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Myanmar Highlights

April 2016

Viettel to invest US\$1.5 billion in Myanmar

The Government has issued Vietnam's military-controlled telecommunications company the Viettel Group (**Viettel**) a licence to develop a telecommunication network across Myanmar. Viettel has announced that it will spend approximately US\$1.5 billion to establish a 3G network between 900 MHz - 2100 MHz and expects to achieve 95% coverage in three years. Viettel will also supply a 4G service if it is granted an additional licence from the Government by the end of 2016. Viettel will develop network in cooperation with Myanmar National Holding Public Limited and Star High Public Company Limited. (Source: <http://vietnamnews.vn/economy/295462/viettel-to-invest-15b-in-myanmar.html>; 16 April 2016)

Chevron Corp seeking buyers for Myanmar gas assets worth US\$1.3 billion

U.S. oil and gas giant Chevron Corporation (**Chevron**) has put its Myanmar gas assets up for sale for an estimated US\$1.3 billion. If the sale proceeds the transaction will represent the biggest M&A transaction in history involving Myanmar assets. The sale is part of Chevron's efforts to preserve cash and retreat from non-core assets in the wake of sliding oil prices. Prospective purchasers are likely to include Australia's Woodside Petroleum Limited, Thailand's PTT Exploration and Production Public Company Limited, together with Japanese and Chinese companies. Chevron owns 28.3% of the Yadana and Sein gas fields operated by France's Total SA in the Andaman Sea, which supplies Thai power plants and also has a stake in the pipeline company that transports the gas to the Thai border. In 2015, Chevron signed a production sharing contract in exploration Block A5 in the Rakhine Basin. Its subsidiary holds a 99% stake in this exploration block. Chevron's net daily natural gas production

in Myanmar averaged 117 million cubic feet in 2015, making up 2.2% of the company's annual gas output. Chevron is also seeking buyers for its geothermal energy blocks in Indonesia and the Philippines valued at approximately US\$3 billion. (Source: <http://www.reuters.com/article/us-chevron-myanmar-sale-idUSKCN0XF0GV>; 18 April 2016)

Telenor launches a US\$50,000 study programme to support and develop start-ups in Myanmar

Telenor Myanmar Limited (**Telenor**) has launched "*Telenor Accelerate*" a programme to support and develop start-ups in Myanmar. The programme has been run in cooperation with Thai telecom company Total Access Communication Public Company Limited (**DTAC**) and Malaysia's Digi Telecommunications Sdn. Bhd. (**DIGI**). Telenor, DTAC and DIGI will provide training and support, and up to US\$50,000 in seed funding to Myanmar successful start-ups. In addition, selected Myanmar companies will also have the opportunity to benefit from a four-month 'bootcamp', alongside start-ups from Thailand and Malaysia. *Telenor Accelerator* will accept applications from tech start-ups with viable business ideas. The programme builds on DTAC's existing 'Accelerate' programme which it operates in Thailand. The deadline for applications is 20 April 2016. Shortlisted companies will be required to present their ideas to a panel of five judges from the community and Telenor on 27 April 2016. Two companies will then be selected to join DTAC's bootcamp programme commencing 4 May 2016, together with qualifiers from parallel programmes in Thailand and Malaysia. (Source: <http://www.mmbiztoday.com/articles/telenor-offers-50000-startup-programs>; 8 April 2016)

YCDC introduces new rules in respect of mandatory parking for new markets and shopping centres

Yangon City Development Committee (YCDC) has announced that car parking space must now be incorporated into newly constructed shopping centres and markets. According to the Markets Department of the YCDC the new rule will be strictly applied to densely populated areas or in areas experiencing traffic congestion. The new rule will not apply retrospectively to Yangon's existing markets, most of which do provide car parking space. The YCDC has separately submitted a proposal to the Government in relation to the upgrading of parking at existing markets. At present there are 173 separate markets within the YCDC's jurisdiction. (Source: <http://www.mmbiztoday.com/articles/ycdc-makes-car-parks-mandatory-new-market-constructions>; 11 April 2016)

International Finance Corporation provides loan for Myanmar industrial port development

The World Bank's International Finance Corporation (IFC) has provided a long-term development loan of US\$40 million dollars to the state-owned Myanmar Industrial Port (MIP). The loan is the first phase of a US\$200 million long-term senior financing by the IFC. This loan will be used to enhance the terminal's annual handling capacity to 500,000 20-foot equivalent units (TEUs) or more, from its current capacity of 300,000 TEUs. MIP, which is one of two major container ports in Myanmar accounting for 40% of Myanmar's total container capacity, is operated by local company, Myanmar Annwa Swan A Shin Group. This financing is the first investment by the IFC in Myanmar's transportation sector and is part of a broader strategy to help Myanmar do business more effectively. According to the IFC, Myanmar's container volumes are estimated to have increased by 90% since 2013 due to rapid growth in imports and exports following the Government's implementation of political and economic reforms. (Source: http://www.shanghaidaily.com/article/article_xinhua.aspx?id=327247; 19 April 2016)

Myanmar among fastest-growing nations according to IMF report

According to the World Economic Outlook published by the International Monetary Fund (IMF) in April 2016, Myanmar is projected to hit 8.6% economic growth in the year ended 31 March 2016, with the country's Consumer Price Index (CPI) is expected to grow by 9.6%. Myanmar's growth outstrips that of regional neighbours such as India 7.5%, Laos 7.4%, Cambodia 7%, Bangladesh 6.6% and China 6.5%. Under former president Thein Sein's administration, growth was at 5.6% in 2011,

7.3% in 2012, and 8.7% in 2013 as well as 2014. Myanmar's CPI grew annually under the previous administration with an increase of 11.5% between 2011 and 2015, but the IMF has estimated that it is likely to decline in the future. According to the Asian Development Bank (ADB)'s 2016 report, Myanmar will see 8.4% economic growth in the years ending 31 March 2016 and 31 March 2017. The report also stated that inflation in Myanmar rose by 11% throughout 2015. The ADB also predicted that the inflation will remain around 9.6% in 2016 but is expected to decline to approximately 8.5 % in 2017. The IMF also predicts that the CPI will fall to 6.4% by 2021. (Source: <http://www.elevenmyanmar.com/local/myanmar-among-fastest-growing-nations-imf>; 20 April 2016)

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