

## **Myanmar's Millennials Find Their Voice**

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Myanmar's newly-found openness to foreign investment offers extraordinary opportunities for the brave. Social media company MySquar is one of those aiming to capitalise.

The London-listed company owns and runs MyChat, Myanmar's biggest local-language social network, aimed at the under-24 age group that makes up 47 per cent of the nation's population.

Myanmar is both South-East Asia's poorest economy and its fastest-growing. Gross domestic product (GDP) per person at \$1,270 is less than one-fifth of China's \$7,380.

Yet the nation – where former dissident Aung San Suu Kyi won power last year in the first free elections after five decades of military rule – increased its GDP by 8.5 per cent in 2014-15.

Myanmar is also the last big territory among the world's 25 most populous countries to emerge from an extended period of enforced isolation.

Foreign direct investment is estimated to have met the government's \$6bn target for 2015-16 and it aims to nearly double it to \$11bn by 2025. Back in 2009-10, FDI in Myanmar was just \$330m.

MySquar's prospects have been bolstered by major investment in Myanmar's telecommunications. Fifteen-year licences for 3G mobile networks have been awarded to groups whose investment is expected to approach \$22bn over the first five years.

MyChat was founded in 2014. It currently has 2.45m users, with that number growing by about 100,000 a month and forecast to increase to 13.7m by 2024.

MySquar has 50 staff spread between London, Myanmar, Singapore and Vietnam, where its technical centre for programmers is based.

Chief executive Eric Schaer, who spends much of his time there, says: "Because Myanmar was under sanctions and was cut off from so much of the world for so long, there are fewer entrenched habits and more opportunities for the latest technologies than in some other countries.

"It didn't have credit cards, for example, because Visa and Mastercard were banned from doing business there.

"So there's no ingrained credit culture in Myanmar and we're now seeing a lot of innovation with people moving straight to web and mobile phone-based payment systems."

The European Union permanently lifted its last trade, economic and individual sanctions on Myanmar in 2013, while the US is expected to move from its current system of a rolling suspension of economic sanctions to full abolition.

"I've been doing business in South-East Asia for a number of years," says Schaer, "and started looking at opportunities like this immediately after sanctions were lifted.

"Myanmar is a great place to do business. The people are friendly and there's virtually no crime. The biggest problem is that there's been so much growth that the traffic is incredibly heavy and the roads get very congested.

"In Singapore, I can easily schedule seven or eight meetings in one day in the downtown business district. In Myanmar you might only be able to do two or three if you're having to move around a lot."

Indeed, the traffic problem in Yangon (formerly Rangoon) is so severe that the government has banned motorcycles from the city's roads.

Driving in Myanmar is also complicated by an estimated 90 per cent of vehicles in the country being right-hand drive, despite the nation having switched to driving on the right side of the road more than four decades ago.

On a macroeconomic level, Myanmar also faces challenges in enforcing regulation, tackling corruption, ensuring transparency, respecting human rights – including freedom of speech – and breaking up military-linked monopolies.

Schaer says another issue is the shift in youth culture that's also being experienced in the West, though he sees it as an opportunity.

"A lot of people in Myanmar are millennials and millennials in Myanmar behave in the same ways that they behave in other countries," he says.

"They don't have the same brand affinity that older people have, but that can also be a good thing for foreign companies going into Myanmar at this point because the millennials there do not have an existing affinity to somebody else."

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