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PUBLIC-PRIVATE PARTNERSHIPS BRIEFS

Myanmar: Telecommunications Reform



Overview

The Republic of the Union of Myanmar (Myanmar) is one of the largest and poorest countries in the South East Asian region. The country recently emerged out of 60 years of conflict with run-down infrastructure from years of civil unrest. The government has embarked on a long-term transition from an authoritarian military system to democratic governance; from a centrally directed economy to market oriented reforms; and from years of strife to peace. Since the Information, Communication and Technology (ICT) sector—and telecommunications operators specializing in mobile telephony—tend to be the first to arrive in post-conflict settings, it is important that government reforms and regulatory approaches facilitate these investments and begin to change country risk ratings and investor perceptions.

This series showcases how the World Bank Group supports the development and implementation of public-private partnerships. This support comes in the form of public sector loans, private sector finance, sector and transaction advice, guarantees, and output-based aid.

Project Description

Myanmar's mobile cellular penetration (8 percent of population), fixed telephone lines (1.14 percent), broadband fixed lines (0.014 percent) and mobile broadband penetration (0.51 percent) are among the lowest in the world. The reform of Myanmar's telecommunications sector has the potential to lift millions of people out of poverty. Reform can also create a new paradigm for private sector participation in Myanmar during this transition period.

World Bank Group Role

The World Bank Group presents an integrated approach to the development of Myanmar's ICT sector by creating the enabling policy alongside the regulatory and legal environment for a competitive telecommunications market. In early 2013, the Public-Private Infrastructure Advisory Facility (PPIAF) provided assistance to the Myanmar Post and Telecommunications Department (PTD) to build a regulatory framework to enable liberalization of the telecommunications market. PPIAF supported PTD in developing an operational sector road map and designing and implementing of a regulatory framework. PPIAF also works to enhance PTD's technical and administrative capacity to manage the reform process.

This work was part of the preparation of the International Development Assistance (IDA)-financed Telecommunications Sector Reform Project (TSRP), which became effective in early 2014. The project is also helping to put in place the foundation for "eGovernment" by developing the Myanmar National Portal to provide citizens, businesses, and visitors (including foreign workers, investors, and tourists) with a single on-line window for government information and services. PPIAF and IDA will remain engaged with the Government of Myanmar for the next several years while the telecommunications sector reform is underway.

Outcomes

WBG and PPIAF assistance led to finalization of the key regulations providing a legal basis for

implementation of sector liberalization. With the regulatory framework and capacity-building initiatives in place, PDT launched a competitive, transparent licensing issuance process for the selected bidders. Telenor from Norway and Ooredoo from Qatar obtained their licenses in January 2014 and launched commercial services later that year. World Bank Group participation in Myanmar's telecom reform has fostered a drastic reduction in the cost of SIM cards—from \$300 in 2012 to \$1.50 in 2015—bringing mobile phone technology within reach of most of the population.

Going forward, one of the key challenges for Myanmar's telecom sector reform is to ensure that a level playing field can be established, by meaningfully separating the policy and regulatory roles of government from that of operation. PPIAF furthers this goal by supporting the restructuring of Myanmar Post and Telecommunications into a partially or wholly privatized successor organization.



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