

What's Happening in Myanmar Market & Valuation **Vol. 50 - January 2021 -**

Development of Korean industrial zone to commence this month in Myanmar

ヤンゴンレグ郡区に立地する韓国ミャンマー工業コンプレックス第 1 期工事が 12 月 24 日に開始される。当該プロジェクトの完成により 10 万人規模の雇用が創出されると期待されている。

Learnt from: Myanmar Times (December 22, 2020)

Boom in Nay Pyi Taw Property Market expected in three years

ネピドーの不動産市場は工業用途や映画産業、外国系の大学、首都でのオフィス拠点開設などにより、さらなる成長が見込まれている。その意味で、ネピドーの不動産需要は、今後 3 年間にわたり拡大していくと期待されている。

Learnt from: Myanmar Times (December 25, 2020)

Prospects emerge in the Mandalay property market with lower price in 2021

2021 年はマンダレーの不動産市場にとって良好な年となるだろう。2020 年と比較してより多くのマンダレーへの移住が見込まれるが、2020 年は CODIV-19 の影響もあり、郊外での比較的安価な住宅の取引が中心であったが、2021 年も低価格帯の取引は活発となりそうだ。

Learnt from: Myanmar Times (January 10, 2021)

Zone-B of Thilawa SEZ project faces delay

ティラワ経済特区ゾーン B の 4 期工事が、開発エリアの住民からの反対により遅れる可能性が出てきた。一方、ヤンゴン地方政府は 1 月 8 日、対象エリアの住民(PAHs)に対し立退きを命じる通知を送付した。

Learnt from: Myanmar Times (January 12, 2021)

Sule Shangri-La Hotel, Yangon to close for nine months

ヤンゴンのスーレ・シャングリ-ラ・ホテルが 2 月 1 日から 9 か月間一時休業する。スーレイ・スクエア(商業モール)やオフィス、シャングリ-ラ・レジデンス(サービス・アパートメント)は引き続き営業する。

Learnt from: Myanmar Times (January 13, 2021)

Myanmar cancels contracts to develop Dawei SEZ with ITD

イタリアタイ開発公社(ITD)は、タイ証券取引所に対しダウェイ経済特区の開発に係るミャンマーとの間の契約を解除したと通知した。

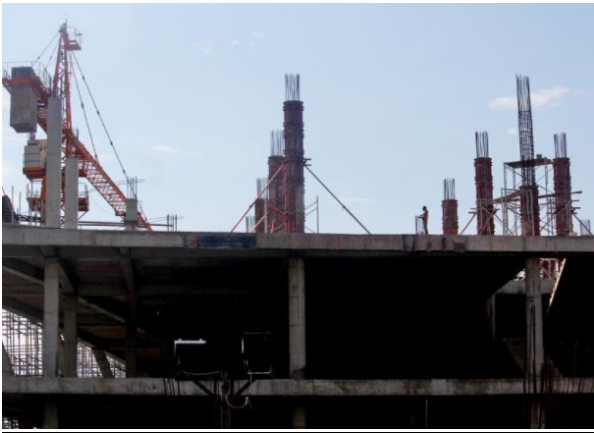
Learnt from: Myanmar Times (January 14, 2021)

Myanmar bets on industrial zones to draw investments, create jobs

ミャンマー政府は工業団地や経済特区により海外からの直接投資を呼び込もうとしている。工業団地には構内道路や発電所が整備されるとともに、免税等のインセンティブも提供される模様だ。

Learnt from: Myanmar Times (January 26, 2021)

Development of Korean industrial zone to commence this month in Myanmar



A building under construction.

The first phase of construction of Korea-Myanmar Industrial Complex (KMIC) in Hlegu Township, Yangon, will commence on December 24. Construction of the basic infrastructure such as roads and essential services needed for the project, which will be funded by the Korean Economic Development Cooperation Fund, is expected to complete by 2023. The total expenditure expected is in excess of US\$ 100 million, but will create about 100,000 new jobs. The KMIC will be jointly implemented by the Ministry of Construction and state-owned Korea Land and Housing Corporation on 558 acres' land in Nyaung-nhit-pin, Hlegu. The project will be managed by KMIC Development Company Ltd and will include Myanmar's first online land reservation system. The land rental rate is between US\$69 and US\$ 75 for one square meter and investors can start applying for their desired plots on January 21, 2021. When KMIC is complete, it will be worth US\$4.7 billion and create more than 500,000 jobs. KMIC will be implemented to be successful as the Thilawa Special Economic Zone, which has been successful and can be used as a good benchmark for other similar projects like the KMIC.

Learnt from: Myanmar Times (December 22, 2020)

Boom in Nay Pyi Taw Property market expected in three years



The Myanmar administrative capital, Nay Pyi Taw

Demand for property in Myanmar's administrative capital Nay Pyi Taw is expected to grow in next three years. The Nay Pyi Taw property market will develop as industrial zones, the film industry and international universities and open up offices in the administrative capital. In fact, property prices in some townships in Nay Pyi Taw have doubled in 2020 despite COVID-19 compared to 2018. Some Nay Pyi Taw properties are now selling for 50,000 MMK per square foot. As the land price in Nay Pyi Taw is very low compared to Yangon and Mandalay, there are sales transactions still taking place every day. The largest number of property sales occur in Nay Pyi Taw, the second largest in Mandalay and finally, Yangon. There are just few sales of large plots in Yangon and Mandalay even though prices have been falling. The property prices in Nay Pyi Taw are still relatively low and that there is room for valuations to rise a lot more in the next three years. The capital is becoming more populous as more businesses and investors start living there. The capital also has good infrastructure such as roads, power and water supply. Developers have forecasted that a booming market can emerge in the coming three years. Nay Pyi Taw was established as the administrative capital of Myanmar in February 2006. It comprises eight townships and is located about 200 miles north of the old capital.

Learnt from: Myanmar Times (December 25, 2020)

Prospects emerge in the Mandalay property market with lower price in 2021



Downtown Mandalay.

Some real estate agents see interesting opportunities for property investors in the Mandalay real estate market in the coming year. They believe 2021 has good prospects for real estate because more people will move to Mandalay compared to 2020. In 2020, property sales in downtown Mandalay rose as more decided to move out to the suburbs as a result of COVID-19 and the subsequent decline in business. Consequently, property prices in the downtown areas dropped. Meanwhile, there are more transactions in suburban areas, where people are able to buy land at a low price this year. While the price of a 40*60 square feet plot of land in the suburbs is 1 Billion MMK on 80th street in downtown Mandalay, it would only cost around half in Ye Mon Taung in the suburbs. Despite the higher demand, land and property prices have held steady in the suburbs. Compared to 2018, prices in the suburban areas are stable. Although the business was not booming like in the past, the range around 60 percent of the transactions in 2018, are taking place these days. Real estate in Mandalay municipality will see a 5 percent to 25 percent reduction in standard prices for the 2020-2021 fiscal year. The real property organizations have discussed with various authorities regarding property appraisal rates. The standard prices in some area are to be reduced this year. Standard prices are updated every year. Tax amounts are

clarified fiscally as stated in Union Taxation Law. Tax rate is 6 percent up to MMK 100 million of unassessed income this year and it was 3 percent on the same amount last year. Mandalay's industrial zones and new areas are currently in high demand as property owner are looking to let go of their assets due to financial problems brought on by the COVID-19 pandemic. Buyers are looking to take the opportunity of this to invest in post- COVID era. The real property market in inner-city, however, has been slack with transactions being almost non-existent.

Learnt from: Myanmar Times (January 10, 2021)

Zone-B of Thilawa SEZ project faces delay



Workers ride past a steel factory in Thilawa special economic zone.

Phase-4 of Thilawa Special Economic Zone (SEZ) Zone-B project is facing delays following opposition from residents in the area. Prescribed compensation has been proposed to the 58 relocated households to make way for the project but four of the families have refused to accept them. The implementation of the project has thus been delayed. Work on the project commenced on February 20,2020, after a memorandum of understanding was signed among the Thilawa SEZ shareholders in November 2015. The compensation was proposed to the Project Affected Households (PAHs) after thorough evaluation of their assets, in accordance with international standards and Myanmar's laws and guidelines. Each PAH will receive compensation which covers the cost of relocation and a house

constructed in line with the agreements. PAHs are also entitled to compensation for crops, cattle and other assets, as well as support for socially vulnerable households. The Thilawa SEZ Management Committee (TSMC) also provides PAHs with the income Restoration Program (IRP) designed to rehabilitate the livelihood of the households. Negotiations were held between government and the households but the four objecting families have not budged and are pressing for higher claims. The delay in development hinders the country's efforts in attracting foreign direct investments and socio-economic development such as the creation of job opportunities which can benefit the region and the country.

Learnt from: Myanmar Times (January 12, 2021)

Sule Shangri-La Hotel, Yangon to close for nine months



The opening of Sule Shangri-La Hotel in 2014.

Sule Shangri-La Hotel, Yangon will temporarily close for a period of nine months starting from February 1. However, Sule Square Mall & Office and Shangri-La Residences will remain open to tenants, guests and visitors. The company has nevertheless decided to close the hotel due to the prolonged period of low business levels and after exploring all other viable options. Guests and clients with affected reservations at Sule Shangri-La Hotel will be contacted personally and all cancellation charges will be waived. Besides a small core team to maintain and upkeep operations across the complex, most of the hotel's

employees will be placed on extended leave-of-absence and will not have to return to work during the closure. However, they will continue to receive partial pay and full healthcare benefits. Formerly known as Traders Hotel, the 466-room hotel was rebranded as Sule Shangri-La Hotel, Yangon in 2014 by Shangri-La Hotels and Resorts, following a 2.5-year renovation.

Learnt from: Myanmar Times (January 13, 2021)

Myanmar cancels contracts to develop Dawei SEZ with ITD



A Beach in Dawei

The Italian Thai Development Public company (ITD) has informed the Stock Exchange of Thailand that contracts signed between the company and Myanmar involving work on the first phase of Dawei Special Economic Zone have been cancelled. Myanmar was reported to have cancelled seven out of eight contracts made in 2015 for development of the SEZ after ITD failed to deliver its part of the agreement. Cancellations have yet to be officially announced. ITD is seeking legal counsel on how to proceed given the circumstances. Last month, the Japanese government announced that it would commence a survey to determine the total amount of capital expenditure required to participate in the development of the Dawei deep sea port project. Myanmar is now counting on financial and technical support from Japan to kick start construction of the long-delayed SEZ after Japan in November made an official offer to Myanmar and Thailand to invest in Dawei. The Dawei SEZ is

expected to be the largest SEZ in south east Asia-about eight times larger than Thilawa SEZ in Yangon and over ten times larger than Kyauk Phyu SEZ in Rakhine when complete. Located 20 kilometers north of Dawei, the capital of Tanintharyi Region in Myanmar's southeast coast bordering Thailand, the Dawei SEZ comprises 20,000 hectares of land and includes industrial as well as port facilities.

Learnt from: Myanmar Times (January 14, 2021)

Myanmar bets on industrial zones to draw investments, create jobs



Workers sit on the heavy machinery in Thilawa Special Economic Zone Project in Thilawa.

Myanmar is betting on its industrial and special economic zones (SEZ) to draw foreign direct investments (FDI). Also, local economists say this strategy could also help it solve conflict in the country's poorest regions. Kyaukphyu SEZ which will include a deep-sea port and an accompanying industrial park, is expected to create more than 100,000 jobs each year. Myanmar is hoping to lure foreign manufactures to open up factories in Myanmar by developing more industrial zones that meet international standards. Already, some 135 Korean firms are expected to invest in the US\$ 110 million Korea-Myanmar Industrial Complex. Construction of KMIC commenced in Hlegu township, Yangon in December 2020. The government also launched the US\$274 million Yangon Amata Smart and Eco City industrial park project, which will be jointly constructed by the

Myanmar Department of Urban and Housing Development (DUHD) and Thailand's Amata Corporation PCL. Another two Yangon industrial Parks, the US\$230 million Myanmar Singapore Industrial Park in Hlegu township and China-backed Htantabin park in Hlaing Tharyar township are now being constructed. The industrial parks will also come equipped with basic infrastructure such as roads and power plants and offer incentives such as tax exemption. Currently, Myanmar has just one such industrial park- the Thilawa SEZ in Thanlyin township, Yangon. Covering some 2500 hectares, Thilawa SEZ started its commercial operations in 2015. Besides drawing more FDI and creating jobs, investors are also expected to introduce new technology and skills.

Learnt from: Myanmar Times (January 26, 2021)