



As Myanmar's infrastructure sector is rapidly expanding, the opportunities for the private sector appear bright while some key challenges must be taken into account.

Through its 2nd Myanmar Business Forum, KPMG provided an in-depth discussion on the infrastructure developments in Myanmar and how the private sector can be involved. The forum attracted C-level executives from various businesses in the country.

As one of the leading global infrastructure advisors, KPMG is able to bring valuable insights to both the Myanmar government and private sector in developing this sector, which in turn will make a major contribution towards strengthening the competitiveness and economic growth of the country.

The Global Infrastructure Challenge is huge and complex. The expected price tag is \$40 trillion¹ by 2030, with Asia's share being \$16 trillion². The importance of responding to this challenge is underlined by the very high correlation between a country's competitiveness and the quality of its infrastructure.

In a recent report, Myanmar was ranked 139 out of 148 countries for its competitiveness, with its infrastructure quality ranked at 141³. The amount of infrastructure investment required by 2030 in Myanmar alone has recently been estimated at around \$130 billion⁴.

This investment is required across all forms of infrastructure including roads, power, and telecommunications. Major parallel themes include the need for cities to plan to cope with urbanisation and effectively fulfilling their roles as economic centres, coupled with the requirement to build infrastructure throughout the country to support its industrialisation and allow for an equitable distribution of wealth across its population of around 60 million.

For Myanmar's public sector facing challenges in its early stages of infrastructure development, this is a major task which will require strong support from, and close collaboration with, the private sector.

The key short term focus must be to create an enabling environment to support infrastructure investment by developing the institutions and public sector capacity to plan and deliver necessary infrastructure, developing Myanmar's banking and regulatory systems, creating funding capacity and ensuring the legal frameworks provide for contractual enforceability.

The value that international players can bring, in terms of innovation, operational expertise, human resources and financial capital, is significant. It will be important for these players to have comfort that they will not be unfairly disadvantaged compared with domestic players.

For the private sector, the preparedness to make a long term commitment to Myanmar, and to constructively engage with the public sector to assist in establishing the necessary investment environment, and in subsequently developing the projects themselves, will be key.



"The private sector has a major role to play in developing Myanmar's infrastructure through making long term commitments and constructively engaging with government at a number of levels."

Julian Vella

ASPAC Regional Head –
Global Infrastructure, KPMG

"Taking bold steps will help Myanmar's infrastructure move forward."

Khin Maung Win

Chairman,
Myan Shwe Pyi Tractors Limited



"We need to be patient, and understand both sides, in order to develop Myanmar's infrastructure."

Zeya Thura Mon

Managing Director, Royal GK Pte. Ltd.
and Chief Executive Officer, Zeya &
Associates Co. Ltd.



"Myanmar has come a long way in a short period of time. We shouldn't forget that."

Ken Tun

Chief Executive Officer,
Parami Energy



"You must have a long strategic investment timeframe for investing in Myanmar."

Andrew Lee

Chief Country Representative,
General Electric Myanmar



¹ Cohen & Steers Global Infrastructure 2009

² Cohen & Steers Global Infrastructure 2009

³ World Economic Forum, Global Competitiveness Report 2013-2014

⁴ McKinsey Global Institute, Myanmar's moment: "Unique opportunities, major challenges" June 2013. Excludes residential and commercial real estate.