

## **Myanmar Country Report to ASEAN CONSTRUCTORS FEDERATION (ACF)**

### **1. COVID 19 Status**

Myanmar Government start announced precautions from March 2020.

First Wave was successfully under control with Lock Down and only six dead, but after border area near Bangladesh people secretly sneak in and start spread to whole Myanmar but hit hard to Yangon.

Up to 8th Dec statistic

(1) Test people. 1,330,092

(2) Positive 101,739

(3) Discharge. 80,726

(4) Dead. 2,151

Among ASEAN we are third largest effected after Indonesia & Philippine .

We are hoping to get vaccine from WHO & Donors group.

### **2. Economic Situation**

COVID start effect from March till now our economy was badly hit by Home Stay & Lock Down with closure of businesses.

Government is supporting and quarantine people with free of charge with treatment as well as meal, so Government also really depleted Country reserves.

Free ration to lowest level plus Ks 40,000 each families.

Due to home stay restriction Resturant and all food stall are allow to sell take away .Hotels are only allow guest stay at Hotel.

Labour intense business like Garment / All kind of Factories including Fisheries Markets & even Construction site have to close down. Permanent Labour are survive due to owner still pay full or half pay although no income.

Daily workers and Part Time staff are in most effective but turn into delivery staff for door to door delivery job were established.

Taxi can't find customers too.

Domestic Air line, Rail line ,Buses to Division also stop.

MCEF whole country all chapters are helping Government Building renovation turn into COVID Centre in Yangon Mandalay and Every Regional Capital. Donation to that renovation cost.

All our Business communities are tighten our belt till vaccine reach to Myanmar and strict rule to prevent measure are also implemented.

Recap our economic situation which widely effected but most business people quite optimistic with existing situations .

### **3. Building Material**

Most suppliers in Myanmar is use to it to stock piles most of the material from imports goods.

Shipping is still intact even COVID time so materials are still available to imports but some border with China Thailand & India sometime close due to conditions.

Over All construction materials available is in good shape.

Myanmar have a lots of Cement production but due to logistic cost very high to complete with Foreign Cement but for High Rise Contractor choose Foreign Cement.

Myanmar have to import all kind of Construction materials at least 90% including interior materials.

Exchange rate USD 1300 to increase 1340 today.

#### **4. Construction Issues ( Labour /Contract etc;)**

Government stay home order effected to our construction sector and Government Budget close end of September create ending Budget year and Drawdown system also big impact with difficulties.

MCEF Chairman & Executive members are try to convince Union & Regional Government by undertaken by MCEF to allow postpone of target date and drawdown Fund partially.

Labours difficulties are take care by our Construction Companies & Contractors not to loss job and get paid even without work.

Government & Ministry of Construction allow private company to develop all kind of Construction. Ministry of Construction stay as Administrator and Quality control by all kind of project invite through Tender System whoever win Tender freely allow to develop. PAE price also increase and announced and introduce Myanmar Building Standardization system.

MNBC 2020 enforced to use for all construction sites, projects (1 Nov 2020).

ILO encouraged OSH laws to apply in all businesses. MCEF participated for training.

#### **5. Investment Opportunities ( on going and future)**

MCEF is very optimistic about existing investment conditions and NLD win again with Landslide victory mean they will focus on business and promote look good to existing and future business.

Chinese group are holding majority in ever sector but now Chinese government restrictions on investment outside China became big vacuum for other investors. Japanese Government fully supports to Japan Companies and JICA & ADB Bank Funds also very active to create lucrative to Myanmar.

Infrastructure projects like Yangon Mandalay rail line upgrade and including rolling stocks as well as Yangon Circular line.

East West corridor Myanmar Thailand Laos Cambodia Vietnam connecting Highways project.

Dawei SEZ Investment. Power Generation by LNG combine cycle plant in Yangon. Myanmar business badly needed stable and uninterrupted power for existing and future business.

Myanmar Low cost housing & Affordable Housing Loan also Fund through Housing Bank ( CHID Bank ) provide 70% to end user for 15 -20 years with Home Mortgage scheme. That program helps a lot to our construction industry a big boost to grow. We believe that new government will focus on business in second term to boost Myanmar Economy so we feel very optimistic for very promising time to invest in following years.

Ongoing Government projects are ;

(1) 10,000 rooms project in Yangon. for Rental Housing for staff and low income people were share within our Construction Industry members.

(2) Affordable Housing scheme 2,000 rooms just completed but now using as Quarantine Centre for COVID.

(3) 3,000 Room Rental housing each in NayPyiTaw & Mandalay .

(4) Government budget for all 15 state & division to build Schools Hospitals Staff quarters that why Local contractors also get contract to create jobs in their area.

(5) Private Developement is very small percentage for the time being.

### Future Investment Opportunities

After NLD Government win the Election most European countries are approaching to invest and plan to follow Japanese investment & ADB IMF fund support infrastructure projects in Myanmar.

That why we are very optimistic for Future Investment Opportunities will be very bright with win win situation Myanmar & Investors.