Financial Sector Development in Myanmar –
Human Resource Development in the Banking Sector

Opportunities and challenges

An efficient and stable financial sector is prerequisite for sustainable economic development. The financial sector in Myanmar is underdeveloped by international standards. For example, in Myanmar less than 5% of the persons have a bank account. The financial intermediary ratio (credit to GDP) is with around 15% one of the lowest in Asia and also at the bottom end on an international level. The current restrictive legal framework together with the lack of skilled personnel limits the banking sector in performing its principal role of financial intermediation. Regarding human resources, it is estimated that Myanmar banks need about 15,000 new staff every single year. The resulting shortage of skilled staff can only be sustainably reduced by efforts to strengthen human capacities in Myanmar’s banking sector. Moreover, the limited access to sustainable and demand-oriented financial services is a major bottleneck in the development of the economy. This holds true in particular for small and medium-sized enterprises (SME) as they lack alternative refinancing options.

Approach and key activities

GIZ aims at strengthening human capacities in Myanmar’s banking sector by:

- Performing a Training Needs Assessment on the demand and supply of human resource development in the banking sector
- Offering direct training on technical banking topics
- Supporting central training and service providers
- Supporting regular exchange aiming at initiating changes in the banks and their internal human resource management (HRD Working Group)
- A facility supporting innovative and demand-oriented projects in the field of human resource management, training, etc. (Facility for Innovative Learning)
- Upgrading the Master in Banking and Finance of the Yangon University of Economics

Achievements so far

By the end of 2015, the HR Component of GIZ’s FSD project has trained more than 1,000 participants (approx. 70% female) in more than 40 different activities (training, working groups, consulting).

By March 2016, the HRD Working Group has already met 17 times, regularly attracting the majority of Myanmar banks to attend. Meetings are used to identify banks’ needs, brainstorm ideas and share knowledge and good practices in human resources management and other bank related topics.

Together with Myanmar Banks Association, GIZ introduced the first certificate level course in SME Finance. For a period of two months, fifteen local trainers were trained. They are now conducting trainings independently.

GIZ organized two Study Tours for bankers: one to Germany and one to Thailand. Participants benefitted from the exposure to international good practices and could explore and discuss potential strategies to reform Myanmar’s banking sector.

GIZ supported Myanmar Institute of Finance in the design and implementation of Myanmar’s First Financial Inclusion Conference attracting more than 1,400 participants.

An updated dictionary of banking and finance terms (English to Burmese) was published.
The newly founded Myanmar Institute of Finance is supported in the strategy development as well as in the training of their trainers. Trainings were provided on areas including Risk Management, SME Finance, Trade Finance and International Banking, Mobile Banking, and others.

Contributing to the United Nations Sustainable Development Goals

**Target 8.10:** Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

**Outlook**

The project will intensify its efforts to help local partners to sustain the positive impact. Training of local trainers and support in organizational development is GIZ’s priority. GIZ will strengthen the use of synergy through international partnerships. A main example includes the ongoing cooperation with Deutsche Bank and its International Corporate Volunteering Programme. Also international development institutions (FMO, British Council) as well as private commercial banks such as Commerzbank and Standard Chartered continue to be GIZ’s partners. Future activities will focus on equipping bank staff with the necessary qualification to develop and provide services to SME clients.

Testimonials from participants

“The training will improve teamwork and will make our decisions more effective.”

From a Banking Simulation Training

“I have improved my analytical skills in making solid credit decisions beyond collateral.”

From a SME-Finance Certificate Course

“Introducing performance-based compensation is a novelty to Myanmar’s banking system. We are taking full advantage of the support GIZ has provided.”

A Bank Representative, HR-Department

“Myanmar needs more of such practice-oriented and technical bank training offers to prepare its banking sector for the upcoming reforms and opening to international competition.”

From a Risk Management Training

“I can put the learned content right into practice in my daily work which benefits me, my bank and my clients.”

From a Trade Finance Training

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Registered offices Bonn and Eschborn, Germany
Financial Sector Development in Myanmar
No. 635-E, Yoma Yeikthar Street, Kamayut Township,
Yangon, Myanmar
T +95 1 230 6084
F + 95 1 501 257
fsd-myanmar@giz.de
www.giz.de

On behalf of Federal Ministry for Economic Cooperation and Development (BMZ)
Division 2200
Addresses of the BMZ offices
BMZ Bonn
Dahlmannstraße 4
53113 Bonn, Germany
T +49 (0)228 99 535-0
F +49 (0)228 99 535-3500
poststelle@bmz.bund.de
www.bmz.de
BMZ Berlin
Stresemannstraße 94
10963 Berlin, Germany
T +49 (0)30 18 535-0
F +49 (0)30 18 535-2501

Author(s) Sebastian Sommer
Layout Vanessa Petzold
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