

Malaysia's SunCo eyes Myanmar market

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The city of Kuala Lumpur, Malaysia. The Malaysians are eyeing growth and investments in Myanmar. Photo - EPA

In a move to extend its presence in Southeast Asia, Malaysia's Sunway Construction Group (SunCo) is planning to expand its portfolio to include work in Myanmar and Indonesia, its managing director Mr Chung Soo Kiong told the media in Kuala Lumpur this week.

Mr Chung said his company will focus on developing infrastructure and other specialised buildings such as hospitals in Myanmar and its other overseas markets in a move to diversify.

"Currently, the jobs that we have in hand are solely focused on Peninsular Malaysia. So, as part of our geographical diversification, we aim to expand our operations in markets abroad," he was quoted as saying.

Mr Chung added that SunCo is now exploring potential joint ventures in Myanmar and Indonesia and in discussions with “long term strategic partners” in both markets.

SunCo, which provides civil infrastructure construction services, has a current order book of RM6.8 billion (K2.3 trillion), which offers earnings visibility for the next three years. Its ongoing projects include construction of the RM212 million Sungai Buloh-Serdang-Putrajaya MRT line in Selangor and phases 1 and 2 for the foundation and substructure of the Persiaran KLCC mixed development, worth around RM526 million.

This year, Mr Chung expects SunCo to clinch new orders worth up to RM2 billion. The new projects could include the East Coast Rail Link, linking Port Klang on the Straits of Malacca to the states of Kelantan, Terengganu and Pahang on the east coast of Malaysia as well as the Kuala Lumpur-Singapore high-speed rail project.

SunCo is listed in Kuala Lumpur and controlled by the Sunway Group, one of Malaysia’s largest conglomerates. Shares of SunCo closed Thursday at RM2.60 each, giving it a market value of RM3.4 billion.

Seeking FDI

Myanmar is currently seeking more foreign direct investment (FDI) inflows from Malaysia to help develop its energy and palm oil industries. In an interview with the Malaysian media published Thursday, former Myanmar Deputy Finance Minister Dr Maung Maung Thein urged Malaysian companies to take advantage of Myanmar’s land and labour to develop oil palm plantations. Myanmar has over 10 million hectares of arable land.

Last year, Malaysian palm oil and palm product exports to Myanmar stood at 133,958 tonnes, which was down by more than 30 percent from the previous year.

Some of the largest Malaysian corporations in Myanmar are national oil company Petronas, which is a partner in a joint venture with interests in the Yetagun Gas Project in the Andaman Sea and the Tanintharyi Pipeline - a cross-border pipeline transporting gas from the Yetagun gasfield to Thailand.

Other prominent Malaysian investors include Malaysian automobile manufacturer and distributor Tan Chong Motor Group, which assembles and distributes Nissan cars, hospital provider IHH Healthcare, the Old Town White Coffee café franchise and bottling plant Kian Joo Can Factory, which operates a plant in the Thilawa Special Economic Zone.

Between April 1 and December 31 last year, the Myanmar Investment Commission approved \$21.4 million in FDI from Malaysia, which is equivalent to total approved FDI during the 2016-17 fiscal year.