

# Myanmar cronies pull the strings as creaks open in economy



Labourers work in a construction site on the outskirts of Yangon.

AFP, Yangon

Hotels, harbours or mines, Myanmar's big-ticket industries are still in the grip of military-linked tycoons, who will remain gatekeepers to the country's opening market whoever wins Sunday's crunch polls.

The globe's fourth fastest-growing economy, according to the World Bank, is a tantalising prospect to international investors but sections of it are firmly off-limits.

These are the realms of the nation's infamous "cronies" -- a business elite who gobbled up state contracts and carved out monopolies under the corrupt former junta, which rewarded loyalists.

"Cronies are the main winners," says Sean Turnell, an expert on Myanmar's economy who has advised Aung San Suu Kyi's National League for Democracy (NLD).

"They dominate in industries in which the government gives them special concessions, and protects them from competition."

One such tycoon is Aye Ne Win, grandson of Myanmar's notorious dictator Ne Win, who like many of the financial elite has risen through

entrenched networks of privilege.

Sporting a crisp monogrammed shirt at his villa in Yangon, the magnate insists his family have always operated within the law.

"I have connections so it's easy to make business," he told AFP.

Unlike others, however, his family fell out of favour with the former military regime -- Aye Ne Win and his two brothers were jailed for a decade in 2002 as part of a purge by Than Shwe, Myanmar's last serving general.

But in the years since he and his siblings have staged a comeback, steadily building a vast empire that spans construction, hotels and banking.

"None of our family has ever been restricted from travelling or prohibited from entering anywhere in the world," he said.

"That's why most of our family's old friends have been willing and offering to support us in doing business (with us)," he added.

Yet many of the country's biggest tycoons do remain on a Washington blacklist, forbidding American companies from doing business with them even though most western sanctions have been dropped.

Steven Law is one such businessman. A leaked US diplomatic cable from 2007 described him as a "top crony" to the former regime's generals and the son of a drug lord.

He owns Asia World, a sprawling conglomerate with stakes in sectors including tourism, shipping and construction.

The company also benefits from the generals' successors -- in 2013 it won a multi-million dollar government contract to upgrade Yangon's international airport.

The military itself retains a significant hold over business through its Union of Myanmar Economic Holdings, a vast conglomerate that remains under US sanctions with major stakes in gems, brewing, real estate and transport.

But in a sign of the changing times, some tycoons have begun cosyng up to Suu Kyi's NLD, which is expected to make sweeping gains if the November 8 elections are free and fair.

Zaw Zaw -- a US-sanctioned tycoon who owns the Max Myanmar conglomerate and has interests in gems, real estate and tourism -- has made large donations to the party, as has Tay Za, the flashy owner of the formerly US-sanctioned Asia Green Development Bank.

The family of another crony, Kyaw Win, head of media giant Skynet, paid nearly \$50,000 for a jumper knitted by Suu Kyi at a 2013 fundraiser.

Whether the tycoons can make an ally of the NLD is yet to be seen.

The party has vowed to double-down on the economy, promising jobs and higher taxes to benefit the poor, while Suu Kyi has made clean government the centrepiece of her campaign.

Aware of the country's evolution, many moguls are trying to detoxify their reputations.

"A few have begun to manage their public image and speak of their support for a new democratic Myanmar," says Htwe Htwe Thein, a Myanmar expert at Australia's Curtin University.

Although the cronies still enjoy primacy, business figures say a more competitive environment is slowly emerging.

"Under the military regime, it was impossible to win against the cronies," Kyaw Kyaw Hlaing, chairman of the Smart Group told AFP, praising comparatively greater transparency in tender processes now.

But while some "60 percent" of government contracts still lack transparency over how they are awarded, he said, this has not deterred foreign investors.



Quazi Murshed Hossain Kamal and Dewan Nurul Islam, directors of Bangladesh Development Bank Ltd, and Md Zillur Rahman, managing director, open the bank's 33rd branch at Kanchpur on Sunday.

BDBL

# China gives currency biggest boost in a decade

AFP, Beijing

China on Monday raised the daily reference rate for its yuan currency by the largest margin in a decade, officials and reports said, just three months after a surprise devaluation sent shockwaves through global markets.

The central People's Bank of China adjusted the central rate of the yuan -- also known as the renminbi (RMB) -- upwards by 0.54 percent against the US dollar, according to a statement.

The increase was the largest since 2005 when Beijing unpegged the yuan from the dollar, Bloomberg News reported.

Analysts attributed the move to improved sentiment towards the world's second largest economy as well as an impending decision by the International Monetary Fund on whether to include the yuan in its internal "special drawing rights" (SDR) reserve currency basket.

"The RMB rose mainly because the market is responding to an increasing chance for it to be included in the SDR," Liao Qun, chief economist of Citic Bank International, told AFP. Even so the yuan ended at 6.3371 on Monday, down around 0.30 percent from Friday's close.

China now allows the currency to trade up or down two percent from the centrally set daily rate on the domestic foreign

exchange market.

Authorities moved the yuan almost five percent lower through the daily fix in one week in August, saying it was part of broader reforms aimed at shifting towards a more flexible exchange rate.

"The economy is stabilising, so the expectation of further depreciation has weakened both at home and abroad," Liu Jian, an analyst from the Bank of Communications, told AFP.

"On the other hand, the policy intention of the government is very obvious. It is trying to maintain a stable foreign exchange market and guide the market as stability is important for the yuan to be admitted to the SDR at the coming IMF meeting."

China wants to promote the yuan as a global reserve currency alongside the dollar, an ambition that depends on its willingness and ability to loosen tight restrictions on its trade.

But authorities fear that losing control of the yuan's value will mean giving up a powerful tool for managing the economy, which last quarter experienced its slowest growth in six years.

The August devaluation raised concerns abroad that the Chinese economy was performing worse than had been acknowledged, and fuelled fears that Beijing was trying to make its exports cheaper to give it a boost.

China has pledged that it would not engage in competitive devaluations.



AB BANK

M Morshed Khan, a sponsor shareholder and the first sponsor chairman of the board of directors of AB Bank; M Wahidul Haque, chairman; and Shamim Ahmed Chaudhury, managing director, pose at the joining-in ceremony of the bank's newly recruited management trainee officers.

# HSBC pre-tax profit up 32pc

AFP, Hong Kong

HSBC saw pre-tax profit surge 32 percent year-on-year in the third quarter on the back of lower fines, the banking giant announced Monday, but revenue dropped in the wake of Asian market volatility.

Group chief executive Stuart Gulliver said the performance was "resilient", with pre-tax profit at \$6.1 billion from \$4.6 billion in the same quarter last year.

But revenue had been affected by stock market sell-offs in Asia and was down four percent at \$15.1 billion. HSBC announced in June it would cut its global workforce by up to 50,000 and sell off its businesses in Brazil and Turkey to cut costs.

"Our cost-reduction measures are beginning to have an impact on our cost base," Gulliver said, but added that there was more to achieve.

The bank is also considering moving its headquarters from Britain but said there was a "considerable amount of work still to do" before a decision is made.

"Whilst the target for completion of the review was initially set as by the end of 2015, this is a self-imposed deadline that can be moved should the Board require further work to be performed," the report said.

The third-quarter results beat analysts' expectations, with some saying cost reductions are now reaping rewards.

"This time the earnings were pretty impressive," said Jackson Wong, associate director for Simsen Financial Group.

"Their cost control had (previously) not really lived up to the target, but now it looks like they are finally in control."

But Wong added it would be a long road before revenue growth resumes.

# Asia's factories struggle with global demand gulf

REUTERS, Sydney

Activity in China's colossal factory sector shrank in October as global demand stuttered, reinforcing the case for more stimulus and questioning whether the Federal Reserve can be confident enough to raise US interest rates this year.

A crop of industry surveys out on Monday pointed to another poor month for trade across Asia as activity contracted in South Korea, Taiwan and Malaysia. Only Japan showed any hint of growth, perhaps thanks to the persistent weakness of the yen.

The run of pedestrian results will focus attention on the US Institute for Supply Management (ISM) measure of manufacturing due later Monday which is forecast to have flatlined in October.

Indeed, analysts at Barclays see a risk the PMI could fall under 50.0 for the first time since 2012.

"A negative reading on the ISM would be consistent with our view of continued headwinds facing the US manufacturing sector from a strong dollar, weak foreign demand and lower energy prices," they said in a note.

and ongoing turbulence in emerging markets will keep the Fed on hold this year."

The US central bank surprised markets last month by downplaying global growth worries while opening the door wide to a rate hike in December.

Those optimists looking for signs of revival in Asia found slim pickings in the latest data.

Activity in China's manufacturing sector unexpectedly contracted in October for a third straight month, according to the official survey out on Sunday.

The Purchasing Managers' Index (PMI) held at 49.8 in October, missing market hopes for a break-even 50.0 reading, while new export orders shrank for the 13th month.

That was followed by the Caixin/Markit China PMI which focuses on small and mid-sized companies. It edged up to 48.3 in October, from 47.2, but still pointed to an eighth month of contraction.

Beijing has rolled out a raft of support steps to avert a sharper slowdown, including slashing interest rates six times since November, but the stimulus has been slower to take effect than in the past.

China's woes are being felt among its neighbours. South Korea's exports slumped the most in more than six years in October, with hefty drops in shipments to China, the United States and Europe.

The Nikkei/Markit PMI for South Korea ticked down to 49.1 in October, and has not been above 50 since February.

South Korea is the first major exporting economy to report monthly trade data and is home to global suppliers such as Samsung Electronics, Hyundai Motor and Hyundai Heavy Industries.

The only promising news came from Japan where the Markit/Nikkei PMI hit the highest in a year at 52.4.

Yet its economy remains at risk of recession and markets are wagering the Bank of Japan will have to expand its asset-buying campaign further in the next few months.

The European Central Bank has already flagged the likelihood of more easing when it meets in December, putting pressure on other major central banks to follow suit or see their currencies appreciate.

A host of euro zone PMI's are due later Monday with analysts forecasting the overall index to stay at 52.0 in October.

**Government of the People's Republic of Bangladesh**  
Office of the Inspector General  
Bangladesh Police  
Police Headquarters, Dhaka

**Invitation for Re-Tender**

Memo No. 44.01.0000.029.01.034.15/3590 Date: 01 November 2015

For financial year 2015-2016, sealed tenders are hereby invited from the Manufacturers/suppliers in their official pad for the purchase of the Tent & Tarpaulin for Bangladesh Police.

1	Ministry/Division	Ministry of Home Affairs
2	Agency	Bangladesh Police
3	Procuring Entity Name	Assistant Inspector General (Supply), Bangladesh Police, Police Headquarters, Dhaka.
4	Invitation for	Tent & Tarpaulin
5	Invitation Ref. No.	44.01.0000.029.01.034.15/3590
6	Date	01 November 2015

**Key Information**

7	Procurement Method	Open Tendering Method (OTM)
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**Funding Information**

8	Budget and source of fund	Revenue Budget (GOB)
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**Particular Information**

9	Tender Publication date	01 November 2015
10	Tender last selling date	18 November 2015
11	Tender closing date and time	19 November 2015 at 11:30 AM
12	Tender opening date and time	19 November 2015 at 12:00 Noon

**Name & address of the office**

13	Name & address of the office	Police Headquarters, Phoenix Road, Fullbaria, Dhaka 1000
	- Selling tender document	i) AIG (Supply), Bangladesh Police, Police Headquarters, Dhaka 1000 ii) AIG (Admin), Bangladesh Police, Police Headquarters, Dhaka 1000
	- Receiving tender document	AIG (Supply), Bangladesh Police, Police Headquarters, Dhaka 1000
	- Opening tender document	Conference Room (1st Floor), NCCOM Building, 6 Phoenix Road, Police Headquarters, Dhaka
14	Place/date/time of pre-tender meeting (optional)	8 November 2015, at 12:00 Noon Conference Room (3rd Floor), NCCOM Building, Bangladesh Police, Police Headquarters, Dhaka.

**INFORMATION FOR TENDERER**

15	Eligibility of tenderer	1) Up to date trade license 2) Current income tax certificate, 3) VAT registration, 4) Bank Solvency Certificate and 5) other requirements described in the standard tender document (PG-2/PG-3).
16	Brief description of goods	

Item	Quantity	Price of tender document (Non refundable)	Tender Security Amount (Tk)	Completion Time
Module Tent	12 Module	1000/-	5,22,000/-	120 Day

Name of official inviting tender: Md. Rezaul Karim  
Designation of the official inviting tender: Assistant Inspector General (Supply)  
Address of official inviting tender: Assistant Inspector General (Supply), Bangladesh Police Police Headquarters, Dhaka  
Contact details of official inviting the tender: Phone & Fax : 9567001, E-mail : aigsupp@police.gov.bd

**Special instructions**

a) No tender will be received after the deadline of submission.  
b) The procuring entity reserves the right to reject all tenders or annul the tender process without assigning any reason.  
c) The Procuring entity also reserves the right to omit, increase and/or decrease the quantity of any item(s) from the tender.  
d) If not possible to receive/open the tender on the schedule date for any unavoidable circumstance, the same will be received/opened on the next working day at the same time & same venue.  
e) The Procurement will be performed according to the Public Procurement Act-2006 and Public Procurement Regulation 2008.

(Md. Rezaul Karim) 01.11.15  
Assistant Inspector General (Supply)  
Bangladesh Police  
Police Headquarters, Dhaka  
Phone : 9567001  
E-mail : aigsupp@police.gov.bd

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