

THAILAND

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ECONOMIC AND SOCIAL DEVELOPMENT

[Huawei Myanmar Sends Outstanding Students to Its China HQ](#)

Myanmar Business Today, 15 May 2019

Under its Seeds for the Future Program, now in its third year, Huawei Myanmar selected ten outstanding computer and technology students for a visit to Huawei’s headquarters in China.

The selected students will be sent to the corporate headquarters in Shenzhen, China, between May 4 and 18. During the trip, there will be a cultural exchange, and the students will have the opportunity to learn about exciting new technology like 5G, LTE, and cloud computing.



Shang Liman, CEO of Huawei Myanmar, told us: “We hope that the students in this program will become experts in the ICT [Information Communication Technologies] sector in the future.”

Huawei’s Seeds for the Future Program is an initiative designed to nurture local ICT talent. It will promote an exchange of knowledge and understanding, and help build interest in ICT. This, in turn, will increase participation in the digital environment.

The program is relatively new in Myanmar, beginning in 2017; and has now sent 30 Myanmar students to Huawei Headquarters. However, since its inception, the program has sent over 4,500 students from over 400 universities worldwide on similar trips.

“This will benefit each of the students, fostering development within Myanmar’s universities,” Dr. Zaw Wai Soe, President of the University Rectors Committee, said. “We are thus very grateful to Huawei for implementing this program, which is so beneficial to both students and universities. I am sure that over time, this will prove to be very helpful.”

Simultaneous to the Seeds for the Future Program, Huawei has also been implementing the Huawei Authorized Information and Network Academy (HAINA) initiative, an internship program, and the Huawei ICT Development Talent Scholarship, which provides academic scholarships to 50 outstanding students from computer and technological universities in Myanmar.

<https://www.mmbiztoday.com/articles/huawei-myanmar-sends-outstanding-students-its-china-hq>

[Contract Farming to Help Farmers Deal with Challenges](#)

Myanmar Times, 10 May 2019

Contract farming could help solve the various problems faced by small-scale farmers, including lack of capital and technological know-how, said U Hla Kyaw, deputy minister of Agriculture, Livestock and Irrigation.



Aside from lack of capital and technological know-how, small scale farmers also has to struggle with crop quality and marketing difficulties for their produce, among others, according to agriculture experts and industry executives during a workshop at Nay Pyi Taw on Thursday.

“To get over these challenges, we need to have better cooperation among businesses, the farmers and various government organisations,” U Hla Kyaw said. “We also need to start practicing contract farming.”

The deputy minister urged relevant government agencies and agriculture experts to come up with guidelines to regulate contract farming and make it more effective in improving the livelihoods of the local farmers.

U Ye Min Aung, general manager of Myanmar Rice Federation, said there is already a plan to come up with a framework on contract agriculture that will cover nine crops: rice, corn, sugarcane, groundnuts, sesame, sunflower, mung bean, gram, fermented soybean.

The contract agriculture framework will also include dairy production, he added. The framework will cover contract terms, pricing, quality standards, and arbitration procedures, among others.

“Contract Farming Contracts must be enforceable so that the investors will be secured and the farmers don’t suffer losses,” U Ye Min Aung said.

It was noted that one of the reasons why foreign investors are reluctant to put their money in the agriculture sector is because of the lack of a framework related to contract farming as foreign companies want protection for their investments.

Deputy Minister U Hla Kyaw said that contract farming can be an effective tool in developing the agriculture sector in the country and the sooner it is implemented, the better for small scale farmers and private companies.

<https://www.mmtimes.com/news/contract-farming-help-farmers-deal-challenges.html>

[Myanmar’s IT Sector Likely to Attract U.S. Investors’ Attention](#)

Myanmar Business Today, 15 May 2019

According to U Thant Sin Lwin, the Acting Deputy Director General of the Directorate of Investment and Company Administration (DICA), American investors entering Myanmar are likely to focus on the IT sector here, a field which is already booming.

On April 30, nine American companies and local businesses organized a business meeting in Yangon. Its purpose was to discuss possible cooperation on trade, investments, and economic collaboration.

At the meeting, both sides discussed possible investments in various sectors. Among these were oil and gas, water treatment, information technology, communications, the media, hotels and tourism, publishing, agriculture, livestock and fisheries, construction, banking, automobiles, shoe making, transportation, and logistics.



However, one industry in this list stood out as catching the special attention of the investors. Which one? Before the event had even kicked off, the American companies were asking the Myanmar Investment Commission (MIC) about the IT sector in this country.

“They [the Americans] employ IT in every sector, from water treatment to information technology and the media,” U Thant Sin Lwin explained. “When you look at the U.S. business delegation, you will find that they include factors from various sectors. I tend to think that they are likely to focus on the IT sector.”

U Kyaw Win Tun, Director of DICA, said: “At the national level, the Government is trying to effectively implement e-commerce; the Vice President of the country is leading the process. Moreover, the Ministry of Transportation and Telecommunication is also collaborating with South Korea in order to build a data center. We are also drafting cyber laws. We have also received proposals regarding network facility service.”

There are currently 26 foreign investments in Myanmar’s IT sector, totaling some \$8 billion. Further investment in this sector will certainly help accelerate growth and create jobs, while simultaneously providing new or improved services for customers and consumers.

<https://www.mmbiztoday.com/articles/myanmar-s-it-sector-likely-attract-us-investors-attention>

Myanmar to Revise Price Floor for Rice on Yearly Basis

Myanmar Business Today, 7 May 2019

The majority of Myanmar’s population relies on agriculture to make a living, therefore, the government is planning to revise the price floor for rice every year as a way to protect farmers as well as consumers, according to U Hla Kyaw, Vice Minister of the Ministry of Agriculture, Livestock and Irrigation, at the Pyithu Hluttaw.



A price floor is the lowest legal price a commodity can be sold at. For a price floor to be effective, it must be set above the equilibrium price. The most common price floor is the minimum wage – the minimum price that can be paid for labor. Price floors are also used often in agriculture to try to protect farmers.

If it's not above supply and demand equilibrium, then the market won't sell below equilibrium and

the price floor will be irrelevant. The Vice Minister said that the ministry is working with Myanmar Rice Federation to set the floor price by forming an Advisory Committee for market price.

“The committee will try its best to stabilize price fluctuations in rice in order to improve livelihood of farmers. We want to make rice growing a profitable business, thus we will try to make adjustments where rice producers can enjoy a profit, while making sure the prices do not get out of control in order to protect consumers,” he added.

On March 8, 2018, the Myanmar Rice Federation set the price floor for rice for the first time at K500, 000 per 100 tins (1 tin = 46 lbs) and it will remain active until a new price floor is set.

The decision to set a price floor on rice is to protect farmers from being losing out on artificially low prices during harvest season, which is when the price of rice always go down due to ample supply.

<https://www.mmbiztoday.com/articles/myanmar-revise-price-floor-rice-yearly-basis>

Govt Still Keen to Build International Airport in Bago

Myanmar Times, 15 May 2019

The government is still expecting to build Hantharwaddy International Airport in Bago with support from the Japanese, said U Win Khant, Permanent Secretary of the Ministry of Transport and Communications.

“As Hantharwaddy is an essential airport, we’ve been trying hard to get construction started. We are seeking help from Japan to manage the construction of aircraft runways,” U Win Khant said during a press conference detailing the government’s performance in its third year in power, on May 13.



U Aung Ye Tun, assistant permanent secretary of the same ministry, said negotiations with Japan’s Ministry of Land, Infrastructure, Transport and Tourism are ongoing.

A tender for the construction of the US\$1.5 billion airport was first launched in 2012. The project was awarded to a consortium comprising Japan’s JGC Corporation, Singapore-listed Yongnam Holdings and Singapore’s Changi Airports International.

Last year, Yongnam announced that the framework agreement signed between the Department of Civil Aviation and the consortium in 2014 to design, construction and management of Hanthawaddy International Airport on the basis of a public-private partnership (PPP) had expired. The contract was not renewed.

An earlier tender awarded to a South Korean consortium collapsed.

The authorities say Hantharwaddy will help the existing Yangon International Airport handle excess capacity in the future.

“Myanmar only has three international airports in Yangon, Mandalay and Nay Pyi Taw and passengers are increasing. Although there were only 9.26 million travelers to Myanmar in 2016, the number increased to around 10 million in 2018,” U Win Khant said.

Meanwhile, tenders for the construction of Heho, Mawlamyine and Kawthaung airports have been called for under PPP arrangements. The terms of the contracts are now being negotiated, said U Win Khant

A tender has been called for the construction of Muse Airport and six companies have been selected.

<https://www.mmtimes.com/news/govt-still-keen-build-international-airport-bago.html>

Mon State Allocates 45,000 Million Kyat for Agriculture in the Monsoon Season

Mon News Agency, 15 May 2019

Approximately, 45,000 million Kyat is allocated for farming in Mon State this monsoon season, according to Myanmar Agricultural Development Bank (Mon State Branch).



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Loans for wet-rice cultivation are available from May 6 until the end of August, 2019. Farmers must provide Form 7 of the farmland work permit to the bank in order to receive any loans. The Form will be returned to farmers after they have paid back the loans.

“Because we, the Myanmar Agricultural Development Bank, provide the loan, it’s convenient for them [farmers]. They do not have to go find loans from others,” said U Kyaw Swar Hlaing, the manager of Myanmar Agricultural Development Bank (Mon State Branch).

The Myanmar Agricultural Development Bank provides loans of up to 150,000 Kyat per acre of wet-rice farmland, and up to 100,000 Kyat per acre of farmland for other crop types. Each farmer can take out a loan for up to 10 acres of agricultural land. The loan rate is 67 Pya per 100 Kyat. Farmers can pay back the loan after they have harvested the crops.

However, according to some farmers, loans of 150,000 Kyat per acre is not adequate.

“The farmland in Mawlamyine Township and the farmland in Paung Township are different. As the Mawlamyine area is hilly, this requires more expense. It can be satisfactory level if at least 2 lakh or 3 lakh Kyat is allocated for one acre,” said U Yar Jar, who owns 16 acres of farmland.

Mon State has about 70,000 acres of rain paddy farmland, but this year, the amount budgeted for agricultural loans will only cover 40,000 acres. Last year, about 42,000 million Kyat was provided for wet-rice cultivation, according to the Myanmar Agricultural Development Bank (Mon State Branch).

<http://monnews.org/2019/05/15/mon-state-allocates-45000-million-kyat-for-agriculture-in-the-monsoon-season/>

LAND AND PROPERTY

Myanmar Government Plans to Address Land Use Issues for Livestock Breeders

Myanmar Business Today, 15 May 2019

According to the Farmland Law of 2012, using farmlands for any purpose except farming is prohibited. Penalties and fines for non-compliance could include six months to two years of imprisonment, a fine ranging between K300, 000-500,000, eviction, and the loss of on-site assets. This has caused problems for those who wish to breed livestock or fish, and who need valuable land space in order to carry out such work.

The Protecting Rights and Enhancing Economic Welfare of Farmers Law was enacted in 2013 in an attempt to alleviate some of the issues the previous law created. For example, it was to create a committee comprised of members not only of the government, but also representatives from farmer associations so that they could help enforce many of the “protection” segments of the law, as its very name stated. However, it was not a perfect solution for the issues.



Having received numerous and repeated requests to solve the dilemma from civil organizations like the Myanmar Fishery Federation in the years since, the government is now trying to tackle the issue head-on. As the plan has been submitted to the relevant Parliamentary Committees, the Ministry of Agriculture, Livestock and Irrigation expects change to come soon.

The Permanent Secretary of the Ministry of Agriculture, Livestock and Irrigation, Dr. Khin Zaw, said: “Livestock breeding is an important sector. It plays a big role in reducing poverty in our country. Therefore, the Union Minister for Agriculture, Livestock and Irrigation is putting his best efforts into solving the issue for the livestock breeding sector.”

If a livestock breeder wants to use their farmlands for a purpose other than farming, they will need to reapply for permission. However, the Myanmar Livestock Federation says that they will request the government to simplify, streamline, and speed up the land application/approval process.

Another option the Ministry is considering is allowing fish breeding by having the fish farmers pay fines. The government is also planning to adopt a Land Use Policy to make investments in the livestock breeding sector more attractive; it will tackle all the land issues – such as using farmlands for other purposes, or the use of uncultivated lands – through clear, precise new policies.

In order to accomplish that goal, government officials are studying the land use policy of neighboring countries like Thailand, Vietnam, and China.

<https://www.mmbiztoday.com/articles/myanmar-government-plans-address-land-use-issues-livestock-breeders>

LAW AND GOVERNANCE

Corporate Governance Code to be Ready Next Year: Minister

Myanmar Times, 16 May 2019

Myanmar is aiming to publish a Corporate Governance Code, said U Aung Naing Oo, permanent secretary of Ministry of Investment and Foreign Economic Relation.



A draft report on the code by the Directorate of Investment and Company Administration (DICA), Securities and Exchange Commission of Myanmar (SECM) and Organisation for Economic Co-operative and Development (OECD) is expected to be ready this year.

An MOU to draft an official Corporate Governance Code was signed in November last year with the aim of improving corporate governance standards in Myanmar, which, in turn, will support the further development of the country's capital markets.

“We will need a strong framework to effect strong corporate governance standards for Myanmar companies. A Corporate Governance Code which conforms with the current conditions of Myanmar is expected to be ready in 2020,” said U Aung Naing Oo.

He urged public-listed companies, public companies and private companies to start preparing their businesses for more stringent corporate governance standards in the months to come.

Strong corporate governance in domestic companies is important for attracting foreign direct investments. In India and Thailand, for example, regulators have been pushing for strong corporate governance in the last few years to strengthen investor confidence.

Currently, the corporate governance structure in Myanmar is still relatively undeveloped, with poorly functioning boards, antiquated management control processes and low levels of transparency

But reinforcements are on the way. The Myanmar Institute of Directors, for example, has set benchmarks for corporate governance practices among Myanmar companies and aims to support corporate boards of directors in achieving loftier standards of transparency.

Things have been slowly improving. In its 2019 Pwint Thit Sa report launched last month, the Myanmar Centre of Responsible Business revealed that some Myanmar companies have shown good understanding of how good corporate governance and transparency can improve business.

On the other hand, 44 percent of the 248 companies assessed still did not have corporate websites and published little or no information on corporate governance and performance data.

The report assessed website disclosure of information based on the corporate profiles, corporate governance, sustainability management processes and reporting of 248 large Myanmar enterprises, including five listed companies, 55 public companies, 160 privately-owned companies and 28 of the most important state-owned economic enterprises in Myanmar.

<https://www.mmtimes.com/news/corporate-governance-code-be-ready-next-year-minister.html>

PEACE AND RECONCILIATION

Military, KNU Leaders Hold Informal Talks in Yangon

The Irrawaddy, 15 May 2019

CHIANG MAI, Thailand—Karen National Union leaders met with the Myanmar military chief in Yangon on May 11 for what a senior KNU official described as talks that were informal and personal but which nonetheless made progress toward reviving regular meetings between the two sides.

Padoh Saw Kwe Htoo Win, the vice chair of the KNU, said the informal meeting between chairman General Saw Mutu Sae Poe and Senior General Min Aung Hlaing was held at the invitation of the Army chief.



Until last May, the KNU and the military chief tried to maintain regular formal talks. Under the previous government, the talks were held every one or two months starting in December 2014. They have been suspended for months, however, except for a sideline meeting in October when the military chief met with KNU leaders and Peace Process Steering Team members in the capital.

“We are now trying to have regular discussions between the parties [the KNU and the military chief], as it has been about five, six, seven months since we have held [such a meeting with the Army chief],” Padoh Saw Kwe Htoo Win told The Irrawaddy on Wednesday.

He said the relationship between the KNU and the military was generally good, although there were still some areas that needed improvement.

The KNU is the only ethnic armed group that signed the Nationwide Ceasefire Agreement (NCA) whose chair maintains direct contact with the senior general. Talks have not been held since KNU and government troops clashed in Papun district of Karen State in March 2018 over the repair of an old road in the area and the KNU’s subsequent decision in October to suspend its participation in the formal peace process.

During the latest informal meeting, Padoh Saw Kwe Htoo Win said the KNU shared the view of the other NCA signatories, which is that the peace process has stalled.

He said, “We talked about [the need to] implement a continuous political dialogue and to strengthen ceasefires. He [the Army chief] shares the same view that the political dialogue needs to move forward.”

The military has vowed to achieve peace in the country by 2020, by which it means ending the armed conflicts, while continuing political negotiations with the EAOs, who would keep their arms.

Padoh Kwe Htoo Win added that he believes the military is adhering firmly to its stand that it will continue along the NCA path to achieve a democratic federal state.

<https://www.irrawaddy.com/news/burma/military-knu-leaders-hold-informal-talks-yangon.html>

Peace Process Is Foundering, KNU Chief Tells EAOs

The Irrawaddy, 16 May 2019

CHIANG MAI, Thailand—the peace process under the current National League for Democracy-led government has been derailed, said General Saw Mutu Sae Poe, the chairman of the Karen National Union, a signatory to the Nationwide Ceasefire Agreement (NCA) and a leading stakeholder in implementing the NCA and envisioning a future democratic federal union.



He made the comment during a five-day summit of ethnic armed organizations (EAOs) in Chiang Mai, northern Thailand, adding that most EAO leaders share his view. The summit comes at a time when the government is trying to persuade other EAOs, especially the northeast-based groups, to sign the NCA.

From May 14-18, nearly a hundred representatives of 10 EAOs, all NCA signatories, are gathering to find ways to overcome the current impasse in the peace process. Representatives of two non-signatories, the Karenni National Progressive Party (KNPP) and the Kachin Independence Organization (KIO), are attending the summit as observers.

The summit is also reviewing the structure of its Peace Process Steering Team (PPST). Headed by Gen. Saw Mutu Sae Poe with the Restoration Council of Shan State (RCSS) leader as its deputy head, the PPST was formed in March 2016 to engage in political negotiations with the government.

Gen. Saw Mutu Sae Poe stepped down as PPST head in March and the team is now under the interim leadership of RCSS chairman General Yawd Serk.

The RCSS chairman said another contributing factor to the poor progress of the peace process—despite there having been three sessions of the 21st Century Panglong Peace Conference under the NLD—is that negotiators on all sides firmly uphold their policies and don't want to compromise.

<https://www.irrawaddy.com/opinion/analysis/peace-process-foundering-knu-chief-tells-eaos.html>

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