

## Myanmar Is Next Vietnam With 10% Growth

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Myanmar could be the next Vietnam or Thailand, with the economy having the potential of growing as much as 10 percent, a senior British diplomat said.

The Southeast Asian nation, which is opening its economy to investors after decades of military rule, has to overcome challenges including a shortage of power supply, lack of policy clarity and high cost of doing business, Andrew Patrick, the U.K.'s Ambassador to Myanmar, said on Thursday at a Bloomberg conference in Yangon.

"Growth takes time," Patrick said. "The main thing is you've got to go at the fastest pace you can." He added that "6 percent to 8 percent, even 10 percent growth going forward is perfectly realizable."

Myanmar began democratic and economic reforms in 2011 in a country long controlled by state-owned firms. The International Monetary Fund estimates the economy was among the fastest growing in the world last year at 8.1 percent.

### Blank Sheet

"On the financial sector, this is a blank sheet," Patrick said. With few people owning bank accounts, the nation is "an untapped market. It's like Vietnam 20 years ago," he said.

Telenor Myanmar formed a joint venture with Yoma Bank to start Wave Money, which seeks to reach the country's unbanked population, CEO Lars Erik Tellmann said in a Bloomberg Television interview with Haslinda Amin in Yangon. Wave Money will tap rural areas where there's no access to physical banks, he said.

While growth may be accelerating, the country has some way to go before it can catch up with its neighbors. Poverty persists and the economy faces risks including a weaker currency and slowing investment.

Company executives at the conference highlighted some of these challenges:

- Access to financing is a challenge for farmers and Myanmar needs to invest in farming infrastructure to lower the cost of cultivation and improve productivity, Myanma Awba Group CEO Thadoe Hein said
- While Myanmar has "massive" growth potential as it sits between India and China and can supply food to both markets, it needs to boost integration with the global economy, infrastructure and the legal environment, Myan Shwe Pyi Tractors Chairman Khin Maung Win said

- Myanmar needs investment in food processing and better clarity on the government's priorities with regard to agriculture, Dagon Group CEO Christopher Thurane Aung said
- The pace of decision-making has slowed down recently and the nation needs to accelerate the pace of policy making, International Finance Corp. Country Manager Vikram Kumar said. IFC plans to lend to Myanmar institutions in the local currency to reduce foreign-exchange risk, he said
- Myanmar has to open its markets to foreigners for growth, and the nation's laws need to change to liberalize its market, Stock Exchange of Thailand President Kesara Manchusree said in a Bloomberg TV interview

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