It is with great pleasure that we present you the seventh issue of EuroMatters, business magazine for executives and investors in Myanmar.

This time we will focus on the automotive sector by exploring the challenges and perspectives of the industry. Although still relatively small, Myanmar’s automotive market has increasing opportunities to expand due to the opening up of auto insurance, improvement of fuel retail, possibility to have bonded warehouses to store vehicles and finally implementation of consumer friendly vehicle loans.

For this edition’s cover story, we had the opportunity to interview the EU Ambassador to Myanmar KRISTIAN SCHMIDT, who shared his insights about EU’s role in Myanmar and the future of Myanmar-EU relations. The wide-ranging interview covers His Excellency’s opinion on European investments and how Myanmar could benefit from them.

Lastly, find out more about exceptional places to stay in Yangon and discover the winners of the 3rd annual Myanmar Responsible Tourism Awards in our new section focusing on hospitality.

We take the opportunity to thank you for your continuous support and we wish you a very successful year 2020. •
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THE LIFE OF ICE BREAKERS

AT AROUND 3am, these ice breakers start working to bring down a 300-pound ice cube on their shoulders from the truck, carrying the ice on their shoulders.

The ice crusher machine is used for crushing the ice cube into smaller cubes that are used for cooling all kinds of seafood as well as chicken and other types of meat.

Since the ice is distributed to the whole market, these people had to start very early in the morning, finishing at about 10am.

Photo by WIN KYAW ZAN
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Huge improvements made in Doing Business

**UPDATE**

The Myanmar government has made major improvements in five key areas of doing business and is one of the top-20 most-improved countries in the World Bank's 2020 ease of Doing Business index. An ambitious reform programme undertaken by Daw Aung San Suu Kyi's government has helped Myanmar rise out of the bottom 20. The latest Doing Business 2020 ranking puts the country among the top-20 reformers alongside China, India and Bangladesh.

Over the past year, the Southeast Asian country introduced substantial improvements in five areas measured by Doing Business: starting a business, dealing with construction permits, registering property, protecting minority investors, and enforcing contracts.

Moving up six positions from the 2019 index, Myanmar’s rank is 165 globally on the ease of doing business. Government has helped Myanmar substantially reform the process around starting a business and protecting minority investors.

It now only takes two days to register a new company on MyCo - the official online searchable database - for a fee of K250,000, which is lower than before.

The new Companies Law established the first official electronic registry for companies. MyCo provides free and open access to company name, type, registration number, director names and address. Other information filed with the registrar is available to the public on payment of K10,000. These provided a degree of access to official corporate information to the public in Myanmar not available before.

Internationally, however, Myanmar still ranks poorly in the areas of enforcing contracts (187th out of 190), getting credit (181st), protecting minority investors (176th), trading across borders (168th) and resolving insolvency (164th). These areas need to be addressed seriously by the authorities.

Moving forward, Myanmar's pursuit of a better business environment will stimulate private sector growth, create jobs, and subsequently drive economic growth. The World Bank Group continues to provide technical advice to Myanmar Doing Business Report Working Group to support the country's reform efforts.

**Businesses not required to make donations in Myanmar, DICA clarifies**

**UPDATE**

U THANT SIN LWIN, DICA director general, said that the Myanmar Investment Law and the Myanmar Investment Commission do not oblige local or foreign investors to spend a percentage of their profits on philanthropy.

The official made the comments at a seminar on corporate philanthropy governance in Yangon, organised by the Myanmar Centre for Responsible Business (MCRB), late last year.

MCRB director VICKY BOWMAN pointed out one exception to this is the gemstones industry, where section 56 of the 2019 Gemstones Law requires 2% of a company's investment to be paid to state and sub-national governments for spending in accordance with the guidance of the local member of parliament.

The Sagaing Region government recently began to require applicants for small-scale mining permits to make a K400,000 contribution to a township-level community development fund, which the sub-national government called a “CSR Fund.” This measure raises questions about corruption risks and does not appear to have a legal basis.

The Investment Commission urges investors to consider the many different ways their businesses can improve people’s welfare and deliver responsible investment. U THANT SIN LWIN said. Philanthropy was just one of the methods to achieve this.

Ultimately, it is about the way a company implements its investment and operates its core business, he added. Critical factors include direct and indirect creation of quality jobs, training and skills transfer, and paying taxes.

U THANT SIN LWIN also reminded investors to ensure that they are obeying all Myanmar laws and permit conditions, respecting human rights, avoiding and minimising negative social and environmental impacts and not engaging in corrupt practices.

MS BOWMAN noted that the 2016-17 Myanmar Extractives Industry Initiative report reveals that social expenditure by oil, gas and mining companies was over US$11 million. However, the bulk of this expenditure is voluntary, not mandatory.

Speaking as part of the panel discussion on tax deductibility of donations, U TET HTUT AUNG, Director of the Yangon Large Taxpayer's Office, outlined Internal Revenue Department Practice Statement 2/2018 and encouraged those who still needed guidance after reading this to contact IRD's Taxpayer Services Section at the LTO or Taxpayer Services Units in the individual tax office.

There is, however, no complete clarity on what is an officially recognised charity in Myanmar. According to a Myanmar Times report, Myanmar's vague regulations regarding tax-deductible company donations has led to corruption risks and the government has yet to publish an official list of institutions legally eligible to receive tax-deductible donations.
Myanmar reduces stamp duty penalties, tax rates for undeclared income

The Myanmar Stamp Act (1899) states that certain instruments, such as lease agreements, should be subject to the payment of stamp duty on or before the date of execution. Under the Act, the stamp duty penalties apply if the instrument is belatedly stamped if the stamping only occurs after the execution date. Meanwhile, for instruments relating to a Myanmar subject matter that were executed or signed overseas, the penalty will apply if the stamping only occurs after three months when the instrument was first received in the country.

Parliament in Naypyidaw rejected a similar proposal in 2018. The government wants the scheme to encourage individuals to move assets from the underground to mainstream economy in order to galvanise the lacklustre real estate and automotive markets, analysts say.

The World Bank expects Myanmar’s gross domestic product (GDP) to grow by 6.6% in 2020-21. The growth is supported by an increase in foreign and domestic investment resulting from liberalisation measures in education, energy, banking and insurance as well as retail and wholesale sectors.

The law reduces penalties for late or deficient stamp duty payments to three times the payable stamp duty from 10 times before.

Myanmar’s original penalty of 10 times the payable amount can be regarded as hefty in comparison with the stamp duty regime in other countries, according to PwC’s tax updates.

In Thailand, failure to pay stamp duties brings a fine up to six times the unpaid amount, while Singapore charges four times, and Malaysia adds a 20% fine to the unpaid amount.

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European companies express increased satisfaction with Myanmar business environment

The perceived rise of economic nationalism may in addition damage the broader market sentiment beyond specific sectors and turn away potential investors and foreign businesses, he added.

“For an emerging market such as Myanmar, foreign direct investment is significant and decreasing investor confidence as a result of protectionist policies will affect Myanmar’s economy,” MR DE LA FOUCHARDIÈRE told EuroMatters.

Overall, European companies have a positive outlook in terms of services provided, market share, profits and business operations and activities in the country.

Meanwhile, key challenges they face are related to regulations, Myanmar’s reputation in the international community as an investment destination and legal uncertainty. Compared to last year, operational difficulties such as the lack of qualified labour force is no longer among the top three challenges, but remain very relevant.

The majority of responding companies (38%) belong to a parent company that reports more than $1 billion in global revenues. In Myanmar, 30% of the survey takers have revenues between $1 million and $10 million. This indicates that the Myanmar market does not yet favour small- and mid-sized enterprises (SMEs), as business activities require many resources and long-term planning.

The survey findings and the business guides can be downloaded on the official website of EuroCham Myanmar.

EuroCham Myanmar also published the 2020 Business Guides, comprising publications focusing on the sectors of agriculture, consumer goods, garment, energy, health, and manufacturing, as well as one guide focusing on the general business environment.

These publications provide up-to-date, entry-level information for European companies who plan to invest in the Myanmar market. They can be downloaded for free on EuroCham Myanmar website.
Can you tell us about yourself and your background?

I am LINN SOE HLAING, I graduated with two degrees: one is from the local university in physics and another one is in audio engineering from SAE Melbourne Australia. I started my career in 2004 at a local infrastructure engineering company and in 2008 I moved to a local food manufacturing and food processing company. I worked in two European companies including the one I work for now.

Can you tell us how does it feel like to work in an European company?

I'm really proud to be part of a successful organisation as well. There is also a lot of learning and sharing. I can share my experience with others and learn from their experience as well. It is a great everyday work in progress.

Can you tell us about your role, what are you doing here? What are your responsibilities?

I am working in the supply chain management, which includes production of the product, stock management and delivery to customers.

Do you face any cultural challenges when working in an European organisation?

As always, the culture is not an easy thing, but I don’t have any big shock because I was working in another European company before joining this one. I also previously worked outside of Myanmar with different cultures in Chinese and Indian companies as Myanmar representative in their country. Hence, I am used to being in a cross-cultural environment.

What have you learnt from working in a European company when you look at your other experiences, like your time at the engineering company?

Yes, first of all, my learning in here and in the European company is that you have to be professional and comply with local regulations and laws. I also learned the importance of being responsible, not only in terms of what we do, but also how we are having an impact on others.

Have you ever been to Europe?

Yes, I have been to Switzerland, Germany, Amsterdam and I visited Italy as well. Sometimes it was for vacation, but I went there for seminars and trainings too.

What did you like the most about Europe?

First of all, west European countries are clean, and they preserve the heritage. I also like the weather conditions there.

Do you speak or learn a European language?

I used to learn a bit of French and can speak a few words, though I wouldn’t say I am fluent!

What are your interests and hobbies?

My interests include bird watching, photography, landscape photography, travelling and babysitting. I have a three year-old daughter and I try to spend some time with her as much as I can.

How did you find this job opportunity?

Through LinkedIn. The recruiter also approached me because of my previous experience in European food industry companies. My cultural intelligence and my background in the food industry, food processing and manufacturing helped me in getting this position.

Were you specifically looking for a European company?

I was indeed. I wanted to be part of a big, European or western company to learn about the standards, procedures and policies. I also like the way of working and also, like I mentioned before, being responsible. These are the reasons I joined my current employer.
The EuroCham Myanmar Responsible Business Initiative has been created to support sustainability, equality and environmental protection practices. This section aims to raise awareness on these key issues by highlighting sustainable initiatives from our members.

Articulating responsible business, not-for-profits and the private sector

The event highlighted how cross-sector collaborations are becoming more and more important on sustainability agendas. Those partnerships are defined as projects led jointly by a private company and a not-for-profit organisation. Collaborations are based on the idea that each side has something to benefit from the other, from sharing know-how to providing workforce.

Like INGA MAKUSHEVA, Deputy Director of the Myanmar Centre for Responsible Business and panel chair of the event, pointed out, cross-sector collaborations implement a holistic approach, looking at different social, environmental, societal, legal and economic factors. In other words, cross-sector partnerships in responsible business are companies and not-for-profit getting together to leverage the standards of an industry or society.

As explained by U MIN THU AUNG, Senior Vice President of Telenor Myanmar, the model of this collaboration has recently evolved from a traditional donation model to a partnership model. While the scheme of the first one expects the companies to provide money to the not-for-profits who will in return conduct the projects, the latter model believes in a more inclusive approach, whereby both put the plan into action. As a matter of fact, organisations committed to engage in cross-sector collaboration in sustainable business need to balance their contributions. Every actor of the partnership should put on the table a financial contribution, and/or workforce and/or expertise. Of course, the amount of each category should be provided accordingly to the organisation’s capacities; for example, when WWF partners with companies of the food and beverage industry, a great deal of what it will bring in is the expertise in terms of energy efficiency, renewable energy, and water waste treatment. Ultimately, adopting a more equal approach to partnerships models will be beneficial for both organisations in terms of working relationship and accountability, and to the society who will reap the fruits of increased results.

This modern vision of cross-sector collaboration is essential to help break down the last misconceptions of what companies do, and who not-for-profits organisations are. PHILIPPE BATTLE, General Area Manager of the Novotel Yangon Max, was straightforward on that matter: “If we are stuck in the model of good guys/bad guys, we will never go anywhere,” he said referring to the cliché that companies are just here to make money, and not-for-profits naive believers who want to save the world - before continuing: “Everybody will lose.” Overcoming this black-and-white mentality is mainly about accepting that cross-sector partnerships are beneficial to both parties. “With our own strength, we wouldn’t be able to organise big projects, such as the one we are conducting in Rakhae state for $3M. Or rather, it would be a very small project with low social impact. Thanks to funding, we were able to reach 15,000 people and raise our income by 30%,” commented U YE HNYIHTAUNG, Managing Director of Mya Aye, specialised in coconut oil and products. He was referring to the project his family-business is conducting alongside DaNa Facility and the Danish-backed Responsible Business Fund (RBF), which helped him “improve [his] organisation’s standards” through, for example, the implementation of safety, health or child labour policies.

An example such as the one of the Mya Aye family-business is essential to foster cross-sector collaboration. Too often, small and medium-sized enterprises (SMEs) are reluctant to engage in cross-sector partnerships because most of the existing cases concern big companies. SMEs have all heard about the big guys and they also want to do right, but they always tend to shy away from it and say: “They are big, they have deep pockets, but it is not something for us.” And that’s “the major issue that we are trying to deal with,” commented AMARNATH RISHIY, Team Leader at the RBF. That is why RBF identified seven eligible areas to conduct sustainable projects in, that serve as a start for SMEs who want to engage in responsible business but need some guidance to help them on the way. Each of the over 500 companies supported by RBF must spread the words on its collaboration with the fund. It’s a win-win situation for everyone: more SMEs turn to RBF, companies love sharing their story and society benefits from a high-quality, local supply chain.

A key point of the conference was addressing the role the government plays in cross-sector collaboration. As U THANT SIN WIN, Director General of the Directorate of Investment and Company Administration (DICA) pointed out: “Responsible business is a joint obligation,” which all panellists agreed on, stressing the essential role of the government, be it to send incentives to encourage responsible business or to enforce special regulations.

Although collaborations raise challenges like transparency, due diligence and trust, Philippe Battle is confident that somewhere there’s a will, there’s a way.” Once partners choose each other, understand the payback period for committing in the project, and settle on their expectations, it’s already a milestone accomplished. With the rising awareness on socio-environmental issues and the growing pressure consumers put on companies, cross-sector industries are likely to see a steady rise in collaborations in the foreseeable future.

Get more information on eurocham-myanmar.org/embri.
INTERVIEW WITH KRISTIAN SCHMIDT

YANMAR HAS a trade surplus with Europe, which you do not have with any other major economy. Exporting to the EU may sound ambitious and difficult, but Myanmar companies are nevertheless succeeding in doing so,” the EU’s top diplomat in Myanmar, Ambassador KRISTIAN SCHMIDT, told EuroMatters in his Yangon residence. Indeed, Myanmar exports to Europe grew last year by 37% and in the first six months of this year another 37% - one of the key economic progress for the Southeast Asian country.

Not only are the numbers significant, it reveals the extent to which Myanmar is changing and modernising with support from a vast array of European partners.

Since the transition began in 2011, more and more businesses in Myanmar are driven by market pressures in Europe and beyond to improve their corporate governance and adhere to international standards and transparency.

Some local companies and manufacturers are cleaning up their operations in all senses of the word, showing that they understand compliance, due diligence, sustainability, transparency and effective management. These companies are attracting joint ventures with European partners, raising capital in Europe, securing contracts in EU-funded projects and exporting to Europe’s market, the largest in the world. In turn, these commercial benefits further drive responsible business practices and respect for human rights.

This is particularly true for the EU’s role in pushing Myanmar to reform its fast-growing garment industry, which employs more than half a million - mainly young female - workers. The market access in Europe comes with an expectation of responsible and ethical supply chains.

Europe is by far the largest market for Myanmar apparel exports, primarily because of Myanmar’s tariff-free access to the Single Market since 2013. Flanking measures have been implemented by both the European Commission and European development cooperation to support reforms in the sector, as well as others with export potential such as agriculture and fisheries.

But there are a lot more the Myanmar government should do before the country can fully tap into the capital and expertise of European partners. European investment tops the ASEAN region but not in Myanmar, meaning that the country has a long way to go to fulfill its potential as an investment destination for companies and investors from Europe.

As the government led by DAW AUNG SAN SUU KYI seeks to drum up foreign direct investment to develop both the country and economy, EuroMatters sat down with Ambassador KRISTIAN SCHMIDT to talk about how the EU is supporting Myanmar’s triple transition - in peace, politics and economics - as well as the opportunities and challenges between the two partners.

Ambassador KRISTIAN SCHMIDT arrived in the country in September 2017 and was previously the EU Ambassador to Uganda from November 2013, after holding several senior positions at the European Commission in Brussels.

He read economics in Copenhagen, Bologna and - as one of the first Erasmus exchange programme students - in Aix-en-Provence. He also holds a degree in international relations from the University of Cambridge.

A Danish national, Ambassador SCHMIDT speaks Danish, English, French, Italian and German and now lives in Yangon with his family.
INTERVIEW WITH KRISTIAN SCHMIDT

INTERVIEW WITH KRISTIAN SCHMIDT

How did your experience as an EU Head of Delegation to Uganda prepare you for your service in Myanmar?

KRISTIAN SCHMIDT • This is my second posting as EU Ambassador and I brought from Uganda this idea that one has to keep an open mind. You think you know, but you will only really understand a country when you meet the people. Sure, you can read a lot in advance, but you can only appreciate the complexity of the issues by drawing from multiple sources. You need to talk to everyone. Talk to civil society, artists, and also Buddhists. Talk to political parties. And of course in Myanmar you need to talk to the military. This is what I brought from Uganda — to make sure that you do a 360 degree survey.

Some of the issues I faced in Uganda are the transition to democracy, poverty, and the run-up to elections. I’m using that experience here. More broadly, it does not matter which country you are in, we are in this one world, and there are issues such as climate change and biodiversity that are of a planetary nature and which any diplomat will have to work on.

Since you are not only engaging with the authorities here in Myanmar but also with a broad range of stakeholders, how do you engage with different groups effectively?

KS • I think there’s this suspicion that a diplomat is someone who is cautiously trying to not tell the truth. My experience and style is the opposite. I do not say things in closed meetings that I would not be willing to defend publicly. Of course the way you can say it will be different. Sometimes you have to be polite and be diplomatic. But what I discuss with civil society or with opposition parties or with ethnic armed groups are issues that I would happily repeat transparently and discuss with government ministers, because these are issues of national interest. This idea that you have different messages to different constituencies - that’s not the type of diplomacy that Europe conducts. We play openly and honestly.

How would Myanmar benefit from attracting more European investments?

KS • Myanmar is very keen to receive sustainable and reliable investors, and EU investments are very desirable from Myanmar’s point of view. For example, if you have an EU investor, people who are leading those engagements, they embody - you would say - European values, but I would say universal values of decency and integrity.

Since Europe is so far away, a European investor coming here is not coming for a footloose and quick profit before leaving. When a European investor comes here, he or she is a serious person who is also looking to invest in decent workplaces.

The second point is that we are mature economies - all 28 member states addressing issues like climate change or waste management. By bringing in a European investor, you bring in those technologies. The reason you do that is the third reason: our EU companies are accountable to their shareholders, to their CEOs and to civil society back in Europe. You cannot be a European company entering Myanmar and then doing business with the military illicit trade, or flaunting human rights and labour standards.

DICA’s data on European investment into Myanmar does not include European companies investing through their regional subsidiaries. How active are European companies in the country?

KS • European investments are not as significant as they should be. If you just take the official trade statistics, the investments are a little bit above 11% to Myanmar. Our real figures are higher because some of our businesses are going through Singapore, Thailand, Hong Kong and others.

If you look at the EU being the largest investor in the ASEAN region, you can see clearly that the potential is not exploited yet. There are a number of good reasons: one, Myanmar is catching up with the rest of ASEAN countries; two, the reputation risks created by the Rakhine crisis.

The sectors European investors are active in right now - in energy or production like breweries - are mainly led by the first round of investments. I have not seen the second wave of investments that you would expect to come with a country that is growing at around 6% per year, in areas such as agriculture, the service industry, banking, and transport. There is still no direct flight between Europe and Yangon.

That second round of investments certainly still has to come. Had we not had the Rakhine crisis, I’m sure part of it would have been underway. We would have had an investment protection agreement between the EU and Myanmar and the investment climate would have been different.
By the very nature of European business models, you need to have sustainable and responsible practices. A good example is the garment industry, where Myanmar has taken full advantage of access to the European market. At the same time, we use our development aid instruments as flanking measures to ensure that those things that I talked about [i.e. decent workplaces, respect for human rights and labour standards, responsible practices] are respected.

The SMART project is an example where we have helped raise the standards on labour rights. We used EU development aid to promote trade unions in Myanmar so factories exporting to the EU will have decent working conditions. This is a strategy of “okay there will be exports to Europe and let’s also address labour rights at the same time”. You have the same other EU-funded sectors such as agriculture where Myanmar companies are now qualified to EU food and health standards - which is a major achievement. We also have an EU development aid project supporting private sector producers who will eventually be able to export to the EU market.

What would be your advice for Myanmar businesses, manufacturers and agri-producers who want to export to Europe?

K&S • That can be summarised in three words – “go for it”. Making it to the EU market means that you have made it to the global market. If you are able to penetrate the EU market, you have met standards in terms of logistics, health and safety measures, and will qualify for any market in the world. We have the highest and the strictest standards, which is also why companies who are trying should make the investment. Yes, our standards are demanding but the price is worth it. So, go for it. Treat your workers well. Invest in energy efficiency. If you are in agriculture, go organic. Go for products with a high mark-up. If you are an SME, the barrier to entry can be very high so organise yourself as a sector and collaborate with other companies.

I spoke recently to people who were very excited to export Myanmar pomelos to Europe. I love Myanmar pomelos, I eat them every day. I think Europeans would buy them in big quantities, but it’s a perishable good. Logistics are difficult as there are no direct flights. You have got to be organised, probably as a sector as a whole or as a region of producers in order to penetrate the market.

Some Myanmar producers have flagged up the international image of Myanmar in recent years as a challenge when it comes to exporting to Europe. How should they address this particular difficulty?

K&S • Myanmar has a trade surplus with Europe which no other major economies enjoys, so exporting to the EU may be difficult but it’s nevertheless succeeding. That’s mainly in garment but it’s also increasing in agriculture.

It’s not working so well in the other direction, so I would like to ask in return: why is it so difficult for EU exporters to penetrate the Myanmar market? Import restrictions, red tape, customs, illicit trade, discriminatory practices at the border...

There is a trade surplus. But regarding the brand and the reputational damage to “Made in Myanmar”, there’s nothing that I can do other than drawing Myanmar’s attention to this: you are paying a price for the Rohinyga crisis. Therefore, when we give you well-intentioned advice on how to address that crisis, it is not critical for the sake of it. It is helping and trying to fix an issue that is in Myanmar’s best national interest. Unless Myanmar manages to address the root causes of the Rakhine crisis, it is going to hurt Myanmar’s long-term national interest.

Consumers have ethical choices and they will make their own decisions in supermarkets and shops. Now, you can brand something “Made in Yangon”, Mandalay or Shan. But would anyone brand their product “Made in Rakhine”? I think Rakhine desperately and urgently needs development, but you do not fix the problem there by ignoring the deep-rooted governance, security and human rights problems.

The biggest players in palm oil exports in Southeast Asia are Malaysia and Indonesia. Myanmar also has a considerable number of palm oil plantations in the south. Why did the European Commission decide to phase out imports of palm oil for transport fuels by 2030?

K&S • I’m no expert on palm oil but there is a mix of concerns on the EU side. The greatest of which is the loss of biodiversity and deforestation from large-scale palm oil plantations. Some of our partners in ASEAN claim that this is being addressed and that small-scale producers will not be hurt or they have pulled back a little on giving permission to new large-scale producers. Then there is the question of palm oil as what? Edible food or biofuel? These are two different issues and should be judged differently. For human health as a edible product, I believe Myanmar has much better alternatives to palm oil like sesame. I don’t think Myanmar should become another member of the palm oil lobby.

On biofuels, if it’s a question of palm oil as a source of energy, you simply have to assess it with other alternative sources of energy. Europe is putting climate change at the very top of its agenda, therefore hydropower, wind, solar, and even gas are more environmentally-friendly. Biofuel must be looked at very carefully.

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German wholesaler METRO puts its faith in Myanmar

A MONG THE most high-profile European businesses which launched their Myanmar operations in 2019 is German wholesaler METRO AG.

The Frankfurt-listed wholesaler last March announced its entry into Myanmar via a 85%-15% joint venture with Singapore-listed Yoma Strategic Holdings, offering one-stop wholesale food service distribution for hotels, restaurants, catering services, independent retailers and offices across the country.

Building on a highly advanced warehouse in Thilawa Special Economic Zone and supported by digital ordering and delivery services, Metro Wholesale Myanmar serves local commercial customers in the fast-growing hospitality, tourism and trader sector.

It offers customers a virtual one-stop-shop solution that combines e-commerce with delivery services. The 5,800m² Thilawa warehouse, southeast of Yangon city, houses refrigerated rooms and processing facilities for fresh fruit and vegetables, as well as office space and storage in compliance with strict quality and food safety standards.

The investment, announced one year before Myanmar’s election year of 2020, is widely seen as a symbolic vote of confidence by leading European companies in the Myanmar market.

EuroMatters talked to CEO JENS MICHEL about the latest development and why METRO is confident in the Myanmar market.

“As a basis of our market entry we have done a thorough market study and HoReCa (food service industry) market in Yangon to be worth approximately US$1 billion in future. The liberalisation of Myanmar’s wholesale market was very recent and we see a lot of opportunities to grow and innovate,” he said.

The emergence of a middle-class population and the rise in tourism, boosted by travellers from China and the rest of Southeast Asia, increases the demand for fusion food offerings, he added. The demand is not only in the two major cities - Yangon and Mandalay - but also in the capital Naypyidaw and popular destinations such as Ngapali beach, Inle Lake, Bagan & Ngwe Saung.

The initial investment reached €10 million for the Thilawa warehouse and IT system.

Last year, METRO Myanmar raised a US$20 million loan from the International Finance Corporation (IFC), the private-sector arm of the World Bank. The terms of the loan were not disclosed.

The IFC said the financing seeks to drive up agricultural incomes as well as improve the quality and availability of local produce, benefiting buyers and end consumers. It added the investment will help METRO source the majority of its produce from domestically, raising Myanmar’s food safety standards and creating jobs in food processing and logistic services.

“With IFC’s support, we are able to initiate our operation more efficiently after building the state-of-the-art warehouse. This platform stores, processes, and distributes raw and fresh food products along with non-food and fast-moving consumer goods. Our customers benefit from a modern value-added service area, the first of its kind in Myanmar, which undertakes rigorous quality checks and tailor-made solutions allowing customers to order online virtually for doorstep deliveries,” said MR MICHEL.

For him, the recent liberalisation of the wholesale sector has “unleashed great potential and vast opportunities in an underserved market.”

But so far, few multinationals from Europe have committed investments to the opening.

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METRO’s aim is to continuously increase its portfolio of locally sourced products, MR MICHEL added, and also to improve Myanmar’s food safety. It has provided training to caterers and farmers across states and regions through local partnerships. There is a business case too, because an efficient and professional supply chain is essential for the long-term success of investors like METRO.

Last August, the company became the first Food Safety and Hazard Analysis and Critical Control Points (HACCP) certified international wholesaler in Myanmar. A series of HACCP workshops were conducted recently to provide local fish and poultry suppliers with the knowledge and skills needed to produce and handle food.

In addition, METRO Myanmar has given Good Agricultural Practices (GAP) training for around 200 fruit and vegetable growers who specialise in onions, potatoes, garlic and tomatoes. In 2019, 62 farmers were awarded GAP certificates from the Ministry of Agriculture, Livestock and Irrigation.

These efforts serve to ensure that METRO’s unique food safety concept - “Farm to Fork” - remains at the core of its sourcing and supply chain that complies with global food safety and hygiene standards.

In the long run, “we see ourselves playing an important role to elevate the food distribution industry,” MR MICHEL said. Based on its research, 90% of professional customers order on delivery, with wholesale and wet markets account for the largest share of the business-to-business segment.

“The Myanmar market is developing gradually with professionalised services, and METRO Myanmar is in a strong position to lead this transformation,” he told EuroMatters.
M Y A N M A R ' S A U T O M O T I V E market is set to benefit from more competitively-priced car insurance products as the government liberalises the insurance sector to foreign firms and joint ventures.

The automotive population in the country is still relatively small with 20 vehicles per 1,000 people, according to data provider CEIC. Overall, the market demand for new, safe and green vehicles will grow in the coming years and the growth potential is enormous.

In a move widely welcomed by investors, the government in 2018 committed to carry out new policies related to motorcycle helmet standards and emission standards. But industry prospects is hampered by import restrictions and policy chaos.

One key challenge is the repeated delays in implementing the new vehicle registration system in Yangon, the most populous city. Authorised importers and distributors are not allowed to register imported vehicles in Myanmar’s commercial capital since April 2016 when the government suspended Yangon’s parking recommendation system to reduce traffic congestion and free up parking space. In December 2017, it proposed the Yangon Vehicle Quota Certificate (YVQC) but this has yet to be enforced.

YVQC was originally expected to be in place by the beginning of April 2018.

Car importers, many of whom have invested in new sales and service dealerships for Yangon, say the inability to register new imported vehicles has hurt sales and business.

At the same time, car distributors have less confidence to commit further investments in Myanmar because of this policy uncertainty. The government is also losing a remarkable amount of tax revenue.

In May 2018, EuroCham Myanmar and automotive committee of American Chamber of Commerce Myanmar penned a joint letter to the commerce and transport ministries to complain about the delay.

The letter, which was not made public but reviewed by EuroMatters, said that the two business groups are concerned and argued that the delay poses a “significant impact on sales since Yangon is the largest market in the country for our respective vehicles.”

They further warned that the lack of information on the timing creates ambiguity and confusion in the market.

Another problem is the registration process with the Road Transportation Administration Department (RTAD).

In Myanmar, vehicles can only be registered in Yangon, Mandalay and Naypyidaw. As a result, car owners and dealers from other cities are forced to travel and drive or tow vehicles all the way to one of these cities to deal with the registration.

To add to the problem, vehicles are obliged to return to the RTAD within three years of the first registration to renew the licence, and then once every two years.

This arrangement has led to a high risk for dealers driving the car, rising cost of transport and a long queue at the RTAD because the car needs to physically move there.

The renew and review is also largely a visual inspection and does not include a standardised safety check, such as the brakes and lights, or emissions checks in terms of exhaust emissions and oil leakage.

Meanwhile, the importation of luxury passenger cars with a cost, insurance and freight (CIF) value over $100,000 was stopped in the last quarter of 2018. No evidence or written notification was offered to explain the move.

This restriction, which may not be in line with the World Trade Organization (WTO) has affected European brands targeting a key segment of automotive manufacturers.

If Myanmar wants to encourage European brands to invest more in the country, it should review and reverse the ban, and issue a notification to explain the rationale behind the measure.

Insurance

Many issues do not only concern European companies. Other foreign investors, too, have urged the Myanmar government to address business concerns.

In 2018, the Japan Chamber of Commerce and Industry in Myanmar in an interview with the local Myanmar Times outlined the importance of opening up insurance in order to develop the market.

“Right now, only around 10% of people insure their cars in Myanmar. In Japan, almost everyone has car insurance. That makes it a much safer society. We must look into efforts to raise awareness in Myanmar about the importance - and necessity - of securing insurance, and how that is going to support people’s lives and provide them security when accidents happen,” said Kunio Negishi, then-chair of the Japanese chamber.

Auto insurance offered by Myanmar insurance firms is already relatively consumer-friendly, even if take-up rates are low. But insurance penetration and awareness also remain extremely low.

Insurers in the automotive market generally face high loss ratios on auto policies, though the ability to properly price products is currently limited, according to Vriens and Partners, a Southeast Asia-focused advisory firm.

The Financial Regulatory Department last November finally issued licences to six joint venture insurers - three life, three non-life - and five foreign life insurers to operate in the Myanmar market. The joint ventures for general insurance involve big names such as Tokio Marine & Nichido Fire Insurance and Mitsui Sumitomo Insurance.

“The recent liberalisation of the insurance industry should allow more competition in the auto insurance category. Raising awareness about the necessity of proper auto insurance is the key challenge faced by insurers,” commented Jeremy Mullins, Vriens and Partners country director.

Retail fuel

The fuel retail market has improved immensely since 2010, the year when the government opened up the industry to the private sector.

The number of privately-owned stations has now reached around 2500, from just a few hundred a decade ago, making it a lot easier for drivers.

Still, the industry could be improved further, including more consistent quality checks and standards, said Mullins. The fuel retail market is currently quite fractured and due for consolidation.

In particular, many stations are in preposterous locations, such as clusters of stations in rural Mandalay, due in large part to the availability of cheap land. Other areas, such as parts of urban Yangon, are under-served.
“We’ve already seen car ownership and the number of fuel stations growing together in large numbers over the last ten years. I think the next step for fuel stations is less about expansion in sheer numbers and more about improvements in fuel quality and consistency, as well as probable consolidation among fuel businesses,” Mr. Mullins added.

One key question that concerns the wider business community is how much activity there will be from foreign fuel retailers.

“Only a few have entered the market, mostly by purchasing minority stakes in existing firms, and roll-out has been relatively tepid so far. Import and distribution of fuel is also a major part of the business,” said Mr. Mullins.

Chinese state-run PetroChina International launched its first service station in Myanmar last March through a joint venture between its Singapore unit Singapore Petroleum Co (SPC) and Shwe Taung Energy Co, a subsidiary of Shwe Taung Group.

At the time of the launch, Shwe Taung said it plans to bring in all of its 18 outlets under the SPC brand.

The Myanmar Investment Commission opened up the retail energy sector in 2017 to foreign investors but liberalisation has largely fallen flat.

Max Energy and Shell signed an agreement in July 2017 to operate Shell-branded petrol stations, which is yet to happen. Singapore-based Puma Energy also plans to have 50 franchises within 10 years but no announcement has been made so far.

PTT Oil and Retail Business, the retail arm of Thai energy giant PTT Group, may become the second foreign investor to enter Myanmar. The Thai firm said it intends to form a joint venture with KBZ Group to build a filling station and a reserve facility in the second quarter of this year.

Logistics and financing

Allowing bonded warehouses to store vehicles is one step which the government can take to develop the automotive industry, corporate executives say. Bonded warehouses allow storage of cargo before paying duties and taxes.

In Thilawa Special Economic Zone, bonded warehouse services for domestic and foreign companies were introduced a few years ago, but are currently not applicable to vehicles.

Finance Minister U Soe Win said in late 2018 that the customs department would introduce bonded warehouses in the country outside Thilawa. The aim is to align local customs warehousing procedures with international standards and reduce import restrictions on Myanmar goods.

EuroMatters talked to Takakai Yabe, deputy director of Thilawa-based Daizen Myanmar, which is Myanmar’s first operator of such services and a leader in this area of policy reform.

“Bonded warehouses will shorten the lead time for delivery to the customers when compared to having to import from other countries and defer the payment of duties for importers and car dealers,” he explained.

With more foreign logistics companies investing in Myanmar, there are more international standard warehouses in the country in terms of both hardware and software, which will assure a safe and secure environment for the storage of vehicles.

“Car dealers are always cash-strapped, especially when they carry a lot of stock and since floor stock financing is not readily available in Myanmar yet. Having bonded warehouses will definitely help dealers with their cash flow,” said Mr. Yabe. Once vehicles are permitted to be stored in those warehouses, automotive firms will benefit both in terms of liquidity and delivery time.

Lastly, some of the banks in conjunction with car dealers have recently begun offering very consumer-friendly vehicle loans. Generally, they require a certain amount up front, with monthly payments over a period of roughly one to five years for the remainder.

“This kind of innovative financing will do - and is already doing - a lot to make cars affordable to the emerging middle class. I expect these kind of vehicle loans to increase in number and popularity,” said Mr. Mullins of Vriens and Partners.

The industry’s prospects this year enjoy a boost from a recent country-wide tax amnesty.

As part of the 2019 Union Tax Law, the "reduced tax rates for undeclared income" lowered prevailing 15-30% tax rates to as low as 3%. The government wants to channel funds hidden in Myanmar’s vast informal economy into the formal market through the amnesty.

Under the new policy, an individual with undisclosed income of up to K100 million (US$66,000) will be taxed just 3%. The rate climbs to 5% for between K100 million and K300 million ($200,000) in undeclared earnings, 10% for between K300 million and K3 billion ($2 billion), and 30% for any income above K3 billion.

The undeclared income must be invested in capital assets or businesses to qualify for the tax amnesty.

The money mobilised by the amnesty is expected to boost automotive sales and the real estate sector.

For the policy to effectively galvanise the economy, lawyers and corporate executives say that clear guidance and regulation of this is needed. Crucially, the government has to declare that the amnesty is final and will be followed by a crackdown on tax evaders. •
Confidence in Myanmar market among European automakers

For many automotive players from Europe, too, Myanmar offers significant potential. By 2020, automakers expect that the number of vehicles driven in Myanmar will exceed 2 million.

EuroMatters talked to a number of European brands about their operations and commitment in Myanmar.

Audi

German Audi plans to open its doors to the public in Yangon in the last quarter of this year. It is currently setting up the first official dealership in Myanmar’s commercial capital and plans to start offering cars and services later this year. It will be able to offer a range of premium vehicles with a warranty of three years and with maintenance and repair services.

Located on Pyay Road, the sales and service centre - Audi Yangon - will bring access to the latest new models of the German automobile manufacturer.

Meanwhile, Myanmar investors teamed up with French distribution company CFAO to set up the joint venture Automotive Asia (Myanmar), which is appointed by Audi to be its importer, distributor and dealer in the country.

U YE PHONE HLAING, one of the two Myanmar partners in the CFAO JV, said the timing of Audi Yangon is right as Myanmar’s economic growth will accelerate further, supported by key policy reforms.

The other Myanmar partner U AUNG BO BO LIN said this is very encouraging for Audi’s development in Myanmar, along with the new policy promoting new left-hand drive vehicles.

“Audi’s decision to expand its network to Myanmar was motivated by the positive signs of the car market with a clear trend towards brand new left-hand drive vehicles and the overall liberalisation of this economy,” commented ANTOINE JEANSON, Director of Operations at Audi Myanmar.

“The recent reforms undertaken by the Myanmar government to regulate the automobile sector offer opportunities for official distributors. Thanks to its new development in Myanmar, CFAO together with its Myanmar partners are committed to deliver the same quality of products and services that made Audi one of the most desirable brands worldwide,” he told EuroMatters.

The German automobile manufacturer stands for sustainability along the entire value chain of its cars and services, which is appointed by Audi to be its importer, distributor and dealer in the country.

Thanks to its new development in 2020, Audi Myanmar is aiming to bring in Audi’s latest new models of the Four Rings be a good employer in the long term, remain competitive, delight its customers, protect the environment and farming. “Only then can the brand with the Four

Rings be a good employer in the long term, remain competitive, delight its customers, protect the environment and ensure a future worth living for future generations.”

BMW

Prestige Automobiles Co is the authorised dealer and distributor for BMW since 2013 and has subsequently been authorised to be the official service provider for MINI and Rolls-Royce Motor Cars.

It is a subsidiary of Octagon International Services, a distributor of world-leading brands for machinery and vehicles. Octagon International provides services and expertise in the importation of premium passenger buses as well as cranes and heavy machineries, including those deployed in construction, mining and farming.

“Prestige Automobiles is dedicated to providing professionalism in all aspects of our operation and looking to the future business and staff growth,” said Prestige Automobiles managing director U CRAN NGA.

“Our sales, aftersales and supporting teams receive constant training in the latest BMW, MINI and Rolls Royce technology, either in-house and farming.

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“Our sales, aftersales and supporting teams receive constant training in the latest BMW, MINI and Rolls Royce technology, either in-house
and directly from the manufacturers where they undertake individual training programmes and assessments to achieve job certification,” he added.

Incorporated in 2005, Octagon International currently boasts a strong and diligent workforce of over 600 members of staff. The company places a strong emphasis on training, supporting, innovation and learning, and is committed to developing the competencies in its workforce benchmarking them against international standards. A substantial number of its employees are trained international standards. A substantial workforce benchmarking them against developing the competencies in its training, supporting, innovation and learning, and is committed to prioritising developing an experienced workforce with extensive training programmes both internally and from the manufacturers.

Cycle and Carriage entered the Myanmar automobile market in July 2013 and brought Mercedes-Benz into the country for the first time. It started with a Mercedes-Benz service centre, followed by a Mercedes-Benz 3S showroom in the same year. In 2014, it launched Mazda 3S in Yangon as well as Mandalay, and Mercedes-Benz 1S in Mandalay.

Cycle and Carriage’s initial Myanmar investment was US$3 million, which has grown considerably since inception. This investment alone has created 300 employment opportunities in the automobile industry, and provided technical, management and leadership training to employees.

“Cycle and Carriage places a strong emphasis on capacity building and development. Through our ASEAN graduate programme, we bring the best talent in Myanmar and other countries in Southeast Asia into Cycle and Carriage and create jobs across the region. This enables us to develop regional talent and share best practices across our automotive businesses,” general manager ADRIAN SHIRT MBE told EuroMatters.

Through its operations in Myanmar, the company brings technical know-how from world-leading automobile manufacturers into the country, benefitting policymakers and raising the standards of the private sector.

Volkswagen
Yoma German Motors, a wholly-owned subsidiary of Singapore-listed Yoma Strategic, is the sole authorised importer and distributor for Volkswagen vehicles and spare parts in Myanmar. It has been operating since 2013, initially with after-sales services, and commenced vehicle sales last June.

“Acquiring this famous European brand has left the staff and management team at Yoma German Motors astounded at the way that sales have got off to flying start. The parent company sent selected and a limited amount of vehicles to test the market with, and every (vehicle) has been sold,” said MICHAEL RUDENMARK, Yoma’s automotive managing director.

The Volkswagen franchise operates from two newly built showrooms in Yangon and Mandalay where they employ 50 staff. Yoma’s automotive division has created a total of 230 jobs in the country.

“We are confident that Volkswagen has made its mark in Myanmar and that the growth of the Volkswagen brand in the Myanmar market is sure to mature into a serious competitor to the other well-known makes of cars already represented in this country,” MIK RUDENMARK told EuroMatters.

Apart from Volkswagen, Yoma Strategic also represents other franchises and truck and motorcycle brands in Myanmar. The whole team prioritises developing an experienced and well-trained workforce with extensive training programmes both internally and from the manufacturers.

For Yoma, people and talent development remain the key element to differentiate the company in an increasingly competitive market.

“We remain positive about the market outlook. While regulations for automotive trade have greatly improved to better meet ASEAN and international standards, there are still a number of areas that would greatly assist the automotive industry. One such example is bonded warehousing,” said MIK RUDENMARK.

Volvo
Swedish Volvo entered the Myanmar market in late 2015 and went into full operation 1.5 years later, in February 2017. It appointed Performance Auto International Co as its importer and distributor. Performance Auto is a joint venture between Wai Family Co and the UMG Co conglomerate.

The Gothenburg-headquartered firm opened its first showroom on Dhamazedi Road, Yangon, and launched its second showroom, this time in Mandalay, last November.

The Swedish manufacturing multinational has since made its presence felt, with the launch of the Volvo XC 40 small premium SUV in 2018. Its XC 90 largest model was named Myanmar’s car of the year in the same year.

Volvo Cars Myanmar general manager Tommy Werdajaja said the company has captured around 20% of the luxury served-segment in Myanmar, and has employed 37 people so far, with plans to grow further.

“Training and competence development is done locally, in Asia and Europe, with minimum 80 hours classroom training per-year per-person, and additionally more than 20 online/digital training per-year per-person,” he told EuroMatters. These courses include product and technical training, soft-skills development, business process and management training.

Volvo car brings the latest European technology and the highest European quality into Myanmar, said Volvo Cars Myanmar Director DAW NWAY NWAY HLAING, which covers carbon emissions, vehicle safety and passenger protection, among other key aspects.

“Recently, Volvo introduced the XC90 T8 Hybrid Engine, it’s a 2.0L engine with 400 HP. The car is driven by a combination of electric power and combustion twin-turbo engine - the new best experience in driving and putting into action of real caring for the environment,” said DAW NWAY NWAY.

There are a number of areas which the government should address in order to improve industry prospects and secure more foreign investments, she added. For example, the delay in implementing the Yangon Vehicle Quota Certificate (YVQC) has caused uncertainty in the market, deterring both consumers and investors.

Other areas which should be tackled include the income tax system in purchasing properties, import limits, red tape and challenges in the broader economy, notably the devaluation of the exchange rate.

However, once the regulatory uncertainty is sorted out and despite the headwinds, Volvo is poised to tap fast-growing demand for cars domestically.
EVENTS ON REVIEW

EUROCHAM MYANMAR, together with leading European companies represented in the Agrobusiness Advocacy Group, the International Labour Organisation (ILO), and the Organisation for Economic Development and Cooperation (OECD), hosted the first Agrobusiness Forum at the MGallery in Naypyidaw on December 12, 2019. The forum’s theme was “Towards a sustainable and inclusive agriculture economy in Myanmar”.

The purpose of the forum was to bring together key stakeholders in the sector to provide an overview of the state of agriculture in Myanmar. The morning began with panel discussions which dealt with topics both at the regional level and specific issue areas within agriculture whilst offering solutions that take into consideration the role of the government. A common theme throughout the forum discussions was the need for transparency and consistency in rules and regulations as a means to increase foreign investment.

The forum was opened by EuroCham Myanmar’s Executive Director MARC DE LA FOUCHARDIÈRE, and was followed by Union Minister of Agriculture, Livestock and Irrigation DR AUNG THU who expressed his commitment to working with the private sector to improve agriculture conditions, adopt best practices and implement international standards.

PIYAMAL PICHAIWONGSE, Deputy Liaison Officer for ILO set the scene for the opening panel of the forum which focused on perspectives and challenges in the agriculture sector, and was discussed by DR YE TINT TUN, DG Agriculture Department, ROBBERT GROENEN, EuroCham Myanmar Agribusiness Advocacy Group Co-Chair, DR ZAW ONG, Executive Director of the Centre for Economic and Social Development, SHIVANI KANNAHIBAN Policy Officer OECD, U SEIN THAUNG OO, Vice Chairman Myanmar Food Processors & Exporters Association. The panel represented a broad cross section of stakeholders in the agriculture sector and looked the progress that has been made in the nation in the realms of technology, labour laws and accreditation for farmers.

The panel concluded with an acknowledgement of the challenges that all actors face but with a positive outlook on the benefits that employing a new approach can bring.

A discussion of on the ground issues in agriculture was introduced by moderator and EuroCham Myanmar Advocacy Group Co-Chair ESTHER WINTRAECKEN. The panelists included KANG CHENGRUI, East West Seed, KARINA UFFERT, AgriRS, HYACINTHE CLOAREC, METRO Wholesale Myanmar and ERWIN SIKMA, Impact Terra. They provided their insights into their specific topic areas in agriculture which included import and export practises, access to finance for farmers, land acquisition issues, food safety and the future of technology in agriculture.

The issues were then brought to various roundtables where the audience engaged with the government and fellow stakeholders in an open forum to provide additional insight and debate. The constructive dialogue from the day has undoubtedly provided a solid foundation from which greater levels of engagement and cooperation between the public and private sector can materialise.
The 3rd annual Myanmar Responsible Tourism Awards were announced on December 3, 2019. Organised by the Myanmar Responsible Tourism Institute and presented in front of an audience of 250 key influencers, stakeholders and decision-makers at the PARKROYAL hotel, the awards identify and celebrate best responsible and sustainable tourism practices in Myanmar. There were nine winners.

With a policy acknowledging that everyone in the organisation has a responsibility to protect children, Yangon Excelsior Hotel won the first prize in the Best Practice in Child Safe Tourism award. Best Responsible Start-Up in Tourism went to Sa Ba Street Food tours. While learning about Yangon’s truly unique street food scene, Sa Ba and their customers are supporting street vendors’ livelihoods. Best Practice in Carbon Footprint Reduction went to Laguna Lodge Eco Resort, Ngapali for caring deeply about the environment, contributing to the local economy and preserving the local culture. Green Season Travel received the Best Responsible Community Involvement in Tourism, awarded to an organisation working to improve lives, create opportunities for communities and protect and respect cultural heritage.

Designed for people who love nature and adventure, Babylon Trekking received the award for Best Responsible Innovative Product Development with its offer to experience the traditions of ethnic groups, watch the sunrise and sleep at magnificient mountain camps. The award for Best Responsible Awareness Raising Project went to Thant Myanmar. With a mission to reduce the use and dependency on single-use plastics, Thant engages the community in a wide range of awareness raising and community education activities. Best Responsible Tour Operator went for the second year in a row to Yangon-based Sampaan Travel. Sampaan believes strongly in playing their small part in making Myanmar not only a better place to visit, but also a better place to live.

To know more about the awards:
https://myanmarresponsibletourismawards.wordpress.com

More information about MRTI:
http://www.myanmarresponsibletourism.org

The Hotel-Kalaw Hill Lodge won the award for Best Responsible Accommodation Provider (Small). Kalaw Hill Lodge recruits over 80% of their employees from the local community and offers guests the opportunity to interact with locals to immerse in the Myanmar and/or ethnic culture. Thingaha Hotels are part of the Eden Group, which has adopted the UN Sustainable Development Goals and joined the UN Global Compact. Eden’s corporate commitment to sustainable and socially responsible practices is reflected at the Thingaha Hotel in Naypyidaw, which received the award for Best Responsible Accommodation Provider (Large).

To know more about MRTI:
https://myanmarresponsibletourismawards.wordpress.com

The prestigious Yangon Excelsior, an elegant and luxurious boutique hotel located in Yangon’s downtown, has been painstakingly refurbished from a Heritage Building - the headquarters of the Steel Brothers Limited Company, built in early 19th century. It evokes a bold and elegant tone as it draws on old merchant trading atmosphere in a polished, modern setting. With 74 sleek, upscale rooms, one Executive Floor with 16 rooms and an Executive Lounge, one Cafe-Deli-Bar called the Newsroom, a Wine & Grill restaurant, gym and spa, and two meeting rooms, the Yangon Excelsior Hotel is the perfect base from which to explore the city, host important board meetings or treat clients to coffee. Centrally located for the ease and convenience of both the curious leisure traveler and busy business visitor, the hotel is a gentle reminder of Myanmar’s rich history while providing the contemporary comforts for an unforgettable stay.

More information about the hotel:
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www.yangon-excelsior.com

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Rosewood Yangon
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Rosewood Yangon establishes a new benchmark for luxury in Myanmar

Housed in a meticulously restored heritage building formerly the New Law Courts, Rosewood Yangon features 205 spacious guestrooms, suites, and one and two-bedroom Rosewood Residences. The hotel exquisitely expresses A Sense of Place®, the Rosewood Hotels & Resorts® brand philosophy of reflecting the history, culture, architecture, and sensibilities of the location. Boasting high ceilings and abundant natural light, most rooms feature patios and balconies where guests can take in views of the Yangon River or the beautifully landscaped internal courtyards. The majestic Grand Ballroom offers the most memorable venue in Yangon with its lofty, coffered ceilings and custom-designed crystal chandeliers. The hotel currently offers three distinctive dining venues – NOVA European brasserie, Living Room and patisserie, the CourtRoom bar and cigar lounge. Opening soon, additional recreational facilities will include the rooftop “Y” bar, infinity pool and a fitness studio, Chinese Restaurant and Sense®, a Rosewood Spa.

More information about the hotel:
E. yangon@rosewoodhotels.com

Rosewood Yangon
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In every edition of the hospitality section, EuroMatters presents a list of inspiring places across Myanmar that will allow you to further discover the country and explore all the diversity and richness of its culture.
Legal and Tax Forum

EuroCham Myanmar, together with leading European companies represented in the Legal & Tax Advocacy Group, are pleased to announce the first EuroCham Legal & Tax Forum 2020. The Forum will feature a diverse outlook on the current legal and tax framework and will bring perspectives on how to improve it for the future.

Don’t miss out on this high-level, cross-sectoral advocacy event and join us creating an environment in which business and government can thrive on the principles of mutual understanding, clear communication, and an inclusive legal and tax framework.

Awareness on sustainable production

The Mandalay Region Chamber of Commerce and Industry (MRCCI) wants to support its members business and help them to improve their production process. All SME business owners, association and federation members, NGOs and government organisations and experts including academics are welcome to attend the event where topics such as the Tha Bar Wa Project, financial solutions with regards to green application and other ways to achieve a more sustainable production will be tackled.

The event will be held at the MRCCI office from 9.30am to 1.30pm.

Joint European chambers networking

The 7 European Chambers, BritCham, CCI France Myanmar, EuroCham Myanmar, German Myanmar Business Chamber, Chamber of Commerce Italia-Myanmar, Myanmar Norway Business Council and SwedCham are pleased to invite you to the 5th edition of Joint European Chambers Networking event.

Stay tuned on eurocham-myanmar.org for more information.

Digital Transformation Initiative Launch

The Digital Innovation Group will be marking the new year under a new name and format. The Digital Transformation Initiative will represent the digital needs of all European companies in Myanmar, as a platform for all EuroCham members to engage with the digital landscape. To celebrate this occasion, a launch event will be held in March with discussions covering key topic areas of concern for the group.

Stay tuned for more details on the event!
Thank you to our partner members

PLATINUM

GOLD

SILVER

Mercure, Locally Inspired

First Mercure Hotel in Myanmar and a globally recognized brand – Mercure Yangon Kaba Aye will mark its 2nd Year Anniversary on 16th February this year.

Mercure Yangon Kaba Aye – Locally Inspired hotel is located on Kaba Aye Pagoda Road just 10 km away from Yangon International Airport as well as central business district and key tourist sites, a short drive to YCC (Yangon Convention Centre) and walking distance to popular Inya Lake, Central Boulevard and Myanmar Plaza shopping mall.

The hotel offers guest to experience a local and authentic hospitality services and facilities whether travelling for business or leisure. The hotel in company of 183 rooms is perfect for both family and business visitors either a long stay or short stay from deluxe hotel room to one, two and three bedroom apartments.

The guestroom décor draws inspiration from local Myanmar culture and craftsmanship and includes traditional lacquerware and come with a fully equipped kitchenette and a separate lounge and dining room.

A comprehensive range of full hotel services and facilities are offered such as Swimming Pool, Children's pool, Sweat Club Fitness Centre, Kids club room, Ready to work office spaces, Federation Ballroom and meeting rooms and MiCasa Restaurant for morning breakfast to evening dinner with a wide range of International à-la-carte menu.

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With a team of more than 50 European and Myanmar lawyers and internationally trained professionals in our office in Yangon, Luther has the competence and expertise necessary to comprehensively assist and advise our clients on all aspects of corporate and commercial law as well as regulatory compliance, including:

- Legal advice
- Tax advice
- Incorporation services
- Corporate secretarial services
- Bookkeeping and Accounting
- Tax Compliance
- HR administration and payroll
- Payment administration

Our Myanmar clients comprise of international and multinational private investors, MNCs and SMEs, Myanmar businesses and conglomerates as well as embassies, state owned enterprises, international development organizations and NGOs.

With 13 European and 7 Asian offices and partner firms, Luther is one of the top addresses among German commercial law firms. Knowledge of the market in which our clients are active is a prerequisite for providing successful advice. That’s why our lawyers and tax advisors, in addition to their specialized legal knowledge, also focus on advising clients from particular industries.