanmar's high profile ICJ trial. Western Union's announcement comes just weeks after Japanese beverage giant Kirin's partnership with the same conglomerate cast controversy on an unrelated business deal with an American beer company.

Boycotting the military, however, is no simple matter for foreign investors, as the Tatmadaw has interests in sectors ranging from oil and gas, to construction, to agriculture. Indeed, the prospect of avoiding the military may be enough to tip the scales for companies such as Starbucks that have been weighing a Myanmar entry.

Events

Name	Details	Organizer/Ministries	Contact Information
Digital Learning Myanmar Conference 2020	Venue: Chatrium Hotel Royal Lake, Yangon Date: 19 Jan 2020	Zabai Myanmar	Nyein.chan@zabai.no +95 794395606
TEDxYangon 2020	Venue: Dulwich College (Star City Campus), Yangon Date: 02 Feb 2020	TEDxYangon	tedxyangon@chilli.agency +95 (0)95096881 https://www.tedxyangon.org/
Mobile Money & Financial Inclusion Summit	Venue: Park Royal Hotel, Yangon	Magenta Global Pte Ltd	enquiry@magenta-global.com.sg +65 6846 2360
International Conference on Future Computer and Communication	Venue: Yangon Date: 26–28 Feb 2020	Science and Engineering Institute (SCIEI)	info@sciei.org
International Conference on Computer Applications	Venue: Novotel Yangon Max, Yangon, Myanmar Date: 27-28 Feb 2020	University of Computer Studies Myanmar	ucsy.admin@ucsy.edu.mm +95 01 610655
International Conference on Management, Economics & Social Science	Venue: Best Western Chinatown Hotel, Yangon Date: 28–29 Feb 2020	Researchfora	info@researchfora.com +91 8895 188531
Myanmar Franchise Expo	Venue: Myanmar Expo, Yangon Date: 6-8 Mar 2020	ALT Exhibitions SDN BHD	support@altexpo.my +60 1233 45696
International Hospital & Healthcare	Venue: Sedona Hotel Yangon, Yangon Date: 7-8 Mar 2020	Dagon Exhibitions	dagonexhibitions@gmail.com +959 450098008
Food & Hotel Myanmar	Venue: Myanmar Expo, Yangon Date: 3-5 Jun 2020	Informa Markets - Myanmar	informamarkets@informa.com

Tenders

■ Ministry of Electricity and Energy: Invitation for Bids

1. The Department of Power Transmission and System Control (DPTSC) has allocated the financing towards the cost of the DPTSC intends to apply a portion of the funds to eligible payments under the contract for which the bidding is issued.
2. The Department of Power Transmission and System Control (DPTSC) invites sealed bids from the eligible bidders for the **Design, Supply, and Installation of 132kV Upper Kengtawng - Namsang Transmission Line (37) miles and 132kV Switch Bay (1) No Extension at Namsang Substation** (“the Facilities”). The facilities are all located within Shan State.
3. The eligible nationality of the bidder shall be Myanmar in the case of single, in case of a joint venture, such joint venture will be eligible provided that the nationality of lead partner is Myanmar and other partner shall be nationality from the eligible countries in Section 5.
4. International competitive bidding will be conducted in accordance with the Single - stage: Two-envelope bidding procedure and is open to all eligible bidders from eligible countries as described in the bidding .
5. Only eligible Bidders with the following key qualifications should participate in this bidding:
 - Participation in at least two contracts as main contractor that have been successfully completed within the last ten years and that are transmission line and substation contract, where the value of the bidder’s participation exceeds USD 9.6.
 - For the above or other contracts executed, a minimum experience within the last ten years in the following key activities.
Overhead transmission line contract of 110kV or higher shall not be less than 45km route length including Engineering, Procurement, Installation on Turkey Basis in outside bidder country as main contractor that have been successfully completed.
 - Minimum average annual turnover of USD 10 million calculated as total certified payments received for contracts in progress or completed within the last 3 years.

The qualification criteria are more completely described in the bidding document.
6. To obtain further information, inspect the bidding document and submit the proposal, bidders should contact to the address below within office hours.
7. The bidding documents in English can be purchased with a non-refundable fees of purchase order (bank draft) with MMK 50,000.
8. Bids must be submitted at the address below on or before **10th February, 2020 at 01:00 p.m.** together with a Bid Security as described in the bidding documents.
9. Electronic submission is not allowed.
10. Technical bid will be opened in the presence of Bidder’s representatives, who choose to attend at the address above after **01:00 p.m. on 10th February, 2020.**
11. Any request for the extension of bid submission deadline shall not be allowed.
12. The address (es) referred to above is (are):
 Department of Power Transmission and System Control (DPTSC), Ministry of Electricity and Energy
 Address: Material Planning Department (DPTSC), Building No. 27, Nay Pyi Taw, Myanmar
 Telephone: +95-67-8104286, +95-67-3410209
 Fax: +95-67-8104286, +95-67-3410209
 Email: dg.dptsc@moe.gov.mm, dd1ptp.dptsc@moe.gov.mm, dirdesign.ptp@gmail.com, sedesign-tp.mepe@gmail.com

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

1. The Department of Power Transmission and System Control (DPTSC) has allocated the financing towards the cost of the DPTSC intends to apply a portion of the funds to eligible payments under the contract for which the bidding is issued.
2. The Department of Power Transmission and System Control (DPTSC) invites sealed bids from eligible bidder for the **Design, Supply, and Installation of 230kV Min Hla - Athoke Transmission Line (101) miles and 230kV Switch Bay (3) Nos Extension at Min Hla Substation and 230kV Switch Bay (2) Nos Extension at Athoke Substation** ("the Facilities"). The facilities are all located within Bago and Ayerarwady Regions.
3. The eligible nationality of the bidder shall be Myanmar in the case of single, in case of a joint venture, such joint venture will be eligible provided that the nationality of lead partner is Myanmar and other partner shall be nationality from the eligible countries in Section 5.
4. International competitive bidding will be conducted in accordance with the Single - stage: Two-envelope bidding procedure and is open to all eligible bidders from eligible countries as described in the bidding .
5. Only eligible Bidders with the following key qualifications should participate in this bidding:
 - Participation in at least two contracts as main contractor that have been successfully completed within the last ten years and that are transmission line and substation contract, where the value of the bidder's participation exceeds USD 9.6.
 - For the above or other contracts executed, a minimum experience within the last ten years in the following key activities.
Overhead transmission line contract of 220kV or higher shall not be less than 120km route length including Engineering, Procurement, Installation on Turkey Basis in outside bidder country as main contractor that have been successfully completed.
 - Minimum average annual turnover of USD 33 million calculated as total certified payments received for contracts in progress or completed within the last 3 years.

The qualification criteria are more completely described in the bidding document.
6. To obtain further information, inspect the bidding document and submit the proposal, bidders should contact to the address below within office hours.
7. The bidding documents in English can be purchased with a non-refundable fees of purchase order (bank draft) with MMK 50,000.
8. Bids must be submitted at the address below on or before **6th February, 2020 at 01:00 p.m.** together with a Bid Security as described in the bidding documents.
9. Electronic submission is not allowed.
10. Technical bid will be opened in the presence of Bidder's representatives, who choose to attend at the address above after **01:00 p.m. on 6th February, 2020.**
11. Any request for the extension of bid submission deadline shall not be allowed.
12. The address (es) referred to above is (are):

Department of Power Transmission and System Control (DPTSC), Ministry of Electricity and Energy
Address: Material Planning Department (DPTSC), Building No. 27, Nay Pyi Taw, Myanmar
Telephone: +95-67-8104286, +95-67-3410209
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