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Myanmar Highlights

December 2017

Central Bank of Myanmar to approve establishment of five new sector-specific banks

Pursuant to a Directive of the President's Office, the Central Bank of Myanmar ("CBM") is set to approve the establishment of five new sector-specific banks to facilitate targeted lending. The banks to be established are the Myanmar Tourism Bank, the Mineral Development Bank, the Glory Farmer Development Bank, the Mandalay Farmer Development Bank and the Shwe Nann Saw Bank. The banks will provide targeted finance to businesses in certain sectors and will not operate as general commercial banks. The CBM will oversee the banks' lending activities to ensure they lend to qualifying businesses only. (Source: <https://www.mmtimes.com/news/myanmar-approve-five-specialised-banks-targeted-lending.html>; 7 December 2017)

European Union to provide funding for 'Irrigated Agriculture Inclusive Development Project' in Myanmar's central dry zone

The European Union is to provide €20 million in grant funding to Myanmar's Ministry of Agriculture Livestock and Irrigation to assist it with the improvement of water resource management and the productivity of the agricultural sector in Myanmar's central dry zone as part of the 'Irrigated Agriculture Inclusive Development Project' ("IAIDP"). The IAIDP aims to improve the living conditions and incomes of rural communities in the central dry zone. The €20 million grant will be used to help farmers increase the efficiency of irrigation networks, better manage water resources, apply environmentally friendly agricultural practices and diversify agricultural production on 90,000 acres of land in the area. Over the next seven years, the project will support the Myanmar Irrigation and Water Utilization Management Department of the Ministry of

Agriculture, Livestock and Irrigation in reaching these goals. The IAIDP is co-financed by the French Development Agency, the Asian Development Bank and the Myanmar government. The grant will be provided by the European Union through its Asia Investment Facility, which is a regional investment agency focused on green investment. (Source: <https://reliefweb.int/report/myanmar/new-funding-better-water-resource-management-myanmars-central-dry-zone>; 6 December 2017)

Golden Myanmar Business Exchange plans US\$5 million data center

Golden Myanmar Business Exchange ("GMBX"), a provider of data center services, has announced it intends to establish a new facility in Myanmar at a cost of approximately US\$5 million. GMBX is a joint venture between Yangon-based Golden TMH Telecom Co. Limited ("GTMH") and Golden 11 Investment International Limited. The new data center will be established in either Mandalay or Nay Pyi Taw. GMBX has already invested approximately US\$6.2 million to establish a tier III data center in East Dagon. According to Kyaw Naing, GTMH's Chief Technical Officer, the new data centre, will have an initial capacity of 100 racks, and room to expand to up to approximately 400 racks. GMBX commenced operations in Myanmar in 2016 and has already provided trial services to Wave Money and the French Chamber of Commerce and digital payments service provider 'Ongo', among other customers. (Source: <https://www.dealstreetasia.com/stories/myanmar-digest-gmbx-to-invest-5m-in-second-data-center-maybank-extends-900k-debt-to-hayman-87208/>; 1 December 2017)

Hayman Capital secures US\$900,000 loan from Malayan Banking Berhad

Hayman Capital Limited (“**Hayman Capital**”), a deposit taking microfinance institution, has secured US\$900,000 in loan finance from the Yangon branch of Malayan Banking Berhad (“**Maybank**”). Hayman Capital will make the Kyat-denominated loan available to more than 3500 micro entrepreneurs and low income businesses via five of Hayman Capital’s branches in Insein, Thingangyun, Hlegu, Bago and Nyaung Lay Pin. Hayman Capital drew down an initial loan tranche of US\$1 million from Maybank in April 2017. According to Hayman Capital’s CEO Mr. Sultan Marenov, the first tranche “was disbursed to the thousands of small businesses effectively.” The second tranche will be similarly disbursed. Hayman Capital has a client portfolio of about 67,000 and provides loans of between 100,000 Kyats (or approximately US\$80) to 5 million Kyats (or approximately US\$4200) at an interest rate of 2.5% per month or a 30% per annum. In the last two years, it provided loans totaling over 23.45 billion Kyats (or approximately US\$17 million) to small businesses in Myanmar. (Source: <https://www.dealstreetasia.com/stories/myanmar-digest-gmbx-to-invest-5m-in-second-data-center-maybank-extends-900k-debt-to-hayman-87208/>; 1 December 2017)

AIM-listed Myanmar Strategic Holdings reports increased revenue in first public results

The London-listed hospitality and education group Myanmar Strategic Holdings Limited (“**MSH**”) has reported an increase in revenue for the first half of its financial year, despite having to contend with operational challenges arising from civil unrest in Rakhine State. According to MSH’s Interim Results - its first public results following its listing on the London Stock Exchange’s Alternative Investment Market in August 2017 - MSH’s underlying revenues more than tripled to US\$1.2m in the 6 months ending 30 September 2017. More than half of this increase is attributable to MSH’s hotel and hospitality business which saw revenues increase from US\$400,000 to US\$700,000. MSH’s education business, which operates as the Wall Street English Centre, provided revenue of US\$500,000. MSH listed with the intention of opening Myanmar up to Western investors following the end of Myanmar’s international isolation. (Source: <http://www.cityam.com/276941/mayanmar-strategic-holdings-reports-increased-revenue-first>; 5 December 2017)

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