

Regulation under constrained capacity: Lessons for Myanmar

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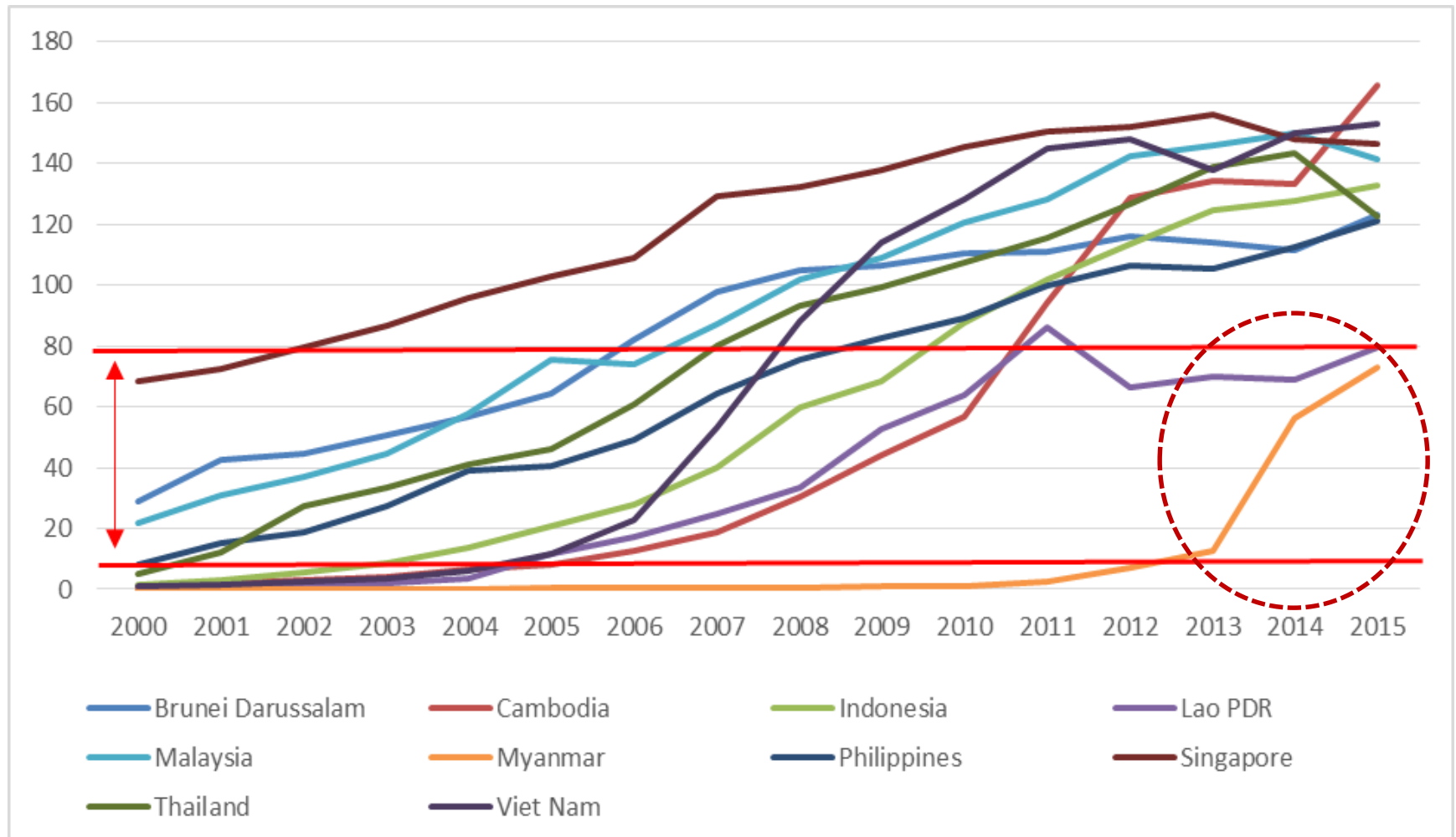
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Reforms have taken Myanmar from 10 SIMs/100 to 80/100 in 20 months



Market entry done . . .

- Two 100% foreign-owned operators licensed in 2013-14
 - Ooredoo started rollout in August 2014
 - Telenor two months later
- Incumbent MPT entered into JV with KDDI and Sumitomo in mid 2014
- Viet Tel, Military-affiliated MEC and 11 local companies issued 4th license in 2016

More remains to be done . . .

- “In order to be able to implement this law on telecommunications services, the Union Government shall establish an independent Myanmar Telecommunications Regulatory Commission led by an appropriate individual at the Union level, within two years of the effective date of this law.”
 - S. 86 of 2013 Telecommunication Law

Now 8 months late

NLD government merged Ministries of Transport & Comm-IT;
Danger that reforms will lose momentum

Capacity constraints

- Myanmar is a country emerging from isolation; unsurprising it lacks people with regulatory expertise

Lessons from heterogeneous ASEAN

Country	Population (millions)	GDP at market prices (current US\$) (millions, 2014)	GDP per capita (PPP, constant international \$) (2014)	Gross enrolment ratio, tertiary education (%)	HDI rank (2014)
Brunei Darussalam	0.42 (2014)	17,105	67,912	32 (2014)	31
Cambodia	14.68 (2013)	16,778	3,113	16 (2011)	143
Indonesia	205.1 (2010)	888,538	10,033	31 (2013)	110
Lao PDR	6.69 (2014)	11,997	5,076	17 (2014)	141
Malaysia	28.3 (2010)	338,104	24,460	39 (2013)	62
Myanmar	51.49 (2014)	64,330	N/A	14 (2012)	148
Philippines	92.34 (2010)	284,777	6,649	36 (2014)	115
Singapore	5.54 (2015)	307,860	78,958	30 (2013)	11
Thailand	65.98 (2010)	444,824	15,012	51 (2013)	93
Viet Nam	90.73 (2014)	186,204	5,370	30 (2014)	116

What paths are open?

- Can non-citizens with expertise help?
 - Can expatriate Myanmarrese help?
 - At what levels?

Transferability of NRA employees as proxy indicator

Country		Indonesia	Malaysia	Singapore	Thailand
Staff considered public-sector employees	Commissioner	No	N/A	Yes	N/A
	General staff	N/A	Yes	Yes	Yes
Transferability	To public sector organizations	Yes	Yes	N/A	No
	To other regulatory organizations	Usually not	No	Yes	No

Qualifications and salaries

Country		Indonesia	Malaysia	Singapore	Thailand
Qualifications of staff compared to standard public sector organizations		Higher	Similar	Likely similar	Likely similar
Salaries paid	Compared to standard public sector rates	Higher	Higher	N/A	Higher
	Compared to market rates	Lesser	Similar	Similar	N/A
Additional allowances to employees		Yes	Yes	No	N/A

Use of consultants

	Indonesia	Malaysia	Singapore	Thailand
National	✓	✓	✓	✓
International	✓	✓	✓	✓

How are NRAs funded?

Country	Indonesia	Malaysia	Singapore	Thailand
Central budget	✓			
License fees		✓	✓	✓
Spectrum/frequency fees		✓	✓	
Frequency auctions				✓
Service contracts/service fees			✓	
Interest/dividend income		✓	✓	✓
Development project income			✓	
Fines				✓