


British Chamber Financial Services Working Group – Market Update #006

October 2020

COVID-19 Update

Cases overview

 Myanmar (Burma)

Total cases	Recovered	Deaths
18,781 +987	5,548	444 +32

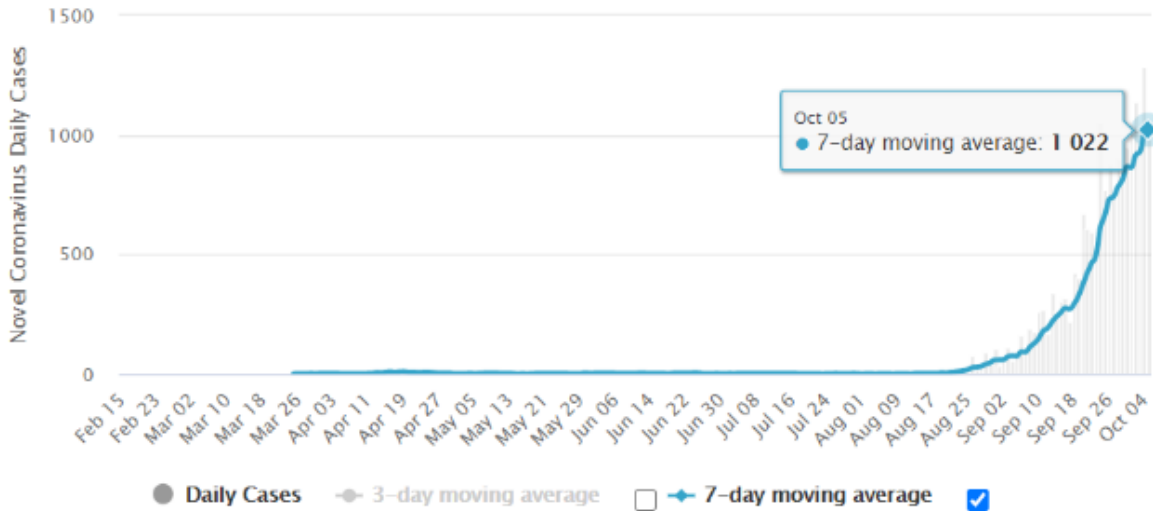
 Worldwide

Total cases	Recovered	Deaths
35.5M	24.8M	1.04M



Daily New Cases

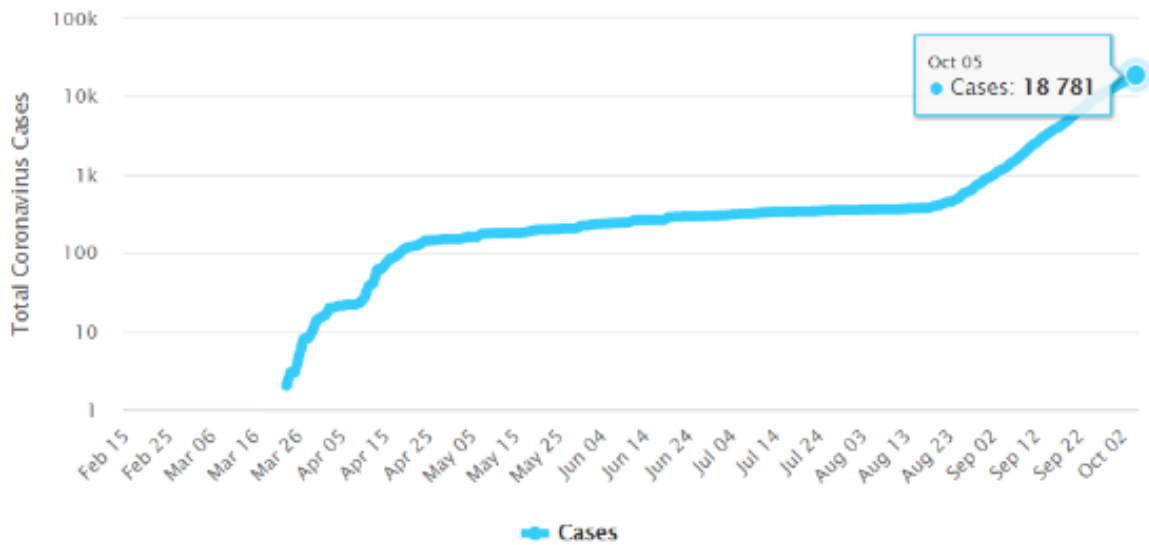
Cases per Day
Data as of 0:00 GMT+0

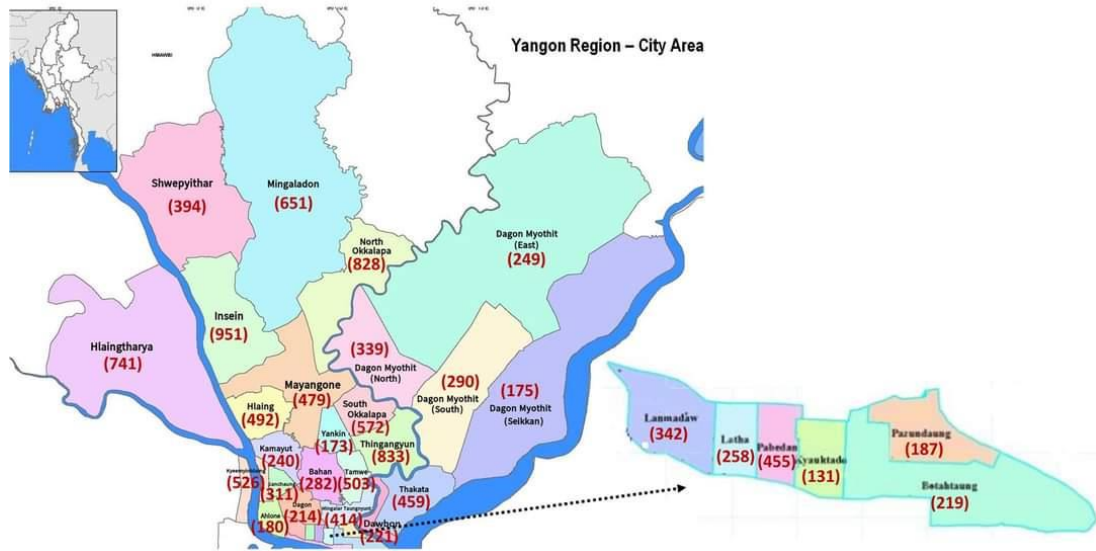


linear logarithmic

Total Cases

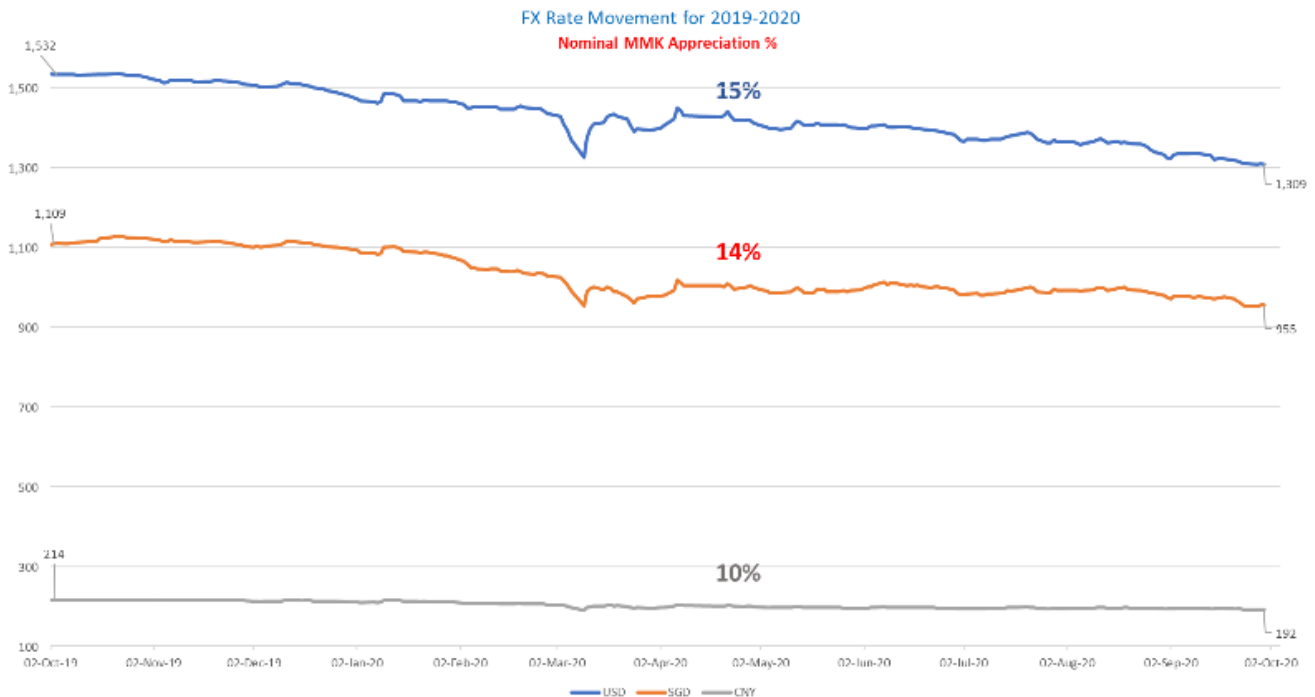
(Logarithmic Scale)





Data sources - <https://www.worldometers.info/coronavirus/country/myanmar/>
 - <https://www.mohs.gov.mm/Main/content/publication/2019-ncov>

Economy/Regulations



CBM extends reserve requirement, liquidity ratio changes

The Central Bank of Myanmar (CBM) has extended temporary changes to banks' reserve requirement and liquidity ratio calculations through to March 2021.

On 9 April, the central bank temporarily reduced banks' reserve requirement ratio from 5% to 3.5% of deposits effective until 30 September 2020.

Govt to extend taxation and relief funding measures

The Ministry of Planning, Finance and Industry (MoPFI) issued Notification 3/2020 on 7 September, extending existing relief measures including taxation and relief funding until December as result of the increase in COVID-19 cases.

This followed a decision from the Central Committee on Prevention, Control and Treatment of Coronavirus Disease on 26 August.

The notification extends the deadline for corporate income tax and commercial tax payments for cutting, making and packaging garment (CMP) businesses, hotel and tourism companies, and small and medium enterprises from 30 September to 31 December.

[MRSD extends loan loss provision as repayment drops](#)

The Microfinance Regulation and Supervision Division (MRSD) has extended a temporary lowering of loss provision through to early December.

The MRSD letter was issued on 2 September and posted on the Financial Regulatory Department (FRD) website. The original provision on loan classification and loan loss provision was issued in April to help MFIs facing delays in loan repayment from customers due to the disruption caused by the initial COVID-19 outbreak and lockdown measures.

[Start-ups raise funding despite economic backdrop](#)

Two Yangon-based start-ups have successfully attracted investment recently, while a new Singaporean fund that will include Myanmar in its remit builds commitments. Cleaning service start-up Yangon Broom announced it had raised an undisclosed sum in a third founding round led by Yangon Capital Partners.

UMG Idelab, the venture capital arm of local conglomerate UMG, said it had made investments in Yangon-based grocery delivery start-up Zay Chin and Indonesian chocolate maker Moodco in August.

[MoPFI provides civil service COVID loans](#)

The Ministry of Planning, Finance and Industry (MoPFI) released two letters on 31 August detailing a zero interest loan initiative for civil service employees. The loans will be added to the 2020-21 budget, which received a this week in the form of a \$280m loan from the Japan International Cooperation Agency (JICA).

Banking

[Tranglo and KBA Partner of remittances](#)

Malaysia cross-border payments firm Tranglo has partnered with KBZ Bank on remittances.

This will add Myanmar to the Tranglo network, which includes China, Indonesia and Singapore, according to the article.

Microfinance

[FMO adds BRAC loan to pipeline, SIFEM funds PGMF](#)

FMO is continuing its run of loans to Myanmar microlenders, and is proposing a \$7.5m investment in BRAC Myanmar, according to DealStreetAsia. Swiss fund SIFEM, meanwhile, announced an even larger loan to Pact Global Microfinance Fund (PGMF).

As we reported recently, FMO is proposing providing PGMF with a \$15m five year facility to help finance the firm’s microfinance portfolio, according to an FMO disclosure in August.

FinTech

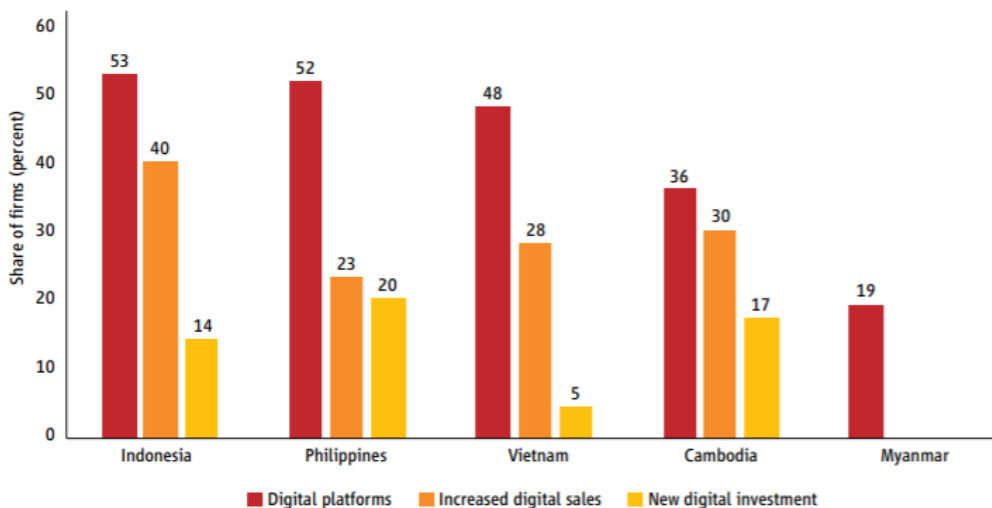
[Digital tech silver lining shines amid downturn](#)

Accelerated investment in digital technologies is a bright spot in the COVID crisis, according to a new World Bank study, which shows a jump in the use of digital technologies in Myanmar.

“COVID has accelerated investment in digital technologies which may translate into faster but unequal productivity growth,” according to the World Bank's East Asia and Pacific study “From Containment to Recovery”. “Both firms and households are investing in computers, software, and skills to cope with social distancing constraints.”

World Bank data shows a jump in the number of Myanmar firms increasing their use of digital platforms and solutions, although not as high as other countries in the region. The chart below is taken from the study.

Figure 32. Firms are increasing their use of digital platforms and investing in digital solutions



[Mastercard to collaborate with central banks on digital currencies](#)

Mastercard has launched a new Central Bank Digital Currencies (CBDCs) testing platform, allowing the central banks and global institutions to evaluate the suitability of CBDCs in a country or region, according to a press release on 9 September.

As a card and account-to-account payments provider, Mastercard has been investing in the development of technologies and tools for the secured digital payment ecosystem backed by the central banks, the firm said.

[MADB collaborate with six mobile financial service companies](#)

The Ministry of Planning, Finance and Industry (MoPFI) and the state-owned Myanma Agricultural Development Bank (MADB) signed agreements with a range of mobile financial service providers on 4 September.

The two state entities signed agreements with mobile providers including Ongo, KBZPay, OK\$, Shwe Bank, CB Bank and MPT Money to disburse digital agricultural loans to farmers.

Insurance

[Health insurance demand jumps due to COVID-19](#)

The resurgence of COVID-19 in Myanmar has increased interest in health insurance and the number of policyholders, particularly for insurance plans providing COVID-19 coverage.

AIA Myanmar CEO Mr. Nhon Ly told the Myanmar Times interest in life insurance and health insurance plans, both of which are relatively new to Myanmar, has increased.

Some insurers provide coverage specifically for COVID-19, while others include COVID-19 coverage as an add-on to existing plans.

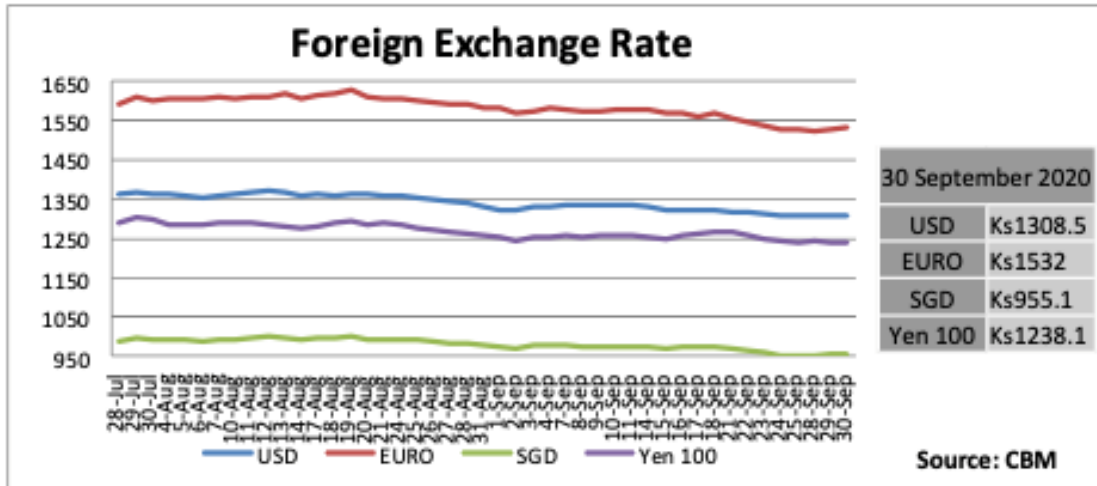
Capital Markets

[YSX to set up pre-listing board for public companies](#)

The Yangon Stock Exchange (YSX) will set up a pre-listing or secondary listing board for public companies, according to the Deputy Minister for Planning, Finance and Industry and Chair of the Securities and Exchange Commission of Myanmar (SECM), U Maung Maung Win.

The pre-listing board will allow trading in the shares of public companies' that have yet to list on the YSX and will help small and medium-sized enterprises (SMEs) to raise capital.

DATA UPDATES



(30 September 2020)		Yangon Stock Exchange (YSX) Quote						(Myanmar Kyat)			
1Y High	1Y Low	Stock	Code	Yield			Vol	High	Low	Close	Net Chg
				Div	%	P/E					
10,500	8,500	FMI	00001	100	0.00	13.4	1,364	10,500	10,000	10,000	100
3,700	2,750	MTSH	00002	230	6.22	11.9	3,259	3,700	3,700	3,700	0
8,800	7,000	MCB	00003	200	2.50	26.2	10	8,000	8,000	8,000	-100
27,000	20,000	FPB	00004	2,000	8.89	8.9	2,208	22500	22500	22500	-500
3,200	2,650	TMH	00005	200	7.41	19.6	89	2,750	2,700	2,700	-50
1,800	2,800	EFR	00006	-	-	-	-	-	-	-	-

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This market update is compiled from public sources for the Financial Services Working Group by Frontier Myanmar Research (FMR). It is intended to provide a high-level round up for members, with more detailed information available to Myanmar Financial Services Monitor subscribers.

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