

November 6, 2012 10:23 am

by Gwen Robinson

Myanmar welcomes accountants

Myanmar may finally have completed its shiny new foreign investment law, after much delay. But sceptics still question whether the much-vaunted rush of foreign investment will follow.

Despite pronouncements by companies such as Coca-Cola, Nestle and GE about entering Myanmar, most deals are limited to product supply and distribution. The big western names are yet to commit serious money, let alone build factories. But at least the professional services firms are setting up shop – the latest being PwC, which this week announced the opening of a Myanmar office.

The news came hard on the heels of an announcement by rival firm KPMG, which last week announced the launch of its Myanmar operation.

Both firms were among the many financial services companies, auditors and consultants which pulled out of Myanmar after the US imposed sanctions in 2003.

Their return suggests that Myanmar is seeing the “rush before the rush”, the advance of professional services firms which could pave the way to a future expansion from the big industrial investors.

The “Big Four” accountancy firms pride themselves on knowing what their clients want and positioning themselves to meet their demands. Their re-entry is a good indicator that big western companies are poised to set up in Myanmar.

Already, “demand is oustripping supply,” Ong Chao Choon, managing director of PwC Myanmar for assurance and advisory services, told beyondbrics. “The market is big and needs international professional services”.

Initially, PwC’s fledgling Myanmar operation – run out of one of the few new buildings in Yangon, the towering CentrePoint Tower – will focus on professional services related to three main areas: infrastructure, banking and financial services, and M&A.

“For local companies in Myanmar to build up capital and knowhow, it makes sense to partner with a foreign partner. For foreign investors, they would be interested in joint ventures with local companies,” a PwC spokesman said.

Choon has a ready answer for doubters who query whether such moves are premature before Myanmar has proper regulatory frameworks in place to back up its foreign investment laws.

“It’s actually when regulation is still in infancy that an international firm like us can make the most contribution – to the country and our clients.”

Just to back up its view, PwC has drawn up a handy Myanmar business guide – which attempts to explain the country’s investment and regulatory environment ahead of new laws and regulations.

Big business groups have welcomed the move.

“It’s all still evolving in Myanmar, and the entry of firms like KPMG and PwC is an important step – particularly for big western companies that need help in starting up in the country and navigating aspects such as new US

disclosure and licensing regulations," said Praab Pianskool, who oversees Thailand, Myanmar and neighbouring countries at the US-Asean Business Council in Bangkok.

The next Big Four firm to enter could be Deloitte, which joined the council's first Myanmar business mission in July and has since been scouting for staff and locations in Yangon.

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