

MYANMAR GENERAL ELECTION 2015

November 17, 2015



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On November 8, 2015, Myanmar held its first general election since the civilian government took power in 2011. The country had been overwhelmed by a joyful and emotional environment on the Election Day as a total of around 30 million people are eligible to head to the polls to choose their leaders. It was reported that 6,065 candidates from 93 political parties had been running for 1,171 seats in the national, regional and state parliaments. Despite a large number of political party, the main and intensive competition is between the current ruling party – “the Union Solidarity and Development Party” (USDP), which has 4.4 million members, and “the National League for Democracy” (NLD), which has around 250,000 members, led by “The Lady” Aung San Suu Kyi.

Unlike the 2010’s election, which was criticized as not being free and fair, this year’s general election has been described as the first free vote in 25 years. And it has been reported as “success”, “good” and “very good” by most of the 10,000 international and domestic observers.

The NLD won a supermajority, but the NLD leader will not be able to become the next President of Myanmar

NLD secured a majority seats - a historic victory

By November 16, a total of 99.06 percent of the results were released, in which the NLD has won a total of 882 seats or 75.3 percent of the 1171 contested seats, while the USDP has won 114 seats or 9.7 percent of the contested seats. The remaining 11 seats will be announced by November 20. The NLD dominated other parties in major cities such as Yangon, Mandalay and Nay Pyi Taw, as well as in minor ethnic areas. As the NLD has won a majority, the NLD will form the next Government. And the new Government will only assume the office on March 30, 2016.

In spite of the historic victory, the leader of the NLD, Aung San Suu Kyi, will not be able to become President of Myanmar because her two sons are holding British Nationality. According to Myanmar’s Constitution, which was passed in 2008, a candidate is disqualified for the President position if any of his/her parents, wife/husband or legitimate children hold a foreign nationality. The NLD will select the new President for Myanmar. Although “the Lady” will not be President, many people say that she will still have the power to make the final decision, and as “the Lady” said – she would be “above the President”.

The country’s Constitution also reserves 25 percent of all parliament seats for military representatives and gives them veto power to any change in Constitution. The military will be in charge of the three most powerful ministries, including: Defense, Home Affairs and Border Affairs.

Ruling party promises to respect the poll results;

President Thein Sein, has sent his congratulation to the NLD and has promised to support a peaceful transfer of power

As we mentioned in our Myanmar Market Outlook Report, which was released in November 2014, “some political instability is expected to occur before/during and potentially after the general election”. A number of campaign-related violence cases were reported happening before and during the election. Many people are concerning over the transition of power from the current military-backed government (military has rules the country for around 50 years) to the NLD in the coming time.

However, the NLD has received some supportive messages from the USDP’s leader, the current President Thein Sein. President Thein Sein sent his congratulations to the NLD and has promised that he will support a peaceful transfer of power. Aung San Suu Kyi has requested a meeting with the President, the military commander and the Parliament’s speaker to discuss on the national reconciliation and her invitations were all accepted.

Cooperation is required for the future of Myanmar

The cooperation of the NLD, the USDP and the military is vital for the future of the country and would absolutely lead to the best scenario

The landslide victory of the NLD has showed the worship and the absolute trust of Myanmar citizen for their “Mother Suu” and the NLD, as well as their longing for a real democracy and real reform.

The USDP absolutely has experience in managing the country. Since the current ruling Government took power since 2011, the world witnessed many astonishing political changes in the country. The world’s major economies including the United States, European Union, Australia, and Canada lifted most sanctions on Myanmar. Under the management of the current Government, Myanmar’s GDP growth rate rose significantly to 8.5 percent in 2014-15, from only 5.3 percent in 2010-11. The country has also received unprecedented interest from foreign investors in recent years.

As we mentioned above, the military will hold 25 percent of the total seats in the Parliament and have power over the three most important ministries. The military’s continuing important role is undeniable.

The global commodity and international observers have been watching the country closely. We believe that neither parties nor the military would make careless moves which would cause the country to be isolated again. And given the above analysis, the cooperation of the NLD, the USDP and the military is vital for the future of the country and would absolutely lead to the best scenario.

Business environment

Investors should watch the transition process closely

It is still early to make comments on the impact of the elections on Myanmar’s business environment. The new Government will take office on March 30, 2016. Ministers of 32 ministries could be replaced. Therefore, investment projects, which are in the process of applying for approval could be affected somewhat, especially those projects that could have some impacts on environment or are currently in disputes. Investors who have been considering investing into Myanmar might have some thought to postpone their plans to watch out the transition process and would wait to see how the NLD lead the Government before making the final decision.

Conclusion

We all hope for a smooth and successful transition and a good cooperation of the parties and military in order to:

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- Ensure the national security and the social and political stability
 - Resolve the ethnic religious conflicts, especially the conflict between Muslim and Buddhist
 - Reach agreement with the separatists
 - Enhance economic and social development

If the transition is success, this will be the “real civilian government”.

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