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Q1: Respondent details

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Q2: Country or Customs territory

- MULTILATERAL OR REGIONAL DEVELOPMENT BANK

Q3: Organization

Other (please specify) Regional Development Bank

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Q4: Title of case story

Developing Myanmar's Information and Communication Technology Sector toward Inclusive Growth

Q5: Case story focus

E-commerce development and efforts to bridge the "digital divide".

Q6: Case story abstract

Myanmar's recent socioeconomic and political reforms have signaled a readiness to reintegrate into the world economy. To leapfrog the economy and accelerate growth, the country should take advantage of digital technology. Given limited public resources, Myanmar will need help translating its information and communication technology infrastructure needs into financially viable and bankable projects that can attract private sector financing.

Q7: Who provided funding?

Other (please specify) Asian Development Bank

Q8: Project/Programme type

Single country

Q9: Your text case story

Member countries of the Association of Southeast Asian Nations (ASEAN) are striving to become a single community by 2015, and ICT development is viewed as an important factor to facilitate integration, not only within member countries, but also within the region. Spearheaded by the ASEAN Telecommunications and Information Technology Ministers, an ASEAN ICT Master Plan 2015 was formulated to harness ICT potential in establishing the ASEAN Economic Community. The master plan is a broad policy framework to guide ASEAN member states' ICT development over the next 5 years. The key outcomes of the master plan are to (i) develop ICT as an engine of growth for ASEAN countries, (ii) gain recognition for ASEAN as a global ICT hub, (iii) enhance the quality of life for the peoples of ASEAN, and (iv) contribute toward ASEAN integration. To achieve these key objectives, the plan formulates three foundations supporting three pillars. The foundations are infrastructure development, human capital development, and bridging the digital divide. The pillars are economic transformation, people empowerment and engagement, and innovation.

The development of Myanmar's ICT sector will certainly bring advantages, as increased access to information and communication will support the country's economic transformation after decades of military rule and international isolation. Studies show that investments in ICT, by improving productivity and connectivity, can spur growth. Investors are eyeing Myanmar opportunities as one of the last untapped markets in Asia, and its ICT sector has the potential to grow significantly after decades of underdevelopment. The penetration or access rates of various ICT services in Myanmar are incredibly low. Growth has been stagnant, except in mobile cellular penetration, despite a growing population and an increasing need for the country to be interconnected domestically and internationally.

The government has begun updating its laws governing the telecommunications sector to include ICT-related services. The main objective of the new Telecommunications Law, passed in October 2013, is to liberalize the market to allow for more private domestic and foreign operators and investors to provide efficient ICT services. The law's provisions expand the telecommunication network throughout the country and facilitate the sector's development. It provides for the establishment of the types of licenses, and the basic rules on interconnection, competition, and dispute resolution. It provides for the establishment of the types of licenses, and the basic rules on interconnection, competition, and dispute resolution. The law sets out the authority and powers of the Ministry of Communications and Information Technology (MCIT) and, more importantly, it provides for the creation of an independent regulator, the Myanmar Telecommunications Commission by 2015 and the government's overall policy on private sector participation in the sector.

Myanmar is expected to grow at least 6.8% per year in the coming years, given its potential and the level of investor interest from overseas. Accompanying this growth will be an increase in demand for infrastructure services, including ICT-related services, both for consumption and production uses. Inability to respond to this growing demand will constrain efforts to reach targeted growth and slow poverty alleviation. ICT will be a key factor in Myanmar's economic transformation. Using it effectively, the country should be able leapfrog economic development and leverage cost-efficient technology. It has already paved the way to the liberalization of the ICT sector by recently awarding highly contested licenses to two international operators in June 2013. This has signaled foreign investors that the ICT sector is ready to join the technology bandwagon.

It is also important for Myanmar to develop innovative financing mechanisms and modalities to allow the funding of ICT infrastructure investments, since developing countries may be unable to mobilize domestic resources to fund all the projects. This is where private sector financing comes in. But to attract private financing, there is a need to translate infrastructure requirements into financially viable and bankable projects. At the same time, the government is responsible for ensuring that policies and the regulatory environment is stable and that institutions managing the infrastructure sectors such as ICT are able to efficiently facilitate the development of the sector and enable it to contribute to the country's output.

Q10: Lessons learnt

Korean experience in ICT as model

Public consensus on digitalization as an engine for economic growth: In the 1990s, Korean society and the government decided to get ahead in informatization. The government chose ICT as the new engine for economic growth and made focused investments in this sector. A concerted effort was made to nurture the sector and digitize the nation. The government believed the early establishment of broadband infrastructure was the most important step in transition to a knowledge-based economy.

Development of long-term master plan and strategies: The Korea Information Infrastructure (KII) plan launched in 1995 led to the completion of fiber optic networks across the country and access by 1,400 rural areas to broadband networks by 2000. In building the KII test-bed and the KII-G (Government), the government invested \$620 million, 3.6% of the total investment in the KII from the private and public sector. The government established several master plans for developing an information society: (i) the Informatization Promotion Act (1995) was followed by the First Master Plan for Informatization Promotion (1996), (ii) Cyber Korea 21 (1998) to address the changing environment caused by the Asian financial crisis, and (iii) e-Korea Vision 2006 (2002) updated by Broadband IT Korea Vision 2007 (2003); and (iv) UKorea Master Plan. All these measures led to the construction of an advanced information infrastructure, the introduction of various information systems in public services (for example, a government service portal, an integrated social insurance information system, an e-procurement system) and in the private sector, as well as growth in the overall ICT industry.

Comprehensive and systematic implementation mechanism: The establishment of the Ministry of Information and Communication in 1994 and strengthening of the National Computerization Agency under the ministry's umbrella played a pivotal role in designing, implementing, and coordinating national ICT policies and e-government initiatives, and the informatization policies of different agencies and ministries were therefore effectively coordinated.

Public informatization training to create ICT demand: Public informatization training programs were offered by the government to bridge the digital divide and boost self-sustaining demand among a large segment of the population. From 2000 to 2002, the government ambitiously offered internet and computer literacy programs targeting 10 million people, including housewives, students, military personnel, the disabled, the elderly, and even prison inmates. Low-price computers allowed more people to gain access to the internet, and over 4,000 free-of-charge information facilities were set up across the country. All schools were connected with the internet for free or at discounted rates. As well as creating a huge demand and market for the ICT industry, these efforts put in place the vital human infrastructure for further developing the sector.

Free market, competitive environment spurred by deregulation: The government opened the broadband internet service market without regulation or controls over licensing and pricing. Having minimal regulatory measures encouraged facility-based competition among service providers. And increased competition put downward pressure on tariffs, which, in turn, led to an increase in demand for internet services.

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