

## What's Happening in Myanmar Market & Valuation

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#### **Results from Myanmar Firm Monitoring Survey**

企業モニタリング調査の調査結果が公表された。調査期間は 2022 年 5 月 11 日から 6 月 9 日までで調査対象は国を代表する企業 500 社。調査結果では企業の経営規模が減少しており、停電やチャット安、仕入れ価格の上昇等の各種要因が明らかとなった。

*Learnt from: World Bank Firms Survey (September 19, 2022)*

#### **Trafigura's Puma Energy to exit Myanmar Business**

スイス資本の中下流部門の石油関連企業ピューマ・エナジーは、ミャンマー事業の売却について地元非公開企業と合意した。なお同社の株式は、トラフィグラ社が大部分を保有している。この取引は、年初に機関決定されたミャンマーからの撤退方針に沿うものだ。

*Learnt from: Reuter (October 6, 2022)*

#### **Toyota begins production in Myanmar after coup delay**

トヨタ自動車は、ティラワのミャンマー第一工場での操業を開始した。2021 年 2 月以降政変等の理由によりプロジェクトが停止されていた。

*Learnt from: Mizzima News (October 12, 2022)*

#### **Myanmar logs over US\$1.24 bln of FDI from 10 foreign counties in H1**

今年度のミャンマー国内への外国直接投資が半期(4 月から 9 月)で 12 億 4 千万米ドルに達したことが判明した。投資額のトップはシンガポールだ。

*Learnt from: Global New Light of Myanmar (October 25, 2022)*

## **Results from Myanmar Firm Monitoring**

### **Survey**



*View of Sunset in Yangon.*

The latest survey was administered between May 11, 2022 and June 9, 2022, covered a nationally representative sample of 500 firms. Firms continued operating in a challenging business environment, but few firms were considering closing. Partly due to seasonality, the average operating capacity of all firms declined in June 2022 but remained higher than in 2021. The share of firms reporting difficulty making repayments on loans and other business credits increased slightly to 15 percent, but remained lower than the 2021 average. However, the share of firms experiencing cash flow shortages continued to decline in June 2022. Despite operating in an uncertain business environment, very few firms consider permanent closure as an option, even if the current situation does not improve within the next three months. Firms' operational levels modestly declined, In June 2022, temporary closures fell to only 8 percent of firms. Both demand and supply constraints remained for firms. Of the firms still unable to operate at full capacity in the last completed month, about two-thirds reported that the reduction in sales was their most significant constraint. However supply-side constraints remained important, with about one-third of firms reporting power outages and the unavailability of intermediate inputs as major challenges. Across all firms, conflict escalation,

power outages, kyat volatility, and sales reduction were operational challenges in the last completed month, but there were variations across sectors. Conflict escalation was the biggest concern for agricultural firms, while power outages were more significant for service and manufacturing firms. Sales reduction and kyat volatility were the biggest challenges for retail and wholesale firms. Inflationary pressures continued to increase. In the three months to June 2022, 56 percent of firms reported an increase in prices, with their primary reason being the necessity to cover high intermediate and input prices. While only 27 percent of large firms increased prices, more than half of smaller firms did. As a result, the average price increase across all firms was 16 percent. Further increases could be expected in the near term, given increased input costs primarily due to the kyat depreciation. 44% of firms reported lower sales in June 2022 than the same period last year. Blackouts remained a concern for firm performance and operations. Power outages remained a critical issue for firms' operations. Half of the firms reported that these outages were disruptive to their business operations, with sectoral and regional differences. Roughly two-thirds of firms in the manufacturing and service sectors still experienced outages as disruptive to their operations. Firms in Yangon continued to experience more-disruptive power outages than firms in other regions- reflecting a concentration of firms in the manufacturing and service sectors in Yangon. 50% of the firms reported that power outages were disruptive to their business operations. 80% of firms have already managed to find a solution to recurring power outages. Business expectations remains slightly improved, but challenges persist. In June 2022, 75 percent of firms reported confidence about staying in business for the next month- reflecting a continued improvement since mid-2021. Despite optimistic expectations for the short term, only 18 percent of firms expect a recovery in the next six months to levels that existed before February-2021. Almost half of the surveyed firms

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expressed uncertainty as to whether if they can recover to their pre-February 2021 levels. This suggests that long-term uncertainty remains for firms' operations; nevertheless, they have better business expectations for the next three months. Only 7 percent of firms reported plans to invest and expand their business in 2022- half the number in March 2022.

*Learnt from: World Bank Firm Survey (September 19, 2022)*

### **Trafigura's Puma Energy to exit Myanmar Business**



*Puma Energy owns a stake in the Puma Energy Asia Sun Terminal.*

Puma Energy, a Swiss mid- and downstream oil company majority-owned by Trafigura, has agreed to divest its Myanmar business to a local private company. The deal follows a decision made by Puma Energy's board to fully exit Myanmar earlier this year. Financial terms of the deal were not disclosed. Under the deal, Puma Energy will sell its stake in Puma Energy Asia Sun (PEAS) and a minority stake in National Energy Puma Aviation Services (NEPAS). PEAS, which is a joint venture between Puma Energy and local company Asia Sun Energy (ASE), owns the petroleum products terminal at the Thilawa Port, southeast of Yangon. Following February 2021, Puma initially suspended its operations in the ASEAN country. Despite this, the firm resumed distribution to meet the civilians' needs. In March 2022, Puma Energy agreed to divest a significant part of its infrastructure and storage business to Impala Terminals Group. Puma Energy's downstream business segments include fuels,

lubricants, aviation, and bitumen, while its infrastructure business comprises a network of storage terminals with a capacity of 6.7 million cubic meters.

*Learnt from: Reuter (October 6, 2022)*

### **Toyota begins production in Myanmar after coup delay**



*A man walks past a motor parts and services shop with Toyota logo in Myanmar.*

Toyota has started operations at its first plant in Myanmar, a project suspended since February 2021 for reasons including political change. The world's top-selling automaker began its production at the new factory outside of Yangon, which was originally supposed to produce 2,500 Hilux pick-up trucks each year.

*Learnt from: Mizzima News (October 12, 2022)*

### **Myanmar logs over US\$1.24 bln of FDI from 10 foreign counties in H1**

Myanmar attracted over US\$1.24 bln billion of foreign direct investments from ten countries in the first half (April-September) of the current financial year 2022-2023. Among them, Singapore topped the FDI line-up. Between April and September of the current FY, the country received a capital of \$1.24 billion this FY from ten countries, including expansion of capital by the existing enterprises. Singapore is the top source of FDI this year with 13 Singapore-listed enterprises pumping FDI of \$1.095 billion into Myanmar. Hong Kong SAR stands as the second largest investor this year with an estimated capital of over \$70.239 million drawn from seven

projects and existing enterprises. China is ranked third in the investment line-up with more than \$60 million from 16 projects and existing enterprises. In October, Myanmar Investment Commission gave the go-ahead to the 13 enterprises in the power, manufacturing, agriculture, hotel and tourism, service and real estate sectors, with an estimated capital of \$198,017 million. Those enterprises are to create 5,685 jobs for residents. As of end-September 2022, Singapore, China and Thailand are placed in the first three ranks among the 52 foreign countries investing in Myanmar. Of the 12 investment sectors, the power sector constitutes 28.21 percent of overall investments.

*Learnt from: Global New Light of Myanmar (October 25, 2022)*