



Media Release

For Release: 5 February 2015

ANZ report predicts five decades of economic catch-up in Myanmar over next five years

Myanmar could experience five decades of economic catch-up over the next five years, as the country opens to foreign direct investment in its infrastructure and a significant regional manufacturing base is established, according to a new report by ANZ.

Published today, *'Myanmar – Asia's Uncut Gem'* predicts annual GDP growth as high as 10%, if the country harnesses the potential of its unique strategic location between China and India, a large youthful population and relatively cheap labour costs.

The report also highlights significant challenges as the nation re-emerges from 50 years of economic isolation, including poorly capitalised financial institutions, untested regulatory structures and a largely unskilled workforce.

Andrew Géczy, ANZ CEO of International and Institutional Banking, said: "We believe the Greater Mekong and Myanmar will emerge as Asia's manufacturing hub, as production migrates from the comparatively expensive economies of the north. The challenge for south-east Asia is to manage that process smoothly via increased interconnectivity, freer capital flows and skills development.

"Despite the enormous opportunity, the economic transformation of Myanmar is not a foregone conclusion. Transparent institutions and an FDI-friendly environment are essential for a skills and technology transfer. These are pre-conditions that will enable the economy to grow beyond its reliance on basic agriculture and resources into supply chain manufacturing. The pace at which that transformation occurs could be the fastest industrialisation episode Asia has ever witnessed," he continued.

Glenn Maguire, ANZ Chief Economist for South Asia, ASEAN and Pacific, said Myanmar would benefit from December's launch of the ASEAN Economic Community and a common market of over 600 million people – along with the emergence of a new consuming class in Asia.

"By 2030, we estimate that half of the world's consuming class will be located within a four hour flight from Myanmar. It therefore makes logical sense for the country to develop into the key production and distribution hub at the very heart of Asia," Mr Maguire said.

ANZ was included in a group of nine foreign banks granted preliminary approval for a banking licence by the Central Bank of the Republic of the Union of Myanmar in October 2014. The bank established a representative office in March 2013 and will open a branch this September, providing corporate banking services to foreign companies, joint ventures and local financial institutions.

Andrew Géczy's views on Myanmar's economic outlook can be accessed via ANZ BlueNotes www.bluenotes.anz.com

For media enquiries contact:
Alex Evans, Media Relations Manager
Tel: +61 38655 8221
Email: alexander.evans@anz.com