

Bi-Weekly Bulletin

To receive this regularly in your mailbox, send us an email to rd@mrrdrs.com

September 26th 2018

Issue.9

In This Issue:

Interview Section

- The problems for startups today: Pandeyar's view

Construction

- US power firm Eaton expands into Myanmar
- Yangon-Dala river crossing bridge to begin construction in December
- Myanmar signs \$80m- loan agreement with ADB for GMS Corridor Towns Development Project
- Singapore's AECOM chosen to design Yangon Urban Master Plan

Economy

- Gold prices hit record high on rising exchange rate

Legislation

- Myanmar government bans MLM firms
- Arrival and departure cards cancelled

Manufacturing

- MIC allow 16 companies for automobile assembly

Production

- Invitation for establishing mini refinery released

Service

- MIH will provide high speed internet service in Yangon with USD 10m investment from Thailand
- Starbucks Coffee informs MIC of investment put on hold
- MNA to fly to Chengdu and Wuhan

Trading

- Myanmar petroleum Trade Association would not control fuel prices

Invitation for Tender/Bids

- Invitation for Bid: Department of Highways-Ministry of Construction
- Invitation for Open Tender: Myanmar Timber Enterprise-Export Marketing & Milling Department
- Invitation for Bid: Ministry of Electricity and Energy-National Electrification Project

Interview Section

The problems for startups today: Phandeeyar's view

Phandeeyar is a frontier company in Myanmar, supporting and nurturing startups for the Myanmar market place. The company develops local people in tech or other backgrounds that have a wish to work for themselves. SME are struggling but the population is keen to work for themselves, Phandeeyar supports these budding entrepreneurs. The company is building a pool of tech talent, civic and social entrepreneurs.

MMRD Bulletin sat down recently with Htun Khaing Lynn (Zach) Technology Community Manager at Phandeeyar to talk about some of the problems startups are having in Yangon and Myanmar today.

Q: What are some the problems for startups today?

Zach: The challenge right now is finding tech-talent, not finding youth to do start-up. So, we usually organize start-up challenge.

1. Market readiness – It is important to assess market readiness before releasing products. For example, Koe technology introduced 'May May' app (maymay is Myanmar's first mobile app for maternal and child health). I think they struggled a lot in the number of application download because someone needs to have email address to download from google play store. Here, most of the people out of Yangon do not have email accounts. As a result, the application got only 500,000 USD, which could probably have worth over a million dollar.
2. Finding the right teammates – The team is critical for starters to realize their ideas. Teams need to work together well, under pressure. And how coachability the team is, coaching is different to training and Phandeeyar stays with the emerging startup, offering coaching through its accelerator program. The program has 55 volunteer coaches, including foreigners and local citizens.

Startups begin with a great idea within the peer group, an entrepreneur takes this idea to the great marketplace. Finding a product or service that's sustainable and viable is the first question that's asked. Start-ups need to do their research, and not fool themselves that they have the best product. Does the budding entrepreneur have faith in their product, are they passionate?

Startup Challenge competitors that Phandeeyar host are well subscribed, numbering in the hundreds they are quickly whittled down to a handful who do presentation and eventually the lucky couple receive funding to take their idea to the next step.

One of the early winners a successful emerging startup chatset, <http://www.chatesat.com/> has been running a couple of years but is still not quite sustainable. Kargo a local startup, were under Phandeeyar for a few of its early months, they are now a major player in the logistics market in Yangon, so the dream can become a reality.



Q: Where will you see technology in Yangon in 5 years?

Zach: Myanmar has leap frogged technology at a great rate, it is the first solely smart phone country, wave money is fast gaining market share. However, this is now static, probably a good chance, to catch a breath.

- The populations schooling is proving a challenge to the release of technology products and there's also a concern with the digital illiteracy of general public. Right now, there are a lot of organizations working for digital literacy and Phandeeyar will soon launch a national digital literacy campaign teaching how to use digital tools and stuffs, including email and others.
- A predominantly cash society results in limitations for startups. Payments are a problem, cards, wave money are pushing to a cashless society, but this will take time. Phandeeyar helps get registration with banks KBZ.
- Digital security is high on the list of things to train in the population, Phandeeyar, shopkeeper opens their account and has their password the operator doesn't know how to change it.

By June 2018 there are about 150 startups in Myanmar, according to Phandeeyar CEO Jes Kaliebe Petersen, referring to the group's latest survey. With the explosion in smartphones, more startups are focusing on ordinary consumers who have smartphones, Petersen said.

Recently, seven startups announced business plans after receiving six months of guidance from Phandeeyar. The plans covered a wide range of areas, from introducing home tutors to delivery services for stores.

So startups are growing and evolving the business landscape in Yangon and Myanmar.



Construction

US power firm Eaton expands into Myanmar

Source – Myanmar Times

US-listed power management company Eaton Corporation announced its expansion into the Myanmar market through a partnership with Myanmar Golden Rock International Co (MGR), which provides technology solutions in the country.

Together with MGR, Eaton will bring its expertise in power management technologies to the data center, healthcare, utilities and commercial building sectors with the aim of improving the reliability of existing and newly-developed power generation, transmission and distribution infrastructure in the country.

Kidsada Santisak, Eaton country manager for Indochina West, said Myanmar displays growth potential in the power and energy market, with only a third of the country's population currently enjoying access to a stable supply of electricity. Demand for power and energy solutions will only grow as the country races towards electrifying 100 percent of Myanmar households, the primary goal set out in the Myanmar National Electrification Plan, he said.

Eaton is listed on the New York Stock Exchange and headquartered in Ireland. The company registered sales of US\$20.4 billion in 2017 and employs some 96,000 globally.

Yangon-Dala river crossing bridge to begin construction in December

Source – Daily Eleven

Yangon-Dala river crossing bridge marking friendship between the Republic of Korea and the Republic of the Union of Myanmar will begin its construction in December, said an official from the Ministry of Construction. The main bridge structure of Yangon-Dala has been approved at the final stage. The new design of the bridge is being drafted by Korean Consultancy Company, including 49 meters of water clearance height and 370 meters of width, and plans are underway to start constructing Korea-Myanmar Friendship Bridge in December, said Deputy Director-General U Kyaw Kaung Cho.

The Ministry of Construction, the Ministry of Transport and Communications and the Ministry of Planning and Finance worked together and finalized the negotiation of the main bridge design. The project is expected to cost US\$168.173 million. Out of this amount, US\$137.833 million will be funded through a loan from Korean's Economic Development Cooperation Fund (EDCF) and the Ministry of Construction will incur the remaining amount of US\$30.341 million.

✓ Customized Research

✓ Syndicated Research



Unlock Growth Opportunities & Shaping Tomorrow's Myanmar



+95 1200326/ +951 200846



rd@mmdrs.com



www.mmdrs.com

Myanmar signs \$80m-loan agreement with ADB for GMS Corridor Towns Development Project

Source – Daily Eleven

Myanmar Ministry of Construction has signed an agreement to loan US\$80 million from Asian Development Bank for a development project for the towns along east-west economic corridor of Greater Mekong Sub-region.

The signing ceremony took place at the meeting hall of the ministry in Nay Pyi Taw on September 13. U Han Zaw, Union Minister for Construction, said the project would be implemented with loan assistance from ADB with the aim of ensuring urban development and developing infrastructures in Mawlamyine in Mon State and Hpa-an and Myawady in Kayin State which are situated along the east-west economic corridor of Greater Mekong Sub-region.

The ADB loan project will help provide basic needs for those towns such as safe drinking water, effective management in waste disposal and the emergence of neat and clean cities. The project will also include measures for socio-economic development of the states along the economic corridor and improvement of urban infrastructures. Through the GMS Corridor Towns Development Project, there will be other opportunities such as awareness programmes and capacity building programmes.

Singapore's AECOM chosen to design Yangon Urban Master Plan

Source- Daily Eleven

AECOM Singapore was chosen to design the Urban Master Plan for New Yangon City which was conducted by Yangon Regional Government at the west bank of Yangon river, according to New Yangon Development Co.,Ltd (NYDC).

Expression of Interest (EOI) was called in June and a total of 14 firms submitted their EOIs, and among them the contract was awarded to AECOM Singapore after a rigorous process of evaluation. Official will be holding Roundtable Discussions with members of the Association of Myanmar Architects, Myanmar Engineering Society, Myanmar Engineering Council and Myanmar Architect Council for the Urban Master Plan design, and their opinion would be included in the Master Plan.

China Communications Construction Company (CCCC) was also chosen for conducting first phase of the new Yangon City project scheme, according to NYDC.

Upcoming events

Austrain Trade Mission to Myanmar 2018

Date: 18:30-20:30, Tue Oct 2nd, 2018

Organizer: EuroCham

Contact: secretary.fullmoon@gmail.com

Myanmar Update and Business

Networking Evening

Date: 18:30- 20:30, Thu Oct 4th, 2018

Organizer: AustCham Myanmar

Contact:thiri@a-mcc.com

MEDICAL MYANMAR 2018 | Myanmar Medical Exhibitions | Pharmaceutical Expos

Date: 10th to 12th Oct, 2018

Organizer: Fireworks TradeMedia Pte Ltd

Contact:myanmar@asiafireworks.com

The 2nd Myanmar Textile Summit 2018

Date: 12th to 13th Oct, 2018

Organizer: Myanmar Garment Manufacturers Association & ECV International

Contact:inquiries@myanmargarments.org,
myanmargarments@gmail.com



Economy

Gold prices hit record high on rising exchange rate

Source- Myanmar Times

Domestic gold prices are now at their highest levels ever at K10 lakh a tical, according to Myanmar Gold Entrepreneurs Association. On September 19, the opening price for one tical of high purity gold in Yangon Region was K 1,012,000. That had increased to K 1,018,000 by noon, said U Win Myint, secretary of Yangon Region Gold Entrepreneurs Association. A tical is equivalent to 16.6 grams.

The current gold price is the highest in the country's history and comes on the back of rising dollar prices compared to the Myanmar kyat, said U Kyaw Win, owner of U Hton Goldsmith & Jewellery. International gold prices are not increasing but the Myanmar gold price is going up because of the high dollar exchange rate, and domestic gold prices will continue to be volatile as long as the dollar continues appreciating, he said.

As a result of the high price, domestic gold sales have trickled to a halt. At present, the supply of gold is high but demand has fallen substantially.

Legislation

Myanmar government bans MLM firms

Source- Myanmar Times

The Ministry of Commerce (MOC) on September 18 issued notification (46/2018) which prohibits the business of multi-level marketing (MLM) in Myanmar. The ban will take effect immediately.

Action will be taken against all MLM businesses found to still be in operation after the date of the issued notification, under the Essential Supplies and Service Law. The law states that those found to be in violation of the regulations could be punished with a minimum of six months up to a maximum of three years in jail. There will also be a fine not exceeding K500,000.

The move comes after the Food and Drug Administration (FDA) met with 41 MLM companies and conducted audits on the companies' books in February. Officials are taking action after studying this field and having found that many consumers have fallen victim to MLM strategies. At the regions and states, some regional governments have already prohibited MLM businesses from operating, said U Khin Maung Lwin, assistant secretary of the MOC.

U Maung Maung, secretary of the Myanmar Consumers Union, said his organisation has always been opposed to MLM and has been calling for further regulation of this business model as many consumers have been negatively impacted by MLM.



Arrival and departure cards cancelled

Source- Daily Eleven

Visitors will no longer need to fill in the Arrival and Departure cards started from September 12, according to the statement made by the Ministry of Labor, Immigration and Population.

The cancellation aims to promote the country's tourism sector as well as to attract more foreign visitors to the country. Therefore, the visitors do not need to fill in the Arrival and Departure cards at the Yangon, Mandalay, and Nay Pyi Taw international airports.

Moreover, respective airlines will no longer need to hand out Immigration Form to visitors and instead of collecting filled-out cards, immigration authorities will compare passenger lists from airlines to actual arrivals.

Manufacturing

MIC allow 16 companies for automobiles assembly

Source- Automobile

Myanmar Investment Commission (MIC) allowed 16 companies to assemble automobiles, so there were nine foreign investments and seven Myanmar citizen investments in the automobile sector.

As the foreign investments, Suzuki (Myanmar) Motor Co.,Ltd and Khaing Khaing Sang Da Group Co.,Ltd get permission to manufacture Suzuki branded cars, Tan Chong Motor Myanmar Co.,Ltd was permitted to manufacture Nissan cars, SC Auto (Myanmar) Company Limited was allowed to manufacture Scania commercial vehicles, Capital Motors Limited , Gold AYA Motors International Group Co.,Ltd , and Go Excellent (Myanmar) Co., Ltd were allowed to assemble Ford branded cars, and Daewoo Bus Myanmar Co.,Ltd was permitted to manufacture Daweoo commercial vehicles.

As for the Myanmar citizen investments, Rammer Automobile Manufacturing & Trading Co.,Ltd was permitted to manufacture Micro Bus vehicles, and Dynamic Industry Co.,Ltd , Myanmar Economic Holdings Ltd , Myanmar Motor Corporation , Public Company Limited ,Aung Gabar Motor Services Company Limited get permission for manufacturing KIA branded cars, according to MIC.

Production

Invitation for establishing mini refinery released

Source- Daily Eleven

Ministry of Electricity and Energy (MOEE) released a statement about invitation for anyone who wants to establish mini refinery. Foreign owned companies or Myanmar citizens who are interested in setting up mini refinery could send an application to the Myanmar Petrochemical Enterprise (MPE), a department under MOEE.



Myanmar citizen applicants have to submit their names, ID cards, contact address, and telephone numbers. Companies or organizations which apply for the license need to submit the relevant company names, company identity numbers (Copy), telephone and mobile numbers, land ownership certificates, location and environment for establishment, recommendation from State or Region government, lay out plans, detail design drawings, daily production amount, batch type of continuous type, plan for raw materials, plan for electricity and energy usage, cleaning system of chemical and drain, and plan for fire fighting system.

Details about rule and regulation for applicants are provided at the MOEE website (www.moee.gov.mm). Applicants can also contact MPE by dialing 067-3411082 and 067-3411093 in office time for detail information.

Service

MIH will provide high speed internet service in Yangon with USD 10m investment from Thailand

Source – Daily Eleven

Myanmar Information Highway Company (MIH), joined together by Thailand based Benchachinda Holding Group and Myanmar based A&F Communication, will launch broadband internet service in Yangon with 10 million US dollar investment, according to officials.

Myanmar Information Highway (MIH) planned to provide business broadband services in 21 townships in Yangon and users can get up to 100 Mbps internet speed in significant places. Users may choose 30 Mbps to 1 Gbps package plans, and MIH ensure users may have full guarantee services, according to Mr. Passakorn Hongsyok, General Manager of MIH.

Starbucks Coffee informs MIC of investment put on hold

Source – Daily Eleven

American coffee franchise Starbucks informed Myanmar Investment Commission (MIC) that they have decided to suspend their investments in Myanmar, according to Director-General U Aung Naing Oo of Directorate of Investment and Company Administration (DICA).

On May 12, the Myanmar Investment Commission (MIC) endorsed Coffee Concepts Myanmar Ltd (CCM), a wholly foreign-owned food and beverage services provider. CCM is the operator of Starbucks in Myanmar, according to the MIC. CCM was registered with the Directorate of Investment and Company Administration in December 2017, a DICA document reveals.

Starbucks, which was founded in 1971, has opened 27000 stores around the world, including locations in Asia in Brunei, Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. It had planned to open up at least 20 stores across Myanmar.



MNA to fly to Chengdu and Wuhan

Source – Daily Eleven

Myanmar National Airlines (MNA) is planning to introduce new flights to Chengdu and Wuhan in China, according to officials. The MNA, formerly known as Union of Burma Airways (UBA) and founded in September 15 1948, reached its 70th anniversary in this year.

The MNA is currently flying to Hong Kong, Singapore, Bangkok, Gaya and Chiang Mai and 28 other domestic towns, and it will extend its flight schedules to Chengdu and Wuhan in China in this year, said its CEO U Than Tun during a ceremony to mark its 70th anniversary held at Novotel Hotel in Yangon on September 15.

The MNA helped to establish a major maintenance facility at Yangon International Airport with a 100-day scheme under the new government era. The maintenance factory will be awarded a certificate from European Aviation Safety Agency (EASA) during this month.

Trading

Myanmar Petroleum Trade Association would not control fuel prices

Source- 7 Day News

Fuel prices in Myanmar have rocketed recently, but Myanmar Petroleum Trade Association (MPTA) would not control the fuel prices, according to Dr Win Myint, secretary of MPTA.

Changes in Myanmar's fuel prices depend on the international fuel prices and dollar exchange rates, but association is selling fuel with suitable prices, according to Dr Win Myint. Petroleum businessmen have to compare the bank interest rate and profit before importing the fuel from abroad, and they are selling fuel with suitable price by comparing with global oil prices, he said.

Fuel prices in local market have increased over 12 percent in more than 2 months. In June, 1 liter of Octane 92 Ron was 870 Ks and it reached to 975 per 1 liter in September 11th, and premium diesel reached to 915 Ks per 1 liter.



Republic of the Union of Myanmar
DEPARTMENT OF HIGHWAYS
Ministry of Construction
INVITATION FOR BID

1. The Government of the Union of Myanmar has received a loan from Japan International Cooperation Agency (JICA) towards the cost of “ Regional Development Project for Poverty Reduction Phase 2 MY-P17” . It is intended that part of the proceeds of this loan will be applied to eligible payments under the Contracts for the construction of the pilot projects listed below for “Regional Development Project for Poverty Reduction Phase 2(MY-P17).”
2. The Department of Highway (DoH), Ministry of Construction now invites sealed Bids from eligible Bidders for the construction and completion of the work below:

IFB No	Project ID	Works
DOH-1A	NgaThineChaung-Gwa Road in Ayeyarwady Region	18.1km Concrete Pavement Road, Drainage structures and other miscellaneous structures
DOH-1B	NgaThineChaung-Gwa Road in Ayeyarwady Region	17.798km Concrete Pavement Road, Drainage structures and other miscellaneous structures
DOH-2	Taungoo-Latetho-YarDo Road in Bago region	16.86km Concrete Pavement Road, Drainage structures and other miscellaneous structures

3. Selling of Bid Documents: (20.9.2018) to (26.9.2018)
4. Submission of Bids: (12:00) noon on (9.11.2018)
5. Opening of Bids: (13:30) hours on (9.11.2018)
6. A complete set of Bidding Documents may be purchased by interested Bidder at the address below and upon payment of a non- refundable fee of: Fifty Thousands Myanmar Kyat (ks. 50,000/-)
7. Interested eligible Bidder may obtain further information from and inspect the Bidding Documents at the office of Project Inspection and Quality Control Department (Construction), Department of Highways, Ministry of construction,

Building No.(11), NayPyiTaw.

Contact Person: U AUNG KYAW HAN

Phone No: 09-5080-434 / 09257728844 / 09450330580

E-mail address: dohjica.sector@gmail.com

aungthurawin.thipaw@gmail.com

Source- The Global New Light of Myanmar(20.09.2018)



MYANMA TIMBER ENTERPRISE

EXPORT MARKETING 7 MILLING DEPARTMENT

INVITATION FOR OPEN TENDER

1. MYANMA TIMBER ENTERPRISE WILL SELL TEAK& HARDWOOD ROUND LOGS AND SWAN TIMBERS BY OPEN TENDERS IN US DOLLARS PARTICULARS OF THE OPEN TENDER SALES ARE AS FOLLOWS:

- (a) DATE& TIME
- (20-9-2018)(09:00)A.M
EX-SITE HARDWOOD LOG ONLY
 - (21-9-2018)(09:00)A.M
YANGON & EX-SITE TEAK/HARD
WOOD (LOG AND CONVERSION)
 - (24-9-2018)(12:00) Noon
YANGON TEAK LOG ONLY
- (b) COMMODITIES & VOLUME – TEAK LOGS ABOUT(1122) TONS
- TEAK CONVERSION ABOUT (437) TONS
 - IN KAYIN, SAGAWA, THINGADU, THAPYAY, TAUNGPAINNE, TAUNG THAYET, INGYIN ABOUT (10044) TONS
 - HARDWOOD LOGA
 - (2017-2018 EXTRACTION YEAR)
- (c) PLACE
- TAW WIN HALL, GYOGONE, INSEIN TOWNSHIP, YANGON

2. FOR FURTHER DETAILED INFORMATION PLEASE CONTACT MYANMA TIMBER ENTERPRISE HEAD OFFICE AND ALSO VISIT MYANMA TIMBER ENTERPRISE WEBSITE(www.myanmatinber.com.mm)

Contacts; Office Ph:01528771

E-mail; marketing 1ppy@ gmail.com

OPEN TENDER COMMITTEE
MYANMA TIMBER ENTERPRISE

Source- The Global New Light of Myanmar(14.09.2018)



THE GOVERNMENT OF THE REPUBLIC OF
THE UNION OF MYANMAR
MINISTRY OF ELECTRICITY AND ENERGY
NATIONAL ELECTRIFICATION PROJECT

SPECIFIC PROCUREMENT NOTICE

Date : 12th September, 2018

Invitation for Bids

IDA, Credit No : 5727-MM

Contract Title : Installation of Distribution Lines and Transformers for Shan (East), Shan (South), Shan (North) & Bago (East), Naypyitaw For National Electrification Project

Reference No : MOEE-NEP/C1-W4/18&MOEE-NEP/C1- W5/18

1. The Republic of the Union of Myanmar *has received* financing from the World Bank towards the cost of the National Electrification Project, and intends to apply part of the proceeds towards payments under the contract for **Installation of Distribution Lines and Transformers MOEE NEP/C1-W4/18for Shan(East), Shan(South), Shan(North) and MOEE-NEP/C1-W5/18 for Bago(East), Naypyitaw.**

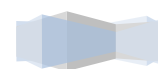
2. The Ministry of Electricity and Energy now invites sealed bids from eligible bidders for **Installation of Distribution Lines and Transformers MOEE-NEP/C1-W4/18for Shan (East), Shan(South), Shan(North) and MOEE-NEP/C1-W5/18 for Bago (East), Naypyitaw in the following locations.**

The number and identification of lots comprising this installation bidding MOEE-NEP/C1-W4/18 process for Shan(East), Shan(South), Shan(North) is:

- Lot 1:Taunggyi District - 44villages**
- Lot 2: Taunggyi District - 31villages**
- Lot 3: Taunggyi District - 38villages**
- Lot 4:Taunggyi District - 45 villages**
- Lot 5: Loilen/Langkho/ Monghsat/Kengtung District - 58villages**
- Lot 6: Lashio District - 44villages**
- Lot 7:Muse District - 33villages**
- Lot 8: Kyaukme District - 42villages**

The number and identification of lots comprising this installation bidding MOEE-NEP/C1-W5/18 process for Bago (East), Naypyitaw is:

- Lot 1:Taungoo District - 94 villages**
- Lot 2: Taungoo District - 102 villages**
- Lot 3: Taungoo District - 54 villages**
- Lot 4: Taungoo District - 64 villages**
- Lot 5: Det Khi Na and Oke Ta Ra District - 70 villages**



3. Bidding will be conducted through the National Competitive Bidding procedures as specified in the World Bank's *Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers* ("Procurement Guidelines"), and is open to all eligible bidders as defined in the Procurement Guidelines. In addition, please refer to paragraphs 1.6 and 1.7 setting forth the World Bank's policy on conflict of interest.

4. Interested eligible bidders may obtain further information from Project Management Office (National Electrification Project), Project Manager and nep.pmomoep@gmail.com] and inspect the bidding documents during office hours [09:30 to 16:00 hours] at the address given below.

5. A complete set of bidding documents in English may be obtained free of charge by interested eligible bidders upon the submission of a written application to the address below. The Bidding Documents will be issued through email only.

6. Bids must be delivered to the address below on or before 29th October, 2018, (10:00 A.M) - Myanmar Time. Electronic bidding will not be permitted. Late bids will be rejected. Bids will be publicly opened in the presence of the bidders' designated representatives and anyone who choose to attend at the address below.

7. All bids must be accompanied by "Bid-Security"

8. The address (es) referred to above is(are):

Attention: **Project Manager**

Project Management Office (National Electrification Project)

Office Building No.27, Ministry of Electricity and Energy

City: **Nay Pyi Taw ZIP Code: 095**

Country: **The Republic of the Union of Myanmar**

Telephone: **+95 67 3431175**

Facsimile number: **+95 673431176**

Electronic mail address: nep.pmomoep@gmail.com

Source- The Global New Light of Myanmar(12.09.2018)

