Charltons - Myanmar Highlights Newsletter - 20 May 2014

[online version](http://www.charltonslaw.com/myanmar-post-and-telecommunications-and-japans-kddi-corporation-to-enter-into-a-partnership/)

# Myanmar Highlights Issue 34

## Myanmar Post and Telecommunications and Japan’s KDDI Corporation to enter into a partnership

Myanmar Post and Telecommunications (MPT) has announced it intends to execute a partnership agreement with Japanese telecom mobile service provider the KDDI Corporation by the end of May 2015. According to the MPT, France’s Orange S.A and Singapore’s Telecommunications Limited may also be invited to participate in a partnership arrangement. MPT has stated that the proposed partnership will increase competition between existing license holders Telenor Myanmar Limited, Ooredoo Myanmar Limited, and the majority state-owned Yadanapon Teleport Co. Limited which is seeking to cooperate with an international partner. (Source: Myanmar Times, 12 May 3014)

## Beer production to meet rising consumption demand

According to the Ministry of National Planning and Economic Development Myanmar beer production increased to 27.5 million gallons in the ten months ending 31 January 2014. The figure represents an increase of one million gallons on the ten months ending 31 January 2013. In the twelve months ending 31 March 2012, domestic beer production was approximately 20 million gallons. The rise in production follows the re-entry of foreign beer companies into the local market primarily through joint venture with the Myanmar partners. (Source: Eleven Myanmar, 19 May 2014)

## Ooredoo and Telenor implement testing and network expansion strategies

Ooredoo-Myanmar (Ooredoo) has announced it has successfully completed initially testing as part of its 3G network development. The new 3G network will allow for improved data transfer and increased internet speeds a pre-requisite for electronic payments. Ooredoo currently employs approximately 700 people locally. It is focusing its operations in urban areas whereas fellow licencee Norway’s Telenor-Myanmar (Telenor), is focused on completing the installation of installing 8000 base stations throughout the country. Telenor aims to provide 2G coverage in rural areas. New 2G SIM cards are forecast to cost approximately US$1.50. Telenor will also offer “Edge’ and 3G services plans from October 2014. (Source: Special Feature, Myanmar Times, 12 May 2014)

## Myanmar businesses remain concerned about corruption according to a U.N. / UMFCCI poll

A survey conducted by the U.N and the Organisation for Economic Co-operation and Development and the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) has found corruption to be the top concern for businesses in Myanmar. One-third of the 3,000 participants surveyed categorised themselves as manufacturing companies whereas approximately 97% identified as being SME’s. About 20% identified corruption as a “very severe obstacle” to their operations. Access to skilled labour and technology were also identified as key issues in doing business in Myanmar. 60% of respondents said they had to pay bribes to ensure prompt registration, or obtain licences or permits. Approximately half the respondents said they paid US$ 500 in extra ‘fees’ while twelve paid additional ‘fees’ in excess of US$ 10,000. Respondents also cited concerns in relation to the access to capital, electricity supply, property rights and transportation/logistical issues. (Source: Myanmar Times, 12 May 2014)

## Construction begins on Daewoo backed Daewoo Amara Hotel

Construction has commenced on the Daewoo Amara Hotel located at 6 ½ Mile on Pyay Road in Yangon. The Daewoo International Co. Ltd, part of the Korea’s POSCO Group of companies, is a key investor in the construction project. The hotel will be operated by the Lotte Group headquartered in Korea and Japan. (Source: Myanmar Times, 12 May 2014)

## Tun Foundation Bank to provide smart banking services using Oracle’s ‘Flexcube Core’ software

The Tun Foundation Bank (TFB) will become the first local private bank to offer internet, smartphone and SMS banking services. TFB will use Oracle’s ‘Flexcube Core’ software. The IT upgrade will begin immediately and the new services will be available by the end of 2014. (Source: Myanmar Times 12 May 2014)

## ASEAN issues ‘Nay Pyi Taw Declaration on the Realisation of the ASEAN Community by 2015’

Following their most recent summit which took place in Nay Pyi Taw from 10-12 May 2014 ASEAN member states have issued the “Nay Pyi Taw Declaration on the Realisation of the ASEAN Community by 2015”. The Declaration supports expedited collaboration and implementation of the ASEAN Community by early-2015, the advancement of regional progress towards important regional economic, and other political and cultural initiatives. (Source: AFP and Myanmar Times, 12 May 2014)

## Western Union expands business in Myanmar

The Western Union Company (Western Union) has announced the expansion of its remittance business in Myanmar. In the future Western Union will work in cooperation with nine local banks, namely the Ayeyarwady Bank Ltd., First Private Bank Ltd., Kanbawza Bank Ltd., Myanmar Apex Bank Ltd, Myanmar Treasure Bank Ltd, Myanmar Oriental Bank Ltd, United Amara Bank Ltd and Yoma Bank Ltd. It will also partner with the Co-operative Bank in Chin State which is mountainous and difficult to access. The announcement was timed to mark the company’s one-year anniversary in Myanmar. Western Union’s remittances services are popular among the estimated two million Myanmar living overseas. (Source: Eleven Myanmar, 10 May 2014)

## Vietnam’s FPT enters Myanmar’s telecommunication market

Vietnam’s FPT Group (FPT) has entered into a joint venture agreement with Irrawaddy Towers Asset Holding Company in relation to the construction of approximately 2,000 cellular towers around Myanmar. FPT has pledged to ensure the transfer of technology, workforce training and investment in modern equipment. (Source: Eleven Myanmar, 19 May 2014)

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