

What's Happening in Myanmar Market & Valuation

Vol. 76 - April 2023 -

Uniqlo owner joins clothiers existing Myanmar

日本のファーストリテイリングや英国の大手マークス&スペンサーなどの世界的衣料品小売業者が、ミャンマーでの外部委託生産を終了しようとしている。これは、人権と労働への懸念、およびオペレーション上の困難に基づくものだ。ユニクロのカジュアル ウェア チェーンの背後にある企業は、ユニクロの別ブランド・GU のジャケットとシャツを外部に生産委託していたが、委託関係は 2023 年秋冬シーズンの商品をもって終わると言われている。

Learnt from: Nikkei Asia News (March 30, 2023)

Heir of the land of Sedona Hotel declares not to transfer, mortgage and sell the land plot without his consent

セドナホテルが建つ土地には相続権が存在しており、相続人の同意なしに譲渡、抵当借入、売却などしないよう警告されている。セドナ ホテル ヤンゴンは、ケッペル コーポレーションが 5,740 万米ドルで売却すると報じられていた。

Learnt from: Eleven Media News (March 31, 2023)

Direct Investment in Myanmar by Hong Kong companies US\$ 170 million in 11 months

投資企業管理局 (DICA) によると、2022 年 4 月から 2023 年 2 月までの間に香港企業 12 社が行った外国直接投資額は 1 億 6,660 万米ドルだった。主な投資の分野は不動産開発、電力、繊維、衣料品の製造だという。

Learnt from: Myanmar Japon News (April 03, 2022)

New Bago Bridge constructed with Japanese ODA progress rate 76%

バゴー川に架かる新バゴー橋(第 3 タンリン橋)の建設工事の進捗率は 75.5% に達した。同橋はヤンゴンの中心部とティラワ経済特区 (SEZ) のあるタンリン・タウンシップを結んでいる。

Learnt from: Myanmar Japon News (April 05, 2023)

Uniqlo owner joins clothiers existing Myanmar



A garment factory in Yangon. Clothing brands have outsourced production to Myanmar, providing low-income jobs.

Global clothing retailers such as Japan's Fast Retailing and U.K giant Marks & Spencer are ending outsourced production in Myanmar, driven off by human rights and labor concerns as well as difficulties in conducting operations. Fast Retailing is the latest to exit Myanmar, removing partners in that country from its list of garment and processing factories. The company behind the Uniqlo casual wear chain had outsourced production of jackets and shirts for GU, another of its brands. But it is said that that relationship will end with products for the 2023 fall-winter season. The termination is expected to have limited impact on Fast Retailing, which has over 430 manufacturing partners worldwide in such countries as China and Vietnam. Ryohin Kekaku, the Japanese operator behind Muji household goods stores, also plans to end sourcing of down jackets and other items from Myanmar by August. Marks & Spencer announced last year it would exit by March, saying the company does not tolerate any human rights abuses within any part of our supply chain. Primark, an Irish fast fashion retailer also leaving Myanmar. Workplace conditions remain unaddressed under the current country's situation. The daily minimum wage for factory workers has stayed at 4,800 kyat (\$1.68 at market exchange rate) since 2019. Increasing power outages and logistics breakdowns also pose risks to management of product deliveries. Tighter fuel supplies, most of which are imported, area also

becoming an urgent issue. Withdrawing responsibly is a challenge for global companies. In late February, two factories that made clothes for Primark shut down abruptly, leaving 2,200 workers without a job. The majority of companies seek to stay in Myanmar and improve labor conditions to the extent possible. The European Union and the European Chamber of Commerce in Myanmar (EuroCham Myanmar) have formed a network promoting appropriate levels of employment and will create a framework for monitoring labor conditions. Clothing exports are growing amid the weaker kyat. The EU, Japan and the U.S. all recorded the highest imports from Myanmar last year- a combined \$4.7 billion-since the 2011 beginning of political reforms in the country. Fashion retailers such as Inditex, the Spanish player behind Zara, and Sweden's H&M continue to source from Myanmar. An H&M spokesperson said that in the current situation, we are very mindful of the fact that many people in Myanmar rely on international companies for their livelihood, and the company refrains from taking any immediate decision on future order placement in Myanmar.

Learnt from: Nikkei Asia News (March 30, 2023)

Heir of the land of Sedona Hotel declares not to transfer, mortgage and sell the land plot without his consent



Sedona Hotel.

The land on which the Sedona Hotel is built is the land that has the right of inheritance and is being warned not to transfer, mortgage or sell without the consent of the heirs. The owner of the land is

U Ye Win Aung and the land is the land to which he has the right to inherit. U Ye Win Aung owned the land plot No.15 and 16 located on Thukhawady Road, Yankin Township, Yangon Region, which has under the ownership name of Sooniran Rameshur. Among these lands, the land where Sedona Hotel was built is included. It was reported that Keppel Corporation will sell Sedona Hotel Yangon for US\$57.4 million. Keppel Corporation, the Singaporean government-backed conglomerate, is accelerating asset sales to bolster its environmental business. The company determined the value for the hotel that ceased operations due to the pandemic in the fiscal year ending December 2021. Keppel will sell its Myanmar hotel business to Spring Blossom Ventures. Spring Blossom Ventures is a Singapore-registered company with its initial business as an investment holding and venture capital firm in the hotel industry. The company's share sale is expected to be completed in the first six months of 2023. The company plans to continue operating the building as a hotel and are expecting a new hotel operator. The reopening time of the hotel has not yet been decided. Sedona Hotel Yangon opened in 1996. It is the first international hotel to open in Myanmar. In 2015, a new building was completed and the number of rooms increased to nearly 800.

Learnt from: Eleven Media News (March 31, 2023)

Direct investment in Myanmar by Hong Kong companies US\$170 million in 11 months

According to the Department of Investment and Company Administration (DICA), the amount of foreign direct investment made by 12 Hong Kong companies between April 2022 and February 2023 was 166.6 million US dollars. The main areas of investment were real estate development, electric power, textile and clothing manufacturing. In terms of direct investment in Myanmar, Singapore ranks first with US\$ 1.15 billion, followed by Hong Kong in second place. In third place was China with US\$ 113.49 million US dollars. Other investors

include Japan, South Korea, Taiwan, Belize, Thailand and the United Kingdom. Meanwhile, the Myanmar investment Commission (MIC) has approved a total of 73 foreign-funded projects with a total investment of US\$ 1.62 billion, which were applied by companies from eight countries.

Learnt from: Myanmar Japan News (April 03, 2023)

New Bago Bridge constructed with Japanese ODA progress rate 76%



The Bago Bridge.

The Ministry of construction/ Bridge Department announced the construction of the New Bago Bridge (3rd Thanlyin Bridge) over the Bago River, which runs between the center of Yangon, the largest city, and Thanlyin Township, where the Thilawa Special Economic Zone (SEZ) is located. The construction work has reached 75.5% progress. The total length of the bridge will be approximately 2,639 meters, and construction is expected to be completed in mid-2024.

Learnt from: Myanmar Japan News (April 05, 2023)