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Startups in Myanmar

Land of temples and tech

The startup culture germinates in an unlikely place

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REMARKABLE views greet visitors to Phandeeyar, an open-plan office and events space which sits atop a tower block in the centre of Yangon,



Blessed with the fruits of modern technology

Myanmar's biggest city. Its north windows frame golden pagodas and colonial mansions; to the south weather-beaten cargo ships glide up the Yangon River. The room is much-loved by the gaggle of computer programmers, entrepreneurs and digital-media types who have lately begun to congregate there—but it would be better still if Yangon's power were more reliable. It is a long way down when the lift is out of action.

Just about every country, from Mexico to Malaysia via Montenegro, wants to create the next Silicon Valley. Myanmar does too, though it starts from a lower base than even most developing economies. Still, a few firms have begun to blossom since its ruling generals began opening up the economy in 2011. Back then, less than 1% of Burmese people could access the internet. But with wireless towers now popping up across the country, the government thinks 80% of citizens may have a mobile phone with a data connection by 2016. Small, local firms are racing to benefit: MySQUAR, a social network, said on March 22nd it was hoping to raise \$2.5m by listing

in London. There is Rebbiz, which runs property and jobs portals; Bindez, a search engine; and NEX and Technomation, which design smartphone apps.

With little proficiency in foreign languages, Myanmar's web users are clamouring for local content. But Yangon's tech entrepreneurs—who include home-grown talent and returning emigrants—face many hurdles. Good programmers remain sparse: coders who trained to work on government projects may not know the open-source languages from which many online services are now built. Competing standards for encoding the Burmese alphabet are making it tricky to produce text that will be readable on all devices.

Making online payments is another difficulty, notes James Chan, an angel investor, because most Burmese are unbanked. At first, people mostly bought apps by paying cash for them in an electronics shop. The shop would download each app to the buyer's smartphone from an encrypted memory stick provided by its designers. More recently, scratch-cards bearing download codes have become popular. Once Myanmar's new wireless networks are complete, mobile payments should take off, provided the government allows this. But for the moment many would-be web entrepreneurs are relying on corporate contract work to pay their bills.

Perhaps the greatest uncertainty is how many local tech firms will survive once foreign rivals move in. Already, Facebook is probably Myanmar's most-visited website; Viber, an Israeli messaging app, is following behind. Rocket Internet, a German firm that builds e-commerce sites for emerging markets, is testing the water; and in February Google launched a local-language version of Gmail, its e-mail service.

One day, the founders of local startups may get rich by agreeing to be bought out by such foreign firms. But so far, most are nowhere near advanced enough to be attractive purchases. Vagueness in the rules on foreign investment and intellectual-property rights do not help with the difficult task of finding funding from abroad.

But ever more Burmese entrepreneurs are prepared to have a go, and plenty of foreigners would like them to succeed. Phandeeyar is supported in part by the Omidyar Network, an American philanthropic foundation, which hopes to inspire programmers and do-gooders to collaborate on projects that accelerate Myanmar's development. Ooredoo, a Qatari mobile-telecoms operator which is building one of the country's new networks, has also been promoting local startups. Life in a closed country has made the Burmese unusually resourceful, reckons Kaung Sitt, an entrepreneur who has recently returned home from Singapore: "You find your own way to get things done."

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