

# Foreign Direct Investments (FDIs) in Myanmar: 2018 Overview

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FDIs in Myanmar rose by close to 45 per cent to an estimated value of USD4 billion. This is the third consecutive year of increase in FDIs. Strong investments from the ASEAN region pushed this increase.

Key sectors with strong FDI growth are the extractive industry, manufacturing industry, services industry and infrastructure sector. We set out some notable FDIs in the respective industry sector below.

## Extractive Industry

Badamayar gas production project: A consortium led by Total (France) started the Badamayar gas production project in 2017 with partners that include Chevron-Unocal (United States), PTTEP (Thailand) and MOGE (Myanmar)	France, US, Thailand, Myanmar
Woodside (Australia): Expansion of offshore activities, which resulted in three natural gas discoveries	Australia
Ethos Energy (United States): Won an \$8 million contract to upgrade the Ywama power plant	US
Sahakol Equipment (Thailand): Awarded a contract to operate a \$100 million tin mine operation	Thailand
Siamgas and Petrochemicals (Thailand): Acquisition of a 30 per cent interest in a 230 MW power plant for \$48 million	Thailand
China Polymetallic Mining (China): M&A with Hua Xing Global (China) in relation to mining activities	China
NH-Amudi Asset Management (Republic of Korea): Acquisition of a gas upstream asset owned by Korea Gas Corporation (Republic of Korea)	Republic of Korea
Total (France): Commenced extraction of natural gas	France
Pacific Hunt Energy (Australia): undertook drilling and exploration projects with two local companies	Australia

## Manufacturing

FDIs increased in a wide range of manufacturing industries, including food and beverage, construction materials, automotive and garments.

<b>Food and Beverage:</b>	
Agrocorp International (Singapore): opened a rice production and export facility	Singapore
Acecook (Japan): opened a \$20 million noodle factory	Japan
Sahadharawat (Thailand): invested in a \$5 million metal packaging plant in the Thilawa Special Economic Zone (SEZ)	Thailand
Thai Beverage (Thailand): acquired a majority stake in a local distillery and a supply chain service company for \$742 million	Thailand

## Food and Beverage:

De Heus (Netherlands): opened its second feed plant in Myanmar	Netherlands
Trouw Nutrition (Netherlands): opened its first manufacturing unit, with an investment of \$6 million	Netherlands
Nestle (Switzerland): opened a factory at the end of 2018 to serve the local market	Switzerland

## Construction Materials:

Koryo Cable (Republic of Korea) made an \$8.2 million investment to build a cable manufacturing plant	Republic of Korea
Sahadharawat (Thailand) invested \$5.1 million to manufacture metal cans in Myanmar	Thailand
Soilbuild (Singapore) sets up a plant with an investment of \$13.9 million to produce steel products	Singapore
BASF (Germany) opened its first manufacturing plant in Myanmar, producing construction chemicals for the domestic market	Germany
Thailand Central Chemical (Japan–Thailand) opened a fertilizer processing plant	Japan, Thailand
Jotun (Norway), a chemical company, started the construction of a factory to manufacture paint products	Norway
Nippon Concrete Industries (Japan) and a local partner opened a \$5 million concrete manufacturing facility	Japan
Aju Group (Republic of Korea), a construction materials company, constructed a factory	Republic of Korea

## Automotive:

Nissan (Japan) and Tan Chong (Malaysia) opened a \$50 million vehicle assembly plant	Japan, Malaysia
Ford (United States) together with a local partner started assembling cars in a new facility with an initial investment of \$10 million	US

## Others:

Garments: FDIs dominated by Asian investors including Seduno Knitted from Hong Kong, Ceres Enterprise Ltd from Taiwan and AIT from China	Hong Kong, Taiwan, China
Unilever (Netherlands) formed a joint venture with EAC (Myanmar) in 2017 to manufacture, market and distribute home and personal care products in the country	Netherlands, Myanmar

## Services

**Logistics: There is an increase in demand for logistics services in Myanmar in the face of increase in both regional and global cross-border trade. International logistics companies have expanded into Myanmar.**

DHL (Germany) invested a further \$114 million to expand its supply chain business	Germany
Nittsu Logistics (Japan) completed construction of a logistics centre	Japan
Puma Energy (Singapore) opened a \$92 million petroleum products storage facility	Singapore

Yamato (Japan) expanded into Myanmar, offering warehousing, cross-border transport and freight forwarding services	Japan
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**Telecommunications: With increased usage and access to smart devices and the internet, there is an increase in Tech companies investing in Myanmar.**

Viettel Group (Vietnam) launched a 4G mobile network in Myanmar	Vietnam
Ride-hailing taxi companies such as Grab (Singapore) expanded into Myanmar.	Singapore
National Bank of Canada acquired a 22 per cent stake in Ongo (Myanmar), a mobile money service company	Canada

**Infrastructure**

JV between JFE Steel Corporation (Japan), Meranti Steel (Singapore), JFE Shoji Trade Corporation (Japan), Marubeni-Itochu Steel (Japan) and Hanwa (Japan), formed a joint venture: establish a \$85 million steel plant	Japan, Singapore
Punj Lloyd (Turkey): construction of the India–Myanmar–Thailand Trilateral Highway	Turkey
Soilbuild Construction (Singapore): carrying out civil and superstructure work with contract value of about USD4 million	Singapore
McDermott (United States) and Baker Hughes (United States): providing front-end engineering design for Posco Daewoo (Republic of Korea) offshore project in Myanmar	US, Republic of Korea
TTCL, a joint venture between ITD (Thailand) and Toyo Engineering Corporation (Japan): plans to invest over \$6 billion in the next few years to establish two coal-fired power plants	Thailand, Japan
LS Cable & System Asia (Republic of Korea) and Gaon Cable (Republic of Korea): invested in construction of a \$18 million power cable plant	Republic of Korea
A consortium comprising Oxley Holdings (Singapore), Sino Great Wall (China) and Min Dhama (Myanmar): awarded a \$2.5 billion contract by Myanmar Railways for the Yangon Central Railway Station Complex	Singapore, China
Sembcorp (Singapore): operating Myanmar’s largest gas-fired power plant (\$300 million) under a 22-year build-operate-transfer agreement	Singapore

The Myanmar government is taking steps to create a more conducive business environment and to attract further investments into the country. For instance, the Myanmar Investment Commission (MIC) has launched Myanmar Investment Promotion Plan 2018 (MIPP), which aims to attract more than \$200 billion through responsible and quality business over the next 20 years.

The Dentons Myanmar team is experienced in advising on and assisting with all forms of investment.

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