

Philippine Conglomerate Ayala Doubles Down On Myanmar Through Yoma Strategic

Two of Southeast Asia's most prominent business families have announced a new partnership. Philippines' oldest and largest conglomerate Ayala corporation has bought a 20% stake in Singapore-listed Yoma Strategic Holdings (YSH), and 20% of Yangon-listed First Myanmar Investment (FMI), both led by tycoon Serge Pun. The \$238 million investment makes Ayala the second-largest shareholder in the group, according to YSH, and is the largest foreign direct investment made by a Philippine company into Myanmar.

The Ayala group is chaired by Jaime Augusto Zobel de Ayala, who ranks No. 5 on the Philippines rich list with a \$3.7 billion net worth, while Pun is ranked No. 35 on the Singapore rich list and is worth \$800 million. Pun holds the title of executive chairman in both YSH and FMI.

The acquisition comes as YSH reported a net loss of \$44 million, the second quarterly decline this year, and revenue fell 25% from a year ago. YSH shares, which were down 3% year-to-date, jumped nearly 14% on the news. FMI prices have remained relatively unchanged for the past year, and closed unchanged at 11,000 kyat on Nov. 13. "This partnership reflects Ayala's faith in the future of Myanmar and validates the Yoma Group's business model in the country," said Pun in a YSH press release.

Investment sentiment into Myanmar has been weak following the escalation of the Rohingya crisis in 2017. The deal signifies a bullish bet by Ayala on emerging middle-class demand where GDP is growing above 6% annually, among the fastest pace in Southeast Asia. "Myanmar in 30, 50 years' time, I have no doubt will be much stronger, much wealthier, and much more advanced," said Melyvn Pun, CEO of Yoma Strategic and the son of Serge Pun, in a recent *Forbes Asia* [interview](#). Foreign investment has of late been on the upswing, with the number of Myanmar's FDI approvals reaching about \$1.5 billion between October 2018 and January 2019, compared with \$823 million over the same period the year before, according to ADB data.

"Our partnership with the Yoma Group gives Ayala a unique opportunity to participate in Myanmar's growth story," said Ayala in the Yoma press release. This is not the first time the two leading southeast Asian families worked together. In October, Ayala's energy subsidiary and Yoma announced a joint venture to develop renewable energy projects in Myanmar.

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