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Thai Bev buys Myanmar distilleries Company Group

Singapore-listed Thai Beverage Public Company Limited (“**ThaiBev**”) has acquired 75% of Myanmar Distillery Company Group (“**MDC**”) and its related supply chain business for US$1 billion. ThaiBev financed the acquisition through internal cash flows and external borrowings. ThaiBev acquired the stake from four third-party vendors, including Texas-based private equity firm TPG Capital (“**TPG**”) which sold its 50% stake in MDC for US$494.4 million. TPG acquired its interest in MDC for US$150 million in December 2015. MDC is Myanmar’s largest spirits company and the producer of ‘Grand Royal’, the country’s leading whisky brand. It also makes a range of other whiskies and gin at its two distilling, blending and bottling facilities in Yangon and Mandalay. ThaiBev is the main spirits maker in Thailand, controlling more than 90% of the market and is working towards its vision of becoming the biggest beverage company in Southeast Asia by 2020. (Source: [*https://www.mmtimes.com/news/thai-bev-buys-myanmar-distilleries.html*](https://www.mmtimes.com/news/thai-bev-buys-myanmar-distilleries.html); 16 October 2017)

**MySQUAR to provide Wi-Fi and digital content services to Myanmar Railways**

[MySQUAR Limited](http://www.proactiveinvestors.co.uk/LON%3AMYSQ/MySQUAR-Limited/) (“**MySQUAR**”), the AIM-listed Myanmar-language social media, entertainment and payment platform has entered into a memorandum of understanding (“**MoU**”) to provide Wi-Fi and digital content services to state-owned Myanmar Railways.  Myanmar Railways intends to offer MySQUAR’s services free to travellers. MySQUAR  earn revenue through advertising and direct carrier billing from mobile games and streaming. Myanmar Railways will share in the profits. MySQUAR’s shares rose 11.1% to 2.25 on the announcement of the deal. According to MySQUAR chief executive Eric Schaer said “MySQUAR continues to actively seek strategic partnerships that build brand awareness and allow us to broaden our user base through new channels.” (Source: [*http://www.proactiveinvestors.co.uk/companies/news/185861/mysquar-jumps-as-it-links-up-with-myanmar-railways-to-provide-wifi-and-digital-content-services-on-trains-185861.html*](http://www.proactiveinvestors.co.uk/companies/news/185861/mysquar-jumps-as-it-links-up-with-myanmar-railways-to-provide-wifi-and-digital-content-services-on-trains-185861.html); 19 October 2017)

**Silver Shine Inter­national Co. Ltd. pharmaceutical company to open manufacturing facility in Shwe Pauk Kan Indus­trial Zone**

Local pharmaceutical company Silver Shine Inter­national Co. Ltd. (“**Silver Shine**”) has announced it plans to establish a new manu­facturing facility in the Shwe Pauk Kan Indus­trial Zone. Silver Shine was established in 1995, to produce ‘home remedies’ and over-the-counter (“**OTC**”) drugs.  The newly built plant will produce similar drugs, but Silver Shine is ready to ex­pand its product range in response to changing market de­mand.  The plant occupies a 45,000 square foot and cost US$8 million to develop. The Ministry of Indus­try has been granting li­censes to privately owned pharmaceutical factories in order to raise local pro­ductivity. (Source: [*https://www.mmbiztoday.com/articles/pharma-company-opens-new-plant-shwe-pauk-kan*](https://www.mmbiztoday.com/articles/pharma-company-opens-new-plant-shwe-pauk-kan)

**The Credera Group to establish U$100 million fund to invest in Myanmar green-field ventures**

Singaporean private equity firm, The Credera Group (“**Credera**”), has announced it intends to establish a U$100 million fund to invest in green-field ventures in the finance, manufacturing and consumer product sectors in Myanmar. According to Credera’s CEO, Mr. Gaurav Manghnani, Credera is currently in advanced negotiations with stakeholders from those sectors and close to completing formal investment agreements.  Despite there being over 250 microfinance institutions and banks in Myanmar, small and medium enterprises (“**SMEs**”) often face challenges in obtaining the funds required to expand owing to strict bank loan regulations and under-developed financial infrastructure. (Source: [*https://www.mmtimes.com/news/singapore-investors-channeling-private-equity-myanmar-smes.html*](https://www.mmtimes.com/news/singapore-investors-channeling-private-equity-myanmar-smes.html), 11 October 2017)

**JFE Steel to establish Myanmar high-grade sheet steel production facility**

Japan’s JFE Steel Corporation (“**JFE**”) has announced plans to establish a Myanmar manufacturing facility to produce high-grade sheet steel by 2020.  The steel produced will be used in construction. The facility is expected to have an annual capacity of approximately 180,000 tons. JFE will invest approximately 10 billion yen (or approximately US$88.4 million) in the project. JFE Steel and JFE Shoji - both subsidiaries of [JFE Holdings](https://asia.nikkei.com/Company/05G6HS-E) - will take a 50% stake in JFE Meranti Myanmar Holding Pte. Ltd, a company to be established before the end of 2017.  Marubeni-Itochu Steel Inc. and [Hanwa](https://asia.nikkei.com/Company/05J0LW-E) Co. Limited will each contribute 15% each. Meranti Steel Pte Limited (formerly Meranti Singapore) proposes to take the remaining 20%. The joint venture partners intend to incorporate a Myanmar subsidiary - JFE Meranti Myanmar Co., Ltd. – to operate the manufacturing facility as well as a local service center. Construction on the facility will begin in early 2018 at the Thilawa Special Economic Zone outside Yangon.  JFE anticipate that a local production facility will reduce lead times by approximately one-third, to just one month.  (Source: [*https://asia.nikkei.com/Business/Deals/JFE-Steel-to-build-Myanmar-sheet-factory-for-construction*](https://asia.nikkei.com/Business/Deals/JFE-Steel-to-build-Myanmar-sheet-factory-for-construction); 31 October 2017)

**Myanmar Investments International enters into the Myanmar tourism sector**

Myanmar Investments International Limited (“**MIL**”), the AIM-listed, Myanmar focused investment company, has announced it has entered into a joint-venture with two leading Myanmar tourism entrepreneurs, U Thet Lwin Toh and Daw Lwin Lwin Kyaw ( “**Myanmar Partners**”). Myanmar’s tourism sector is experiencing rapid growth with the number of foreign visitors increasing at a compound average growth rate of 24% from 2010 to 2016.  In 2016 Myanmar had approximately 2.9 million foreign visitors spending approximately US$2.2 billion. This expenditure is forecast to grow to US$4.5 billion by 2027. As such, tourism is of significant importance to Myanmar as a key export sector bringing in foreign currency as well as providing employment opportunities across the country. MIL’s new joint venture company (“**Myanmar Voyages**”) will acquire 60% of the existing travel agency business of Myanmar Voyage International Tourism Company Limited (“**MVI**”), which was founded by the Myanmar Partners in 1996. MVI focuses on inbound tourism, serving tourists from markets such as Spain, Scandinavia and Japan, as well as providing land excursion tour packages for cruise liners calling at ports in Myanmar. Myanmar Voyages will build on the platform that MVI provides and establish or acquire additional assets in the tourism sector including hotels, specialised tourist attractions and restaurants. Therefore, in addition to acquiring MVI, it is planned that Myanmar Voyages will also acquire from the Myanmar Partners a hotel management agreement to run the ‘Serenity Inle Resort’. Additionally, Myanmar Voyages will also acquire a 30% stake in the company which operates the “Mingalabar Balloon” in Kandawgyi Park, Yangon. This is a static helium balloon that provides panoramic views of Yangon for tourists and domestic visitors. This investment will be MIL’s fourth investment in Myanmar. The first three were in microfinance, telecommunications towers and a pharmaceutical, health and beauty retail franchise. All four of these investments are socially impactful investments bringing a wide range of benefits to the citizens of Myanmar. (Source: [*http://myanmarinvestments.com/wp-content/uploads/2017/10/PR-MVH-CContact-21-10-2017-v1.1.pdf*](http://myanmarinvestments.com/wp-content/uploads/2017/10/PR-MVH-CContact-21-10-2017-v1.1.pdf); 25 October 2017)

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