

# Thura NewsViews

## Politics

### Arakan Army releases captive MP

The Arakan Army (AA) has released Upper House lawmaker U Hawi Tin two months after he was captured.

A human rights group told Reuters that the AA set the lawmaker free to ease tensions between the rebels and communities living in the conflict zone. Specifically, Hawi Tin's release is meant to appease members of the lawmaker's own ethnic group, the Khumi. Khumi organizations recently reported kidnappings, executions and sexual assaults in Khumi villages in Chin State.

While the AA denied these claims, the media narrative has turned against them. Last year, the Rakhine Buddhist armed organization seized busses, boats and other transports, taking hundreds of hostages. The AA has freed most of the prisoner it has taken, but several were killed in clashes with the Myanmar army, which has accused the AA of using human shields, while AA has accused the Myanmar army of recklessly ignoring civilian safety. But the recent incidents in Chin State did no favors for the AA's public image.

At the national level, the conflict in Rakhine State continues to plague Myanmar's global image. Wars with two different ethnic groups and a refugee crisis on the western border continue to ward away both investment and tourism.

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### This Week's Highlights

Fiscal Year's FDI totals over USD 1.5 billion says Myanmar Investment Commission, energy sector tops list.

Retail space in Yangon up 5% in Q4 2019, at over 350,000 sq.m., occupancy rate 89% (Colliers).

Winner of much anticipated Yangon's Elevated Expressway to be announced in April, construction kick off due in July, completion by 2024.

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## Companies & Investments

Hot news regarding investments in Myanmar



### Emporium shows jade and gems still hot

Jan 14, 2020  
The Myanmar Gems Enterprise raked in nearly MMK 60 billion, or USD 40.1 million, at its week-long jade



### Thailand expands Myanmar finance ties in major bank investment

Jan 14, 2020  
A major Thai bank may soon be a 35 percent stakeholder in Myanmar's Ayeyarwaddy Farmers Develo

### Upcoming Events

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

International Conference on Management, Economics & Social Science  
February 28, 2020 - February 29, 2020

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### Highlights

■ **ICJ orders Myanmar to prevent Genocide**

The International Court of Justice (ICJ) has ruled in favor of the Gambia, finding Myanmar had “caused irreparable damage to the rights of the Rohingya”. The court ordered Myanmar to take measures to protect the Rohingya from genocide.

The unanimous ruling, delivered on January 23, orders Myanmar to comply with all provisional measures requested by the Gambia in the hearings held in December. These include a declaration that the Tatmadaw (Myanmar army) “has breached and continues to breach its obligations under the Genocide Convention.” The provisional measures also include legal action against the military officers responsible for alleged executions, village burnings and other human rights abuses committed in the 2017 “clearance operations” that displaced more than 750,000 Muslims from Rakhine State who call themselves Rohingya.

Myanmar will face considerable political pressure to comply with the ICJ, which has justices from both Russia and China. The ruling is certainly a blow for State Counsellor Daw Aung San Suu Kyi and her NLD government, which risked its global political reputation to defend the Tatmadaw in the Hague. But the true consequences may be more economic than political. A guilty verdict from the UN’s highest court may cause potential investors and trade partners to heed a recommendation by the UN Fact Finding Mission for Myanmar to boycott the Tatmadaw’s vast business empire. The United States, Australia and Europe may also issue new sanctions against top military officials.

However, the fallout of the ICJ ruling remains to be seen, and it is also likely that Myanmar’s global trade interests will weather the storm. A historic visit from Chinese president Xi Jinping last week ended in more than 30 new trade agreements, and it is unlikely the ruling will sour Myanmar’s growing relationship with China. Japan, Thailand and other Asian nations also deepened economic ties in 2019 despite Myanmar’s human rights controversies.

**Economy**

■ **Government banks will merge**

Four government-owned banks will eventually merge into one entity in order to streamline their operations, especially for small-scale lending.

Union Minister of Planning, Finance and Industry U Soe Win made the announcement at a workshop for micro, small and medium enterprises in Nay Pyi Taw. He said Myanma Economic Bank, Myanma Foreign Trade Bank, Myanmar Foreign Investment Bank, and Myanmar Agricultural Development Bank will become one entity, a move that will help farmers gain access to finance. The new entity would create a streamlined and accessible loan scheme for small-holder farmers to buy land, seed machinery and other capital.

“We’d like to create loans that are more flexible for farmers. They won’t have to grow just rice so they can freely grow any crop they like, except poppy. The idea is to issue loans based on the crops they grow,” the Myanmar Times quoted U Soe Win as saying.

**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/\$ = 1,468K/1\$ (23/01/20)    |

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The merge will neither be quick nor simple, but Soe Win continued that his ministry would seek guidance from the World Bank and emulate similar reforms made in Thailand. The move is merely the latest in a series of reforms in the finance industry, many of which also affect the agricultural sector, which employs around 70 percent of Myanmar's workforce. One recent change in finance rules allows foreign companies to invest in Myanmar banks, and Thailand's Kasikorn Bank, or KBank, has already submitted an application to buy 35 percent of Myanmar's Ayeyarwaddy Farmers Development Bank.

#### ■ **Xi Jinping visit ends with new trade deals**

Xi Jinping's long-awaited visit, the first from a Chinese head of state in 19 years, ended with dozens of new deals as Myanmar deepens its economic relationship with its most powerful neighbor.

Over the two-day conference, Xi met with President U Win Myint, State Counsellor Daw Aung San Suu Kyi and Commander-in-Chief Senior General Min Aung Hlaing. The 33 new deals included liquid natural gas imports, urban development, new rail lines and the USD 1.3 billion Kyaukhphyu deep-sea port and economic zone. The agreements were designed to advance the China-Myanmar Economic Corridor (CMEC), which is an integral piece of China's ambitious Belt and Road Initiative. The CMEC calls for new roads, railways, ports, trade zones and other infrastructure, especially in Myanmar's north.

"It goes without saying that a neighboring country has no other choice, but to stand together till the end of the world," AFP quoted Daw Aung San Suu Kyi as saying.

Some critics are wary of China's growing economic influence. Minority political parties and ethnic armed organizations, in particular, fear China tipping the scales of Myanmar politics. On Saturday, demonstrators gathered in Yangon to protest the Chinese-backed Myitsone Dam, a USD 3.6 billion hydropower project that saw a backlash from local communities and human rights organizations and kept stalling since 2011. Nevertheless, none of the new deals covered the dam, and little progress was made on securing trade routes in the conflict-ridden Shan and Kachin States. When clashes intensified between the Myanmar army and the Northern Alliance armed groups in August, Chinese diplomats met with delegates from both sides, but to no avail.

Despite the conflict, trade with China continues to soar. According to official data, trade between the two countries reached USD 17.71 billion in 2019, a full 28.5 percent increase from the previous year.

## Companies and Investments

#### ■ **Japan grants major infrastructure loans**

One week after China signed a batch of new trade deals with Myanmar, Japan announced that it will provide Myanmar USD 1.1 billion in loans to fund four major infrastructure projects.

The agreement, signed by Japanese ambassador to Myanmar Ichiro Maruyama, will finance urban transportation, power distribution, the Yangon sewer system and infrastructure projects in several states. The transportation projects, which include improvements to the Yangon Circular Train, are designed to ease Yangon's notorious congestion. Officials also claimed that the sewer system improvements could boost wastewater treatment capacity seven fold before 2030. The funding will also go towards roads, bridges and other vital infrastructure in Chin, Rakhine, Mon, Kayin and Tanintharyi. Finally, the loan will continue Japan's longstanding assistance in updating Yangon's obsolete power distribution infrastructure.

The announcement comes on the heels of a high-profile visit from Xi Jinping that punctuated a fast-growing economic partnership between Myanmar and China. But while China has a huge presence in Myanmar's north, Japan has spent years financing projects in and around Myanmar's economic capital. In Yangon, Japan has funded urban electrification, improved roadways and new flyovers, an overhaul of the public transportation system and the Thilawa Special Economic Zone, which will cost more than USD 3 billion and position a new deep sea port just south of the city.

**■ KBZ Bank sues Yangon port for USD 220 million**

KBZ Bank has filed suit against the owner of Myanmar Industrial Port over what could be the largest loan default in Myanmar history.

KBZ is suing tycoon U Ko Ko Htoo and his company for unpaid debt totaling more than USD 220 million, reported Frontier magazine. Ko Ko Htoo's business, Myanmar Annawa Swan A Shin Company Limited, owns 100 percent of the port. KBZ has filed separate lawsuits against both Ko Ko Htoo and his company. In hearings this month, KBZ lawyers outlined a ten-year history of increasing debt and failures to make timely payments. Although the Myanmar Industrial Port is one of the busiest in the country, handling around 40 percent of Myanmar shipping, the company has a long history of mismanagement and financial drama. Beyond the unpaid KBZ debt, the International Finance Corporation, the finance arm of the World Bank, backed out of a finance partnership with the port because of alleged corporate governance issues.

KBZ has not outlined the reparations it will seek, but industry experts interviewed by Frontier magazine said the port holds more than 100 acres of land in downtown Yangon. They estimated the port itself to be worth around USD 500 million.

## Events

| Name   | Details   | Organizer/Ministries                      | Contact Information  |
|--|---|---|--|
| TEDxYangon 2020  | <b>Venue:</b> Dulwich College (Star City Campus), Yangon<br><b>Date:</b> 2 Feb 2020 | TEDxYangon                                | tedxyangon@chilli.agency<br>+95 (0)95096881<br><a href="https://www.tedxyangon.org/">https://www.tedxyangon.org/</a> |
| Mobile Money & Financial Inclusion Summit                          | <b>Venue:</b> Park Royal Hotel, Yangon<br><b>Date:</b> 18–19 Feb 2020               | Magenta Global Pte Ltd                    | enquiry@magenta-global.com.sg<br>+65 6846 2360   |
| 3rd Emerging Asia E-commerce & Last Mile Logistics Summit 2020     | <b>Venue:</b> Park Royal Hotel, Yangon<br><b>Date:</b> 18–19 Feb 2020               | Magenta Global Pte Ltd                    | enquiry@magenta-global.com.sg<br>+65 6846 2360   |
| International Conference on Future Computer and Communication      | <b>Venue:</b> Yangon<br><b>Date:</b> 26–28 Feb 2020                                 | Science and Engineering Institute (SCIEI) | info@sciei.org   |
| International Conference on Computer Applications                  | <b>Venue:</b> Novotel Yangon Max, Yangon, Myanmar<br><b>Date:</b> 27-28 Feb 2020    | University of Computer Studies Myanmar    | ucsy.admin@ucsy.edu.mm<br>+95 01 610655  |
| International Conference on Management, Economics & Social Science | <b>Venue:</b> Best Western Chinatown Hotel, Yangon<br><b>Date:</b> 28–29 Feb 2020   | Researchfora                              | info@researchfora.com<br>+91 8895 188531   |
| Myanmar Franchise Expo   | <b>Venue:</b> Myanmar Expo, Yangon<br><b>Date:</b> 6-8 Mar 2020                     | ALT Exhibitions SDN BHD                   | support@altexpo.my<br>+60 1233 45696   |
| International Hospital & Healthcare                                | <b>Venue:</b> Sedona Hotel Yangon, Yangon<br><b>Date:</b> 7-8 Mar 2020              | Dagon Exhibitions                         | dagonexhibitions@gmail.com<br>+959 450098008   |
| Food & Hotel Myanmar   | <b>Venue:</b> Myanmar Expo, Yangon<br><b>Date:</b> 3-5 Jun 2020                     | Informa Markets - Myanmar                 | informamarkets@informa.com   |

## Tenders

### ■ Ministry of Electricity and Energy: Invitation for Open Tender

1. Myanmar Oil and Gas Enterprise under the Ministry of Electricity and Energy invites open tender for supply of the following respective items in MMK.

| Sr No. | Tender No.        | Description  | Remarks |
|--------|-------------------|--|---------|
| (a)    | DMP/L-192 (19-20) | Electrical Accessories for Oil and Gas Field (1) Lot | MMK     |
| (b)    | DMP/L-193 (19-20) | Mud Chemicals (4) Items                              | MMK     |

2. The open tender forms including Description of Materials/ Qty with detailed specifications and tender form and conditions can be obtained during office hours commencing from **20th January, 2020** at the **Finance Department, Myanmar Oil and Gas Enterprise**.
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 **02:00 p.m. on 20th February, 2020**.
4. Tender closing date and time is **20th February, 2020 at 02:00 p.m.**
5. Further information can be obtained at the office of Myanmar Oil and Gas Enterprise under the telephone number: +95-67-411206.

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

1. The Republic of the Union of Myanmar has received financing from the World Bank towards the cost of the **National Electrification Project**, and intends to apply part of the proceeds toward payment under the contract for **Installation of Distribution Lines and Transformers for Magway, Nay Pyi Taw, Rakhine and Chin**.
2. The Ministry of Electricity and Energy now invites sealed bids from eligible bidders for **Installation of Distribution Lines and Transformers for Magway, Naypyitaw, Rakhine and Chin** in the following locations. The number and identification of lots comprising this bidding process is:

| Lot No. | Name of the Region            | No. of Village |
|---------|-------------------------------|----------------|
| Lot 1   | Magway Region                 | 60 Villages    |
| Lot 2   | Magway Region & Nay Pyi Taw   | 59 Villages    |
| Lot 3   | Magway Region & Rakhine State | 63 Villages    |
| Lot 4   | Magway Region                 | 66 Villages    |
| Lot 5   | Magway Region                 | 55 Villages    |
| Lot 6   | Magway Region                 | 41 Villages    |
| Lot 7   | Magway Region                 | 40 Villages    |
| Lot 8   | Magway Region & Chin State    | 40 Villages    |

3. Bidding will be conducted through the National 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, Project Management Office (National Electrification Project) through [nep.pmomoe@gmail.com](mailto:nep.pmomoe@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 **18th February 2020**. Electronic bidding will not be permitted. Late bids will be rejected. Bids will be publicly opened in the presence of the bidders' designated representatives and anyone who choose to attend at the address below.
7. All bids must be accompanied by "Bid-Security".
8. The address (es) referred to above is (are):

Attention: Project Manager

Project Management Office (National Electrification Project)

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

Telephone: +95-67-3431175

Fax: +95-67-3431176

Email: [nep.pmooee@gmail.com](mailto:nep.pmooee@gmail.com)