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UOB finances new power plant in Yangon

Bank continues its support of long-term strategic investments in Myanmar

Singapore, 20 April 2015 – As part of its commitment to drive long-term strategic investments into Myanmar, United Overseas Bank (UOB) today announced a financing agreement with Singapore-based company Royal GK Private Limited to help meet Myanmar’s rising demand for energy.

Royal GK, an engineering procurement and construction company, was commissioned by the Myanmar Central Power Co (MCPC) to procure gas engines for the construction of a gas-fired electricity power plant in Hlawga, Yangon. MCPC has an agreement with the Ministry of Electric Power to own and operate the power plant.

The Myanmar government has identified investment in the power sector as a priority¹ to meet the rising demand for reliable sources of energy for households and businesses. According to the Asian Development Bank, only a quarter of Myanmar’s population of 51 million people currently has access to electricity.

Mr Ian Wong, Managing Director and Head, Group Strategy and International Management, UOB, said UOB’s business approach for Myanmar is to partner its clients in investing in industries that the country deems necessary to support its long-term economic growth.

“As Myanmar has prioritised the provision of power in the creation of new industries and job opportunities for the country, we are keen to finance companies such as Royal GK to help support the infrastructural needs of the country’s economic transformation,” he said.

The power plant is expected to start producing 175,000 MWh of electricity per year when it is completed in June this year.

¹ Source: The Framework for Economic and Social Reform, Myanmar Planning Commission, December 2012

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Mr Zeya Mon, Director, Royal GK, said, “We are delighted to expand our operations here in Myanmar and to help serve the country’s increasing demand for electricity. This is a significant milestone for us and UOB has been instrumental to this project by supporting us with funding from Singapore.”

The signing of the financing agreement with Royal GK is one of many companies that UOB has financed to provide electricity to Myanmar. Last year, UOB financed Singapore-based Asiatech Energy in building a combined cycle gas-fired power plant in Mon State, Myanmar. The Bank has also partnered US-based APR Energy, a global leader in power solutions, in their construction of a 100 MW power plant in the Mandalay region of Myanmar. The APR Energy contract was the first power generation agreement signed by a US-based company with the government of Myanmar since the lifting of sanctions in 2013.

UOB is one of nine foreign banks to receive a Foreign Bank License from the Central Bank of Myanmar in October last year.

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About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Western Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world’s top banks: AA1 by Moody’s and AA- by Standard & Poor’s and Fitch Ratings respectively.

In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and the Philippines, as well as branches and representative offices.

UOB plays an active role in the community, focusing on the arts, education and children. It has, over more than three decades, held the longest-running art competition in Singapore, the UOB Painting of the Year, which has since been extended across Southeast Asia. In recognition of its contributions to the arts, UOB was conferred the Singapore National Arts Council’s Distinguished Patron of the Arts Award for the tenth consecutive year in 2014. UOB also encourages its employees across the region to be involved in its regular volunteer activities. This includes the annual UOB Heartbeat Run which is held in China, Indonesia, Malaysia, Singapore and Thailand.

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