



U.S.
COMMERCIAL
SERVICE
United States of America
Department of Commerce

U.S. Country Commercial Guides



Myanmar

2017

Table of Contents

<i>Doing Business in Myanmar</i> _____	6
Market Overview _____	6
Market Challenges _____	7
Market Opportunities _____	8
Market Entry Strategy _____	8
<i>Political and Economic Environment</i> _____	10
Political Environment _____	10
<i>Selling U.S. Products & Services</i> _____	11
Using an Agent to Sell U.S. Products and Services _____	11
Establishing an Office _____	11
Franchising _____	11
Direct Marketing _____	11
Joint Ventures/Licensing _____	12
Selling to the Government _____	12
Distribution & Sales Channels _____	12
Express Delivery _____	13
Selling Factors and Techniques _____	13
eCommerce _____	13
Trade Promotion and Advertising _____	13
Pricing _____	14
Sales Service/Customer Support _____	14
Protecting Intellectual Property _____	14
Due Diligence _____	16
Local Professional Services _____	16
Principle Business Associations _____	16
Limitations on Selling U.S. Products and Services _____	16
Web Resources _____	16
<i>Leading Sectors for U.S. Exports & Investments</i> _____	18
Aerospace and Defense _____	18
Agricultural Sector _____	21
Automotive _____	24
Construction and Design _____	27

Consumer Goods	31
Education	34
Energy	38
Environmental Technology	43
Franchising	46
Health Care	48
Mining and Minerals	52
Oil and Gas	55
Telecommunications and Broadcasting	59
Travel and Tourism	61
<i>Customs, Regulations & Standards</i>	<i>64</i>
Trade Barriers	64
Import Tariffs	64
Import Requirements and Documentation	65
U.S. Export Controls	65
Temporary Entry	65
Labeling/Marking Requirements	65
Prohibited & Restricted Imports	66
Customs Regulations	66
Standards for Trade	66
Trade Agreements	68
Licensing Requirements for Professional Services	69
Web Resources	69
<i>Investment Climate Statement</i>	<i>70</i>
Executive Summary	70
Openness To, and Restrictions Upon, Foreign Investment	72
Policies Toward Foreign Direct Investment	72
Limits on Foreign Control and Right to Private Ownership and Establishment	73
Other Investment Policy Reviews	74
Business Facilitation	74
Outward Investment	75
Bilateral Investment Agreements and Taxation Treaties	75
Legal Regime	76
Transparency of the Regulatory System	76
International Regulatory Considerations	76
Legal System and Judicial Independence	77

Laws and Regulations on Foreign Direct Investment _____	77
Competition and Anti-Trust Laws _____	78
Expropriation and Compensation _____	79
Dispute Settlement _____	79
Bankruptcy Regulations _____	80
Industrial Policies _____	80
Investment Incentives _____	80
Foreign Trade Zones/Free Ports/Trade Facilitation _____	81
Performance and Data Localization Requirements _____	81
Protection of Property Rights _____	81
Real Property _____	81
Intellectual Property Rights _____	82
Financial Sector _____	83
Capital Markets and Portfolio Investment _____	83
Money and Banking System _____	84
Foreign Exchange and Remittances _____	84
Sovereign Wealth Funds _____	86
State-Owned Enterprises _____	86
Privatization Program _____	86
Responsible Business Conduct _____	87
Corruption _____	87
Political and Security Environment _____	88
Labor Policies and Practices _____	89
OPIC and Other Investment Insurance Programs _____	91
Foreign Direct Investment and Foreign Portfolio Investment Statistics _____	91
Contact for More Information on the Investment Climate Statement _____	93
<i>Trade and Project Financing _____</i>	<i>94</i>
Methods of Payment _____	94
Banking Systems _____	94
Foreign Exchange Controls _____	95
U.S. Banks and Local Correspondent Banks _____	95
Project Financing _____	95
Financing Web Resources _____	97
<i>Business Travel _____</i>	<i>98</i>
Business Customs _____	98
Travel Advisory _____	98
Visa Requirements _____	98
Currency _____	99

Telecommunications/Electric	99
Transportation	99
Language	99
Health	99
Local Time, Business Hours, & Holidays	100
Temporary Entry of Materials and Personal Belongings	101
Travel Related Web Resources	101

INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2017. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

Doing Business in Myanmar

Market Overview

Myanmar is an exciting emerging market located in a critical and rapidly changing part of the world. The National League for Democracy (NLD)'s landslide victory in November 2015 election was a major step forward for Myanmar's political and economic future.

As a recently opened market, there are opportunities in various sectors. At the same time, the market currently presents multiple and complex challenges for U.S. companies. With the opening of the Commercial Service office in Yangon in August of 2014, there is a team on the ground that can help companies understand the market and succeed.

Myanmar or Burma – Which Name to Use?

Aung San Suu Kyi spoke to foreign diplomatic corps in April 2016 where she told diplomats that they could use either name to refer to the country, as the constitution does not mandate either name. However, she said the government will continue to use Myanmar and that name continues on all their official letters and documentation.

Since 2011, the Government of Myanmar has adopted, among other changes, budgetary and tax reforms, and financial sector regulatory changes with limited liberalization of trade and investment in order to integrate the country into the international economy.

There are five main reasons why American companies should consider exporting to Myanmar.

Right Time, Right Place

With a rich natural resources base, an estimated population of 51 million, a young labor force and prime geographic location – between India and China, and linked with the countries that make up the Association of South East Asian Nations (ASEAN) – Myanmar is the subject of great interest from the international business community. The enactment of a new Foreign Investment Law along with other economic reforms, the termination of U.S. economic sanctions, along with the previous lifting of EU and Australian sanctions (except for a ban on the sale of non-civil use military goods and services), have encouraged foreign companies to view Myanmar as a potential market.

Growing Economy Means More Opportunity for U.S. Products

Economic growth in Myanmar is expected to be 6.5 percent in 2016–2017 according to the World Bank. The pace of recovery in agriculture from the floods of 2015 was hampered by longstanding productivity constraints in the sector.

However, medium-term growth is currently projected to average 7.1 percent per year. Investment is an important factor to sustain economic growth. Thus, Myanmar has encouraged domestic and foreign investors to invest in various economic sectors through selective liberalization and incentives. Further details on the investment climate can be found in the 'Investment Climate Statement' section.

Great interest in partnering with American Companies

Given Myanmar's five decades of isolation, there is a need for a wide array of product and services across multiple sectors. U.S. products and services are viewed favorably by Burmese society and businesses large and small. In fact the Commercial Service office is approached on a regular basis by local companies actively seeking U.S. suppliers.

Viable projects

While there is a large amount of multilateral development underway, there is a growing number of privately financed projects that are seeking American inputs.

Fast-Mover Advantage

Myanmar's market presents U.S. companies with unique opportunities and potentially significant gains, but requires patience and persistence. Local knowledge gained by early movers could prove to be an invaluable competitive advantage. As the saying goes - if you wait for a perfect market, you will also face perfect competition.

Market Challenges

As a newly opened economy, Myanmar faces several market challenges and obstacles. For example, obtaining accurate and relevant market and financial data is onerous. Demand for well-educated and trained workers outstrips supply. Government staff can be overwhelmed due to the spike in interest from foreign governments, NGOs, and multinational businesses. Real-estate prices in Yangon have tripled, and infrastructure remains a barrier for growth. Forty percent of the road network is paved and 20 million people, half of the rural population, do not have access to all-weather roads. US\$120 billion will be needed by 2030 to build road, rail, bridges, airports and more, according to the Asian Development Bank. About 77 percent of the population has no access to financial services, according to consultancy Roland Berger. A large part of Myanmar's foreign investment is concentrated in the oil, gas, power, and telecom sectors, according to an analysis by the World Bank, with manufacturing accounting for less than 10 percent of the GDP.

Market challenges that Myanmar has begun to address, but needs to show further progress on, include:

- A legal and regulatory system that relies on practices and government discretion rather than written laws
- A small and inexperienced financial sector and shallow domestic capital market
- A weak educational system and unskilled work force
- An evolving economic policy
- Limited supply of electricity, outside major urban areas
- Moving money in and out of the country continues to be a challenge given U.S. banks reluctance to enter the market.
- Poor infrastructure including communications and transportation network
- There is no standard law on PPP (public-private partnership) between a public sector regulator and a private party, in which the private party provides a public service or project, and assumes substantial financial, technical and operational risk
- Weak intellectual property laws with limited implementation. The government is currently reviewing new intellectual property legislation
- Weak rule of law and property rights; the judiciary is not independent and lacks experience with commercial litigation and arbitration

Market Opportunities

With the lifting of U.S. sanctions and reinstatement of trade preference benefits, U.S. - Myanmar commercial relations will continue to grow.

As one of the least developed countries in Asia, Myanmar has market opportunities in nearly every sector, including infrastructure, transportation, telecommunications, tourism, hotels, agriculture, energy, healthcare, professional services, and franchising. Specifically, U.S. firms specializing in construction equipment, resource extraction, refining facilities, power generation, renewable energy, processed foods, auto parts, chemicals, computers, textiles, fertilizer, animal feed, and medical equipment will find export potential in Myanmar.

According to Boston Consulting Group, 10 million Burmese will achieve middle class status by 2020. The immediate consumer market for U.S. products is still somewhat limited due to higher price points. As incomes rise, demand for U.S. consumer goods is expected to grow in step. Most optimistic estimates project a quadrupling of Myanmar's GDP by 2030 during which the urban population is expected to double. Such dramatic growth is far from assured and assumes significant investment in upgrading the country's infrastructure. In the long term, domestic consumption in Myanmar will provide important business opportunities for U.S. firms.

Market Entry Strategy

U.S. business should consult with U.S. Commercial Service office at the Embassy or reputable business consultants and lawyers to determine the most appropriate

entry strategy for Myanmar. The Commercial Service in Yangon provides a series of solutions to business needs including: Initial Market Check (IMC), Gold Key Match-Making Service (GKS), Single Company Promotion (SCP), Business Facilitation Service (BFS), International Buyers Program (IBP), and Advocacy Services to assist U.S. firms. Also, a local partner is highly recommended. Despite the passage of a new Foreign Investment Law as well as other economic reforms, entering the Myanmar market is complex and requires local experience.

Political and Economic Environment

Political Environment

For background information on the political and economic environment of the country, please see the [U.S. Department of State's Background Notes webpage](#).

Selling U.S. Products & Services

Using an Agent to Sell U.S. Products and Services

The Embassy strongly advises U.S. businesses to consult with locally based professional service providers, including law firms (see Local Professional Services below), for conducting due diligence on potential agents or distributors. This is critical because Myanmar lacks the equivalent of a Better Business Bureau and there is very little publicly available information on local companies. The U.S. Commercial Service office can assist U.S. companies find appropriate agents and distributors in Myanmar for their American-made products.

Establishing an Office

The Foreign Investment Law passed in November 2012 allows foreign investors to establish private companies, branch offices, or representative offices in Myanmar. Foreign investment is restricted only in a small number of sectors, and foreign investors are free to negotiate their own capitalization requirements in a joint venture, subject to the approval of Myanmar Investment Commission (MIC). The Foreign Investment Law is administered by the MIC and includes:

- Certain tax benefits including a five-year corporate tax exemption
- Company equity transferable with permission of MIC
- Guaranteed protection against expropriation
- Guaranteed remittance of equity upon investment exit
- Guaranteed remittance of profits
- Permission to lease land up to 50 years (depending on type of enterprise) with two 10-year extensions possible

To set-up a Joint Venture Company or Foreign Branch/Representative Office companies, please visit to the [Directorate of Investment and Company Administration's \(DICA\) "How to Register Your Company" webpage](#).

Franchising

Myanmar is now welcoming foreign franchises from across the world. The legal framework for franchise agreements remains a work in progress. For more information on franchising, please see the Best Prospect Overview under the Leading Sectors for U.S. Exports & investments.

Direct Marketing

Direct marketing as a form of multi-level marketing exists in Myanmar. However, this sector is still fairly novel and small. The internet, with Facebook in particular, is a rapidly evolving and effective marketing platform for companies of all sizes.

Joint Ventures/Licensing

Foreign companies may enter joint ventures with Myanmar individuals, companies, or state-owned enterprises. Investment with 100% foreign ownership is permitted for most business activities. Foreign investments in a limited number of activities require a local partner; however, even in restricted sectors, foreign ownership of up to 80% is permitted in most cases. U.S. businesses should consult with locally based legal and business consulting firms to determine the specific rules and regulations that apply to their proposed investment or business activity.

Selling to the Government

U.S. firms can sell products and services to the Government of Myanmar, but there are certain restrictions under remaining sanctions, such as exports of arms to Myanmar under the International Traffic in Arms Regulations (ITAR). Further details can be seen on the [U.S. Department of the Treasury's Office of Foreign Assets Control \(OFAC\) website](#).

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (Asian Development Bank, World Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the Asian Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the [Commercial Liaison Offices to the Asian Development Bank](#) and the [World Bank](#).

Distribution & Sales Channels

Distribution networks in Myanmar are fragmented and unreliable outside metropolitan areas. This is changing with the entry of international general and specialized logistics services. Majority of the retail market is comprised of small and medium sized businesses.

Yangon is the major distribution center for goods imported by sea and air. Mandalay is the distribution hub for upper Myanmar, especially for goods imported by land from China and Thailand.

Yangon international port terminals handle approximately 90 percent of the country's legal imports and exports and 3 Inland Container Depots (ICD) has a combined capacity of more than 15,000 twenty-foot equivalent unit (TEU).

Today, the maritime cargo traffic of Yangon Port has climbed to more than 24 million tons per year. ICD 4 and 5 are under construction.

Express Delivery

Major international carriers including, FedEx, UPS and DHL have varying services available in Myanmar. Connectivity to the rest of Southeast Asia is improving dramatically every year.

Selling Factors and Techniques

Imported products are perceived as having much higher quality than locally-made products, a sentiment which largely stems from consumer experience with inferior quality products produced by government-run enterprises during the military regime. Moreover, small and local businesses generally have low standards of customer service, supply chain management, and professionalism when compared to international or even regional practices. Products of U.S. origin are considered high quality and are highly sought after though higher price points remain an impediment gaining market share.

eCommerce

Ecommerce may be a recent phenomenon but the industry is making good progress especially in retail sales, real estate and automobiles. Internet penetration is primarily driven via smart phones with close to 40 million users and growing access to mobile payment platforms. Social media networks like Facebook are being used as quick and cheap tools to market and sell retail products.

Trade Promotion and Advertising

Below is a partial list of web links to local newspapers, trade publications, trade promotion organizations, radio and television broadcasters, as well as contact information for a number of advertising and marketing companies. The U.S. Embassy in Yangon assumes no responsibility for the professional ability or integrity of the persons and companies whose names appear in the following list in alphabetical order.

Advertising and Marketing Contact Information

[7day Daily](#)

[E-Trade Myanmar](#)

[Latest Myanmar News](#)

[Ministry of Commerce of the Republic of the Union of Myanmar](#)

[Ministry of Foreign Affairs](#)

[Myanmar Business Network](#)

[Myanmar Business Today](#)

[Myanmar Insider](#)

[Myanmar Visa](#)

[The Myanmar Times](#)

[TODAY \(Pioneer Magazine on Tourism and Business in Myanmar\)](#)
[Union of Myanmar Federation of Chamber of Commerce and Industry](#)

For more information on advertising companies in Myanmar, please see the [American Chamber of Commerce's \(AmCham\) Myanmar website](#).

Pricing

The market is highly price sensitive; however, consumer expectations of quality continue to grow in step with their incomes. U.S. firms should take necessary steps to keep their prices down in order to compete better with Myanmar's neighboring trading partners.

Retail prices depend on fluctuating exchange rates and the irregular availability of consumer goods transported from China, Thailand, Singapore, and other regional centers. High real estate prices in urban areas and expensive transportation costs are impacting margins.

Sales Service/Customer Support

After sales service and customer service, though lagging behind the international standards, continues to improve in sectors which have foreign competition. U.S. firms have a competitive edge due to their reputation for quality products and post-sales service reliability.

Protecting Intellectual Property

Several general principles are important for effective management of intellectual property ("IP") rights in Myanmar. First, it is important to have an overall strategy to protect your IP. Second, IP may be protected differently in Myanmar than in the United States. Third, rights must be registered and enforced in Myanmar under local laws. For example, your U.S. trademark and patent registrations will not protect you in Myanmar. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works in accordance with international agreements.

Patents registrations are generally based on a first-to-file (or first-to-invent, depending on the country). Similarly, registering trademarks is based on a first-to-file (or first-to-use, depending on the country), so you should consider how to obtain patent and trademark protection before introducing your products or services to the Myanmar market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in Myanmar. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice

from local attorneys or IP consultants who are experts in Myanmar law. The [AmCham Myanmar's website](#) maintains a list of lawyers as well as other local service providers.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated.

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Projects and sales in Myanmar require constant attention.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Myanmar or U.S.-based. These include:

- [Biotechnology Innovation Organization \(BIO\)](#)
- [International Anti-Counterfeiting Coalition \(IACC\)](#)
- [International Intellectual Property Alliance \(IIPA\)](#)
- [International Trademark Association \(INTA\)](#)
- [National Association of Manufacturers \(NAM\)](#)
- [Pharmaceutical Research and Manufacturers of America \(PhRMA\)](#)
- [The Coalition against Counterfeiting and Piracy](#)
- [The U.S. Chamber of Commerce](#)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline at **1-866-999-HALT** or visit [STOPfakes.gov's website](#).
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the [U.S. Patent and Trademark Office \(USPTO\)](#) at **1-800-786-9199**.
- For more information about registering for copyright protection in the United States, contact the [U.S. Copyright Office](#) at **1-202-707-5959**.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the [“Resources” section of the STOPfakes’ website](#).

In any foreign market companies should consider several general principles for effective management of their intellectual property. For background on these principles please see the U.S. Department of Commerce’s articles on [Protecting Intellectual Property](#) and also [Corruption](#).

Due Diligence

U.S. companies are advised to utilize the services of local and international professional services companies which specialize in performing due diligence services because of a lack of readily available market and financial data related to potential partners.

Local Professional Services

In the past four years, many business consultancies and legal, accounting, and market research firms have opened in Yangon. [AMCHAM Myanmar’s website](#) lists local service providers by category.

Principle Business Associations

- [Association of Myanmar Architects \(AMA\)](#)
- [Myanmar Computer Federation \(MCF\)](#)
- [Myanmar Computer Industry Association](#)
- [Myanmar Computer Professionals Association \(MCPA\)](#)
- [Myanmar Construction Entrepreneurs Association \(MCEA\)](#)
- [Myanmar Engineering Society \(MES\)](#)
- [Myanmar Fisheries Federation](#)
- [Myanmar Garment Manufacturers Association](#)
- [Myanmar Industries Association](#)
- [Myanmar Medical Association \(MMA\)](#)
- [Myanmar Pharmaceuticals & Medical Equipment Entrepreneurs Association](#)
- [Myanmar Pulses, Beans & Sesame seeds Merchants Association](#)
- [Myanmar Rice Federation \(MRF\)](#)
- [Myanmar Women Entrepreneurs’ Association](#)
- [Union of Myanmar Travel Association \(UMTA\)](#)

Limitations on Selling U.S. Products and Services

There are no specific limitations by the Government of Myanmar on selling U.S. products and services.

Web Resources

The following websites have sector-based information to assist you with your due diligence:

[Directorate of Investment and Company Administration \(DICA\)](#)

[Ministry of Education](#)

[Ministry of Electricity and Energy \(Electricity\)](#)

[Ministry of Electricity and Energy \(Energy\)](#)

[Ministry of Health and Sports](#)

[Ministry of Hotels and Tourism](#)

[Ministry of Natural Resources and Environmental Conservation \(Forest and Environmental Conservation\)](#)

[Ministry of Natural Resources and Environmental Conservation \(Mining\)](#)

[Ministry of Planning and Finance](#)

[Ministry of Transport and Communication](#)

[Yangon City Development Committee \(YCDC\)](#)

Leading Sectors for U.S. Exports & Investments

Aerospace and Defense

Overview

Myanmar has three international airports, 30 domestic airports and 36 dormant, altogether 69 airports. Air traffic on international and domestic flights is increasing rapidly. In order to accommodate increasing demand, airport infrastructure will need to be renovated. According to the Myanmar Department of Civil Aviation (DCA), the number of international air passengers rocketed between 2010 and 2016. In 2016, the number increased nearly to 6.65 million and by 2030, it is expected to rise to 30 million passengers. The number of domestic air passengers also increased from 1.2 million to 4.6 million between 2010 and 2015.

According to the one-year journey of Ministry of Transport and Communications summary, 48 agreements were made to spread the airport wings for international flights, as well as framework agreements between Cambodia, Laos, Myanmar and Vietnam were also made. What's more, the flight agreements between Myanmar and Bhutan, between Myanmar and Netherlands and draft agreement between Myanmar and Indonesia were made. The country currently has 32 international flights and eleven domestic flights. Myanmar's flag carrier, Myanmar National Airlines- MNA was transformed into corporation. MNA now runs international and domestic flights, chartered flights and fixed base operations in order to earn more money.

The aviation market in Myanmar is competitive, especially among the local airlines. The private airlines own a small number of aircrafts. Currently, the market is oversaturated and preventing private airlines from achieving economies of scales and lowering cost. The GOM has invested US\$37 million for corporatizing, rebranding and expanding the services of the Myanmar National Airlines to make it more competitive internationally. The airline is expected to face heavy competition with foreign carriers in the market. The number of people traveling with planes has increased year on year but the growth in air travel still has not kept pace with the growth of the service providers. The country's aviation market might experience consolidation after several years of consistent growth. Myanmar's Department of Civil Aviation (DCA) intends to strengthen the aviation sector and its new strategic plan includes improving infrastructure, promoting the airline business and securing or updating air service agreements with international partners, including the United States. There are now 11 local licensed airlines in Myanmar. Myanma Airways International (MAI) is entirely an international operator.

The rebranded Myanma National Airlines (previously Myanma Airways) is working on restructuring, corporatizing and rebranding with AviaSolutions

which is the consulting branch of GE Capital Services (GECAS). In 2014, MNA ordered six new ATR 72-600 planes from ATR to support its domestic expansion. To facilitate its international expansion, MNA signed a US\$1 billion deal in 2014 with GECAS to lease 10 Boeing 737-800 planes, including six current generation aircraft and four 737 MAX 8s. Some planes have already been delivered to Myanmar and the rest of the deliveries will continue through 2020. MNA is exploring routes to Malaysia, China, Japan and South Korea. MNA is the largest domestic carrier in Myanmar which serves over 30 destinations with 18 aircrafts.

Thirty two foreign airlines serving Yangon covered 85% of the total international traffic in 2016 and accounted for about 80% of the share of Myanmar's international market in 2015. Thailand is currently the largest foreign share of the Myanmar aviation market followed by Singapore. Thai Airways/Thai Smile has the highest market share of 12% followed by Bangkok Airways with 11%, Thai Air Asia with 8%, Thai Nok Air with 6% and Malaysia Air Asia with 5.5%. These airlines have secured significant shares of the Myanmar international travel market mainly because of the connections from their hubs, ability to offer lower fares and brand recognition. As MNA plans to expand in North Asia, it is likely to experience the same uphill battle against Japanese, Korean, and Chinese air carriers which already serve Myanmar market. Singapore Airlines (SIA) Group currently has 62% share of the total seat capacity and 23 of the 40 weekly flights between Myanmar and Singapore are on SIA carriers, including nine flights offered by Silk Air, seven offered by Singapore Airlines and seven by Tiger Air.

Leading Sub-Sectors

Airport Infrastructure: One of the major objectives of DCA's strategic plan is to strengthen Myanmar's aviation infrastructure. Currently, Yangon International Airport is estimated to have the annual capacity of 2.7 million passengers. In 2014, the GOM contracted Pioneer Aerodrome Services for a US\$150 million upgrade on Yangon International Airport. The first phase of the project opened in March 2016.

The Ministry of Transport selected a consortium, comprised of Singapore's Yongnam Holdings, Changi Airport Planners and Engineers and Japan's JGC Corporation to build the airport located at a 9000-acre (3642-hectare) site in Bago Region, 850 kilometers from the center of Yangon. Hanthawaddy International Airport, set to be the largest airport in the country, will cost approximately \$1.1 billion to develop and will accommodate 12 million passengers per year in phase 1 and 30 million passengers per year in phase 2. The new airport is expected to be fully operational by the year 2022. For the NLD Government, Hanthawaddy is quiet far from Yangon so they planned to build an airport in southern Yangon Region. The first phase of Hanthawaddy, with capacity for 12 million passengers a year, costed about US\$1.4 billion in 2014. It is assumed that Hanthawaddy is the airport of the future that Yangon needs.

In 2014, 46 firms responded for the Request of Interest (ROI) for upgrading 30 domestic airports. Tenders for additional domestic airports will be launched to international and local firms phase by phase.

The Rakhine State government will invite tenders for the construction of an airport in Mrauk-U to avoid any delays which could happen if the government relied solely on state funds to build it, according to Mr. Kyaw Aye Thein, the state Planning and Finance Minister.

In order to implement all the planned airport infrastructure projects, DCA is strengthening its policies and drafting the Myanmar Airport Authority law. The law will regulate airport services and enable the privatization of airports. DCA also aims to strengthen the businesses of local carriers by developing better safety standards and quality of service. U.S. firms are invited to help develop standards, quality of general aviation and airport infrastructure in Myanmar.

Aircrafts and Parts: The total value of imports for civilian aircraft, engines, equipment and parts to Myanmar from the U.S. in 2012 was US\$25 million. In 2015, the value of imports increased to over US\$98 million which clearly shows that there is a strong demand for U.S. aircrafts and spare parts in Myanmar.

Opportunities

DCA has a strategic plan to further expanding the aviation sector with four objectives which are to pursue the liberalization of economic regulations in the aviation sector, to strengthen air linkages, to promote airline businesses and to improve infrastructure. Opportunities related to these areas are open to the U.S. firms.

Web Resources

[Department of Civil Aviation \(DCA\)](#)

[Ministry of Transportation and Communications \(MOTC\)](#)

[Myanmar National Airlines \(MNA\)](#)

Agricultural Sector

Overview

Agriculture is the second largest export commodity and the most important sector for the country's economy. Rice is the country's primary agricultural produce which is accounted for nearly 60% of the production value. In Myanmar, 70% of the country's population live in rural areas depending on farmland and forests as their livelihoods drives agriculture sector an important growth engine of rural development. World Bank estimates that the country's agriculture sector accounts for 38% of national GDP and 23% of exports. The sector also employs more than 60% of the workforce. In July 2016, the NLD government officially announced a 12-point economic plan targeted at developing a market-oriented economy. The government plans to strengthen farming production, enhance food security, increase exports and improve living standards of the rural population which depends on farming as their first and key source of income. The government is reforming the laws and policy governing the country's agriculture sector to meet the set targets under the economic plan.

Table 1: Myanmar Agricultural Production Data

Commodity	Year			
	2012-2013 (April – March)	2013-2014 (April- March)	2014-2015 (April- March)	2015-2016 (April- Sept)
Agricultural Products (US\$ Million)	2,636.9	2,674.9	2,923.5	1,367.6
Total Exports (US\$ Million)	8,977.0	11,204.0	12,523.7	5,611.0
% of agriculture export in total export	29.37	23.87	23.34	24.37

Source: Statistical Year Book (CSO)

According to the United States Department of Agriculture (USDA) Grain and Feed Report of 2017, Rice and corn production is forecast to increase in MY 2017/18 due to increased utilization of farm mechanization and higher yielding seeds. Rice exports are expected to rise to 1.4 million metric tons in MY 2016/17 in anticipation of stronger demand from China and the European Union. Wheat imports are expected to grow driven mostly by rising demand from the snack food sector. Rice production is forecast to increase to 12.2 million metric tons (MMT) in Marketing Year (MY) 2016/17 due primarily to the recovery of the main rice growing areas that were affected by major floods in 2015. Production is

expected to climb to 12.3 MMT in MY 2017/18 in anticipation of favorable weather conditions and increased use of machinery. Myanmar's rice exports are forecast to climb to 1.4 MMT in 2017 in anticipation of stronger demand from new EU markets and China. Corn production in Myanmar is expected to increase to 2.1 MMT in MY 2016/17 and 2.25 MMT in MY 2017/18 due to the expansion of rain fed corn growing areas. However, Myanmar's corn exports in MY 2016/17 and MY 2017/18 are likely to remain the same as border inspections along Myanmar and China are expected to hamper trade and demand is likely to remain flat. Wheat production in Myanmar is limited and demand is expected to be met with imports. Wheat imports are expected to expand to 380,000 MT in MY 2016/17 and 400,000 MT in MY 2017/18. Bean and pulse production in MY 2016/17 is expected to decrease as farmers switch to substitution crops resulting from lower prices. MY 2017/2018 production is forecast to rebound as higher prices and favorable weather is anticipated.

Myanmar's top agricultural exports include rice, maize, black gram, green gram, pigeon pea, chick pea, sesame, onion, tamarind, raw rubber, vegetables, and fruits. Myanmar's major import items in the agricultural sector are power tillers, hand tractors, fertilizers, pesticides, herbicides, diesel oil, dumpers, loaders and spare parts, water pumps, hydraulic excavators, gear box assembly for hand tractors, MS rod & mild steel, hybrid and quality seeds.

Myanmar does not yet have laws or regulations pertaining to Genetically Modified Organism (GMO) crops or seeds, which are currently imported without any restrictions.

Leading Sub-Sectors

Agricultural Machinery and Equipment: Myanmar could position itself in global supply chain market by moving up the production value chain and making finished goods with the help of advanced machinery and equipment. Currently, Myanmar depends on traditional manual labor and lacks the advanced technology needed to produce value added finished goods.

Developing agro-based industry is one of the top priorities for both the government and domestic members of the private sector. The GOM has consistently encouraged farm enterprises to move beyond exporting raw agricultural produces and produce high quality finished goods with the help of refineries, packaging facilities and advanced mills.

There is a market potential for the U.S. manufacturers of agricultural equipment and farm machinery. Machinery used in the assembly and manufacturing of light to heavy agricultural machinery, power tillers, walking tractors, water pumps, sprinklers, drip irrigation sets, transplanters, threshers, seeders, weeders, dryers and farm storage facilities are all in high demand.

Fertilizer: Myanmar has a very open competitive fertilizer market compare to other ASEAN countries. Fertilizer is one of the most imported items in this sector and imports about 80% of the chemical fertilizers from China and Thailand estimated at between 1.2 and 1.4 million product tons per annum. Myanmar produces domestically 15% of fertilizers and does not have a competitive advantage in fertilizer production at this time despite having natural gas as a resource for ammonia production. Organic farming is strongly encouraged by the GOM. However, due to the slow results of organic fertilizers, local farmers prefer chemical fertilizers which offer quicker results and opportunities to harvest.

American fertilizer companies could find opportunities to export to Myanmar as the demand for high quality fertilizer continues to rise. The GOM has set targets for higher agricultural output and the domestic dealers are constantly looking for higher quality fertilizer options than those currently being used.

Opportunities

The GOM encourages both local and foreign investors to consider investing in either a Joint Venture or a 100% investment in areas such as agro-based industries, assembling and manufacturing light agricultural machinery and small farm implements, manufacturing agricultural inputs and related support products. According to the Ministry of Commerce Notification No. 96/2015 dated November 11, 2015, foreigners can trade in products such as fertilizers, insemination seeds and pesticides as joint ventures with Myanmar citizens with no minimum share percentage for the local citizens. Other opportunities for the U.S. firms to consider investing are; agricultural equipment and machineries, fertilizers and crop protection chemicals production, contract farming, value-added production, packaging industry for local agricultural produce, warehouses and cold storages facilities, microfinance and trade finance services for farmers.

Contact Information

U.S. Commercial Service Myanmar
Ummay Aiman
Commercial Assistant
Email: Ummay.Aiman@trade.gov

Web Resources

[International Fertilizer Development Center \(IFDC\)](#)

[International Rice Research Institute \(IRRI\)](#)

[Myanmar Agribusiness Public Corporation \(MAPCO\)](#)

[Myanmar Rice Industry Association \(MRIA\)](#)

Automotive

Overview

Myanmar's automotive industry remains small and dominated by used vehicles. As such, the best prospects within the automotive industry are aftermarket replacement parts and accessories.

According to Myanmar's Road Transport Administration Department (RTAD), the total number of registered vehicles (passenger and private vehicles) in Myanmar is over 478,000 as of March 2015. This number has grown over 90% since 2012 when the vehicle import regulations were eased as a part of the recent reforms. Although the number of automobiles in the country is growing, the private passenger vehicle penetration rate is still low compare to other countries in the region. Traffic has driven on the right-hand side of the road since 1970, but cars with the driver's seat on either the left or right hand side are permitted, increasing the incidence of road accidents. Station wagons with the driver's seat on the right remain popular.

Table 2: Myanmar Registered Vehicles Data, March 2015

Type of Vehicle	Private Vehicle	Passenger Vehicle	Truck (Light)	Truck (Heavy)	Total
Number Registered	452,697	25,584	178,365	64,786	721,432

Source: Myanmar Road Transport Administration Department (RTAD)

More than 90% of private registered vehicles are used vehicles imported from Japan. Toyota is the most famous and bestselling brand in Myanmar due to its affordable price, availability of spare parts, and reliability. According to Myanmar Marketing Research and Development (MMRD) data, Toyota has over 65% market share of all passenger imports. There are 20 authorized automobile distributors in the country including Chevrolet, Ford, Toyota, Honda, BMW, Mercedes-Benz, Volkswagen, Nissan, Land-Rover, Mazda, Mitsubishi, Scania, Volvo, Hyundai, Kia, Tata, and Suzuki. They have showrooms in Yangon and Mandalay, run by local companies partnering with foreign manufacturers.

Vehicle importers experience challenges from the lack of stable policies to complicated importing and registration procedures, as well as traffic congestion. The Myanmar Automobile Policy has been drafted by Myanmar Automobile Manufacturers and Distributors Association (MAMADA) in coordination with the Myanmar Engineering Society (MES), the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and with other experts. The policy is intended to provide further input to the Automobile Law, which was approved by the parliament in September 2015. Despite the existence of the policy, more comprehensive regulations involving import rules, tax rates, details of registration procedures, and automobile assembly plants are necessary.

GOM intends to encourage the domestic auto manufacturing plants for the future, but currently the country relies on imports to meet 95% of its vehicle needs. Despite current challenges facing domestic manufacturers, auto manufacturing could be a promising industry in Myanmar in the future when the ASEAN Free Trade Area (AFTA) agreement is fully in existence, and Myanmar can more easily import vehicle parts from Thailand. Most vehicles are currently imported via sea and enter the country through the Yangon Port. Importing vehicles, spare parts, and equipment from Thailand and China over land through border checkpoints was previously allowed. GOM recently banned the importation of heavy machinery and vehicles via border routes due to the illegal importing of heavy machineries and vehicles especially for the mining areas in Kachin State.

According to RTAD, as of late of 2015, all imported vehicles weighing 1-ton or more must be manufactured in 2014 or later and be left-hand-drive (LHD), with the exception of the trade-in vehicles (clunker program) for models from 2006 and 2013. Due to the complaints from vehicle importers, especially the importers of mixed brands, the permit for the import of LHD vehicle is still pending.

Myanmar will offer good opportunities for countries manufacturing LHD vehicles in coming years when the regulations to import only new LHD vehicles are enforced. Vehicle importers in Myanmar are concerned about the quality of the vehicles, and are aware of the high quality of American vehicles. However the cost of vehicles from the U.S. may be higher and less affordable for the market, than those from the region.

Leading Sub-Sectors

Automobile Maintenance Services: Although the number of vehicles in the country is rapidly growing, the maintenance and repair services for automobiles are still underdeveloped due to an insufficient number of vehicle maintenance centers, very few skillful mechanics, a lack of proper equipment and tools, and absence of genuine parts. New vehicle maintenance centers have been recently opened by Japanese and American companies in big cities like Yangon and Mandalay. These companies are also investing in local mechanics and technicians, in providing training how to properly handle equipment and service newer models of computerized vehicles.

Vehicle Spare Parts and Accessories: As the number of vehicles on the road grows, and the majority of them are imported second-hand vehicles, the demand for vehicle spare parts is rising. Moreover, the poor road infrastructure is rough on the automobiles and shortens the replacement period for vehicles in Myanmar. Over 90% of used vehicles are imported from Japan, so the market for Japanese vehicle spare parts is large. However, the number of new international

branded vehicles on the road is increasing due to the ease of purchase from local automotive authorized dealers, and so the market for international vehicle spare parts is expected to grow in the coming years.

The specific automotive spare parts with greatest potential demand in the market are: oil filters, batteries, lubricants and tires. These are highly price sensitive items in the Burmese market. Currently Myanmar's neighboring countries and Japan dominate the market with low price items.

Opportunities

Japanese automobile manufacturers Suzuki and Nissan are in the process of opening vehicle assembly plants in Myanmar. Those plants will assemble vehicles, small trucks, and pre-manufactured parts for the domestic market. Myanmar's infrastructure and electricity supply must be improved to attract new investors in automobile manufacturing, however the low cost of labor, especially compared to neighboring countries is attractive.

Web Resources

[Ministry of Commerce](#)

[Ministry of Transportation and Communications \(MCIT\)](#)

[Myanmar Road Transportation Administration Department](#)

Construction and Design

Overview

According to the Myanmar Construction Entrepreneurs Association (MCEA), the total value of construction work surged from US\$4.4 billion in FY2010–2011 to US\$8.4 billion in FY2014–2015. In FY2015–2016, the total value of construction work is estimated to be US\$9.8 billion. This includes industrial buildings which is accounted for US\$3.1 billion and residential and non-residential buildings for US\$6.7 billion. In real terms, the industry's output value recorded a compound annual growth rate (CAGR) of 7.4% during the review period (2010–2014). The growth rate for the construction sector is expected to decline about 6% between 2015 and 2019. The real estate consultants predict that Myanmar's construction market will worth at least US\$ 6.6bn by 2018. The growing demand for residential units and affordable housing programs are two of the main factors driving industry growth in the medium term. The continued urbanization of major cities and need for expanded and updated infrastructure are also driving the industry growth.

Yangon's municipal government which is also known as the Yangon City Development Committee (YCDC), is working on urban expansion projects with Japan International Cooperation Agency (JICA) to devise a plan to accommodate 10 million residents in Yangon which is almost doubling the current population of Yangon by the year 2040. The development projects will cost about US\$7 billion in total. The project includes city expansion with commercial and industrial activities to both the east and west. The biggest short-term project is the development of a special economic zone in Thilawa which is located near 15 miles southeast of Yangon. The core of the project is a 1.5 square mile industrial park which is adjacent to an operating deep-sea port. The project is being developed by a consortium of three major Japanese companies which are Marubeni, Sumitomo and Mitsubishi. They own a combined 49% stake in the development and 51% is retained by the Myanmar government. The government anticipates that real estate investors will develop new suburbs around the industrial park. What's more, the Thilawa master plan estimates that 200,000 new jobs will be created at the industrial park. Several businesses associated with the construction industry are expected to set up in the zone.

The main investors in Myanmar's real estate and construction industry are from countries such as Singapore, Thailand, Japan, Hong Kong and China. Many developers bring their own architects, project managers and urban planners with them to Myanmar. It is recommended for all investors to have local partners and the investment ratio must be at least 20% of the venture if the project is not Build-Operate-Transfer (BOT) basic.

The regulatory framework for urban planning in Myanmar has not kept pace with rapid urbanization. The National Land Use Policy (NLUP) adopted in early of 2016

includes the recognition of the customary land management practices. It will ensure greater transparency in terms of land ownership, according to Mr. Toe Aung, the deputy head of the department implementing the plan. Although this is an encouraging first step in consolidating the customary land management systems with the national-level system, there is a great need for constitutional reform and decentralization of land management powers prior to any consolidation.

Another barrier is to secure the construction permit. High-Rise Building Inspection Committee is the approving body for high-rise buildings of more than eight stories. In addition, approvals for projects above twelve floors must be submitted to inspections by the Quality Control for High-rise Projects as well as the regulatory approvals involving other government agencies. The approval process takes from three to six months. For the large scale development projects, the process will take from one to two years to get all the necessary approvals.

The Amendment of the building codes has been under way since 2013 in order to standardize all the measures. The Ministry of Construction is working together with UN-Habitat to release the Myanmar National Building Code-MNBC and to make the MNBC law.

Leading Sub-Sectors

Construction materials (Cement): Myanmar uses over 6 million tons of cement each year. 3.5 million tons per year are produced domestically and the rest is imported from Thailand and China. Due to the expansion of construction sector, the annual consumption of cement is estimated to increase between 10% and 15%. Gypsum, the key raw material for cement production is plentiful in Myanmar. The government of Myanmar encourages foreign investors to invest in cement production. Japanese IHI Corporation built a cement plant in Yangon with production capacity of 77,000 tons annually and the operation is expected to begin in the end of 2016. Thailand's Siam Cement is planning to build its first Myanmar-based plant of \$373m in Mawlamyine, Mon state with rich supply of limestone and great water access to Yangon. Siam Cement plans to start their operations in the middle of 2016 and expects that the market will grow at a rate of 10% each year up to 2018. Semen Indonesia is constructing a \$200m plant with the capacity to produce 1m tonnes of cement a year once it starts operations in 2017, according to the Oxford Business Group. Myanmar imported US\$ 306.2 million cement from neighboring countries in FY 2014-2015. In FY 2015-2016, the exported value increased to US\$ 331.6 million.

Cement production by state-owned facilities decreased more than 40% from 236,242 tonnes in 2014 to 140,816 tonnes in 2015. Dramatic drops of the state cement production have mirrored rapid growth in imports over recent years. It is now expected that volatility in both imports and state-production will settle as

private companies take a greater share of the industry with new Myanmar-based plants. In 2015, private sector cement production reached a record level of 1,048,925 tonnes, a 41% increase from 741,848 tonnes in 2014. South Korea's Yojin, Myanmar Conch Cement and Arr Thit Man's Double Rhinos Cement operation are some of the market entrants which set to boost domestic cement production level.

Construction materials (Steel): According to Myanma Industrial Development Committee (MIDC), there are about 100 private steel companies in Myanmar. Close to Yangon and the Ayeyarwaddy River, there are about 15 enterprises including Myanmar Steel established by Itochu Corporation, Galvanizing Joint Venture (co-founded by the Union of Myanmar Economic Holdings Limited and Myanmar POSCO with a production capacity of 50,000 tons. According to the Myanmar Steel Association, the annual steel production by all the private companies in Myanmar totals 70,000-100,000 tons. Myanmar Economic Corporation (MEC), a quasi-government body, is the dominant player in the iron and steel industry. MEC operates a total of five major steel mills with total capacity of 850,000 tons per year. Sixty-five percent of domestic steel is consumed by the construction industry. Steel is also imported from China, South Korea and Thailand. Myanmar imported 911,000 metric tons of Semi-finished and finished steel products in 2010 and the import volume sharply increased to 2,420,000 metric tons in 2015 according to the World Steel Association. Steel scaffolding is also a growing industry which displaces the conventional bamboo scaffolding which has long been preferred in the country.

Opportunities

The construction materials market is very promising due to the increasing high demand in the industry. U.S. firms with selling hubs across the region should consider entering the Myanmar market. There is also opportunity for U.S. firms which focuses in project management for infrastructure projects in Myanmar.

GOM is stimulating foreign investment in real estate sector with its adoption of the new Condominium Law. Foreigners who want to own their own apartments and foreign companies and organizations which wish to own office space in condominium buildings may now do so, according to the Condominium Law. The first example of a 100% foreign-controlled real estate project in Myanmar is the US\$440 M mixed-use development by Hoang Anh Gia Lai Group, a major Vietnamese developer. The project was tendered in late 2012, and carried out by a BOT lease agreement. Additional large international tenders are expected, including at a site in Yangon's northern Mayangon district near the airport. The city government YCDC has designated the site as a future satellite business and commercial center. Since the GOM has plenty of land which will be leasing out for BOT projects, interested U.S. firms could start a discussion with Myanmar government.

According to the National Transport Master Plan 2014-2030, the total investment value will be US\$ 26.8 billion. Of the total, US\$ 11.7 billion will be allotted to the development of road infrastructure, US\$ 6.6 billion for rail infrastructure and US\$ 8.5 billion for airport, sea port and inland water transport infrastructure.

Web Resources

[Ministry of Construction](#)

[Myanmar Construction Entrepreneurs Association](#)

[Yangon City Development Committee](#)

Consumer Goods

Overview

Foreign brands are rapidly entering the Myanmar market. Myanmar does not currently have a strong advantage in the production of consumer goods and imports the majority of its consumer goods from neighboring countries such as Malaysia, Thailand, China, Singapore and India.

The middle class population and their incomes have been rapidly increasing during the last ten years. According to McKinsey Global Institute's report from June 2013, Myanmar consuming class (or middle class) will reach 19 million people by 2030 from 2.5 million in 2010. The country now offers a growing market for foreign consumer goods companies looking to diversify their market portfolio. McKinsey forecasts that spending on consumer products in Myanmar could grow to US\$100 billion by 2030.

Significant opportunities exist for American companies in Myanmar's consumer goods market. Consumer goods such as personal care, home care, foods, dairy products, non-alcoholic and alcoholic beverages, bags, watches, clothes, accessories, electronic appliances, cosmetics, kitchenware, baby products, perfumery, toiletries, dry goods, healthcare products, sporting goods, processed and packaged goods, soft drinks, chocolate, coffee mix, auto parts, footwear, etc. are all popular items among shoppers.

The Burmese retail sector has seen a large number of foreign consumer brands enter the country and sold in stores over the past four years. The number of foreign consumer brands available in Myanmar is expected to double in fiscal year 2017-18. Consumer buying power will continue to be concentrated in Yangon and Mandalay.

Leading Sub-Sectors

Fast Moving Consumer Goods: According to Nielsen, the Myanmar's FMCG sector has expanded 15% in the past four years. Close to half of the typical consumer's monthly expenditure (47%) is spent on necessities such as food and groceries, household products and personal care products. Myanmar's consumer class is becoming more and more brand-aware. Foreign brands and products have become a popular status symbol among youngsters. As market demand and purchasing power grow, consumers will continue to expect more brand options.

Retail: Myanmar's underdeveloped retail sector continues to be an opportunity for U.S. firms. Myanmar's retail market is estimated to be around 15% of the country's GDP or US\$ 7.5 billion and expected to grow significantly in 2017-18. According to McKinsey Global Institute 2013, consumer spending could triple from US\$ 35 billion to US\$ 100 billion by 2030.

The retail sector ratio is 90:10 where 90% accounts for traditional trade. However, modern trade is rapidly growing in Myanmar with the number of modern retail outlets reached 700 in 2015–2016, according to the Myanmar Retail Association and aims to increase more modern retail outlets in 2017–2018. Moreover, 90% of the households still go to traditional markets to buy fresh meat and vegetables. However, as lifestyles and trends are changing rapidly, consumers choose to visit traditional markets less frequently and instead, visit supermarkets and convenience stores. There are about 250,000 total retail stores in Myanmar. According to City Mart Holding Limited (CMHL), grocery, convenience, fabric, pharmacy, and fashion are the top 5 outlet categories accounting for 45% of total retail outlets.

According to the Colliers International, Yangon's total retail gross leasable area was estimated to be around 150,000 sq. meters in 2013–14. This total includes all types of retail formats such as shopping malls, hypermarkets, departmental stores, convenience stores and residential and commercial shops. In addition, the retail stock is expected to double in 2017–18. Popular retailers in Myanmar are Asia Light, ABC Convenience Stores with many outlets in Yangon in all key strategic location and townships in Yangon, Capital Hyper Market, City Express Convenience Stores (30 outlets), City Mart Supermarkets, Gamone Pwint Departmental Stores, Gandamar Wholesale, Grab and Go (which just started with 10 branches in 2013 and quickly extended to 200 branches in Yangon, Mandalay and Naypyitaw), Market Place Supermarket, Orange Supermarkets, Ocean Super Center, Ruby Mart Supermarkets, Star Mart Supermarkets, GQ Convenience store, KumuDra Convenience Store, Shwe Paline Mini Mart, Pyae Wa General Store and Union Mini Mart.

Top shopping centers are Junction Square, Taw Win Centre, Ocean Super Market, Myanmar Plaza, Maw Tin Center, Hledan Center, Sein Gar Har, Culture Valley Yangon, United Living Mall, Gamone Pwint, Yuzana Plaza, Ruby Mart, Parkson, Super One, Capital Hypermarket, Junction City and Sule Square. Better quality retail malls are expected to increase in 2018 to match international standards and demand by the foreign F&B chains. The popular F&B chains mostly seen in modern malls are KFC, Swensen's, Pizza Hut, Gloria Jean's Coffee, Lotteria, Harley's, Thai Express, Freshness Burger, Black Canyon, Ayam Penyet, Chatime, Chewy Junior, Frolick, The Manhatttan Fish Market and Yakun.

Japan's popular store chains have already stepped in Myanmar retail market. Japan's popular discount store chain, Daiso launched its stores in Yangon in 2012 March and since then, Daiso has its discount stores in almost all modern malls in Yangon. Japanese retail giant Aeon supermarket chain is preparing to open their first outlet in Yangon. Also, Japanese convenience store operator Lawson and MiniStop are considering a foray into the country.

Opportunities

Foreign brands such as Nestle, Tata, Kellogg's, P&G, Unilever, Kraft, Heineken, Henkel, Heinz, Pfizer, Pepsi, Coca-Cola, Britannia and many others are available in the Myanmar.

Local players are eager to partner with foreign firms because they believe that they can grow rapidly within a decade and expand the varieties of products available to domestic consumers. For example, Burmese FMCG company, Capital Diamond Star Group Limited (CDSG) and Mitsubishi Corporation formed a joint venture, Lluvia Limited to engage in food manufacturing and distribution businesses throughout Myanmar and regionally. Asahi Group is to partner with Myanmar's Loi Hein Company to form a major new soft-drinks company in Myanmar. Colgate-Palmolive Co. acquired Laser Brand Toothpaste from Shwe Ayar Nadi Co., Ltd. for about US\$100 million. Swiss giant Nestle partnered with a local distribution company to distribute its made-in-Myanmar coffee, dairy, ice-cream and chocolate products. Foreign FMCG companies in Myanmar are Coca-Cola, DKSH, Unilever, Nestle, P&G, Pepsi, Colgate Palmolive, etc.

There is a great market opportunity available for American companies which make grocery products, personal care products, household products, processed foods, alcoholic and non-alcoholic drinks, etc. Demand for organic food and products are also increasing among the health conscious and higher income consumer segments. Currently, majority of FMCG imports are from Thailand and China with price points that are affordable to the middle class population. With that in mind, U.S. firms may need to be more flexible with their pricing strategy for the Burmese market.

Contact Information

U.S. Commercial Service Myanmar
Ummay Aiman
Commercial Assistant
Email: Ummay.Aiman@trade.gov

Web Resources

[Department of Food and Drug Administration](#)
[Ministry of Commerce](#)
[Myanmar Consumers Union](#)
[Myanmar Retailers Association \(MMRA\)](#)

Education

Overview

Significant education reform in Myanmar started when the NLD government took office in April 2016. The GOM laid out top priorities for developing the education sector and announced to increase the budget for the sector in coming years. The National Education Sector Plan 2016–20 indicates that the budget for reforming the education sector increased from MMK310bn (\$251.8m) in FY 2012–13 to MMK1.4trn (\$1.1bn) in 2015–16 and MMK1.5trn (\$1.2bn) in FY 2016–17. The GOM is currently in the review process for the budget allocations for FY 2016–17 with the plan to spend more resources to the sector. In the past, the education sector was very undeveloped and received minimal investment from the former government.

Since early in the 21st century, the demand for quality education has grown. Foreign and local companies began investing in nursery, primary, and secondary schools, geared towards families with greater resources. As of April 2017, there are nearly 20 international schools operating in Yangon and Mandalay offering nursery to high school programs, including international college preparatory programs.

In the late 1990s, a few education institutes from the UK partnered with local training centers and started international diploma programs for Burmese students with the help of local lecturers and professors. The international education market in Myanmar has steadily grown since then, and by April 2017 there are about 35 private training centers in Myanmar. They offer a variety of courses from U.K. institutions such as Business Management, Financial Management, Marketing Management, Information Technology, Engineering, Accounting and Tourism. There are about seven private training centers in Yangon offering the UK Higher National Diploma, focusing on Information Technology, Computing and Business Management. There are about six learning centers that offer bachelor and master degree programs from U.K. and European countries. Currently, the approval for a detailed and comprehensive private education law is pending at the Parliament.

In addition, the demand for U.S. based education is rapidly increasing with 1,194 Burmese students currently studying in the United States. The number of student visas granted to Burmese students has increased annually the past few years.

Table 3: Myanmar-U.S. Student Travel Data

Type of Education	FY		% of total	% change
	2014-15	2015-16		
Undergraduate	788	859	71.9	9.0
Graduate				

Non-Degree	172	176	14.7	2.3
Optional Practical Training	36	67	5.6	86.1
	71	92	7.7	29.6

Source: [Institute of International Education Open Doors 2016 Report](#)

Main areas of study for Burmese students include business management, financial management, hospitality, accounting, marketing, and engineering and information technology.

Leading Sub-Sectors

Community Colleges: The community college concept is gaining popularity in Myanmar as students and parents understand it is an effective and economical route to transfer to top universities. Local education agents play a very important role in promoting the community college concept in Myanmar. Many U.S. community colleges have partnered with local study abroad agents to attract Burmese students. There are about 15 reputable education agents in Myanmar working with universities and colleges from different countries and regions.

Four Year Degree University and Master Studies: Local education agents and counseling services have connected with many American universities and promote them to Burmese students. Popular subjects for study are business administration/management, accounting, finance, marketing management, engineering and information technology.

Transactional Education Program/Distance Learning: The demand for quality education services is rapidly increasing because the majority of the student population in Myanmar is college-age. Burmese recognize the importance of quality education. Parents are willing to invest in their children's education so that they might have better job opportunities after graduation. The U.K. transactional education program is the market leader and offers advanced credit based on academic work completed in the students' home country. The program is usually carried out at "learning centers," which are regulated by the British exam bodies. This is currently a US\$2 billion a year business. Thus far, the U.S. has about 4% of the market and the U.K. has about 66% of the market share. Popular subjects among the students are business management, marketing management, accounting & finance, information technology and travel & tourism.

Opportunities

The market demand for the U.S. transactional education program is rapidly increasing and the learning centers are actively seeking for potential partnerships with U.S. institutes and universities. In 2016, a local learning center became an approved center for MBA programs of Stamford International

University, Thailand (a part of U.S. Laureate International Universities) and Edinburgh Business School (EBS), Heriot-Watt University, UK. According to the learning centers, students prefer having more options and are looking for U.S. transactional programs. The learning centers believe that this is the right time for U.S. institutes to enter the market so that the students have more options and can choose the best route for their further studies. Some learning centers are also looking for partnership opportunities with American bachelor and master programs.

The below market entry strategies have proven effective in marketing education services in Myanmar.

Appoint Local Representative(s)

The role of education agents/local representation is key for the success of American colleges and universities in the Burmese market. Students and parents feel comfortable in seeking advice on issues such as school admission processes and guidelines from experts, advisors and counselors who are based in the country with wider knowledge of schools and policies. Many U.S. schools appoint local education agents to market their schools and recruit students in Myanmar. There are approximately 15 reputable overseas education agents in Yangon. The local agents also represent other schools in countries such as Australia, UK, Europe, Singapore, and Malaysia and offer counseling and advising services to students, teachers and parents.

Exhibit at Education Fair

EducationUSA is a U.S. Department of State network of over 400 international student advising centers in more than 170 countries. Education USA organizes annual education fairs each year around the world, including in Myanmar. More than 35 U.S. colleges and universities participated in the most recent fairs in Yangon and Mandalay. Further information about studying in the U.S. is available on the EducationUSA website and from the Bureau of Educational and Cultural Affairs at the U.S. State Department.

Contact Information

U.S. Commercial Service Myanmar
Ummay Aiman
Commercial Assistant
Email: Ummay.Aiman@trade.gov

Web Resources

[Bureau of Consular Affairs Report & Statistics](#)
[Education USA Burma \(Myanmar\)](#)
[Ministry of Education](#)
[Open Doors International Education Exchange](#)

[U.S. Embassy in Myanmar – Study in the U.S.A.](#)

Energy Overview

Expanded energy infrastructure is one of the essential needs for Myanmar's continued economic growth. In the fiscal year 2016–2017, 4.05 million households which is about 37.24% of the whole populace consumed power while in fiscal year 2015–2016, 3.69 million households which is about 34% of the national populace out of 10.87 million households consumed power, according to the Ministry of Electric Power and Energy. The power consumption in the country rose by 3.24%. The ongoing production of oil and gas does not meet domestic energy needs due to a large amount of resources that is being exported to the neighboring countries. The upstream sector of exploration and production is a priority for the energy authority. Meanwhile, the downstream sector is a secondary priority and development will largely depend on new oil and gas reserves. It is obligatory to increase the number of household connections to the power grid by 189,000 yearly to an average of 450,000 a year to supply over 7 million of households.

According to the Oxford Business Group, the current installed capacity of electricity generation remains at 3495 MW which is generated from 30 plants: 19 hydropower plants which generate 2660 MW of installed capacity and 11 gas and steam plants that provide 835 MW. However, the demand for electricity is swiftly outpacing available supply. Indeed, Myanmar's electricity generation capacity remains the lowest among the ASEAN countries. Thailand's installed capacity is 32,600 MW and Vietnam can produce about 26,300 MW. Similarly, usage of Kilo watts per person in Myanmar is also relatively low at 164 in comparison to Thailand at 2471 KW/person and Vietnam at 1306 KW/person in 2015, according to the World Bank data. Furthermore, the taxes on electricity in Myanmar are lower than the neighboring countries; in Myanmar it is 3.50 U.S. cents while it is 11 U.S. cents and 6 U.S. cents in Thailand and Vietnam respectively. Myanmar's transmission lines run 9,720 km in length and the country's distribution lines cover 22,570 km with a total of 163 sub-stations.

The Myanmar National Electrification Plan (NEP) sets benchmarks for achievements towards full electrification which is 50% in 2020, 75% in 2025 and 100% in 2030. An aggressive grid electrification rollout program and ambitious off-grid program will be implemented phase by phase under the NEP. According to the NEP, the total investment required is US\$5.8 billion, not including additional generation and transmission capacity needed to support electrification rollout. In addition, the electricity master plan addresses the investment requirements for generation and transmission expansion and the Japan International Cooperation Agency (JICA) is leading the development. The proposed investment and technical assistance for the first five years (FY2015–2020) is approximately US\$700 million and is expected to reach about 2 million households.

The reform program is an initial step for the Government to commercialize the electricity enterprises such as Yangon Electricity Supply Committee (YESC) and Electricity Supply Enterprise (ESE) in order to enable competitive procurement of private distribution sub-franchises within the ESE area as well as private provision of mini-grids and household solutions. GOM will also promote a trade financing program including the provision of two-step loans from international sources to encourage the private sector participation in electricity supply.

By the end of February 2017, ten foreign companies have already invested over US\$20 billion in the country's power sector. According to the Directorate of Investment and Company Administration (DICA), the cumulative approved FDI amount in the power sector is the second highest of the total approved FDI amount.

Table 4: Myanmar Electric Power Generation and Sales Data

FY	Installed Capacity (Megawatts)	Generation (Million kwh)	Volume of Sale (Million kwh)					Value (Kyat MM)
			General	Industrial	Bulk	Others*	Total	
2013-2014	4,146.0	12,247.1	3,764.0	2,699.0	1,692.1	1,457.5	9,612.6	508,130.1
2014-2015 (p)	4,805.0	14,156.3	4,112.8	2,984.6	1,754.6	2,402.9	11,254.9	834,420.7
2015-2016 (provision)	5125	15,969.77	3,567.2	2,144.8	1,463.7	6,220.8	13,396.5	943,391.1
2016-2017 (April-July)	5,125	5,901.56	1,122.7	655.1	449.1	2,864.3	5,091.2	347,476.4

Source: Myanmar's Department of Electric Power Planning - Hydro Power Generation Enterprise

The latest figures from Myanmar's Department of Electric Power Planning, Hydro Power Generation Enterprise show that the value of nationwide electricity sales grew by over 13% in FY2015-2016.

Table 5: Myanmar Electric Power Generation by Energy Type Data (Million Kwh)

FY	Energy Type				
	Thermal	Diesel	Hydel	Gas	Total
2013-2014	568.91	60.76	8,823.14	2,794.31	12,247.12
2014-2015	285.54	64.89	8,828.84	4,977.03	14,156.30
2015-2016 (provision)	284.98	55.23	9,398.92	6,230.58	15,969.77
2016-2017 (P) April-July	77.11	18.55	3,328.92	2,476.98	5,901.56

Source: Myanmar's Department of Electric Power Planning - Hydro Power Generation Enterprise

Power generation from gas almost tripled in FY2015–2016. Generation of Thermal hydel also increased but not very significantly. Hydropower continues to provide majority of Myanmar's electricity which is about 59% of the total in FY2015–2016.

Leading Sub-Sectors

Coal & Gas: According to 2015 VP Bank Securities' report on Investment in Myanmar power sector, over 70% of Myanmar's electricity currently comes from 20 hydropower projects (2,780 MW), 25% (approx. 1,00 MW) comes from 14 gas-fired power projects and 4.31% (120MW) from the Takyit coal-fired power plant. The total proven, probable and potential coal reserves of the country are estimated as high as 491.84 million tons. 12 coal-fired power plants with total capacity of 12,780 MW are planned: four in Yangon, four in Tanintharyi, two in Ayeyawady, one in Sagaing and one in Shan (East). Three new coal-fired power plants in Thilawa, Kyauktan and in Thilawa Special Economic Zone promote Yangon and Thilawa to be a hot spot area.

According to the British Petroleum's Statistical Review of World Energy 2014, Myanmar had 283 million cubic meters of proven natural gas reserves at the end of 2013. According to the plans released in 2013, the Ministry of Electric Power increased the total installed power generation capacity to 6,823 MW. By March 2016, the Ministry planned to install 2,878 MW of gas power which makes gas the main source of power in Myanmar.

According the Union Minister Mr. Pe Zin Tun, the Ministry is now finding and drilling oil and natural gases at 27 plots in land in co-operation with foreign companies. In one year period from 2016–2017, 29 places were drilled and it was successful at 12 places. Previously, daily consumption from 150 cubic feet million to 200 cubic feet million rose up to daily consumption 233 million cubic feet. 30 million cubic feet for power generators and 3 million cubic feet for industrial sector, 33 million cubic feet were used more than ever.

Hydropower: According to the Asian Development Bank (ADB), the country has hydropower potential for more than 100,000 MW, coming from four main rivers which are Ayeyarwaddy, Chindwin, Thanlwin and Sittaung. Myanmar possesses 7.7% of the hydropower resources of all Asia. Hydropower plants generate almost 62% of Myanmar's power but the heavy reliance on hydropower can lead to shortfall of power supply in the dry season. The GOM has mapped out the potential locations for 41 new power projects to be built from FY 2016–17 to FY 2030–31 in order to increase electricity generation capacity to 29,000 MW by 2031. Twenty hydropower plants with total capacity of 6,270 MW are planned to be built in Mandalay region and Kachin, Kayin and Shan states. According to the policies set by the Ministry of Energy and Electricity (MOEE), generation from hydropower is a key part of the long term plan for the country's energy

sufficiency and gas turbine power generation is key to the short term plan. In the long term, the government also plans to shift the heavy reliance from hydropower to other non-hydro renewable energy resources including which will reduce the reliance on hydro power to 38%, gas 20%, coal 34% and non-hydro renewables to be 8% in 2030.

According to the Ministry of Electric Power and Energy, annual need for power consumption of Myanmar is increasing from 15% to 17% annually. In order to distribute electrical power, it needs to implement the Energymix that includes hydropower, coal, natural gas and renewable energy. In implementing the economical hydropower projects, the government is facing some challenges such as environmental issues, the lead time to construct the hydro power plants, difficulties to drive power plants depending power needs due to weather conditions, weak financial support due to the purchase of power from private companies to distribute to the national populace, and to upgrade the power gridlines and transformers which had been built long ago and difficult to implement Energymix under the long term energy master plan, and failure to implement to produce power based on coal, according to the ministry.

Solar: Solar energy resources are tremendous in Myanmar, especially in the middle of the country and the dry zones. Mini-grids and solar home systems are renewable energy solutions that could solve power shortage problems in rural communities because they will not incur the cost of connecting to the grid. GOM has committed sizable resources for off-grid renewables. According to the Center for Strategic and International Studies' (CSIS) report on Myanmar's Path of Electrification, Department of Rural Development distributed 200,000 fully-subsidized solar home systems and more than 100 mini-grids between 2013 and 2015. In October 2015, Black and Veatch was appointed by Thailand's Green Earth Power (GEP) to provide design and consultancy services for a 220MW PV power plant to be built in Minbu, Magway region. The construction is expected to commence in the first quarter of 2016 and complete in 30 months. The project would need an investment of \$275 million. What's more, Ministry of Electric Power and U.S. based ACO Investment Group signed an agreeemnt in 2014 November for two 150-megawatt solar energy plants with an investment of US\$480 milion. The project is one of the largest U.S. investments in Myanmar and the plants are expected to account for 10% to 12% of Myanmar's power generation when project is completed.

Opportunities

In order to achieve Myanmar's electrification goals, serious investment for infrastructure development and power generation is needed. The drive to go from the current installed capacity of just over 4,800 MW to 23,600 MW provides

an opportunity for the U.S. companies. Private entrepreneurs are allowed to engage in power production as independent power producers (IPPs) since 2012.

Since 2013, ADB has been supporting power sector development in Myanmar. ADB supported a US\$60 million loan in January 2014 for some regions such as Yangon, Mandalay, Sagaing, and Magway for on-grid programs. In 2015, the ADB supported a US\$80 million loan for substations in Yangon. In 2016, ADB provided a US\$75 million loan for power transmission and distribution with a project scope yet to be announced. In addition, ADB is supporting off-grid development in the rural areas of Myanmar. In late of 2015, the World Bank approved a US\$400 million interest-free credit from the International Development Association (IDA), to provide financing and technical assistance for Myanmar's NEP. According to the World Bank, the project is expected to benefit over 6.2 million people by bringing electricity to more than 1.2 million households in Myanmar by 2021. MOEP has stated that the World Bank plans to invest up to \$1bn in the sector including electricity generation, transmission and distribution, according to the Oxford Business Group. U.S. firms with solutions for rural electrification and green or renewable energy will find opportunities in Myanmar.

Web Resources

[Department of Electric Power](#)

[Department of Hydropower Implementation \(DHPI\)](#)

[Electric Supply Enterprise \(ESE\)](#)

[Ministry of Agriculture, Livestock, and Irrigation \(MOAI\)](#)

[Ministry of Electricity and Energy](#)

[Ministry of Industry](#)

[Ministry of Resource and Environmental Conservation and Forestry](#)

[Myanmar Electric Power Enterprise \(MEPE\)](#)

[Yangon Electricity Supply Board \(YESB\)](#)

Environmental Technology

Overview

The market in Myanmar for water industry and wastewater technology is still in a nascent stage and is highly reliant upon conventional methods of treatment. Myanmar is rich in water resources and the resources are virtually within the national borders. However, there are significant water related issues across the country which are flash flooding in Yangon, drought in the dry zones, salinization and flooding in the Ayeyarwaddy delta region, cyclones and surges in coastal regions. In addition, loosely regulated industrial development and rapid population growth have harmed the water management system in the country. Realization of chronic underinvestment in water infrastructure area for the past several decades has inspired international companies to work with the Yangon City Development Committee- YCDC and Mandalay City Development Committee- MCDC to improve the condition. Myanmar has medium-term and long-term market opportunities for water management system especially in areas such as water supply, sanitation, drainage and wastewater. The GOM has identified the need for major infrastructure improvements in order to draw greater foreign investment into the country. With funding assistance from the Asian Development Bank and World Bank, investment in improving water supply, wastewater treatment and sanitation is expected to increase.

Access to safe drinking water and basic sanitation are critical needs in Myanmar. Access to safe drinking water varies across the country. The industry experts estimated that 70% of households have improved water access and about 20% do not have access to safe water resources and are in greater risk of contamination. The combined use of water in the industrial and private sector is less than the use of water in the agriculture sector. River and lake pollution from sewage, industrial waste and solid waste disposal are serious problems in Myanmar. The only available regulation of water pollution is from guidelines issued in June 1994 by the Myanmar Investment Commission- MIC which requires new investment projects to have waste-water treatment systems.

The municipal authorities are responsible to ensure that the population has access to clean drinking water. Due to budget constraints and lack of technical know-how and skillful human resources, both urban and rural households find it difficult to access pure water. The foreign governments and NGOs are supporting the local government in terms of technical assistance and/or funding programs. Households, companies, hotels, hospitals and others which can afford money install the water treatment systems at their residents and offices. Most of the water treatment companies in Myanmar import chemicals and equipment from neighboring countries. Local buyers mainly look for fair price, after sales services and quality of the products.

With increasing activity in industrial zones, MCDC focuses on the water supply, wastewater discharging/drainage and treatment plants and management systems in Mandalay City. Japan International Cooperation Agency (JICA) has provided assistance worth US\$20 million for a water supply system in Pyigyí Tagon Township. In addition to international loans and assistance, MCDC has partnered with Hydrotek Public Company, a Thai based company, to build a central wastewater treatment plant and collection system. The Organic Group from Thailand is planning to generate energy from municipal solid waste in Mandalay.

International communities are helping Myanmar to prevent environmental degradation. The German government is supporting technical cooperation for clean air in small cities. Moreover, the ADB is working on developing the wastewater quality standard in Myanmar. JICA is also involved with monitoring sampling points of Hlaing River in Yangon and Dohtawady River in Mandalay for pollution. The Korean Government is advising the government of Myanmar on how to develop a waste management strategy. The European Union also funded a three year project worth over US\$1 million for institutional, technological and awareness-raising activities.

Leading Sub-Sectors

Solid Waste: U.S. firms could work together with the private sector and YCDC's Pollution Control & Cleansing Department on solid waste management projects. Yangon produces about 1,690 tons of trash daily. Solid waste collection in Myanmar is labor intensive which relies on manual collection with non-specialized vehicles such as pushcarts, garbage trucks and etc. The country has six existing dumps in Hlaw Gar, Shwe Pyi Thar, Htain Bin, Data, Kyi Su and Htawe Chaung townships. Htain Bin disposal site is a sanitary landfill facility which converts bio-gas into electricity or into CNG. Htawe Chaung disposal site is an incineration plant facility which also produces electricity.

Wastewater: Sewage and black water is mostly collected in septic tank systems, pit latrines or flows untreated into surface water. There are only few wastewater treatment plants available in Myanmar and they are in Nay Pyi Taw and Yangon. These plants connect only a small part of the city to a conventional sewage system. Japan's Kubota Group is going to build a US\$108 million wastewater treatment facility over the next five years in Thilawa Special Economic Zone.

Opportunities

Solid Waste: U.S. companies which focus on recycling systems and technologies will find opportunities in Myanmar.

Water/Wastewater: Products and services related to microfiltration, iron & manganese removal, ultrafiltration, water softening, pumps, valves, scrapers, sludge dewatering equipment and screening machines, magnetic flowmeters,

large chlorinators for water/wastewater systems, water recycling technologies, zero-discharge systems, ozonation and reverse osmosis are areas that could provide business opportunities for U.S. companies. Project Management for wastewater treatment is another area where international skills are needed.

Web Resources

[Ministry of Transportation and Communications - Directorate of Water Resources and Improvement of River Systems](#)

[Myanmar Engineering Society \(MES\)](#)

[Myanmar Industries Association \(MIA\)](#)

[Yangon City Development Committee \(YCDC\)](#)

[Yangon City Development Committee \(YCDC\) - Pollution Control & Cleansing Department](#)

Franchising Overview

Myanmar's quickly growing economy and increasing consumer activity is a welcoming market for international franchise brands. The market had little exposure to most foreign brands from the 1990s until recent market liberalization initiatives. Since then, the country has experienced an influx of international franchises, especially in food and beverage sector from western and Asian countries.

Within the past four years, food and beverage franchise chains from Asian countries such as Singapore, Thailand, Malaysia, Indonesia, Philippines, Korea and Japan have made inroads in Myanmar. In March 2013, a well-known Thai conglomerate, Minor Food Group, opened Swensen's, an American food and ice-cream brand in Myanmar. South Korean fast food restaurant giant, Lotteria, served customers at its first outlet in 2013. Lotteria has opened 14 outlets in Yangon, Mandalay, Mawlamyine and Monywa and aims to open additional 22 outlets in near future. The Japanese operator of the Freshness Burger chain launched its first outlet in Yangon in 2014. The Malaysian fast food chain MarryBrown opened its first restaurant in June, 2013 and opened 7 outlets since then. Rasa Lasa, another Malaysian restaurant chain, opened its doors in Yangon in late 2015. Thai firm Minor Food Group (MFG) who has the franchise rights in Myanmar for Burger King launched the first outlet in December 2016.

Among ASEAN countries, Singapore has a strong interest in Myanmar's franchise sector. Multiple F&B franchise chains from Singapore such as Ya Kun, Chewy Junior, The Pizza Company, Pasta Mania, Teapresso, Fish & Co, Manhattan Fish Market, Astons Specialities Steak House, BreadTalk, Craft Cafe, Crystal Jade, D'penyetz, Frolick, Ramen Monster and Singapore's Kitchen, The Coffee Bean & Tea Leaf and House of Singapura can be found in Myanmar. Myanmar Bakery (part of the country's conglomerate Shwe Taung Group) and BreadTalk of Singapore launched BreadTalk bakery first outlet in Myanmar on March 25, 2017. The first outlet is situated in one of the shopping centers owned by the Shwe Taung Group in Yangon, Junction City. Moreover, Australia's Gloria Jean's Coffee recently launched its 3rd outlet in Yangon and aims to open more in the coming years. Multiple F&B franchises from Thailand such as Black Canyon, Café Amazon, Doi Chaang Café, Fuji Japanese Restaurant, Ice Manias, Mr. Jones' Orphanage, Shabushi, The Pizza Company, True Coffee and Tummor also entered the market. Other F&B franchises from Asian countries which have already made inroads to Myanmar are Ayam Penyet AP from Indonesia, Sorabol Korean, Twist Potato, Yogane and Bolgogi Brothers (Korean BBQ) from Korea, ChaTime and Gong Cha from Taiwan, Harley's, Hot & Roll and Ichiban The Izakaya from Malaysia, IPPUDO Ramen, Osaka Ohsho and Yamagoya Ramen from Japan and Peri Charcoal Chicken from Philippines.

In addition to the Asian franchise food chains, U.S. franchises have also successfully entered the country, starting in 2015. In July 2015, Kentucky Fried Chicken opened its first outlet in downtown Yangon, in partnership with Yoma Strategic Holdings. KFC now has 7 outlets in Yangon, Mandalay and Naypyitaw. Pizza Hut opened its first restaurant in October 2015. Pizza Hut Myanmar was brought to Myanmar by Jardine CM Restaurant Group (a Hong Kong company), which formed a joint venture with City Mart Holdings. They have opened up 3 outlets and intend to launch 20 additional outlets in the next five years. Florida's Tony Roma opened the first outlet in central Yangon in early 2015 and opened a second outlet in late 2015. In August 2015, Krispy Kreme announced that it signed an agreement with Doughnut Group Pte. Limited (A Singaporean company) to launch ten Krispy Kreme shops in Myanmar over the next five years. Last but not least, Miami Grill was launched in Myanmar in February 2017. Feel Group and MMA International Holdings partnered together to open the very first Miami Grill Victoria outlet in Myanmar.

Leading Sub-Sectors

The key sectors with best prospects for franchise opportunities in Myanmar are food & beverage, fine dining and quick service restaurants, coffee shops, ice-cream parlors, vocational and executive level education, car hire and taxi services, retail and convenience stores, bars, health, beauty and wellness.

Opportunities

Myanmar's franchise sector started with a couple of local and international fast food franchise chains in 2013. By end of 2016, the country has nearly 60 main franchises operating in Yangon, Mandalay and Naypyidaw. Strong GDP growth rates, large youth population, and expanding middle class are drivers of prime market conditions for U.S. franchises. According to BMI Research's Asia Country Risk team, the GDP per capita in Myanmar is expected to double between 2014 and 2019, from \$1,480 to \$3,052, fueling "rapid" growth in food and beverage sales. Rising disposable income and optimistic consumer sentiment will be key drivers in this growth, according to the research firm's Food & Beverage Insights.

Contact Information

U.S. Commercial Service Myanmar
Ummay Aiman
Commercial Assistant
Email: Ummay.Aiman@trade.gov

Health Care

Overview

The healthcare sector in Myanmar has made a lot of progress in both public and private sector since the reforms have started, and it is one of the most promising for the future. According to data from the Myanmar Ministry of Health, the government's spending on healthcare has increased by 8.5 times from FY 2000–2001 to FY 2014–2015, and now 3.38% of the government's budget goes towards healthcare. A considerable share of government spending goes to medicines and infrastructure, and the medical equipment accounts for 18% and 24% for infrastructure.

Table 6: Myanmar Government Health Care Expenditure Data

Financial Year	% of GDP	% of general Gov. expenditure
2010–11	0.20	1.03
2011–12	0.21	1.05
2012–13	0.76	2.82
2013–14	0.89	3.15
2014–15	0.99	3.38

Source: Myanmar Ministry of Health

The healthcare budget is set to increase annually, reaching 6% by 2020 in order to reflect the government's focus on providing better healthcare for the people. Despite the recent increase in the healthcare budget, it is the lowest amount spent on healthcare by a Southeast Asian country, in addition to falling below international and regional standards. According to Solidiance, the healthcare expenditure of the private sector in Myanmar is increasing gradually due to the rising awareness of health needs and an increase in middle class.

Table 7: Myanmar Private Healthcare Expenditure Data

Year	2010	2011	2012	2013	2014
Private Healthcare Expenditure (Millions of U.S. dollars)	619	790	922	1,041	1,146

Source: Solidiance

The Burmese healthcare system heavily relies on out-of-pocket payments by patients at the time of care. With 70% of the population from low-income families, this makes it very challenging for most people to meet their healthcare needs. The new GOM is drafting and planning to implement a program of health reforms that will provide a broad roadmap towards Universal Health Coverage (UHC).

The National Drug Law (1992) is the only legislation for medical related goods at this time. It needs to be amended to meet current conditions and the scope expanded to cover medical devices. The Myanmar Ministry of Health's Food and Development Administration (FDA) is in the process of drafting the Law on Medical Devices to adhere to the AMDD (ASEAN Medical Device Directive). The Law is one of the first major updated technical regulations for Myanmar, and has been drafted in collaboration with USAID and US-ACTI-ERA. According to Myanmar's FDA, the drafting process should be completed at the end of 2016, followed by drafting of implementing regulations and the developing of a digital and easily accessible Medical Device Registration list.

Leading Sub-Sectors

Hospitals and Related Services: There are 1,068 public hospitals and 193 private hospitals in Myanmar. The numbers are increasing with new hospital projects and the need to meet the demand for quality healthcare. According to Solidiance, there are about 25,000 registered doctors in Myanmar, roughly 1 doctor per 200 people and less than 7,000 registered specialists in country.

Due to insufficient capacity to serve the demand of patients, low quality services and inadequate number of healthcare personnel in hospitals, those who can afford to will seek check-ups and treatment in neighboring countries such as Thailand, Malaysia, Singapore and India. It is estimated that Burmese patients spent US\$210 million in 2014 on outbound medical tourism. Local companies are trying to re-capture that segment of the market by investing in and constructing new hospitals in major cities like Yangon and Mandalay. Foreign companies are permitted to open hospitals as a joint venture with local hospitals or companies. Foreign investment in hospitals is expected to rise in the coming years, especially from Thailand, Singapore and Malaysia.

There is a critical need for expertise in healthcare sector from foreigners, and they are permitted work in the medical equipment trade, but only as a joint venture with Myanmar citizen. No minimum share percentage is stipulated for the local Myanmar citizen. Based on Department of Health, the number of patients in public hospitals has been rising in the past few years. The largest hospital in the country, with 2,500 beds, Yangon General Hospital, has experienced a threefold growth in patients from 25,740 in 2008 to 62,478 in 2014.

Hospitals are challenged in meeting the required training standards and regulations, and the number of qualified medical staff, including medical specialists and nurses is low in Myanmar. Training and capacity building services for medical staff is a potential area of opportunity for foreign health related training providers.

Hospital management systems and health information technology are also good prospects areas for U.S. companies. Hospitals in Myanmar lack the proper systems and are still using traditional record keeping and do not offer on-line services to patients.

Medical Devices: According to Rubicon Strategy Group, Myanmar’s medical device market is anticipated to grow threefold by 2020, and 80% of Burmese consumers are willing to spend more on higher quality healthcare products and services, if they have access. The demand for medical equipment is rising due to the growing number of the private hospitals and the amount of existing outdated equipment that needs updating. Most of the hospitals are lacking state of the art medical equipment that was previously unavailable.

Table 8: U.S.-Myanmar Medical Equipment Exports Data

Year	2010	2011	2012	2013	2014	2015
U.S. Medical Equipment Exports (Thousands of U.S. dollars)	1,124	4,206	2,008	5,751	8,919	9,956

Source: U.S. Census Bureau

Despite the ongoing reforms, the Burmese healthcare sector is not very technically advanced and is lagging behind global standards. There is an opportunity for U.S. firms to provide capacity building and training in this industry. U.S. firms are well poised to experience growth in the private medical device market, taking into consideration the price sensitive clients and the need to provide after sales service. Partnering with a reliable local company can help U.S. companies take advantage of these opportunities. The main factors influencing a hospital, lab, or clinic’s medical device purchasing decision are:

- After sales service with easy and quick availability of parts in inventory
- Country of origin (preferred U.S. and Europe made)
- Price (sensitive)
- Word of mouth/recommendation from medical doctors and technician

The key opinion leaders and healthcare practitioners suggested a great need for better diagnostic services in country and demand is increasing for Diagnostic Imaging (DI) and In-Vitro Diagnostics (IVD) products.

Although a formal medical device law has not been passed yet, any medical device import needs to obtain an Import Recommendation (IR) from the FDA, the regulatory body under Ministry of Health. The FDA is the regulatory body that oversees the safety and quality of food, drugs, medical devices and cosmetics.

The Food and Drug Board Authority (FDDB), under the Ministry of Health, regulates and controls the manufacture, import, export, storage, distribution and sale of food and drugs and is the highest authority of food and drug regulations in Myanmar.

It is not easy to get the approval from the FDA for the importation of pharmaceutical, medical devices, and supplements. Importers can face difficulties navigating complex documentation requirements and lengthy processing time. The 1992 National Drug Law states that medical devices and diagnostic equipment fall in the same regulatory framework as pharmaceutical products. The FDA registration process in Myanmar may take time, but with consistent information presented in the documents and help from a reliable local partner in meeting all the requirements, it should proceed relatively smoothly. Working with a local agent is critical for newcomers to the market to navigate this process. The Myanmar FDA is improving its services in order to meet the global and regional standards and it is likely to see broad changes over the coming years.

Most medical devices need to be approved, but not registered, by the Myanmar FDA, except for some devices like MRI, CT scanner, and X-ray machines. The FDA normally takes 2 to 3 months to issue approval. This process may include input from the Ministry of Commerce and Myanmar Pharmaceutical and Medical Equipment Entrepreneurs Association (MPMEEA) regarding price and quality control for new devices. The local distributors usually run this process for manufacturers and they are able to get FDA's Import Recommendation within 2 months.

Opportunities

Government Tenders: The Central Medical Store Depot (CMSD) is responsible for procurement of all medical supplies and equipment for the public sector. The Ministry of Health releases tenders twice a year for big purchases. Currently the government is trying to decentralize public procurement.

Web Resources

[Ministry of Health](#)

[Myanmar 1992 National Drug Law](#)

Mining and Minerals

Overview

Myanmar has large mineral resources of gold, silver, copper, tin, tungsten, lead, zinc and nickel. Precious stones such as jade, ruby and sapphire are some of the country's largest export items. Myanmar accounts for approximately 90 percent of global jade and ruby production. Gold mines can be found across the country. Copper is the country's largest export product in the mining sector. Increasing privatization of the mining industry will create opportunities for foreign investors. Other mining products such as silver, lead, tin, tungsten and antimony deposits are widespread in the country. The new foreign investment law restricts foreign investment in small and medium scale production of minerals and requires joint ventures for large scale production. Exceptions may be made on a case-by-case basis by the Myanmar Investment Commission (MIC).

As of February 2017, approximately US\$3 billion in cumulative FDI was approved from 71 foreign enterprises in the mining sector, which represents less than 5% of total inward investments. According to an official data, Myanmar's jade export in FY 2014-2015 was over US\$ 1 billion which fell nearly double in 2015-2016. Exports of both jade and other mining product decreased in FY 2015-2016 as Mining is not government's priority sector for export. Myanmar's mining exports mainly rely on private firms' joint venture businesses with the Ministry, while jade exports are done through annual and bi-annual exhibitions and auctions based on the Government's policy, according to U Khin Maung Lwin, deputy secretary of Ministry of Commerce, told Myanmar Business Today.

In 2016, the 53rd Myanma Jade, Gems and Pearl Emporium was held in Nay Pyi Taw. During the emporium, Myanmar earned €533.49 million (US\$592.12 million) from jade, gem and pearl lots but the total sales was down nearly 10 percent from a year earlier. The event attracted 2,108 foreign merchants from 709 companies based in countries such as China, Hong Kong, Australia, India, Japan, Singapore, and Thailand, Austria and Indonesia and 809 local traders. U.S. sanctions has prohibited the importation of any Burmese ruby and jadeite mined and jewelry containing jadeite or rubies mined or extracted from Burma.

A recent amendment to the 1994 Mining Law outlines a restructuring of mining projects and allows foreign investors to enter into joint ventures with local miners in order to expand the large scale projects in the country. The lifespan of the operating license for mining projects was extended; up to 50 years for large scale projects and up to 15 years for medium scale projects. The reduction of loyalty fee is another interesting feature of the new law: 5% on gold, platinum and uranium; 4% on silver, copper and nickel; 3% on iron, zinc, lead and aluminum; and 2% on raw material of industrial minerals (e.g. coal) and stones (e.g. quartz, marble and granite). The country's very first Extractive Industries

Transparency Initiative- EITI report which was issued in late 2015 provided a glimmer of hope for more transparency in the mining industry.

The GOM announced new requirements for assessing environmental and social impacts of investment projects. These requirements were developed with ADB's assistance. The Environmental Quality (Emission) Guidelines provide the basics for regulation on noise and vibration, air emissions and liquid discharges from various sources in order to prevent pollution and protect human and ecosystem health. The Myanmar Ministry of Mines (MOM) uses Production Sharing Contracts (PSCs). Investors are required to contribute 100% of investment under the PSC agreement. The government is entitled to a share of the production based on the production sharing ratio agreed between the mining joint venture partners. The Production Sharing Ratio is based on the mineral commodity like Gold, Copper, Lead, Zinc, Tin, Tungsten, Nickel, Manganese, industrial raw material and Coal.

Myanmar faces some distinct challenges in mining project areas such as conflict over land, violent opposition to resource exploitation by local citizens and environmentalists, environmental problems and unrest in mineral-rich region like Kachin State where significant jadeite deposits exist. Mining is limited in disputed regions which suffer from lack of oversight, regulatory control and investment. Managing conflict in such regions will create opportunities for greater development, as well as investment and employment opportunities.

Leading Sub-Sectors

Heavy Equipment for Mining Industry: Equipment such as excavators, shovels, loaders, draglines, jumbo drills and other long wall machinery, coal/rock cutters, feeder crushers, high wall mining machinery, mineral screening, washing, crushing and grinding equipment, underground communication and safety systems, hydraulic/friction props and chocks and mine safety equipment are on demand in Myanmar.

Mineral Exploration and Mining Technology: Development in the mining industry is quite stagnant due to the lack of proper geological data, inferior mine surveys, poor mapping system and stockpile calculations. U.S. companies could find opportunities in this sub sector.

Mineral Testing: The equipment used in test sample preparation, mineral testing, and in motion/on belt mineral analyzers are needed in Myanmar.

Refining Technology: The new GOM is expected to promote the development of Myanmar's mineral refining industry. Lacking modern refining technology and capabilities, the country continues exporting raw and unfinished mineral products which are being undervalued in the global market. Advanced technology, technical expertise and investment are required to build new and

efficient refineries in order to locally produce finished products for exports purposes.

Opportunities

Recent amendment to Myanmar Mines Law and Myanmar first Extractive Industries Transparency Initiative (EITI) Report are indications of the development of Myanmar mining industry. The mineral extraction of nickel, tungsten, tin, copper and gold are mostly carried out by foreign investors. Under the new Mines Law, the framework agreement on public-private partnerships is able to establish in the mining sector. The reduction of royalty fee for some minerals and extension of permit periods can be attractive to the U.S. investors. In addition, small and medium scale projects through joint venture with the Ministry is also allowed. Other areas for the U.S. companies to consider investing are exploration, extraction and development of minerals in medium to large scale production, Mines and environmental equipment and technology, environmental and social impact studies and human resources development.

Trade Shows

[Mining Myanmar](#)

October 12-14, 2017

Web Resources

[Ministry of Natural Resources and Environmental Conservation](#)

[Ministry of Natural Resources and Environmental Conservation – Forest Department](#)

[The Myanmar Federation of Mining Association \(MFMA\)](#)

Oil and Gas

Overview

With economic reforms and loosening of international sanctions, the Government of Myanmar has sped up oil and gas exploration and promoted foreign direct investment in the Oil & Gas (O&G) Sector. Myanmar produces about 6 million barrels of crude oil annually. According to the Central Statistic Organization- CSO, the total gas production (pipeline gas and compressed natural gas- CNG in FY 2014-2015 was over 650 billion cubic feet (Bcf) and in FY 2015-2016, the production went up to 700 Bcf.

According to DICA, Myanmar has received more than US\$69 billion in cumulative foreign direct investment (FDI) as of January 2017. The oil and gas sector attracted over US\$22.4 billion in FDI which is approximately 32 percent of the total FDI from 154 permitted foreign enterprises. This makes the country's oil and gas sector one of the top sectors for FDI in the country, followed by power, manufacturing, transport and communication.

The Government of Myanmar (GOM) aims to develop Myanmar's estimated 3.2 billion barrels of oil reserves through foreign investment. According to the government's official data, Myanmar earned over US\$4.3 billion from natural gas exported to China and Thailand in FY 2015. Natural gas exports dropped by about 37% in the first half of FY 2016 in comparison to the same period a year earlier. The significant decline in natural gas export is mainly due to the lower price of crude oil which is a close substitute for natural gas in some countries and sectors. This substitute can result in more people switching to oil and lowering the demand for natural gas, according to Mr. Khin Maung Lwin, joint secretary of the Ministry of Commerce.

The major buyers in the O&G sector are state owned enterprises (SOEs) under the Ministry of Electricity and Energy: Myanma Oil and Gas Enterprise (MOGE), Myanma Petrochemical Enterprise (MPE) and Myanma Petroleum Products Enterprise (MPPE). MOGE is the oil operator, service provider and regulator of oil and gas sector in Myanmar. It oversees two other state-owned enterprises which are MPE (responsible for oil and gas exploration and production and domestic gas transmission) and MPPE (manages retail and wholesale distribution of petroleum products and has four main fuel terminals, 24 sub-fuel storage facilities and 12 oil stations throughout the country). These SOEs are responsible for issuing tenders to foreign companies.

While there is optimism about Myanmar's potential O&G reserves, there is also a large degree of uncertainty. Proven natural gas reserves are about 1,820 Bcf and crude oil reserves are estimated to be around 139 million barrels. Further exploration may unveil much more substantial reserves. Now that Myanmar is

open to international exploration, major international oil companies are making significant investments using updated technology to locate new sources.

Myanmar has 53 on-shore blocks and 17 blocks are operated by 12 companies. The first bid round was commenced in 2011 and the second bid round in 2013. Offshore areas are divided into 51 blocks and 18 are under operation. 20 new blocks were awarded in 2014 and 13 blocks with the government. In the second bid round for onshore blocks in January 2013, 18 blocks were launched and 16 blocks were awarded to international companies. In the first offshore bid round in April 2013, 30 blocks were launched (19 deep water blocks and 11 shallow water blocks) and 20 blocks (10 shallow water blocks & 10 deep water blocks) were awarded to winning bidders.

Blocks were awarded to prominent companies such as Chevron, Shell, Statoil, Total, ENI, along with the other regional players and independent operators. While these blocks are still undergoing seismic evaluation, development is estimated to begin by 2020. According to Myanmar's Ministry of Electricity and Energy, some of the existing foreign companies working in onshore blocks are MPRL E&P Pte. Limited, GoldPetrol, CIS Nobel Oil, NPCC, SNOG, PTTEPSA, PT Istech, Petronas Cargali, GeoPetrol, JUBLLANT, Brunei National Petroleum Co, ONGC Videsh Limited, JSOC Bashneft, Pacific Hunt Energy Co, ENI Myanmar B.V and Petroleum Exploration (PVT) Limited. Some of the existing players in offshore blocks are Daewoo International, MPRL, WOODSIDE Energy, BG, Mpep, PETROVIETNAM, PTTEPI, PTTEPSA,TEPM, PCML, CNPC, Oil India, Mercator, Oilmax, Oil Star, Tap Oil, Berlanga Myanmar, Reliance Industries, Ophir Energy Plc, Shell, Statoil/ Conocohilips and Eni Myanmar B.V. There are about 150 local companies engaged in the oil and gas industry in the country. Leading suppliers in the industry are Myanmar Oil and Gas Enterprise (MOGE), GE Oil & Gas, Yoma Strategies, PT Brunei, TOTAL, United Engineering and Sapura Kencana.

The existing offshore gas projects are Yadana Project, Yetagun Project, Shwe Project (exporting gas to China) and Zawtika Project. The daily production rate of the Yadana natural gas project is 910 million cubic feet (Mcf); Shwe produces around 500 Mcf; Zawtika produces 360 Mcf; and Yetagon produces over 250 Mcf. There are six deep rigs, nine medium rigs and eleven shallow rigs. The total length of natural gas pipeline in the country is 2,200 miles. Myanmar has 45 CNG filling stations and has over 27,000 CNG vehicles. The average domestic natural gas supply is 300 Mcf per day.

The number of private fuel filling stations is now over 1,228 in the country, according to the official data released by the Ministry of Energy and Electricity. A total of 261 out of 273 fuel stations were privatized over the past five years. Currently, there are six storage tanks and 12 tankers. Moreover, there are more than 406 private companies which have permits for importing petrol and diesel. The Pioneer Services and the National Puma Energy gained license for aviation

fuel distribution. Myanmar Oil and Gas Enterprise (MOGE) has an agreement with Singapore-based Ava Kahyasi Investment Pte Co and SAME Sky and Guiding Star companies (owned by Myanmar nationals) to collaborate in importing, storage and distribution of liquefied petroleum gas.

In late 2013, the Multilateral Investment Guarantee Agency (MIGA), the insurance and credit enhancement arm of the World Bank Group, accepted Myanmar as a member. This acceptance from the agency increases favorable conditions for investing in the country. Myanmar's MIGA membership allows FDI to become eligible for investment guarantees. As a candidate for the Extractive Industries Transparency Initiative (EITI), Myanmar must disclose the recipients of the blocks awarded in the 2013-2014 bid rounds, its oil receipts, as well as its production data. Disclosing the recipients of the blocks will increase transparency. Myanmar continues to rank low for doing business, according to the World Bank ranking.

Leading Sub-Sectors

Opening up Myanmar's downstream energy sector to foreign investors is aimed to yield significant rewards for industry players. In addition to export opportunities, domestic demand for energy, particularly gas, is expected to rise significantly in the coming years. The demand for electricity heavily outweighs the current supply.

O&G equipment: Myanmar's annual imports of O&G equipment were modest between US\$100 million and US\$150 million until 2011 when imports peaked at US\$671 million. In 2013, countries such as China, Indonesia, Thailand, Singapore and Japan were the top sources of O&G equipment imports while the U.S. was the eighth largest source. Myanmar is currently the world's 118th destination for U.S. O&G equipment exports. U.S. O&G exports to Myanmar grew over 300 percent from 2012 to 2013, valued at US\$3.3 million in 2013. In 2014, U.S. O&G field equipment exports to Myanmar were valued at US\$1.7 million and US\$2.47 million in 2015. However, equipment exports decreased to US\$ 0.6 million in 2016. Parts for boring and sinking machinery, casing, and tubing are the largest portion of O&G equipment exports to Myanmar from the United States. Although the market still poses many challenges, recent political and economic developments combined with a wealth of natural resources make Myanmar one of the most promising small markets for U.S. exports of O&G upstream materials.

Opportunities

The International Monetary Fund (IMF) estimates that Myanmar's economy grew by 8.6 percent in 2016. The country's GDP in 2015 was US\$67 billion and is expected to rise to US\$200 billion by 2030. Domestic demand for oil and gas will increase with economic growth. Domestic crude oil need will reach 320,000

barrels a day and natural gas will reach 1.8 Bcf a day. Myanmar's oil and gas sector will continue to grow and there are opportunities to introduce cost-effective solutions for local oil and services companies.

Opportunities for U.S. firms in the oil and gas sector exist in such areas as environmental and social impact assessment, infrastructure and equipment, risk management and legal consultancy services and human resources capacity building.

The future prospects of Myanmar oil and gas sector is tremendous because an increase in exploration activity is expected with requirements from the technical knowledge in seismic and drilling solutions to services. Since Myanmar's oil and gas sector is in an early growth stage, expertise in areas like regulation and compliance, logistics and insurance are in high demand. Following the results of the recent bid rounds, oil and gas activities are expected to increase in momentum as the winners like BG, Petro Brunei, PTTEP and Shell start seismic surveys.

Web Resources

[Ministry of Electricity and Energy](#)

[Myanmar Oil and Gas Enterprise \(MOGE\)](#)

Email: moe.ho@energy.gov.mm

[Myanmar Oil & Gas Services Society \(MOGSS\)](#)

Email: kyisoe.it@gmail.com | swethet.mogss@gmail.com

[Myanmar Petrochemical Enterprise \(MPE\)](#)

Email: mpeict@gmail.com

Telecommunications and Broadcasting

Overview

The Information and Communications Technology (ICT) sector in Myanmar has experienced the highest and fastest growth in the country due to the significant reforms in the telecommunication industry. Currently there are three Mobile Network Operators (MNOs) providing services in Myanmar: Telenor from Norway, Ooredoo from Qatar, and the local Myanma Posts and Telecommunications (MPT). In March 2016, the Myanmar government awarded the fourth MNO license to Vietnamese Telco, Viettel. According to data from the current MNOs, the number of mobile phone subscribers continues to see strong growth. MPT has the greatest market share with 19 million subscribers, followed by Telenor with 15.5 million, and Ooredoo with 6 million. Industry experts forecast that the internet penetration rate in Myanmar will grow from the current 10% to 60% in 2017 due to the higher quality services and wider coverage offered by internet service providers, especially the MNOs.

Table 9: U.S.-Myanmar ICT Exports Data (Thousands of U.S. Dollars)

Item Imported from U.S.	Year					
	2010	2011	2012	2013	2014	2015
Computers						
Computer accessories	11	64	1,915	770	877	1,877
Telecommunications equipment	85	0	29	310	408	171
	499	334	122	1,856	4,511	2,435

Source: U.S. Census Bureau

Currently, there are three TV broadcasters in Myanmar: Forever Group (MRTV4), Family Entertainment, and Shwe Than Lwin Media (SkyNet). The expenditure on media advertising in Myanmar is more than US\$165 million a year with significant increases expected over the next decade in line with consumer class growth. Burmese TV broadcasters have also been investing in upgrading their equipment and production facilities.

Leading Sub-Sectors

Telecom Tower: The total number of telecom towers in Myanmar is over 10,000. The country will need more than 30,000 towers in less than a decade. There are a number of telecom tower companies in Myanmar, including joint ventures with international companies. They face challenges such as: issues with land acquisition due to unclear ownership, high cost of leasing land, poor compliance by local construction contractors, and transportation difficulties due to weather and poor infrastructure in remote areas. Only 30 percent of the population has access to electricity supplied by the grid, which is a small and unreliable power

source. Companies prepared to address these challenges will find a large market demand for telecom towers.

Ecommerce and Mobile Payment: With the development of the telecommunication sector and an increasing number of mobile phone users, there is an opportunity to leapfrog traditional banking to modern transaction methods such as mobile money/payment system. Recently, official regulations were changed to allow mobile payments and rules for mobile financial services. The Central Bank of Myanmar is now promoting mobile banking and payments. E-commerce and mobile commerce related businesses will find great opportunity in the coming years with the increasing number of mobile phone users seeking mobile payment methods.

Opportunities

There is opportunity in the broadcasting industry in Myanmar, especially in TV broadcasting as the existing TV broadcasters are planning to expand their business in order to compete with potential newcomers to the market. According to the Television and Broadcasting Law which was approved by Parliament in August 2015, commercial broadcasting services can be partially owned by foreign investors, provided that the foreign capital does not exceed 30 percent of the company. Foreign citizens in management positions require approval of the National Broadcasting Council, a newly formed 11 member group that includes Union Ministers from the Ministry of Information and the Ministry of Transport & Communications. Existing TV media companies must reapply to obtain a license from the new government.

Web Resources

[Ministry of Transportation & Communications \(MCIT\)](#)

[Ministry of Commerce](#)

[Mobile Financial Services Regulations](#)

Travel and Tourism

Overview

Myanmar's tourism industry has become one of the fastest growing in the country. The direct contribution of Travel & Tourism to GDP was 2.2% of total GDP in 2014, and it was forecasted to rise by 6.8% of total GDP in 2015, according to an estimate from the World Travel and Tourism Council. The WTTC also forecasts in its 2016 business outlook for the tourism industry that the sector's total contribution to Myanmar's GDP will increase by 5.9% in 2016 and by a further 7.8% per annum through to 2026.

In 2010, Myanmar had the least amount of tourist arrivals of any ASEAN country at just over three hundred thousand. In comparison, Laos had 1.2 million tourists, and Thailand had 14 million. However, the number of tourists visiting Myanmar has increased 30% from 2011 to 2012. 2012 marked the first year over 1 million tourists visited Myanmar. In 2015, Myanmar welcomed 4.68 million tourists, over a 50% increase from the 3.08 million that visited the country in 2014. According to the Ministry of Hotels and Tourism, Myanmar is projected to receive 6 million tourists in 2016. Myanmar is expecting to host 7.5 million tourists in 2020.

The McKinsey Global Institute has estimated that tourism will contribute approximately US\$14.1 billion to Myanmar's GDP by 2030. In January 2015, an American SME, Solimar International, signed a three-year contract with Myanmar Tourism Federation (MTF) in North America to provide marketing services. The objective of this partnership is to position Myanmar as an exciting, exotic, and undiscovered destination for North American tourists.

In addition to inbound tourism, Myanmar is currently experiencing a rapid growth in outbound tourists. The number of Burmese visiting overseas has been growing since 2012. The most popular countries for Burmese tourists to visit are Thailand, China, Singapore, Malaysia, Vietnam, Korea and Japan. Indonesia, Cambodia, Laos, the U.K., Europe, Australia and the U.S. have become second popular destinations for Myanmar travelers.

Leading Sub-Sectors

Accommodation: The number of hotel rooms in Myanmar is rapidly growing. Myanmar has more than 1,100 hotels and nearly 300 hotels are located in Yangon offering about 50,000 rooms.

Many hospitality companies, including those in the U.S., have invested in Myanmar's hotel and commercial buildings sector. According to the Ministry of Hotels & Tourism, foreign investment to the country's tourism sector increased to nearly \$2.9bn through August 2016 in comparison to \$2.7bn for all tourism related projects in 2015. Singapore is currently the heaviest foreign investor in

Myanmar's hotel sector and the investment power is \$1.6bn on 22 tourism-related projects. Thailand has invested \$445m in 11 projects and Vietnam has invested \$440m in one project which is the HAGL Myanmar Centre/Plaza with the Melia hotel. What's more, Malaysia, Japan, China and South Korea have also made some investment commitments to the country's hotel sector.

Myanmar continues to need additional investments to meet the increasing demand for high quality accommodation. Pan Pacific, Kempinski, Amara, Dusit, Melia, AccorHotels, Shangri-La, Orient-Express, Hilton, Sedona, Best Western and Savills have already entered the Myanmar hotel sector. AccorHotels now has five hotels in Myanmar. Starwood plans to open its first hotel in Myanmar, "Sheraton Yangon," in 2018. Marriott, according to the company's Asia-Pacific president, has "ongoing discussions with potential partners" in the country. Bangkok's "Centara" is expected to announce a project in Myanmar soon.

Recently, U.S. has become an attractive and one of the most popular western destinations for Burmese business and leisure travelers. According to the National Travel and Tourism Office, U.S. Department of Commerce, approximately 5,500 Burmese travelers visited the U.S. from January 2016 to August 2016, an increase of 31.2% over the previous year. The majority of travelers go for vacation and buy tour packages from local tourism operators in Myanmar.

Opportunities

Due to the constant development and growing demand for international standard hotels, Myanmar is a good market opportunity for the U.S. hospitality industry. There is a great market opportunity for U.S. companies in the area of hotel equipment and supplies such as room amenities, textiles, pool/spa supplies, bathroom supplies and housekeeping supplies and facility essentials. Moreover, according to the Burmese tourism master plan for 2013-2020, the Government of Myanmar would like to focus on eco-tourism and promoting the country's natural beauty as tourist destinations, such as the mountains, beaches, rivers, lakes and waterfalls. Opening eco-resorts could be another opportunity for U.S. businesses.

There are approximately 2,000 travel and tourism companies in Myanmar and the number of outbound tour operators has been rapidly increasing year on year. In 2016, the GOM started to allow tourism companies to apply for a license to run outbound operations and nearly 200 companies now have permits to run outbound tourism services in the country.

The main challenge for tourism agents in Myanmar is that they lack direct contact with U.S. tour operators, and so the majority of Burmese agents buy U.S. packages from Thailand's tour operators. Thailand's operators have greater expertise related to the U.S. tourism market. Therefore, there is a great market

opportunity for U.S. tourism companies to work with Burmese tourism agents directly. Burmese tourism agents are encouraged to participate in international tourism trade fairs, such as ITB ASIA, where they can meet many U.S. tour operators from different states. In addition, the Government of Myanmar encourages joint ventures in the tourism sector. There are currently 39 joint venture (JV) tourism companies in Myanmar.

Contact Information

U.S. Commercial Service Myanmar
Ummay Aiman
Commercial Assistant
Email: Ummay.Aiman@trade.gov

Web Resources

[Ministry of Hotels & Tourism](#)
[Myanmar Tourism Federation](#)
[Union of Myanmar Travel Association](#)

Customs, Regulations & Standards

Trade Barriers

Reforms over the past three years in Myanmar have started to remove some of the most significant barriers to trade including restrictive license requirements, export taxes, and arbitrary exchange rates. However, many issues surrounding trade policy remain and continue to evolve.

In April 2012, the government formally abolished a dual exchange rate system, which had hindered foreign trade and investment. The current exchange rate is a managed 'float regime' that closely reflects the true market rate. Nevertheless, the private financial sector, foreign exchange market, and regulatory framework remain significantly underdeveloped.

In June 2013, the Government of Myanmar announced a two percent tax on all imports and exports on top of regular tariffs. There will be certain exceptions to the import/export tax, mostly for intermediate goods that are imported, assembled, and re-exported. Foreign investors registered under the new investment law may also be exempt from this new tax.

Apart from the exception for trade activities in the Thilawa Special Economic Zone, trading with Myanmar requires Certificates of Exporter/Importer Registration and import permits by the Ministry of Commerce.

Ministry of Commerce's Notification No. 96/2015 allows foreign businesses to import fertilizers, insemination seeds, pesticides and hospital equipment, if they partner with a local company. Until now, international firms have been prohibited from participating in any form of onshore trade, and the relaxation was made due to urgent needs in agricultural and medical sectors. The equity sharing requirements between foreign and local partners are not specified by the regulation; however, the JV Company has to register in Myanmar as a trading company.

Import Tariffs

Myanmar is a member of the WTO. However international tariff standards cover only 18 percent of its goods and services. While its commitment to binding international tariffs agreements is limited, Myanmar generally levies tariffs that are comparable or lower than that of other countries in the region. Agricultural goods have an average tariff of 8.7 percent while non-agricultural goods have an average tariff of 5.1 percent. Tariffs generally range from 0 to 40 percent. Luxury items have the highest tariffs. As a member of the ASEAN Free Trade Area (AFTA), Myanmar has committed the Common Effective Preferential Tariff Scheme (CEPT) to reduce intra-ASEAN import tariffs for 93% of the total tariff lines by 2015, and 100% of the total tariff lines by 2018. For more information on

Custom tariff rate, please visit [Myanmar's Ministry of Finance – Customs Department webpage](#).

The government can levy three types of taxes on imports: import duties, commercial taxes, and license fees. The Customs Department bases its valuation on customs, insurance, and freight (CIF) value. For some commodities, the Customs Department uses its own reference guide to determine the value of imports. The guide lists prices in kyat based on the price of these goods in Myanmar, sometimes substantially lower or higher than their value outside Myanmar. The national portal could be accessed via [Myanmar's National Trade Portal](#).

Import Requirements and Documentation

In May 2013, the Government of Myanmar removed license requirements for 593 imported goods including: processed foods, garments, paper products, paints, cosmetics, automobile parts, tires, construction materials, electrical appliances, computer accessories, and medical products. It also removed export license requirements for 166 goods including agricultural products, industrial forestry, and animal products. Import and export licenses for remaining goods may be obtained from the Ministry of Commerce. The Government of Myanmar maintains an unpublished list of restricted imports, but amidst recent reforms it is unclear what, if any, regulations are currently enforced.

The Myanmar Customs Department requires the following documentation:

1. Import license or permit
2. Invoice
3. Bill of Landing or Air Consignment Notice
4. Packing list
5. Other certificates and permits issued by the relevant government departments as a condition for import

U.S. Export Controls

The U.S. government maintains a suspension of all licenses and other approvals to export/transfer defense articles or services to Myanmar under section 38 of the Arms Export Control Act (22 U.S.C. sec. 2778, as implemented by 22 C.F.R. 126.1).

Temporary Entry

The government may allow temporary imports and exports for trade promotion or assembly purposes, with proper documentation from the Customs Department.

Labeling/Marking Requirements

Certain images, such as those that display a Buddha image or the national flag, cannot be used on labels or trademarks. In addition, Myanmar follows Codex guidelines and the ASEAN Common Principles and Requirements for the Labeling

of Prepackaged Foods. All foods must be labeled and imported products must have the labels which must be affixed with the name and address of the local importer and/or distributor and the country of origin.

Prohibited & Restricted Imports

The Directorate of Trade within the Ministry of Commerce, oversees amendments to the Commerce Ministry's list of prohibited imports. The list is published in trade bulletins and publications, but changes with little notice. The current list includes counterfeit money and goods, pornographic articles, narcotic drugs, playing cards, and items featuring images of the Buddha, Myanmar pagodas, or the flag of Myanmar.

Customs Regulations

For more information, please see [Myanmar's Customs Department website](#) and [Myanmar's Sea Customs Act](#).

Standards for Trade

Overview

The English translation of the Law on Standardization of 2014 can be accessed at [Myanmar's Standards webpage](#). Technical regulations exist in many sectors. Myanmar's extensive black market, filled with counterfeit or unregistered products (notably pharmaceuticals and motor vehicles) that are imported illegally from neighboring countries, exacerbates the problem of regulatory enforcement.

Myanmar became a member of the International Organization for Standardization (ISO) in 1957, withdrew in 1965, and on July 1, 2005, rejoined as a corresponding member. As a member of ASEAN, Myanmar participates in the ASEAN Consultative Committee on Standards and Quality and is a signatory to various ASEAN agreements on standards and regulatory harmonization.

Standards

Responsibility for drafting and enforcing various technical regulations rests with myriad government departments, although it should be noted that government agencies responsible for setting and enforcing standards are generally underfunded and inefficient. The primary organizations that set and enforce technical regulations are:

- Inland Water Transport Department under the Ministry of Transport and Communications sets and enforces standards for water vehicle safety and operation (spot checked).
- Myanmar Engineers Association, which has some private sector membership, is working on establishing building codes and standards (though they do not yet exist comprehensively).

- Road Transport Administration Department under the Ministry of Transport and Communications sets and enforces standards for motor vehicle safety and emissions (checked annually).
- The Department of Research and Innovation (DRI) under the Ministry of Education maintains a standards library with national and international standards references and is the designated contact point for standardization issues.
- The Ministry of Health's Food and Drug Board of Authority (FDBA), oversees the national Food and Drug Administration (FDA) and its provincial and township affiliates. The FDBA and FDA are responsible for promulgating and enforcing regulations and standards in the food and pharmaceutical industries (including imports).
- The Ministry of Health's Public Health Department, alongside various city governments (or "Development Committees"), is responsible for licensing and enforcing hygiene standards at restaurants and street stalls.
- The Timber Certification Committee of Myanmar (TCCM) is the national governing body to monitor timber certification and distribute Myanmar timber to the international market.
- The Yangon City Development Committee (YCDC), Yangon's municipal government, is responsible for establishing weights and measures used countrywide, and for enforcing violations of these metrology standards.

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO all proposed technical regulations that could affect trade with other Member countries and provide an opportunity for comment. [Notify U.S.](#) is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets.

Conformity Assessment

The Ministry of Health runs the National Health Laboratory and the affiliated Food Quality Control Laboratory and Drug Quality Control Laboratory. All labs are underfunded, poorly equipped and staffed. Conformity assessments, as well as enforcements of regulations are variable.

Product Certification

Other than for foodstuffs and medicines, there are neither requirements for product certification nor mutual recognition agreements with U.S. Organizations. For imports (and a small handful of domestically produced products of international quality), the Government of Myanmar generally recognizes tests and certification from organizations in the United States, Europe, and Japan. Due

to rampant counterfeiting, the government does not recognize product certification from neighboring countries, especially China, Thailand, and India.

Accreditation

According to the Law on Standardization, the Accreditation Division is drafting regulations regarding the accreditation process with the assistance of international consultants. The Myanmar National Accreditation Body (MNAB) could be accessed via [Myanmar's Standards webpage](#).

Publication of Technical Regulations

Laws and regulations are now published with increasing frequency in the government-owned newspaper, [The Global New Light of Myanmar](#), the Myanmar Gazette as well as in the Ministry of Commerce's Trade News. However, the government issues most new standards internally and does not publish them regularly through any public media outlet. Producers and marketers usually rely on contacts inside the government, or learn by trial and error, to ascertain what new standards have been released or when old standards are changed. There is almost no opportunity for any company, foreign or domestic, to comment publicly on standards, although government officials occasionally, and in an ad hoc fashion, informally consult directly with businesspersons or through trade bodies.

Contact Information

Dr. Zar Ni Aung

Director of National Standards and Quality Department (NSQD)

Department of Research and Innovation (DRI)

Ministry of Education

No. 6, Kabar Aye Pagoda Road, Mayangone Township, Yangon, Myanmar

Phone: +95 1 664817

Fax: 067-668033

Email: znaung579@gmail.com

Trade Agreements

As a member of ASEAN, Myanmar participates in all intra-ASEAN agreements as well as multilateral free trade agreements with Australia, New Zealand, China, India, Japan, and South Korea. ASEAN Free Trade Area (AFTA) was established in Myanmar in Jan 1998 and agreed to eliminate tariffs in the assigned years:

- To reduce 60% of the total tariff lines by 2008
- To reduce 80% of the total tariff lines by 2012
- To reduce 93% of the total tariff lines by 2015
- To reduce 100% of the total tariff lines by 2018

Myanmar has bilateral trade agreements with Bangladesh, Sri Lanka, China, South Korea, Laos, Malaysia, the Philippines, Thailand, and Vietnam in the Asian region, as well as with a number of Eastern European countries. Myanmar is a member of WTO and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). Myanmar has border trade agreements with China, India, Bangladesh, Thailand, and Laos. The Government of Myanmar has signed a number of Memoranda of Understanding to expand bilateral trade with those countries. The United States and Myanmar also signed a Trade and Investment Framework Agreement in May 2013.

Licensing Requirements for Professional Services

Foreign accountants are restricted under the accountancy council law, and foreign lawyers are not recognized by the Court and the Bar. It is possible to provide consultancy services by registering the company locally. Foreign engineers and medical doctors are hired by both foreign and local firms.

Web Resources

[Directorate of Investment and Company Administration](#)

[Ministry of Commerce - Laws and Notifications](#)

[Myanmar National Trade Portal](#)

Investment Climate Statement

Executive Summary

After years of economic isolation and a remarkable political transformation, Burma has begun to implement significant reforms to spur economic development and attract foreign investment. Following the nation-wide elections in November 2015, and the inauguration of a democratically-elected government in 2016, the U.S. government ended the Burma Sanctions Program on October 7, 2016, removing all economic sanctions on Burma. In November 2016, the U.S. government reinstated Burma's Generalized System of Preferences trade benefit in recognition of the progress that the government had made in protecting workers rights and improving labor standards. In November 2016, the United State and Burma launched the U.S.-Myanmar Partnership to strengthen the bilateral relationship and expand areas of cooperation. Burma is now faced with the challenge of developing and implementing the legal and regulatory environment to attract foreign investment in support of its goal of inclusive economic growth.

Over the past several years, the government has addressed some of the long-standing obstacles to economic growth, including eliminating multiple exchange rates, reducing trade restrictions, reforming tax policy and administration, passing a new arbitration law and labor legislation in line with international standards, and easing some of the administrative hurdles to doing business in Burma. Significant progress in financial sector strengthening and economic reform legislation has attracted foreign investment. According to the World Bank, Burma experienced a 6.5 percent growth rate in 2016 and growth is expected to reach 6.9 percent in FY 2017/18. The government passed its new Myanmar Investment Law in October 2016, combining and replacing the Foreign Investment Law of 2012 and the Myanmar Citizens Law of 2013. The government is in the process of a relatively inclusive, consultative process to establish the law's rules and implementing regulations. This year the Directorate for Investment and Companies Administration (DICA) established an "Americas Desk" to better support U.S. direct investment in Burma. In their Doing Business 2017 report, the World Bank ranked Burma 170 out of 190 countries on the ease of doing business, an increase from the 2016 ranking of 171, driven in part by improvements in regulations, costs, and procedures related to establishing a new venture and an improvement in the construction permitting process. Burma's financial sector, while still underdeveloped, has improved sufficiently to result in the June 2016 removal of Burma from the Financial Action Task Force watch list. In its first year in office, Aung San Suu Kyi's National League for Democracy (NLD)-led government countered corruption throughout the government, and called for greater transparency and greater foreign investment in the country. In 2016, Myanmar ranked 136 of 175 countries on Transparency International's

Corruption Perception Index, an improvement from the 2015 ranking of 147 of 167 countries.

In contrast to previous decades, when the majority of the investment that Burma received in past decades went into natural resource sectors, since 2011 foreign direct investment (FDI) has largely gone to the transportation and communication, manufacturing, real estate, and tourism sectors.

Burma still faces challenges in a number of key areas, including access to finance, title over land, energy supplies, and availability of skilled workers. Transportation costs remain high, and the domestic banking sector has limited connectivity with the global financial system. The 2017 World Bank Doing Business rankings show Myanmar still struggles with enforcement of contracts, protection of minority investors, access to credit, and resolving insolvency. Addressing these key constraints is critical to ensuring a fair and transparent business environment in which all enterprises can grow and create jobs.

Moving forward, observers expect the manufacturing, agriculture, and tourism sectors to grow and attract more FDI, with support from the democratically-elected government as Burma continues to reconnect to the global economy. Foreign investors are exploring investment opportunities in transportation and communication, manufacturing, real estate, and energy/power. With Burma’s location, natural resources, and political and economic reforms many observers are optimistic about growth and opportunities in the next several years.

Table 10 – Myanmar Investment Climate Data

Measure	Year	Index/Rank
<u>TI Corruption Perceptions Index</u>	2016	136 of 175
<u>World Bank’s Doing Business Report “Ease of Doing Business”</u>	2016	170 of 190
<u>Global Innovation Index</u>	2016	N?A

U.S. FDI in partner country (\$M USD, stock positions)	2015	-11
World Bank GNI per capita	2015	1,160

Openness To, and Restrictions Upon, Foreign Investment Policies Toward Foreign Direct Investment

Burma is open to foreign investors. In 2016 passed the new Myanmar Investment Law (MIL) to attract more investment from both foreign and domestic businesses. The MIL is intended to simplify the rules and regulations for investment and bring Burma more in line with international standards. The government actively sought the advice of international experts and lawyers, and held public consultations to help draft rules and regulations that were released on April 1, 2017, when the law went into effect. Burma also has three Special Economic Zones (SEZs) to encourage development and investment, and is continuing to expand those SEZs as they reach capacity. In October 2016, President Obama terminated the Burma Sanctions Program, which had been largely eased through a series of general licenses since 2012.

There is no evidence that the MIC discriminates against foreign investors. The MIL includes a “negative list” of prohibited, restricted, and special sectors.

The Directorate for Investment and Company Administration (DICA) is Burma’s investment promotion agency. One of DICA’s roles is to encourage and facilitate both foreign and local investment by providing information, fostering coordination and networks between investors and continually exploring new opportunities in Burma that would benefit both nation and the business community. DICA also added an Americas desk in 2016 to facilitate investment with the United States.

The government engages with chambers of commerce and foreign companies to maintain a dialogue with investors. The 2016 Investment Law includes provisions for penalties for early withdrawal before the license expires. DICA held three rounds of consultations with the public during the drafting period of the MIL rules and regulations. Comments and suggestions were considered and incorporated into the revisions, and open lines of communication were available to investors from all sectors.

Limits on Foreign Control and Right to Private Ownership and Establishment

On October 18, 2016, the new Myanmar Investment Law (MIL) was signed into law, combining and replacing the Foreign Investment Law of 2012 and the Myanmar Citizens Law of 2013, applicable to new proposals effective April 1, 2017. The Ministry of Planning and Finance released three drafts of rules and regulations, containing provisions on types of investments, submission and approval of investment applications, long term lease agreements, and tax incentives. Section 42 of the MIL lists types of investment activities which only the Union government can undertake, which are not permitted for foreign investors, which are permitted only as a joint-venture with resident citizens or citizen-owned entities and investment activities which are subject to specifically prescribed conditions (e.g. approval from relevant ministries). The new investment implementing rules and regulations went into effect on April 1, 2017.

When forming or registering a business in Burma, generally two options exist: (i) registration under the 1914 Companies Act only or (ii) registration as an MIC-company under the MIL (with the registration under the 2014 Special Economic Zone Law for businesses located in a Special Economic Zone as a third option). Under the MIL, only investors involved in the following businesses must submit a Proposal to the MIC and apply for a permit: businesses/investment activities that are strategic for the Union; large capital intensive investment projects; projects which have large potential impact on the environment and the local community; businesses/investment activities which use state-owned land and buildings; and/or businesses/investment activities which are designated by the government to require the submission of a Proposal to the MIC. Additional details on these categories included in the implementing rules and regulations were released April 1, 2017. A new Companies Act is currently under review at Parliament which is expected to simplify requirements for small and family-owned businesses, improve corporate governance standards, facilitate increased transparency, and remove outdated regulations. The law will also allow foreign investors to hold up to designated percentage of shares in Burmese firms.

The State Owned Economic Enterprises Law enacted in March 1989 and still in effect today, also regulates certain investments and economic activities. The previous government drafted a privatization law; the current government plans to merge this with a new SOE law, with discussions underway at the Ministry of Planning and Finance. As the government has encouraged more private sector development, however, SOEs are increasingly less important parts of the economy. While the 1989 law stipulated that SOEs have the sole right to carry out a range of economic activities, including teak extraction, oil and gas, banking and insurance, and electricity generation, in practice many of these areas are open to private sector development.

The 2016 Rail Transportation Enterprise Law allows, for instance, foreign and local business can make certain investments in railways, including in the form of Private Public Partnership.

More broadly, the MIC, "in the interest of the State," can make exceptions to the SOE law. The MIC has routinely granted numerous exceptions including through joint ventures or special licenses in the areas of banking (for domestic investors only), mining, petroleum and natural gas extraction, telecommunications, radio and television broadcasting, and air transport services.

The Burmese military is associated with the Union of Myanmar Economic Holdings, Ltd. (UMEHL) and the Myanmar Economic Corporation (MEC), two large conglomerates with many commercial interests. As government policies continue to allow for greater private sector involvement in the economy, the market shares of these conglomerates has decreased.

Other Investment Policy Reviews

The OECD conducted an [investment policy review of Burma in March 2014](#).

The World Trade Organization (WTO) conducted a [trade policy review of Burma in March 2014](#).

The [World Bank's Doing Business 2017 report](#) includes an analysis of Burma's investment sectors and business environment. The World Bank also conducted an [enterprise survey of Burma in 2014](#).

Business Facilitation

Myanmar's [Directorate of Investment and Company Administration \(DICA\) website](#) provides information on how to register a business in Burma. Registration is the first step a businessperson will be required to take before incorporating a company or making an investment in Burma, whether that person is a citizen of Burma or a foreigner. In accordance with the Myanmar Companies Act of 1914 and the Special Companies Act of 1950, a company may be registered in one of the following forms: as a private OR public company by Burmese citizens; as a foreign company OR branch of a foreign company; as a joint venture company; as an association/nonprofit organization. First steps include checking availability of the company name at DICA, obtaining company registration forms at DICA and paying a stamp duty, and submitting the forms and paying a company registration fee.

The MIC is responsible for verifying and approving investment proposals and regularly issues notifications about sector-specific developments. The MIC is comprised of representatives and experts from government ministries, departments and governmental and non-governmental bodies. Companies can use the DICA website to retrieve information on requirements for MIC permit applications and submit a proposal to the MIC. If the proposal meets the criteria,

it will be accepted within 15 days. If accepted, the MIC will review the proposal and reach a decision within 90 days. The MIC issued a statement in March 2016 granting authority to state and regional governments to approve any investment with capital of under \$5 million. Such investments no longer need to seek approval from the MIC.

This year, DICA established an Americas Desk to better support U.S. investment interest in Burma. To attract foreign and domestic investors, the MIC has released lists of townships which fall under three different zones/categories: least developed; moderate developed and developed. Investors will receive a tax break of seven years, five years or three years when they make invests in least developed; moderate developed and developed zones respectively. A total of 166 townships fall under the least developed zone.

Outward Investment

Burma does not promote outward investment or restrict domestic investors from investing abroad.

Bilateral Investment Agreements and Taxation Treaties

Burma has signed and ratified several bilateral investment agreements with China, India, Japan, Philippines, and Thailand. It has also signed bilateral investment agreements with Israel, Laos, South Korea, and Vietnam although these have not yet entered into force. Burma has engaged in investment treaty negotiations with Bangladesh, China, Hong Kong, Iran, Mongolia, Russia, and Serbia. Texts of the agreements or treaties that have come into force are available on [UNCTAD's website](#).

In 2013, the United States and Burma signed a Trade and Investment Framework Agreement. Burma does not have a bilateral investment treaty or a free trade agreement with the United States.

Through its membership in ASEAN, Burma is also a party to the ASEAN Comprehensive Investment Agreement, as well as to the ASEAN-Australia-New Zealand Free Trade Agreement, the ASEAN-Korea Free Trade Agreement, and the China-ASEAN Free Trade Agreement, all of which contain an investment chapter that provides protection standards to qualifying foreign investors.

Burma has bilateral trade agreements with Bangladesh, Sri Lanka, China, South Korea, Laos, Malaysia, the Philippines, Thailand, and Vietnam in the Asian region, as well as with a number of Eastern European countries.

Burma does not have a bilateral taxation treaty with the United States.

Legal Regime

Transparency of the Regulatory System

Burma lacks regulatory and legal transparency. In the past, all existing regulations were subject to change with no advance or written notice, and without opportunity for public comment. Many Ministries now engage in public consultation before promulgating bills or issuing new regulations. For instance, the 2016 Investment Law was presented to the public and open for comments, including the drafting of the rules and regulations, which went through three rounds of public consultations. While there is no legal requirement to have public consultation, 75 percent of parliamentarians are elected representatives of their constituencies and respond to public engagement. An active and vocal civil society, alongside advances in press freedom, also results in more public discourse about proposed legislation and regulations than in the past. The government of Burma publishes information online on government websites and has established websites through which businesses can access trade information. The Ministry of Commerce publishes a weekly Commerce Journal and a monthly Trade News booklet, providing trade-related information, and in May 2016, launched the National Trade Portal. In the past three years, the government of Burma has also published new regulations and laws in government-run newspapers and "The Burma Gazette". Burma issued the Citizen's Budget in September 2016, and provided a six month overview of budget execution in February 2017 for the 2016/17 fiscal year.

As part of the government's commitment to transparency of its regulatory system, Burma became a candidate country in the Extractive Industries Transparency Initiative in 2014, and on January 2, 2016 Burma's Extractive Industries Transparency Initiative (EITI) National Coordination Office, a global standard for the promotion of revenue transparency, submitted the country's [first EITI report covering three sub-sectors for 2013-2014](#) – Oil and Gas, Gems and Jade, and other minerals. The government announced its new EITI authority, the administrative body for the EITI process in December 2016. Although the transition in government caused a delay in its next EITI report, it is continuing the process and will publish its second report in March 2018.

International Regulatory Considerations

On May 26, 2016, the Ministry of Commerce launched its new [National Trade Portal and Repository](#), an online platform that has all of Burma's Laws, processes, forms, and points of contact for trade. This portal represents increased transparency in Burma and also meets Burma's requirements under Articles 12 and 13 of the ASEAN Trade in Goods Agreement. While Burma is not in compliance with WTO notification requirements, the government developed a WTO notification strategy which will go into effect this year. This should increase the number and quality of notifications.

Legal System and Judicial Independence

Burma's legal system is a unique combination of customary law, English common law and statutes introduced through the pre-independence India Code, and post-independence Burmese legislation. Where there is no statute regulating a particular matter, courts are to apply Burma's general law, which is based on English common law as adopted and molded by Burmese case law. Every State and Region has a High Court, with lower courts in each district and township. High Court judges are appointed by the President while District and Township judges are appointed by the Chief Justice through the Office of the Supreme Court of the Union. The Union Attorney General's Law Officers operate sub-national offices in each State, Region, district, and township.

The Attorney General enforces standards of due process in the criminal justice system and provides the government's Law Officers (prosecutors) with a mandate to act as an independent check in the criminal justice system. The Ministry of Home Affairs, led by a minister appointed by the Commander in Chief but reporting to the President, retains oversight of the Myanmar Police Force, which files cases directly with the courts. While foreign companies have the right to bring cases to and defend themselves in local courts, there are concerns about the impartiality and lack of independence of the courts.

In order to address the concerns of foreign investors regarding dispute settlement, the government acceded, on April 16, 2013, to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards ("New York Convention"). On January 5, 2016 Burma's parliament enacted the much-anticipated Arbitration Law, putting the New York Convention into effect and replacing arbitration legislation that was more than 70 years old. Since April 1, 2016, foreign companies can pursue arbitration in a third country. However, the Arbitration Law does not eliminate all risks. There is still little track record of enforcing foreign awards in Burma and inherent jurisdictional risks remain in any recourse to the local legal system. The new Arbitration Law however brings Burma's legislation more in line with internationally accepted standards in arbitration.

Laws and Regulations on Foreign Direct Investment

The MIC plays a leading role in the regulation of foreign investment, and approves all investment projects receiving incentives except those in special economic zones, which are handled by the Central Working Body, set up under the existing Special Economic Zone Law. Joint ventures between foreign investors and SOEs are the responsibility of the relevant line ministries. There is no evidence that the MIC discriminates against foreign investors.

The MIL outlines the procedures the MIC must take in considering foreign investments. Investment approvals are made on a case-by-case basis. The MIC evaluates foreign investment proposals and stipulates the terms and conditions

of investment permits. To obtain an investment permit, the investor must submit a proposal in the prescribed form to the MIC, together with supporting documentation including details of intended activities and the financial credibility of the company/individual; an undertaking not to engage in trading activities; and annual reports for the last two financial years, or copies of the company's Head Office's balance sheet and profit and loss account for the last two financial years, notarized by the Burmese Embassy in the country where the company is incorporated. The MIC accepts or rejects an application within 15 days, and decides whether to approve the proposal within 60 days. In November 2015, the government's Cabinet approved an Environmental Impact Assessment Procedure. The Chairman of the MIC gives the final approval.

The MIC does not record foreign investments that do not require MIC approval. Joint ventures with military controlled enterprises require MIC approval and abide by the same rules as other investments. Many smaller investments may also go unrecorded. Once licensed, foreign firms may register their companies locally, use their permits to obtain resident visas, lease cars and real estate, and obtain import and export licenses from the Ministry of Commerce. Foreign companies may register locally without an MIC license, in which case they are not entitled to receive the benefits and incentives provided for in the MIL. Many import and export licenses requirements have been removed since 2014; for more information see [Myanmar's National Trade Portal "Importing and Exporting" webpage](#).

More information on the MIC and DICA can be found at [DICA's "Apply for MIC Permit" webpage](#).

Competition and Anti-Trust Laws

A Competition Law was passed on February 24, 2015, and went into effect on February 24, 2017. The objective of the law is to protect public interest from monopolistic acts, limit unfair competition, and prevent abuse of dominant position and economic concentration which weakens competition. Specifically, the Competition Law sets a foundation for creation of a regulatory body with investigative and adjudicative powers, addresses the three standard pillars of competition law (agreements that restrain competition, abuse of dominance and mergers) as well as unfair trade practices, and establishes a comprehensive penalty regime.

The law classifies four types of behavior as sanctionable violations: acts restricting competition (applicable to all persons); acts leading to monopolies (applicable only to entrepreneurs); unfair competitive acts (applicable only to entrepreneurs); and business combinations such as mergers. The law also restricts the production of goods, market penetration, technological development and investment, although the government may exempt restrictive agreements "if they are aimed at reducing production costs and benefit consumers" such as

reshaping the organizational structure and business model of a business so as to improve its efficiency; enhancing technology and technological advances for the improvement of the quality of goods and service; and promoting competitiveness of small and medium sized enterprises.

Burma is not party to any bilateral or regional agreement on anti-trust cooperation.

Expropriation and Compensation

According to the OECD's 2014 IPR report, Burma's "expropriation regime . . . does not appear to protect investors against indirect expropriations." In addition, it reports that Burma has not incorporated the principle of non-discrimination into its investment framework. Other than a constitutional safeguard that states that the government will not nationalize economic enterprises, there is no specific provision in Burma's legislation against expropriation without compensation. The 2016 MIL prohibits nationalization and states that foreign investments approved by the MIC will not be nationalized during the term of their investment. In addition, the law guarantees that the government of Burma will not terminate an enterprise without reasonable cause, and upon expiry of the contract, the government of Burma guarantees an investor the withdrawal of foreign capital in the foreign currency in which the investment was made. Finally, the law states that "the Union Government guarantees that it shall not cease an investment enterprise operating under a Permit of the Commission before the expiry of the permitted term without any sufficient reason."

The new Company Act under review by Parliament is planned to replace a colonial-era Myanmar Companies Act from 1914 that is replete with antique stipulations – companies have to seek presidential approval to change their names, and court approval to change business objectives. In addition to simplifying requirements for small and family-owned businesses, improving corporate governance standards and removing outdated regulations, the act also is expected to allow foreign investors to hold a certain percentage of shares in Burmese firms. The authorities hope this will make it easier for local companies to attract international funding and expertise. The new legislation will not automatically treat companies with a degree of foreign ownership differently. The Director General of DICA said foreign-owned companies will be defined as those where foreign ownership exceeds 35 percent, but that the Ministry of Finance and Planning can change this ratio as the economy develops. This law would also allow foreigners to buy shares on the new Yangon Stock Exchange for the first time.

Dispute Settlement

ICSID Convention and New York Convention

Burma is not a party to the 1965 Convention on the Settlement of Investment Disputes between States and Nationals of other States (ICSID). On January 5, 2016 the Burmese parliament enacted the Arbitration Law, putting the 1958 New York Convention into effect (see international arbitration below).

Investor-State Dispute Settlement

To date, Burma has not been party to any investment dispute. In addition, Burma has not been party to any dispute settlement proceeding at the WTO.

International Commercial Arbitration and Foreign Courts

The new 2016 Arbitration Law is based on the UNCITRAL Model Law (Model Law), addressing arbitration in Burma as well as the enforcement of a foreign award in Burma. For example, the provisions relating to the definition of an arbitration agreement, the procedure of appointing arbitrator(s) and the grounds for setting aside an award, are mirrored in the Arbitration Law and the Model Law; however there are some differences between these two laws. For instance, while parties are free to decide on the substantive law in an international commercial arbitration, the Arbitration Bill provides that arbitrations seated in Burma must adopt Burmese law as the substantive law if those arbitrations do not fall within this definition. This may create uncertainty as to what can be defined as an international commercial dispute, such that parties are allowed to adopt any foreign law as substantive law under this provision. According to the Arbitration Law, foreign arbitral awards can be enforced if they are the result of a commercial dispute and were made at a place covered by international conventions connected to Burma and as notified in the State Gazette by the President. If the Burmese court is satisfied with the award, it has to enforce it as if it were a decree of a Burmese court. While observers note that there are still issues to be ironed out, the Arbitration Law brings Burma's legislation much closer to international arbitration standards and legislation.

Bankruptcy Regulations

There is no bankruptcy law in Burma. Existing, antiquated insolvency laws – such as The Insolvency Act of 1910 and The Insolvency Act of 1920 – are rarely used.

Industrial Policies

Investment Incentives

Different ministries and agencies promote investment into different sectors (e.g., the Ministry of Hotels and Tourism promotes responsible tourism investment), although DICA is officially mandated to coordinate investment promotion under the MIL. DICA is responsible for encouraging and facilitating foreign investment by providing information, fostering coordination and networks between

investors, and continually exploring new opportunities in Burma that would benefit both the nation and the business community. Currently, DICA's main office is in Rangoon, but it has nine branches throughout the country including Patheingyi, Monywa, Dawei, Taunggyi, Mawlamyine and Mandalay, Hpa-an, Bago, Nay Pyi Taw. DICA is paying particular attention to attracting FDI in labor intensive industries; agriculture and its related industries including products manufactured from raw agricultural materials, agricultural construction, building and heavy equipment; and projects that benefit infrastructure including transportation, energy and manufacturing. [DICA](#) uses seminars, workshops, investment fairs and other events to promote investment.

Foreign Trade Zones/Free Ports/Trade Facilitation

The Myanmar Economic Zones Law also contains certain investment incentives. Under the law, investors located in a Special Economic Zone (SEZ) may apply for income tax exemption for the first five years from the date of commencement of commercial operations, followed by a reduction of the income tax rate by 50 percent for the proceeding five year period. Under the law, if profits during the next third five year period are reinvested within one year, investors can apply for a 50 percent reduction of the income tax rate for profits derived from such reinvestment. On August 27, 2015 the Ministry of National Planning and Economic Development issued new rules governing the SEZs including the establishment of a One Stop Service Department to ease the approval and permitting of investments in SEZs, incorporate companies, issue entry visas, issue the relevant certificates of origin, collect taxes and duties, approve employment permits and/or permissions for factory construction and other investments

Performance and Data Localization Requirements

Foreign investors must recruit at least 25 percent of their skilled employees from the local labor force in the first two years of their investment. The local employment ratio increases to 50 percent for the third and fourth years, and 75 percent for the fifth and sixth years. The investors are also required to submit a report to MIC with details of the practices and training methods that have been adopted to improve the skills of Burmese nationals.

Foreign investors are not yet required to use domestic content in goods or technology. Burma is currently developing laws, rules and regulations on information technology (IT), and does not have in place requirements for foreign IT providers to turn over source code and/or provide access to surveillance..

Protection of Property Rights

Real Property

The MIL provides that any foreign investor may enter into long-term leases with private landlords, or—in case of state owned land—the relevant government departments or government organizations, if the investor has obtained a Permit

or Endorsement issued by the MIC. Upon issuance of a Permit or an Endorsement, a foreign investor may enter into leases with an initial term of up to 50 years (with the possibility to extend for two additional terms of ten years each). Longer periods of land utilization or land leases may be allowed by the MIC to promote the development of difficult-to-access regions with lower development.

However, a continuing area of concern for foreigners involves investment in large-scale land projects. Property rights of large plots of land for investment commonly are disputed because ownership is not well-established, particularly following a half-century of military expropriations; it is not uncommon for foreign firms to face complaints from communities about inadequate consultation and compensation regarding land that they are seeking to lease from the government or private parties.

In January 2016, the government published the approved National Land Use Policy. The policy includes provisions on ensuring the use of effective environmental and social safeguard mechanisms; improving public participation in decision-making processes related to land use planning; improving public access to accurate information related to land use management; and developing independent dispute resolution mechanisms. The policy is to be updated every five years as necessary and stipulates that a new national land law will be drafted and enacted using this policy. This policy will also be used as a guide for the harmonization of all existing laws relating to land in the country.

Burma's parliament passed the Condominium Law on January 22, 2016. The law states that up to 40 percent of condominium units can be sold to foreign buyers on a building's sixth floor and above. As per the new law, condominium owners shall have the shared ownership of both the land and apartment. However, new residential condominiums built in Rangoon will not meet the criteria stipulated in the law as most of the projects were built by foreign investors on government land under build-operate-transfer (BOT). Such private-public partnership investments cannot be considered condominiums under the new law. The Ministry of Construction is drafting rules to clarify the new law.

In accordance with the Transfer of Immovable Property Restriction Law of 1987, mortgages of immovable property are prohibited if the mortgage is a foreigner, foreign company or foreign bank.

Intellectual Property Rights

Burma is in the process of improving intellectual property rights protection. Patent, trademark, industrial design, and copyright laws and regulations are antiquated and deficient, and there is minimal regulation and enforcement of existing statutes. Consequently, there is no legal protection in Burma for foreign

copyrights. In addition, Burma has no trademark law, although trademark registration is possible.

Burma does not have in place a judicial court specifically dealing with intellectual property rights. Disputes related to the infringement of intellectual property rights are governed by common rules of civil and criminal procedure. Similarly, there is no institution in charge of supervising the administration, registration and enforcement of intellectual property.

Burma is attempting to address these legal deficiencies and the high level of piracy within Burma. After Burma joined ASEAN in 1997, it agreed to modernize its intellectual property laws in accordance with the ASEAN Framework Agreement on Intellectual Property Cooperation. The Ministry of Education, with advice from external stakeholders and experts, drafted four new intellectual property bills – on trademarks, copyrights, patents, and industrial design – with the aim of creating a modern, comprehensive legal framework for intellectual property rights and improving Burma’s business climate. In anticipation of the trademark bill passing, Burma has established a single national Intellectual Property Office with USAID assistance that will monitor compliance with intellectual property laws and be responsible for further developing intellectual policy and regulations. In addition, the WTO has delayed required implementation of the Trade Related Aspects of Intellectual Property (TRIPs) Agreement for Least Developed Nations – including Burma – until 2021.

For additional information about treaty obligations and points of contact at local IP offices, please see [WIPO’s country profiles](#).

For more information on legal service providers available in Myanmar please see the [U.S. Embassy in Burma’s “Attorneys and Notaries Public” webpage](#).

Financial Sector

Capital Markets and Portfolio Investment

Burma has very small publicly traded equity and debt markets. Banks have been the primary buyers of government bonds issued by Burma’s Central Bank, which has established a nascent bond market auction system. The Central Bank issues government treasury bonds with maturities of two, three and five years.

The Burmese government opened the Yangon Stock Exchange on December 9, 2015, and the first company was listed on March 25, 2016 and only a few other companies have subsequently been listed. Japan Exchange Group and Japan-based Daiwa Securities Group helped launched the bourse, owning a combined 49 percent of the stock exchange, with the remaining 51 percent owned by state-owned Myanma Economic Bank. On July 30, 2013, the Securities Exchange Law came into effect, establishing a securities and exchange commission and helping clarify licensing for securities businesses (such as dealing, brokerage, underwriting, investment advisory and company’s representative). Foreign

entities will not be able to acquire Yangon stock exchange-listed shares until the Burmese government passes an updated Companies Law, and Burma also needs to adopt, implement, and enforce sound practices such as rules for company disclosures, transparency and corporate governance requirements, and shareholder voting rights to increase international and domestic appeal.

Money and Banking System

Burma's banks continue to face a number of significant regulatory restrictions that limit the growth of the formal financial sector. Burma's Central Bank is tasked with supervisory and regulatory functions for the banking sector. The Central Bank's policy objectives include domestic price stability, financial stability, and efficient payment systems, and it is responsible for approving new banks and supervising new and existing banks. In 2013, the Central Bank Law established the Central Bank as independent from the Ministry of Finance.

In October 2014, the government awarded limited banking licenses to nine foreign banks – all from the Asia-Pacific region – allowing each bank to set up one branch and provide loans to foreign companies. All nine banks began operations by the end of October 2015. In mid-December 2015, the Burmese government announced a second round of foreign bank licensing, designed to increase the presence of banks headquartered in a wider variety of countries, and in early March 2016 the Central Bank granted new licenses to banks headquartered in India, South Korea, Taiwan, and Vietnam. Foreign banks are restricted to providing loans to foreign entities and are required to partner with local banks in order to lend in local currency and lend to local companies.

In Burma's banking sector, the credit is extended through loans not exceeding 12-month, the maximum duration the Central Bank allows, and these are routinely rolled over with capitalization of interest, masking non-performing loans both to banks, the Central Bank, and international financial institutions. Insufficient access to formal sources of credit is the most frequently identified obstacle to doing business in Burma, according to numerous business surveys. There are high levels of informality throughout the economy, with a pervasive, unregulated financial sector constituting the large majority of lending. Myanmar's largest private bank, KBZ, and Japan-headquartered Sumitomo Mitsui Banking Corporation announced in February 2017 the beginning of a direct correspondent relationship between the United States and Burma via Sumitomo Mitsui's New York branch office.

Foreign Exchange and Remittances

Foreign Exchange

Since 2012, the Central Bank of Burma runs a managed float of the Burmese kyat. Although the exchange rate is determined by daily dollar auctions at Burma's

Central Bank, the open market often sells foreign exchange at illegal rates outside of the 0.8 percent band around the Central Bank's daily rate.

Remittance Policies

According to the MIL, foreign investors have the right of remittance of foreign currency. Foreign investors are allowed to remit foreign currency overseas through banks which are authorized to conduct foreign banking business at the prevailing exchange rate. Banks began introducing remittance services during 2012 and the volume of such formal transfer is low but growing, according to local bank managers.

Nevertheless, in practice, the transfer of money in or out of Burma has been difficult, as many international banks have been slow to update their internal prohibitions on conducting business in Burma, given the long history of U.S. and European sanctions that had isolated the country. The majority of foreign currency transactions are conducted through banks in Singapore.

The difficulties presented by the formal banking system are reflected in the continued use of informal sources of finance for loans and remittances by both the public and businesses. Although these informal sources tend to have higher interest charges, they offer an alternative to the limited loan services offered by banks, which provide almost only short-term credit for trade on a limited basis and require collateral. Remittances are also often made through a well-developed informal financial network (commonly known as the "Hundi System").

Burma is a "country of primary money laundering concern" in the 2017 International Narcotics Control Strategy Report. According to the report, Burma is not a regional or offshore financial center, and its economy is underdeveloped and its historically isolated banking sector is just beginning to reconnect to the international financial system. However, the report notes that Burma's prolific drug production and lack of financial transparency make it attractive for money laundering. Burma enacted anti-money-laundering laws on March 14, 2014 and issued relevant rules on September 11, 2015. Burma's Financial Intelligence Unit (FIU) is the agency to investigate and take legal action. The FIU is now a part of Burma's police force under Ministry of Home Affairs. The FIU is now building capacity to become an independent unit in line with the recommendations of the Financial Action Task Force. In July 2016, Burma was delisted from the Financial Action Task Force list. While Burma is still designated as a jurisdiction of "primary money laundering concern" under Section 311 of the USA PATRIOT Act, the U.S. Department of the Treasury issued an administrative exception to this finding on October 2016, similar to waivers issued for certain banks since 2012, and allowing corresponding banking relationships with the United States. For

more information on the Department of Treasury exception, please see the [Financial Crimes Enforcement Network's \(FinCEN\) Myanmar webpage](#).

Burma does not engage in currency manipulation tactics.

Sovereign Wealth Funds

Burma does not have a sovereign wealth fund.

State-Owned Enterprises

Revenue from SOEs contributes about 40 percent of the total revenue of Burma, while costs of SOEs amount to 35 percent of expenditures. In July 2016, the NLD announced 12 economic policies including to reform SOEs and to privatize SOEs which enables the private sector to take over to create employment opportunities. During 2017, Burma took more transparency initiatives by publishing the executive budget proposal for FY 2017-18 sent to Parliament and commercial statements of SOEs for FY 2015-16, FY 2016-17 and FY 2017-18 on the Ministry of Planning and Finance website. The disaggregate figures of each SOE under the respective ministries are made to the public, but are only available in Burmese language.

Starting in 2012, the government of Burma began taking steps to reduce SOEs' reliance on government support and to make them more competitive through joint ventures. This included reducing budget subsidies for financing the raw material requirements of SOEs. The government of Burma has taken the direction of public private partnership, corporatization, and privatization. Burma is not party to the Government Procurement Agreement (GPA) within the framework of the WTO.

SOEs can secure loans from state owned banks, with approval from the cabinet at 4 percent interest rate. Private enterprises, unlike SOEs, are forced to provide land or other real estate as collateral in order to be considered for a loan. However, SOEs are now subject to stricter financial discipline, as the government has sharply cut direct subsidies to the SOEs while opening markets for competition with the private sector. Furthermore, the government is removing the easy credit from state banks. SOEs historically had an advantage over private entities in terms of land access since, according to the Constitution, the State owns all the land.

Privatization Program

According to the government of Burma, the private sector accounts for a majority of the country's GDP, with the State participating in telecommunication services, social and public administration, energy, forestry, construction, and electricity. The activities of the two military associated conglomerates of MEHL and MEC are not included in the budget data; these companies are not considered SOEs under Burmese law.

The new government has prioritized the privatization of SOEs, largely because many of these entities cost the government money. In May 2016, the NLD appointed the new members of the Privatization Commission headed by a Vice-President. The Minister of Planning and Finance is the secretary of the commission. As one of the responsibilities of the commission, privatization can take the form of system-sharing, public-private partnership, private-private partnership, franchise, joint-venture, and sales of the assets in line with the standards which other countries follow.

Responsible Business Conduct

Burma's awareness of corporate social responsibility (CSR) is growing. However, many local companies (and some international firms) still equate CSR with in-kind donations or charitable contributions. In recent years the Union of Myanmar Chambers of Commerce and Industry (UMFCCI), Burma's largest private sector association, has been promoting the United Nations Global Compact and CSR principles in general. Burma's Cabinet approved the Environment Impact Assessment (EIA) Procedure in November 2015, requiring investors to not only accept social and environmental conservation, but to also highlight transparency and publicize their work in "real time". Investors are required to self-monitor projects and report concerns to the relevant government departments. The 2016 MIL also requires EIAs for all investments. Since 2011, Burmese civil society organizations have become more vocal in protesting against companies or government sponsored projects which they view as violating social standards. As mentioned in section 8 - Transparency of the Regulatory System, Burma became a candidate country in the Extractive Industries Transparency Initiative in 2014, an indication of its growing commitment to responsible investment and CSR principles.

Burma has implemented the OECD Guidelines for Multinational Enterprises. According to DICA, the MIL itself is in response to the OECD call for a level playing field, by merging the previously separate domestic and foreign investment laws.

Corruption

The new government has prioritized fighting corruption, and has succeeded in countering high-level corruption to some extent. Low-level corruption, however, is still common in some areas but business representatives report a sharp decrease in required payments. In its 2016 Corruption Perceptions Index, Transparency International rated Burma 136 out of 176 countries, an improvement from the 2015 ranking of 147 out of 168 countries. Areas where investors might face corruption are when seeking investment permits, during the taxation process, when applying for import and export licenses, and when negotiating land and real estate leases.

The government of Burma recognizes the international community's perception of corruption in the country. In 2016, the government issued Anti-Corruption Rules detailing the powers and functions of an investigation board and Anti-Corruption Commission established by the 2013 Anti-Corruption Law. The rules also outline obligations of banks in response to an investigation, but do not create an obligation for proactive reporting of corruption suspicion.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Burma signed the UN Anticorruption Convention in 2005, and ratified it December 20, 2012.

Burma is not party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Resources to Report Corruption

Suzanne M. Yountchi
Economic Officer
U.S. Embassy in Myanmar
110 University Avenue
Kamayut Township 11041
Rangoon, Burma
Phone: 950- 153-6509 Ext. 4248
Email: BurmaBusiness@state.gov

Political and Security Environment

While violence or demonstrations rarely target U.S. or other Western interests in Burma, several ethnic armed groups are engaged in ongoing civil conflict with the government of Burma. Since 2011, the government has signed cease-fire agreements with 14 ethnic armed groups, though sporadic conflict can occur even with these cease-fire groups. On October 15, 2015 the government of Burma and eight ethnic armed groups signed a Nationwide Ceasefire Agreement (NCA); however, several ethnic armed groups did not sign this new agreement and conflict with the government of Burma has escalated in some parts of the country.

The government is sensitive to the threat of terrorism and is engaged with international partners. There is no evidence to suggest that terrorist organizations have operational capacity in Burma or are actively targeting Western interests. Burma experiences periodic, low-order bombings. These bombings are often perpetrated by ethnic armed groups or other anti-state actors and are usually designed to intimidate or harass. In 2016, there were bombings in northern, western, and eastern Burma, as well as some small explosions in supermarkets, an immigration office and a police station in Yangon. While some of the bombings caused casualties, nearly all targeted Burma government

interests. Ethnic armed groups have used IEDs in Shan and Kachin States during attacks on government security forces, and the continued use of landmines by the Burma military and ethnic armed groups in the north, northeast, and southeast has led to an increase in landmine incidents over the past year. Civilians have also been killed in the north and northeast as a result of airstrikes and increased use of heavy weapons by the Burma military.

On October 9, 2016 three Border Guard Police outposts were attacked in northern Rakhine State by an apparently Rohingya aligned movement, resulting in both police and civilian casualties. Attacks did not target civilians (either Burma or foreign nationals). The government characterized this event as a terrorist attack domestically, and Burma's security forces conducted operations in the area, resulting in officially reported deaths of at least 17 members of the security forces and 69 attackers. During operations, it is estimated over 66,000 Rohingya crossed into Bangladesh to escape violence. Violence has not spread to other areas of Burma following these attacks, though certain states in Burma have also experienced ethnic or religious violence in the recent past. Burma has a minority Muslim population, and violence between Buddhists and Muslims has led to enhanced international scrutiny since intercommunal violence occurred in Rakhine State in 2012.

Labor Policies and Practices

On October 2011, the Government of Burma passed the Labor Organization Law, which legalized the formation of trade unions and allows workers to strike. As of January 2016 roughly 2,369 enterprise level unions had been formed in a variety of industries ranging from garments and textiles to agriculture to heavy industry. The passage of the Labor Organization Law has engendered a nascent labor movement in Burma, and there is a low, yet increasing, level of awareness of labor issues among workers, employers, and even government officials.

Burma's labor costs are low, even when compared to most of its Southeast Asian neighbors. Skilled labor and managerial staff are in high demand and short supply, leading to high turnover. The military's nationalization of schools in 1964, its discouragement of English language classes in favor of Burmese, the lack of investment in education by the previous governments of Burma, and the repeated closing of Burmese universities from 1988 to mid-2000's have taken a toll on the country's youth. Most in the 15-39 year old demographic group lack technical skills and English proficiency. In order to address this gap, the Government of Burma's Employment and Skill Development Law entered into effect in December 2013 and is being revised even further. The law also provides for compulsory contributions on the part of employers to a "skill development fund", although this provision has not been implemented. According to the government, 70 percent of Burma's population is employed in agriculture.

According to the World Bank's 2014 "Ending Poverty and Boosting Prosperity in a Time of Transition" report on Burma, 73 percent of the total labor force in Burma was employed in the informal sector in 2010, or 57 percent excluding agricultural workers. Casual laborers represented another 18 percent, mainly from the rural areas. Unpaid family workers represent another 15 percent. According to the government's labor force survey, the informal sector account for 75.6 percent.

On June 24, 2015 the National Committee appointed by Burma's Minimum Wage Law in 2013 announced a new national minimum wage - 3600 kyat (\$2.80) - which went into effect on September 1, 2015. This wage is an increase from the 2009 wage of 1000 kyat (roughly \$1.17) per day. The minimum wage covers a standard eight-hour work day across all sectors and industries (i.e., there are no carve-out or separate wages for garment sector workers as had previously been debated), and applies to all workers except for those in businesses with less than 15 employees. While the minimum wage has been widely implemented, compensation for overtime work is still unclear. Labor compensation in Burma is still lower than some of its South East Asian neighbors.

The Burmese government, in an effort to align Burma's labor regulations with international standards and increase trade and investment in the country, set out to abolish all antiquated labor laws and to introduce new labor laws and regulations. The government passed a number of labor reforms in 2015 and 2016 and amended a range of labor-related laws, such as the 2016 Shops and Establishment Law, the 2016 Payment of Wages Law. The government introduced to Parliament new laws on occupational safety and health and alien workers, which are currently under review. In November 2016, the U.S. government reinstated Burma's Generalized System of Preferences trade benefit in recognition of the progress that the government had made in protecting workers rights.

In September 2016 the government institutionalized the National Tripartite Dialogue Forum (NTDF), as a venue to engage with employers and workers, especially in drafting legislation. The NTDF is currently reviewing drafts of the Settlement of Labor Disputes Law, Labor Organization Law, and revisions to employment contracts as part of the Employment and Skill Development Law.

On November 13, 2014, the Governments of the United States, Burma, Japan, Denmark, and the ILO formally launched the Initiative to Promote Fundamental Labor Rights and Practices in Myanmar (Initiative) and held the second Stakeholder's Forum in September 2016. The overarching goal of the Initiative is to promote a culture of compliance with fundamental labor rights. The Initiative is intended to cultivate relationships between business, labor, and civil society stakeholders and the government of Burma.

OPIC and Other Investment Insurance Programs

On May 21, 2013, the Overseas Private Investment Corporation (OPIC) signed an Investment Incentive Agreement with Burma. In 2014, OPIC announced that its financing and insurance programs are available for Burma and in October 2016 announced intent to double investment financing from \$250 million to \$500 million over the next five years. OPIC provides political risk insurance, debt financing, and private equity capital to support U.S. investors and their investments. OPIC can provide political risk insurance for currency inconvertibility, expropriation, and political violence for U.S. investments including equity, loans and loan guarantees, technical assistance, leases, and consigned inventory or equipment. OPIC debt financing in the form of direct loans and loan guarantees of up to \$250 million per project are also available for business investments in Burma, covering sectors as diverse as tourism, transportation, manufacturing, franchising, power, infrastructure, and others.

On February 6, 2014, the Export-Import Bank of the United States (EXIM Bank) announced that it would open for sovereign-backed business in Burma to help finance short-term and medium-term U.S. export sales. Short-term insurance is available for sovereign transactions with repayment terms of 180 days or less, and up to 360 days for capital goods. Medium-term insurance, loan guarantees and loans are available for sovereign transactions with terms typically up to five years. The EXIM Bank is also able to provide long-term support in Burma, provided there are financing arrangements that eliminate or externalize country risks, such as asset-backed financings and structures that earn revenues offshore in a third country. In June 2015, EXIM approved its first transaction in Burma for the export of Cessna Caravan aircraft for Myanmar National Airlines.

On December 17, 2013, Burma became a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA), which means that direct foreign investment into the country is eligible for the agency's investment guarantees.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 11: Key Macroeconomic Data, U.S. FDI in Myanmar

Economic Data	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	

Host Country Gross Domestic Product (GDP) (\$M USD)	2016	\$56.86 billion	2016	\$ billion	Ministry of Finance
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	2016	N/A	2016	N/A	BEA
Host country's FDI in the United States (\$M USD, stock positions)	2016	N/A	2016	N/A	BEA
Total inbound stock of FDI as % host GDP	2016	N/A	2016	N/A	N/A

*Source: Myanmar Central Statistical Yearbook, December 2016

Table 12: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data						
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)						
Inward Direct Investment			Outward Direct Investment			
Total Inward	9481	100%	Total Outward	0	100%	
Singapore	4246	45%	N/A	N/A	N/A	
China	3323	35%	N/A	N/A	N/A	
Netherlands	438	5%	N/A	N/A	N/A	
Malaysia	257	3%	N/A	N/A	N/A	
Thailand	236	2%	N/A	N/A	N/A	

"0" reflects amounts rounded to +/- USD 500,000.

Table 13: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
All Countries	Amount	100%	All Countries	Amount	100%	All Countries	Amount	100%
China	18371	31.12	N/A	N/A	N/A	N/A	N/A	N/A

Singapore	15881	26.91	N/A	N/A	N/A	N/A	N/A	N/A
Hong Kong	7461	12.64	N/A	N/A	N/A	N/A	N/A	N/A
Korea	3479	5.89	N/A	N/A	N/A	N/A	N/A	N/A
UK	3470	5.88	N/A	N/A	N/A	N/A	N/A	N/A

Contact for More Information on the Investment Climate Statement

Suzanne M. Yountchi
Economic Officer
U.S. Embassy in Myanmar
110 University Avenue
Kamayut Township 11041
Rangoon, Burma
Phone: 950- 153-6509 Ext. 4248
Email: BurmaBusiness@state.gov

Trade and Project Financing

Methods of Payment

Exporters and importers in Myanmar transfer money into and out of the country by Letter of Credit (L/C) or Telegraphic Transfer (TT) using foreign currency accounts in any local bank with license for international banking services. Since August 2012, state-owned and private banks in Myanmar started offering Letters of Credit (L/Cs) to facilitate international trading activities. State-owned banks typically require the importer to make a full payment deposit before issuing an L/C whereas private banks require a smaller percentage deposit. Private bank L/Cs are generally preferred by Myanmar importers as they are processed faster and require less detailed information regarding the nature of the transaction than state-owned banks. Currently, the majority of banks in Myanmar are allowed to issue L/Cs and operate foreign currency accounts. The Telegraphic Transfer (TT) is the common method of payment for exporters. Through TT, they manage the payment through a banks in Singapore which connect with banks in Myanmar to transfer money back.

There are currently no American banks in Myanmar. Foreign banks are primarily from Japan, China, and ASEAN countries. Those foreign banks can only provide a narrow range of services like corporate banking but they cannot do retail banking nor direct lending to local companies.

Western Union, a U.S. company and leader in the global money transfer market, entered Myanmar in January 2013 by partnering with a large number of local banks and has the biggest market share. There are other international money transfer services providers like: Xpress Money, MoneyGram, Maybank, International Money Express (IME) and Singapore Post.

Banking Systems

With recent termination of sanctions we expect easier processing of financial transactions in the medium term. No U.S. bank is currently present in Burma. Most financial transactions with the U.S. are conducted via intermediary banks in Singapore and Thailand.

There are four large state-owned banks that used to conduct all foreign currency transactions prior to recent reforms. Myanmar Foreign Trade Bank (MFTB) handles the majority of foreign currency exchanges related to trade and non-trade transactions. Myanmar Economic Bank (MEB) functions as a commercial bank accepting savings and deposit account as well as issuing loans. Myanmar Investment and Commercial Bank (MICB) services local and foreign investors. Myanmar Agriculture and Development Bank (MADB) promotes economic enterprises in the agricultural sector. As of February 2014, 15 out of 24 domestic private banks have permits to operate foreign currency accounts.

The Government of Myanmar has made banking reform a top priority, but many substantive issues have yet to be addressed and the banking system remains critically underdeveloped. Around 90 percent of the population do not have access to banks. Banks operate mostly on a cash basis. ATMs are increasing in number, but often lack sufficient funds or fall prey to the country's frequent blackouts. A number of domestic banks now offer ATM services to MasterCard and Visa holders and began rolling out point of sale (debit/credit card) services throughout 2013. Although growing in scope, these services are largely limited to the main urban centers of Yangon and Mandalay and other major tourist zones. Banks began issuing MasterCard and Visa brand cards to domestic customers in late 2013. In 2017, two local banks began issuing international credit cards to domestic customers. Interbank loans are virtually nonexistent. Individual and business loans have terms of one year or less.

Foreign Exchange Controls

Myanmar's foreign exchange regulatory framework has evolved substantially since 2011. In order to ease its stringent foreign exchange controls, the Government of Myanmar enacted a new Foreign Exchange Management Law (FEML) in August 2012. The FEML liberalizes transfer payments related to current account transactions, though transfers related to capital accounts remain conditional. The application of the new law in practice continues to evolve. However, companies registered under the new investment law are guaranteed the ability to repatriate investment and profits in the foreign currency in which such investments were made, subject to the approval of Myanmar Investment Commission (MIC).

The Central Bank of Myanmar established a managed float of Myanmar kyat in April 2012 with an initial auction at 818 kyat per one U.S. dollar. As of April 2017, the kyat was trading at about kyat 1354 per USD \$1.

U.S. Banks and Local Correspondent Banks

Myanmar banks have correspondent banking accounts with banks in Singapore, Thailand, Malaysia, Australia, and other (mostly Asian) countries. Most U.S. financial transactions use correspondent banks but that may change with further liberalization of the banking sector.

Project Financing

The World Bank and Asian Development Bank (ADB) reopened offices in Myanmar in 2012 to encourage ongoing political and economic reforms. In April 2014, ADB established its Myanmar Resident Mission, with offices in Naypyitaw and Yangon. ADB expects to approve up to US\$1 billion in non-sovereign investment projects in areas including logistics, connectivity, power generation, telecommunications, urban development, financial sector and trade finance. In January 2013, the World Bank and ADB approved grants and loans of US\$512 million and US\$440 million, respectively. From 2013 to 2014, the World Bank

also approved projects worth \$110 million towards the telecommunications sector and modernization of the public financial management system. In 2016, Myanmar has access to around US\$480 million in International Development Association resources. Of this, US\$100 million plus another US\$100 million from a separate IDA crisis response window is already committed for a flood and landslide emergency recovery project. The World Bank also plans to loan US\$100 million to the Ministry of Planning and Finance for a financial sector development project planned for this fiscal year. For the remaining US\$280 million, the support will be distributed to the areas of health, disaster risk management and development policy financing. The World Bank's existing loan program extends across the power, health, education, agriculture, energy and communication sectors.

U.S. Trade and Development Agency (USTDA) links U.S. businesses to export opportunities by funding project planning activities, pilot projects, and reverse trade missions while creating sustainable infrastructure and economic growth in partner countries. USTDA has launched its Myanmar program and has provided assistance for project planning and reverse trade missions, particularly in the energy and transportation sectors.

In May 2013, OPIC signed an Investment Incentive Agreement with Myanmar to support private U.S. businesses seeking to invest in Myanmar. OPIC has funded debts in the telecom and infrastructure sector.

On February 6, 2014, the Export-Import Bank of the United States announced that it can now provide export-credit insurance, loan guarantees and direct loans for creditworthy export sales to Myanmar. Short-term insurance is available for sovereign transactions with repayment terms of 180 days or less, and up to 360 days for capital goods. Medium-term insurance, loan guarantees and loans are available for sovereign transactions with terms typically up to five years. The Bank is also able to provide long-term support in Myanmar, provided there are financing arrangements that eliminate or externalize country risks, such as asset-backed financing and structures that earn revenues offshore in a third country.

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the Asian Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the [Commercial Liaison Offices to the Asian Development Bank](#) and the [World Bank](#).

Contact Information

[Commercial Liaison Office to Asian Development Bank](#)

[Commercial Liaison Office to the World Bank](#)

Financing Web Resources

[Export-Import Bank of the United States - Country Limitation Schedule](#)

[Export-Import Bank of the United States \(Ex-Im\)](#)

[SBA's Office of International Trade](#)

[Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team](#)

[U.S. Agency for International Development \(USAID\)](#)

[U.S. Department of the Treasury - Myanmar Sanctions Regulations](#)

[U.S. Trade and Development Agency \(USTDA\)](#)

[USDA Commodity Credit Corporation](#)

Business Travel

Business Customs

There are few specific etiquette rules for business contacts. However, it is appropriate to wear business attire for official meetings and contract signing ceremonies. Burmese expect to exchange business cards at first meetings.

Travel Advisory

For the latest security information, Americans traveling abroad should monitor the Department of State, Bureau of Consular Affairs' Internet site at <http://travel.state.gov> where the current Travel Warnings and Travel Alerts, including the Worldwide Caution Travel Alert, can be found. Up-to-date information on safety and security can also be obtained by calling 1-888-407-4747 toll free in the U.S. and Canada, or for callers outside the U.S. and Canada, a regular toll-line at 1-202-501-4444. These lines are available from 8:00 a.m. to 8:00 p.m. Eastern Time, Monday through Friday (except for U.S. federal holidays). The Department of State urges American citizens to take responsibility for their own personal security while traveling overseas. For general information about appropriate measures travelers can take to protect themselves in an overseas environment, see the Department of State's pamphlet A Safe Trip Abroad. Further details can be found at the [U.S. State Department's Myanmar webpage](#).

Visa Requirements

The Government of Myanmar has recently eased the controls on travel to and within Myanmar. A passport and visa are required for all travelers entering the country. The application process for business visas varies and can be lengthy. Please refer to the [Ministry of Foreign Affairs' website](#).

Online visa applications can be submitted via the [Ministry of Labor, Immigration and Population's eVisa webpage](#).

Contact Information

[Embassy of the Union of Myanmar](#)

2300 S Street NW W

Washington, DC 20008

Phone: 202-332-3344 | 202-332-4350

Permanent Mission of Myanmar to the UN

10 East 77th Street

New York, NY 10021

Phone: 212-535-1311

Currency

The Kyat (MMK) is the local currency. Currency exchange counters are available at Yangon International Airport and around the city as are ATMs. As of April 2017, the kyat was trading at about MMK 1350 per USD 1.

Telecommunications/Electric

CDMA and GSM cell phone service is available in Yangon, Mandalay, Bagan and surrounding areas. Mobile phones and SIM cards have become much more affordable in Myanmar and are readily available. Business hotels provide access to the internet which reasonable download speeds.

Transportation

Myanmar is easily accessible by air primarily via regional hubs like Tokyo, Seoul and Bangkok. Domestic air travel is preferred over roads with flights connecting all major cities.

Travel by road in Myanmar can be dangerous as roads outside urban areas are often narrow and in poor condition, particularly during the May-October rainy season. Travel after dark is not recommended. Government permission is required for foreigners to travel by road in border areas. Rail travel, though available, is not recommended due to slow service.

Language

Burmese (Myanmar) is the official language throughout Myanmar, though languages of the various ethnic groups are widely spoken in their home regions. Businesspeople in Yangon and Mandalay speak some degree of English, but English is not widely spoken outside main urban areas. Chinese is spoken in Mandalay, Yangon, and in major trade hubs near the China-Myanmar border. Thai is spoken in major trade hubs on the Thai-Myanmar border.

Health

Water is not potable, and only bottled water should be consumed. Visitors should avoid unpasteurized dairy products and uncooked or undercooked meat and vegetables.

Visitors should consult their physician or local health authorities for a list of recommended immunizations prior to arrival. Dengue fever is the prominent, year-round health concern. Avoidance of mosquito bites through the use of mosquito repellent and protective clothing is the only way to prevent this illness. Although malaria is not a problem in urban Yangon, malaria prophylaxis should be taken if traveling to other parts of the country.

Medical facilities in Myanmar are often inadequate and a sufficient supply of personal prescription and over-the-counter medications should be hand-carried. Doctors and hospitals often expect immediate cash payment for health services, and U.S. medical insurance is not always valid outside the United States.

Information on vaccinations and other health precautions may be obtained from the [Centers for Disease Control and Prevention's](#) hotline for international travelers at 1-877- FYI-TRIP (1-877-394-8747) or via fax at 1-888-CDC-FAXX (1-888-232-3299).

Local Time, Business Hours, & Holidays

Myanmar is 6.5 hours ahead of Greenwich Mean Time. Myanmar does not observe Daylight Savings Time.

Business hours are not uniform. Most private and government offices close on Saturday and Sunday, though shops are usually open six or seven days a week.

Table 14: Myanmar 2017 Holidays

Date	Day of the Week	Holiday
January 4	Wednesday	Independence Day
February 12	Sunday	Union Day
March 2	Thursday	Peasants' Day
March 12	Sunday	Full Moon Day of Tabaung
March 27	Monday	Armed Forces Day
April 13	Thursday	Thingyan (water festival)
April 14	Friday	Thingyan
April 15	Saturday	Thingyan
April 16	Sunday	Thingyan
April 17	Monday	Burmese New Year's Day
April 18	Tuesday	Burmese New Year Celebration
April 19	Wednesday	Burmese New Year Celebration
April 20	Thursday	Burmese New Year Celebration
April 21	Friday	Burmese New Year Celebration
May 1	Monday	Labor Day
May 10	Wednesday	Full Moon Day of Kasong
July 8	Saturday	Full Moon Day of Waso; start of Vassa
July 19	Wednesday	Martyr's Day
October 4	Wednesday	Pre-Full Moon Day of Thadingyut
October 5	Thursday	Full Moon Day of Thadingyut

October 6	Friday	Post- Full Moon Day of Thadingyut
November 2	Thursday	Pre-Full Moon Day of Tazaungmone
November 3	Friday	Full Moon Day of Tazaungmone
November 13	Monday	National Day
December 18	Monday	Kayin New Year's Day
December 25	Monday	Christmas Day
December 30	Saturday	Pre-New Year's Day
December 31	Sunday	New Year's Day

Temporary Entry of Materials and Personal Belongings

Myanmar law does not limit the amount of foreign currency that can be brought into Myanmar, but any amount over \$10,000 must be declared on the customs and currency declaration forms. Departing tourists who declared over \$10,000 on arrival must have receipts for all items purchased in Myanmar, and the amounts of their purchases must match with the amount of foreign currency exchanged for kyat. Travelers may not bring kyat in large amounts into Myanmar or take them out of the country.

Credit cards cannot be easily used in Myanmar outside urban areas as few businesses are able to process credit card transactions. Domestic banks have started operating ATMs that are compatible with international cards.

Travel Related Web Resources

[Ministry of Hotels & Tourism](#)

[U.S. Department of State – Myanmar Country Information](#)

[U.S. Embassy in Burma – U.S. Citizen Services](#)