

Thura NewsViews

Politics

How a genocide ruling would affect Myanmar business

Next week, on January 23, the International Court of Justice will announce its ruling on whether or not Myanmar is guilty of genocide.

The charges were leveled by the Gambia with a request for “provisional measures” to halt and rectify alleged human rights abuses against the Rohingya Muslims settled along the western border. The case is a climax of a two-year drama that led to a United Nations call for a boycott on the vast array of military-linked businesses. When the Gambia brought Myanmar before the ICJ, State Counsellor Daw Aung San Suu Kyi herself travelled to the Hague to defend the country.

For her critics, the state counsellor’s decision to actively defend the army merely cemented her fall from grace as a human rights icon. But her motivations were not merely political; they were also economic. Until now, the allegations have been spearheaded by global media and human rights groups, especially the United Nation’s Independent Fact-Finding Mission for Myanmar. These are not legitimate legal bodies, and their claims are still more or less subjective. This means companies like Kirin, which has faced backlash for its stake in the military-owned Myanmar Brewery, have an element of plausible deniability.

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This Week’s Highlights

Ministry Of Commerce’s latest data shows a 36% YoY increase in country’s exports.

Ministry of Investment and Foreign Economic Relations to focus mostly on Asian countries’ FDIs in 2019-20 FY rather than on US and EU’s.

World Bank releases Dec. 2019 Myanmar Economic Monitor report titled “Resilience Amidst Risk.”

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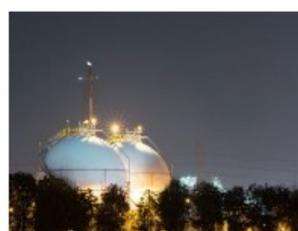
Companies & Investments

Hot news regarding investments in Myanmar



Western Union latest to cut ties to Military

Jan 09, 2020
Money transfer giant Western Union announced that it is cutting ties with the military-owned Myawadd



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

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

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Highlights

But an unfavorable verdict from the ICJ would change things. Note that during her defense, Daw Aung San Suu Kyi did not deny that human rights abuses occurred. She openly admitted to some mass executions, village burnings and other misdeeds by the military. She merely argued that they did not amount to “genocide,” and therefore should be handled internally by Myanmar’s own legal system. Admitting to those crimes will be a political black eye for Myanmar, and may lead some investors to follow the example of Western Union, which recently cut ties to a military bank. But the spotlight would eventually fade, and it would eventually be back to business as usual.

An official genocide ruling from the ICJ, however, would be a much longer-lasting brand, and much more difficult for investors to ignore.

■ **AA continues hostage warfare with 130 captured villagers**

The Arakan Army (AA) has captured more than 130 villagers in Paletwa Township, Chin State, claims a local ethnic organization. Although the AA has denied additional accusations of murders and sexual assaults in the township, if the allegations of arrests are true, it means the AA’s campaign of abductions and hostage-taking will continue to threaten the peace process into the new year.

The Khumi Affairs Coordination Council (KACC), an ethnic Khumi organization, reported that the AA had entered the village of Kyeelay and put it on lockdown, terrorizing its citizens and forcing young men to transport supplies and perform other tasks. Former Chin State Minister Salai Isaac Khen also claimed on Facebook that the AA had sexually assaulted young women in the village and beat and tortured others, resulting in two deaths. The AA soon issued a denial of these claims.

Regardless of the accuracy of the new accusations, there is no denying that the AA’s hostage-taking tactics continue to terrorize Rakhine and Chin States. A week prior to the Kyeelay incident, three men in the same township were arrested by an unknown group and later found dead. On Christmas Eve, the AA abducted three immigration officers in Rakhine State, and the group has yet to release abducted parliamentarian U Whei Tin. The MP, who represents the Paletwa constituency in the upper house, was previously reported to have been killed in a military strike against an AA base. The group insists he is still alive, though declines to show footage or any evidence of his well being for “security reasons.”

The ongoing violence in Rakhine State is a huge political liability for the country. The war with the AA and a separate conflict with the Arakan Rohingya Salvation Army, a Muslim group, have contributed to a general air of instability and uncertainty that is warding away foreign tourists and investors. Furthermore, the constant skirmishes are exacerbating efforts to repatriate more than 700,000 displaced Rakhine Muslims, which the NLD government will need to accomplish if it hopes to shake off international political scorn.

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/\$ = 1,466K/1\$ (16/01/20)

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Economy

■ Xi Jinping will visit Myanmar amid soaring trade

At the time of publishing, Chinese president Xi Jinping's first visit to Myanmar in 19 years will be only one day away. His visit will not only mark the 70th anniversary of diplomatic relations between the two countries, it will also mark a high point for Myanmar and China's economic relationship, one that may come to define the future of the Myanmar economy.

Of course, Myanmar's largest neighbor has always been one of its closest economic partners. For example, China has the world's highest demand for jade, while Myanmar has the world's largest supply. In Mandalay, after two devastating fires in the 1980s, Chinese investors began buying up property at rock-bottom prices, and now the city is the capital of Chinese investment. In the democratic era, as civil wars and a human rights crisis warded away Western investors, China launched its China-Myanmar Economic Corridor, a vast infrastructure initiative that will eventually include highways, railways, oil and gas pipelines, river ports, power plants and special economic zones.

And in 2019, the year before its president's historic visit, trade with China has reached a high mark. Despite violence along key trade routes in Shan and Kachin States, trade between the two countries ended 2019 at USD 17.71 billion, a full 28.5 percent increase from 2018, according to official data. China upped its import demands for Myanmar rice. Myanmar, in turn, issued some of its most lucrative liquid natural gas tenders to Chinese companies, including four to Hong Kong-listed VPower group. Airlines expanded their fleets and schedules specifically for Chinese travelers, and more than 400,000 Chinese tourists visited the city of Mandalay.

Other Asian neighbors, especially Korea, Japan, Singapore and Thailand, have made their own MOUs and investments, developing the special economic zones in Dawei and Yangon Region, opening new factories and buying up stakes in Myanmar banks and other major corporations. But they all play second fiddle to the tiger that has dominated trade in Myanmar's north.

■ China bought 10.8 million tons of oil in 2019

Myanmar ended the year having exported a total of 10.8 million tons of crude oil to China, a rise of 6.3 percent from 2018, highlighting the deepening economic relationship between the two countries during the development of the China-Myanmar Economic Corridor.

Official data reported by China Internet Information Center shows that around USD 5.5 billion of oil flowed through the China-Myanmar Oil and Gas Pipeline, which was first put into use in 2013. Natural gas exports to China increased by 54 percent from 2018, valuing almost USD 1.8 billion.

As Myanmar exports oil and gas, it is also investing in fuel of its own. Also in 2019, the Ministry of Electricity and Energy issued five emergency tenders for liquid natural gas supply and power generation in bid to increase Myanmar's generating capacity by 900 megawatts before the 2020 hot season. Four of these contracts were awarded to Hong Kong-listed VPower Group.

These oil and gas deals are merely part of a deepening of Myanmar and Chinese economic relationship centered around the China-Myanmar Economic Corridor. The long-in-development project seeks to establish new trade infrastructure in the form of highways, railways, river ports and special industrial zones in Myanmar's north.

Companies and Investments

■ Emporium shows jade and gems still hot

The Myanma Gems Enterprise raked in nearly MMK 60 billion, or USD 40.1 million, at its week-long jade and gems emporium in Nay Pyi Taw.

The annual week-long event allows jade and gem dealers to examine and bid for nearly 4000 lots. This year, more than 2000 prospective buyers attended, and nearly 3500 jade lots were sold, along with nine of the more valuable gem lots. The highest-priced jade lot began at MMK 100 million, and the most valuable gem lot began at MMK 180 million.

Jade and precious stones have been and continue to be one of Myanmar's staple industries, accounting for USD 10-12 billion per year. According to an Extractive Industries Transparency Initiative report: "The world's most valuable rubies are from Myanmar, consistently breaking world records at international auctions. Myanmar is also the world's largest source of high quality jade and is conveniently located next to China, the world's largest market for jade – a stone so highly prized in China that its value continues to soar and regularly fetch higher prices per ounce than gold."

However, the industry has seen intense criticism for widespread corruption and cronyism. The jade industry in particular has come under fire from human rights groups for the treatment of miners and scavengers in the country's north, who are often underpaid, abused and supplied amphetamines to help them work longer hours.

■ Thailand expands Myanmar finance ties in major bank investment

A major Thai bank may soon be a 35 percent stakeholder in Myanmar's Ayeyarwaddy Farmers Development Bank in the deepening financial relationship between the two countries.

The Kasikorn Bank, or KBank, Thailand's fourth largest financial institution, has submitted an official application to the Central Bank of Myanmar for the investment, made possible by a new law that allows foreign companies to invest in Myanmar financial institutions. Both KBank and A Bank were set up for the agriculture industry and specialize in agricultural financing. Both have espoused the new opportunities for trade and cross-border financing that the investment would bring. The application came only a week after another Thai-Myanmar bank duo, Ayeyarwady Bank and Siam Commercial Bank, signed an MOU to facilitate trade between the two countries.

These actions are the latest in a series of steps to improve Myanmar-Thai trade relations. Last year, a new Thai-Myanmar Friendship Bridge opened at Myawaddy town, where the majority of legitimate cross-border trade occurs. Officials from Myanmar and Thailand also agreed to support the use of both Kyat and Thai Baht in border trade, which has hitherto relied on the USD as the currency of choice.

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 +959 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 Date: 18–19 Feb 2020	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 Construction: Invitation for Bids

1. The Government of the Union of Myanmar has received a loan from Japan International Cooperation Agency (JICA) towards the cost of “**Regional Development Project for Poverty Reduction Phase 2 MY-P17**”. It is intended that part of the proceeds of this loan will be applied to eligible payments under the Contracts for the construction of the pilot project listed below for “Regional Development Project for Poverty Reduction Phase 2 (MY-P17)”.

IFB No.	Project ID	Works
DOH-04A	Taungoo-LeikTho-YarDo-Loikaw-HoPhone Road	9.02 km × 5.5 m wide Concrete Pavement Road, RC Bridge, Drainage structures and other miscellaneous structures
DOH-04B	Taungoo-LeikTho-YarDo-Loikaw-HoPhone Road	9.00 km × 5.5 m wide Concrete Pavement Road, RC Bridge, Drainage structures and other miscellaneous structures

2. The Department of Highway (DOH), Ministry of Construction now invites sealed Bids from eligible Bidders for the construction and completion of the work below;
3. The selling date of bid documents is starting from 7th January, 2020.
4. The submission date of bid is at **12:00 p.m. on 20th February, 2020**.
5. The opening date and time of preliminary examination check for bids is **1:00 p.m. on 20th February, 2020**.
6. A complete set of bidding documents may be purchased by interested bidder at the address below and upon payment of a non-refundable fee of MMK 50,000.
7. Interested eligible bidder may obtain further information from and inspect the bidding documents at the address given below.
8. The address (es) referred to above is (are):

Daw Khin San Nyunt Oo

Project Inspection and Quality Control Department (Construction)

Department of Highways, Ministry of Construction

Address: Building No. 11, Nay Pyi Taw, Myanmar

Telephone: +95-9-5084576, +95-9-257728844, +95-9-450330580

Email: pwhgairfield@gmail.com, dohjica.sector@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 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