

News in partnership with



VRIENS & PARTNERS

Politics and Public Policy

On Tuesday, January 29, the NLD brought forward a motion to create a joint parliamentary committee to amend the 2008 constitution. This move, done with much fanfare and protest from the NLD and the military respectively, seeks to address one of their key campaign promises from the 2015 election. There are several elements that the NLD may seek to amend, including:

- Repealing 59(f) which bars individuals who have foreign citizens as immediate family from the presidency and has kept Daw Aung San Suu Kyi from holding the office
- Removing requirements for military representation in Parliament and control of certain ministries

This move, while popular among the population, showcases a reversal of the *de facto* cooperation between the NLD-led civilian government and the military over issues such as the civil wars and transition of the General Administration Division (GAD) to civilian control. While this may ultimately serve to gain the NLD votes, it runs the risk of backfiring on several fronts, including presenting a unified front on the peace process, and in transitioning further elements of the military-controlled ministry to civilian oversight.

Business and Economy

On January 2, the Ministry of Planning and Finance (MOPF) issued Announcement No. 01/2019, under which foreign insurance providers can (1) open a representative office in Myanmar and form a JV with a local provider to provide non-life and/or life insurance, or (2) secure one of three allotted 100% foreign owned life-insurance licenses. This announcement is situated in larger government reforms to boost financial inclusion. Over the past year, the Central Bank of Myanmar (CBM) has introduced a range of liberalization measure including easing restrictions on non-collateralized loans and allowing foreign banks to lend to domestic firms.

While entry of foreign insurers will inject much-needed expertise and capital into the sector, the Myanmar government is working to balance these benefits with its desires to (1) protect nascent Myanmar insurance companies, and (2) maintain revenue streams from state-owned Myanmar Insurance. While many officials in the NLD-led government believe that foreign entry into the insurance sector will enable the sector to grow, other key stakeholders are concerned that foreign entry will negatively impact the local market and are thus opposed to market liberalization.

This coverage of developments in Myanmar's political and economic transition was prepared by Vriens & Partners, a corporate advisory firm focusing on government relations and political risk in Southeast Asia. If you are interested in learning more about our services, please visit our website or email greg@vrienspartners.com