



MYAN

Political and social transformations in Myanmar have made possible reform of the country's telecommunications sector. Liberalization has allowed a country with the lowest rates of telecom penetration to leapfrog into the digital age.

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The liberalization of Myanmar's telecom sector

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In February 2012, it cost \$300 to buy a mobile SIM card anywhere in Myanmar—that is, if such a rare find made itself available. But just over two years later, in September 2014, you could easily purchase one for \$1.50—and have your choice from among three operators.

What changed? The liberalization of the telecommunications sector has made possible these and other lightning-fast telecom transitions. Because of successful sector reform, and because Myanmar's development process is taking place in the digital age, the nation's citizens can expect ubiquitous access to telephones and the Internet in the next five years. This presents a tremendous opportunity for Myanmar to leverage modern information and communication technology (ICT) as a platform for socioeconomic development.

NOTHING EXISTS IN ISOLATION

But this digital leapfrogging did not just happen; several important events paved the way. In the last three years, Myanmar, one of the largest and poorest countries in the South East Asian region, embarked on a triple transition: from an authoritarian military system to democratic governance; from a centrally directed economy to market-oriented reforms; and from 60 years of conflict toward peace. As part of the government's ambitious economic, political, and governance reform program, the telecommunications sector was also liberalized to attract foreign investment, create jobs, support development of the local IT industry, and promote ICT as a catalyst for social and economic change.

These much-needed reforms made possible improvements in Myanmar's telecommunications sector and infrastructure performance. Statistics show that at the end of 2013, only 12.83 percent of people had access to cellphones, fixed telephone lines existed among just 1.04 percent of the population, and Internet users numbered only 1.2 percent of the population. These figures are among the lowest in the world.

LIBERALIZING THROUGH LEGISLATION

The October 8, 2013 approval of the Telecommunications Law established the legal basis for sector liberalization in Myanmar. Key sets of rules have been developed within the framework of the law on licensing, competition, access and interconnection, spectrum, and numbering; these rules provide the sector's regulatory framework.

A transparent, competitive licensing process was conducted in 2013 with the support of international advisors. The government received 91 expressions of interest on February 8, 2013 and issued pre-qualification criteria to all interested parties on February 21, 2013. On April 11, 2013, a total of 12 companies were pre-qualified from a long list of 22 companies that submitted their documentation.

The Ministry of Communications and Information Technologies (MCIT) issued a detailed information memorandum, bidding documents, and a draft license to the pre-qualified bidders. Eleven bidders submitted their bids, and two were selected via competitive process on

June 27, 2013. Telenor from Norway and Ooredoo from Qatar received their telecommunication service licenses in January 2014. Ooredoo launched commercial services on August 15, 2014 and Telenor on September 27, 2014.

To assist Myanmar's sector reform process, the Public-Private Infrastructure Advisory Facility (PPIAF) provided a \$540,000 Technical Assistance (TA) grant to the Post and Telecommunications Department (PTD) in 2013. The PTD is in charge of regulatory issues as part of the MCIT and is expected to operate as an independent regulator by the end of 2015. This TA supported the development of an operational sector road map, the design and implementation of a regulatory framework, and helped develop technical and administrative capacity within the PTD to address issues related to sector liberalization.

In February 2014, the International Development Association (IDA) approved a \$31.5 million credit toward a Telecommunications Sector Reform Project to improve the enabling environment for the telecommunications sector and extend coverage in selected remote pilot locations. It also established priority eGovernment technological foundations and institutional capacity for the government to embark on its public sector reform program.

Some of the key outcomes that are expected include increased access to quality and affordable telecommunication and Internet services across Myanmar; the establishment of a Myanmar National Portal; and the development of

capacity to manage the telecommunications sector reform program.

TRANSPARENCY IS THE CLEAR WINNER

PPIAF's Technical Assistance supported the Government of Myanmar's Ministry of Communications and Information Technology in the design of its sector liberalization agenda. As part of this close collaboration, an international best practices report on telecommunications regulations was delivered to the ministry, providing inputs in the design process of telecommunication regulations.

After this feedback was reviewed, officials drafted a set of key regulations on licensing, competition, access and interconnection, spectrum, and numbering. Following public consultations, approval of all rules is expected in 2014. Together, these critical regulations will enable fair competition and sector liberalization. The public consultations have served another purpose as well, institutionalizing a transparent mechanism for the development of the regulatory framework.

Estimates show that by the end of 2015, most of Myanmar's population will live within range of a third generation (3G) or better mobile network system. Broadband uptake in Myanmar will be driven by mobile networks. These changes—made possible by and in turn influencing other important reforms in the country—underscore the role ICT plays as a platform for development. The performance in this part of the world couldn't be more important. [h](#)