

What's Happening in Myanmar Market & Valuation

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Five sectors in Myanmar to watch this year

2019-2020 年度ミャンマーの経済成長は、前年度を上回ると予測されている。そうした中、2020 年度投資家が注目しておくべき有望な成長分野として挙げられている 5 分野は、ツーリズム、不動産、保険、電子決済、上場株の取引だ。

Learnt From: Myanmar Times (1st Jan, 2020)

Mee Laung Gyaing LNG project to commence construction soon

エヤワディ管区 Mee Laung Gyaing で、向こう三ヶ月以内に電力購入契約が合意され次第、1,390MW の LNG 火力発電所建設プロジェクトがスタートする運びだ。

Learnt From: Myanmar Times (3rd Jan, 2020)

First Airport in Western Myanmar's Chin State to open in June

ミャンマー西部、チン州初の空港となる Surbung 空港が 6 月に開港の予定だ。現在チン州へのアクセスは、道路しかないのだ。

Learnt From: The Irrawaddy (3rd Jan, 2020)

Xi's Myanmar visit to move ahead China-backed port

ミャンマーと中国は、今月の習近平主席訪緬に際して、総費用 13 億ドルに上るチャウピュ港プロジェクトについての署名が行われると期待されている。

Learnt From: Myanmar Times (10th Jan, 2020)

Myanmar property developers look forward to 2020 after a difficult year

チャレンジングだった 2019 年の後、不動産デベロッパーは、2020 年がいい年になることを期待している。昨年は困難な年であったが、業界では、今年は回復に向かっていくと期待されている。

Learnt From: Myanmar Times (13th Jan, 2020)

Myanmar Economy on track to grow 6.4%: World Bank

2019-20 年度のミャンマー経済は成長率が 6.4%(昨年は 6.3%)になる模様だ。1 月 15 日に公表された世界銀行のレポートによると、交通、通信セクターの成長や 2020 年の選挙に向けての政府によるインフラ投資の強化などに拠るとのことだ。

Learnt From: Myanmar Business Today (27th Jan, 2020)

FDI into Myanmar averages \$500 million a month

ミャンマーに対する海外直接投資が、新年度第一四半期に月平均約 5 億ドルに達したとのことだ。

Learnt From: Myanmar Business Today (27th Jan, 2020)

Five sectors in Myanmar to watch this year

The Myanmar economy is expected to expand by the higher rate in fiscal 2019-20 than that of the previous fiscal year, buoyed by reform momentum, improving business sentiments, strong growth in garment and other manufacturing products, an expansion of tourism-related services and stronger fiscal spending. Myanmar is expected to hold general elections in 2020, and many investors will wait and see how things unfold in the political economy before investing further in the country this year. Nevertheless, here are five pockets of the economy with growth potential that investors should watch out for in year 2020: tourism, property, insurance, digital payments and business on the bourse. This month, the Ministry of Hotels and Tourism will introduce visas on arrival for tourists from the Czech Republic, Luxemburg, New Zealand, Hungary and Austria in a three-year trial programme. Last year, it eased visa regulations for tourists from Germany, Russia, Spain, Italy, Switzerland and Australia. There were over 1.5 million tourists in the first 10 months of 2019. Property investors are expecting prospects to improve after measures were taken to modernise and regulate the sector in the past two years. These include the forming of a committee in the beginning of 2019 to carry out condominium registering work, and enacting the rules to the 2016 Condominium Law in 2018. A slew of new condominium at developments like Time City, Diamond Inya Palace, The Central, City Loft and 85 SOHO launched in Yangon in 2019, while other developments like Gonyi Residences and Emerald Bay are under construction. With competition rising, property buyers can expect more attractive pricing and value in the market, making now a good time to invest in real estate. Insurance providers are preparing to introduce more options to the market in 2020 following the liberalization of the sector last year. Only 1pc of the country's population has exposure to insurance, implying that there is large potential for growth. The main challenges of this sector had been business skills, knowledge and the lack of capability in producing

our own products. The growth in this sector is likely to intensify with support from the government. The digital payments sector in Myanmar is forecast to develop rapidly in 2020, with new payment technologies emerging and greater awareness from the public. Myanmar is set to allow direct foreign ownership of shares at the Yangon Stock Exchange (YSX) this year. The Securities and Exchange Commission of Myanmar, the regulator, announced last July that non-Myanmar individuals and locally-registered entities would be allowed to invest in listed shares of up to 35pc. Investor interest is already up.

Learnt From: Myanmar Times (Jan 1, 2020)

Mee Laung Gyaing LNG project to commence construction soon



Mee Laung Gyaing LNG project

Construction of a power generation project in Mee Laung Gyaing, Ayeyarwady Region will take place after a power purchase agreement is signed within the first three months of the year. Zhefu Holding Group of China and local firm Supreme Trading Co will invest US\$2.57 billion to build the plant. It will be powered by liquefied natural gas (LNG) and produce up to 1390 megawatts of energy when it is completed. The project will include berths for gas carriers to dock at the Mee Laung Gyaing area, which is 40 miles to the north of Chaung Tha beach. It will be transferred back to the government under a 30-year build, operate and transfer system. Negotiations are concluding and the PPA is expected to be signed during the first quarter of 2020. Although the shareholding structure is not fixed, Zhefu Holding Group will be the main

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shareholder. Supreme Trading Co will own one-fifth of the shares. The project is also among the biggest electricity projects in the country and will be able to provide enough energy to power industrial zones, hotels, beaches and cities in Ayeyarwady as well as fulfill Yangon's power demand. Around 35 percent of the power produced at Mee Laung Gyaing is earmarked for distribution in Ayeyarwady Region, while the remaining energy generated will be transferred to Yangon via the national grid. Supreme Trading Co will build the power lines needed to distribute the energy. The entire project is expected to take four years to complete. It will be able to start producing 500 MW by the end of 2022 and 900 MW a year or two later. The Mee Laung Gyaing project is one of three LNG projects announced by the government in 2018. The other two projects are located in Kanbauk township in the Tanintharyi region and Ahlone township in Yangon region. The government is hoping that half of these projects will be operational by mid-2020. The three power plants are expected to raise Myanmar's electricity generation capacity by 3,100 MW, doubling the power generation capacity in Myanmar to 6000MW.

Learnt From: Myanmar Times (Jan 03, 2020)

First Airport in Western Myanmar's Chin State to open in June



Construction site of the Surbung Airport in Chin State

Surbung Airport, the first airport in Chin State, western Myanmar, is slated to begin operation in June. Chin State is currently only accessible by road. Northern Chin State has started receiving more local and foreign travelers now but transportation is still poor and the airport will make the state more

accessible. Construction of the airport is reportedly now 75 percent complete. The airport is being built on a 522-hectare plot in Falam township, around 13 km from the town center. It will have a 1,830-meter-long and 30-meter-wide runway designed to handle takeoffs and touchdowns of ART-72 airliners. The project was presented in 2013 and construction began in 2015. The airport is situated in the Surbung mountain range at an altitude of 1,830 m above sea level. The airport is located strategically in the center of Chin State, making it easy to travel to other parts of Chin State including popular tourist attractions like Rih Lake. Chin State is one of the least-developed states in Myanmar and its mountainous terrain forms a natural barrier that makes transportation challenging.

Learnt From: The Irrawaddy (Jan 3, 2020)

Xi's Myanmar visit to move ahead China-backed Port



The State Counsellor of Myanmar, Daw Aung San Su Kyi and the President of People's Republic of China, Xi Jinping

Myanmar and China are expected to ink a deal on the US\$1.3 billion Kyaukphyu port project during President Xi Jinping's visit this month. President Xi traveled to Myanmar on January 17, marking his first visit to the Southeast Asian country in 19 years and the first as China's leader. This year marks the 70th anniversary since the People's Republic of China and Myanmar established formal diplomatic recognition. Xi's visit is seen as an attempt to

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further cement bilateral relations and pushing ahead the China-Myanmar Economic Corridor scheme as well as other projects under the Belt and Road Initiative. One of the most watched developments is the highly-anticipated inking of Kyaukphyu port, a China-backed scheme under Beijing's Belt and Road Initiative (BRI). Xi met with State Counsellor Daw Aung San Suu Kyi as well as Commander-in-chief Senior General Min Aung Hlaing during his trip. As this trip is to foster positive relations and this is the 70th anniversary of China-Myanmar diplomatic relations. Beijing-backed plans for road and rail construction linking Muse and Mandalay were undermined when parts of northern Shan State had bridges blown up and roads ambushed in mid-2019 because of fighting between the Tatmadaw and the Brotherhood Alliance, a coalition of ethnic armed groups. Real estate and power generation became the most focused on sectors by investors in the months of October and November. In the first two months of the 2019-20 fiscal year that began on October 1, the Myanmar Investment Commission approved 41 investments of US\$1.3 billion. This figure is triple the total of US\$465 million for the same period a year ago, indicating increased interest in Myanmar from foreign investors. The bulk of the investments so far this year, US\$1.2 billion has gone into real estate and power generation. On November 29, the Myanmar Investment Commission also approved the building of a large commercial development worth US\$350 million by Goldman Fortune International of Hong Kong and now Hong Kong becomes Myanmar's fourth-largest investor with a total US\$8.6 billion invested in 223 businesses in the country. Moreover, Thai developer also received approval to build a smart industrial park in Yangon Region.

Learnt From: Myanmar Times (Jan 10, 2020)

Myanmar property developers look forward to 2020 after a difficult year

After a challenging 2019, property developers are looking forward to a better year in 2020. Last year, the sector underwent difficulties and developers are hoping that this year to be the better performance of the industry. However, there are still some concerns about how far the real estate sector can move forward, with some critics saying that it will be more of the same as last year. The key to the improved performance of the industry is the capacity of the government to implement laws, bylaws and policies systematically. After that, it can be assumed that foreign investors will enter and the whole property market will improve. Construction and real estate experts, along with legal experts and officials from responsible ministries jointly drafted the apartment law since 2018, which is supposed to stimulate the property sector. The draft law has been submitted to Yangon Regional Parliament and will be discussed. If the apartment law is enacted this year, trust between seller and buyer and ownership will be stronger and the market will be better. There were several cooperation agreements among different organization in 2019 in a bid to develop the real estate and construction sector. Now is the good time for people to invest in real estate as everyone is competing for sales and the buyers have much more choices. There are only between 6000 and 8000 condominium units available for rent in Yangon every year. This is not enough for about 100,000 foreigners living in the country's economic capital. Developers need to make effort to address the need in next five to ten years. There is a need for the government to come up with solid laws and regulations as quickly as possible to achieve economic growth. For the real estate sector, the government's move to reduce tax rates for properties buyers with undisclosed income in 2019 has somewhat boost transactions. The people expect the year 2020 to be a better year as they hope to enjoy the fruits of the changes and efforts made in 2019. The experts hope that the government would be able to come up with better laws and policies for the industry, having learned from the missteps from the previous year.

Learnt From: Myanmar Times (Jan 13, 2020)

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Myanmar Economy on track to grow 6.4%: World Bank

Myanmar's economy looks set to grow by 6.4 percent in fiscal 2019-20, up from 6.3 percent last fiscal year, bolstered by growing investment in the transport and telecom sectors and planned infrastructure spending by the government before the 2020 elections, according to a World Bank report released January 15. Pointing to efforts such as opening up Rakhine State to the world and strengthening trade ties with countries like Japan, South Korea and Singapore, the World Bank in September ranked Myanmar as one of its top 20 most-improved countries on business environment. Among the reforms implemented to improve the business environment, Myanmar introduced a company registry platform, in 2018, with an expedited registration process at a cheaper fee of K250,000. Last November, five foreign insurance firms received government approval to operate in Myanmar, following a two-year delay. Along with the insurance sector liberalization, 45 foreign banks have been licensed to set up offices in the country. A new, \$52.6 million plant funded by a Japanese auto giant started construction in November, with operation set to commence in 2021. The policies be geared towards private-sector-led growth by fostering market expansion, improving the allocation of resources and developing the capacity of market participants.

Learnt From: Myanmar Business Today (Jan 27, 2020)

FDI into Myanmar averages \$500 million a month

Myanmar received an average of \$500 million a month in foreign direct investment during the first quarter of the new fiscal year. Counting the FDI into Thilawa SEZ, the total is over \$1.5 billion, meaning that the country received around \$500 million per month in the first quarter. From the start of the fiscal year on October 1 to January 10, total investment into the country totaled \$1.47 billion, with \$1.39 billion coming from 77 foreign direct investments and \$6 million being additional investment into existing projects, according to

DICA data. Foreign investment into the Thilawa Special Economic Zone topped \$76 million during the period. The country targets \$5.8 billion in FDI by the end of the fiscal year. The DICA chief is confident that the target will be met. Total FDI during the first quarter surpassed the amount recorded during the year-earlier period by \$300 million. Gains were also recorded in electricity production. The sectors that received the lion's share of investment are electricity, industry, housing, hotel and tourism. The five biggest foreign investors are Hong Kong, Singapore, China, Korea and Thailand, respectively.

Learnt From: Myanmar Business Today (Jan 27, 2020)

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