

What's Happening in Myanmar Market & Valuation

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Businesses Hunger for more space, Government plans land sale

ヤンゴン管区政府は、計 530 エーカーの当局所有用地の払い下げを発表した。発表に対し、非常に多くの購入希望が寄せられたようだ。

Learnt From: Myanmar Business Today (16th Oct, 2019)

Yangon Approved 181 Investment Proposals in FY 2019

YRIC(ヤンゴン地方政府投資委員会)は 160 件の海外直接投資を承認し、その額は 2 億 6 千万 US ドルだった。一方内国投資は 21 件で約 29 億 6 千万チャットだった。

Learnt From: Myanmar Business Today (17th Oct, 2019)

Myanmar economy to grow by 6.6% in 2020: World Bank

世界銀行によればミャンマーの 2020 年の経済成長率は 6.6%と予想されており、今年の 6.5%を上回るとのことだ。また、2021 年は 6.7%、2022 年は 6.8%の経済成長が見込まれている。

Learnt from: Myanmar Times (17th Oct, 2019)

Shwe Property offers foreign options at housing exhibition

オンライン不動産ポータルサイト運営の Shwe Property は同社主催の住宅展示会で史上初の海外物件を紹介した。

Learnt From: Myanmar Times (21st Oct, 2019)

Thilawa SEZ to add 200 Hectares

ミャンマーで最も成功した特区と言われるティラワ経済特区は、200 ヘクタール規模の拡張を計画している。

Learnt From: Myanmar Business Today (22nd Oct, 2019)

90 dangerous old buildings still standing in Yangon

ヤンゴン市開発委員会(YCDC)は解体すべきと判断される 90 の危険建物を指定した。1994 年から 1995 年にかけて行われた調査では計 1667 件の指定があったが、うち 1577 件は解体又は建替えられていた。

Learnt from: Myanmar Times (22nd Oct, 2019)

Lower tax rates, higher liquidity expected to boost property market

ミャンマーの不動産デベロッパーは 2019 年～2020 年には不動産取引の増加による市場活性化を期待している。過去 5 年間沈黙状態にあった不動産市場が、2019 年は改善しつつあるといわれている。

Learnt from: Myanmar Times (23rd Oct, 2019)

Businesses Hunger for more space, Government plans land sale

The government has announced that it will sell 530 acres of land owned by the administration, and started selling application forms to potential buyers from October 7 for two weeks. The announcement got many interests from thousands of buyers. Nearly 8000 application forms had been sold and 463 forms have been submitted the proposed purchasing price for the land. Applicants need to bring their original ID card and a photocopy of the ID card to apply for the forms. The deadline for submitting the application is November 8. There is a shortage of land in Yangon for new businesses or for expansion of existing businesses. This sale of the land is aimed at addressing this need. Because of the government owned land, the ownership of the land is guaranteed. The lots for sale were previously designated for proposed city projects that failed. A winning bidder can use the land after paying YCDC fees and must start construction on the lots within six months. There is also a three-year tail period where the winning bidder must wait before re-selling the lot. This sale is the first batch of three planned sales which will be followed by second and third. The land for sale from the Regional Government is located in various townships including East Dagon, Dagon Seikkan, South Dagon, Hlaing Thar Yar and Shwe Pyi Thar.

Learnt From: Myanmar Business Today (Oct 16, 2019)

Yangon Approved 181 Investment Proposals in FY 2019



Myanmar Plaza in Myanmar's financial Capital, Yangon

For 2019 Fiscal Year which is ended on 30 September, 2019, the Yangon Regional Investment Committee approved 160 foreign investment proposals with a value of over \$260 million, and 21 local investment proposals with a total value of approximately K2.96 billion. The approved investments were manufacturing garments, bags, hats, tape, plastics, packing materials, sports products, and other items. Most of the foreign investments were in the garment sector and manufacturing sector. Investing in such industries creates a lot of jobs for local people. 27.59% of the total foreign investments in the country is from the oil and gas sector, 26.07% from the electricity while the manufacturing sector received 13.94% of total FDI. Most of the investors are from China, Hong Kong, Korea, Japan and Taiwan. China is the leading foreign investor in Yangon Region. Regional and State Investment Committees have the power to approve investment proposals that are less than \$5 million and if it is over \$5 million, the approval from Myanmar Investment Commission (MIC) is needed.

Learnt From: Myanmar Business Today (Oct 17, 2019)

Myanmar economy to grow by 6.6% in 2020: World Bank

According to the World Bank, Myanmar economy is projected to grow by 6.6% in 2020 which is higher than this year projection 6.5%. After economic slowdown from 6.8% in 2018 to 6.5% in 2019, the growth is expected to pick up gradually in the medium term. It is expected to further increase to 6.7% in 2021 and 6.8% in 2022. According to the annual World Bank East Asia and Pacific Economic Update, growth in 2020 will be driven by investments in the manufacturing, insurance and construction sectors and supported by market reforms. Liberalization of the insurance industry, visa-free policy for more foreign countries and tax amnesty are expected to improve the economic growth. However, the economy remains exposed to natural disasters that still pose a huge uncertainty to the agriculture-dominated economy. According to the ASEAN information center,

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Myanmar experienced three floods and one storm in the first nine months of 2019. Moreover, the impact of inflation and recently increased electricity tariffs to the general public remains to be monitored. But while companies are searching for ways to avoid tariffs, it will be difficult for developing East Asia and the Pacific to replace China's role in global value chains in the short-term. Meanwhile, the ripple effect of the unresolved Rakhine crisis and persistent conflict drags on are some risks for economic growth. The ongoing US-China trade war impacted the country less than favorably. Myanmar's approved foreign direct investment has been in steady decline since 2015, from \$9.5 billion to \$5.6 billion in 2018, with a slim chance to recover this year. But the government has managed to stabilize the financial sector by making the policy transmissions effective as much as possible with limited financial instruments they have at hands.

Learnt From: Myanmar Times (Oct 17, 2019)

Shwe Property offers foreign options at housing exhibition

For the very first time, Shwe Property which is Myanmar online property portal will include foreign residential options at its housing exhibition on October 18-20, the fifth exhibition so far. The exhibition will showcase units from the Knight Bridge condominium project in Bangkok which is situated conveniently close to the Bangkok Skytrain. During the exhibition, Knight Bridge units will be sold and can be booked with a 20 percent down payment. As the demand to buy foreign properties has increased in recent years, it is included a Bangkok investment option in the exhibition this year. If the sales response is positive, showcasing foreign condos will be continued in the future events, they said.

Learnt From: Myanmar Times (Oct 21, 2019)

Thilawa SEZ to add 200 Hectares



Construction work at the Thilawa SEZ

Thilawa Special Economic zone (SEZ) is considered the most successful economic zone in Myanmar and it is planned to add 200 Hectares by Myanmar Japan Thilawa Development Ltd. The additional real estate will be added to the south of the existing Thilawa Special Economic Zone. To do so, they are trying to complete the construction process of Zone B. Zone B covers about 262 hectares in total and 50% of the lots are sold. Zone A covers an area of 405 hectares and 99% of the lots are already sold. Thilawa's SEZ developer hopes to sell all of the available lots in Zone A and B by 2021, according to its Midterm Business Plan. Toyota recently acquired 21 hectares of land in the Zone B to assemble and produce automobiles in Myanmar. Although there are Thilawa Special Economic Zone, Dawei Special Economic Zone, and Kyaukphyu Economic Zone in Myanmar, only the Thilawa Special Economic Zone is currently operating now and the other zones are still under the construction.

Learnt From: Myanmar Business Today (Oct 22, 2019)

90 dangerous old buildings still standing in Yangon

The Yangon City Development Committee has identified for demolition to 90 buildings which it deems dangerous. In a survey in 1994/95, a total of 1667 buildings were identified as dangerous ones and 1577 have been demolished or rebuilt. There are some empty buildings, without business activity or residents inside, which have not been demolished or renovated. Yangon is at risk from

earthquakes. It has a strong monsoon-influenced climate and receives a lot of rain in the wet season. Some buildings can be damaged due to natural disasters. It is proposed to Yangon Region Hluttaw that YCDC should demolish the dangerous buildings identified by YCDC and reclaim the costs from the owners. It is also asked about changing regulations governing dangerous buildings, so they can be demolished more efficiently. YCDC has issued signs at each dangerous building and warned residents to stay out. According to Yangon City Development Committee Law (2018), if a building is found to be dangerous, the residents of that building need to be removed before the structure is renovated or destroyed.



An old dangerous building in Yangon

Learnt from: Myanmar Times (Oct 22, 2019)

Lower tax rates, higher liquidity expected to boost property market

Real estate developers in Myanmar are expecting to help jumpstart the local property market with a boost in the number of property transactions in fiscal 2019-2020. It can be said that the market, is getting better in 2019, which was in cold condition for last five years. Reduction in tax rates on previously undeclared income will help in rising demand which is expected to encourage those who have not declared all their income in the past to do so. It will also encourage existing home owners who had purchased properties under different names in the past to officially correct or update any

ownership details for future tax purposes. This should bring liquidity back into the formal economy, leading to opportunities for investors to channel their money into real estate. In the previous fiscal year, the tax rates on undeclared income were much higher, ranging between 15-30%. According to new regulation approved for fiscal 2019-2020, undeclared income of up to K100 million will be taxed at a rate of as low as 3%, for between K 100-300 million will be 5%, for K300 million – K 3 billion will be 10% and 30% for above K3 billion. To qualify for the lower tax rates this fiscal year, all the income declared must be invested in business or capital goods such as property. At a time, supply in Yangon and other major cities in Myanmar has spiked with more completed units now on the market. Meanwhile, land buyers are interested in land lots in Bahan, Hlaing Tharyar and Shwe Pyi Thar townships, where the bulk of land purchases currently takes place.

Learnt from: Myanmar Times (Oct 23, 2019)