

LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 184 - 9 January 2025

Dear Readers,

Welcome to a new edition of our newsletter.

1. US Bureau of Industry and Security adds Mytel operator to its entity list

On [6 January 2025](#), the Bureau of Industry and Security (“**BIS**”) of the US Department of Commerce added Telecom International Myanmar Company Limited (the operator of the Mytel telecom network) to its [entity list](#). The BIS stated that a license was required for the export, reexport and transfer (within Myanmar) of all items subject to the Export Administration Regulations (“**EAR**”) to this company and license applications would be reviewed under a presumption of denial.

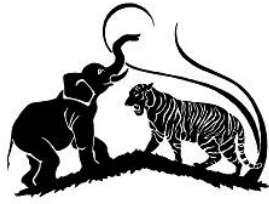
Items subject to the EAR are any goods, software or technology that (i) are physically located in the US, (ii) were manufactured or developed in the US, (iii) are foreign-made, but contain 25% or more US-controlled content by value, or (iv) are foreign-made, but are the direct product of certain US-origin technology or software, or are produced using equipment that is itself a direct product of US technology.

Both US and non-US persons may become subject to prosecution in the US if they make goods, software or technology available to Telecom International Myanmar Company Limited that are subject to the EAR.

The BIS’s entity list is different from the more widely known list of specifically designated nationals and blocked persons ([SDN list](#)) maintained by the Office of Foreign Asset Control (“**OFAC**”) of the US Treasury Department. US persons (and non-US persons, if the transaction has a US nexus) risk prosecution in the United States if they engage in (almost) any dealings with individuals or entities on the SDN list.

Telecom International Myanmar Company Limited is not on the SDN list.

Whether the company is subject to US sanctions under the OFAC’s “50% rule” cannot be determined as it is not possible to find out the company’s current shareholders and their shareholding ratio from publicly available sources. When the company was established on 19 September 2016, 49% of its shares were subscribed to by Viettel Global Investment JSC, 28% by Star High Company Limited (reportedly a subsidiary of sanctioned Myanmar Economic Corporation MEC), and 23% by Myanmar National Telecom Holding Public Limited (reportedly owned by 11 Myanmar companies whose details are unknown).



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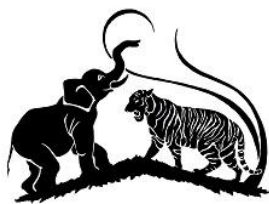
NEWSLETTER 184 - 9 January 2025

2. Longer power cuts

The Ministry of Electric Power under the State Administration Council (“SAC”) significantly increased the blackout time starting from 5 January 2025. In Yangon, the schedule is 8 hours no electricity/4 hours electricity, in Mandalay 9 hours no electricity/3 hours electricity, and in Nay Pyi Taw 8 hours no electricity/16 hours electricity. (The schedule below is for Yangon.)

Schedule on an hourly basis of groups to receive electricity from 5.1.2025 to 31.1.2025

Sr.	Date	05:00 to 09:00	09:00 to 13:00	13:00 to 17:00	17:00 to 21:00	21:00 to Next 01:00	Next 01:00 to 05:00
1	5.1.2025	A	B	C	A	B	C+A
2	6.1.2025	B	C	A	B	C	A+B
3	7.1.2025	C	A	B	C	A	B+C
4	8.1.2025	A	B	C	A	B	C+A
5	9.1.2025	B	C	A	B	C	A+B
6	10.1.2025	C	A	B	C	A	B+C
7	11.1.2025	A	B	C	A	B	C+A
8	12.1.2025	B	C	A	B	C	A+B
9	13.1.2025	C	A	B	C	A	B+C
10	14.1.2025	A	B	C	A	B	C+A
11	15.1.2025	B	C	A	B	C	A+B
12	16.1.2025	C	A	B	C	A	B+C
13	17.1.2025	A	B	C	A	B	C+A
14	18.1.2025	B	C	A	B	C	A+B
15	19.1.2025	C	A	B	C	A	B+C
16	20.1.2025	A	B	C	A	B	C+A
17	21.1.2025	B	C	A	B	C	A+B
18	22.1.2025	C	A	B	C	A	B+C
19	23.1.2025	A	B	C	A	B	C+A
20	24.1.2025	B	C	A	B	C	A+B
21	25.1.2025	C	A	B	C	A	B+C
22	26.1.2025	A	B	C	A	B	C+A
23	27.1.2025	B	C	A	B	C	A+B
24	28.1.2025	C	A	B	C	A	B+C
25	29.1.2025	A	B	C	A	B	C+A
26	30.1.2025	B	C	A	B	C	A+B
27	31.1.2025	C	A	B	C	A	B+C



Status of the power lines that transmit and distribute electricity from power plants into the national grid, of the work that is underway to restore as soon as possible electricity supply from power plants damaged by natural disasters, and of the current electricity distribution.

6 January 2025

1. According to the Ministry of Electric Power, the installed electricity-generating capacity by power plant is 3,232 MW from 30 hydropower plants, 3268 MW from 26 gas-fired power plants, 138 MW from 2 coal-fired power plants, and 240 MW from 8 solar power plants, bringing the total electricity-generating capacity from facilities in the power system to 6,878 MW. If the plants run at full capacity, they can generate and distribute up to 4,000 MW.
 - However, 14 230 kV and 132 kV transmission lines that transmit electricity from power plants have been destroyed, resulting in a net reduction by 1,009 MW in electricity generation.
 - Similarly, the current electricity generation ratio using natural gas in thermal power plants is about 50%, but due to the decreasing availability of natural gas, the electricity-generating capacity of gas-fired power plants has recently decreased by about 291 MW.
 - In addition, due to the flooding caused by the recent impact of Cyclone Yagi, the Upper Paunglaung Hydroelectric Power Plant has been shut down for maintenance and repair, resulting in a reduction of approximately 140 MW, which results in a reduction of the electricity-generating capacity of in total $1,009 + 291 + 140 =$ approximately 1,440 MW.
2. Due to this reduced production, only approximately 2,200 MW are currently being produced daily on average, meaning that only approximately 50% of the production capacity is being produced and distributed.
3. Based on the electricity-generating capacity above, in January 2025, 48% of the power will be distributed to Yangon Region, 17% to Mandalay Region, and 35% to the remaining Regions and States.



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 184 - 9 January 2025

- Yangon Region is divided into 3 groups, each group being on a rotating schedule of 4 hours on and 8 hours off, 4 hours on and 4 hours off, 4 hours on and 8 hours off, 4 hours on and 4 hours off, 4 hours on and 4 hours off, and 4 hours on and 8 hours off;
 - Mandalay Region will be divided into 4 groups with a rotating schedule of 3 hours on and 9 hours off, and 4 groups with a rotating schedule of 4 hours on and 12 hours off;
 - In the Union Territory (Nay Pyi Taw), the public is provided electricity for an average of 16 hours a day, with 8 hours off, and staff housing is provided electricity for an average of 18 hours a day, with 4 [sic] hours off;
 - Electricity is distributed in the remaining Regions/States in groups, with each group receiving electricity on a 6-hour rotating schedule.
4. The Ministry of Electric Power accessed and repaired 77 poles in 230 kV power lines, 38 poles in 132 kV power lines, 56 poles in 66 kV power lines, in total 171 power transmission poles at 131 power line sites, that were repeatedly destroyed by terrorists in 162 attacks in total. During the operations, terrorist repeatedly carried out violent attacks, including with drop bombs, resulting in 49 persons hit by mines, 75 persons injured, and 30 persons killed. A total of 171 poles and concrete pillars collapsed and were damaged. However, employees of the Ministry of Electric Power are continuing to diligently do repair work to meet the electricity needs of the people.
5. To compensate for this reduction in production, efforts are being made to quickly repair damaged power lines and power plants damaged by natural disasters. In addition, plans are being made to implement LNG power plant projects to address the current electricity demand in the short term. To meet the long-term increase in electricity consumption, we are also planning to generate electricity from the country's resources such as water, sun, and wind. We respectfully request your understanding regarding the current reduced electricity distribution capacity.

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LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 184 - 9 January 2025

We hope that you have found this information useful.

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Managing Director

About Lincoln Legal Services (Myanmar) Limited

Lincoln Legal Services (Myanmar) Limited provides the full range of legal and tax advisory and compliance work required by investors. We pride ourselves in offering result-oriented work, high dependability and a fast response time at very competitive prices. Please do not hesitate to contact us:

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