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Myanmar Highlights

December 2014

Asian Development Bank and Australian government provide funds to Mekong Business Initiative to support Myanmar SMEs

The Asian Development Bank (**ADB**) is to allocate funds of approximately US\$10.5 million to the Mekong Business Initiative (**MBI**) in four Greater Mekong Sub-region (**GMS**) countries. The fund which is comprised of the ADB's technical assistance grant of US\$500,000, together with US\$10 million from the Australian Government will be used by the MBI to support small and medium sized enterprises (**Myanmar SMEs**). There are approximately 120,000 Myanmar SMEs which represent more than 90% of all businesses in the country. The MBI will manage the fund up until November 2017. (Source: <http://www.nationmultimedia.com/business/ADB-Australia-assist-Mekong-push-to-promote-privat-30249356.html>, 8 December 2014)

MOGE executes offshore production sharing agreements with foreign-Myanmar joint ventures

The Myanmar Oil and Gas Enterprise (**MOGE**) has entered into a production sharing agreement (**PSA**) with the Myanmar subsidiary of London listed Ophir Energy PLC and Parami Energy Development Company Ltd. The PSA relates to block AD-3 off the Rakhine coast. The joint-venture partners have committed to spending approximately US\$258.3 million on surveying and exploration activities over the next eighteen months. MOGE has also entered into a PSA with Singapore-based Berlanga Myanmar Private Ltd (**Berlanga**) and their Myanmar joint-venture partner A-1 Mining Company Ltd (**A-1 Mining**) in relation to Block M-8 in the Mottama offshore area. Together Berlanga and A-1 Mining will spend approximately US\$153 million developing the block over the next six years. India's Oil India Ltd, Mercator Petroleum Ltd, Oilmax Energy

Private Ltd and local company Oil Star Management Service Company Ltd have also entered into PSAs with MOGE in relation to the Mottama offshore M-4 block and the Yetagun East Block respectively. The joint venture partners will spend approximately US\$120 million exploring and conducting environmental and social impact assessments on the two blocks. Total foreign direct investment in Myanmar's oil and gas industry amounted to approximately US\$15.18 billion as of the 31 October 2014. (Source: <http://globalnewlightofmyanmar.com/moge-oil-companies-sign-production-sharing-contracts>, 5 December 2014, and http://news.xinhuanet.com/english/business/2014-12/07/c_133837714.htm, 7 December 2014)

Keppel Land Ltd to acquire interest in Myanmar joint-venture

Singapore-based Keppel Land Ltd (**Keppel**) will buy a 40% equity stake in a company developing an office tower in Yangon for US\$47.4 million. Keppel will initially contribute US\$200,000. The rest of the company will be held by local firms Shwe Taung Junction City Development Company and City Square Development Private Limited. The joint venture firm will develop an office property on a 6.5 acre site on Bogyoke Aung San Road and Shwedagon Pagoda Road in Myanmar's commercial hub. The total development cost of the project is approximately US\$118.5 million. (Source: <http://www.mmbiztoday.com/articles/keppel-land-pay-474-million-myanmar-venture>, 9 December 2014)

Commercial Bank of Ceylon to establish Myanmar representative office

The Commercial Bank of Ceylon PLC (**Ceylon Bank**) has been awarded a license to operate a representative office by the Central Bank of Myanmar. Ceylon Bank hopes to capitalize

on the increase in Myanmar - Sri Lanka trade. The Myanmar representative office is Ceylon Bank's second overseas operation. The bank acquired the Bangladeshi operations of Credit Agricole Indosuez in July 2003. (Source: <http://www.mmbiztoday.com/articles/first-sri-lankan-bank-receives-myanmar-licence>, 8 December 2014)

Myanmar digital startup NEX gets 2nd round funds from Blibros

Myanmar digital startup NEX Co. Ltd (**NEX**) has received second round funding of US\$150,000 from Singapore's Blibros Group, the privately-held investment arm of Sweden's wealthy Böcker family. Magnus Böcker is the CEO of the Singapore Stock Exchange and former CEO of Nasdaq OMX Nordic. NEX received an initial angel investment of \$50,000 last year from Singapore investor Ned Phillips, formerly ran E*TRADE and 'Chi-East'. NEX has 20 employees and produces web-based software that enables Myanmar SMEs to quickly set up an online storefront. One of the first customers was The Analytics Company Ltd; Myanmar's first authorized reseller of Apple products. NEX will shortly release the Nexy Keyboard, the first iOS 8 keyboard in the Myanmar language. The Nexy Keyboard will allow users type in Roman fonts to produce words in Myanmar script. NEX have recently released 'Hush', a location-based mobile app where users can post anonymous messages on social networks using just a mobile phone number. It also produced 'Kabyar'. NEX has worked on more than 30 Web and mobile projects since opening for business in March 2013. (Source: <http://www.forbes.com/sites/susancunningham/2014/11/26/myanmar-digital-startup-nex-gets-2nd-round-funds-from-blibros/2/>, 26 November 2014)

Vietnam's Viettel nears deal to invest \$800 million in Myanmar joint-venture

Vietnam's Viettel Group and Myanmar's state-backed Yatanarpon Teleport (**Yatanarpon**) have established a Myanmar joint-venture to develop telecoms infrastructure in Myanmar. The joint-venture partners are expected to initially invest in excess of US\$800 million in the project and up to between US\$1.8 and US\$2 billion in the longer term. The new joint venture is currently waiting to receive approval from the Myanmar Investment Commission. Yatanarpon is widely expected to be awarded Myanmar's fourth telecoms licence. (Source: <http://www.reuters.com/article/2014/12/12/us-myanmar-telecoms/idUSKBN0JQ15Y20141212>, 12 December 2014)

EU establishes Myanmar Chamber of Commerce

On 12 December 2014 the European Union (**EU**) officially launched the European Chamber of Commerce in Myanmar. The organisation, informally known as the 'Euro Chamber', will be run by the French Myanmar Chamber of Commerce and Industry together with "Eurochambres", the European umbrella organization of chambers of commerce. The venture is supported by other key EU business representatives in Myanmar and the Union of Myanmar Federation of Chambers of Commerce and Industry. The EU is going to provide €2.7 million in funding to the new group. Speaking at the launch ceremony at the Chatrium Hotel in Yangon, Mr. Roland Kobia, Ambassador of the EU said businesses need a stable and peaceful environment to prosper. And in turn, if they prosper, they can make a huge contribution to social and economic development. He said they can reinforce links between Myanmar businesses and their European counterparts and grant new opportunities for both sides. Bilateral trade between Myanmar and Europe has increased 44% for the first seven months ending 31 July 2014 compared with the same period in 2013. (Source: <http://www.mizzima.com/business/investment/item/15810-eu-launches-euro-chamber-myanmar/15810-eu-launches-euro-chamber-myanmar>, 13 December 2014)

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