Market Snapshot
Information Communication Technology (ICT)

Myanmar Headlines

- Myanmar's modern economic development is starting in the digital age giving it the potential for 'digital leapfrogging' for economic growth.[1]
- The ICT industry has rapidly transformed in Myanmar following economic liberalisation and democratic elections.
- SIM cards are cheap and abundant at around $2 which facilitates accessibility across the local population.
- Telecoms accounted for 31% of total FDI in the first 5 months of the 2014/2015 fiscal year.[2]
- Myanmar is the world's 4th fastest growing mobile market, where mobile phone subscriptions grew by 5 million in Q3 of 2015.[3]
- 17,300 telecommunication towers need to have been constructed by the end of 2017 in order to reach the 70% coverage target.[4]
- 3G data networks are currently operated by several providers and tests for 4G were carried out in June 2016.[5]
- Currently there are three key international operators; Ooredoo, Telenor and MPT (who operate in a joint venture with the Japanese telecommunication companies KDDI and Sumitomo). Viettel has been selected as the 4th international mobile operator.[6]
- Based on current estimates, 80 percent of mobile devices used in Myanmar are smart-phones, and of these the majority of users are accessing data regularly.[7]
- Thailand's National Broadcasting and Telecommunications Commission is planning to set up a standard registration platform for pre-paid mobile SIM cards across the region, discussions with Myanmar began in June 2016.[8]
- Wireless networks were boosted, in June 2016, by the use of two new satellites.[9]

Business Opportunities

The development of Telecommunications is a fundamental pillar in the evolution of Myanmar's economy and facilitates the development of other sectors. Network initiatives will remain the leading force behind foreign investment and the creation of jobs for the foreseeable future. Many of these jobs will require significant training which Myanmar is not currently equipped to provide. The full potential of ICTs in Myanmar has yet to be realized, which creates opportunities for British Businesses.

- **ICT Education**
  Currently the Ministry of Science and Technology operate 25 Computer Universities and Colleges across the country.[10] These, along with private institutions, teach a variety of IT courses, ranging from basic computer literacy to advanced programming skills. The private education sector in Myanmar is growing particularly with the higher intakes on ICT courses.

  Myanmar has a shortage of qualified professionals in technical professions in the ICT sector and also a lack of trained civil servants, required to carry out the functions of government, especially in technical areas, such as IT procurement and broadband management.[11]

  There are not enough providers to train people in Myanmar in effective use of ICT and therefore international companies are often used. International qualifications are also highly regarded and training in these qualifications is sought after.[12]

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This presents a significant opportunity for British businesses to provide education and training in Myanmar for the developing ICT industry. In addition Myanmar's developing education system is looking to utilise digital methods of learning to aid teaching. Both hardware and software to facilitate this represents a sizeable business opportunity.

- **Software**
The software market in Myanmar is still largely underdeveloped, creating opportunities for companies to operate in this space.[13] Copied software is widespread, with estimates as high as 90% of systems using copied programmes. This results in security risks due to unsecure software, a lack of awareness and a lack of technical assistance available.[14]

  Cyber security is a growing area of opportunity. Now that speed has increased as well as the number of users, there is a need for IT security. The Ministry of Communications and Information Technology faces a challenge in educating people to the risks of copied programmes.

  The finance sector is an early adopter of this technology, with banks installing secure systems.[15] Within the trading and tourism sectors, IT usage is limited to bigger organizations, such as major airlines offering online booking systems. Industry sectors, such as agriculture, manufacturing, education and health use very little or no software solutions.[16]

  Demand for sophisticated applications is expected to rise as the country's various industries grow and require more developed solutions, ranging from custom made applications to licensed comprehensive systems.[17] In particular there are likely to be abundant opportunities for software used on mobile devices due to the high penetration of mobile devices relative to more traditional ICT such as desktop and laptop computers.

  In tandem with education opportunities e-learning software is likely to be both important and popular in Myanmar's development of human capital. Their education system is being developed during the digital age and therefore there are significant opportunities for e-learning software in Myanmar.

- **Mobile Money**
Myanmar remains very much a cash-based society. However, the rapid uptake of smart-phones and data usage in Myanmar as well as limited access to formal banking offers a unique opportunity for mobile money operators. No other frontier market has experienced growth of this kind. Coupled with very low banking penetration, it considerably enhances the opportunities for serving the unbanked, currently estimated at 90 percent of Myanmar's population.[18]

  Indeed the potential of combing mobile banking with mobile money operation would allow Myanmar savings, currently in cash, to be used for investment in Myanmar's growth.[19]

Opportunities for British companies:
  - ➢ Technology firms looking for a new mobile phone market.
  - ➢ Mobile phone gadgets and accessories.
  - ➢ Marketing and advertising.
  - ➢ Construction businesses for the implementation of mobile towers across the country.
  - ➢ Education and vocational training companies, offering ICT training.
  - ➢ Software companies, for introducing computer based management, IT security and e-learning
  - ➢ Energy companies that can improve access to electricity in rural areas of Myanmar, to enable off grid energy access.
  - ➢ Software developers of mobile applications
  - ➢ Companies offering products and services in cyber security.

Key Stakeholders

Government Key Stakeholders

Business Key Stakeholders

Challenges

1. Infrastructure: Myanmar's physical and technical infrastructure is very underdeveloped and this can make doing business difficult, time consuming and expensive. Many areas are difficult to reach with expensive ICT equipment and may not be covered by the national grid. As a result unstable supplies of electricity mean that the cost of running mobile towers is high due to the need for alternative power sources.[20]

2. Finance & Banking: Transactions in Myanmar are predominately cash-based. More investment is coming in to the sector but it will take time to dissipate through the economy. This makes company financing a time consuming and difficult process.

3. Corruption: Corruption is an issue in Myanmar and something that British companies must avoid and should be aware of before embarking in any business.

4. Legal framework Myanmar's legal framework creates uncertainty for foreign investors who want to do business in Myanmar. When constructing ICT infrastructure land rights can be difficult to establish and sites can be difficult to acquire particularly as foreign companies cannot own land but instead enter a 50-year lease agreement.

5. Human capital: One of the biggest challenges facing domestic and foreign business is the limited availability of appropriately skilled local staff. This is particularly problematic in a highly-skilled industry such as ICT where experts are scarce. Investors looking to do business in Myanmar will need to invest time and money in training for local staff.

How we can help you

The British Chamber of Commerce Myanmar
The British Chamber was established in July 2014 and has grown to a network of over 200 member companies, including Myanmar, British, ASEAN and European businesses. The Chamber provides regular networking opportunities for the business community, up to date and relevant information on doing business in Myanmar and advice for market entrants navigating the challenges of establishing a business here. Find out more about Chamber membership HERE.
For more information about the Chamber, feel free to contact to:
Info@britishchambermyanmar.com

The British Chamber can offer UK companies a range of business services to new UK Exporters and UK companies interested in doing business in Myanmar.
These include:
- **Business Matching**
- **Promotional Events**

- **Market Visit Programmes**

Find out more about our Business Services HERE. Further discussion on how we can help, feel free to contact to:
Chloe Taylor
Project Director, Overseas Business Network Initiative
British Chamber of Commerce Myanmar
Email: chloe@britishchambermyanmar.com

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