

# Business

## Singapore firms making inroads into Myanmar



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Looi Jo-anne

The Business Times

Wednesday, Mar 26, 2014

WHEN Singapore firm AKDA Architects first ventured into Myanmar more than two years ago, many were sceptical. Back then, Myanmar's first civilian government had barely taken office in a historical move towards democracy and the opening up of its market to the outside world was slow and fraught with uncertainties.

But it pressed on. Today, AKDA Architect is busy working on its first contract inked with one of Myanmar's largest corporations to provide architecture and interior design services for a Grade A office tower project in Yangon's prime district. The tower, to be named Asia World Tower, is slated to be the tallest building in the city upon completion in the next few years.

When asked about his experience dealing with Myanmar companies, AKDA's director Alvin Khaw said: "One of AKDA's major strengths lies in our environmental-friendly solutions to use land space optimally, which we impart to our Myanmar business partners. Our past experiences working with other emerging countries like Vietnam, taught us to be flexible and more importantly, to be humble, patient and ready to adapt to the local business culture."

**Jenmon International, a supplier of industrial crane systems, is another Singapore company that has set up a branch office in Myanmar about a year ago.**

**Said Mark Ong, Jenmon's chief executive, "The building and construction sector in Myanmar is definitely buzzing with activities. In line with the Singapore government's call for companies to grow overseas, and Myanmar being one of the developing countries nearer to home, it makes business sense for us to expand and establish our presence in that market to leverage on the vast business opportunities."**

AKDA and Jenmon are among a growing pool of Singapore companies making good progress in the building and construction sector in Myanmar. Touted as Asia's last frontier economy, Myanmar offers vast growth potential stemming from its strategic proximity to Asean, China and India, its resource-rich landscape, huge population base and low labour cost.

In particular, the key windows of opportunities come from the increasing urbanisation trend and tourist influx which are expected to increase sevenfold to 7.5 million tourists by 2020, based on data released by the Ministry of Hotels and Tourism. According to a 2012 study by the Asian Development Bank, Myanmar is expected to grow at an annual rate of 7-8 per cent to become a middle income nation, and eventually triple its per capita income by 2030 on the back of across-the-board reforms.

Driven by the soaring demand for space, property developers are spearheading construction projects to benefit from the country's severe demand-supply mismatch for quality residential, office, hotel and serviced apartment properties. A 2013 report by the McKinsey Global Institute projected a total investment of US\$650 million needed by 2030 to support the growth potential, of which US\$320 million is allocated for infrastructure development, mainly in residential and commercial real estate.

In a move to boost greater foreign investment, the recent passing of the new Foreign Investment Law and Special Economic Zone Law concerning foreign ownership and various incentives proved to be timely and drew optimism among investors keen on Myanmar's growth story.

International Enterprise (IE) Singapore has been instrumental in connecting the Singapore business community with Myanmar by providing companies with insights on new business opportunities, and access to potential partners. It officially opened its Yangon Overseas Centre last year to promote closer economic cooperation between both countries.

Ng Cheong Yew, IE Singapore's Centre Director for Yangon, said: "Broad-based reforms and economic liberalisation by Myanmar's government has built a conducive business environment for foreign investors. Interest among Singapore companies has grown in recent years, with many today setting their sights on opportunities across a broad range of sectors not just in Yangon, but other regions as well.

"A priority for Myanmar is its long-term development. This creates a healthy pipeline of opportunities for Singapore companies to contribute in sectors such as industrial development and the building and construction industry. With increasing levels of international competition, Singapore companies should work together and provide a complete value chain of solutions in order to gain a competitive edge and first-mover advantage."

Another upcoming initiative supported by IE Singapore is BuildTechYangon2014 (BTY2014), which will be held in Myanmar Convention Centre, Yangon from May 22 to 24, 2014. To find out more, visit [www.btyangon.com/2014/](http://www.btyangon.com/2014/).