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[online version](https://www.charltonsmyanmar.com/mopfi-shortlist-five-companies-for-public-private-steel-plant-joint-venture/)

MOPFI Shortlist Five Companies for Public-Private Steel Plant Joint Venture

The Ministry of Planning, Finance and Industry (**MoPFI**) shortlisted five companies to apply to form a joint venture with state-owned No.1 Steel Plant (Myingyan). The steel mill, located in the Mandalay Region, temporarily suspended operations owing to mounting losses and an estimated K225 billion is needed to restart the plant.

This comes as part of Myanmar’s broader efforts to restart local steel production, as with 90% of steel imported to Myanmar, producing locally will help to reduce costs.The South East Asia Iron and Steel Institute estimate that Myanmar’s steel demand will increase at a rate of 8% per annum, with steel demand exceeding 3 million tonnes in 2020 and set to reach 5 million tonnes in 2025. According to reports, Myanmar is also looking to bolster the industry with the introduction of standards to ensure the quality of both locally produced and imported steel and iron.

The Myanmar Government also recently announced its commitment to supporting the local construction industry which has been hard hit by cash flow issues and delays in the importation of construction materials. State Counsellor, Daw Aung San Suu Kyi, however stated that the Government will continue to press ahead with new infrastructure projects.

*Source:* [*https://www.mmtimes.com/news/myanmar-govt-announces-5-short-listed-firms-steel-plant-jv.html*](https://www.mmtimes.com/news/myanmar-govt-announces-5-short-listed-firms-steel-plant-jv.html)*,*

## IMF: Social and Economic Impact of COVID on Myanmar

While the number of officially recorded COVID-19 cases in Myanmar has remained relatively low, the IMF has recently emphasised the social and economic impacts which Myanmar may feel.

Some notable effects felt include sharp declines in exports, remittances and tourism levels; constrained domestic economic activity and a hit to gas prices owing to the collapse in global oil prices. Households and businesses alike have felt the effects and uncertain short-term growth is exacerbating the situation for many.

In the medium term, it is expected that social spending will increase and proactive monetary and financial sector policies will be key pillars on the road to economic recovery. In this regard, the COVID-19 Economic Relief Plan aims to stimulate the economy and boost social spending and the IMF’s emergency financing of US$356.5 million is also playing a crucial role in alleviating both social and economic impacts.

*Source:* [*http://mizzima.com/article/imf-takes-stock-myanmars-economy-and-society-under-covid-19-pandemic*](http://mizzima.com/article/imf-takes-stock-myanmars-economy-and-society-under-covid-19-pandemic)

## MOC: Export Licence Requirements Relaxed

According to an announcement by the Ministry of Commerce on 8 July 2020, export licence requirements apply to 1,224 items under the HS Code 2017. Previously an export licence was required for over 10,000 items, however this was relaxed pursuant to the power vested in the Ministry of Commerce by Article 13 Sub Article (b) of the Import Export Law. The relaxation is part of an annual assessment, with the new rules coming into effect on 1 August 2020.

*Source:* [*https://www.globalnewlightofmyanmar.com/exporters-need-to-apply-for-licence-for-over-1200-items-moc/*](https://www.globalnewlightofmyanmar.com/exporters-need-to-apply-for-licence-for-over-1200-items-moc/)

## Overview of Foreign Investor Participation on the YSX

According to statistics released by the Securities and Exchange Commission of Myanmar (**SECM**), foreign investors have purchased over 38,900 shares of three Yangon-listed companies, FMI, Myanmar Thilawa SEZ Holdings (**MTSH**) and Ever Flow River Group Public Co., Ltd (**EFR**), all of which accept foreign shareholders. Foreigner investors hold 5,700, 27,800 and 5,380 of these company’s shares respectively.

The shares of the other three YSX-listed companies (Myanmar Citizens Bank (**MCB**), First Private Bank (**FPB**) and TMT Telecom Public Co., Ltd.) are available for trading by local investors only.

Foreign participation on the YSX was permitted by virtue of a notification issued by the SECM on 12 July 2019, a move aimed at improving capital inflows and long term and sustainable investment, encouraging good corporate governance and supporting market orientation.

Foreign investors must strictly comply with the rules stipulated by the Central Bank of Myanmar and security companies monitoring daily trading of foreigners in order that the limit set for each listed company is not exceeded. Investors must buy and sell orders through licensed securities companies with trading qualification by the YSX (of which there are six).

The YSX has been developing gradually since its launch in 2016 with, in addition to the inclusion of foreigners, also doubling its stock trade matching time from two to four per day, before launching 7 times matching per day on 26 March 2020. Promotional events have also been held in a bid to attract new investors, encourage more active trading and lure more companies to list.

*Source:* [*https://www.globalnewlightofmyanmar.com/foreigners-hold-over-38000-shares-in-equity-market-over-past-3-months/*](https://www.globalnewlightofmyanmar.com/foreigners-hold-over-38000-shares-in-equity-market-over-past-3-months/)

### CBM Releases Regulations for Myanmar’s Non-bank Financial Institutions

On 9 July 2020, the CBM issued basic regulations for non-bank financial institutions (**NBFIs**), of which there are currently 29 which have been granted official permission by the CBM to operate, in a bid to help regulate the industry. The regulations came into effect on 15 July 2020.

The key features of the regulations include that loan agreements drawn up by NFBIs must stipulate the loan amount, interest rate per annum, repayment period and the number of installments. Meanwhile, the repayment schedule must state the capital and interest to be repaid (with interest calculated based on the loan balance) and this must be attached to the loan contract. Commissions and any other fees (such as late payment interest and penalties in the event of default) must also be stated.

*Source:* [*https://www.mmtimes.com/news/central-bank-releases-basic-regulations-nbfis.html*](https://www.mmtimes.com/news/central-bank-releases-basic-regulations-nbfis.html)

### Loans from COVID-19 Fund for Mandalay Businesses Approved

The Mandalay Region Chamber of Commerce and Industry (**MRCCI**) announced that over 390 businesses impacted by COVID-19 in the Mandalay Region have been approved so far to receive loans from the COVID-19 Fund, with in total 3,400 entities approved across Myanmar over seven batches. Approved businesses cover a variety of industries including, food and beverage, tourism, manufacturing and education.

An initial K100 billion was allocated to the COVID-19 Fund, with the MoPFI announcing an additional K100 billion to be added to the fund on 3 July 2020.

*Source:* [*https://www.globalnewlightofmyanmar.com/over-390-mandalarian-businesses-receive-covid-19-loan-mrcci/*](https://www.globalnewlightofmyanmar.com/over-390-mandalarian-businesses-receive-covid-19-loan-mrcci/)

### Online Expos Enhancing Real Estate Market

Yangon’s property market took a hit in March and April of 2020, with purchases down by 60%. As of May, discounts and online expos encouraged the market to rebound, with increased levels of interest from Myanmar nationals living overseas. Online expos are also benefiting the negotiating process, which is reportedly running more smoothly for buyers, real estate agents and developers. It will however take some time for the market to reach pre-COVID levels.

*Source:* [*https://www.mmtimes.com/news/online-expos-saves-real-estate-market-during-covid-19.html*](https://www.mmtimes.com/news/online-expos-saves-real-estate-market-during-covid-19.html)*, 14 July 2020*

### Myanmar’s GDP to Grow at 6%

The Deputy Minister of the MOPFI announced on 13 July 2020 that Myanmar’s economy is forecast to expand by 6% in the 2020/2021 fiscal year from K118.7 trillion  to K125.8 trillion, with GDP expected to reach K125.8 trillion. The main contributors to GDP are agriculture, industry and services, which are anticipated to grow at 2.6%, 6.5% and 7.4% respectively in the 2020/2021 fiscal year.

Meanwhile, average annual income per capita is set to rise to K2.2 million, comparing to the forecast for the 2018/2019 fiscal year and 2019/2020 fiscal year which forecast average annual income per capital of K1.9 million and K2 million respectively.

*Source:* [*https://www.mmtimes.com/news/myanmar-gdp-grow-6-next-year.html*](https://www.mmtimes.com/news/myanmar-gdp-grow-6-next-year.html)*, 14 July 2020*

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