

What's Happening in Myanmar Market & Valuation

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Telenor completes Myanmar business sale, to be paid over 5 years

テレノールのミャンマー事業売却に係る決済は5年間の分割で支払われる模様だ。代金は総額105百万USD。今回50万ドルが支払われ、残金が5年分割となる。売却先は、レバノン資本の投資会社MIと地元シエウエ・バイン・ピュー社。なお、シエウエ・バイン・ピュー社が同事業の80%の権利を保有することとなる。

Learnt from: Business Times (March 25, 2022)

Property demand booms in Myanmar's capital as wealthy seek safety

首都ネピドーにおける不動産価格が昨年6月以降上昇している。エリアによっては3倍近く上昇している模様だ。需要の多くは高級住宅で、60,000米ドルから180,000米ドルとのことだ。取引当事者の多くは退役軍人や富裕層で安全性と安定的な電力供給を見込めるエリアへの移住を検討している。

Learnt from: The Irrawaddy (March 31, 2022)

Myanmar exempts foreign entities from exchange rules after business outcry

ミャンマー中央銀行はチャットへの両替を強制する規制について、広く特例を認めるとの方針を公表した。特例には承認済の外国投資や経済特区内の法人、国際NGO、外交官、国際連合職員、航空会社が含まれる。

Learnt from: Business times (April 21, 2022)

Myanmar proposes to include \$2.5-bn Mee Lin Gyaing Project in early projects of China-Myanmar Economic Corridor

ミャンマーは、LNG発電施設やヤンゴンと繋ぐガスパイプラインを含む総投資額25億米ドルのミー・リン・ギャインプロジェクトを、中国の一带一路政策の初期プロジェクトリストに含むよう提言している。

Learnt from: Eleven Media Group (April 24, 2022)

Japan's Eneos to withdraw from Myanmar gas business

日本の主要石油精製企業であるエネオス社は、ミャンマーにおける天然ガス生産事業からの撤退を決定した。ちなみに、日本政府、JX石油開発、三菱商事と同社の合弁企業である日本石油開発(ミャンマー)社は同プロジェクトにおける権益の19.3%を保有している。

Learnt from: Nikkei Asia (April 25, 2022)

Telenor completes Myanmar business sale, to be paid over 5 years



Logo of Telenor.

The Norwegian telecoms company, Telenor will receive payments for the sale of its Myanmar operations over the next five years. Telenor in May 2021 wrote down the value of its Myanmar business by US\$751 million and later said it would be sold for US\$105 million to Lebanese investment firm M1 and local Shwe Byain Phyu. Telenor has received US\$50 million at closing. The remaining US\$ 55 million shall receive in equal installments over the coming 5 years. The sale, prompted by last year's military coup in the Southeast Asian country, has been criticized by some Myanmar civil rights groups and Norwegian politicians who fear it puts the data of 18 million people within the junta's reach. Telenor, which last week received approval for the sale from Myanmar's rulers, had to leave the country to adhere to its own values on human rights and responsible business, and because the local laws conflict with European laws. Telenor will book an accumulated loss of around 800 million crowns (\$125.1 million) in its first-quarter accounts stemming from a reclassification of items it has obviously accounted for. It will also see a negative cash flow impact of 1.5 billion crowns resulting from the derecogising of the cash balance in Telenor Myanmar and the proceeds received at closing. Shwe Byain Phyu, whose chairman has a history of business ties to the military, will own 80% of the Myanmar operation while M1 will own the rest.

Learnt from: Business Times (March 25, 2022)

Property demand booms in Myanmar's capital as wealthy seek safety



Luxury home in Naypyitaw.

Real estate prices in Myanmar's capital have been rising since June last year with demand for luxury homes and tripling in some areas. According to estate agents in Naypyitaw, sales are being pushed by former military officers and wealthy families looking for somewhere safe with reliable power supplies. As home to the military senior figures, Naypyitaw has seen few regime raids on residential areas and random shooting, like in other cities. As a result, the demand for real estate has tripled since last June. Homes are selling for between US\$60,000 and \$180,000. Sales are highest in Dekkhinathiri, Pobbathiri and Ottarathiri townships because they are seen as the most tranquil areas. Dekkhinathiri is popular with the wealthy, Pobbathiri is home to middle-ranking military personnel and Ottarathiri hosts senior officers and retired civil servants. Luxury homes are being rapidly built in the three townships, mostly on land handed to retired military officers. The former dictator Than Shwe, relocated the capital from Yangon to Naypyitaw in late 2005, apparently to insulate the military leadership from popular uprisings. Moreover, the more reliable electricity supply in Naypyitaw is another attraction. Since last month, prolonged power cuts have become a regular part of life across Myanmar. But in Naypyitaw, there are few outages, and they only last a few hours. Power cuts apparently never happen in Zayarthiri Township, where the junta leader lives and works along with other junta chiefs. The junta recently said national infrastructural maintenance and upgrades to an offshore gas station are restricting

electricity production. Naypyitaw controls the bulk of Myanmar's power supply, leaving other cities in darkness.

Learnt from: The Irrawaddy (March 31, 2022)

Myanmar exempts foreign entities from exchange rules after business outcry



View of entrance gate of Myanmar Central Bank.

Myanmar's central bank has announced a broad exemption of foreign from a controversial new policy requiring foreign exchange to be converted into local currency, a rule that triggered panic among business groups and residents. The exemption, dated April 20, includes companies with approved foreign investments, firms in special economic zones, international non-government organizations, diplomats, United Nations agencies and airlines. In an effort to exert more control over foreign currency flows in the military-run nation, the central bank declared from April 3 that foreign exchange earned locally must be deposited at licensed banks and exchanged for the local kyat currency within one working day. The change will provide some relief for fuel importers, which, have been impacted by the exchange requirement. The exemption notice did not provide a reason for the about-face, which came after some industry groups and embassies warned business activity in the country could be severely impacted. Myanmar's fragile economy has been in crisis since the coup, which halted a decade of political and economic reforms and sent the Kyat into a downward spiral.

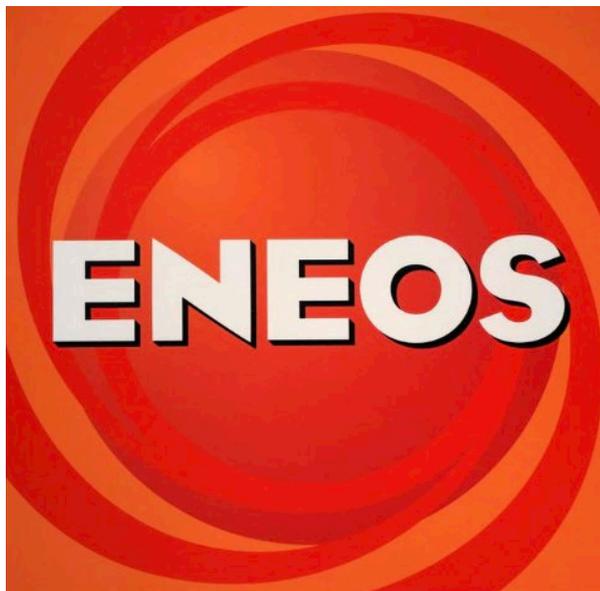
Learnt from: Business Times (April 21, 2022)

Myanmar proposes to include \$2.5-bn Mee Lin Gyaing Project in early projects of China-Myanmar Economic Corridor

Myanmar is proposing to include the Mee Lin Gyaing Project including LNG power plant and gas pipelines connecting with Yangon with an estimated investment value of US\$2.5 billion in the list of early harvest projects of the China-Myanmar Corridor (CMEC). Three Chinese companies- Union resources and engineering company (41%), Yunnan Energy Investment (39%) and Zhefu Holding Group(1%)- are partnering with Myanmar's Supreme Group (19%) to develop the 1,390 MW Mee Lin Gyaing Project. The facility located in Ayeyawady region involves an LNG-fired power plant, and LNG terminal, a high voltage transmission line and gas pipelines to Yangon. It has been approved by the Myanmar Investment Commission. Currently, in the initial stages of design and construction, it is expected to start commercial operation in 2027. Conversion of some fertilizer plants for immediate generation of 30 MW of electricity and accelerating works on other gas-fired power generators or waste-heat projects. A total of about 100 MW of electricity has been generated in Kyaukphyu using 20 million cubic feet of gas currently. After pipeline maintenance, this will expand to 30 million cubic feet per day and generate 195 MW. The authority will accelerate the development of hydrocarbon and renewable energy even as it repairs power lines damaged while seeking to increase foreign investments despite the threat of fresh economic sanctions.

Learnt from: Eleven Media Group (April 24, 2022)

Japan's Eneos to withdraw from Myanmar gas business



The logo of Eneos Holdings and Eneos Corporation.

Japan's top oil refiner Eneos Holdings will withdraw from natural gas production in Myanmar, amid growing criticism that the project has funded the military's suppression of human rights in the Southeast Asian nation. Development of the Yetagun offshore gas field was funded by Japan's government and companies, but it became difficult to continue after Mitsubishi Corp. announced in February that it would withdraw from the project. Nippon Oil, the predecessor of Eneos, acquired an interest in 1991 and started production at Yetagun, off the southern coast of Myanmar, in 2000. Nippon Oil Exploration (Myanmar)- a joint venture between the Japanese government, ENEOS affiliated JX Nippon Oil & Gas Exploration, and Mitsubishi Corp.- now holds a 19.3% stake in the project. Nippon Oil Exploration (Myanmar), a local entity, is 50% owned by the Japanese government, while JX Nippon Oil & Gas Exploration, a unit of Eneos Holdings, holds a 40% stake and Mitsubishi Corp. holds a 10%. Malaysian state oil giant Petronas, which operates the gas field has also stated its intention to withdraw. Output at Yetagun has been declining in recent years. Natural gas from the site is exported to Thailand by Pipeline, bus gas exports to Thailand stood at 16 million cubic feet per day last year,

down 96% from its peak in 2007. Eneos appears to have been unable to find a buyer for its interest in the field, and the company will incur a loss from its withdrawal. As of March, last year, Nippon Oil Exploration (Myanmar)'s capital came to 3.54 billion yen (\$29.1 million), according to a Eneos Holdings' securities filing. Human rights organizations, among others, have called on businesses to halt their resource developments in Myanmar, saying that these projects have funded Myanma Oil and Gas Enterprise (MOGE), a state-owned enterprise with deep links to the military's business empire. Meanwhile, Thai state-owned oil and energy company PTT has acquired a stake from Total, and South Korea's Posco International has decided to make additional investments in the gas field.

Learnt from: Nikkei Aisa (April 25, 2022)