

Myanmar plans telecoms boom, opens to foreign bids

January 15 2013



Customers look at HTC handsets on display in a HTC mobile phone shop in Yangon on January 14, 2013. Myanmar on Tuesday announced plans for a dramatic increase in telephone and Internet access as it opened the door for foreign firms to enter one of Asia's last untapped markets.

Myanmar on Tuesday announced plans for a dramatic increase in telephone and Internet access as it opened the door for foreign firms to enter one of Asia's last untapped markets.

The communications and information technology ministry said it was launching tenders for two nationwide telecommunications service licences, to be awarded in the first half of this year.

It said it wanted both domestic and overseas operators to compete in the sector, seen as having major growth potential in a country where mobile phones are the preserve of a tiny proportion of the population.

The ministry said in a notice on its website the aim was to "make the [telecommunications services](#) available to the public at affordable prices, and to give the public the capability of choice".

The move is part of a plan to expand telephone penetration to between 75 and 80 percent by 2016, from the current level of around 10 percent.

Htay Win, chief engineer from the ministry's mobile department, told AFP the tender was open to foreign firms because "their experience in other countries means they are more capable".

Communications are seen as a key obstacle to development in [Myanmar](#), one of the world's [poorest countries](#). Mobile SIM cards cost from around \$250 while the Internet is mainly the preserve of the urban elite.

Analyst Sachin Gupta, of Asian telecoms research at Nomura, said the target could be achieved if the terms and partners were right, but that the "devil will be in the detail".

"Given the lack of infrastructure in the country, this will be an uphill battle, but upside could be significant too," he said.

Companies are hungrily eyeing Myanmar after a number of international sanctions were eased or lifted in response to [political reforms](#) under a quasi-civilian government that took power in 2011.

Changes aimed at invigorating an economy ravaged by decades of military rule and [mismanagement](#) have also been set in motion, including unifying the country's multiple exchange rates and passing a law to help smoothe foreign investment.

In a report in March Nomura called Myanmar "one of the last untapped telco markets in the region".

On Monday Taiwan's leading smartphone maker HTC opened its first store in Myanmar to sell handsets with Burmese-language characters.

(c) 2013 AFP

Citation: Myanmar plans telecoms boom, opens to foreign bids (2013, January 15) retrieved 19 May 2024 from <https://phys.org/news/2013-01-myanmar-telecoms-boom-foreign.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.