The
secret of success
in life is to be
ready for your
opportunity
when it comes.
Police Brand 1983

STARTING UP IN
MYANMAR
A FIRST GUIDE

Content

1. SCOPE AND BACKGROUND

The Myanmar Start-up Guide is an attempt to describe the emerging start-up space in Myanmar. From a closed, military-dominated, bureaucratic environment, Myanmar is very quickly embracing an openness to business, and firms, both large and small, have a multitude of opportunities in this young market. The current telephone penetration rate is less than 20 percent, but growing rapidly. Three years ago only one percent of Myanmar's residents had access to internet – today it's estimated at between 10 and 25 percent of residents. The Myanmar Computer Federation predicts that around half of the population, over 25 million people, could be surfing the net in the next three years.[1] Already this year telecommunications companies Ooredoo and Telenor have won telecom licenses to operate in Myanmar, and are launching their services throughout the whole country. The state-owned Myanmar Post and Telecom (MPT) partnered with Japan's KDDI and business giant Sumitomo to expand its business. The launch of these new services is attracting innovation, investment and dynamic entrepreneurs. Myanmar is an extremely interesting place to be. Prior to 2010, opportunities for entrepreneurs were limited. Despite its huge potential, the country was grossly lagging behind its peers in Southeast Asia. However, the history of Myanmar shows a strong entrepreneurial spirit, partly born out of the need to create businesses in order to

survive. The ongoing transition of the last years has shined a light on Myanmar's advantages and strong points: natural resources, a large, cheap workforce, a geographic "crossroads" location, and a consumer market with gaps in goods and services as a result of its recent history. This independent research was conducted in two parts: desk research using open source information, media reports and existing studies, followed by interviews with around 60 industry insiders between May and July 2014. The paper discusses recent developments, analyses the hurdles start-ups face, and identifies important actors and support systems. This paper will help to map the dynamically growing start-up sector in Myanmar which is benefitting from the ongoing transition of the country, and a strong economic growth trajectory. It will help future entrepreneurs and investors to make informed decisions about investments in existing and new ventures. The influence of entrepreneurs can help strengthen the ecosystem and inform better public policy, which will generate additional support.

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[1] http://www.chinapost.com.tw/asia/other/2014/09/29/418249/p2/Tech-sector.htm

2. ENTREPRENEURSHIP IN MYANMAR – A DYNAMIC STORY

a. Limitations before the start of the political transition

Before the transition began in 2010 the conditions for small businesses were extremely challenging - Myanmar was a planned economy under a military regime. Support from third parties such as international development organizations was limited. Some small/micro and medium sized businesses flourished despite the limitations, mostly due to the entrepreneurial spirit of the business owners. A number of big businesses also thrived, in part due to good relations with the public sector in Myanmar.

The Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI), the official body set up to represent the interests of business, fell short of its potential due to the difficult circumstances. The Myanmar Computer Industry Federation (MCIF), a member of the UMFCCI group[2], held some business planning workshops and provided limited financing. The services and IT sector remained severely underdeveloped.

Throughout the rule of the military regime, internet was restricted, particularly non-Myanmar sites, and much of the information was censored[3]. The only way to access the internet was to use special tools to bypass the firewalls, which restricted the emergence of a "tech space". Thus, the development of web-based/supported companies was severely stifled.

b. Transition period: more local dynamism and international interest

In 2011 the transition process picked up speed and a wave of hope and optimism came over the country. Myanmar began increasing international trade, became more open to foreign investment, and a newfound domestic entrepreneurial spirit emerged.

There have been a number of initiatives to support local entrepreneurs developed by the Government, international aid organizations and private organizations. The Government has initiated reforms to simplify the registration process for SMEs and increase access to training and finance. However, the hurdles for entrepreneurs remain – in the 2003 World Bank / IFC *Ease of doing business* survey Myanmar ranked 182 out of 189 countries.[4]

One of the first players in the IT and start-up space was DevLab5. Opened in 2012, DevLab is a

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[2] Interview, 9/05/2014

[3] http://techcrunch.com/2014/02/24/approaching-the-frontier-how-one-entrepreneur-is-building-the-future-in-myanmar/

[4] IFC/Worldbank Ease of doing business: http://www.doingbusiness.org/data/exploreeconomies/myanmar

meeting point in Yangon which aimed to be a space where IT enthusiasts could gather and improve their skills in web and software development. Around this space, a first ecosystem – albeit limited - of IT entrepreneurs began to develop.

As restrictions eased, more expats started to settle in Yangon. With the new influx came new initiatives like the "Project Hub Yangon", the first co-working space run by foreigners. Project Hub has now developed a number of incubation programs.

One of the big challenges is internet connectivity, which remains limited in reach and quality. Facebook is the country's most popular website, the most used source of information and is often the single entry point to the web. Services like Viber, with an estimated [5] million registered accounts, are also very popular. However, given the lack of connectivity, files are often shared via Bluetooth on mobile devices. The Government has announced that efforts will be made to increase internet access, with a goal of reaching two-thirds of the population over the next few years[6], and already the tech community is growing in anticipation of this.

c. The future: International venture capitalists?

There's a lot of talk about Myanmar being the last frontier market in Asia. Undoubtedly there is huge potential in this quasi-virgin market. Consultancy firm McKinsey expects Myanmar could quadruple the size of its economy, from $45 billion in 2010 to more than $200 billion by 2030[7]. The launch of Ooredoo and Telenor telecom networks and the expected upgrade of MPT's network based on its new joint venture with Japan's KDDI and Sumitomo will be a big leap forward for the entire entrepreneurial ecosystem to connect to better IT infrastructure. The growth figures are impressive; thousands of masts are being built all over the country, and in the first three weeks of operation Ooredoo has reached one million mobile customers.[8]

In addition, IT enthusiasts, rallied by international tech start-up specialist David Madden, organized first "Hackathons" under the name- "Code for change"[9]. Nearly 100 developers and designers worked so far to create IT solutions for Myanmar NGOs and social enterprises. Myanmar is a hungry market:

Myanmar already has about 100 tech-based entrepreneurs/start ups, and around 500 Myanmar language apps have been developed for Android phones.

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[5] Interview, 6/06/2014

[6] http://techcrunch.com/2014/02/24/approaching-the-frontier-how-one-entrepreneur-is-building-the-future-in-myanmar/

[7] McKinsey, Myanmar's moment: Unique opportunities, major challenges,June 2013, Heang Chhor, Richard Dobbs, Doan Nguyen Hansen, Fraser Thompson, Nancy Shah, and Lukas Streiff

[8] http://www.telecomlead.com/telecom-services/ooredoo-myanmar-achieves-1-mn-mobile-user-base-3-months-52624

[9] http://www.codeforchangemyanmar.org/

International investors are looking for opportunities amongst start-ups, and a number of deals have been signed. DOEMyanmar and MySquar have successfully attracted venture funding. However, initial costs to setting up shop are, compared to the rest of South East Asia, relatively high, while infrastructure is limited. Yet, competition is increasing quickly.

Is the picture for Myanmar's start-ups therefore all rosy? There is certainly a lot of potential and enthusiasm. However, it will be key for both local and international actors to find a way to link up the new influences with the "Myanmar way of doing business" which will continue to shape Myanmar's business environment, at least for a couple of years.

3. NOTABLE MYANMAR STARTUPS & EVENTS

The sector is evolving quickly, hot news becomes old overnight and the business landscape is changing dynamically. The intention of this section is not to give an all-inclusive list of start-ups, but simply to highlight some of the businesses and initiatives that have caught public and media attention in recent months. In follow up reports, more inclusive summaries of local start ups should be considered.

3.1. Incubators

IdeaBox[10]

Ideabox is a community of entrepreneurs that started in early 2014 based on a collaboration between Ooredoo, Sillicon Straits from Singapore and start-up specialist Pollenizer from Australia. The aim of Ideabox is to create a new generation of internet companies and support the start-up ecosystem in Myanmar. Ideabox is partnering with Mobile Monday events, as well as the Hackathons "Code for Change"[11] in Yangon.

Project Hub Yangon[12]

Founded in 2013 by Pete Silvester and Allison Morris, Project Hub Yangon was the first foreign start-up incubator in Myanmar. Project Hub is also a co-working space that offers facilities for local and foreign entrepreneurs, consultants and business people.

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[10] http://www.ideabox.com.mm/about/

[11] http://www.codeforchangemyanmar.org/wp-content/uploads/2014/07/Code4ChangeMM_MediaRel_Hackathon_Start_Mar14.pdf

[12] http://www.projecthubyangon.com/

Project Hub launched its first incubation program in 2013. They incubated seven start-ups during a first three month program, with two receiving funding. Project Hub launched a new incubator program in 2014 for 10 Woman Entrepreneurs called *Project W*[13].

DevLab[14]

DevLab or Developer Lab Yangon is a co-working space started by Myanmar IT insider Ravi Chhabra and is an important starting point for entrepreneurs to develop IT skills in a supportive environment. DevLab holds regular events, and is aiming to expand by opening a second space specifically aimed at developing enterprises. Ravi is a key local figure and reference point for local IT entrepreneurs.

3.2. E-commerce/Market places:

Rebbiz[15]

While studying together in Singapore, Wai Phyo Kyaw, Mike Myat Min Han and Wai Yan Lin noted the way the market was opening up back in their home country Myanmar, and they decided to return. They started Rebbiz, which aims to build innovative web portals and online marketplaces that make people's lives easier.

They currently have three web portals and market places listing classified ads for cars, jobs and property: MyanmarCarsDB, MyanmarJobsDB and MyanmarHouseDB.

Rocket Internet

The Myanmar offspring of the German group "Rocket Internet", one of the world's largest e-commerce focused venture capital firms and startup incubators, launched its Myanmar operations in 2013 focusing on four classifieds portals: a general classifieds platform similar to craigslist (ads.com.mm), a car marketplace (motors.com.mm), a real-estate marketplace (house.com.mm) and a job portal (work.com.mm). In 2014 Kaymu.com.mm, a model based on eBay, and Daraz.com.mm (Amazon model) were launched. Several other ventures are expected to be launched in the near future.

Rocket Internet is – as in all their countries of operation – expanding quickly and looking for market leadership.

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[13] Interview , 10/06/2014

[14] http://devspaceyangon.net/

[15] http://rebbiz.com/

3.3. IT service provider

Frontier Technology Partners & MyKyat.com[16]

Founded two years ago, Frontier has aimed to have a profound impact on financial inclusion and the development of financial institutions in Myanmar through a mobile money solution called myKyat[17] mobile money solution. MyKyat enables consumers, merchants and companies to pay, bill and send money via mobile phones. Aside from their mobile business, Frontier Technology Partners develops software and implements technology solutions in Myanmar. Through their partnerships with SAP, vmware and CISCO they are able to provide best-of-breed solutions in core and mobile banking and ERP systems.

3.4. App Developers

Revo

Revo Tech's team of app developers has recently released Phew, an educational iPad app designed to help children learn the characters of the Burmese language. It is a Brahmic script, similar to Thai and Tibet, and many children have problems learning to write. Phew is free for iPads, but requires a 1.90 USD purchasing fee to unlock the entire alphabet.

Myo Myint Kyaw from Revo Tech is one of the founders of the application[18]. Currently the app is created just for iPad, but the team is working on an Android version.

Zwenex[19]

Zwenex is a software and mobile application development company created by 29-year-old Thar Htet. They build apps as well as working on MyanMalls (a way for small online sellers to market to their customers), MyanAir (an app for travel agents to keep track of Myanmar airlines' flight schedules, which change frequently) and MyanBuses (an app to check bus times).

Nex[20]

Nex is a mobile development agency that builds mobile applications and web solutions for local companies. Nex brings top-notch mobile & web solutions to start-ups and enterprises focusing on interactive user experience, design and mobile application development.

Other:

- Bagan Innovation Technology (BIT): with a high number of local mobile apps published
- Ignite Software Solution

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[16] http://www.frontiertechnologypartners.com

[17] http://www.mykyat.com

[18] http://cloudnewsasia.com/2014/08/18/startup-aims-at-myanmars-youngest-of-early-adopters-with-educational-ipad-app-cloud-cloudcomputing/

[19] http://www.huffingtonpost.com/2014/06/04/myanmar-startups-tech_n_5419385.html

[20] http://nexlabs.co/#about

3.5. Gaming companies

Myanmar's game development scene is in its infancy, but growing rapidly and capturing attention of passionate Myanmar gamers. "Repats" are taking the lead in the existing ventures which was highlighted in a recent article on gamesinasia.com. [21] Some notable start ups are:

- Total Game Play Studio
- Kodots Game Studio
- Joy Dash Studio
- Studio AMK

3.6. Product and Service

Bindez[22]

One of the most promising startup is Bindez, a Myanmar language search engine started by Ko Htet Will, Ko Ye Wint, and co-founded with ex-Google employee Rahul Batra. With Google's Myanmar site launched, they face the challenge of competing with the search engine giant. Bindez is aiming to redefine the way Myanmar people consume information.

Myanmar natural language processing is at an early stage in Myanmar, and as yet, no Myanmar search tool - not even Google - is effective.

Blink Agency[23]

Blink is a digital agency founded by Stephen Kyaw, Alexander Aung, Eric Oo and Michael Myo Shwe after they participated in the Project Hub incubation program in 2013.[24] Stephen Kyaw, a former TV presenter, is the CEO of the company together with digital marketing specialist Eric Oo. They focus on building social media and digital media knowledge in Myanmar by implementing projects for companies.

AnthemAsia[25], a Myanmar-based independent investment and advisory group, has invested in the agency, taking a significant equity stake in order to provide working capital for the young entrepreneurs.

Digital Tour Guide (Myanmar)[26]

Digital Guide is a young, small start-up working on combining mapping and data with tourism.

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[21] http://www.gamesinasia.com/4-up-and-coming-games-studios-in-myanmar-that-you-might-not-have-heard-of/

[22] http://www.mmtimes.com/index.php/business/technology/10709-myanmar-search-engine-to-launch-in-july.html

[23] http://theblinkagency.com

[24] http://www.prweek.com/article/1298000/scramble-myanmar

[25] http://consult-myanmar.com/2014/05/16/anthem-asia-buys-stake-in-myanmar-pr-and-digital-marketing-agency/

[26] http://www.techinasia.com/5-winners-demo-asean/

Tourism is an important industry that's picking up steam in Myanmar since the rapid reforms began in 2010. The team is very focused on providing comprehensive information about Myanmar to tourists.

VisitMM – online booking for Myanmar travelers[27]

VisitMM is another start-up that is also doing travel in Myanmar, but in online booking. Currently, most travelers who want to come to Myanmar are faced with having to contact people on the ground or by going through a tedious email process. VisitMM solves this by allowing travelers from the US, Europe, and larger Asia nations to book online with credit cards. In the near future, Michelle Winn, the founder of VisitMM, and Vice President of Frontiir, the Myanmar technology company behind VisitMM, says that they're anticipating a crowded market.

mspiral[28]

mSpiral is a Myanmar web development and design agency headed by Thomas Feichter from Italy with a team of local web developers. **m**spiral started as a social enterprise but transformed into a web design agency where training local developers is key.

Other notable ones:

- Myanmore
- Whatsonyangon
- Oway

3.7. Networking / Community Spaces

Mobile Monday[29]

MobileMonday is an open community platform of players in the mobile industry. It started in 2000 in Helsinki, growing into an industry-leading mobile platform with chapters in over 140 cities on all continents. Mobile Monday events are held on the last Monday of every month.
Net Mondays : Telenor has set "Net Mondays" which is a monthly event to service the community.

Code for Change Myanmar

Code for Change Myanmar is an initiative to harness the transformative potential of the connectivity revolution in Myanmar. Founded by David Madden, it aims to mobilize the tech community to use its skills to help tackle some of the pressing challenges in Myanmar. Code for Change Myanmar organized the country's first-ever hackathon in March 2014 and then the "Business Solutions Hackathon" in September 2014.
www.CodeforChangeMyanmar.org | facebook.com/CodeforChangeMyanmar | www.twitter.com/Code4ChangeMM

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[27] https://www.visitmm.com/

[28] http://mspiral.com/

[29] http://mobilemondaymm.com/

Phan Dee Yar: Myanmar Innovation Hub

Phan Dee Yar is an "ICT hub" designed to foster social innovation and civictech in Myanmar. Founded by David Madden and born out of Code for Change Myanmar, Phan Dee Yar is a space for the tech community to get together with civil society groups, businesses, social media and others to build the tools, platforms and content to accelerate change and development in Myanmar. One of the creators of SuleTech, Phan Dee Yar is located at 561 Merchant Rd, 11th Floor.

www.PhanDeeYar.org | facebook.com/PhanDeeYar | www.twitter.com/PhanDeeYar

SuleTech

SuleTech is a new tech community space located in downtown Yangon. Created by Ideabox and Phan Dee Yar, which are also headquartered there, SuleTech is 6000 square feet overlooking Mahabandoola Gardens. It has co-working space and it offers a host of training, activities and events. It is located on the 11th floor of 561-567 Merchant Rd.

www.SuleTech.org | facebook.com/SuleTechMyanmar | www.twitter.com/SuleTechMM

Myanmar Angel Investment Network

Yangon Angels[30]

A lot seems possible these days in Myanmar. A community of angel investors is being created to connect potential investors to promising start-ups and bridge the needs and demands in the start-up space.

BarCamp in Myanmar

BarCamp, a loose network of tech-focused conferences held in hundreds of cities around the world, had its largest turnout ever at an event hosted last year in Yangon. Over 6,000 people attended the Yangon BarCamp in 2013, double the turnout of just two years before.[31] This is one of the few events organized that reaches the grassroots level, with events held in cities such as Yangon, Mandalay, Pyay, Pakokku, and Taung Ngu.

DevCon[32]

DevCon is a developer-focused event which is now in its fourth year.
- local Google Developer Group
- local Ubuntu group

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[30] http://www.ideabox.com.mm/yangon-angels/
[31] http://www.techinasia.com/worlds-largest-barcamp-myanmar/
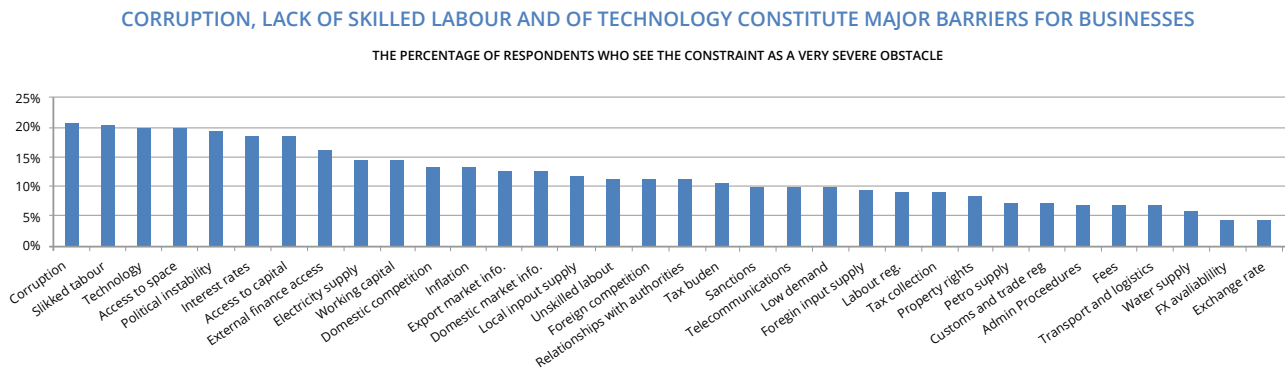[32] http://devconmyanmar.org/2014/

4. MAIN HURDLES FOR ENTREPRENEURS

The OECD/UN/UMFCCI launched the most comprehensive study so far of businesses in Myanmar in 2014. They surveyed over 3000 companies and summarized the main hurdles entrepreneurs and start-ups face[33]. The most important barriers identified can be seen in this graph:

CORRUPTION, LACK OF SKILLED LABOUR AND OF TECHNOLOGY CONSTITUTE MAJOR BARRIERS FOR BUSINESSES

THE PERCENTAGE OF RESPONDENTS WHO SEE THE CONSTRAINT AS A VERY SEVERE OBSTACLE

Source: OECD-UNESCAP-UMFCCI Business Survey 2014

Similar issues are identified by the British Council Study Skills for Social Entrepreneurs[34]. This study highlights human capital, lack of basic physical infrastructure, real estate and political instability as the main impediments to successful business development in Myanmar. The biggest hurdles identified in the interviews conducted for the Myanmar Startup guide can be grouped into 5 main categories.

1. **Legal and regulatory environment for start-ups:** While it is becoming easier to set up shop in Myanmar, the right Government policies can give an additional boost to the establishment of an innovative ecosystem in Myanmar based on its specific needs and strengths. While new regulations are on their way, progress is slow in a huge reform agenda with dozens of laws being pushed through Parliament in parallel by the Myanmar Government.

2. **Shortfalls in the technical infrastructure:** A weak communications infrastructure and unstable electricity supply have been huge impediments to the development of the IT sector. Furthermore, there is confusion between Zawgyi, the market accepted Myanmar font encoding and Unicode, the international encoding standard. Zawgyi is incompatible with Unicode which makes it difficult for Google's Myanmar-language search engine to attract users (many Myanmar websites are written in a locally produced Zawgyi font, meaning they are unreadable on the international search engine).[35]

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[33] Myanmar Business Survey 2014, OECD, UMFCCI and United nations

[34] http://www.britishcouncil.org.mm/programmes/society/skills-social-entrepreneurs

[35] http://www.chinapost.com.tw/asia/other/2014/09/29/418249/p2/Tech-sector.htm

3. **Cultural hurdles for local entrepreneurs:** Entrepreneurship was not, until recently, always accepted by society as a preferred way to earn a living. Furthermore, some start-up entrepreneurs mentioned that there are not yet enough "heroes" and success stories of entrepreneurship in media and public life who can act as role models in Myanmar.

4. **Human Resource:** Access to skilled labor is extremely challenging in Myanmar, and business skills at mid-management level in particular are missing. Two main problems were identified: firstly, Myanmar is currently experiencing a brain drain of skilled and/or trained Myanmar employees to seek higher salaries abroad. Secondly, the education system is not producing qualified graduates to fill the necessary jobs in the IT sector.

5. **Access to finance:** Myanmar remains a cash society. Most entrepreneurs have difficulty finding sufficient financing. Interest rates are exorbitantly high and loans are often not available on transparent terms. At the same time, investors have observed that funding is available but businesses are not well prepared for such investment. International capital looking at Myanmar has to understand the context and recalibrate high expectations.5.

5.   RECOMMENDATIONS

Clear policy advice on entrepreneurship support is challenging to give. Different measures work in different countries. It will be important in Myanmar that many things are tried; these experiments will then hopefully show the best way forward. Generally, it can be expected that the role of large corporations will be important in Myanmar to strengthen the start up environment, to make the necessary investments and help to launch promising initiatives that foster a kind of open innovation network structure. These initiatives need to be carefully monitored to see what works and to allow the further development of those particular initiatives.

On the government side, it will be key to provide a stable legal framework and working conditions for the sector to become a motor for innovation and growth in Myanmar.

It is up to all participants in the ecosystem to grow a healthy start-up system: angels and early stage funds, the Government, and Myanmar entrepreneurs are the drivers of a start-up scene, with internet and mobile technology at the forefront of the development. Strong international interest and influence will support the creation of a stronger ecosystem, and the emergence of a local business angel network is an important sign of this.

These efforts will need to be supported by "local connectors" (locals or internationals) who can adapt any business approach, support initiatives and make them understandable and applicable in Myanmar so that they can maximize results and impact.

The Government has to play an important role, especially in a developing country, to foster the emergence of a start-up ecosystem. The Government has to focus on supporting the development of a competitive and innovative economy with a stable, clear and transparent legal framework and nstitutions that support entrepreneurs. A further simplification of procedures on how to start a new business will be paramount in Myanmar, along with continued improvement in the general business-enabling environment (such as education, infrastructure, rules and regulations).

A recent study by GIZ[36] provides an overview of possible start up promotion instruments for governments in developing countries. They identified the following areas that require special focus:

- Financial support/funding
- Infrastructure (hard and soft)
- Training/education
- Building role models

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[36] http://www2.gtz.de/wbf/4tDx9kw63gma/giz2012-en-start-up-promotion-instruments_klein.pdf
("Start-up promotion instruments in OECD countries and their application in developing countries", GIZ 2012

OBJECTIVE	INSTRUMENT	APPLICATION IN MYANMAR
FINANCIAL SUPPORT / FUNDING		
Provision of loans and guarantees (from public banks and guarantee schemes to encourage private banks to make loans to start-ups)	**Start-up loans** are bank credits provided to the founder of a business following a credit check, which must be paid back later with interest. This makes it easier for a young firm to obtain external financing, as creditors have fewer fears about being repaid. **Guarantees**: Guarantees are typically provided by a public programme to help start-ups secure loans from private banks or other investors. In addition to the credit cost, a fee has to be paid for the provision of the guarantee. Guarantees can also be given directly to individuals as well as to private equity companies.	A weak financial market is not yet catering to the financing needs of innovative start-ups: Funding programmes could be offered. These could take the form either of grant programmes (particularly for developing new products) or loan programmes (for standard investments). The ongoing banking reform could be an interesting moment to create and apply such schemes in Myanmar
Support the provision of venture capital through public or (indirectly through) private Venture Capital (VC) funds	This can take the shape of public investors or publicly funded support to private investment, which would help start-ups introducing, for example, new technologies to get financing in more volatile stages of the ventures. This is especially important in the seed and start-up stages.	Such start-up promotion would typically focus on sectors and technologies with comparative advantages and involve international investors
Tax incentives for new businesses	**Tax incentives and rebates** can be applied at three levels: the entrepreneur, the enterprise (as a legal entity), and the investor in start-ups, and can take the form of corporate tax windows, lower rates of value-added tax, or lower rates of social security contributions:	While this seems a long way off, the next Government could think about tax incentives for investors which may include exemptions for a certain portion of the returns they earn from investments in start-ups, or the privileged offsetting of losses incurred through their start-up investments

INFRASTRUCTURE		
Infrastructure, such as start-up centres offering cheap space and services for new businesses as well as reliable technical infrastructure	The provision of infrastructure includes such things as offi ce space, telecommunication services, technical equipment and offi ce services, which may be provided free of charge or at below-market rates. The infrastructure is usually made available in specialised incubators or start-up centres/ technology hubs which can be funded with public money. Such centers could also help start-ups gain access to foreign markets by providing grants for their participation in trade fairs abroad, or by offering targeted consulting services.	Given the unreliability of the existing infrastructure (e.g. communication, electricity) in Myanmar, this is a key priority to tacke. Having a physical space for knowledge exchange, could ensure the need for more information on enterpreneurship and start up life is fulfilled Private companies and initiatives have taken the lead but it is not unthinkable that the Government will create start-up centres or encourages start-up activities in universities
Legal and management advice offered free of charge	**Legal and management advice:** could cover legal issues , basic information about entrepreneurship and management, or practical advice, on how to write a business plan or attract finance.	These services could be provided in different ways: via websites, printed information material or through specialized organisations /agencies. UMFCCI and its sub-organizations can be a good starting point. Such services need to be linked to technology programmes at universities, and foreign support could speed up these necessary improvements.
EDUCATION		
Universities are an important source of future entrepreneurs and an innovation resource which can be a base for new ventures.	Generally, the higher education programmes must be better tailored to meet the needs of the business world. University programmes have to be set up that support and teach entrepreneurial skills: this includes teaching programmes, awareness measures and coaching.	Myanmar is going through a big review of its education sector. Entrepreneurship-focused university degrees (MBAs) – in English and Burmese – need to be strengthened and the universities equipped for this task: apart from the teaching curriculum, the following initiatives could be launched: -) creation of entrepreneurship professorships -) set up of university incubators and science parks, -) establishment of virtual start-up projects that demonstrate to students the opportunities and challenges of running a business.

Training programmes	Entrepreneurship training takes several forms, ranging from short seminars for the teaching of (basic) business knowledge, to half-year study courses; it can include business games at schools and universities, or it might be an intrinsic part of the curricula at secondary schools and universities.	Suggestions could be discussed in the education sector review
BUILDING ROLE MODELS		
Awards for successful start-ups and business plan competitions	Awards and business plan competitions are used to increase awareness of entrepreneurship among the general population and to create a positive entrepreneurial climate. Awards are typically presented to existing, successful start-ups, whereas business plan competitions mainly target new entrepreneurs.	Such measures are especially important in Myanmar as entrepreneurship is not always seen as a logical choice. Awards and prizes could foresee monetary or nonfinancial support, such as individualised coaching, business training, access to networks of managers of established firms, or mentoring by an experienced manager. Local media play an important role as coverage of start-up issues will have an impact on people's awareness of entreprenuerial activities. Inspiration could certainly come from established entrepreneurs in various sectors such as real estate, retail or media.

Generally, the effectiveness of start-up promotion is increased if various promotion instruments are interlinked: for example, by linking business plan competitions with specialized training and financing measures that provide targeted support to the award-winning start-ups.

Many of these developments will – no surprise – take time in Myanmar. More research should be conducted in Myanmar that looks into successful examples and initiatives in Myanmar – in the private as well as in the public sector – so that lessons can be learned and recommendations suggested for targeted start-up-promotion.

6.   ACTORS IN THE EMERGING START UP SCENE IN MYANMAR

This is a list of some players in the entrepreneurial (support) and start up space.

Co-working space / incubator

Devlab	Important role in the IT start-up ecosystem. Open office space for IT people who want to learn to develop and use office space. Different IT start-ups launched after working in Devlab. Are planning to open a co-working space targeted to entrepreneurs aiming to support entrepreneurs in launching a business.	https://www.facebook.com/devlabs http://devspaceyangon.net/
Project Hub	Co-working space in Yangon for young entrepreneurs. Ran a first incubation program in 2013 for 7 entrepreneurial teams and will run a first woman entrepreneurs incubation program Project W in 2014.	http://www.projecthubyangon.com/
Ideabox	Telco Ooredoo, Entrepreneurship accelerator Pollenizer and Venture Capital firm Silicon Straits joined together to launch an ecosystem around tech start-ups with an incubator, accelerator and a network in Myanmar	http://www.ideaboxmm.com/ http://www.siliconstraits.com/ http://pollenizer.com/ http://www.ooredoo.com.mm/
Opportunities Now	Bottom of the pyramid entrepreneurs' incubation, business skill training and micro financing. Generate income through their consulting and event management company Myanmar Business Answers	http://opportunitiesnow.org/
Relevant Websites		

Investors with an office in Myanmar

Ronoc	Investment and advisory services business based in Dublin, Ireland. Ronoc advises and invests in a broad range of businesses, including microfinance institutions, retail financial services, software providers for mobile devices and executive search services.	http://ronoc.ie/
Golden Rock	Golden Rock Capital specialises in making Private Equity investments in Myanmar. With offices in Yangon and Singapore it seeks to make investments into successful companies which need capital to develop further and grow.	http://www.gr-capital.com
AnthemAsia	Investment and advisory group which incubates and finances sustainable businesses in Myanmar	http://anthemasia.com/

Local Media

Myanmar-Startups	Directory providing news on entrepreneurship and technology in Myanmar	http://myanmar-startups.com/

International NGO and education institutions

AIESEC	Leadership and business skills training for young university students, an international internship program, and an entrepreneurs training project	http://www.aiesec.org/
British Council	Skills for social entrepreneurs program, training business trainers, incubation, knowledge exchange	http://www.britishcouncil.org.mm/ programmes/society/skills-social-entrepreneurs
BCB/HP-Life	BCB is an implementation agency with local business experts for HP-Life. HP LIFE is a global program that trains aspiring entrepreneurs and small business owners to use IT and business skills to create opportunities to transform their business	http://www.life-global.org/en

Building Markets	iNGO providing support to private enterprises in post-conflict areas. Intermediary between local entrepreneurs and iNGOs facilitating business deals and training support	http://www.buildingmarkets.org/
GIZ	Vocational training, financial sector development, entrepreneurship development with business skills trainings, loans for SMEs, and capacity building for government. Aims to link the different education providers in Myanmar.	http://www.giz.de/en/worldwide/11988.html
PS Business School	Business school providing affordable, high-quality education for the middle class of Myanmar in collaboration with ABE institute of UK. Have different programs on (social) entrepreneurship and have a yearly entrepreneurship competition. They provide executive and young graduate education.	https://www.facebook.com/PSBusinessSchool
Spark	Spark develops higher education and entrepreneurship in post-conflict areas. In Myanmar they aim to set up entrepreneurship education and incubation for agricultural and tourism start-ups	www.spark-online.org
International Labour Association (ILO)	Provide entrepreneurship and business skills education all over the country for entrepreneurs to assist them to receive funding and thus create jobs.	http://www.ilo.org/

Myanmar Organizations supporting start up climate in Myanmar:

MBE	A network of successful Myanmar business people providing capacity development in social business, microfinance, humanitarian work and business education	http://www.mbemyanmar.com/
Myanmar Woman Entrepreneurs Association	Awareness and support for women entrepreneurs, humanitarian support	http://www.lrcmyanmar.org/en/ngo-donor-profiles/myanmar-women-entrepreneurs%E2%80%99-associationmwea

Government Institutions / Myanmar Umbrella Organizations

Construction and housing development bank	Long-term personal loans for buying houses, apartments and condo flats are now available from the bank. Loans are also available for local construction firms and land owners who do not have enough funds to build their own houses	https://www.facebook.com/pages/Construction-and-Housing-Development-bank-CHD-Bank/1390551287866425
Directorate of Investment and Company Administration (DICA)	Foreign investments, Investment Administration, Special Economic Zones, law department	http://www.dica.gov.mm/
Myanmar Computer Professionals Association	The largest association of ICT professionals in Myanmar providing IT study opportunities,	http://www.mcpamyanmar.org/content/about-mcpa
Myanmar Young Entrepreneurs Associations	Network of entrepreneurs that organizes training opportunities and awareness increasing events. Aims to start an incubation program called NEST where they will provide mentorship, office space and training.	http://www.myea.org.mm/
Myanmar Entrepreneurship Development Agency	Business people who train young entrepreneurs on business skills, starting a business, marketing and access to finance. They aim to use their income from training to provide financing to entrepreneurs. Implementing agency for GIZ program	http://medamyanmar.com/
SME Center	Center of administration, training and finance for SMEs. Recently an office was opened in Yangon which aimed to decrease the administration hurdles SMEs face.	http://www.smedevelopmentcenter.gov.mm/
Technology and Innovation Support Center	The TISC will help innovators and researchers in developing countries to promote information technology-related works, and create, protect and manage intellectual property rights. TISC is a program currently still in development.	http://www.zdnet.com/myanmar-plans-tech-innovation-center-to-promote-ip-rights-7000024325/
UMFCCI (Union of Myanmar Federation of Chambers of Commerce and Industry)	Chamber of Commerce representing thousands of entrepreneurs and companies in Myanmar providing training programs, networking facilities, international trade support.	http://www.umfcci.net/umfcci/index.php

Other relevant links:

- www.myanmar-startups.com

7. QUICK GUIDE TO SETTING UP A STARTUP [37]

The Myanmar Companies Act[38] (originally called the Burma Companies Act in English) was enacted in 1914 and establishes the ground rules for individuals wishing to set up a company in Myanmar. In order to register, there are 2 basicoptions; the first is to register yourself, which is a complicated process. We have received the information below directly from the government agency DICA (Directorate of Investment and Company Administration). The process is still hugely complicated and experiences are mixed but conditions seem to get slightly less complicated. The second option is to contact a lawyer or a company who will take care of the application for you for a fee.

1. Do it yourself

Applications to set up an entity happen in the DICA office in the MIC (Myanmar Investment Commission) building (office building no. 1, Thit Sar Road, Yanking township, Yangon).

Initially, a company receives a temporary permit applicable for 6 months until the final registration is finalized. In this period until the final registration, trading is not allowed. When the application form and the other documents are submitted, it takes 3 days to receive the temporary permit.

a. For local startups

Requirements for Permit Application

- Application letter for permit (Form can be purchased for 5100 MMK in DICA)
- Application form A (2 copies)
- List of intended business activities that will be carried out in the Union of Myanmar
- Original bank statement for each shareholder and shareholder companies
- NRC copy
- Undertaking not to do Trading Activities

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[37] Interview with DICA, 21/08/2014

[38] http://www.dica.gov.mm/includes/The%20Burma%20Companies%20Act.pdf

Required documents for registration application
- Application letter for registration
- Memorandum and Articles of Association
- Declaration of Registration
- Declaration of Registered Office
- Declaration of Legal Version
- List of intended business activities (to mention only specific business)
- List of Directors (form 26)
- Passport copy or NRC copy of each shareholder and director.

b. For startups with foreign investors.

The new foreign investment laws only apply for larger ventures, so most startups will invest under the Myanmar Companies Act. In Myanmar a foreign company is either a FIL (foreign investment law) or a DICA/MCA company (smaller firm).

The Myanmar Companies Act states that foreigners cannot be shareholders in local companies. If you were to do this, you would have no legal rights in case of a dispute. Therefore, the only option is to apply for a joint venture with a local company.

The main difference with local registration is that a foreign company needs to make a remittance of 50% of the minimum capital requirements during the permit application. This remittance is valid for 5 years, after which the second remittance needs to take place.

The minimal capital requirements are the following:
- US$50,000 for a service company or a branch office
- US$150,000 for a manufacturing company

The required documents are similar to the previous list with some exceptions. Document requirements for Permit Application include:
- Application letter for permit (purchase for 5100 MMK at DICA)
- Application form A (2 copies)
- List of intended business activities that will be carried out in the Union of Myanmar
- Statement of compliance for initial capital brought in
- Original Bank Statement for each shareholder and shareholder company
- Passport copy or NRC copy of each shareholder and director
- Memorandum and Articles of Association
- Board of Directors Resolution if shareholder is a company
- Undertaking not to do trading Activities

Documentary Requirements for Registration Application
- Application Letter for Registration
- Memorandum and Articles of Association
- Declaration of Registration
- Declaration of Registered Office
- Declaration of Legal Version
- List of intended business activities
- Certificate of translation
- List of Directors
- Passport copy or NRC copy of each shareholder and director

2. Hire a local lawyer or company to advise you

Many lawyers and companies offer services to do the company registration for you. Usually they charge around 1000 USD or more. They generally ask for the following information
- A copy of passports and national registration cards of 2 shareholders.
- A copy of a bank statement certified by your bank, showing that you have sufficient funds to meet minimal capital requirements.
- You need to remit half of the capital during the incorporation and the other half within 5 years time.

Next edition

8. LIST OF INTERVIEWED ORGANIZATIONS

ORGANISATION	WEBSITE
Ronoc	http://ronoc.ie/
British Council	http://www.aiesec.org/
Consilium	http://www.consilium.asia/
MBE/BCB	http://www.mbemyanmar.com/
Building Markets	http://www.buildingmarkets.org/
Frontier Technology Partners	http://www.frontiertechnologypartners.com/ http://www.mykyat.com
Rebbiz	http://rebbiz.com/
GIZ	http://www.giz.de/en/worldwide/11988.html
Devlab	https://www.facebook.com/devlabs
IdeaBox	http://www.ideaboxmm.com/ http://www.siliconstraits.com/ http://pollenizer.com/ http://www.ooredoo.com.mm/
AIESEC	http://www.aiesec.org
ILO	http://www.ilo.org/
Myanmar Young Entrepreneurs Association	http://www.myea.org.mm/
Information Matrix	http://informationmatrix.com/
Myanmar Entrepreneurship Development Agency	http://www.medamyanmar.com/
Spark	http://www.spark-online.org/
Mekong Economics	http://www.mekongeconomics.com/
Blink	http://theblinkagency.com/
Project Hub	http://www.projecthubyangon.com/
Bindez	http://www.f6s.com/bindez
Ace Insurance	http://www.acegroup.com/us-en/
Frontier MEA	http://www.frontiermea.com/

West Indochina	http://www.westindochina.com/
mspiral	http://mspiral.com/
AlpsVentures	www.alpsventures.com

9. ABOUT THE AUTHORS

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Ruben D'hauwers is a 26 year old start-up enthusiast who moved to Myanmar in August 2013 after his studies of entrepreneurship and innovation at Antwerp Management School. He worked in 2 start-ups in Belgium, his home country. He has been very active in AIESEC, a youth leadership development organisation aiming to increase entrepreneurship in Belgium, and he helped to start a branch in Myanmar. He can be reached: ruben.dhauwers@gmail.com.