



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED



INVESTMENT OPPORTUNITIES IN MYANMAR
6th October, 2016

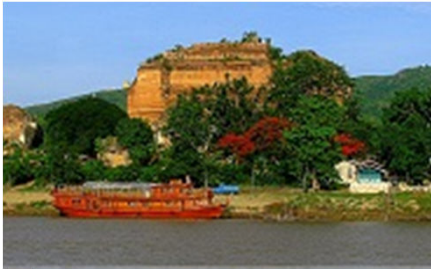


INVESTMENT OPPORTUNITIES

- **Infrastructure**
- **Hotels and Tourism**
- **Construction**
- **Other Sectors**



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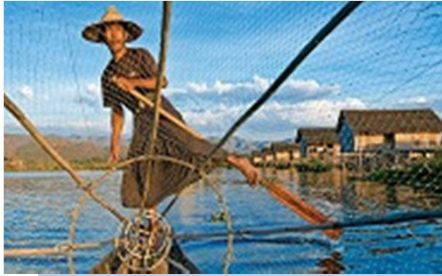


INFRASTRUCTURE

- **Telecommunication**
- **Electricity Generation**
- **Industrial zones**
- **Roads**
- **Railway**
- **Airports**
- **Ports**



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INFRASTRUCTURE

Investment needs: “Up to USD 320 billion” have to be invested in infrastructure development until 2030 in order to sustain an average 8% annual economic growth



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TELECOMMUNICATION

- FDI in transport and telecom in 2015/16: USD 1.93b
- Market liberalization started in early 2013
- Since then, mobile penetration rate up from 7% to now 90% (based on the number of sold SIM cards)
- Presently, three net operator licenses (MPT/KDDI/Sumitomo, Telenor, Ooredoo)
- Fourth license “to be granted soon” (local/Viettel)
- Demand for telco towers, fibre-optic backbone networks



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ELECTRICITY GENERATION

- **Current capacity: Approx. 4,500 MW**
- **Targeted capacity by 2030: 24,000 MW**
- **FDI in the power sector in 2015/16: USD 360m**
- **Electricity is presently produced by (i) Electric Power Generation Enterprise (70%), (ii) IPPs (10%), and (iii) joint ventures between the Ministry of Electricity and Energy (20%)**



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ELECTRICITY GENERATION

- Electricity is purchased by Electric Power Generation Enterprise and distributed to consumers by Yangon Electricity Supply Corporation, Mandalay Electricity Supply Corporation, and Electricity Supply Enterprise (“single state-owned buyer model”)
- Hydro, coal, gas, solar, wind
- Policy shift from coal to hydro



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ELECTRICITY GENERATION

- Foreign participation possible in certain supply aspects (e.g. building and operating LNG facilities, building and operating offshore gas pipelines, building onshore gas pipelines), production (e.g. building and operating power plants) and certain aspects of distribution (e.g. building transmission lines)
- Please note: LNG tender



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INDUSTRIAL ZONES

- Two types: “normal” industrial zones and special economic zones
- Thilawa SEZ a success for its developers
- Hong Kong and Korean companies are reportedly planning a special economic zone for textile factories



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ROADS, RAILWAY

- **Roads and bridges: There are approx. 61 BOT contracts with private companies (so far, I think only local companies) covering approx. 5,585 km**
- **Railways: Tenders I am aware of: (i) Development of the Yangon Central Railway Station; (ii) Upgrade of the Yangon-Mandalay railway (worth USD 2b), financed with JICA loan**



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AIRPORTS, PORTS

- **Airports:** New Hanthawaddy Airport to be built and operated by a foreign consortium (JCG, Changi Airport, Yongnam). The Department of Civil Aviation once held tenders for the upgrade and operation of 30 airports, but nothing seems to have come out of it
- **Ports:**
 - Deep sea ports - Dawei still available
 - Kerry Logistics won concession to operate two inland ports



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HOTELS AND TOURISM

- **FDI in hotels and tourism in 2015/16: USD 288m**
- **Hotels: Either (i) build and operate or (ii) provide brand and operate**
- **Reports that there is a ban on the construction of new hotels in Yangon, Mandalay, Taunggyi, Nyaung Shwe and Kalaw are untrue**
- **Demand has constantly decreased. Latest figures available online (for January 2016): occupancy rate 49.9%, RevPAR Ks. 101,719, ADR Ks. 203,849**



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HOTELS AND TOURISM

- **Cruising boats seem to be a sure way to make money**



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CONSTRUCTION

- Construction industry took a hit when the new Yangon Region Government suspended the construction of all high-rise building projects
- Expected to rebound, though
- Companies able to offer (somewhat) Western-style quality should have no problems finding customers
- Finding sufficiently skilled construction workers locally is a problem



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OTHER SECTORS

- Hospitals
- Fast-moving consumer goods
- Food and beverages
- Retail (see Aeon's market-entry)
- Cold-chain logistics
- Warehousing
- Wine production



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CONTACT

Lincoln Legal Services (Myanmar) Ltd.

**La Pyi Wun Plaza, Room 103 (ground floor),
37, Alan Pya Pagoda Road, Dagon Township,
Yangon, Myanmar**

Phone: +95-9-262546284

E-mail: info@lincolnmyanmar.com

Homepage: Coming soon...



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