

What's Happening in Myanmar Market & Valuation

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Thai oil firm PTTEP may seek extension for Myanmar gas field

タイの石油・ガス大手 PTT エクスプロレーション・アンド・プロダクション(PTTEP)は、隣国ミャンマーのガス田 2 か所における契約を延長する可能性がある。現契約では 1 プロジェクトが 2028 年に、もう 1 つは約 20 年後に終了するが、ミャンマーでの事業は、ミャンマーでの電力消費量の約 50% 相当、タイの電力消費量の 20% 相当の電力を生産しており、エネルギー安全保障を維持することが目的だ。

Learnt from: Reuters (October 2, 2023)

Yangon's real estate market cools down

ヤンゴンでは、建設資材価格の高騰により不動産販売が低迷している。販売不振のため、ダゴン郡区では 8 月末から取引が一時停止されていると伝えられている。

Learnt from: Myanmar Japan News (November 2, 2023)

Myanmar's Yoma to restart Yangon project by year-end

ミャンマーのコングロマリットであるヨマグループがヤンゴンにおける複合開発プロジェクト(Yoma Central Project)の今年中の再開を計画している。ヨマ・ストラテジックに拠ればプロジェクトの再開は住宅棟からになるようだ。

Learnt from: Nikkei Asia News (November 16, 2023)

Why is Myanmar's new deep-sea port such hot property?

ミャンマー最西端のラカイン州にあるチャウピューの小さな漁村が、中国国営企業による 73 億米ドルを投じた深水港開発の拠点となっており、これに付随する 27 億米ドルの経済特別区も設置されている。中国企業には、50 年間の港湾賃借権の 70% の権利保有が認められているが、することを承認されているが、ミャンマー保有分 30% は 2023 年 GDP の 4% 以上にも相当する。

Learnt from: The Interpreter News (November 22, 2023)

Thai oil firm PTTEP may seek extension for Myanmar gas fields

Thai oil and gas giant PTT Exploration and Production (PTTEP) may extend its contracts for two gas fields in neighboring Myanmar when one ends in 2028 and the other in about 20 years. PTTEP also bid for two of three blocks on offer in Thailand and expects to produce gas from them in two years. Thailand is facing dwindling gas production at its Erawan field, which PTTEP took over from Chevron after the American oil major operated it for 40 years. The field, which in 2019 produced 1,200 million standard cubic feet per day (mmscfd) of gas, at handover produced between 250-300 mmscfd following delays to the transfer. It reached about 400 mmscfd in mid-2023, and PTTEP aims for it to reach 800 mmscfd in output by April next year. In Myanmar, PTTEP wants to extend its contracts for its two fields to maintain energy security, as its operations there produce the equivalent of about 50% of Myanmar's electricity consumption and 20% of Thailand's. Thailand currently needs to import liquefied natural gas (LNG) for roughly 40% of its consumption, which is about 4,000 mmscfd.

Learnt from: Reuters (October 2, 2023)

Yangon's real estate market cools down



A view of Yangon's residential area

In Yangon, Myanmar's largest city, real estate sales have slowed due to soaring prices for construction materials. According to real estate brokers, real estate prices have doubled compared to last year, and many people seem to

be signing rental contracts. Up until now, transactions in Yangon had centered on properties valued at less than 500 million kyats (approximately 35.8 million yen), but due to a lack of sales, transactions have been temporarily suspended in Dagon Township since the end of August.

Learnt from: Myanmar Japon News (November 2, 2023)

Myanmar's Yoma to restart Yangon project by year-end



When construction on Yoma Central began in 2017, completion was targeted for mid-2021.

Myanmar conglomerate Yoma Group is expected to resume construction of a mixed-use development in Yangon this year after work stopped following the 2021 military takeover of the government. It is reported that preparations to resume the Yoma Central project are proceeding as scheduled. Workers have been seen moving materials on the site in downtown Yangon, the country's commercial city. The project will feature four mixed-use buildings on a site measuring about 4 hectares. Yoma Group owns roughly 60% of the project, with Japan's Mitsubishi Corp. and Mitsubishi Estate also participating. Work will resume with residential towers, according to Yoma Strategic. Political uncertainty in Myanmar has complicated the business environment, and the outlook for office space remains cloudy. But with a limited stock of high-end housing in Yangon, the group expects demand to recover for apartments for short-term stays and as investment properties. When construction began in 2017, completion was targeted for mid-2021. Then came the political

and economic turmoil hindered the progress. Another project put on hold is construction of The Peninsula Yangon hotel on an adjacent site by Yoma Group and Hongkong and Shanghai Hotels. Investment in Myanmar has been flowing into real estate, seen by some as better store of value than the country's unstable currency, the kyat. Robust property sales have buoyed Yoma Strategic. The company's consolidated net loss narrowed to \$2.5 million for the six months ended September from \$8.5 million a year earlier.

Learnt from: Nikkei Asia News (November 16, 2023)

Why is Myanmar's new deep-sea port such hot property?



Vessels dock at the port of a Chinese-owned oil refinery plant on Made Island off Kyaukphyu, Rakhine State

In Myanmar's westernmost state of Rakhine, the small fishing village of Kyaukphyu has become the focus of a US\$7.3 billion deep-water port development by Chinese state-owned entities with an accompanying US\$2.7 billion special economic zone. Beijing's push to begin construction on the Kyaukphyu Port makes sense, considering it offers a land route for trade that avoids pirates and chokepoints along the Strait of Malacca and safeguards US\$1.5 billion in oil and gas pipelines running from Kyaukphyu to Yunnan. What concerns some is the potential influence China could wield over Myanmar as a result, and its majority ownership of a regional port with dual-use potential. Chinese firms have been given the green light on a 50-year lease over the port with 70% ownership, while Myanmar's 30% stake represents more than 4% of its 2023 GDP. The

nation's fortune rests on the success of the special economic zone, but if the government cannot stump up the funds, it could turn to China again for further funding. There is also the potential of Beijing translating this economic influence at some juncture into military use of the port. While contestable, this strategy doesn't seem beyond a power that has militarised artificial islands in disputed territories and was shown in the 2023 State of Southeast Asia report to be broadly distrusted in the region for its coercive behaviours. Port and resort development around the Cambodian province of Koh Kong offers a similar example. Koh Kong Port has been designed in a manner that supports the docking of Chinese naval destroyers, and questions have been raised about building a 6,000 guest capacity resort on an undeveloped Koh Rong island that lacks unique tourist attractions. Potential dual-use infrastructure could be supported by another Beijing-backed construction of a 2,650 metre-long runway at the nearby Dara Sakor airport, the same length as Chinese airstrips built on artificial islands in the South China Sea and more than is required for commercial cargo aircraft. Both developments hold great potential benefit for Cambodia but, as with Kyaukphyu, also represent the danger of deepening Chinese sway over regional nations and assets with dual-use potential. These developments in a region described as the "security gateway" to Australia, the geopolitical and strategic centre of the Indo-Pacific, and on which Australia relies for secure maritime trading routes is of concern. While talk of Chinese military use of regional port infrastructure is premature, risks certainly remain over expanding economic influence. Australia could potentially look for opportunities for its own deep-water port and infrastructure investment in Southeast Asia to counter Beijing's influence.

Learnt from: The Interpreter News (November 22, 2023)