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Myanmar Highlights

16 December 2013

- The South East Asian Games got underway in Naypyidaw on Wednesday 11 December 2013. The games are returning to Myanmar for the first time since 1969. Myanmar's President Thein Sein was in attendance at the new Wunna Theikdi Stadium as 6,000 athletes and officials took part in the games' opening ceremony. (From *ST Readers Post*, 11 December 2013)

- Myanmar's Federation of Chambers of Commerce and Industry will establish a Myanmar Intellectual Property Association ahead of the expected introduction of Myanmar's new Intellectual Property Law. As a member of the World Trade Organization (WTO) and ASEAN, Myanmar is obliged to enact domestic IP legislation. Hnin Nwe Aye, assistant director of the Ministry of Science and Technology, expressed optimism that the latest draft of the IP law, currently under review by the Attorney General's Office, would soon be put to parliament. The draft law contains provisions on trademarks, patents, intellectual design and copyright. The law will be in line with ASEAN and WTO standards. (From *The Irrawaddy*, 9 December 2013)

- Khin Saw Oo, deputy governor of the Central Bank of Myanmar (CBM) has confirmed that beginning in 2014 some foreign banks will be permitted to start offering limited financial services in Myanmar. According to the CBM website, 24 foreign banks, including lenders from China, Japan, South Korea, Vietnam, India, Thailand and Singapore, have established representative offices in Myanmar. These banks are not yet allowed to open branches or offer lending services. Khin Saw Oo said banks with a representative office in Myanmar would be granted equal opportunity to participate in Myanmar's financial system, within the constraints laid out by the CBM. Some local banks have expressed concern that foreign joint ventures could swallow up local lenders who choose to remain

independent. On a recent visit to Myanmar, head of the IMF Ms. Christine Lagarde cautioned against the rushed liberalisation of the banking sector. (From *The Irrawaddy*, 9 December 2013)



- Irish telecom company the Digicel Group (Digicel) has announced they will join a consortium to build and supply mobile phone masts in Myanmar. Digicel were one of the unsuccessful bidders in the Myanmar's telecommunications licence tender process which took place earlier this year. Digicel will partner with Myanmar's YSH Finance and Qatar's Ooredoo to build the masts through a consortium to be called Digicel Asian Holdings. (From *The Irish Independent*, 3 December 2013)

- A draft version of the proposed new Electricity Law was published on 18 November 2013. Pursuant to the draft law the State will retain a monopoly in the power sector and continue to set electricity prices. Foreign participation is to be permitted in larger projects (over 30MW) on a build operate

and transfer basis. The draft law is silent as to whether foreign companies will be permitted to engage in small (10MW) and mid-sized (10-30MW) electricity projects. The draft law states that licence-holders will be responsible for compliance with rules and regulations, and “shall, upon expiry of the permitted term, transfer the project to the concerned party in accordance with the agreement, or the regulations in place at the time of receiving the license.” The draft law includes provisions on the establishment of an Electricity Regulatory Commission (ERC) which would oversee all aspects of government policy, and the adoption of international standards in the industry. The ERC will also be responsible for establishing inspection teams which would monitor electricity production and distribution, as well as electrical appliances sold in Myanmar. The draft law will allow Myanmar’s licensing authorities to take administrative action against non-compliant licensees. (From *Myanmar Times*, 2 December 2013)

- Officials from the Tamu border trade camp, the largest border trade area between Myanmar and India, have announced that trade in the area reached approximately US\$17 million in the period from April to mid-November 2013 which represents an increase of US\$4.410 million on trade in the same period in 2012. Exports accounted for US\$ 11 million of the total trade whereas imports accounted for US\$6 million. Over 102 entrepreneurs are registered to trade in the area. Based on present trends, officials predict that annual trade will exceed US\$ 29 million in the year ending 31 March 2013, a new record. (From *The New Light Of Myanmar*, 2 December 2013)

- In a bid to regain its status as the “Rice Bowl of Asia” Myanmar plans to more than double rice exports. Myanmar’s rice growers have embraced market reforms and are now, despite logistical challenges, competing with their Thai, Vietnamese and Cambodian counterparts in new export markets. It is anticipated that rice exports will increase from an estimated 1.8 million tones in the year commencing 1 April 2013 to 2.5 million metric tones in the year commencing 1 April 2014. U Toe Aung, director general of the Department of Trade Promotion at the Ministry of Commerce said that “We see promising opportunities in the sector because the global rice market is growing and Chinese demand increases every year.” (From *Myanmar Times*, 2 December 2013)

- On a recent economic mission to Myanmar Switzerland’s State Secretariat for Economic Affairs Ms. Marie- Gabrielle Ineichen- Fleisch, signed a cooperative agreement with the government. The agreement follows last month’s announcement by the Swiss Federal Department of Economic

Affairs, Education and Research that Switzerland will provide nearly US\$2 million to Myanmar over the next three years to support Myanmar’s efforts at improving social and environmental responsibility in the economy, (From *Myanmar Times*, 2 December 2013)



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