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August 1st 2018

Issue. 5

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Manufacturing Sector

6 state-owned factories to be privatized

Source – 7 days

6 State owned factories, including 2 factories in Yangon, are to be sold off according to Ministry of Industry. The list includes cotton industries, plastics bags industry in Kyauk Se, rubber industry in Thingangyun and LED industry in Mindamma. The Government also plans to privatize its remaining factories since they show billion losses every year. Currently, there are 113 factories under Ministry of Industry and over 50 industries are being rented.

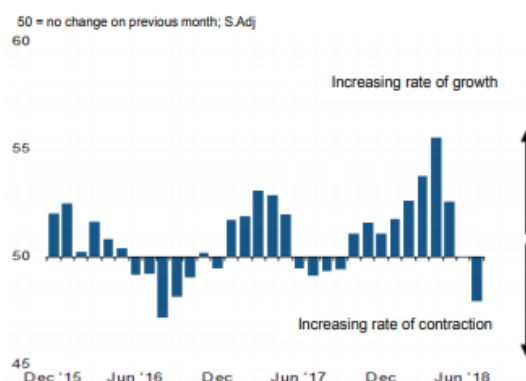
July PMI signals worsening business conditions

Source- Markit

Following unchanged operating conditions in June, July survey data indicated the first deterioration in manufacturing performance since September 2017 among manufacturers in Myanmar. Fragile client demand was reflected in falls in output, employment, alongside a second successive decline in new business. “Input prices increased at the fastest pace since January 2017, amid reports from manufacturers citing further shortages of raw materials and unfavourable exchange rates. Output charge inflation also accelerated despite weak demand conditions.

Key points:

- PMI indicates moderate deterioration in manufacturing operating conditions
- Output levels fall for first time in ten months
- Input prices rise at fastest pace since January 2017



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Service Sector

Yoma bank and PACL Global Agreement signed to support SMES

Source- Daily Eleven

Yoma Bank and Pact Global Microfinance Fund (PGMF) signed a funding agreement in support of PGMF's microfinance operations in Myanmar on July 18th 2018. This funding agreement was worth USD 11.5M (MMK15.85 Billion). The funding agreement with PGMF will be the 7th MFI funding agreement for Yoma Bank. Around 40,000 families are expected to have the help they need to lift their micro businesses and small holder farms out of poverty and create their own futures with the help from Yoma Bank and the support from PGMF. Since 1997, PGMF's microfinance operations have reached 1,492,554 beneficiaries, over 98 percent of whom are women,

Upcoming events

3rd Myanmar Entrepreneurs Carnival 2018

Date: 3rd August

Organizer: Myanmar Young Entrepreneur Association

Contact: office@myea.org.mm

Myanmar Economy 2018: Progress, Problems, Possibilities

Date: 17th August

Organizer: Macquarie University

Contact: study@mq.edu.au

2.0 Company Limited launches ride-hailing application

Source- Myanmar Times

2.0 Company Limited has launched a new transport mobile app in Yangon, Mandalay and Nay Pyi Taw that could rival Grab's taxi app. The new OK app, which launched earlier this month, offers both drivers and passengers more flexibility and options compared to the other taxi apps in Myanmar.

The company will not receive any commission from drivers. The riders can take a taxi with fixed fares as shown in the app or they can also choose the bargain option with drivers. There will also be an in-app option allowing riders to choose between air-conditioned and non-air-conditioned vehicles for different fares.

So far, about 3000 taxis have registered on the OK app. For now though, only drivers with Android phones can download the app. More uniquely, riders will also be given the option to book popular modes of transport in other states and regions. The company expected to expand their network to other States and Regions within two or three months.

2.0 is the sister company of OK Dollar, the mobile money transfer application.



Myanmar's three domestic airlines stop operations

Source- Xinhwa

Myanmar's two domestic airlines Air Bagan and Apex Airlines have stopped their operations, surrendering their air operator's certificates (AOC) to the authorities recently. Meanwhile, the local FMI Air has planned to stop selling air-tickets with unknown reason starting July 20. Shortage of aircrafts and economic loss forced the domestic airlines to stop their operations.

In accordance with Myanmar Aviation Act, the airlines which surrendered their AOC will be allowed to apply again when they have enough aircrafts to resume flight. The Air Bagan started their services for 20 domestic routes in 2012 and the Apex Airlines started running for five domestic routes in 2015. FMI started its operation since 2012.

MIC approves investment in new ILBC campuses

Source- Myanmar Times

The International Language & Business Center (ILBC) has been permitted to invest \$52 million to provide private educational services in Yangon, Mandalay and Nay Pyi Taw, according to the Myanmar Investment Commission (MIC). It is planning to launch the new campuses in April next year. The organisation has already established 30 campuses in 9 major cities in Myanmar providing preschool, kindergarten, primary school, secondary school curricula as well as English proficiency courses. Eight of these schools are in Yangon. The overall ILBC student population amounts to 13,000 students with 2,500 attending ILBC schools in Yangon.

Construction Sector

Demand from education providers jolts real estate market

Source – Myanmar Times

The Yangon real estate sector sees a great increase in demand from education providers. Since foreigners were permitted to wholly invest in the provision of educational services in the country earlier this year, demand for high-standard condominium and office units has surged. This is because finding leasing or buying condominium or new office unit to open schools is much more convenient for them than searching for land on which to build the schools or establish campuses. According to Estate Myanmar, inquiries are mostly from short-term course providers and post-graduate courses which do not need much space.

For example, Kaplan Myanmar University College, a subsidiary of US educational program provider Kaplan Inc, which opened its campus in Diamond Condo on Pyay Road in June. At the same month, KI College Singapore announced that it would open a new learning center on the ground floor of Golden City Business Center in Yankin township in August. Likewise, Dulwich College (Yangon) has opened two schools in Pun Hlaing Estate in Hlaing Thar Yar and StarCity in Thanlyin.



Taungthaman Thitsar resort project to be resumed

Source – Myanmar Times

The Taungthaman Thitsar resort project, which is near popular Taungthaman Lake and U Bein Bridge in Amarapura Township of Mandalay city, will resume with the permission of Myanmar Investment Commission (MIC). It will be developed by Taungthaman Thitsar Company and take around five years to complete. Currently, a feasibility study is being carried out and permission to begin construction has been submitted to the Mandalay City Development Committee (MCDC).

The resort project, which will include a Myanmar cultural heritage exhibition, Myanmar traditional handicraft shops and a recreational park, will be developed on 40 acres of land near Taungthaman, Nwar Noe Taw Su, Tae Nant Thar and Ywar Thit villages. The permitted building height is 40 feet. According to Dr. Zaw Myint Maung, Mandalay Chief Minister, building which were higher than the limit will need to be demolished.

Industry Sector

Panasonic launches Off-grid solutions project to commemorate 100th anniversary

Source – Daily Eleven

The Japan-based Panasonic Corporation launches Off-grid Solutions project as part of their efforts in Myanmar to solidify their place as one of the top MNCs operating in Myanmar and to provide for betterment of the country, on 13 July 2018 while celebrating their 100th anniversary.

The so called Off-grid Solutions will range from educational activities to provision of Panasonic products in rural areas that do not yet have access to electricity - "off-grid", which also serves as part of the corporation's CSR drive. Panasonic will donate its products such as solar generation and storage systems, provide education and technical training to cultivate human resources, and help develop local business models taking advantage of electricity. It aims to realize sustainable development for the Myanmar community by 2020.

Logistics

Transportation Difficulties due to flood in Yangon-Mawlamyaing Union Highway

Source- Kyay Mone

It is reportedly known that Yangon-Mawlamyaing Union Highway which was fully-blocked since July 26th is expected to open on 31st July or 1st August. Owing to the heavy rain and wind in July, the Mon State Government had imposed a temporary ban for that road, making a large number of cargo trucks get stuck in traffic and resulting a high prices of goods in these days.

Mawlamyaing – Yangon railway schedule was stopped due to railway line damage by flood; Myanmar Railway will announce the exact date to open again since it needs a lot of repair work though water is receded.



Myanmar National Airlines (MNA) is introducing regular flights to Mawlamyine and increasing number of flight to Dawei starting from 30 July for the convenience of people from the flood-affected Mawlamyine and Dawei townships.

Legislation

Alert for online reregistration of all companies, associations and organizations in DICA

Source- Myanmar Times

This is a kind reminder that all existing companies, association and organization must re-register on the electronic registry system within the re-registration period, which lasts for six months starting from 1st August to 31st January 2019 according to the new Myanmar Companies Law.

Appointment of Central Bank of Myanmar Governor

Source- Global New Light of Myanmar

In accordance with the provisions stated in Section 9 of the Central Bank of Myanmar Law of the Republic of the Union of Myanmar, U Kyaw Kyaw Maung has been appointed as Governor of the Central Bank of Myanmar.

Foreigners can buy shares at YSX in August

Source- Daily Eleven

Foreigners can start buying shares at Yangon Stock Exchange (YSX) starting from August, said U Aung Naing Oo, Director-General of Directorate of Investment and Company Administration (DICA) at an event to clarify the Myanmar Companies Law 2017 and company procedures on 23th July. The companies with a 35-per-cent foreign investment can offer trading service, insurance services and buy apartments and office rooms under this new law, which will take effect on 1st August.

Government to issue new licenses for commercial vehicles

Source- Myanmar Times

The government will install a new vehicle licensing system under which a new domestic operator license will be issued to firms or individuals who own and operate vehicles for commercial purposes.

The new system is expected to streamline and improve the existing transportation system in Yangon. Express bus operators and other vehicles used for tourism will be required to apply for the domestic operator license. Specific licenses for individuals, companies and associations will be issued. From January onwards, to qualify for a permit to drive across Myanmar's borders, the owner must first have a domestic operator license, and that license will be available to qualified Myanmar citizens. Foreigners are not eligible for the license.



Economy

Interview with Daw Tin Moe Moe, CBM official, on the exchange rate

Source – Global New Light of Myanmar

Q. What is the reason for Myanmar currency depreciation?

The depreciation of the Myanmar kyat as well as other currencies against the US dollar is due to attempting to correct the trade imbalance from long-term trade deficit in US trade with China, their mutual taxation that finally lead to reduce the world's export value and other external factors.

Q. What are the ways in which the exchange rate can be stabilised?

Normally, a country that has a possibility of economic development, has sufficient international reserves, has a surplus ordinary account or has a deficit for a short time only and has low foreign debt were able to reduce their currencies' depreciation.

Looking at the situation of Myanmar, the IMF had estimated 6.8 per cent growth in the economy of Myanmar in 2018-2019, so the country has a good possibility of economic development. Compared to other countries in the region, Myanmar's foreign debt cannot be deemed high. However, as trade in Myanmar was found to be running a deficit continuously as well as limited international reserves, it is better to consider other ways to stabilise the exchange rate. Therefore, the Central Bank of Myanmar is now considering interest rate policy, minimum reserve requirements and deposit auction when implementing financial policy to stabilise its currency.

Q. Explain about the cooperation with ministries on stabilising the foreign exchange rate.

CBM also regularly holds treasury bonds auction in cooperation with Ministry of Planning and Finance. In addition, it emphasizes on implementing policies like monetary and trade by working together with Ministry of Commerce and Ministry of Planning and Finance to encourage export promotion, import prioritization and import substitution which are important in making exchange rate stable.



Invitation for Bids

Date	24 July 2018
Loan No. and Title	Loan 3330-MYA Power Transmission Improvement Project
Contract No. and Title	Package No (2)- 7(T) DPTSC(PTP)/(2018-2019): Design, Supply and Installation for 230kV Thaketa Substation Extension and Three New Substations at Kyaikasan, South Oakkalapa and West University
Deadline for Submission of Bids	6 September 2018, 13:00 hours

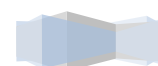
1. The Republic of Myanmar has received financing from the Asian Development Bank (ADB) toward the cost of the Power Transmission Improvement Project. Part of this financing will be used for payments under the contract named above. Bidding is open to bidders from eligible source countries of ADB.

2. The Department of Power Transmission and System Control (DPTSC) (“the Employer”) invites sealed bids from eligible bidders for the Extension of the 230kV Thaketa Substation and the Construction of three new substations at Kyaikasan, South Oakkalapa and West University Substations (the Facilities). The Facilities are all located within Yangon region.

3. International Competitive Bidding will be conducted in accordance with ADB’s Single-Stage: One-Envelope bidding procedure and is open to all Bidders from eligible countries as described in the Bidding Document.

4. Only eligible Bidders with the following key qualifications should participate in this bidding:

- Experience for successful completion of at least two (2) comparable contracts (Design, supply, delivery, installation and testing & commissioning of (a) GIS substation with voltage level 220 kV or higher at least one (1) contract to prove, (b) AIS substations with voltage level 220 kV (or higher on turnkey basis) within the last ten (10) years as on the date of opening of proposals of which at least one (1) GIS substation and one (1) AIS substation shall be in successful operation for minimum of three (3) years.
- Minimum average annual turnover of US\$ 50.0 million calculated as total certified



payments received for contracts in progress or completed, for the last three (3) years.

The qualification criteria are more completely described in the Bidding Document.

5. To obtain further information and inspect the bidding documents, bidders should contact:

Department of Power Transmission and System Control (DPTSC)

Address: Building No. 27, Nay Pyi Taw , Myanmar

Mr. Kyi San Lin, Director

Telephone: 95 67 8104286

Website: <http://www.moee.gov.mm>

Email: sedesignptp.mepe@gmail.com, kyilinn@gmail.com ,

Fax: 95 67 8104286

6. To purchase the bidding documents in English, eligible bidders should write to the address above requesting the bidding documents for the Facilities. And pay a nonrefundable fee of purchase order (bank draft) with Myanmar Kyats which is equivalent to US\$ 100.

7. A Pre-bid meeting shall take place on 10 August 2018 at 14:00 hours (local time) at the address above, Meeting Room, Material Planning Department.

8. Bids must be delivered to the address above on or before the deadline: 6 September 2018 at 13:00 hours (local time) together with a Bid Security as described in the bidding documents. Electronic Submission is not allowed.

9. Bids will be opened immediately after the bid submission deadline in the presence of bidders' representatives who choose to attend.

Tender Committee

**Department of Power Transmission and System Control
Ministry of Electricity and Energy, office No.27, Nay Pyi Taw**

Source- Global New Light of Myanmar

