IFC East Asia Pacific Director Vivek Pathak

Corporate Governance Forum, Yangon, Myanmar

Opening Remarks

February 3, 2016

(As prepared for delivery)

- Good morning, distinguished guests, ladies and gentlemen. Min-ga-la-par (Hello)! A warm welcome to all of you for attending this forum.

- We are honored to have Prof. Aung Tun Thet, Economic Advisor to the President of Myanmar; U Win Aung, the UMFCCI’s President; U Myo Myint, Member of the National League for Democracy’s Parliamentary Affairs and Central Economic Committee; and U Htay Chun, Member of the Securities and Exchange Commission of Myanmar, with us today.

- I would also like to thank Deloitte for helping us organize this event. And a very special thanks to UK AID and Australia Aid for their support to our programs which are aimed at strengthening Myanmar’s private sector.

- Myanmar’s economy has been undergoing tremendous positive changes since the World Bank Group set up our office here in 2012. Its GDP per person now stands at about $1,200
US dollars compared with neighboring Thailand’s at nearly 5,800 US dollars and the overall average of about 3,800 US dollars among ASEAN countries. These figures show that Myanmar has huge potential to become one of the most dynamic economies in the region.

- To help Myanmar unlock its economic power, IFC, as a member of the World Bank Group, has been supporting reforms and investments in the country to help develop a strong private sector.

- As of the end of January, our investment in Myanmar has grown to more than 300 million, with a total of 11 investments projects and 13 advisory projects. This represents a 150-fold increase from our first investment of $2 million US dollars in ACLEDA Myanmar MFI in late 2012.

- We believe developing a strong private sector is critical to helping Myanmar realize its economic potential and attract more foreign direct investment, which now stands at less than a third of Thailand’s.

- This is where corporate governance comes into play. Numerous studies have shown that investors have greater confidence in companies with good governance and in overall markets that are backed by sound legal and regulatory regimes. To attract foreign investors, Myanmar companies need to raise their corporate governance levels and
improve their competitiveness.

- As an investor in Myanmar, IFC believes companies can focus on **improving transparency**, especially the disclosure of information. They should **enhance board independence**, **reinforce director duties**, and **strengthen their stewardship and oversight roles**.

- Myanmar companies can also benefit from **stronger risk management, internal control, and audit** functions so that they can manage conflicts of interest and related-party transactions more effectively.

- Good governance can help Myanmar companies not only **improve their competitiveness**, but also provide **assurance to investors, business partners, and other stakeholders alike**, helping them **attract capital** and **remain sustainable** over the long-term.

- We are happy to announce that we are launching an initiative with the UMFCCI to **provide training programs** to help Myanmar companies adopt better corporate governance practices. As part of our cooperation, we will also jointly organize seminars
and conferences to continue to raise market awareness about why good governance is so crucial for Myanmar’s private sector.

- Let me close by saying that as an investor, IFC is committed to promoting principles of sustainability, including environmental and social issues alongside good corporate governance. Not only do we consider these issues in every investment we do, but we also pride ourselves on being global leaders and advocates in these areas.

- Indeed, many other development finance institutions and investment firms globally have adopted IFC’s Corporate Governance methodology. We ourselves see the business case for adopting such an approach in our own investments, and we also see the positive impact it can have on creating a robust and sustainable private sector for the country as a whole.

- Because of this, we are happy and committed to help promote good corporate governance practices in Myanmar. We will continue to help this wonderful country build a strong private sector and realize its tremendous potential.

- On behalf of the IFC and the World Bank Group, I would again like to thank you all for coming and I wish you a productive conference.

- Thank you.