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Myanmar Highlights

10 February 2014

Daiwa and Tokyo Stock Exchange to Take Share in New Myanmar Stock Exchange

Japan's Daiwa Security Group and the Tokyo Stock Exchange will take a combined 49% stake in Myanmar's new stock exchange (**MSE**). The MSE will have initial capital of Kyats 32 billion (approximately US\$324 million). The Myanmar Ministry of Finance (**MOF**) has stated that strict listing requirements will be put in place and that not all listing candidates will ultimately be deemed suitable for listing. The MOF further stated that local companies require additional training on listing rules and standards and that few of Myanmar's one hundred and five publically listed companies currently meet the MSE's proposed new listing criteria. (Source; *elevemyanmar.com* 28 January 2014)

Myanmar faces Possibility of Renewed Sanctions

Myanmar could face the possibility of new financial and economic sanctions if it does not enact new anti-terrorism and anti-money laundering laws prior to a forthcoming meeting of the Financial Action Task Force (**FATF**) in Paris. The FATF is an inter-governmental body established in 1989 by the Ministers of its thirty four member jurisdictions. The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. A draft Money-Laundering bill and Anti-Terrorism bill were submitted to parliament on the 7 January 2014 and the 20 January 2014 respectively. The FATF will meet in Paris from 10-14 February 2014 and will discuss Myanmar's fiscal progress among other matters. (Source; *Myanmar Business Today*, 30 January 2014)

Thailand's Unithai and Myanmar's Chin Corp Group Establish Joint Venture

Thai shipyard and logistics group Unithai Shipyard & Engineering Limited (**Unithai**) has announced that it has established a new joint venture (**Unichin**) with Myanmar's Chin Corp Group a leading Myanmar conglomerate, operating in the agriculture, agro chemical and food sectors which has previously established a number of joint ventures with international firms in Myanmar. Unichin will provide a range of shipping and freight forwarding services in Myanmar. The Unichin joint venture represents an important step in Unithai's expansion in Asia. In 2008, Unithai expanded its logistics operation into Vietnam through the establishment of a joint – venture with Tan CangSong Than ICD, Transport and Chartering Cooperation and Viet Business, and Maruzen Showa Unyu to establish Unithai Logistics at ICD Song Than in Ho Chi Minh City. (Source; *The Nation* 31 January 2014)

Asiawide Refreshments Corp to Produce Royal Crown Cola in Myanmar

Asiawide Refreshments Corp (**Asiawide**), the exclusive manufacturer and distributor of Royal Crown Cola® (**RC Cola**) in the Philippines, has announced it plans to establish manufacturing facilities in Myanmar and Thailand. Each facility will have the capacity to produce twenty-five million cases per year. Royal Crown Cola International has said it plans to develop its RC Cola brand in Southeast Asia in cooperation with Asiawide in time to capitalize on the opportunities presented by the formation of Association of Southeast Asian Nations Economic Community in 2015. (Source; *Myanmar Business Today* 30 January 2014)

Myanmar and Malaysian Airlines Enter Into Code Sharing Agreement

Myanmar Airways International (**MAI**) has entered into a new flight code-sharing agreement with Malaysia Airlines (**ML**). Under the agreement MAI services on the Kuala Lumpur-Yangon-Kuala Lumpur route will utilise ML flight codes. The arrangement will also allow MAI access ML's services to Singapore, Langkawi, Bangkok and Penang. The code sharing agreement will take effect on 15 February 2014. (Source; *Myanmar Business Today* 30 January 2014)

Telecom Licences issued to Telenor and Ooredoo

The government has issued telecommunications network licences to the Myanmar subsidiaries of Norway's Telenor Group (Telenor) and Qatar's Ooredoo Q.S.C. (**Ooredoo**). The licences were granted to operate networks in Myanmar on 30 January 2014, more than six months after Telenor and Ooredoo were named as the winners of a highly competitive bidding process. Both companies will finally be able to roll out their services country wide. Myanmar suffers from poor communications infrastructure and low mobile phone penetration. Telenor has announced that it plans to launch services within eight months. Ooredoo, which has pledged to invest US\$15 billion, has announced it will begin to deliver services within six months, and that its network will be available to 97% of the population within five years. The award of the licences comes after a lengthy consultation and bidding process. More than ninety-one companies initially submitted expressions of interest in relation to the two licences offered to public tender. In drafting the licence agreement and the country's new telecommunications law, the Government sought independent advice from the World Bank among other organisations. The Government is also looking to identify a foreign firm to enter into a joint-venture partnership with the state telecommunications company Myanmar Posts and Telecommunications. (Source; *The Wall Street Journal* 30 January 2014)

US Ex-Im Bank opens to Myanmar

The Export-Import Bank of the United States (**Ex-Im Bank**) has announced that it is now providing services in Myanmar to help finance short-term and medium-term U.S. export sales. It is hoped that the move will improve U.S – Myanmar trade. Ex-Im Bank now provides export-credit insurance, loan guarantees and direct loans in relation to export sales to Myanmar. Short-term insurance is available for sovereign transactions with repayment terms of 180 days or less, and

up to three hundred and sixty days for capital goods. Medium-term insurance, loan guarantees and loans are available for sovereign transactions with terms typically up to five years. Ex-Im Bank's working capital guarantees which help U.S. exporters or their suppliers obtain funds to produce or buy goods or services for export will also be available to Myanmar based exporters. Ex-Im Bank is also able to provide long-term support in Myanmar, provided financing arrangements are in place that eliminate or externalise country risks, such as asset-backed financings and structures that earn revenues offshore in a third country. (Source; *www.exim.gov* 6 February 2014)



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