



# Business Lunch Myanmar

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Trucks



Buses and Coaches



Firefighting Equipment



Civil Protection and Defense Vehicles



Skid Steer Loaders



Crawler Excavators



Engines and Transmissions



Tractors



Combines



## Agricultural Equipment

## Construction Equipment

## Commercial Vehicles

## Powertrain

## Financial Services



# One Company

12  
brands

49  
R&D centers

64  
plants

180  
national markets

62,828  
employees

6,000  
individuals dedicated  
to innovation

8,463  
active patents  
owned

\$860  
million invested in  
R&D

\$4.8  
million invested in  
training

5.5%  
operating margin  
industrial activities

\$24.872  
billion revenues

\$8.7  
billion total  
available liquidity

# Myanmar – New Market, lots of opportunities...BUT

- EU Sanctions have been lifted, but the following restrictions currently remain:
  - Arms embargo
  - prohibition on the supply of equipment which might be used for internal repression
  - Doing business with sanctioned persons or entities
- US Sanctions have been lifted as well one year ago

However, In view of growing concerns over violence against the Rovingyas both the Council of EU and US Authorities declared that they were considering re-imposing sanctions if the situation does not improve.



## IMPORTANT

- To monitor the possible re-enforcement of sanctions
- To perform screening of persons or entities you enter business with
- To document what you are doing

# CNH Industrial – Commercial footprint in Myanmar

- The presence of CNH Industrial in Myanmar has grown over the years, and in 2016 reported approximately \$20M revenues despite import ban that impacted a lot the imports and retails. However, CNH Industrial has a significant growth target in 2017. CNH Industrial Distributors and their Dealers have approximately 300 employees working all over the Country.



# Myanmar Business Opportunities for CNH Industrial

- Agriculture: In April 2017, New Holland Agriculture announced its agreement to deliver 600 tractors to Myanmar government and the Agricultural Mechanization Department (AMD).
- Construction: CNH Industrial is focused on supporting Myanmar in implementing an infrastructure plan for public works such as roads, highways, sea-ports, and airports. CNH Industrial also looks forward to participating in Construction Projects for Residential & Commercial buildings and Industrial estates fostered by the Government.
- Transportation with IVECO buses.
- Powertrain: Myanmar will need 500 to 700 new powerplants to match the country's electricity demand.

# Myanmar Challenges

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- Kyat currency fluctuated a lot in the past 2 years. Kyat to US Dollar has been dropped more than 30% which affects purchasing power and cost of investment. At this moment, the currency is stable VS major import currencies (USD, RMB, YEN). This situation helps our investments in the country
- The lack of a developed Banking and Financial sector is hindering the growth of all the business segments addressed by CNH Industrial: Agriculture, Construction, and Automotive. Without proper financing solutions offered to the market (including Wholesale and Retail financing) making the development affordable to the entire value chain (distributors and customers alike), the progress of mechanized practices is at risk.



# Myanmar- Potential Financing Solutions

## Examples

### With Letter of Credit

- Issuing Bank: Bangkok Bank Singapore.
- Deferred payment terms: Max. 360 days after B/L
- Confirmed by a European Bank.

OR

- Issuing Bank: Co-operative Bank, Kanbawza Bank, Myanmar Investment and Commercial Bank.
- Deferred Payment: 180 days
- Confirmed by a European Bank.

### With Buyer's Credit Scheme

