

## WEEKLY NEWSLETTER (MYANMAR)

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NO UPDATE

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## 2.1 S'PORE WINS IN TAKE TWO FOR AIRPORT BUILD

**A US\$1.4 billion contract for an airport outside Yangon has been awarded to a Singapore-led consortium, the Department of Civil Aviation has announced, after talks with the original tender winner stalled earlier this year.**

A consortium comprised of Singapore's Yongnam Holdings, Changi Airport Planners and Engineers, and Japan's JGC Corporation was selected by the Ministry of Transport on October 29 to construct Hanthawaddy International Airport in Bago Region. Hanthawaddy is the largest of three airport projects being undertaken in an attempt to modernise the country's main air hubs in preparation for anticipated future growth in arrivals.

Department of Civil Aviation director general U Win Swe Htun said the project has gained plenty of attention since it was begun in 2012, but has so far been beset with rumours.

"We have carefully chosen one company from the last two competitors," he said at a press conference on October 29.

A consortium led by Incheon International Airport Corporation of South Korea won the original contract to build the airport in August 2013 but the tender was reopened in February when the government and officials from the group could not agree on certain aspects of the South Korean proposal.

Department of Civil Aviation officials said that there were disagreements with the Incheon group over the capacity of the airport, with Incheon proposing that the airport be built to handle 10 million visitors a year, 2 million less than the DCA had targeted. There were also significant issues over the way in which the project would be financed, the DCA said. Incheon International Airport Corporation did not respond to requests for comment.

U Win Swe Htun said the DCA had requested Incheon change its proposals to adapt to the DCA's vision, but it had refused.

"We told them our desires but they rejected them, so we have chosen Yongnam instead," he said.

Myanmar officials on October 29 had said that they are now in talks with the Japan International Cooperation Agency to cover part of the construction cost with development assistance. The project's completion date has now been pushed back from 2016 to December 2019.

The Singaporean consortium, as well as a consortium led by France's VINCI and another led by Japan's Taisei airports were originally selected as backups to the Incheon group. They were asked in March to resubmit proposals, based on which the Singaporean consortium was selected.

Located on a 9000-acre (3642-hectare) site about 77 kilometres (48 miles) northeast of Yangon near Bago, Hanthawaddy was first slated for development in the early 1990s. Work began in March 1994 but was stopped in October 2003.



The project has been criticised for its distance from Yangon and the poor quality of the existing road that links the two cities. The road would need to be substantially enlarged and upgraded in order to cut travel time, but to date there has been no information given by the government on if these upgrades would be made, or if plans are being made for public transport links with the city.

U Win Swe Htun also downplayed concerns Hanthawaddy could attract funding to the detriment of other sectors, adding loans will be requested from Japan to fund a portion of the project.

The project is the largest of three that the government has unveiled in order to upgrade the country's air infrastructure, amid strong growth in foreign arrivals. More than 2 million foreigners visited Myanmar in 2013, according to Minister for Hotels and Tourism U Htay Aung, and the ministry is targeting 5 million a year by 2015.

A consortium led by Pioneer Aerodrome Services, a subsidiary of Asia World, was selected in August 2013 to overhaul Yangon International Airport and increase its capacity from 2.7 million to 6 million passengers a year by 2015. Work on the domestic terminal has already started.

Meanwhile, a consortium comprising Mitsubishi, Japan Airlines and SPA Project Management were selected to overhaul Mandalay International Airport, which opened in 2000 but until very recently was operating at well below capacity. Several regional airlines have slowly added international flights to Mandalay.

## 2.2 MIC GRANTS TO BUILD FIVE STAR HOTEL IN NYAUNG OO

**Myanmar Investment Commission (MIC) has granted permission to Imperial Palace Hotel Co Ltd, a local company, to build a five-star hotel in Nyaung Oo district hotel zone in Mandalay Region.**

The investment by Myanmar citizens has significantly increased after 2013 in the hotel service sector and the tourism sector since 2010.

According to the statement of Ministry of Hotels and Tourism, there were 700 licensed hotels and motels in 2010 and in August, 2014, there are 1,048 hotels in the country.

As the tourism industry has flourished in Myanmar, investments in hotels have increased sharply.

## 2.3 BUILDING BETTER REAL ESTATE LAWS

Fostering growth in the property market will require an improved legal climate, likely including more participation by the Myanmar Investment Commission, according to Edwin Vanderbruggen, senior partner at legal and tax advisers VDB Loi.



Most sectors in the economic are seeing significant growth, and property is no different, though it comes with its own set of challenges.

“The recent property laws and regulations are not bad but they need to be firm and [could] be better,” he said.

Less than 5 percent of large-scale property projects have obtained a Myanmar Investment Commission (MIC) permit, which is partly due to the commission’s policies requiring developers to have an actual lease and partly due to applicants being unable or unwilling to take on MIC scrutiny, he said.

MIC permits are required for most large foreign investment such as manufacturing, but not for property. “Mandatory or not, developers should in our view be more open to submitting their project to the MIC for approval and support,” he said at a conference jointly organised by local business chamber UMFCCI and VDB Loi on October 24.

Increased MIC involvement in the real estate sector could be positive in certain instances, such as if leased land needs to be subdivided and subleased. Some government land owners are reluctant to modify lease terms, but MIC could play a role by helping investors and the government develop structures that are suitable for raising funds.

Financing developments is also still at an early stage in the country, he said. Most foreign-invested projects are financed by a combination of equity, shareholder loans and proceeds from unit sales, while project financing from overseas is still quite rare. Although the 2012 Foreign Exchange Management Act improved the situation, the Central Bank of Myanmar and the MIC are not yet familiar with the needs and expectations of foreign lenders.

Richard Emerson, country manager of Savills real estate firm, said Myanmar has a good property market, though investment is less than experts’ hopes because of the high property prices and weakness of property rules and regulations.

### 3.1 MUNG BEAN PRICE UP ON HIGH DEMAND FROM INDIA

**Due to high demand from Indian importers and recent increase in currency exchange rate, the price of mung bean (green gram) has shot up to Ks 984,700 per tonne for special quality (SQ) and Ks 834,700 per tonne for fair average quality (FAQ) as of November 4, according to Bayintnaung Wholesale Centre.**

"The bean prices are going up due to strong US dollar but the main reason is higher demand from Indian buyers.

The Indian traders used to purchase beans with Free on Board (FOB) price which is much lower when the exchange rate goes up. If FOB price is lowered, the local mung bean prices would not increase. You can find that kind of situation when there was no such high demand. When in high



demand, FOB price is raised too. So it seems both dollar rate and high demand cause the recent mung bean price to increase," Min Ko Oo, the secretary for Myanmar Beans and Sesame Merchant Association said.

The price of mung bean is now about Ks 840,000 per tonne as of November 5 with Ks 770,250 per tonne for FAQ and Ks 920,250 per tonne for SQ whereas the pigeon pea price is stable between Ks 750,000 and Ks 760,000 per tonne.

"Since Indian beans and peas cultivation rate has fallen from last September, Indian traders have to import more beans and peas from Myanmar which coincide with Deepavali festival which took place last month," a merchant from Bayintnaung Wholesale Centre said.

On average, 4,000 to 5,000 tons of mung beans and pigeon peas are being exported each week. On the other hand, the dollar rate is gradually increasing since last month. As of November, the exchange rate was Ks 1,014 per dollar at the Theinphyu Exchange Counter.

At Bayintnaung Wholesale Centre, in order to avoid scam, traders are required to deposit 10 percent of the purchasing price for assurance at the Myanmar Citizens Bank since on October 9.

#### 4.1 MILITARY FIRM TOPS IN FRASER & NEAVE DISPUTE

**Myanma Economic Holdings Limited has won a dispute over the ownership of Myanmar Brewery Limited, the military-owned conglomerate has announced, and will now accelerate plans to buy out its joint venture partner.**

MEHL has been locked in a legal battle with Singapore-based Fraser and Neave Limited (F&N), which owns 55 percent of Myanmar Brewery since August 2013, when it announced it would submit the dispute to an arbitration tribunal in Singapore.

Arbitrators on October 31 upheld MEHL's right to buy F&N's shares in the brewery, enabling it to increase its stake from 45pc.

"We are very pleased with the ruling. It vindicates our legal position that the [joint venture agreement] clearly provides for us to buy F&N's shares after they failed to meet their contractual obligations," said MEHL deputy managing director U Myint Aung in a statement.

F&N was a partner with Heineken in Asia Pacific Breweries Limited (APB) until 2012, and also had a longstanding partnership with UMEHL in Myanmar. In 2012, control of Fraser and Neave was bought for US\$2.2 billion by ThaiBev, owned by billionaire Charoen Sirivadhanabhakdi.

F&N sold its other beer investments to Heineken but the Dutch firm did not take on the Myanmar stake, making it F&N's sole beer holding. The brewery produces popular domestic brands Myanmar Beer and Andaman Gold, and brews Tiger Beer under licence.



MEHL argued that ThaiBev’s buyout of F&N constituted a change in ownership and therefore violated the joint venture terms, which gave the partners first right of first refusal to purchase each others’ shares before they are offered to a third party.

In November 2013, MEHL said in a rare public statement that it had started arbitration proceedings after negotiations between the two companies broke down.

Following the October 31 ruling, MEHL will now be able to purchase F&N’s shares at a price set by a valuer agreed upon by both companies. F&N said in a statement that MEHL had sought to purchase its 55pc stake for US\$246 million. Huang Hong Peng, chief executive officer of beer at F&N, described this figure as “grossly inadequate”. This price was set by the Controller of Military Accounts (CMA), which, though authorised to audit in Myanmar, is not a certified public accountant, a lawyer familiar with the case told The Myanmar Times.

The case was touted as a test for Myanmar’s legal framework and foreign investment environment. U Myint Aung said that the ruling should bolster confidence in the way the country handles such disputes.

“It is very important for Myanmar that foreign investors have confidence in the way we do business. The conduct of this arbitration shows our commitment to the rule of law and that we will always adhere to due process,” U Myint Aung said.

The beer market in Myanmar is forecast to see considerable growth. State- and military-owned enterprises have had a virtual monopoly in the sector for decades but the government decided to open it up to foreign brewers, including Heineken’s APB, last year.

Figures from Euromonitor International show that the legal beer market hit 172 million litres in 2013, with annual growth of 5.5pc since 2009. In dollar terms, beer sales amounted to US\$265 million in 2013, and have posted 14pc annual growth between 2009 and 2013. Annual growth of 21pc is expected between 2014 and 2018, when the market is forecast to reach \$675 million.

Despite the growth, beer consumption in Myanmar remains low compared to other countries in the region. Myanmar drinkers consumed just 3.2 litres per person in 2013, far behind neighbouring Vietnam, where per-capita consumption was 36 litres, and the Asia Pacific region average of 18 litres.

Danish brewer Carlsberg will officially open its production facility in early December. Dutch rival Heineken is constructing its own brewery.

F&N said it plans to “study ways to enable it to maintain its presence in the Myanmar market, which still has great growth potential and remains of keen interest”.

#### 4.2 KYAT DEPRECIATES PAST BARRIER OF K1000 PER USD

**The kyat depreciated in value past the psychological barrier of K1000 against the US dollar last week, though experts downplayed concern it will significantly affect the economy.**

The Central Bank of Myanmar's reference rate stood at K1006 per dollar on October 31, capping a week of declines against major international currencies, also including the euro and yen.

Values of about K1000 per dollar are near the highest the kyat has traded at since April 2012, when the Central Bank implemented a managed floating exchange rate in the place of an official but unrealistic exchange rate of K6 per dollar. The kyat then almost immediately moved to K800 per dollar.

The kyat has been depreciating from rates around K990 recorded in mid-October, and about K970 a dollar in mid-September.

“There are a number of reasons the exchange rate fluctuates, and speculation also has a big impact,” said a Central Bank director, who requested not to be named.

The Central Bank sells daily lots of dollars and purchases kyats, partly in an attempt to restore value in the local currency. However, the Myanmar kyat has also declined against regional currencies like the Thai baht, Singapore dollar and Chinese yuan.

The kyat generally follows seasonal fluctuations, with demand for the local currency being highest during harvests and other periods of high exports. With the rice harvest not set to begin in most of the country until December, demand for the kyat has wavered in recent weeks.

Downtown money changers say business is brisk, as customers try to switch to the US dollar now to avoid further depreciation.

U Naing Gyi, a 50-year-old money changer on Bo Aung Kyaw Road, said his phone line is constantly ringing with customer requests.

He added the US dollar and gold are the two more important exchange rates in Myanmar, with other currencies also based on these two rates.

“I cannot supply customers as much as I would like to right now,” he said. “Strong demand means it's unlikely the rate will decline easily.”

Ministry of Commerce economic advisor U Maung Aung said the decline in the kyat's value has not yet been large enough to cause problems.

Though imports have outpaced exports by about \$3.1 billion over the last seven months, U Maung Aung claimed the expanding trade deficit is likely not the main reason for its decline, as much of the imports are being used to generate economic activity inside Myanmar.



Most imports are paid for with US dollars, adding value to the greenback against the kyat.

#### 4.3 SMALLER FOREIGN COMPANIES FACE RESTRICTIONS ON LEASES

**Smaller-scale foreign businesspeople are having difficulty securing long-term leases, which is hampering foreign investment, businesspeople say.**

Foreign businesspeople investing large amounts in sectors like manufacturing usually apply for permits through the Myanmar Investment Commission and can receive leases lasting up to 50 years, with the possibility of extensions. Investment that does not require MIC approval is limited to a one-year lease in most cases.

The requirement to renegotiate leases and possibly being forced to relocate each year adds to the difficulties of doing business in Myanmar, said one foreigner running a PR company.

“I could face difficulty if the land owner does not renew the lease for another year or if the price increases significant,” he said. “Many foreign businesspeople are challenged by this limit.”

Difficulties securing long-term leases could be somewhat of a barrier for foreign businesses looking to enter Myanmar, and was a complaint at a recent Myanmar investment summit in New York, said MIC secretary U Aung Naing Oo.

MIC is presently discussing the issue with the Ministry of Home Affairs, though a solution may be some time in coming. “Right now we know this could be a barrier for foreign businesspeople to some extent,” he said.

Foreigners and foreign companies are not allowed to own land in Myanmar and may only have leases lasting up to one year under the Transfer of Immoveable Property Restriction Act, said Kelvin Chia Yangon principal foreign consulting attorney Pedro Jose Bernardo.

The exception comes for firms with investment permits under the Myanmar Foreign Investment Law, which allows foreign firms to hold leases for up to 50 years, with two possible extensions of 10 years each.

Not all foreign investors, particularly those not in manufacturing or industrial activities, necessarily obtain an MIC permit. “Obviously, if you are one such non-MIC foreign company with a one year lease, you are generally at the mercy of your landlord, because you can be evicted at the end of one year – land security, in this sense, is difficult,” he said.

“Foreign investors would, of course, prefer predictability and continuity in operations – having short lease tenures [without an MIC Permit] would increase investor insecurity in this case.”

Economist and business observer U Hla Maung said securing leases is one of a number of legal limitations on foreign business in Myanmar that ought to be addressed.



Foreign businesses' attempts to secure long-term leases is an ongoing issue, but some local landowners avoid it and simply rent to foreigners for longer periods than allowed by the law.

“However, there may be foreigners who don't want to work illegally, so official liberalisation [of the restriction] would be better in the long term,” he said.

“The country really needs to attract more and more FDI, so we need liberalise any restriction if it is really a barrier,” U Hla Maung added.

#### 4.4 RICE FEDERATION TO INTRODUCE WAREHOUSE FINANCING AT APEX

**The Myanmar Rice Federation plans to open several warehouses for rice traders to store their product for use as collateral to receive bank loans, said its chair U Chit Khaing.**

The system would alleviate the need to sell rice immediately even if prices are low to pay for a sudden expense. Instead, traders will be able to store the rice at the warehouses for a fee, using it as collateral for loans from U Chit Khaing-led Myanmar Apex Bank.

Speaking exclusively to The Myanmar Times, U Chit Khaing said, “If we can set up the system, farmers can keep their paddy in the warehouse till prices improve, while taking out bank loans and repaying their debts.”

U Soe Tun, joint secretary of the MRF, said a pilot project for the Warehouse Financing scheme would be launched in three townships in Ayeyarwady, Yangon and Bago regions.

Local rice prices have been in decline as China shuttered its border to imports from Myanmar beginning in late October. Some rice industry experts have suggested that the government should buy paddy directly, or lend to traders so they can buy from farmers, in an effort to support local farmers.

Freedom Farmers' League chair U Thein Aung said, “We have approached the government in the hope of getting loans, even at a higher interest rate than the bank's.”

But U Chit Khaing said buying buffer rice would not reduce farmers' losses. “We're going with the paddy storage system,” he said.

#### 4.5 TOYOTA KEEPS PACE WITH CHANGING MARKET

**Cars from Japanese automaker Toyota are the most widely driven automobile in Myanmar at present, but the firm is shifting gears as new automobiles gain in popularity.**

The domestic auto market has been dominated by used Toyotas, with its Probox model a particular common sight on the streets of Yangon. Yet a 2013 government decision to allow extensive imports of new cars resulted in a sea change for the market, with world-class brands such as Toyota, Ford, Mercedes and Mitsubishi opening dealerships and beginning campaigns to woo increasingly affluent buyers.

While many of these North American, European and Asian brands start with relatively blank slates in the country, Toyota, or at least its used models, has an extensive local history.

“Toyota competes more with used Toyotas than competing with other brands in the market,” said Ko Myo Myint Thein from TTAS Co, the sole official local dealer of Toyotas.

The low cost and extensive use of used models mean it is difficult to compete on pure volume terms, so TTAS is focusing on selling new Toyotas on the strength of their quality and the service the firm provides.

Purchasing used cars can result in problems for customers, he said. Showrooms have difficulty repairing faults on used models, leaving them to solve the problems themselves. Used Toyotas are also imported to Myanmar through non-official companies, meaning these imports are not subject to a number of protections provided to legitimately-purchased new cars.

Inoue Hisayuki, Toyota chief executive officer for Asia and the Middle East, said the firm takes responsibility for its cars that are legitimately imported – in Myanmar’s case this means only new models.

Speaking at a Bangkok press conference on October 16, Mr Inoue said the firm is not particularly involved in the local used car market.

#### Targeting the local market

Ko Myo Myint Thein said TTAS and Toyota are working on adapting its imports to meet local demand. Currently it sets a target and imports automobiles based on anticipated demand, but then adjusts imports based on market realities.

“Later we will meet our targets, as the new car market develops,” he said.

Toyota has a number of strong selling points for its new models including a fair price, good quality and readily available spare parts and mechanics familiar with the brand.

However, used Toyotas are known for being an economical option. Most used Toyotas currently on the road are used vehicles and are generally right-hand drive, less suitable for Myanmar’s roads than the new Toyotas which are left-hand drive.

#### 4.6 AVERAGE TRADE VOLUME OVER US\$2.2 BILLION PER MONTH

**Myanmar’s foreign trade volume during the April-October period of this year was more than US\$2.2 billion on average per month. If this amount continues, total foreign trade volume at the end of 2014-2015 fiscal year will be higher than the projection of US\$25.7 billion, according to the Ministry of Commerce.**

From April 1 to October 31 of 2014-2015 fiscal year, foreign trade volume was US\$16013.338 million.

Foreign trade is made through sea routes as well as border trade. In sea trade, imports are higher than exports while exports are more than imports in border trade.

To improve the trade volume, illegal trades are being cracked down for border trade as well as sea route in which most trades are seen.

Individual trading cards have been given at all border trade zones for individual trading of residents in border regions and this will help reduce illegal trade.

Border trade zones which are currently operating are Muse, Lweje, Chinshwehaw and Kanpitete in Myanmar-China border, Myawady, Techileik, Kawthaung, Myeik, Kungtung, Mawtaung and Nabulal/Hteekhee in Myanmar-Thai border, Sittwe and Maungtaw in Myanmar-Bangladesh border and Tamu and Reed in Myanmar-India border.

the foreign export structure in Myanmar has to rely on a few main products including mineral resources, natural gas, teak, agricultural and aquatic products, etc.

To improve export, Myanmar Trade Development Organization (MYAN TRADE) will be established, said the Ministry of Commerce.

While the significant development in trade sector will be focused, export improvement strategies in regional countries are being under observed.

#### 4.7 WEBSITE LAUNCHED FOR SMES TO ACCESS FOREIGN MARKETS

**A new website ‘myanmarsmelink.com’ has been launched to provide local small- and medium-sized enterprises access to regional and international corporations.**

“The SME owners can express their needs on the website, for example: capital, technology or investors. In this way they can seek a partnership. The website is free of charge,” said an official at the website’s launch at the Union of Myanmar Federation of Chamber of Commerce and Industry office on Monday.



As the term “SME” is yet to be defined, anyone who is the member of any association may access the website, the official added.

The users will have their own page to express their profiles, details and merits of the business to gain partnerships, information and opportunities from locally and abroad.

Training course for the website usage will also be provided shortly.

Over 120,000 registered SMEs are running in Myanmar and this number comprises up to 99 per cent of the local business sector, according to the Industry Ministry.

#### 4.8 DOING BUSINESS IN MYANMAR NOT TOO EASY

**Myanmar narrowly escaped being named as one of the top 10 most difficult places to do business, coming in 177th spot on the 189–country list released by the World Bank on October 29.**

It is the lowest–ranked ASEAN member in the “Doing Business” 2015 report, and with the exception of Afghanistan, the lowest–ranked Asian country.

Myanmar scored last in the “starting a business” category, but did relatively well in the “paying taxes” and “trading across borders” categories, finishing 116th and 103rd respectively. Myanmar was singled out as the country showing the most improvement for trading across borders in the report.

“Its Ministry of Commerce abolished the export licence requirement for 166 types of goods and the import licence requirement for 152 – reducing the time, cost and number of documents required to export and import general cargo products,” it said.

“As measured by Doing Business, exporting now takes 20 percent less time than before, and importing 19pc less time.”

#### 4.9 UAB DENIES RUMOURS OF CUSTOMERS WITHDRAWING THEIR SAVINGS FROM THE BANK

**A spokesperson of United Amara Bank (UAB) has denied rumours of customers withdrawing their savings from the bank.**

Nay Aung, son of MP Aung Thaung, has shares in UAB. Aung Thaung was blacklisted by United States on October 31 for his involvement in the former government’s crackdowns on the democracy movement. Nay Aung was not included in the US sanction list. There is no evidence Aung Thaung is a UAB shareholder.



A Facebook account, Ah Tu Ma Shi Journal, wrote about a rumour that some Buddhist Monks from the Township Sangha Maha Nayaka Committee or the Official Buddhist Monastic Committee withdrew their savings from UAB, which is owned by Aung Thuang.

“Aung Thuang’s son is a shareholder in our bank. We have many shareholders and we have no influence on them. The bank is running regularly. Everyone is concerned by those rumours. Today we have around Ks 44 billion from the saving accounts and our customers withdrew Ks 41 billion from their accounts. It is normal for our bank,” CEO Than Win Swe from UAB told Daily Eleven yesterday.

“We, the Buddhist Monks, didn’t save offering [money] in the bank. We don’t do any insincere act,” said U Paungmakha to Daily Eleven yesterday.

UAB was established in August, 2010 and has opened branches across Myanmar.

Most of the banks associated with UAB are based in Asia.

Most banks in Myanmar are owned by cronies who have close relationship with the government and the public companies are not actually owned by many shareholders.

During a financial crisis in 2002, the central bank of Myanmar helped Asia Wealthy Bank, owned by tycoon Eike Tun and Aung Zaw Naing, now Shwe Taung development company ltd., Myanmar May Flower Bank owned by Kyaw Win and Yoma Bank owned by Thein Wai and Serge Pun, while most of the customers of those banks faced difficulty in withdrawing their savings. Government ordered the shutting down of Asia Wealthy Bank and Myanmar May Flower Bank for failing to follow financial procedures and allowed Yoma Bank only to transfer money. Yoma was recently allowed to resume banking.

Tycoons Tayza, Zaw Zaw, Nay Aung and Chit Khine, who have close relationships with former government officials, were granted permission to open banks before the 2010 election and in this government’s era, Kyaw Win from Shwe Than Lwin Company was allowed to go into banking.

Kanbawza is Myanmar’s leading bank with savings of Ks 4,000 billion.

#### [4.10 SMES SERVICE CENTRES TO BE OPENED IN BORDER AREAS](#)

**YANGON-** With the aim for development of small and medium enterprises (SMEs), government will be providing SME centres not only in States and Regions, but also in border areas.

“The government is planning to open SME service centres across the nation. We have mainly targeted to open SMEs service centres in border areas,” said Win Aung, chairman of Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI). He was speaking at a



ceremony marking the launch of a free website for SME entrepreneurs held at the UMFCCI's headquarter on Monday.

The SME service centres aim to provide technical aids, investment and market.

“We have already laid down the plans to opening of SME service centres across the entire nation. It is very important to cooperate with other brotherhood associations' participation. The SMEs have three requirements: technique, market and investment. Regarding the investment sector, the government's support is much needed. And then, we need the institutes that will distribute the technique across the nation. We must try by ourselves to penetrate the market. We urge other associations and business organisations to provide for the SMEs for the creation of opportunities,” said Win Aung.

Moreover, Small and Medium Industrial Development Bank (SMIDB) will give loans, mostly Ks 100 million, to SMEs with an interest rate of 8.5 per cent per year. The SMEs must repay their loans over three years.

The bank aims to reduce poverty, create more job opportunities and improve SMEs.

At the end of September, the bank had given the loans to 12 entrepreneurs from SMEs. Moreover, it provided loans of Ks 10 billion to 62 business peoples and will extend its bank loans up to Ks 20 billion.