

DEG, AgRIF and Daiwa PI Partners promote mobility in Myanmar

- **Growth capital for motorcycle rental firm Rent2Own**
- **More than 70,000 contracts concluded in two years**
- **Contribution to market development and local income**

Mobility is an important requirement for the economic development of a country, especially for rural regions. In Myanmar, for example, two thirds of all working persons live in the countryside. In order to improve mobility in the country, DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, AgRIF – an impact focused fund which provides funding to financial intermediaries targeting smallholder farmers and rural population, managed by Incofin Investment Management, a global impact asset manager (www.incofin.com), – and Daiwa PI Partners Co. Ltd. (<http://www.dpipartners.co.jp/english/>), an investment arm of Daiwa Securities Group Inc. are investing into the firm Rent2Own, which makes motorcycles available in Myanmar. DEG, AgRIF and Daiwa PI Partners are supporting the growth of the company with equity to the amount of up to 9 million US dollars.

Rent2Own is the first company in the country to offer motorcycle rentals on a flexible basis, with the user having the option of buying the motorcycle at a later stage. The services also include the maintenance and insurance of the motorcycles. This faster means of transport enables users to generate higher income: as a result, small farmers for example can offer their produce more flexibly and obtain higher prices for it.

Rent2Own has been on a path of growth since the start of its business operations in 2016. With 34 branches and 424 points of sale throughout the country, the company primarily targets the rural population. Rent2Own has already enabled more than 70,000 customers to rent a motorbike, one fifth of them women. More than 90% of customers can buy the motorcycle at the end of the rental contract, using the income generated through renting it.

"By making this investment, we are supporting an innovative young company in its further growth. In addition, we are assisting small businesses in Myanmar to become more mobile and so generate income for themselves and their families," said Monika Beck, member of DEG's Management Board.

Philippe Lenain, Rent2Own's CEO, added, "Almost all of our clients use their bike to generate income, there's no doubt about this. Our internal surveys also show that

"bringing children to school" is their second usage, by priority. So we're committed to grow our coverage of Myanmar territory, and this investment by DEG is key to this strategy."

30 Rent2Own currently has around 400 employees. The company contributes to the development of the market and generates local income. Over the next few years, the workforce is expected to grow substantially to around 1,800.

Long-term capital is only available to a limited extent in Myanmar at present. The funding for Rent2Own is the second investment project by DEG in the country. In 2015,
35 it approved a long-term loan of 19.8 million US dollars for the construction and operation of mobile phone transmission masts by Irrawaddy Green Towers Ltd.