Charltons - Myanmar Highlights - 10 October 2018

[online version](http://www.charltonsmyanmar.com/myanmar-investment-commission-launches-myanmar-investment-promotion-plan)

Myanmar Investment Commission launches Myanmar Investment Promotion Plan

[Download PDF](/legal/Highlights/2018/123/myanmar-investment-commission-launches-myanmar-investment-promotion-plan.pdf) | [Download word version](/legal/Highlights/2018/123/myanmar-investment-commission-launches-myanmar-investment-promotion-plan.docx)

On 8 October, the Myanmar Investment Commission (“**MIC**”) launched its Myanmar Investment Promotion Plan (“**MIPP**”) for the period up until 2036. The plan outlines five strategies to actively promote investments in the local economy, including new policies and regulations, institutional development, infrastructure development and leveraging on local business systems, industries and human resources. The Ministry of Planning and Finance (“**MOPF**”) will establish an Investment Promotion Committee (“**IPC**”), which, in turn, will set up separate task forces to carry out each of the strategies. The IPC will be chaired by the MIC. Under the MIPP, public investment is expected to increase from US$5.6 billion between 2016 and 2022 to US$43.2 billion by 2031-2036. It is anticipated private investment will increase from US$8.1 billion to around US$25 billion over the same period. In total, some US$200 billion will be invested in Myanmar over the next 20 years, according to estimates provided by the MOPF. The MIPP is also expected to help Myanmar meet its target of achieving its US$3000 GDP per capita goal by 2030. Myanmar was ranked 171 among 190 countries in ease of doing business in 2017, according to the World Bank. It aims to be among the top 100 countries by 2020-21 and among the top 40 by 2035-36.

(Source: [*https://www.mmtimes.com/news/myanmar-launches-investment-promotion-plan-amid-toughening-conditions.html*](https://www.mmtimes.com/news/myanmar-launches-investment-promotion-plan-amid-toughening-conditions.html); 10 October 2018)

## Myanma Economic Bank to lend Kyats 250 billion to Myanmar SME’s

The State-owned Myanma Economic Bank (“**MEB**”) is planning to lend Kyats 250 billion (or approximately US$160.2 to local small and medium-sized enterprises (“**SMEs**”) in the year ending 31 March 2019. This amount does not include loan financing being made available by the Japan International Cooperation Agency (“**JICA**”) via the MEB. The JICA will lend 11.5 billion Japanese yen (Kyats 151.685 billion) to SMEs in in the year ending 31 March 2019 through domestic banks. The two-stage loan facility will be managed by the MEB under its SME loan programme. The interest rate on the MEB loan will be 9%, while the JICA loan will have a lower interest rate of 8.5% interest. The MEB will provide funds to established SMEs in the manufacturing, production and trading, import substitution, recycling and energy saving as well as services sectors. Borrowers must use at least half of the loan proceeds on fixed capital and the other half as working capital. Borrowers who can provide collateral, will be eligible to borrow up to Kyats 300 million. Borrowers unable to provide collateral will be eligible to borrow up to Kyats 20 million via the Credit Guarantee Insurance Scheme.

(Source: Myanmar Times [*https://www.mmtimes.com/news/myanmaeconomic-bank-will-lend-k250b-smes.html*](https://www.mmtimes.com/news/myanmaeconomic-bank-will-lend-k250b-smes.html); 25 September 2018)

## World Bank cuts Myanmar’s economic growth forecast to 6.2%

In its East Asia and Pacific Economic Update the World Bank has downgraded Myanmar’s GDP growth projections citing seasonal floods, rising costs, inflationary pressures and the Rakhine crisis as negatively impacting on Myanmar’s economy. The outlook for 2019-20 and 2020-21 was also cut by 0.4 percentage points to 6.5% and 0.3 percentage points to 6.8%, respectively. According to the World Bank, in the medium term, Myanmar’s growth is expected to pick up as a result of “several investment-friendly laws have been passed and are anticipated to be implemented.” Myanmar implemented its new Investment Law last year and the new Myanmar Companies Law in August 2018. However despite the introduction of new legislation approved foreign direct investment over the last six months has fallen short of the Government’s own estimates, while tourist numbers have risen by only 2% in 2018. The proposed reform of the insurance and retail banking sectors has not materialized. The World Bank further noted that inflation has begun to rise in Myanmar and across the region, including the Philippines and Vietnam. Growth in the developing economies in the region, excluding China, is expected to remain stable at 5.3% from 2018 to 2020, driven primarily by domestic demand. In Thailand and Vietnam, growth is expected to be robust in 2018 before slowing in 2019 and 2020 as stronger domestic demand only partially offsets the moderation in net export growth. Indonesia’s growth should be stable, because of improved prospects for investment and private consumption. Growth in 2018 in the Philippines will likely slow, but the expected expansion of public investment will boost growth over the medium term. In Malaysia growth is expected to ease, as export growth slows, and public investment is lower following the cancellation of two major infrastructure projects. The report advocated pursuing proactive macro-prudential policies to help address financial sector vulnerabilities, reduce capital market volatility, and manage exposure to exchange rate movements, as well as liberalising key sectors, improving the business climate, and boosting competitiveness.

(Source: [*https://www.mmtimes.com/news/world-bank-cuts-myanmars-growth-forecast-62.html*](https://www.mmtimes.com/news/world-bank-cuts-myanmars-growth-forecast-62.html); 8 October 2018)

### The Netherlands Development Finance Company, Myanmar-based Maha Agriculture Microfinance and Harvesting Inc. to fund agri-sector capacity development programme

The Netherlands Development Finance Company (“**FMO**”), has announced it has entered into a partnership arrangement with Myanmar-based Maha Agriculture Microfinance (“**Maha**”) and US-based Harvesting Inc. (“**Harvesting**”). to fund a capacity development programme to help make lending to Myanmar farmers more efficient. As part of its capacity development programme, FMO will financially support the pilot deployment of Agriculture Intelligence Engine, a digital agri-lending suite built by Harvesting. The product leverages on machine learning and alternative datasets such as multi-spectral imagery to build credit scores for farmers and provides digital tools for financial institutions to effectivity make and manage loans to farmers. Harvesting has built an end-to-end offering to help agriculture lenders to manage and scale their lending operations: from being able to collect loan applications on ground using a mobile application, to building credit risk scores using alternative datasets, to providing a loan approval dashboard. Maha is a subsidiary of Myanma Awba Group, Myanmar’s largest manufacturer and distributor of agricultural technology with a focus on crop protection, crop nutrition and high-quality seeds. According to Ruchit Garg, chief executive of Harvesting, the partnership offers “a unique opportunity to prove something to the market through this partnership that will showcase to the microfinance and banking industry in Myanmar the power of financial inclusion coupled with a digital fintech approach using alternative data analytics for solving smallholder farmers’ pain points”.

(Source: [*https://www.fmo.nl/news-detail/fe943ad7-6686-4167-9dfc-4b2454e98de6/fmo-partners-with-maha-agriculture-microfinance-harvesting-inc*](https://www.fmo.nl/news-detail/fe943ad7-6686-4167-9dfc-4b2454e98de6/fmo-partners-with-maha-agriculture-microfinance-harvesting-inc); 3 October 2018)

### Swiss-based media group Ringier AG acquire MyJobs.com.mm

Swiss-based media group Ringier AG (“**Ringier**”), has acquired Pyramid Solutions Co. Limited, operator of Myanmar´s classified job online portal, *MyJobs.com.mm*. In cooperation with its local partner Information Matrix Co., Ringier plans to continue expanding in Myanmar after a series of local acquisitions including *Duwun.com.mm, Marry.com.mm and Kalay.com.mm*. According to Robin Lingg, Head of International Marketplaces of Ringier the acquisition of MyJobs fits in with the Ringier’s portfolio. The group's current strategy is aimed at growing its publishing, directories and classifieds in the region. With a presence across sixteen countries, Ringier specializes both in print and digital publications but also in digital businesses, mainly mobile and e-commerce services. MyJobs.com.mm was one of the pioneers in Myanmar, opening in 2012 when internet penetration was below 1%. Since then, it has been organizing the biggest jobs fair in Yangon and Mandalay four times a year, and has more than 4300 active job listings.

(Source: [*https://www.mmtimes.com/news/swiss-company-acquires-myjobscommm.html*](https://www.mmtimes.com/news/swiss-company-acquires-myjobscommm.html); 30 September 2018)

This newsletter is for information purposes only.

Its contents do not constitute legal advice and it should not be regarded as a substitute for detailed advice in individual cases.

Transmission of this information is not intended to create and receipt does not constitute a lawyer-client relationship between Charltons and the user or browser.

Charltons is not responsible for any third party content which can be accessed through the website.

If you do not wish to receive this newsletter please let us know by emailing us at unsubscribe@charltonslaw.com

Charltons - Myanmar Highlights - 10 October 2018