

# EuroMatters



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

At the time of writing these lines in June 2020, Europe and the South-East  
Asian countries are slowly waking up after months of managing the COVID-19  
healthcare crisis. Economies are gradually reopening, and a question torments  
every head of states around the world: how to open one's economy without  
sacrificing its citizens? In Myanmar as in other parts of the world, collective  
work towards a sustainable recovery phase is the word. Governments, private  
sector and development agencies have been discussing, working, and coming  
up with concrete actions on how to reset their economies and move towards a  
more responsible and sustainable business environment. European businesses  
active in Myanmar have been busy in that regard.

The two core articles of this edition highlight how European companies  
have been adapting their business practices to the new circumstances, also  
by launching initiatives with positive impacts to cope with the COVID-19 crisis.  
The analysis further examines the economic response from the Myanmar  
government and the impact of the outbreak on employment and domestic  
industries.

For this edition's cover story, we had the pleasure to interview the recently  
appointed European Union Ambassador to ASEAN, H.E. IGOR DRIESMANS.  
The Ambassador shared his insights about one of the fastest-growing regional  
economy worldwide, shedding light on the challenges, achievements, and future  
relations between the EU and ASEAN. The wide-ranging interview also covers  
the Ambassador's perspective on dealing with the COVID-19 outbreak within  
the region and the efforts of both the EU and ASEAN to pursue sustainable  
development objectives as a leading force in a post-virus economy.

We take this opportunity to thank you for your continuous support and  
interest, which allows us to make the publication evolve and grow further.

Finally, we call on our readers to keep engaging with chambers of commerce  
as strong partners for recovery in these dire times.

We wish you an insightful reading. •



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COMMUNICATION HEAD

## WE HAVE RELOCATED !

Please note that EuroCham Myanmar has moved to Times City, Office Tower  
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## THE DAWN OF MYANMAR FISHERY TRADE ROUTE

WHEN THE FIRST LIGHTS OF DAWN RISE, a group of five women arranges the seafood near the coast of Gyeiktaw, a small fishing village just one mile away from Ngapali Beach.

The image captures women in the patient work of picking and separating the different varieties and sizes of fish, before getting sold to the local wholesalers.

Once the sun is up, the focus of the women is to mend their nets and dry shrimps and fish, which will be later distributed across the country.

In most cases, it is a family business. Fishermen are ready to set sail after the sunset, coming back to their relatives with the prize early in the morning.

The image grabs one, among all the many points, that composes the widespread fishery trade route in Myanmar, passing from the shore to the market, through the local retailer. •

Photo by  
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# Myanmar lifts decade-old foreign liquor import ban

**T**HE MYANMAR GOVERNMENT in late May relaxed its decades-old ban on foreign liquor import. The move was received warmly by the industry which sees Myanmar opening up its market.

The new measures from the Ministry of Commerce under Notification 38/2020 and 39/2020 would mean that more direct foreign investments will be flowing into the country's spirit industry, an increase in tax revenue for the country, and the public being able to consume high-quality international liquors.

"We warmly welcome the announcement by the Minister of Commerce on the lifting of the ban on the importation of foreign spirits into Myanmar. An important step has been made on the regularisation of foreign spirits imports and we wish to acknowledge the open and



constructive dialogue the industry has had with the Ministry of Commerce," said MATTHIEU GLORIEUX, co-chair of the Wine & Spirits advocacy group and managing director of Pernod Ricard.

Moreover, opening up the liquor market and allowing international firms to import their products is "a win-win situation for the government, consumers, and the industry" as it would reduce illicit spirit trade and reduce public health risks from consuming counterfeit products, he added.

The government's ban has led to a rise in illicit trade of foreign liquor as well as counterfeit items in the market. This results in the government losing millions of dollars in tax revenue and the consumers at risk of health issues due to drinking poor-quality alcohol products.

From the fiscal year 2017-18, it was estimated that the illegal import of whiskey totalled US\$75 million while official data from the Department of Trade, under the commerce ministry, shows that only \$8.24 million whiskey was imported. This showed that nearly 90% of whiskey was imported into the country via illegal ways.

"We welcome continued dialogue and long-term engagement with the Myanmar Government to keep addressing future issues that will arise following the opening of the spirits market, including exploring how we can support the authorities in our commitment to tackling alcohol harm and promoting responsible consumption," commented MR GLORIEUX.

Although the government's relaxation is well-received in the

industry, the cost, insurance, and freight (CIF) value under the new guideline is a concern for industry players as the rate is quite high.

Under the new measure, a CIF rate of \$8 or above will be charged for foreign spirits to be allowed to be brought in from the Yangon International Airports and ports.

Additionally, the General Administration Department is still drawing up the Excise Law aimed at regulating the distribution and sale of foreign liquors. The draft law has not yet been made public and will need both parliament's approval to pass.

The Wine & Spirits co-chair told **EuroMatters** that although international liquor firms understand that the CIF threshold if \$8 is a temporary measure in the early stage aimed at protecting domestic players, the CIF rate should later be set at a reasonable rate in accordance with the World Trade Organization guidelines.

"A reasonable CIF value would allow the end consumer to have access to legally imported international spirits in the premium categories at prices only slightly higher than tax-free products already present in Myanmar, without cannibalising the sales of locally-produced spirits which are price-positioned way below the price of imported premium spirits," said MR GLORIEUX.

The current restriction on importing foreign liquor was introduced under the military government in 1995. Under U Thein Sein's administration in 2015, a partial relaxation was made where import of wines was permitted, but the import of spirits and beer was only allowed for hotels and duty-free shops. •

# Seven more international banks granted licences in Myanmar

**T**HE CENTRAL BANK OF MYANMAR (CBM) issued operating licences to seven foreign banks - four branches and three subsidiaries licences - on April 9. With the addition of the seven banks, a total of 20 foreign banks are allowed to operate in the country, marking another step towards liberalisation.

The licensing committee under the central bank said in a statement that they have granted preliminary licences to the Bank of China (Hong Kong), Seoul-based KB Koomin Bank, Industrial Bank of Korea, Korea Development Bank, Taiwan's Cathay United Bank and Mega International Commercial Bank, and Siam Commercial Bank of Thailand.

The announcement stated that before a proper licence is granted, a preliminary approval of nine months will be granted to the banks that will have to show that they have made the necessary preparations to ensure functional banking operations and also follow the CBM's guidelines.

Banks which are granted a branch licence are allowed to operate a range of wholesale banking activities. Banks with a subsidiary licence are allowed to provide both wholesale and, from January 2021, onshore retail banking services. A minimum paid-in capital of US\$75 million and \$100 million is required for a branch and subsidiary licence respectively.

The licensing round for the foreign banks was opened last November with the aim of attracting foreign investments when the government was facing challenges to accelerate

economic reforms before the parliamentary elections for this year.

"The granting of licenses to foreign banks is a welcome move in the banking sector. This signals market liberalisation and greater opportunities for potential international investors in the banking sector of Myanmar. This move initiated by the Government also exhibits a gradual shift from the predominately cash-based economy to an economy led by digital banking," said NISHANT CHOUDHARY, Partner, Deputy Managing Director and Myanmar Head of Banking and Finance Practice Group of DFDL law firm.

The seven licences were the first granted since DAW AUNG SAN SUU KYI's National League for Democracy party formed a government in 2016.

During the previous government of U THEIN SEIN, two licensing rounds were held - the first one was in 2014 where nine banks were awarded the licence, and the second round was in 2016 where four Asian banks were granted licences.

Currently, the Myanmar government has allowed 13 foreign banks to operate in a limited capacity. Another 51 banks and finance firms have opened up representative offices and there are a total of 27 local banks.

However, analysts say that the absence of participation from western banks could be attributed to an increase of market risks as Myanmar was included back into the "grey list" by the Financial Action Task Force in February 2020. The FATF's grey list is a list of countries which are susceptible to money laundering and terror financing.

Following the FATF's decision, the European Commission on May 7, 2020 has also put Myanmar among eight other countries into the bloc's blacklist for money laundering and terrorism financing ties. The commission will submit the changes to the European Parliament and Council for approval within two months. The blacklisting will be put into effect from October 1 onwards due to the COVID-19 pandemic. The latest measures from the European Commission will put even more market risks for international banks interested to invest in Myanmar.

But, others disagree stating that the measures are imposed to monitor Myanmar more closely and the actual financial activities will not be impacted.

"Inter-bank and offshore remittances may be impacted and more stringent diligence procedures would now be followed as a result of the grey-listing. This enhanced monitoring requirement and stringent diligence procedures may deter western banks from investing in to Myanmar. However, that should not be the case," said MR CHOUDHARY.

"Myanmar has in total 20 internal banks (including banks from Australia, Korea, Japan, India, Singapore, etc.) efficiently doing business and I do not see why it should be any different for a western bank. However, a fair bit of banking follows investment from a region. The western business in Myanmar which are of a considerable size would find it efficient for banking purposes to deal with the bank their headquarters transact with." •



# Myanmar parliament approves new Industrial Zone law

**T**HE MYANMAR PYIDAUNG SU HLUTTAW (the Assembly of the Union) approved the Industrial Zone law on May 26, 2020, setting up regulations for industrial zones including tackling land speculators and environmental polluters more effectively.

The government had the Myanmar Special Economic Zone Law of 2014 and the Myanmar Special Economic Zone Rules of 2015 focused on regulating SEZs but not a governance system for industrial zones.

The new law will allow the establishment of a new regulatory system, which will be outside the responsibility of the Myanmar Investment Commission.

Under the new system, a three-level management, policy and supervision mechanism is created, representing the union, regional and state, and the daily operations management.

The Industrial Business and Industrial Zone Development Central Committee, which acts as the Union-level central committee, will be responsible for implementing regulations and scrutinising development proposals for the industrial zone. The Regional Committee and Management Committee are tasked with setting up businesses in the zone and oversee the day-to-day operations, respectively.

Additionally, the law highlights responsibilities for setting up and implementing pollution control management and proper waste disposal. Investors will now be legally accountable for environmental pollution such as failing to arrange their own waste disposal if the zone they are in does not have such a system set up.

Specifically, section 28 of the law states that investors will have to comply with the zone-level Environment Impact Assessments (EIA) based on the Environmental Conservation Law of 2012.

The EIAs regulates on carbon emissions, the carrying capacity of the zone regarding water usage and ensure that the cumulative impact of the factories is managed.

Moreover, the law stated if the central committee approved the developer's project, they will face penalties. The developers thus required to submit a project plan and completion date within six months to the regional committee. Failure to do so will result in a penalty of 10% of the land value set by the central committee yearly. If the fines are not paid, the developers' permits will be revoked or they could face imprisonment.

The law is a positive step towards a more competitive market, establishing a clear hierarchical structure and set rules for investors to follow environmental guidelines, according to analysts. •



# Myanmar pushes power generation, solar tender under fire

**M**YANMAR'S MINISTRY OF ELECTRICITY AND ENERGY (MOEE) has been calling for energy bids, rushing through emergency power projects to meet the country's rising electricity demands.

The Electric Power Generation Enterprise (EPGE) under the ministry called for a tender on May 18, inviting firms to bid for the construction of 30 ground-mounted solar plants which can generate 1060MW of power in total under a 20-year build, operate and own basis.

Seven locations are proposed for the solar plant - in Naypyidaw, Yangon's Shwe Pyi Thar township, Ayeyarwady, Bago, Magwe, Mandalay, and Sagaing regions.

The plants need to start commercial operations within 180 days after the letters of acceptance are issued.

The tender's original one-month deadline received negative reception from potential bidders, business chambers and embassies who said it was impossible to meet because of the COVID-19 crisis and tough conditions attached. Although the ministry initially said that it did not have any plans to extend the deadline, the ministry decided on June 3 to move it to July 17.

However, the condition of the tender still was not favourable to international investors as a note signed by the EPGE's managing director U THAN NAING OO did not allow bids to be submitted online.

The ministry received further backlash from industry players as the government has imposed travel and international flight restrictions to curb the spread of COVID-19. Authorities announced on June 28 that they will be extending these measures to July 31, resulting in investors unable to fly-in the country to meet the bid's deadline.

Business chambers argued that with the international flight ban, quarantine measures for travellers and other COVID-19 constraints, the tender

needs to be extended by at least nine months in order to accommodate the requirements on land acquisition and project financing.

In addition, practical considerations and land requirements in the tender is "quite a challenge", NISHANT CHOUDHARY, a Yangon - based partner at law firm DFDL, said. The bid submission deadline of July 17 "gives prospective bidders very little time to properly inspect and diligence the lands, especially considering flight restrictions due to COVID-19 crisis," the lawyer said.

But, others remain positive in the government's effort, commenting that the extension was a result of the ministry listening to the investors' voices.

"[We] believe that the 1 GW Tender is a great initiative that has been taken by the Myanmar government. We are also very thankful that the Tender preparation time has been increased from 30 days to 60 days and it shows that the Government is taking into consideration the voice of the investors and bidders," said NATHALIE RISTEAU, director of Yoma Mandalay, an energy firm with a focus on solar power.

"Overall, we applaud the efforts of the Myanmar government in moving forward with renewable energy at such a scale when compared to the current generating capacity in Myanmar," she added.

Meanwhile, the electricity and energy inked a power purchase agreement (PPA) on June 10 with Chinese CNTIC VPower Group company to buy power from a liquefied natural gas (LNG) plant, with the capacity to generate 400MW, in southeast Thaketa township of Yangon.

The PPA covers five years and the ministry's deputy permanent secretary U SOE MYINT told local media on June 8 that the government would be paying around US\$0.12 per unit (kilowatt-hour) of electricity. Details relating to the tariff and other additional matters are not disclosed.

The LNG-to-power plant started commercial operations on June 14 and is using LNG imported from Malaysia.

A total of 190,000 cubic metres of LNG were delivered to Myanmar on June 4 by Malaysia's Petronas under a free-on-board arrangement.

The signing marks the first PPA the Myanmar government has signed for an LNG project. The project is also one of the five "emergency" power projects, totalling 1040MW which the government controversially tendered in 2019.

Last year, during a meeting at the Amyotha Hluttaw (upper house), the MOEE deputy minister U TUN NAING stated that Myanmar will continue its reliance on coal despite opposition from environmental and international business groups on health and pollution issues.

According to the government's energy mix, Myanmar will be drawing 33% of its energy needs from coal, which makes up to about 7940MW from out of a total installed capacity of 23,594MW.

The government's decision to emphasise on coal was a move which surprised international energy investors.

For Yoma Mandalay, the firm understood the Myanmar government's reasoning to meet the energy demand, and would like to see more cooperation on greener energy.

"As a company focusing on renewable energy, Mandalay Yoma hopes to work with the Myanmar government at present and in the future to come up with renewable solutions that fulfill the country's energy requirements as well as pave the way to a more sustainable future," said NATHALIE RISTEAU.

For other energy sources, 38% will be supplied by hydropower, 20% by natural gas and the remaining will be from other renewables such as solar power.

In comparison, under the Myanmar Energy Master Plan published in 2014, coal will only take up 30% of the energy mix by 2030. Hydropower was to be supplied the biggest at 57% in the 2014 plan, with the remaining generated by natural gas and renewables. •



Every quarter, **EuroMatters** conducts a personal interview with a Myanmar employee working at a European company in Myanmar. They share with us their personal story and life in Myanmar.

## Working in a European organisation - from a Myanmar perspective

### Can you tell us about yourself and your background?

My name is MYAT PHYU THE. I graduated with a Bachelor of Arts in English Literature at the Yangon University, then I got a Master in Public Administration at the Yangon Institute of Economics. I have been working in Myanmar for over 15 years, covering many roles in different sectors. I started my career in journalism, as a newscaster for the national television for 7 years, before becoming External Relations Manager for an American NGO for more than 3 years. By the end of 2012, I achieved the role of Senior Associate for a consulting firm, based in Singapore, specialised in political risk analysis and government affairs. Until March 2015, I worked for an international NGO that provided technical assistance to have a free and fair election in Myanmar.

### What is your current role and responsibilities?

I have been promoted as Corporate Affairs Director last June. My role consists mainly to protect and promote the reputation of our company. I am always keen on taking part in different functions and internal projects that focus on innovations, brands launch and internal new activities. During my previous 4 years as Public Affair Manager, I made a significant contribution to the business development of the company.



MYAT  
PHYU  
THE

### challenge if you compare with your previous jobs?

I did not experience much of cultural shock, as I worked with international companies and NGOs for my whole career. The way of working and making strategies is unique, it is a continual process of learning. My role is to bridge the government and the company; thus, molding such a hybrid culture is very important for my personal professional growth.

### What makes you the most-proud working for a European Company?

That people are the heart of the company. I really enjoy working here, it is my second family, I like to define it as a never-ending learning-society. The company always offers new opportunity for people self-development. I always feel free to share thoughts, ideas and opinions professionally.

### What skills did you learn if you look at past experiences? Have you changed personally and professionally?

I discovered a new and authentic version of myself now. The self-understanding is the starting point of your professional growth. This is the key point to work at your best with others. This condition allows you to be open minded, to think out of the box and to have a problem-solving attitude.

### It is your first time with a European working reality, what is the main

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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.

## Responsible business practice in the new normal – Flexible work arrangements



**T**HE COVID-19 PANDEMIC, which has already infected over 10 million people in 213 countries, resulting in more than 512,842 death<sup>1</sup>, has the potential to reach a large proportion of the global population. The impact of COVID-19 is being felt by businesses around the world, including in Myanmar. While this is not the first pandemic in history, business leaders of today must navigate a much broader range of interrelated issues to keep their employees and customers safe while also maintaining business operations in our new normal.

Complying with announcements from the Government, including stay-at-home orders and health and safety guidelines for the workplace while maintaining business operations is understandably challenging. No matter

how serious and difficult all of this is, we also see some unintended positive consequences with an increase in businesses utilising work from home practices. Business Coalition for Gender Equality (BCGE) identified flexible work arrangements and work from home options as important contributors to a family-friendly workplace, and, by extension, to a gender equal workplace.

It is undeniable that flexible work arrangements have been put in place whether companies were ready or not. Seeing the sudden rise in remote work, we witness first-hand that the myth that "Flexibility doesn't work in our backyard"<sup>2</sup> isn't true anymore. To find out more about how companies were dealing with this unexpected need for flexible work, BCGE completed a rapid desktop study<sup>3</sup> in early April. We looked at 62 firms from different industries, using data from their official websites and social media (Facebook, LinkedIn,

etc). What BCGE found is that the most utilised flexible working responses were "Telecommuting" or "Working from Home" arrangements. 45% of the firms we looked at were taking advantage of this option. The findings also showed us that 6% of the total sample of businesses were applying "Time-in-lieu" and 8% using "Flexible Hours of Work" practices. Job sharing, temporary remote work specifically for caring purposes, and mixed approach management were used less frequently. While it is good to see that remote working has become much more common, we should not forget that it has been introduced as a crisis response. Now is the time to take lessons learned and create sustainable flexible working arrangements that will last into your business recovery period.

We understand that making flexible work arrangements effective in practice can be challenging. One approach would be to take stock of where your company currently is regarding flexible work arrangements. Australia's Workplace Gender Equality Agency<sup>5</sup> has identified three stages:

- Limited stage: flexible work practices only exist to the extent they are required by regulation;
- Basic stage: flexibility is seen as a human resource function only; or
- Embedded stage: flexibility strategy is aligned to the business strategy and the organisation is moving towards the workplace of the future.

After understanding where your organisation is, put your ideas into action with these four steps to align flexibility with your business strategy<sup>6</sup>:

- 1) **Analyse** your organisation's current practices with a survey to all employees at all levels;
- 2) **Develop** sound and clear policy,

“The belief that flexible work arrangements are only for those with parenting responsibilities should be fading in this 21st century.”

including required guidelines for managers and employees;

3) **Implement** the policy starting with a pilot project with the most feasible department/unit/entity; and

4) **Review** the results and findings from the pilot project, integrate and amend as required, and extend the project to other areas.

Strong buy-in and sponsorship from top management play a crucial role in any strategic flexibility plan. Flexible work arrangements require leaders, managers and employees to change not only their skills and behaviours, but also their mindset, values and beliefs, which tend to be more intransigent. According to Diversity Council Australia, the secret in implementing flexible work arrangements is good design and clear implementation<sup>7</sup>. Therefore, organisations should implement flexible work arrangements with proper strategy and policy, as well as communication and implementation processes to minimise the risk of fall out.

There are many proven business cases for flexible work arrangements across the globe. Some of which are **i)** Hewlett-Packard introduced a compressed working week which resulted in 200% increase in the number of transactions conducted on a daily basis and a 50% reduction in overtime, nearly doubling productivity, **ii)** Flexible scheduling at Chubb reduced unscheduled time off by 50% each month and overtime by 40% per employee and **iii)** Employees who have the flexibility they need have 55% higher engagement, 55% less stress, and 45% lower turnover intention than those who don't.

Apart from proven business cases, the Social Norms, Attitudes and Practices (SNAPS) survey<sup>8</sup> carried out by the Investing In Women Initiative in three ASEAN countries shows that 56% of individuals had taken a new job

because the firm offered flexible hours. The SNAP survey also points out that married women are having more difficult time in family/career compatibility than married men, and they are also less satisfied overall. Given that women still bear the burden of unpaid caring work at home, it's not surprising that the survey finds women placing a higher value on flexibility than men.

All of these findings from the SNAP survey are more or less similar in Myanmar, with issues around workplace inequality stemming from unconscious gender biases as well as cultural and social norms and stereotypes. There is a huge need for businesses in Myanmar to start tackling these issues and implement workplace gender equality initiatives to be able to build stronger workforces with high-performing teams.

As trusted advisors in workplace gender equality in Myanmar, BCGE offers a range of services, from assessments and trainings to user-friendly toolkits and webinars. We help firms in Myanmar integrate flexible work arrangements, identify and address unconscious gender bias in the recruitment process, and analyse and monitor workplace gender equality data. All of these tools help businesses respond strategically to the crisis.

Employers should take consideration of flexible work arrangements – not only as a Human Resources program, but as a modern tool for more resilient business and the future of work. The belief that flexible work arrangements are only for those with parenting responsibilities should be fading in this 21st century. The disruption caused by COVID-19 has forced businesses to practice flexible work arrangements. Now they must spend time getting the fundamentals in place, remember the lessons learned, and adapt where required. Well designed, and strategically implemented flexible work

arrangements can expand your talent pool, diversify your senior and decision-making levels, increase employee engagement, and improve employer branding and business sustainability in this competitive market. It's time we all consider flexible working arrangements as a norm, not just for now, but for the future.

The Business Coalition for Gender Equality (BCGE) is a non-profit association and also a coalition of companies that are committed to promoting gender equality in the workplace in Myanmar. They are funded by the Australian Government through Investing in Women, a program to improve women's economic participation, build markets for women and influence the private and public sector environment to promote women's economic empowerment in the Philippines, Vietnam, Myanmar and Indonesia. Visit them at [www.mbcgea.com](http://www.mbcgea.com).

<sup>1</sup> WHO Coronavirus Disease (COVID-19) Dashboard, 3<sup>rd</sup> July 2020.

<sup>2</sup> Diversity Council Australia, Myth Busting Flexibility: Using Evidence to Debunk Common Myths and Assumptions, Sydney, Diversity Council Australia, 2018.

<sup>3</sup> The Rapid Desktop Study BCGE had done in first week of April 2020 to identify trends that may be emerging regarding flexible work arrangements, risk management and other support to employees during the COVID-19 outbreak period.

<sup>4</sup> Time in lieu refers to the process by which employers give their employees time off instead of paying for overtime. The terms and conditions are agreed between the employee and the employer.

<sup>5</sup> WGEA: The Workplace Gender Equality Agency is an Australian Government statutory agency responsible for promoting and improving gender equality in Australian workplaces.

<sup>6</sup> Clear implementation – The implementation process of Flexi Work Arrangements in 4 steps in details.

<sup>7</sup> Diversity Council Australia, Myth Busting Flexibility: Using Evidence to Debunk Common Myths and Assumptions, Sydney, Diversity Council Australia, 2018.

<sup>8</sup> The SNAP Survey : The Social Norms, Attitudes and Practices Survey (SNAPS) survey conducted by Investing In Women Initiative in Vietnam, Indonesia and the Philippines.



# IGOR DRIESMANS : EU AND ASEAN HAND-IN-HAND TOWARDS A SUSTAINABLE FUTURE

**T**HE EUROPEAN UNION (EU) AND THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN) are seeking to strengthen their cooperation amid the COVID-19 pandemic and face common challenges in the future together as close partners.

After the two blocs established a relationship in 1972, the partnership grew steadily over the years. The EU has provided development and aid programmes to ASEAN focusing on alleviating poverty, raising education standards, supporting inclusivity and women rights, as well as leading the way in the fight against climate change.

It is also a staunch supporter for ASEAN amid the economic fallout caused by the coronavirus outbreak. The International Monetary Fund in April projected that a recession is going to hit the world economy, and the Southeast Asia region is no exception. According to the World Bank's forecast released in June, the average GDP growth forecast was revised downwards to 1.3% from 5%. Myanmar's forecast was also cut to 0.5% from 6.5% for 2020.

In April, the EU organised €350 million aid to assist ASEAN in response to the deadly COVID-19 and mitigate its economic impact. In addition, it is also funding a total of €48.5 million on COVID-19-related research projects in collaboration with ASEAN scientific groups.

As part of the ASEAN, Myanmar is a beneficiary of Europe's aid. The pandemic has led to factories being shut down and tens of thousands of garment workers laid off. In response, the EU rolled out a rapid aid response, the "EU Myan Ku Fund", on

May 1. A total of €5 million, in the form of direct cash transfers, were given to unemployed garment workers to support their livelihoods.

At this critical juncture when international collaboration is ever more important, **EuroMatters** sat down with EU Ambassador to ASEAN, M. IGOR DRIESMANS, to talk about the latest developments between the two blocs.

H.E. IGOR DRIESMANS took up the position in 2019 and had to deal with the response to the global health crisis soon after arriving in Jakarta, where he is based. Before that he was a cabinet member of Federica Mogherini, the High Representative of the Union for Foreign Affairs and Security Policy and Vice President of the European Commission.

Ambassador Driesmans became an EU official in 2003 and served for five years in South Africa, followed by one year as the desk officer for ASEAN and then as the principal assistant to the European External Action Service chief operating officer. He holds a Master's Degree in History from the University of Gent, Belgium.

"Given its strategic position and its young population, Myanmar is likely to play an even bigger role in the region in the future in terms of regional value chain, connectivity and people-to-people exchanges," he told **EuroMatters**.

The Ambassador also highlighted the key roles the two economies play on the world stage. "As global stakeholders, the EU and ASEAN have the responsibility to advance the international rules-based order and preserve our "global commons" said the senior diplomat.





**How did your experience in the cabinet of High Representative of the Union for Foreign Affairs and Security Policy prepare you for your service in South East Asia? In this regard, what is your role as EU Ambassador to ASEAN?**

**ID •** I had the privilege to work on relations between the EU and the ASEAN region at different stages of my career. During the last five years, I served indeed in the cabinet of the High Representative for Foreign Affairs and Security Policy where I was in charge of Asia, including EU's relations with Southeast Asia. In that capacity, I had the opportunity to attend a number of multilateral meetings, such as the ASEAN Regional Forum, and a large number of bilaterals discussions which gave me a sense of the interests and priorities of ASEAN politicians.

Now as the second dedicated EU Ambassador to ASEAN, I am building on the diligent work of my predecessor and of many dual-hatted EU Ambassadors before me. The formal relations between the EU and ASEAN now marks 43 years. Building on this long experience, it is my responsibility to advance the EU-ASEAN Partnership in all its dimensions and ensure the EU's interests and priorities are reflected in the work we are doing on the ground.

That includes facilitating the twenty policy dialogues we have between EU and ASEAN, from digital economy to human rights, from gender equality to maritime security. In all of these

dialogues we listen to ASEAN's priorities and policies and we share our experiences. Often, we realise that we face similar challenges and are able to find common ground.

My work also includes overseeing the large development portfolio we have. The EU is the largest donor to ASEAN with over €200 million funding for ASEAN integration and capacity building, on top of over €2 billion of bilateral assistance to ASEAN member states.

Another strand is the strengthening of our trade and investment links. The EU is ASEAN's second largest trading partner and our private sector is by far the largest investor in ASEAN.

Finally, a growing area of work has been the development of cooperation on new strategic issues, including cyber-crime, counter-terrorism, maritime security, connectivity and defence. I am convinced of the importance of a successful, prosperous and united ASEAN, not only for its ten Member States and its over 620 million people, but also for the stability and therefore the prosperity of the whole region and indeed the entire world. That is why Ministers from both sides agreed to launch a Strategic Partnership, testament to the growing importance of our relationship and the need to upgrade it to the highest level.

**EU-ASEAN relations started in 1972: how have they grown since and around which priority topics have they evolved? More recently - from 2014 until today - the EU has committed**

**EUR 200 million in development and cooperation. How was that money spent and how do you see our relationship with the ASEAN evolve in the next decade?**

**ID •** Our relationship has grown exponentially since we first made official contacts in 1972. Cooperation, solidarity and prosperity have long been the hallmarks of our relationship. Over the years, the EU remained the largest donor to ASEAN, helping the organisation and its governments to reduce poverty and create new opportunities, with currently over €200 million in support of ASEAN regional integration. You can read about our vast cooperation portfolio in our yearly EU-ASEAN Blue Book.

For example, we enhance economic integration through our flagship project ARISE+; we enable mobility in higher education through the project EU SHARE; we mitigate the impact of natural disasters with our support to the ASEAN Humanitarian Assistance Centre; we support women migrant workers through the Spotlight Safe and Fair project, and so much more.

Since the seventies, we have been pivotal economic partners.

“ Given its strategic position and its young population, Myanmar is likely to play an even bigger role in the region in the future in terms of regional value chain, connectivity and people-to-people exchanges. ”

Our private sector has always been very active in ASEAN, holding a quarter of the total FDI stock in the region, and we are ASEAN's second largest trading partner. We think that an integrated economic community is in ASEAN's interest and in our interest. Such integration boosts ASEAN's regulatory environment, its market resilience and attractiveness but also its political autonomy. The EU has concluded some and is negotiating other free trade and investment agreements with a number of ASEAN countries, building blocks for an ambitious region-to-region trade and investment framework. And we are working hard to increase transport links and our overall connectivity. I hope we can soon agree on the first ever region-to-region Comprehensive Air Transport Agreement.

A key marker in our history of cooperation was 2012 when the EU joined the Treaty of Amity and Cooperation in Southeast Asia (TAC), expanding the scope of bilateral cooperation on political and security matters. The reason we did is quite simple. The EU and ASEAN have a shared interest in a peaceful, stable and open, rules-based environment in the Asia-Pacific and the TAC helps us create such political environment.

In addition, the rapidly evolving international scene is leading

us to focus more on key strategic issues, including addressing trafficking in persons, cyber-crime, counter-terrorism, and maintaining maritime security. Our relationship is not just about trade and cooperation anymore: security, defence and many other sectors are gaining in importance.

Looking ahead, green economy, digitalisation in the context of the Fourth Industrial Revolution, climate change will increasingly become major areas of cooperation between the EU and ASEAN. As global stakeholders, the EU and ASEAN have the responsibility to advance the international rules-based order and preserve our “global commons.”

**Your first months as EU Ambassador to ASEAN have not been without significant challenges already. With specific regard to the current pandemic, what does it mean to deal with the COVID 19 outbreak as the EU ambassador to ASEAN?**

**ID •** The current pandemic is obviously a major challenge and affected all of us at different levels. The COVID-19 crisis is a colossal, global shock unlike any other in recent history.

A health crisis doubled with an unprecedented economic and social crisis. No one could have imagined it: billions of people confined to their homes, millions out of jobs, countless enterprises in fatal financial trouble.

During the first few weeks of the crisis, it was important to understand developments on the ground, how ASEAN would shape its response, and to inform my headquarters accordingly so that a rapid and operational policy response could be formulated. The EU was the second partner of ASEAN to hold a dedicated EU-ASEAN Special Foreign Ministers' Meeting on COVID-19, helping in the exchange of information and best practices as well as identifying ways to address this global pandemic. In a collective “Team Europe” approach, the EU mobilised rapidly over €350 million in grants to support health systems and economic recovery in ASEAN, while Member States and European development banks provide several billions of soft loans to support ASEAN's state budgets. Additionally, we offered ASEAN research organisations to team up with EU scientific projects on COVID-19, including on protective equipment, improving modelling of the spread of the virus and rapid diagnostics techniques. Finally, we cooperate with ASEAN to ensure that supply chains are maintained and the economy is given a coordinated boost.



“The economy of Myanmar is one of the fastest growing economies in the region.”

**From a healthcare perspective, the trend in ASEAN countries so far has indicated, overall, a lower impact than in other hotspots around the world. Do you think it is fair at all to attribute some degree of causality for this to the capacity of respective ASEAN governments to adopt appropriate protective measures?**

**ID •** As the pandemic is still ongoing and the situation fluid, I would refrain from drawing conclusions too early. But it is true that ASEAN countries are less impacted than some other countries and regions around the world, including several European countries. Overall, ASEAN governments have indeed acted in a responsive manner, mitigating as much as possible the effects of this pandemic on their population. ASEAN countries were able to draw the right conclusions as they had encountered the SARS outbreak in 2002 and were better prepared than others.

I would add that ASEAN has shown a real willingness to come together and find regional solutions to address the crisis. Mid-April ASEAN leaders decided to cooperate on health and research, provide consular assistance, maintain supply chains and stimulate the recovery. This was the right message at the right time.

Finally, let's remember that this pandemic is by definition global and by no means over. No one will be safe until the entire world is safe. International solidarity is therefore not a luxury but a necessity.

**Both the EU and ASEAN are striving to ease the transition towards a circular economy. In this regard, the EU has been contributing to the enablement of the ASEAN Catalytic Green Financial Facility, which is in close alignment with the goals of Brussels' New Green Deal. To what extent do you believe sustainable development will remain a driving force for the post-virus economy? Do you think the current virus has impacted how models for economic growth are considered, particularly concerning questions on environmentally sustainable development?**

**ID •** The green agenda is a top priority for the EU and for our partnership with ASEAN, now and in the future. The reason is simple. While we are grappling with the COVID-19 crisis, we should not blind us to the fact that an even bigger crisis is looming: climate change. In Europe, we are rolling out the EU Green Deal for a circular, carbon-neutral economy by 2050, we know that climate action can only be successful if all major global players work together. The EU sees ASEAN as an indispensable partner in this regard, hence our cooperation with ASEAN on a strategic green agenda. While we see

deforestation, peatland degradation, fires and emissions from the energy sector in Southeast Asia, working with ASEAN in the fight against global warming becomes even more important.

It may be too early to assess the long-term impact of this pandemic but I hope that it will constitute an accelerator of the existing trends towards more sustainable growth, the development of a circular and digital economy. In Europe, an ambitious plan for recovery is in the works following the COVID-19 crisis. Support to the Green Deal and digitalisation will be high on the priority list for this recovery plan. We can only spend a Euro once, so let us use this recovery to support the fundamental transition to a green and digital future our society needs.

**Amongst regional ASEAN member state, there is significant variance in terms of economic capacity and national development. Where do you see Myanmar fit in the global ASEAN economic integration strategy?**

**ID •** The economy of Myanmar is one of the fastest growing economies in the Southeast region. The Myanmar economy has on average grown by an impressive 9.8% (real GDP growth rate) during 2000-2018.

The country's admission to ASEAN in July 1997 and, with it, the country's accession to ASEAN treaties and commitments (e.g. AFTA) have contributed to rapid economic growth and Myanmar's integration in the regional (and global) economy. Overall, while starting from a relatively low level, Myanmar's economy has taken a bigger share of trade and investment flows in the region. Today, the intra-ASEAN share of trade in goods for Myanmar's total trade represents 35.8%, one of the highest among ASEAN countries. Trade relations with Thailand are particularly strong. Meanwhile, the country has seen a rise of FDI inflows since 2010, indicating a greater engagement of Myanmar with the region and the world. Today, about 59% of FDI inflows come from ASEAN.

On the back of this growing regional economic integration, Myanmar is expected to join later the ASEAN Customs Transit System (ACTS), the first ever computerised customs transit management system in ASEAN, which is supported by the EU's ARISE+ flagship project.

Given its strategic geographical location and its young population, Myanmar is likely to play an even bigger role in the region in the future in terms of regional value chain, connectivity and people-to-people exchanges.

**In a post-pandemic economy, what is the future of ASEAN within the global tripartite power division among the EU, China and the US?**

**ID •** Since the end of the Cold War, the world is characterised by multi-polarity with the emergence of strong regional poles in Asia, Europe, Latin America, and Africa. We have seen countries gaining international importance due to their rapid economic development. And that is a good thing.

Most, if not all, countries see the danger of a world in which the United States and China engage in strategic rivalry and even

develop a new Cold War. A poll by ISEAS, a Singapore-based think tank, amongst officials and opinion leaders in ASEAN found that the EU is the second most "preferred and trusted strategic partner" for ASEAN to broaden its strategic options in hedging against US-China rivalry, trailing just after Japan. We feel that demand for the EU as a predictable, rules-based actor in the region in all our contacts across the region.

Equally, for us in the EU, ASEAN is a preferred partner. In fact, in today's world ASEAN and the EU as the two most advanced regional integration initiatives in the world, with a combined population of well over one billion, have the opportunity to

## CONNECTING EUROPE & ASIA: THE EU STRATEGY



### HOW THE EU ENHANCES CONNECTIVITY





EU-ASEAN cooperation is aligned with the

## 3 ASEAN COMMUNITY PILLARS



### Political and security cooperation

As a founding member of the ASEAN Regional Forum (ARF), the EU is committed to increasing its cooperation with ASEAN on political and security issues. The growing number of visits and dialogue events reflects the mutual goal to increase regional security and stability.



### Economic cooperation

The EU is working towards improving trade-related regulatory and policy frameworks, intellectual property rights, standards, customs and transport, and civil aviation. The ultimate objective is to accelerate regional economic integration and improve livelihoods in the ASEAN region.



### Socio-cultural cooperation

EU cooperation addresses higher education, land use and forestry, disaster management and preparedness, biodiversity protection and the effective management of protected areas, sustainable urbanisation, sustainable agriculture, and improving labour conditions for migrant women.

shine and show the value of cooperative mechanisms over "power politics".

Both ASEAN and EU see regional integration as the most effective way to foster stability and prosperity. Both are committed to addressing global challenges through a system based on rules and multilateralism. Both have an interest in promoting fair and open markets, in shaping global economic and environmental rules, and in our sustainable connectivity, from open sea, land and air routes, in full respect of international law, to the digital space. Europe gains from ASEAN being that strong anchor of stability and prosperity and helping balance the power politics in the region. In the current context of power rivalry, the key to ASEAN's strength, which the EU supports 100%, is to maintain its so called "centrality". This gives ASEAN a strategic margin of manoeuvre for Southeast Asia and is at the heart of its *raison d'être*.

**There are significant differences between the economies of the EU and ASEAN – the former is mature and fully developed, while the latter is amongst the youngest and fastest growing economies in the world. What is the mutual exchange in terms of knowledge, experience sharing between the two?**

**ID** • There are indeed significant differences between the economies of the EU and ASEAN, as there are differences

within our organisations. But a lot of the challenges we face are similar.

Let me provide two examples. First, data protection. It is an issue, which many countries worldwide grapple with today. How do we protect privacy in an era where a lot of our personal information goes digital? How do we reconcile the need for data sharing with the protection of personal information – think about the debate concerning COVID-19 contact tracing apps? In the EU, we developed legislation on data protection and privacy – the so-called General Data Protection Regulation – which tries to square the circle. Many ASEAN countries have shown interest in learning from the experience, some even adopted similar laws.

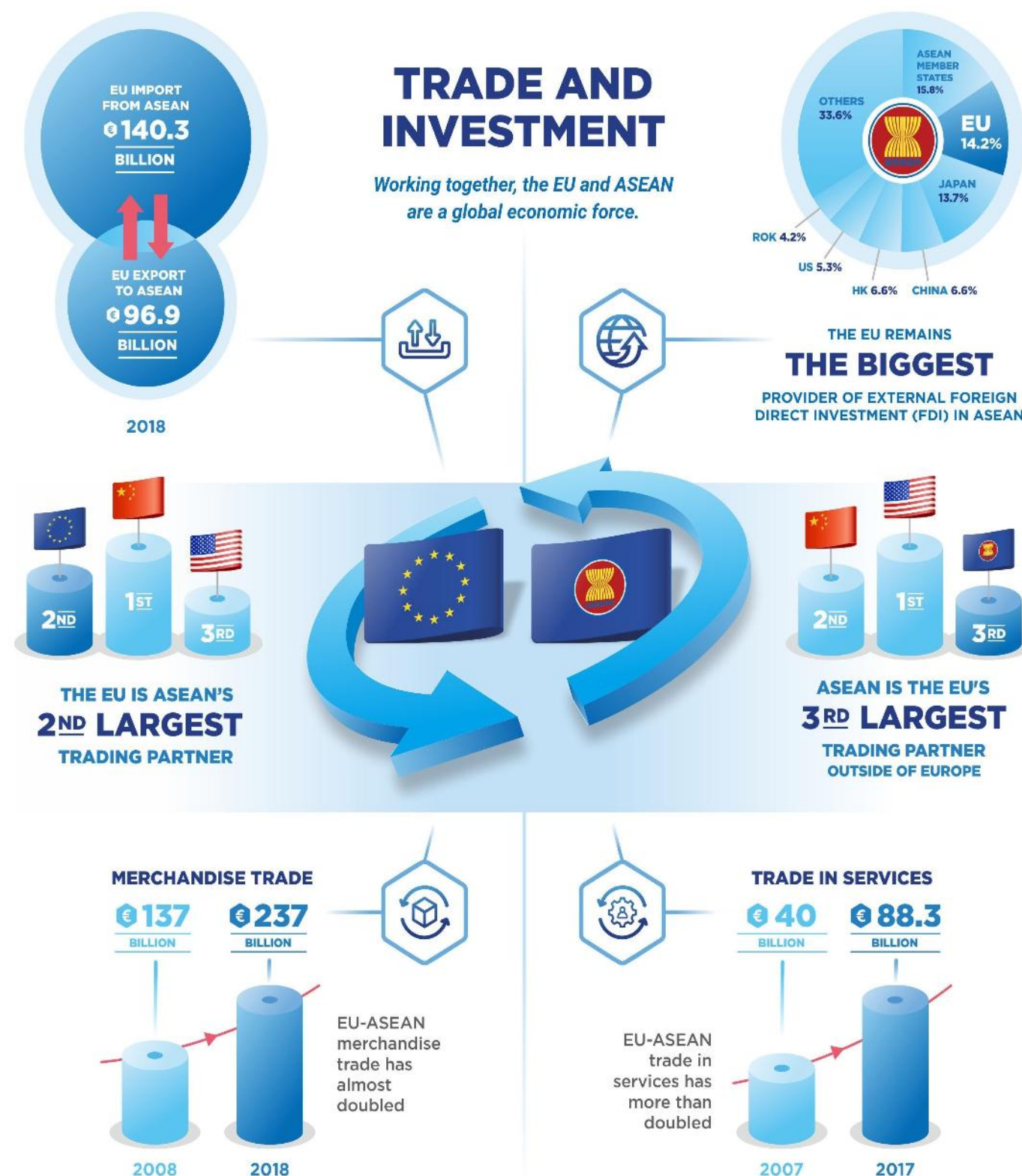
Second, intelligent transport. What are the challenges and opportunities offered by Intelligent Transport Systems? And how can regional organisations play into those? It was the subject of a good dialogue between the EU and ASEAN already and we will continue the exchange of experience in the future.

There are several more examples like these. Even if we have different economic systems, we realise that, as regional organisations, we often deal with the same issues. •

*This interview has been edited for length and clarity.*

## TRADE AND INVESTMENT

Working together, the EU and ASEAN are a global economic force.





In every edition, one of our partner members has the opportunity to be featured in the Success Story, wherein the details of an international investor coming to Myanmar are revealed. We are granted with a unique take on the challenges faced, as well as with an illustration of the potential they recognise which has motivated them to expand into Myanmar.

# Prudential leads the way as Myanmar opens up insurance

**P**RUDENTIAL is leading the way to provide affordable and accessible life insurance policies in Myanmar with a combination of innovative products and pioneering technology.

The Financial Regulatory Department, under the Ministry of Planning and Finance (now Ministry of Planning, Finance and Industry) issued last November licences to five foreign insurers and six joint ventures to operate. The liberalisation forms a core part of the economic programme of DAW AUNG SAN SUU KYI's government, one that had been in the works since early 2017.

The five foreign insurers allowed to do business with their fully-owned subsidiary are US Chubb, British Prudential, Canadian Manulife, Japanese Dai-ichi Life and Hong Kong AIA. They were given provisional licences last April.

Myanmar's penetration of insurance services is extremely low, making up a total of 0.08% of the market, according to 2015 data from Zurich-based firm Swiss Re's report. The low penetration in turns reflects the enormous market potential for investors.

**EuroMatters** sat down with Prudential Myanmar to talk about why it decided to set foot in the Southeast Asian country, the challenges it is facing and the path ahead.

Founded in the UK, Prudential is a life insurance firm with almost a century of experience in Southeast Asia and a footprint across 13 markets. Prudential Myanmar set up its representative office in the commercial capital of Yangon in 2013 and is based in Sule Square Office Tower, downtown Yangon.

The insurer is now offering life insurance policies for mass consumers and corporates, while also focusing heavily on mobile applications to serve customers digitally. The Yangon headquarters currently has 70 employees and the firm is looking to recruit the best local talents to help it expand.

"If you look at the current landscape in Myanmar, there is a huge opportunity to fill the gap in the market in terms of insurance," said ASIT RATH, CEO of Prudential Myanmar.

"Penetration of life insurance is still low in the market and there is a need for global players like us to provide high-quality solutions. We feel that our expertise will be beneficial and there is an opportunity for us to offer these services," he told **EuroMatters**.

After establishing a presence in 2013, Prudential received the licence to start selling life insurance products in 2019. Over the course of the last few years, it has been actively involved in discussing with and advising the government on reforming the regulatory environment.

The insurer has significant

experience in neighbouring markets, such as Cambodia and Laos. Therefore, it has a grasp on how the governments and regulators in the region think.

MR RATH said changing regulations in the sector requires "a lot of deliberation and expertise" and the authorities have been actively engaging with the private sector in the past few years as part of the liberalisation discussions.

A draft insurance law is now being considered by the authorities. Under the current draft law, the insurance market is exempted from the Competition Law and the state-run Myanma Insurance will also be exempted from provisions regulating licensing, liquidation, and corporate governance among others.

Critics say the draft legislation will protect Myanma Insurance's existing privileged position in the market.

"From a regulator point of view, they want to ensure that customers are always protected. There needs to be a certain level of global standard in terms of corporate governance and stability," MR RATH commented.

"We were able to contribute in terms of providing our views and sharing the journey that we had gone through in other markets. We shared our inputs with both the government and other industry stakeholders."

The CEO pointed out that it's a positive outlook that foreign players



are now able to operate wholly in the market to bring in world-class services.

Insurance is still a very new concept in Myanmar. The country's insurance market has been monopolised by the state-run Myanma Insurance until 2013, after which it was partially opened up to local private insurers.

But MR RATH expresses optimism about introducing Prudential's services to the masses and sees a lot of opportunities to invest and grow.

Moreover, Prudential is looking forward to enhancing its digital services and tapping into technology in order to reach out to more people. For example, it will be introducing the 'Pulse by Prudential' health app which offers holistic health management to users. This digital platform will form a key component in serving its customers.

"We will be bringing to Myanmar our AI-powered health app, Pulse, which we have already launched across Asia. Millions of customers and their families

across the region are already using it to manage their health," he said.

The key to providing accessible and affordable healthcare services to the masses is technology.

As the COVID-19 pandemic disrupted the global economy, businesses have been widely affected and many are forced to go digital with their operations. With mass gatherings banned and social distancing enforced, technology becomes ever more important for businesses, governments, and the people depend on in their daily lives. The insurance sector is also a part of this digital revolution.

Earlier this year, Prudential started offering the "COVID-19 Free Cover Initiative" for its customers, where it would provide additional COVID-19 coverage to help protect them against the deadly virus. Customers will receive a certain amount of sum if they become infected with COVID-19 or unfortunately passed away due to the virus.

Prudential is planning to reach out to people across the country - urban and rural - and sees the need to localise their products, meeting the needs of local communities.

"As the economy continues to develop, people's income levels and their ability to get access to financial products and services - such as insurance - will continue to rise," said MR RATH.

This means that there will be more and more potential customers who will understand the importance of insurance products. Healthcare coverage, for example, is not a luxury.

"There is a long-term opportunity and we definitely feel that there's a huge potential for the market to expand and grow in Myanmar. While it may still be early days for Prudential in Myanmar, we are firmly committed to this market. We are excited to play a key role in the long-term social economic development of Myanmar as we continue to serve its people and communities," he added. •



## COVID-19 ECONOMIC RELIEF

# Myanmar rolls out relief package as coronavirus hits economy



**D**AW AUNG SAN SU KYI'S government towards the end of April released a 15-page "COVID-19 Economic Relief Plan", known as CERP, which outlined its responses to the global health crisis.

The document covers a large scope of priorities for Myanmar's economy sustainable recovery: monetary stimulus; investment, trade and banking sector; labourers and workers; households; products and platforms; healthcare and financing. It does not however include an overall cost or details on how individual measures will be carried out. According to deputy finance minister U SET AUNG, it would inject approximately US\$2 billion into the Myanmar economy, amounting to around 3-4% of gross domestic

product (GDP).

"The current COVID-19 pandemic will have dire consequences for both global growth and prosperity, and thus poses unprecedented health and economic challenges to Myanmar. No part of our economy may be considered to be immune," said DAW AUNG SAN SUU KYI in the document's foreword.

The CERP aims to "mitigate the inevitable economic impact posed by COVID-19 while establishing foundations that will facilitate Myanmar's rapid economic recovery," she added.

The state counsellor also said that, by acting decisively, the country can "ease the economic burden faced by individuals and households, strengthen the capacity of our frontline healthcare

workers – our nation's new heroes – and shore up our nation's macroeconomic position."

The relief package is expected to be financed by budget reallocations, central bank financing and assistance from international financial institutions.

## Measures supporting businesses

The CERP outlines a slew of tax, loan and policy measures supportive of businesses - including an interest rate cut of 3% - as well as assistance programmes targeting vulnerable households.

In terms of helping businesses to survive, corporate income tax and commercial tax are deferred to September 30, 2020, while the 2% withholding tax is waived and toll fees for

trucks on roads and bridges are waived or reduced. Various taxes and charges related to medical supplies are also suspended.

Tax credits are also announced: 10% non-refundable tax credits on wage bill as well as on investments on capital equipment; a deduction equal to 125% of wages paid and a one-time increase in depreciation equal to 125% of depreciation for the current year.

These fiscal measures are widely welcomed by the domestic and foreign business community. Many, however, have asked the authorities to provide more clarity on the implementation of these policies.

In particular, investors and business bodies have requested tax credits to apply to non-Myanmar companies as well, arguing that this would help them weather the storm.

Corporate tax rebate for 2020 is among the top three policies that will help European businesses survive the crisis, EuroCham Myanmar's March survey shows. But this request is not limited to European investors.

According to another survey conducted by the Myanmar-Hong Kong Chamber of Commerce and Industry in May, companies want to have tax refund or suspension, the 21-day quarantine requirement reduced and travel restrictions gradually lifted.

Both surveys point to a need for the government to simplify and speed up import/ export procedures as well as the customs clearance process.

The authorities will also create an "asset management company" for non-performing loans over the next five to seven years. This is an admission that the local banking industry has a serious risk of collapsing if such measures were not implemented, according to senior analysts.

The existing emergency funds for small and medium-sized enterprises (SMEs) in primarily garment manufacturing and tourism will be scaled up from K100 billion (\$72 million) to a maximum of K500 billion (\$360 million). A K100 billion (\$72 million) fund is also to be set up for trade financing.

Other policies include cash transfers, food rations and electricity tariff exemptions for vulnerable families, and a limited expansion of social welfare benefits for formal workers.

Myanmar's ongoing conflict, lack of a social welfare system and a largely unbanked population will render significant challenges in implementing the assistance programmes across the country.

Businesswoman DAW THET THET KHINE, a Lower House legislator who leads the People's Pioneer Party, told local media that the government is "trying its best" but that the relief plan fails to take into account Myanmar's "huge informal economy."

However, the government is showing willingness to take into account on the ground feedback from local and international investors. EuroMatters understands that government officials are in talks with development partners to access aid assistance to fund the CERP. They are also in discussion with EuroCham Myanmar and other business groups on how to effectively respond to the needs of the corporate and investment community.

On May 29, EuroCham Myanmar and a number of chambers organised an online meeting with investment minister U THAUNG TUN, who heads the Myanmar Investment Commission and the government's national committee addressing the economic impact of COVID-19, his deputy U BHARAT SINGH and deputy finance minister U SET AUNG. The meeting focused on the quarantine

measures and how foreign businesses can support Myanmar's economic recovery.

## Economic outlook and impact

So far, the impact of the pandemic has been mostly economic in the Southeast Asian country. As of July 3, the health ministry had recorded only 304 COVID-19 cases and 6 deaths.

Prior to the CERP announcement, the International Monetary Fund (IMF) projected Myanmar would be among only 10% of economies across the world to post positive economic growth this year.

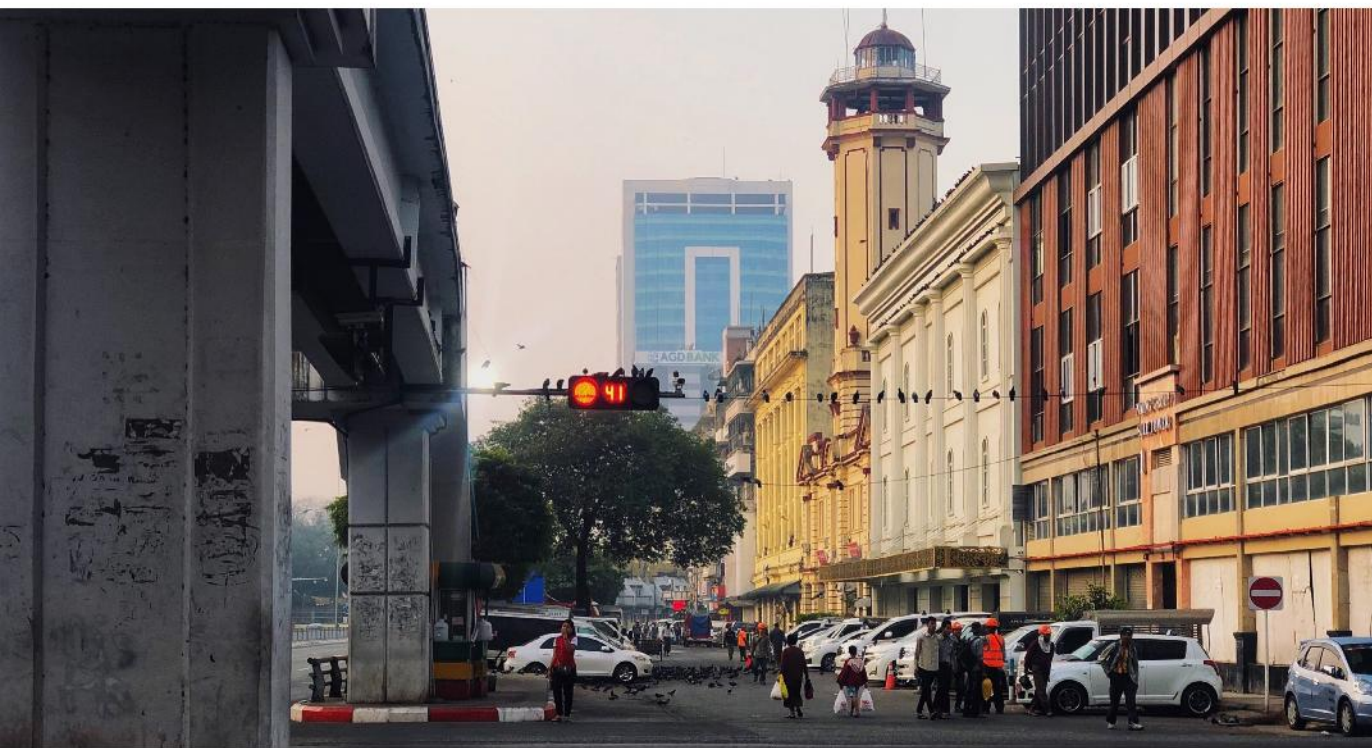
The IMF in April 2020 slashed Myanmar's 2020 growth outlook to 1.8% from 6.4%.

Despite relatively rosy IMF projections, Myanmar businesses and its people can expect a couple of tough years ahead. The pandemic is only the latest - and heaviest - blow to the country's already flagging economic outlook. Some sectors still recovering from the setbacks caused by the Rohingya crisis, such as hospitality and retail, have already been devastated. According to the Deputy Hotel and Tourism Minister U TIN LATT, tourist arrivals in Myanmar are likely to fall by half this year amid the global coronavirus outbreak. In Myanmar, tourism contributes to 28.6% of total employment and 6.8% of total GDP in 2018.

Manufacturing and tourism are both hard hit by COVID-19, creating an urgent unemployment crisis which could result in rising poverty. At the same time, stalled investment decisions in energy, including oil and gas, as well as banking and finance, could slow down the country's economic development in the long run.

The level of damage is reflected in the Asia Foundation's survey of 750 local companies, released in June. Almost





one third of businesses had temporarily closed because of the lockdown and the overwhelming majority of those still operating have reported lower turnover, with 74% losing more than half of sales.

EuroCham Myanmar's survey also found that more than 60% of European investors were either significantly or moderately affected, with revenue losses forecast to range from 30% to more than 50%.

The Asia Foundation's poll revealed that most local businesspeople were not aware of the economic policies announced by the government. It recommended that government bodies step up publicity about their measures supporting businesses to boost take-up by those who are eligible.

Meanwhile, some European businesses are stepping in to support the country through philanthropic activities.

Zuellig Pharma's Myanmar team has donated 800 sets of personal protective equipment as well as other critical medical

supplies to Myanmar government bodies and medical institutions. These supplies were purchased with donations from Zuellig Pharma and contributions from its employees.

"I am extremely proud to be leading a team that works hard and with heart to serve the community in Myanmar," said general manager JAN RASK CHRISTENSEN. "In addition to maintaining high standards of service quality and excellence at work, they also generously contributed part of their salaries to go towards helping the nation address the pandemic."

#### Reform programmes ahead

Looking ahead, NISHANT CHOUDHARY, a Yangon-based partner at law firm DFDL, emphasises the CERP's policy to initiate and expedite renewable energy and infrastructure projects before the end of 2020.

"In that regard, we have already seen the Electric Power and Generation Enterprise under the Ministry of

Electricity and Energy call for bids from foreign sponsors to set up ground-mounted solar power plants for 1060MW in Myanmar. This is an example of the CERP actually being carried out in action and is thus welcomed," he told **EuroMatters**.

However, practical considerations and land requirements in the tender is "quite a challenge", MR CHOUDHARY added. The bid submission deadline of July 17 "gives prospective bidders very little time to properly inspect and diligence the lands, especially considering flight restrictions due to COVID-19 crisis."

Another important aspect in the CERP is the promotion of digitisation, the lawyer said. The central bank has been encouraged to promote the use of available mobile payment services, while the commerce and transport ministries are urged to ensure that retail businesses use e-commerce websites to advertise and sell their products online.

"With technological and educational issues hounding Myanmar for long, such

a quick transition into a digital age may not be practically feasible," warned MR CHOUDHARY. He advises the authorities to address cyber security threats and improve internet connectivity.

ERWIN SIKMA, co-chair EuroCham Myanmar digital initiative, stresses the importance of setting realistic expectations for Myanmar's digitisation ambitions.

"Although Myanmar has 'leapfrogged' with respect to digital connectivity, it is not likely that digital service adoption will catch-up with more advanced digital economies within just a few years," he explained.

MR SIKMA said it is key for the government to outline several clear objectives, with ambitious but achievable targets, and develop straightforward action plans that can be reached in a few years.

Consultation on these objectives, targets and plans and delegation of deliverables to the private sector are necessary, he explained. Issues such as fair access to the internet, meaning no blanket shutdowns, and data privacy, fraud and cyber security also need to be addressed "as soon as possible."

The introduction of e-government services is a key step in tackling petty corruption, according to Myanmar Centre for Responsible Business director VICKY BOWMAN.

While Myanmar moved up two positions, from 132<sup>nd</sup> in 2018 to 130<sup>th</sup> out of 180 ranked countries in 2019, in graft watchdog Transparency International's Corruption Perception Index, there is still a long way to go. In particular, facilitation payments is a prevalent problem for businesses applying for permits and licences.

The government has taken concrete measures amid the COVID-19 crisis to cut red tape, MS BOWMAN says. This would not only help minimise corruption risks, but also improve the ease of doing business.

But she warns that the internet shutdown imposed in the restive states of Rakhine and Chin, affecting more than one million people, could lead to increased inequality as e-government goes further online. EuroCham Myanmar and four other European business bodies last year issued a statement urging Myanmar to restore internet access in those areas.

"Those who are denied access to the internet will be further discriminated against, and access to online information is now more urgent than ever amid COVID-19," MS BOWMAN commented. •





## COVID-19 ECONOMY

## European businesses step forward to help the fight against COVID-19



**E**UROPEAN BUSINESSES have stepped forward to help Myanmar in the race against time to stop the spread of the coronavirus. From donating hand sanitisers to raising awareness about virus prevention, companies from Europe are pushing a myriad of activities to support Myanmar's healthcare institutions, government bodies, public health system and communities.

The economic outlook is grim. In late June, the World Bank warned that the COVID-19 crisis is already dealing a severe blow to Myanmar's economy, while the International Monetary Fund (IMF) said disruptions have hit hard

households and businesses, including in the agriculture sector.

Economic growth is projected to drop from 6.8% in fiscal year 2018-19 to just 0.5% in fiscal year 2019-20, according to the Myanmar Economic Monitor, the World Bank's biannual economic report released on June 25.

If the pandemic is protracted, the economy could contract by as much as 2.5% in this fiscal year, with the expected recovery in 2020-21 subject to further downside risks.

"At the moment the medium-term outlook for Myanmar's economy is positive, but there are significant downside risks due to the unpredictable

evolution of the pandemic," said MARIAM SHERMAN, World Bank country director for Myanmar, Cambodia and Laos.

The Myanmar Economic Monitor also examines the COVID-19 Economic Relief Plan (CERP), which includes measures to offer relief and initiate a resilient recovery, including tax relief, credit for businesses, food and cash to households, as well as policies to facilitate trade and investment.

DAW AUNG SAN SUU KYI'S government announced the 15-page CERP in late April, without committing to an overall cost or details on how the measures will be carried out.

MS SHERMAN added that robust policy actions are urgently needed and that it would be important for the government to boost the effectiveness of the CERP.

This could be achieved by ensuring flexibility in spending targets, extending support to smaller enterprises and ensuring all poor households can benefit from the plan, she suggested.

To address the urgent balance-of-payments and fiscal needs, the IMF in late June approved US\$356.5 million emergency assistance for Myanmar under the Rapid Credit Facility and the Rapid Financing Instrument.

business partners across the country.

### Donations to support cleaning

On May 22, Diageo, the world's largest spirits maker, delivered 20,000 litres of neutral alcohol to the government in order to support the country's fight against COVID-19.

The London-headquartered beverage multinational, in a press statement, said that recent public health measures implemented by the Myanmar authorities and its National Committee for COVID-19 Prevention, Control, and Treatment "are commendable and have prepared the country for its defence

and follows Diageo's earlier global announcement in March to donate Grain Neutral Spirit to several countries, to enable the creation of hand sanitisers for frontline medical workers in countries where Diageo has major distilling operations.

"I am pleased that a responsible company such as Diageo is making this significant gesture in these challenging times," commented WARREN PAIN, the UK's Department for International Trade country manager in Myanmar.

### Sanitisers and washing hands

Meanwhile, Seagram Myanmar

“During these challenging times we want to contribute to the government's efforts to help the people of Myanmar, a valuable member of the Southeast Asia community.”

The IMF said this would support the CERP, which aims at minimising the pandemic's impact by stimulating the economy and boosting spending, especially on healthcare and social safety nets.

The emergency financing is also expected to catalyse additional support from the international community, including under the Debt Service Suspension Initiative supported by the G-20 and the Paris Club.

As the government's public health efforts enter a critical phase, medical supplies and equipment continue to be in need in public institutions like health facilities, food markets and schools.

At this critical juncture, European businesses and organisations have stepped in to support communities, hospitals, government bodies and their

against COVID-19."

This donation of neutral spirit will enable the production sanitisers and disinfecting agents. These sanitisers and disinfectants are intended to support the cleaning and disinfection needs of public healthcare institutions, catering to vulnerable and at-risk groups in local communities.

"Alcohol sanitisers and disinfecting agents have been identified as a key tool in the fight against COVID-19," said Diageo corporate relations director JONATHAN SANCHEZ. "During these challenging times we want to contribute to the government's efforts to help the people of Myanmar, a valuable member of the Southeast Asia community."

The move forms part of Diageo Southeast Asia's commitment to assist communities in Southeast Asia

donated hand sanitiser solutions to their Myanmar contacts to help the fight against COVID-19. Seagram Myanmar is a joint venture between Singapore-listed Yoma Strategic, private equity firm Delta Capital, Win Brothers and French beverage giant Pernod Ricard.

"True to their sense of community, Seagram Myanmar leveraged its raw alcohol sourcing and manufacturing facilities to produce several batches of hand sanitiser solutions which were donated to retailers and business partners," said MATTHIEU GLORIEUX, managing director of Seagram Myanmar.

The solution has been produced since March 2020 as per the WHO-recommended formula.

Dutch brewer Heineken Myanmar also donated hand sanitisers to local



residents and set up handwashing stations to maintain public hygiene, which is essential in slowing the spread of the coronavirus.

“Caring for Communities’ is part of Heineken’s sustainability strategy called ‘Brewing a Better World,’” said MYAT PHYU THE, the brewer’s corporate affairs director.

“During COVID-19, we wanted to provide communities near our brewery with practical support we could design, construct and provide using our own brewery resources, that’s how we came up with the idea of the handwashing stations,” she explained. These simple structures are built around a tank and are easily able to be refilled from Heineken’s brewery, making it practical and sustainable for the COVID-19 period.

“Along with providing hand sanitisers to 500 households, these contributions have been appreciated by our communities,” MYAT PHYU THE said.

Collectively, Diageo, Heineken and Seagram Myanmar have all stepped up to take leadership, undertaking similar efforts to tap into their production capacities to respond to COVID-19. Through these initiatives and donations, they are demonstrating how the private sector - particularly European investors - can play an active part in supporting Myanmar’s public health needs.

Expanding insurance coverage

Myanmar’s Financial Regulatory Department last November awarded licences to five foreign insurers and half a dozen joint ventures to operate in the Myanmar market.

British Prudential, Japanese Dai-ichi Life, Hong Kong AIA, US Chubb and Canadian Manulife are now permitted to issue life insurance policies, marking Myanmar’s first-ever licencing to foreign fully-owned insurers.

In response to the global health crisis, Prudential Myanmar announced on April 22 that it would provide its new and existing customers with free

additional COVID-19 coverage to help protect them against the virus threat.

Under the “COVID-19 Free Cover initiative”, lump sum benefits will be issued to its life insurance customers who are unfortunately diagnosed with COVID-19 or pass away as a result.

Prudential Myanmar CEO ASIT RATH said that Myanmar’s socio-economic development and the livelihoods of its people have been severely affected with the pandemic.

“In light of the urgent need for health protection, we wish to assure our customers and their families that we remain committed to protecting their health and financial well-being. Our free-of-charge COVID-19 protection coverage is aimed at providing peace of mind as we battle the pandemic together,” he said.

In line with its “We Do” spirit, the insurer seeks to bring greater assurance and assistance to its customers amid the COVID-19 uncertainty.



MR RATH emphasised that the insurer is “standing by the people during these challenging times” and pays tribute to those who have been contributing in their own ways to contain the outbreak.

“Our heartfelt thanks go to the staff of the Ministry of Health and Sports and the frontline healthcare workers. With our combined efforts, Myanmar will overcome this situation sooner and stronger,” he commented.

Raising awareness

Some European brands, industry stakeholders and initiatives are also involved to help Myanmar. Among them, H&M, the world’s second-biggest fashion retailer and Bestseller.

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, International Labour Organization’s Vision Zero Fund and the two international retailers have

joined forces for a communications campaign on COVID-19 prevention during daily commute for workers and drivers in Myanmar’s garment industry. The initiative is implemented by GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development.

They emphasise that keeping people safe in Myanmar and preventing the further spreading of the virus is a priority.

The campaign helps to provide easily accessible information for workers and drivers on COVID-19 and ways to reduce the risk of infection in the public transport system. The educational materials were developed based on the guidance by the Ministry of Health and Sports.

“The daily use of public transport raises concerns about the safety of garment workers in this unprecedented time,” said H&M Myanmar manager

SERKAN TANKA. “Increased awareness through accessible guidance on safety measures is essential to reduce risks and we are happy to support this multi-stakeholder collaboration.”

The materials will be disseminated through social media and distributed through the industrial zone committees and Social Security Board township offices. Posters, stickers and banners will be sent to supplier factories in the garment and textile industry.

Garment workers commute in collective transport daily and are therefore especially vulnerable, according to the GIZ.

“Raising awareness on COVID-19 is key to protect the workers. Collaborating with our partners will help us to reach tens of thousands of workers and prevent the spread of COVID-19,” said GIZ country director PETRA SCHILL. •



# THE TRANSFORMATION OF MYANMAR'S FINANCIAL SECTOR

**E**conomic reformers in Ministry of Planning, Finance and Industry (MOPFI) and the Central Bank of Myanmar (CBM) have embarked on an ambitious reform path in the banking, insurance and other service sectors.

Substantial efforts have been made since 2016 to liberalise these sectors by creating a level playing field with international providers. Foreign expertise and capital have been realised as essential ingredients for the transformation Myanmar's banking sector truly as a lever for economic growth.

The banking sector has witnessed rapid expansion: The loan portfolio of commercial banks in Myanmar has tripled from MMK 11.4 trillion in Q1 2015 to MMK 30.9 trillion in Q3 2019 (FIGURE 1).

According to CBM data, private banks had established 1911 branches by December 2019. The distribution of the loan portfolio of private banks by

state and region illustrates nonetheless that the country is still far from financial inclusion: In FY 2018-19, private banks still disbursed 79.7% of the total loan volume in Yangon Region and 11.5% in Mandalay Region only. Despite rural lending activity of state-owned banks and microfinance institutions fundamental gaps in financing for customers non-metropolitan areas remain.

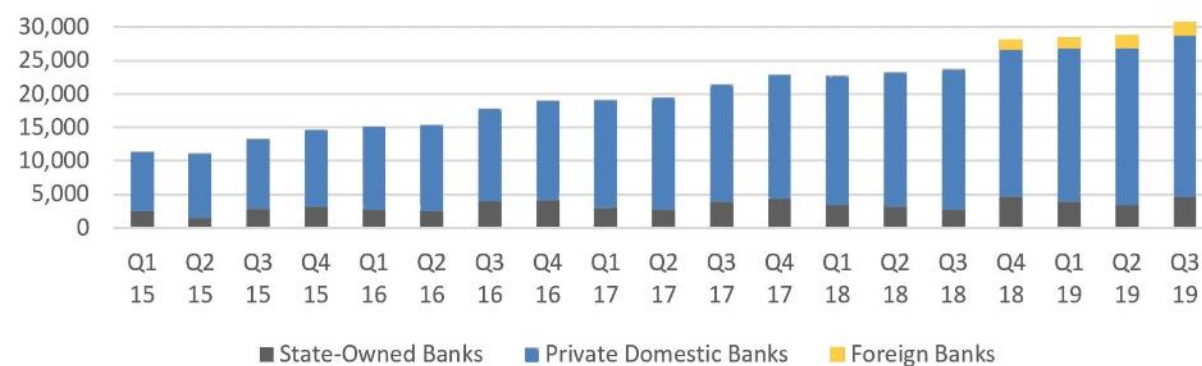
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Foreign banks are now in Myanmar in a pole position for increasing their engagement and for growth.  
”

78% of the lending of private domestic banks is still dependent

on land and buildings pledged as collateral. Not only does the still rampant collateralisation practice deter clients seeking financing options for projects or assets with specific financial requirements, instead financial institutions internalise speculation risks in the real estate sector. Indeed, the injection of foreign expertise e.g. through collaboration of Myanmar banks with the International Finance Corporation (IFC) or GIZ is yielding first fruits in terms of models for asset-based financing and trade financing. Non-bank financial institutions may also expand their offering substantially in the future.

Private banks have established a well-diversified loan portfolio in particular in trading (MMK 24.5 trillion), services (MMK 14.8 trillion) and construction (MMK 16.8 trillion) (FIGURE 2). In contrast, 60% per cent of the loan portfolio of state-owned banks is provided to the agricultural sector through Myanmar Agricultural Development Bank (MADB) – around MMK 2-3 trillion annually. Major reforms in agricultural lending are required and underway with the technical support of the World Bank until likely end of 2021.

FIGURE 1:  
DEVELOPMENT OF LENDING IN MYANMAR 2015-2019  
(SOURCE: CENTRAL BANK OF MYANMAR)



FIGURES IN BILLION MMK

**Foreign banks are now in Myanmar in a pole position for increasing their engagement and for growth.**

On 9 April, 2020, seven additional bank licenses awarded to foreign banks brought the total number of foreign players to 20. Novelty in this licensing round is that three subsidiary licenses were issued to KB Kookmin Bank, Industrial Bank of Korea and Siam Commercial Bank, which allow these banks to run retail banking operations. Already previously the Myanmar Companies Law (2017) and Financial Institutions Law (2016) in concert with notifications of the Central Bank had allowed foreign banks to hold up to 35% ownership in Myanmar banks. IFC had piloted these new arising opportunities

by exercising a debt-equity conversion option with Yoma Bank to acquire 5% of shares in May 2019.

**The risk exposure of domestic banks has increased throughout the macroprudential reforms and as a result of external challenges including the impact of COVID-19.**

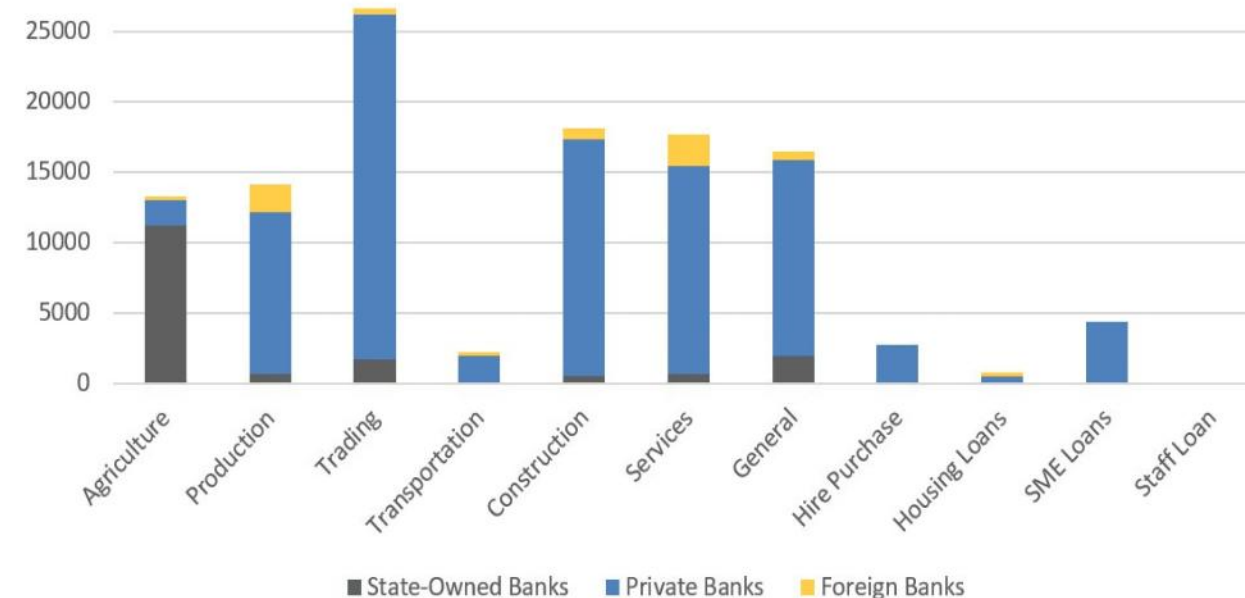
A core arena of future reform of the financial sector remains the liberalisation of the interest rate setting according to the individual business decision of the banks and the risk profiles of the clients. Banks in Myanmar require the ability to set interest rates freely in order to realise sufficient earnings from the spread of lending and deposit rates to operate in a profitable

way and to customise services for clients with different requirements.

Due to the tightening regulatory environment since the first wave of macroprudential reforms in July 2017, COVID-19 and likewise the impact of contractionary fiscal policies (e.g. tax compliance, “mini budget” in 2018), domestic banks require needed breathing space by the regulator.

Meanwhile, the success of the implementation of measures recommended by the Financial Action Task Force (FATF) to combat money laundering and terrorism financing until Q4 2020 will be essential to mitigate challenges. •

FIGURE 2:  
TYPE OF LOANS ISSUED BY STATE-OWNED, PRIVATE DOMESTIC AND FOREIGN BANKS IN MYANMAR  
(SOURCE: CENTRAL BANK OF MYANMAR)



FIGURES IN BILLION MMK



This article has been written by **FELIX HAAS**, Managing Director of Progress Asia Consulting. Progress Asia Consulting is working at the intersection of public and private sector in Asia in areas including government relations, political risk and sustainability.





## EVENTS ON REVIEW

A

**ADAPTATION**, this is how companies have been answering to COVID-19 worldwide. On May 5, EuroCham Myanmar organised a webinar with U AUNG NAING OO, Ministry of Investment and Foreign Economic Relations (MIFER) Permanent Secretary and COVID-19 Economic Recovery Committee Secretary, as well as former director general of the Directorate of Investment and Company Administration (DICA). The online event, which gathered over 80 participants, was an initiative to establish a regular consultation platform between the COVID-19 Economic Recovery Committee and EuroCham Myanmar Advocacy Groups.

Businesses in Myanmar have to adapt and accelerate contingency actions to survive the downturn and be

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U Aung Naing Oo

positioned when the time for recovery comes. Hence, updated information and instructions from government and close engagement with COVID-19 Economic Recovery Committee is indeed essential.

On this occasion, U AUNG NAING OO debriefed how the government's COVID-19 Economic Relief Plan (CERP) aims at supporting business sectors in the country, seeking for immediate solutions, while laying the groundwork for a medium/long term national recovery plan.

The main purpose of CERP is to sustain businesses and anticipate the economic recovery in the country, explained the Permanent Secretary for MIFER, therefore, the government has firstly enforced the necessary measures to prevent a sanitary crisis. "Health was the top priority", argued U AUNG NAING OO, before illustrating the economic measure of the plan. Since mid-

“

Whenever we support businesses in the country, we also need to consider to strengthen and simplify our procedures.

”

March, the COVID-19 Economic Recovery Committee, led by the Union Minister of Investment and Foreign Economic Relations, the chairman of the Myanmar Investment Commission, the governor of the Central Bank and the ministers for Economic Affairs, for Finance and Industry, for Commerce, for Labor and Immigration and for Tourism, worked to elaborate this comprehensive plan to tackle the economic impact of the crisis.

"We all agreed that the stimulus package should have entailed three crucial steps: reforming the tax system, adjusting the monetary policy and injecting capital to the most affected business", elucidated U AUNG NAING OO. In this regard, the COVID-19 Committee deferred the Income and Commercial tax payments from the second and third quarters to the end of the fiscal year. As a parallel measure, the government waived the 2% advanced income tax on exports until the end of the financial year; in a second stance, U AUNG NAING OO further explained how ministers urged to reduce also the compliance costs for businesses as well. As a result, the Ministry of Tourism allowed hotels and tour businesses to be exempted from paying licence fees for one year and the Myanmar investment Commission has also reduced its fees, while the debate with the Ministry of Construction is still in progress. Meanwhile, the Central Bank has gradually cut the interest rate by 3%, from mid-March to the end of April. Lastly, representatives from the COVID-19 Committee jointly agreed that Cut-Make-Pack (CMP) garment, tourism and Small-Medium-Enterprises (SMEs) must be the primary beneficiaries from capital injections, since heavily afflicted by the outbreak.

Although CERP mainly concerns immediate actions to fasten companies' recovery, the Committee Secretary argued, the plan fully aims at assessing a medium/long term recovery response. "Whenever we support businesses in the country, we also need to consider to strengthen and simplify our procedures", U AUNG NAING OO insisted on this point in his final remarks, concluding: "This is an opportunity to push other ministries to speed their reforms process and consider how to simplify the regulatory burden".

In the second part of the e-meeting, Advocacy groups co-chairs could exhaustively present to U AUNG NAING OO updates on the current state of affairs in their respective sectors in Myanmar amidst the global pandemic.

The discussion offered each parties a more comprehensive understanding of the challenges related

to COVID-19 in Myanmar and a better insight into policy and structural solutions that can be worked on together. This webinar initiated a series of regular meetings between EuroCham Myanmar Advocacy groups, MIFER and other government counterparts on how to address economic impacts of COVID-19. •

The exchanges during this webinar laid as the groundwork for EuroCham Myanmar to build the "COVID-19 European Industry Update paper". This working document has been shared with U AUNG NAING OO with the aim to strengthen the ties between the COVID-19 Economic Recovery Committee Secretary and EuroCham Myanmar in order to collaborate further on policy and structural solutions to support European investments in Myanmar. The position paper summarises the inputs shared by the Advocacy groups and Initiatives as a base for the COVID-19 Economic Recovery Committee to take into consideration further support to companies. •





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.

## 5 best holiday suggestions for this legendary summer of 2020

Many European foreigners in Myanmar were looking forward to spend the summer holidays in their countries of origin, yet COVID-19 has drastically changed plans. Rather, it is a great occasion to discover a bit more of Myanmar.



### THINGS TO KEEP IN MIND WHEN PLANNING YOUR MYANMAR HOLIDAY

The so-called "green season" from June till September isn't really that bad. It can actually be a perfect holiday time as long as you keep some things in mind:

- The rain generally comes from southwest direction and as a result, especially Yangon and the coastal areas get most of the rain. Once you go upcountry it rains on average once every 2 days. Best to focus on areas as Northern (Hsipaw) & Southern Shan State (Kalaw, Pindaya, Inle Lake), Mandalay Region including Bagan and Kayah State.
- Plan what activities to do in each place, to keep you entertained. Check on forehand what kind of activities you can do and pre-book it (some places might be closed). For example, mountain biking, hiking, kayaking or other sports, seeing animals in the wild, visit interesting monuments, have a bath with elephants in the river etc.
- What level of comfort do you prefer? Myanmar has nowadays many charming 3-star boutique hotels in smaller towns like Yenangyaung, Hsipaw, Salay, Pindaya which are worth visiting, yet if you prefer big 5 star hotels your choice is more limited.
- What are your personal hobbies and interest and can you do these during your trip? For example photography, cooking, meeting local people, searching for handicrafts etc.
- It is important to know how much time you would prefer to spend on your own and for how long you want to have a local guide to show you around his or her area and explain to you a bit more than you would read online.
- If you like having some leisure time (or if your children enjoy swimming in the afternoon), make sure to select hotels with a garden and a pool.

- Travel constraints – There are no travel restrictions for foreigners for any of the areas mentioned above or in the sample itineraries below. Just bring your passport with visa and your travel agent and hotel will arrange the normal registration procedures with the authorities. As some hotels stayed closed after Thingyan holidays it's always good to check if they are open (online booking websites might not always be up to date). Overland travel is easiest (no check points), travelling by airplane might be subject to some temperature checks so best to check up to date regulations with travel agents. At the time of the magazine printing (end June 2020) beaches in Ngwe Saung and Ngapali are not open yet for tourists.

Based on the above answers the travel agent should be able to put together a proposal for a tailor-made itinerary where you will be able to experience an epic journey upcountry.

Below are some suggestions of 7- 10 days itineraries for the green season:

### STAR TORTOISES – BIKING – ELEPHANT WASHING – TEA PLANTATION WALK – KAYAKING AND BOAT RIDES

Start in Mandalay for a bit of biking in Inwa area (kids bikes and seats available), then walk with a ranger through the forest searching for tortoises released back in the wild. Enjoy a short boat ride along the Ayeyarwady River to Bagan and a bit of biking in the countryside. Help a mahout wash his elephant in Kalaw area. Continue for a walk through tea plantations in Pindaya, learn about the tea making process and end with Inle Lake for some kayaking between houses on stilts and some pool time at the hotel overlooking the lake.

### TREKKING, TRIBES AND TRAINS – GO OFF THE BEATEN TRACK IN NORTHERN SHAN STATE

Take a flight to Lashio and stop for Shan noodles on the way to Hsipaw, realising you chose a fantastic area. Do some day trekking (always with a licensed guide – never go on your own) and listen to a personal royal family story in a Shan palace. Meet some Palaung families living in the Kyaukme mountains and continue the next day by train over the spectacular Goteik Viaduct. End your trip with some leisure time in Pyin Oo Lwin; a former British hill station with beautiful botanical gardens.

### LEISURELY BIKING THROUGH THE COUNTRY FROM INWA TO SALAY

No need to be professional to like this programme as it can be done quite comfortably. It is advised that you leave your luggage at the next hotel.

Start from beautiful rural Inwa and go partly by bike, partly by car in 3 days via Mt Popa to Bagan. Stay for 2 days in Bagan and continue by bike and boat to Salay to end your trip in a beautiful guesthouse on the riverside.

### A HILL STATION – TRIBAL AREAS AND COMMUNITY-BASED TOURISM AND BOAT RIDES ON SAMKAR LAKE

Start the trip in Kalaw for some good walks, fresh mountain air, bathing elephants and staying in a historical hotel. Continue for home-cooked Shan food in Pinlaung and enjoy conversations and giggles with some longneck women near Loikaw. Visit a colourful Lisu village, have a home-cooked meal on Pekon Island and stay 2 nights on Samkar Lake to discover the fantastic community spirit of the nearby monastery. Continue your trip by boat to Inle Lake for a few days of pampering at a luxury hotel.

### THE THREE LAKES TREKKING: A 4-DAYS HIKE FROM NYAUNG SHWE TO LOIKAW

Tested and enjoyed by only few people so far and modelled after the ideas of lodge-to-lodge trekking in Switzerland and New Zealand. Start from Nyaung Shwe and walk-in 4 days from the northern part of Inle Lake through mountain and lakeshore villages to Pekon Lake. The luggage is taken care by the accommodations, which can be found at a local village house or small boutique lodges with lake view. End with a few days in Loikaw before flying back to Yangon. •

This article has been written by Khiri Travel Myanmar. Feel free to ask more questions about the above suggested itineraries to [edwin@khiri.com](mailto:edwin@khiri.com) and visit [www.khiri.com](http://www.khiri.com) or <https://www.facebook.com/Khiri.Travel.Myanmar> for more information.





# 2020 WHAT'S ON

In light of the global outbreak of COVID-19 and as preventive measures, EuroCham Myanmar has been adapting its events to online channels. Please, check the latest information on [eurocham-myanmar.org](http://eurocham-myanmar.org) as the situation can evolve by then. We thank you for your understanding and your continuous support.

More information on our website:  
[eurocham-myanmar.org/events/upcoming](http://eurocham-myanmar.org/events/upcoming)

## Workshop on Tools for Collective Actions with UNODC

COVID-19 outbreak has been seriously increasing the risks of corruption, bribery and fraud in public and private sector worldwide. Myanmar national authorities are not fully equipped to pursue all potential lawbreaker. In this tangled scenario, UNODC will lead the debate by emphasising a tool that might improve the transparency in the procurement process: the integrity pacts. These are the bonds that connect contracting authority, civil society and the private sector to prevent corruption.

Workshop session reserved for EuroCham Myanmar members.

**09 JULY**  
• THUR •  
ONLINE

**02 JULY**  
• THUR •  
ONLINE

## Legal & Tax talk on Myanmar Insolvency Regime

The government passed the norm on March 25<sup>th</sup>, replacing the Yangon Insolvency Act 1909 and the Myanmar Insolvency Act 1920. The new legal framework strives to provide efficient corporate rescue and rehabilitation for distressed businesses. EuroCham Myanmar invites you for a webinar to discuss concisely the features of the recently enforced Insolvency Law. Lawyers, tax and insurance professionals, bankers, CEOs of companies will lead the conversation after a presentation from DFDL.

## Counterfeiting and Brand Protection during Covid-19 in Myanmar

To what extent did COVID-19 circumstances affect our understanding of Intellectual Property Rights (IPR)? How did the virus outbreak influence the spread of fake news? The South East Asia IPR SME Helpdesk will shed light on this topic, as Myanmar has recently reframed the Intellectual Property law. The external expert of the SEA IPR SME Helpdesk, MS. YUWADEE THEAN-NGARM, will guide the narrative of the debate.

More information on EuroCham Myanmar website.

**03 JULY**  
• FRI •  
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## MYANMAR-EU ECONOMIC FORUM

15<sup>th</sup> and 16<sup>th</sup> SEPTEMBER 2020 – ONLINE FORUM

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THE  
DATE!

**15-16  
SEP**  
• TUE - WED •  
ONLINE

## The 4<sup>th</sup> Myanmar-EU Economic Forum

The 4<sup>th</sup> edition of the Myanmar-EU economic forum will be held virtually, gathering policymakers from the Myanmar government and European business representatives to interact and debate key business and trade issues.

For 2 days, discussions will revolve around the economic development of Myanmar and current business initiatives, trade affairs and European investment, and address challenges and opportunities in key sectors. Additional sessions with key international and local organisations will be accessible too.

For more information and to register, please visit EuroCham Myanmar website.

**AUG**  
• •

## EMRBI Breakfast Talk on biodiversity and the role of private sector in nature capital & utilisation

One of the EMRBI's objectives is to follow and echo the United Nations World Environment Day, which focused on biodiversity this year. Myanmar is home to a diverse ecosystem with many animal and plant species. However, the ecosystem is prone to deforestation, CO2 and greenhouse gas emissions, and other forms of human activity. Companies can have a direct or indirect impact on biodiversity and natural environment, and can play a positive role in its conservation. During the discussion, companies and NGOs will highlight their experiences and share their best practices to successfully conserve and protect Myanmar's biodiversity.

**SEP**  
• •  
ONLINE

## Breakfast Talk with the EU Ambassador

The event is a continuation of an initiative of EuroCham Myanmar to establish a regular consultation platform between the EU delegation and EuroCham advocacy members.

The newly appointed EU ambassador to Myanmar, will discuss EU-Myanmar relations and anticipated implications for EU businesses. Advocacy Groups co-chairs will also present brief updates on the current state of affairs in their respective sectors in Myanmar.





Thank you to our  
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## Myanmar and Asia in Focus



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.



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