

Myanmar

Challenges and Opportunities



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- 1. Introduction**
- 2. Politics**
- 3. Economy**
- 4. Tourism + Construction**
- 5. Q & A**

GBP is active in Asia since 1997 and has a network across Asia Pacific. We work on strategic and operational project management challenges with local know how and local know who.



The dramatic changes in Myanmar are unprecedented in the history of Asia and equal the system changes in Eastern Europe with Glasnost and Perestroika



Myanmar is suddenly on every agenda related to Asia and new market opportunities – Expectation Management is the key



Myanmar faces 'very difficult reforms'

Associated Press, 23.04.2012

In Birma erlebt man die Wende zum Besseren

Welt, 24.1.2012

„If you can find ways to invest in Myanmar, you will be very, very rich over the next 20, 30, 40 years!“

Jim Rogers, 21.02.2012

Asian Development Bank says Myanmar economy poised for boom

Associated Press, 11.04.2012

EU setzt Sanktionen aus

Süddeutsche, 20.4.2012

EU suspension of trade sanctions could help revive Myanmar's industries

Associated Press, 23.4.2012

Australia Removes Economic Sanctions on Myanmar

The Wall Street Journal, 16.4.2012

Top-Ökonomen Joseph Stiglitz - Schluss mit den Sanktionen gegen Myanmar

Ftd.de, 18.3.2012

Tauwetter in Myanmar -
Haushoher Wahlsieg für Freiheitskämpferin Suu Kyi

Ftd.de, 1.4.2012

Myanmars potential can only be achieved if reforms are sustainable and an attractive environment for FDI can be built

Challenges	Opportunities
<ul style="list-style-type: none"> • Average productivity of workers (1700 US\$) is 70pc lower than the average in ASEAN • Only 4 years of average schooling • Movement of 10 Mio people from rural areas to the city centers • Requirement of up to 650 billion US\$ in foreign direct investment (thereof 50pc in infrastructure related projects) 	<ul style="list-style-type: none"> • By 2030 the GDP of Myanmar could reach 200 billion U\$ (4 x GDP of 2012) • The consumer class could reach ca. 20 Mio people spending 100 billion US\$ p.a. (today around 35 billion over 2.5 Mio people) • 10 Mio new job opportunities in non-agricultural areas • Reaching out to 500 Mio plus consumers in neighboring markets



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“We are working hard to move from military rule to democracy, to end the multiple arms conflicts that have ridden this nation since independence in 1948, and to reform the economy away from a centralized economy to one based on free market,....I promise you that we will not waver in this task.”

President U Thein Sein

Myanmars reforms are one of the biggest surprises in Asia – welcomed and supported all around the world





Myanmar – Facts and Figures

- Borders with China, Thailand und India
- ca. 60 Mio people
- 85% Buddhist
- Per capita GDP of ca. 850 US\$
- Strategic importance of East West relations
- Rich in natural resources of oil and gas, minerals, teak, gold and others
- Reform process of unparalled speed
- Member of ASEAN



“You should never let your fears prevent you from doing what you know is right.”

Aung San Suu Kyi
*Burmese National
League for Democracy*



1. Introduction

2. Politics

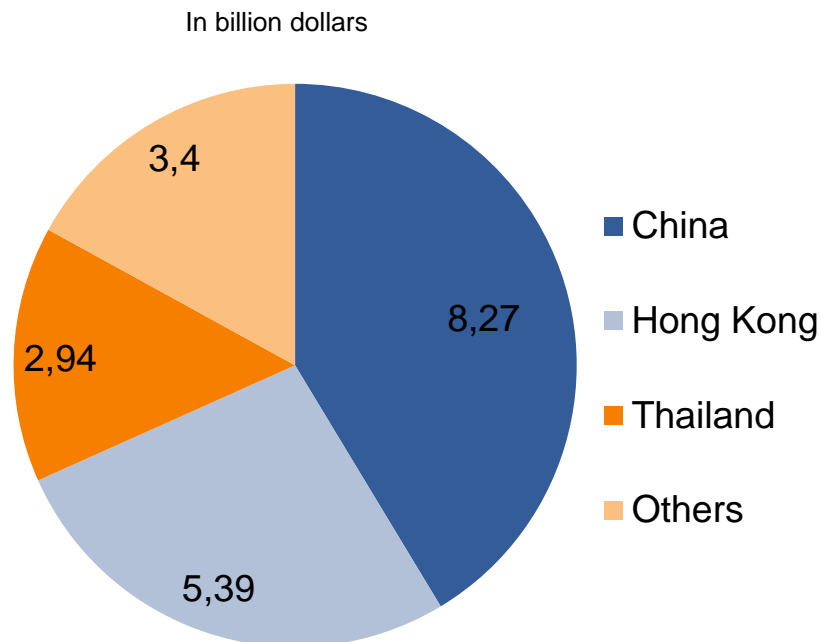
3. Economy

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Due to decades of sanctions European and American companies have to catch up now with the dominance of Asian neighbours, India and Russia who have stayed in Myanmar

FDI (2011) – by countries



Oil- and Gas is the most important sector



Myanmars needs time to fulfill all the (high) expectations – disappointments are for sure for local and international investors, shareholders and stakeholders alike ...

China's trans-Myanmar oil and gas pipelines

Pipeline's will bring 12 million tonnes of crude oil and 12 billion cubic metres of gas a year into China



Source: shwe.org

Reuters graphic/Catherine Trevethan

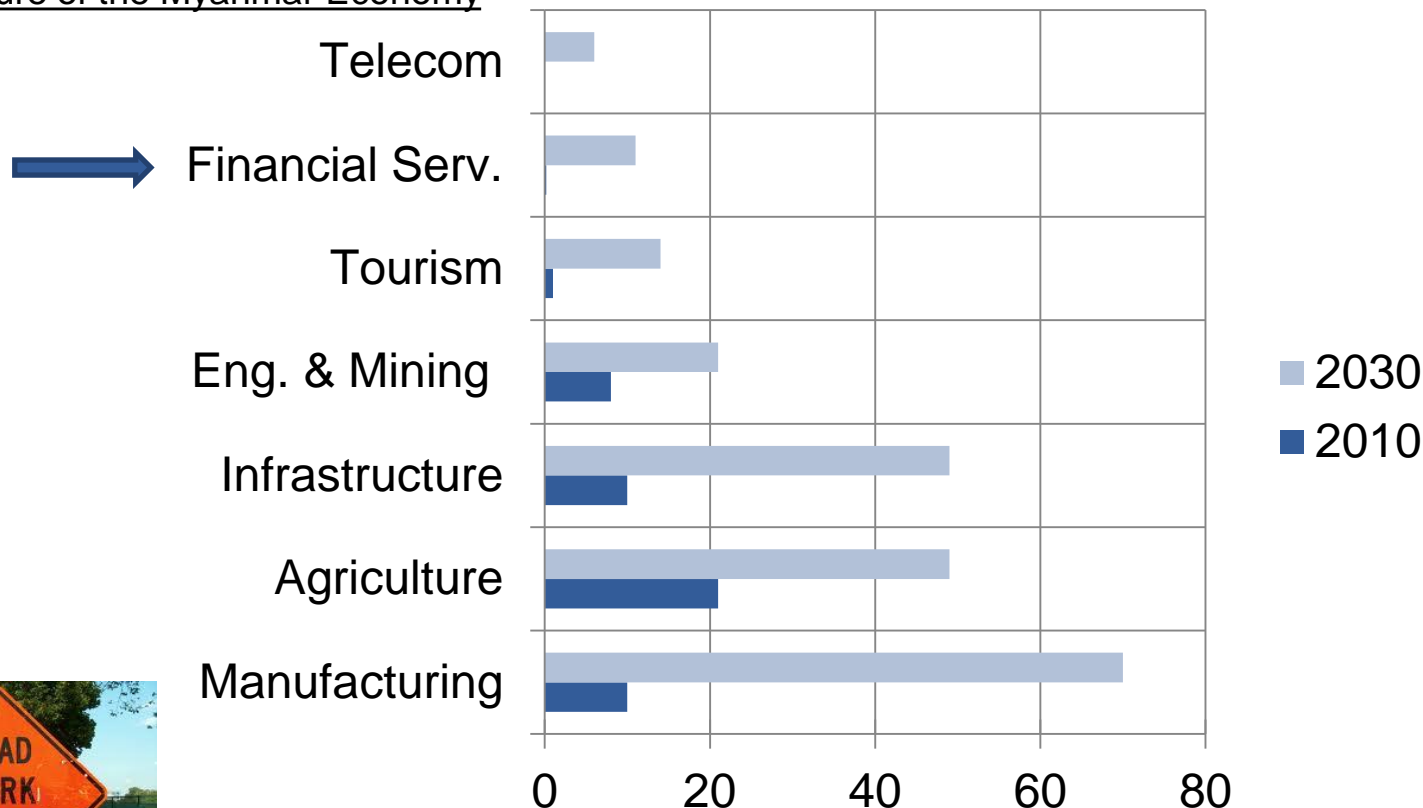
REUTERS

01/02/10

... but the potential is attractive if the necessary institutional reforms continue and investment flows into Myanmar will continue and increase over time

GDP should grow 8% p.a. – target at ca. 200 bn US\$ by 2030

Structure of the Myanmar Economy



Source – Data from OECD, World Bank, McKinsey 2013

GBP International has several mandates for securing international investments in Myanmar – Managing Expectations!

A P P O Construction Co., Ltd.

Aung Pyae Phyo Oo Construction Co., Ltd.
No.114, Than Chack Won U Myu Street,
Corner of U Yae Phaw Street,
Shwe Linban Industrial Zone, Hlaing Thayar Township,
Yangon, Myanmar



Project Financing

GBP International Sdn. Bhd.
19-9-6, Level 9, UOA Centre, 19, Jalan Pinang
50450 Kuala Lumpur, Malaysia
Tel.: +603 21628545

Email: info@gbp-international.com

URL: www.gbp-international.com

Southern Metal Industry Co., Ltd.

No.67 Depeyin Wunhtaut U Myei Road,
Industrial Zone (4), Hlaing Thar Yar,
Yangon, Myanmar

Project Financing

GBP International Sdn. Bhd.
19-9-6, Level 9, UOA Centre, 19, Jalan Pinang
50450 Kuala Lumpur, Malaysia
Tel.: +603 21628545

Email: info@gbp-international.com

URL: www.gbp-international.com



Sein Pyae Hlyan Aung Co., Ltd.

No. 110, Ahmoe Yaydwin Street,
Zaydan Qtr., Myeik, Tanintharyi Division,
Myanmar

Investment Opportunity

Timber Extraction & Palm Oil Plantation

12,000 hectare

GBP International Sdn. Bhd.
19-9-6, Level 9, UOA Centre, 19, Jalan Pinang
50450 Kuala Lumpur, Malaysia
Tel.: +603 21628545

Email: info@gbp-international.com

URL: www.gbp-international.com



Golden Crocodile Co., Ltd.

No. 45 (J), Thirimon Estate
Bayinnaung Quarter,
Mayangone Township,
Yangon, Myanmar

Investment Opportunity

Rubber Plantation

380 Acres

GBP International Sdn. Bhd.
19-9-6, Level 9, UOA Centre, 19, Jalan Pinang
50450 Kuala Lumpur, Malaysia
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The PEOPLE and PAGODAS of Myanmar are the biggest assets and attractions alike







Traditional Fishing at Lake Inle



Bagan – Air Ballon Ride

Hotels in Myanmar are getting windfall profits these days and new hotels are one of the drivers of construction works...

- There are currently 8'000 hotel rooms in Yangon and building hotels is one of the main drivers of the ongoing works in Myanmar, as over 300 hotels are estimated to be under construction today
- The number of rooms in Yangon is expected to increase by 37% per year by 2016 mainly driven by big international hotel chains from across the globe
- This shortage has pushed hotel room rates up 350% in 5 years and prices are expected to increase a further 25% in 2013. This doesn't seem to bother tourists whose number increased 54% in 2012 alone, many of whom are sleeping in the temples as hotel occupancy is 100% in the dry season

Demand for construction work is available throughout the country but often lacking financial backing

- The influx of expats and “returnees” (wealthy Burmese migrants returning to Myanmar) as well as the growing upper---middle class are driving the demand for new residential buildings and condominiums with international standards.
- Airports, Pipelines, Roads, Bridges, Railways, Power Plants, Shopping Centers, Industrial Zones etc will have to be built or upgraded with international support
- One of the problems of doing business in Myanmar is the very poor infrastructure, notably the lack of electricity and the very old road network. Much of the infrastructure still dates from the British era, which ended in 1948, and has only marginally evolved since then



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What will Myanmar look like in the year 2030 and beyond and what lessons about rapid development can be learned from the Asian Tiger Countries?



GBP INTERNATIONAL offers local support services

MYANMAR BUSINESS POOL (MBP)



Thank you for your attention

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