

How the Tech Boom is Transforming Myanmar

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Last week I mentioned in this column that Myanmar has become the new hotspot for global investors.

While many investors have been drawn to the Southeast Asian country by its rich natural resources and cheap labor, its start-up economy is also booming.

In particular, its IT and telecommunication industries have been growing at a jaw-dropping pace over the past decade.

Just look at the rapid growth in the number of cellphone users in the country, and you will have an idea of the IT revolution that is happening there at an unprecedented scale.

Back in 2009, a cellphone SIM card remained an extremely rare and luxurious item in Myanmar, costing a whopping US\$2,000 each.

Eight years on, the cellphone has become a daily necessity for most people, with an SIM card going for just US\$1.5.

Back in 2011, only 1 percent of the population had access to the internet. Today 80 percent of people in Myanmar can easily log on to Facebook using their smartphones.

And IT investors around the world are now scrambling fiercely for business opportunities in the country.

In 2014, David Madden, an Australian tech entrepreneur, founded the Phandeeyar in Myanmar, an IT training institution funded by global tech giants such as Hewlett-Packard, Samsung and Google.

Last year Phandeeyar launched Myanmar's first tech start-up incubator, providing US\$25,000 as funding for local tech start-ups with a viable business plan.

The US\$25,000 capital might sound little to us, but it is definitely an astronomical amount by Myanmar's standard.

Madden is bullish about Myanmar's tech industry, noting that the United States has lifted economic sanctions against the country since Ann San Suu Kyi and her National League for Democracy took power in 2015.

The new regime is also giving priority to the development of the local IT industry.

Still, Myanmar does have a lot of limitations at this stage. For example, the lack of electricity supply in many remote areas has hindered the expansion of cellphone and internet network coverage in the country.

Also, there is still a long way to go before electronic payment can become truly popular, as many Burmese don't even have a bank account.

However, despite all these weaknesses, the tech boom in Myanmar is unstoppable and is already transforming consumer behaviors in the country, with people getting increasingly used to buying commodities or acquiring service through smartphone apps, many of which are developed and run by young tech entrepreneurs.

As such, no IT investor and venture capital fund manager can afford to overlook Myanmar when looking for new investment opportunities in Asia apart from China and India.

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Translation by Alan Lee

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