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New bridge to resolve Thilawa's transport nightmare

New bridge to resolve Thilawa's transport nightmare

Thompson Chau 02 Apr 2018

New bridge to resolve Thilawa's transport nightmare | The Myanmar Times



Manufacturers have long complained that the existing transport infrastructure is totally insufficient for the SEZ to take off. Photo: Aung Htay Hlaing New bridge to resolve Thilawa's transport nightmare

The new Bago River bridge will become operational in 2021.

INVESTORS in Thilawa Special Economic Zone (SEZ) and Thanlyin residents now see the light at the end of the long tunnel, as a new bridge connecting the area with Yangon is scheduled to complete within four years.

The new Bago River bridge, expected to become operational in 2021, will be built next to the existing Thanlyin bridge, connecting Thaketa and Thanlyin townships. With four lanes in total (two lanes each way), it will be a steel cable-stayed, PC box girder and steel box girder bridge.

The Ministry of Construction will decide whether there will be any toll road charges. It has invited tenders for the project. Construction of the bridge will be financed by JICA loan reserved for the Myanmar government. The loan amount involves about 31 billion Japan yen, with a 10-year grace period and repayment period of 40 years at an interest rate of 0.01 percent per annum.

Road connectivity between Thilawa SEZ and Yangon is extremely limited. Traffic is usually appalling and the two-lane Thanlyin bridge in particular causes severe disruption on logistics and transport. It is apparent that the existing bridge does not have the capacity for the SEZ, even when most manufacturing plants have yet to operate in full capacity.

"The existing Thanlyin bridge is only two lanes [one lane each way] and has limited load bearing, and is becoming one of the traffic bottleneck for logistic and transportation to or from Thilawa," JICA Myanmar said.

For Myanmar Japan Thilawa Development Ltd (MJTD), the developer of the SEZ, the new bridge will increase investor confidence and commercial activities.



Tomoyasu Shimizu, MJTD president, told *The Myanmar Times* that the improved connectivity will both benefit existing businesses and their employees in the zone and give communities in the area better access to Yangon.

"The bridge will be a major development for Thilawa SEZ, Myanmar's model special economic zone, and certainly improve the region's long-term investment and economic prospects," he added.

Along with power supply, manufacturers have long complained that the existing transport infrastructure is totally insufficient for the SEZ to take off. Last year, Kian Joo Group, the largest packaging business in ASEAN, who is building a packaging plant in Thilawa, told The Myanmar Times that road connectivity remains a major challenge.

New bridge to resolve Thilawa's transport nightmare | The Myanmar Times

"The road transportation system and infrastructure needs to be improved to enhance connectivity within Myanmar and to ensure manufacturers like us are able to deliver our goods to our customers or to the port without much hassle," Ooi Teck Huat, CFO of Kian Joo, said.

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The bridge will improve the infrastructure of Thilawa SEZ, improve logistics efficiency for the manufacturers, enhance mobility of workers and make life easier for residents living in Thanlyin and Kyauktan townships.

Existing bridge and infrastructure

In addition, the two-lane Thanlyin Bridge will be upgraded to four-lane and the revamp is slated for completion in May next year, Masayuki Karasawa from Japanese International Cooperation Agency (JICA) said in early March. Thanlyin Bridge, crossing the Bago river, consists of a single rail track in the middle with a one-lane road on each side. The infrastructure currently in place is a major difficulty for businesses because the bridge severely limits the mobility and hence increases the transport and logistics costs.

The Myanmar Times has contacted MJTD and JICA Myanmar for more information about the upgrade for the existing bridge, including operational arrangements.

Officials from JICA and Thilawa SEZ Management Committee (TSMC) said last month that infrastructure necessary for the zone, including roads, electricity, water supply and jetty, will be all ready by 2021.

Two 25MW dual fuel gas turbines were constructed in April 2017 in addition to a 50MW gas power plant built in March 2016. On top of the 33kV distribution line with a maximum capacity of 20MW already in service, a 230kV transmission line and substation was built in Thilawa last November and it will soon start supplying electricity.

Additional water will be supplied from the Lagunbyin water treatment plant located in South Dagon starting from next year, while the four-lane road leading to the SEZ is due to be expanded to 8.7km with a width of 3.5m each, according to MJTD and Masayuki Karasawa from Japanese International Cooperation Agency (JICA).

At the same time, US\$65 million bulk terminal is being developed near the SEZ and will be among the first providers of bulk cargo handling for the country, with a capacity of more than one million metric tonnes. The project is jointly led by Lluvia, a domestic agri-processing company and Japan-based Kamigumi through International Bulk Terminal (Thilawa) Co.

The port expansion, warehouse reforms, road extension and infrastructure upgrade for Thilawa are expected to position the SEZ into a regional trans-shipment and logistics hub, capturing both maritime trade as well as the regional supply chain.

Notably, SEZ-based Daizen Myanmar has begun offering SEZ and bonded warehouse services to both local companies and international suppliers. Daizen is the first SEZ warehouse operator in Myanmar, which incorporates the characteristics of both free zone and promotion zone and is hence authorised to manage domestic and foreign cargo.

In terms of road freight, Myanmar International Freight Forwarders Association (MIFFA), Daizen and Malaysia-based Overland Total Logistic Services (OTL) launched a pilot project using semi-trailer swapping with bonded cargo. The trial halved the time needed for cargoes to reach the SEZ from Thailand compared to conventional methods.

This month, Japan's largest delivery business, Yamato Group, has started providing warehousing and freight forwarding services in the country, in order to capitalise on the supply chain integration.

With the new bridge, an upgraded Thanlyin bridge and much revamped road and power connectivity, the SEZ seeks to edge ahead other competitors to become the leading manufacturing and logistics hub across the region. Thilawa SEZ in southern Yangon is currently the only SEZ operating in Myanmar. The other two -- Kyaukphyu SEZ in Rakhine and Dawei SEZ in Tanintharyi -- are still at the planning stage.

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