



Myanmar Highlights

July 2014

IMF revises forecast for Myanmar GDP growth

The International Monetary Fund (IMF) has revised upwards its estimate for Myanmar's GDP growth for the year ending 31 March 2015 to 8.8%. The IMF's original growth forecast was 7.7%. According to the IMF, GDP is expected to increase "despite inflationary pressure" brought about by increased foreign investment and improved gas and agricultural exports. (Source: *Myanmar Business Today*, 23 June 2014)

Daiwa provides information on Yangon Stock Exchange's listing requirements

The Daiwa Securities Group Inc. (Daiwa) has provided outline details on the listing requirements proposed for the Yangon Stock Exchange (YSE). Daiwa is providing technical assistance to the Myanmar government on the formation of the YSE. To encourage participation by smaller businesses the YSE's financial tests are not expected to be too onerous. Companies are expected to be required to demonstrate either profitability in the 2 years preceding a listing, or achieve a market capitalization on listing of US\$10 million. Companies are expected to be required to have a minimum of 100 'qualified' shareholders. The Securities and Exchange Commission is expected to be in operation by the end of July 2014. (Source: *Myanmar Business Today*, 26 June 2014)

Japan to provide additional loans for development of infrastructure and rural electrification

The Japanese Government will provide additional loans to Myanmar of approximately US\$75.7 million for the development of infrastructure and rural electrification projects. The Ministry of National Planning and Economic Development of Myanmar, and the Japanese Government have executed three

Memoranda of Understanding in relation to the construction of a new bridge at Thaketa which is expected to cost approximately US\$41.3 million. Upgrades to the Institute of Education are expected to cost approximately US\$24.6 million. A further US\$9.8 million will be spent on rural electrification projects. (Source: *Myanmar Business Today*, 23 June 2014)

Hilton to open five new hotels in Myanmar

Hilton Worldwide Holdings Incorporation (Hilton), the world's largest hotel operator, plans to open five additional hotels in Myanmar within the next three years. Hilton has entered into management agreements with the Myanmar conglomerate Eden Group Company Ltd (Eden Group). Two properties already owned by Hilton will be rebranded and operated under the Hilton™ brand by the end of October 2014. Three new hotels are to be constructed and are scheduled to open before the end of 2017. (Source: *Myanmar Business Today*, 23 June 2014)



Millcon Steel and Thiha Group establish Myanmar joint venture

Thailand based steel producer Millcon Steel Public Company Ltd (**Millcon**) will establish a joint venture with the Myanmar conglomerate Thiha Group Company Ltd (**Thiha**). Millcon will hold a majority 51% stake with Thiha holding the remainder. Millcon intends to develop and offer a wide range of construction-related steel products in Myanmar to take advantage of the country's continuing economic growth. Thiha was founded by Aye Thiha, a former investment banker for USB AG, who has advised various leading multinational corporations on corporate finance and capital market transactions globally. (Source: *Myanmar Business Today*, 23 June 2014)

ShweTaung Group outlines Junction City development plans

ShweTaung Group Ltd (**ShweTaung**) have outlined their development plans for 'Junction City' to be located at Bogyoke Aung San Road and Shwedagon Pagoda Road, as well as expansion plans for the existing Junction Square on Pyay Road. It is estimated that the development will cost approximately US\$207 million and will include a 348-room hotel, retail and office space and serviced apartments. The project is being undertaken in partnership with the Yangon Community Development Corporation and Singapore's Pan Pacific Hotels, Ltd. The existing Junction Square complex will be doubled in size through the addition of a new wing, a residential development and an office tower. (Source: *Mizzima Business Weekly*, 19 June 2014)

The Ministry of Commerce establishes MyanTrade to market Myanmar locally produced value-added products

The Ministry of Commerce has announced the formation of a new state-run entity "MyanTrade" to promote Myanmar products abroad. Currently natural gas and agricultural products account for the overwhelming majority of Myanmar's exports. MyanTrade will promote awareness of value-added Myanmar products such as processed agricultural and timber products, garments and textiles, visual and digital arts, rubber products, designer jewelry and components used in industry. (Source: *The Irrawaddy*, June 2014)

Talks continue on privatisation in Myanmar's air transportation sector

Discussions are continuing on proposed privatisation initiatives in Myanmar's tourism and transportation sectors. Tender processes are already underway in relation to the operation of a number of Myanmar's main airports. It is also anticipated that foreign participation will also be encouraged in the operation and development of smaller regional airports. The privatisation of radar/control tower facilities, aircraft leasing, reservations, cargo and baggage delivery systems, and staff-training been considered. (Source: *The Irrawaddy*, June 2014)



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