

Sector Insight

Myanmar - an Overview	14
Government Plans for Industry - Structure & Policies	16
Views on Myanmar's Industrial Development	18
A Spotlight on Mandalay's Industrial Development	19
Myanmar's Domestic Industry	20
Registered Private Industries	22
Small and Medium Enterprises	23
Industrial Zones	24
Why Invest in Myanmar	27
Transport Infrastructure	28
Ports	29
Challenges in conducting Business in Myanmar	31
FDI Investment	32

Myanmar – An Overview

Location

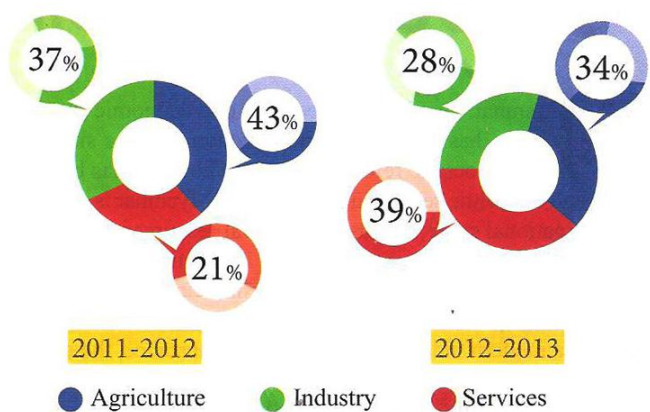
Myanmar is the largest country in mainland Southeast Asia with a land area of 676,578 sq. km. The country is bordered in the west and north-west by Bangladesh and India respectively, by China in the north, and Laos and Thailand in the east. To the south, Myanmar shares the coastal waters of the Bay of Bengal and the Andaman Sea with Malaysia and Singapore. Myanmar's geographic location lends itself to be the trade gateway that connects the different emerging economies in Asia.



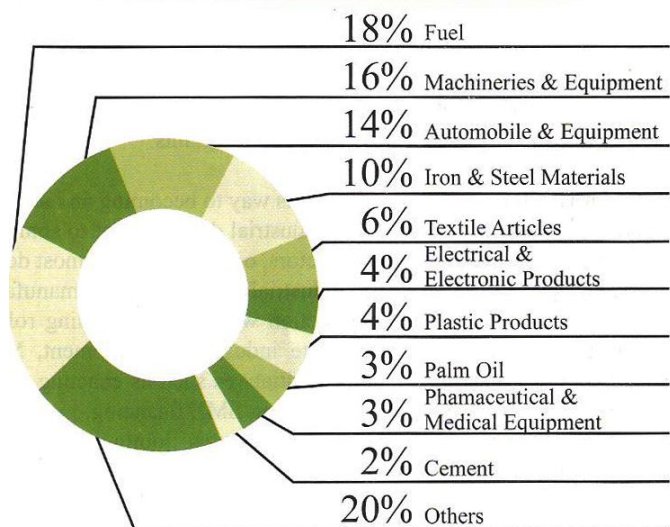
Quick Country Facts

Area - Total	676,578 sq km
Total land borders	5,876 km
Border countries	Bangladesh 193 km, China 2,185 km, India 1,463 km, Laos 235 km, Thailand 1,800 km
Climate	tropical monsoon; cloudy, rainy, hot, humid summers (southwest monsoon, June to September), less cloudy, scant rainfall, mild temperatures, lower humidity during winter (northeast monsoon, December to April)
Languages	Burmese (official)
Population	55,167,330 (July 2013 est.) Last official census was conducted in 1983. The Central Statistical Organisation conducted a survey in 1993 in selected townships to estimate the population. The next census will take place in 2015.
Population Growth	1.05% (2013 est.)
Main cities population	Yangon 4.259 million; Mandalay 1.009 million; Nay Pyi Taw 992,000 (2009)
Ethnic groups	Burman 68%, Shan 9%, Karen 7%, Rakhine 4%, Chinese 3%, Indian 2%, Mon 2%, other 5%
Religions	Buddhist 89%, Christian 4% (Baptist 3%, Roman Catholic 1%), Muslim 4%, animist 1%, other 2%
Age Structure	0-14 years: 26.7% (male 7,514,233/female 7,227,893) 15-24 years: 18.6% (male 5,183,653/female 5,060,385) 25-54 years: 42.8% (male 11,724,297/female 11,879,420) 55-64 years: 6.7% (male 1,754,397/female 1,963,051) 65 years and over: 5.2% (male 1,244,758/female 1,615,243) (2013 est.)
Urbanization	32.6% of total population (2011)
Rate of Urbanization	2.49% annual rate of change (2010-15 est.)
Road Density	34,377 km (includes 358 km of expressways) (2010)
Natural Resources	Petroleum, timber, tin, antimony, zinc, copper, tungsten, lead, coal, marble, limestone, precious stones, natural gas, hydropower
Legal System	mixed legal system of English common law (as introduced in codifications designed for colonial India) and customary law
Government:	President elected by Bicameral assembly called Pyidaungsu Hluttaw
Administrative States & Divisions	7 states and – 7 divisions

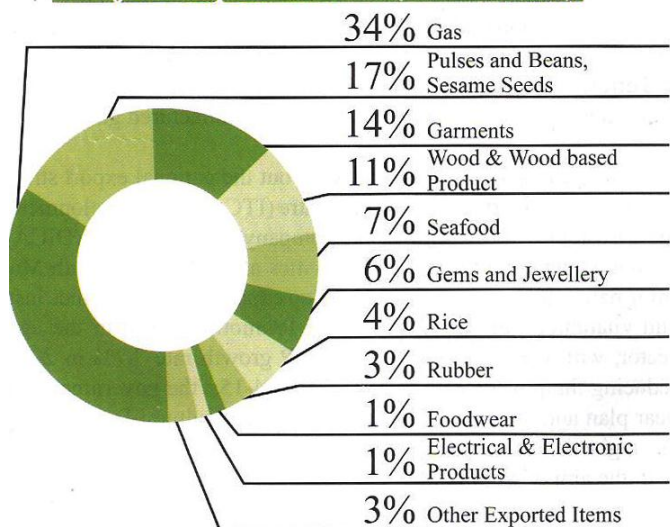
Currency	Kyat kyats (MMK) per US dollar- 947.9 (2013 est.) 867.6 (2012 est.) 815 (20 II est.) 5.58 (20 I0 est.) LOSS (2009) 1,205 (2008)
Fiscal Year	1 April - 31 March
Labour Force	34.31 million (2013 est.) (about 5 million work in the industrial sector. 7.5 million in the services sector and 23 million in the agricultural sector)
Unemployment Rate	5.2% (2013 est.)
GDP Purchasing Power Parity	\$111.1 billion (2013 est.)
GDP (official exchange rate)	\$59.43 billion (2013 est.)
GDP (real growth rate)	6.8% (2013 est.)
GDP per capita (PPP)	\$1,700 (2013 est.)
GDP composition by sector	agriculture: 38.8% industry: 20.38% Services: 41.7% (2013 est.)
Household Income by %	lowest 10%: 2.8% highest 10%: 32.4% (1998)
Agricultural Products	rice, pulses, beans, sesame, groundnuts, sugarcane; fish and fish products; hardwood
Industries	agricultural processing; wood and wood products; copper, tin, tungsten, iron; cement, construction materials; pharmaceuticals; fertilizer ; oil and natural gas; garments, jade and gems
Industrial Production Growth Rate	11.4% (2013 est.)
Total Exports	\$9.043 billion (2013 est.)
Exports	Natural gas, wood products, pulses, beans, fish, rice, clothing, jade and gems
Export partners	Thailand 40.7%, China 14.3%, India 14.8%. Japan 7.4% (2012)
Imports	\$10.11 billion (2013 est.)
Imports	Fabric, Petroleum Products, Fertilizer. Plastics, Machinery, Transport Equipment; Cement, Construction Materials, Crude Oil; Food Products, Edible Oil
Imports partners	China 36.9%, Thailand 20.2%, Singapore 8.7%, South Korea 8.7%, Malaysia 4.6%, Japan 8.2% (2012)



Major Import Items (2012-2013)



Major Export Items (2012-2013)



Government Plans for Industry - Structure & Policies

Myanmar, standing between the two economic giants - China and India, has been the world's economic focus since the beginning of democratic reforms in 2011. Though it has been left behind in social and economic sectors in the past, now Myanmar is ready to walk down the international stage with its own natural resources, strategic location and able workforce amid the suspension of international sanctions. Meanwhile, the government, led by President Thein Sein, is steadily reforming the government's policies and enacting new legislations of Industry in order to build a modern industrialized nation. For instance, the enacting of a new foreign investment law, elimination of export tax, reduction of commercial tax, encouraging the building of SMIs, the systematic changing of the banking system and trying to become a member of EITI (Extractive Industries Transparency Initiative) have been some of the remarkable changes to start the economic growth. The government has also established long-term plans for the development of Industry, establishing special economic zones such as Thilawa, Kyauk Pyu, Dawei, and Myothar. With the reinstatement of Myanmar into GSP tariff preferences by the EU and USA, Myanmar is on the way to collaborate with western economic giants.

Myanmar is still facing challenges on its way to becoming an industrialized country; however, there have been industrial development to some degree. In the existing foreign investment sectors, oil and gas is the most developed sector, but in the coming years, industrial sectors such as manufacturing, mining, electric power and construction will take the leading role in the country's development. To accelerate industrial development, Myanmar government has undertaken some initiatives such as enacting new laws. Building new industrial zones, establishing SME financing, giving the way to competitiveness, constructing infrastructures, joining global currency exchange mechanisms and developing the electricity supply.

Another favorable factor to boost Myanmar industry is the removal of sanctions and the reinstatement of GSP status by US and EU and lift of import and export bans by all OECD member countries. That will improve the production and trade of chemicals, minerals and building stone, jewellery, carpets, agricultural produces and fishing products. Other policy advances and efforts to boost private sector in Myanmar are expected to create exports opportunities for manufactured and semi-manufactured goods.

Moreover, the government is carrying out the national export strategy with the support of International Trade Centre (ITC) and the development work of the Directorate of Investment and Company Administration (OICA). DICA is conducting exporter training activities and networking with Market and Information Research Teams to develop export and trade finance instruments and guarantees, and to create Trade Promotions. And in the agricultural sector, with the aim of gaining a GDP growth rate 7.7% in 2015-16 and reducing the poverty rate to 16% by 2014-15, the government has a five year plan and thirty year Master Plan for Agricultural Development. There are eight development priorities which promote agro-based development with the aim of gaining investment.

Legislation for Industry

The government has enacted a number of effective laws for industrial development in Myanmar. The following are the draft/new Laws, Rules and Regulations.

- Exports and Imports Law - to improve the flow of imports and exports in line with international norms and standards.
- Minimum wages Law (Drafted) - This legislation is to support the basic needs of workers and their families.
- Social Security Law - This is for the health and social insurance of workers in dealing with employers.
- Settlement of Labour Dispute Law - It is for protecting of rights between employees and employers.
- Foreign Investment Law - It is enacted for better investment of foreign investors.
- Myanmar Citizen Investment Law (Drafted) – It is being revised for the local investors to ensure it complies with the new foreign investment law.
- Employment and Skill Development Law - This is to reduce the unemployment rate and to upgrade the capacity of the workers.
- Private Industrial Enterprise Law - It has been revised to improve micro enterprises in the country.
- Myanmar Company Act - State-Owned Economic Enterprise Law.

Ministry of Industry

It is formed to enhance Myanmar's industrial development by collaborating with the local and international technocrats as well as investors. Under the previous government, it had two separate industrial ministries called Ministry of Industry (I) and (2). Starting from 4th April, 2012, it was made into a single ministry called the Ministry of Industry.

The Ministry deals with international partners and organizations such as ASEAN, CLMV, BIMSTEC, ACMECS, and WTO, and plays an important role in planning and implementing the industrial growth of Myanmar.

The newly reformed Ministry of Industry organized with

- 3 Directorates
 - Directorate of Industry (DI)
 - Directorate of Industrial Planning (DIP)
 - Directorate of Industrial Supervision and Inspection (DISI)
- 6 Enterprises
 - Central Research & Development Center (CR & DC)
 - Central Department of Small & Medium Enterprise
 - Development

The Directorate of Industrial Planning

Directorate of Industrial Planning (DIP) coordinates the activities of the enterprises under the Ministry in accordance with the directions and guidelines of the Ministry. DIP also negotiates with foreign and local organizations for new projects, acts as representative of Ministry in the activities related to ASEAN and international organizations. Moreover, DIP undertakes the drafting and compilation of projects and production plans, financial and budget requirements, repair and maintenance of factories, legal and personnel matters and other affairs concerning enterprises. The Directorate is headed by Director General who also acts as the Joint Secretary of Industrial Development Committee for 18 Industrial zones.

Under DIP, there are five departments as mentioned below;

- Industrial Planning Department
- Human Resource Department
- Administration Department
- Industrial Maintenance and Servicing Department
- Finance Department

Industrial Development Committee

The Industrial Development Committee, chaired by the Union Minister and composed of the Deputy Minister and 14 members, was formed to improve the industrial sector before it joins AFTA and AEC communities. In doing so, it is crucial that industry such as the estimated 42,000 registered small-scale and medium scale industries (SMIs) is managed well.

Industrial Training Centres

There are six Industrial Training Centres under the supervision of the Directorate of Industries Planning. They are;

- Industrial Training Centre (Sinde)
- Industrial Training Centre (Mandalay)
- Industrial Training Centre (Thagaya)
- Industrial Training Centre (Pakokku)
- Industrial Training Centre (Magway)
- Industrial Training Centre (Myingyan)

The Directorate of Industry

The main duties and functions of Directorate of Industry are as follows;

- Formulating and supervising the Policies and Laws
- Supervising the production, marketing and financial matters of industries under the Ministry of Industry
- Collaborating and cooperating with the organizations under Ministry to implement the production plan and projects successfully.
- Communicating and conducting with the departments under other ministries.

There are five departments under control of Directorate of Industry;

- Department of Policy Affair
- Department of Supervision for Production
- Department of Finance and Budget
- Department of Supervision for Marketing
- Department of Administration

Views on Myanmar's Industrial Development



Dr Zaw OO
Presidential
Economic Advisor

"Now we are particularly saving international hard currency, as much as we can, in the central bank. It is also called revenue targeting. That goes with our strategy to collect the capital. And it is needless to say that much profit will come to the investors in 20 years. The government now has a new plan to reach its destination. That is a mechanism which consists of delivery units. Each unit is led by a deputy minister to carry out the first priority which is dealing with ordinary people. Of course, that is to support the actual needs of people and solve their problems. Moreover, we are trying to become a member of EITI- Extractive Industries Transparency Initiative. This is the ambition of the president Thein Sein himself in 2012. Within one year, we are going to fill the application form of EIT!. When Myanmar becomes a EITI member, there will have more openness in extractive industry and more transparency in the flow of capital income." - *Photo credit Sandar OO*



U Aung Naing OO
Director General
Of Myanmar
Investment Centre

"The duty of the Directorate of Investment and Company Administration (DICA) is how to facilitate the business which is being carried out by MIC (Myanmar Investment Commission). Now we have made an agreement with Asian Development Bank for writing a company act. When it is finished, company registrations can be done online. Gradually, we will have more investment in manufacturing than natural resources. This year, we have 70% of investment in manufacturing sector. Hotel investments are increasing. More significantly, we have two telecom giants - Telenor and Orredoo. In the coming year, we will have more investment in telecom. Then, construction and real-estate will flow strongly. For the time being, we are seeing the position of our country which we wish for. The ED has lifted the sanction and GSP has been granted to us; so there are lots of opportunities open for us. In addition to that, we are preparing to make an investment protection agreement with the ED. I don't think we have lost the opportunities by developing the ports such as Thilawa and Dawei. By the time Thilawa appears in Yangon, it is certain that hundreds of thousands of job opportunities for the local residents will be created. Then, when we finish Dawei deep sea port, the logistic industry will increase and we will have a high-way road to Bangkok. Then infrastructure will be better and industrial development will come into view." - *Photo credit Win Htaik*



Interviews were conducted by freelance journalist,
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- *Photo credit Sandal' OO*

A Spotlight on Mandalay's Industrial Development



U Ye Myint
Chief Minister
Mandalay Region

"I have studied all the situations in Mandalay Region since I took office. We (the administration) think about what can be and should be done. Mandalay is situated in a strategic location in Myanmar, and has vast potential in land use and management as there is a lot of land that has not yet been developed. In terms of transportation there is an international airport ready. We are also trying to improve the railways and road connections for the public to travel conveniently and smoothly. Attempts have been made to link Mandalay to the international economic corridors through the development of roads and railroads. This is the responsibility taken over by Mandalay Region Government as Mandalay will become a hub during Myanmar's chairmanship of ASEAN. Expenses can be reduced only when communication and transportation is convenient and smooth. According to the study carried out and historical records, there are two river ports that have not changed their location as the river courses have not altered over time. They are Kyauktalone in the northeast of Ngazun, and Semeikhon down the river. Semeikhon port has never been eroded (by the Ayawaddy River), and the river course for vessels is favourable. If the river transport takes shape, the economic reforms in Myanmar will reach to a high extent."

- Photo credit Naing Tun Lin

U Aung Win Khaing
(Developer of
Myothar Industrial
Park)

"The duty of the Directorate of Investment and Company Administration (DICA) is how to facilitate the business which is being carried out by MIC (Myanmar Investment Commission). Now we have made an agreement with Asian Development Bank for writing a company act. When it is finished, company registrations can be done online. Gradually, we will have more investment in manufacturing than natural resources. This year, we have 70% of investment in manufacturing sector. Hotel investments are increasing. More significantly, we have two telecom giants - Telenor and Orredoo. In the coming year, we will have more investment in telecom. Then, construction and real-estate will flow strongly. For the time being, we are seeing the position of our country which we wish for. The ED has lifted the sanction and GSP has been granted to us; so there are lots of opportunities open for us. In addition to that, we are preparing to make an investment protection agreement with the ED. I don't think we have lost the opportunities by developing the ports such as Thilawa and Dawei. By the time Thilawa appears in Yangon, it is certain that hundreds of thousands of job opportunities for the local residents will be created. Then, when we finish Dawei deep sea port, the logistic industry will increase and we will have a high-way road to Bangkok. Then infrastructure will be better and industrial development will come into view." - Photo credit Win Htaik



Koji Tokuoka (Architect of Mandalay Myothar Industrial Park)

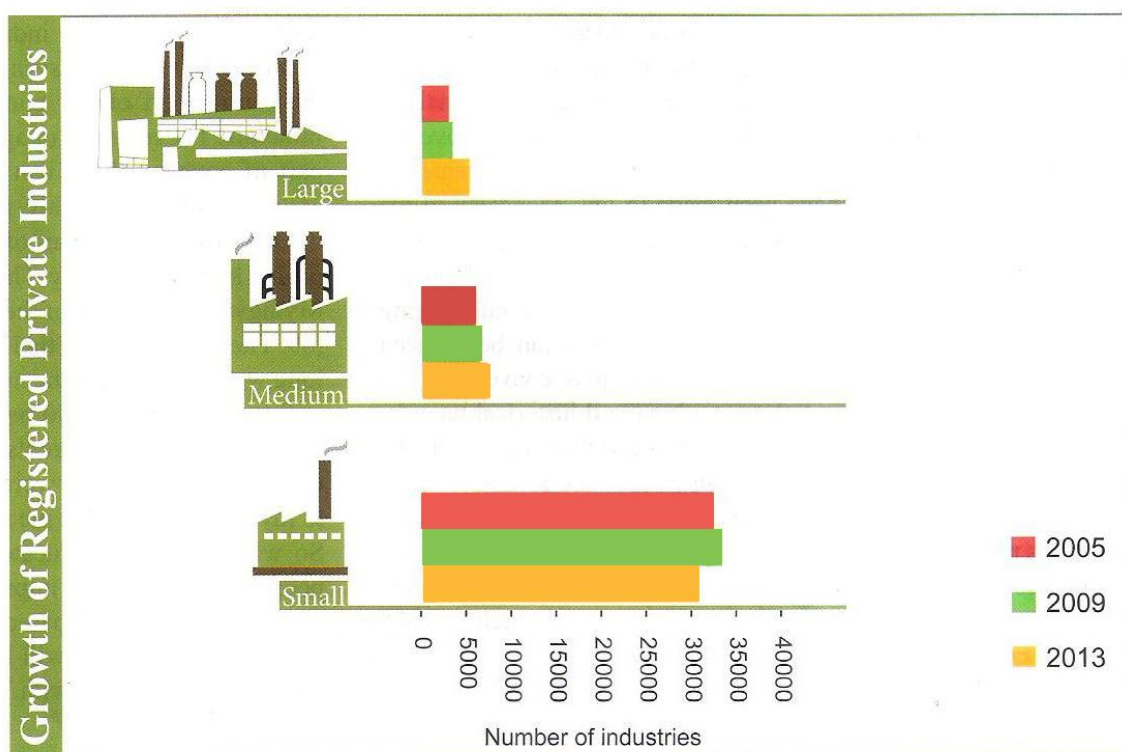
"Mandalay is the focal point between the two super powers, China and India. The Japanese government has loaned 3300 million to Myanmar. 2300 million for Thilawar port and the remaining 1,000 million for the rest of Myanmar. Because many of the investments concentrate only in lower Myanmar it is impossible for the whole country to develop. In order to economically develop, all the investments should be distributed through the country. Mandalay could well be a driving force in the economy of Myanmar. We are trying to have investments flow into Mandalay as they did for Thilawar. Because Mandalay is at the centre point of the country, it can be a hub to help other regions develop. The potential is very high. I don't want investors to assume that the labour is cheap in Myanmar. Myanmar culture is high and Myanmar people can think further." - Photo credit Sandal' Oo

Myanmar's Domestic Industry

Categorisation of Industry

There are four main categories of private industry in Myanmar:

Type of Industry	Manpower	Horse Power	Annual Gross Product	Investment
Cottage Industry	Up to 9	Less than 3		
Small Scale Private Industrial Enterprise	Up to 50	3-25	Up to 2.5 million kyat	Up to 1 million kyat
Medium Scale Private Industrial Enterprise	51-100	25-50	Above 2.5 million and up to 10 million kyat	Above 1 million kyat and up to 5 million kyat
Large Scale Private Industrial Enterprise	Above 100	Above 50	Above 10 million kyat	Above 5 million kyat



Private Industry

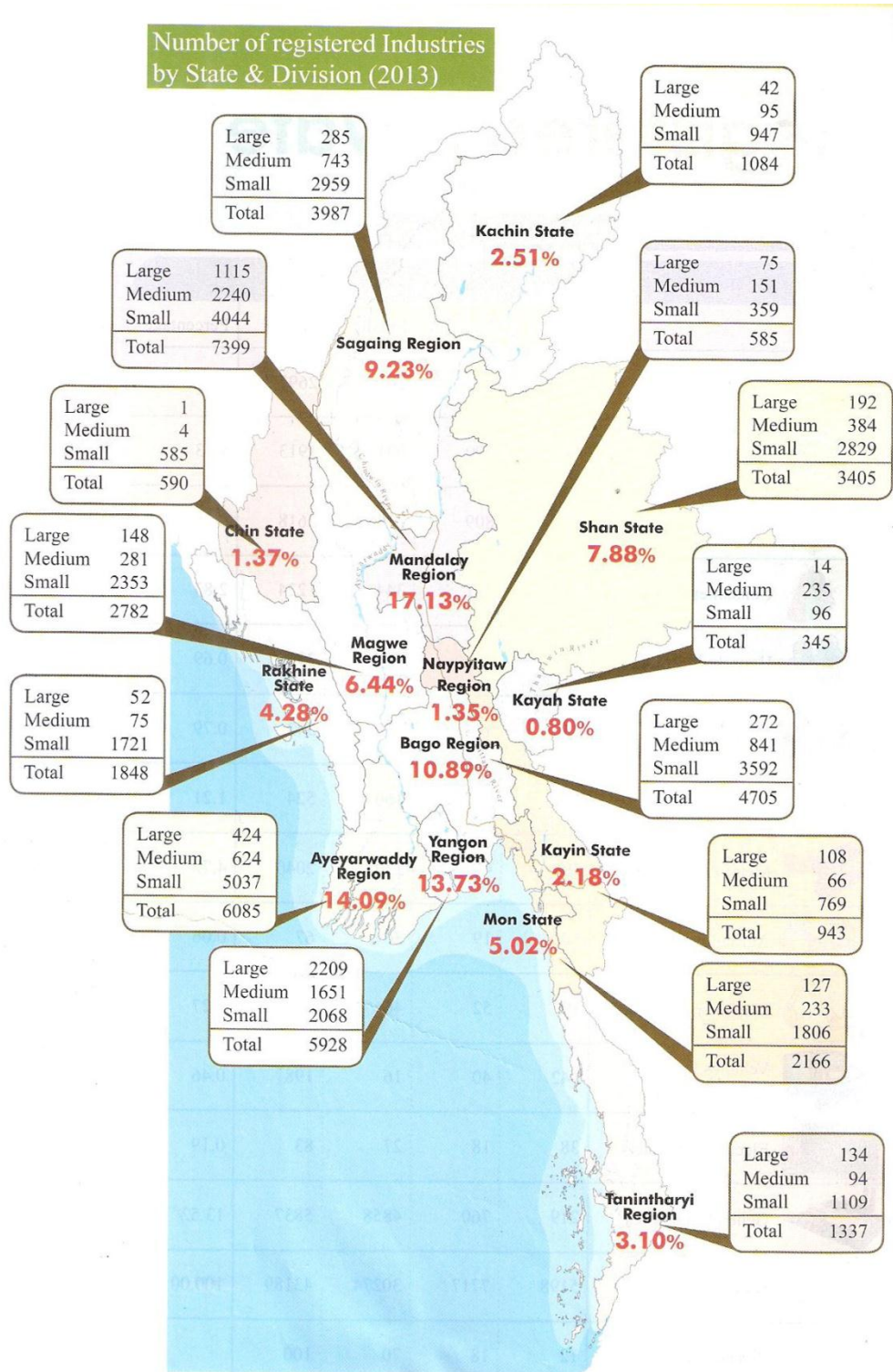
The number of private industries has grown dramatically in Myanmar. In 1990-1 there were only 27 registered industries, but this increased to 883 in the following year. The number has steadily grown over the years and there are now over 43,000

Category	2005	2006	2008 (Sept '08)	2009 (Aug '09)	2010 (Dec '10)	2012 (As of July 12)	2013
Large	3,194 7.63%	3,438 7.94%	3,590 8.20%	3,610 8.24%	4,035 9.30%	4,808 11.12%	5,198 12%
Medium	6,149 14.68%	6,430 14.84%	6,722 15.35%	6,741 15.40%	6,950 16.01%	7,287 16.86%	7,717 18%
Small	32,534 77.69%	33,456 77.22%	33,472 76.45%	33,438 76.36%	32,423 74.69%	31,137 72.01%	30,274 70%
Total	41,877 100%	43,324 100%	43,784 100%	43,789 100%	43,408 100%	43,232 100%	43,189 100%

Source: Myanmar Industrial Development Committee

Location of Industry

The majority of industry is located in Mandalay Region (17.13%), Ayeyarwaddy Region (14.09%) and Yangon Region (13.73%). Mandalay and Ayeyarwaddy regions have more industry than Yangon due to the high number of small and medium enterprises located there. Yangon still dominates with the highest number of large scale industry



Registered Private Industries

Total Number of Industries by Category

Group by Category	Name of Industry				
	Large	Medium	Small	Total	Percentage
Food Products	2538	4274	20115	26927	62.35
Clothing Products	423	499	991	1913	4.43
Products for Living	664	809	2145	3618	8.38
Consumer Products	479	401	344	1224	2.83
Household Products	147	77	75	299	0.69
Arts and Literature Products	45	144	153	342	0.79
Raw Materials	168	196	160	524	1.21
Metal Processing	304	428	1308	2040	4.72
Agricultural Tools	12	19	36	67	0.06
Machinery and Tools	19	52	46	117	0.27
Vehicles for Transportation	142	40	16	198	0.46
Electrical Products	38	18	27	83	0.19
General Industries	219	760	4858	5837	13.52
Total	5198	7717	30274	43189	100.00
Percentage (%)	12	18	70	100	

STATE OWNED INDUSTRY

There are around 800 state-owned enterprises. Since 2011, the government has been privatizing state-owned enterprises with the aim that they will all be privatized within 10 years. The government has enabled the Ministry of Transport to hand over Myanmar Shipyard, Myanmar Airways, Myanmar Port Authority and Inland Water Transport to the private sector. State-owned enterprises are usually privatized through direct sale, though occasionally some are leased.



Small and Medium Enterprises

In Myanmar's industrial development, SMEs plays such an important part that the government has begun some initiatives to improve it. SMEs in Myanmar - which form 90% of the industrial sector and 92% of the manufacturing sector (two thirds in food and beverage sector) are in early stages to move forward; but they are expected to rapidly expand and to take part in the development of Myanmar. For the time being, almost 80% of all businesses are said to be informal and most are family owned or self-employed workers.

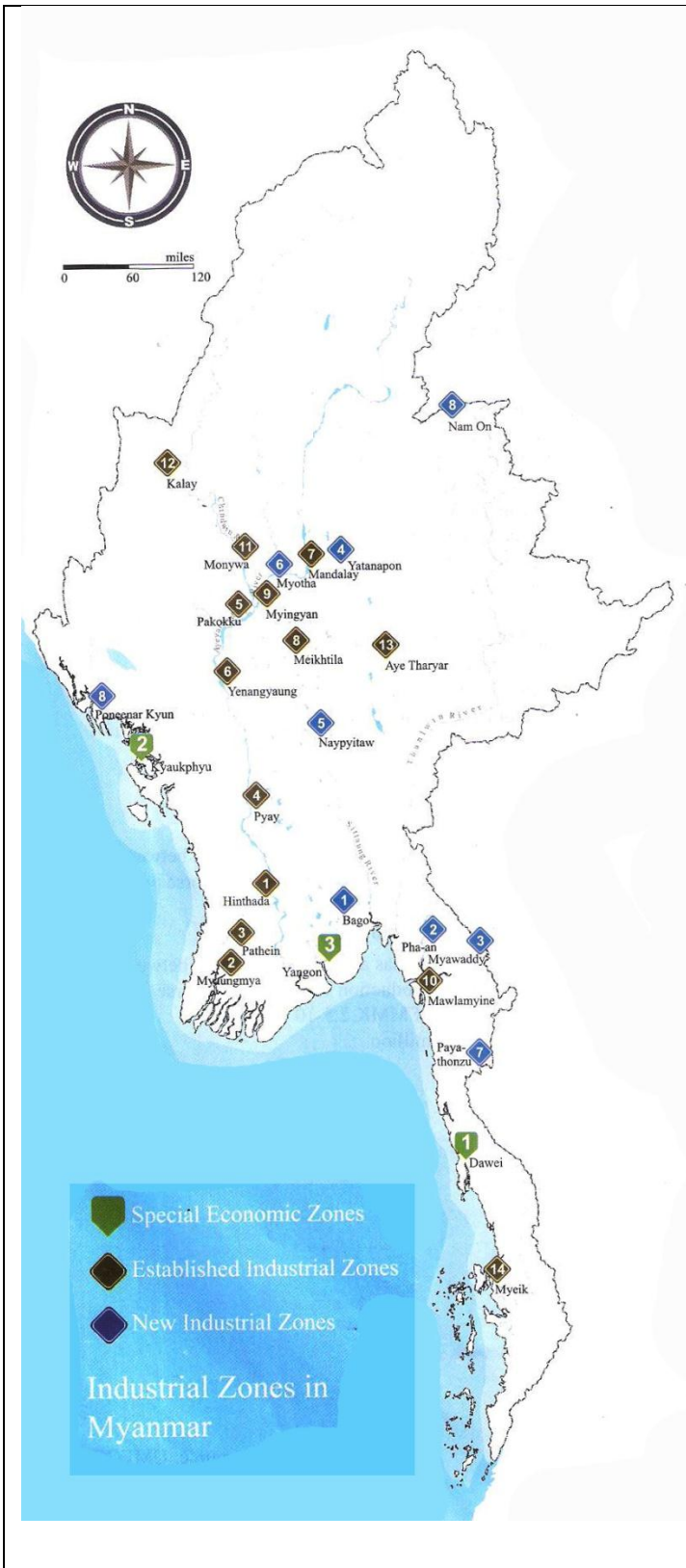
Myanmar has a lack of favourable infrastructure to boost SMEs in Myanmar; but UMFCCI have been co-operating with UNIDO to fulfill the need of SMEs development such as electrical power supply, business development services and trade facilitation measures. In April 2012, the Ministry of Industry set up SMEs Development Centre in Yangon so that it can support local SMEs and training business development services and market information for business opportunities. SMEs law, however, is being awaited to overcome some barriers in this field.

SME financing schemes are being introduced, SMEs loans with the suggested 8.5% interest rate (which is below the normal 13% rate) are available from the Small and Medium Industrial Development Bank (SMIDB). However, it is said that there have been sometimes the issuing of loans is not as smooth as it could be.

SME categories in Myanmar (31 March 14)

	Small Scale Industrial Enterprise	1-50 workers	Or has capital of up to MMK 1 million	Or has yearly Production value of upto MMK 2.5 million	Or uses between 3-25 horse power
	Medium Scale Industrial Enterprise	51-100 workers	Or has a capital of MMK 1-5 million	Or has a yearly Production value of MMK 2.5-10 million	Or uses between 25-50 horse power

INDUSTRIAL ZONES IN MYANMAR



Ayeyarwaddy Division Region

1. Hinthanda Industrial Zone
Location: Hinthada Township
Established: 1995
2. Myaungmya Industrial Zone
Location: Myaung Mya
Established: 1995
Size : 108.69 acres
3. Pathein Industrial Zone
Location : Pathein Township
Established: 1999

Bago Division Region

4. Pyay Industrial Zone
Location: Pyay Township
Established: 1995
Size : 120.92 acres

Magwe Division Region

5. Pakokku Industrial Zone
Location: Both sides of the Pakokku-Yasakyo
Established: 1996
Size : 378.80 acres
6. Yaenangaung Industrial Zone
Location: Both sides of Ygn-Mdy Highway road,
Yaenanchaung Tsp.
Established: 1995
Size : 171.71 acres

Mandalay Division Region

7. Mandalay Industrial Zone
Location: Mandalay Region
Established: 1995
Size : 1239.33 acres
8. Meikhtila Industrial Zone
Location: Meikhtila Township
Established: 1995
Size : 385.45 acres
9. Myingyan Industrial Zone
Location : Myingyan No 19 Ward
Established: 1995
Size : 163.59 acres

Mon State

10. Mawlamyine Industrial Zone
Location: Plot no. 386, Kayone Kwin, Nyaung Pin
Seik Village, Kyaikmayaw Tsp.
Established: 1995
Size : 171.04 acres

Sagaing Division Region

11. **Monywa Industrial Zone**
Location: Sagaing Region
Established: 1995
Size : 365.34 acres
12. **Kalay Industrial Zone**
Location: Sagaing Region
Established: 2004

Southern Shan State

13. **Aye Tharyar Industrial Zone**
Location : Beside of Ayethayar-Nyauing Shwe,
Highway road
Established: 1995
Size : 902 acres

Thanintharyi Division Region

14. **Myeik Industrial Zone**
Location : Innlay Myaing Industrial Zone, Myeik Tsp.
Established: 1995
Size : 318.48 acres

Special Economic Zones in Development

1. **Dawei Special Economic Zone, southern Taninthayir Region**
 - Size: 250 sq km
 - Include: deep-sea port, steel mills, refineries, petrochemical complex, 400 megawatt power plant, 101 hectares for light industry, rail link
 - Investment: US\$ 32 million
 - Timescale: 1st Phase: 2013 to 2015, 2nd phase: 2016 to 2020
2. **Kyauk Phyu Special Economic Zone, west Rakhine State.**
 - Size: 120 sq km
 - Include: oil wharf, oil pipeline, airport, highway bus terminal, recreation centres, residential, railway
 - Investment: estimated US\$ 109 billion over 35 years
 - Timescale: Pipeline to be completed in May 2013

Thilawa Special Economic Zone, Yangon

- Size: 2,400 ha, (50,000 acres)
- Include: An international standard industrial park. Japan will also grant loans to build infrastructure outside the project, such as roads, power plants and bridges.
- Investment: US\$ 12.6 billion
- Timescale: MOU signed Dec 2012, construction 2013 to 2015

NEW INDUSTRIAL ZONES**Bago Region**

1. **Bago Industrial Park**
Located close to the new airport
Zones: local investment, FID/N zone.
Size: 62.38 acres, plus 313.18 acres to be developed by the Ministry of Industry
Kayin State
2. **Pha-an**
Taung Kalay Village, Pha-An Tsp.
Consists of: Four zone sections –
Zone 1: foreign investment, Zone 2: local investment, Zone 3: regional investment, Zone 4: SME investment
Size: 972 acres
3. **Myawaddy**
40% of the construction is completed. Completion planned for 2015.
Size: 200 acres

Mandalay Region

4. **Yatanapon**
Pyin Oo Lwin Tsp.
Focused on the ICT sector
Size: 10,000 acres
5. **Nay Pyi Taw Tetkone**
Between Nay Pyi Taw and Tatkon
Developer is Shwe Taung Company
Size: 500 acres
6. **MyoThar**
Developer is Royal Hi-Tech Company Also included is the development of Simikhon (Ayeyarwaddy) wharf and an 11-mile road to link to the port.

Kayin State

7. **Paya-thonzu (Three Pagodas)**

Shan State

8. **Nam On (Muse)**

Rakhine State

9. **Poneenar Kyun**
Pononar Kyun Township
Size: 656.55 acres

INDUSTRIAL AREAS IN YANGON

YANGON EAST

Dagon (South) Industrial Zone Sector (1)
 Established: 1992
 Size: 475.374 acres

Dagon (South) Industrial Zone Sector (2)
 Established: 1996
 Size: 214.53 acres

Dagon (South) Industrial Zone Sector (3)
 Established: 2000
 Size: 53.32 acres

Dagon (East) Industrial Zone
 Established: 2000
 Size: 784 acres

Dagon (Seikkan) Industrial Zone
 Established: 1997
 Size: 1208.7 acres

North Okkalapa Industrial Zone
 Established: 1998
 Size: 109.79 acres

South Okkalapa Industrial Zone
 Established: 2000
 Size: 35 acres

Thaketa Industrial Zone
 Established: 1999
 Size: 200 acres

YANGON WEST

Established: 1996

YANGON NORTH

Hlaing Thar Yar Industrial Zone (1, 2, 3, 4,6,7)
 Established: 1995
 Size: 1401.44 acres

Hlaing Thar Yar Industrial Zone (5)
 Established: 1996
 Size: 222.99 acres

Mya Sein Yaung Industrial Zone
 Established: 2002
 Size: 290 acres

Ngwe Pin Lae Industrial Zone
 Established: 2003
 Size: 198.379 acres

Industrial Zones in Yangon



Shwe Lin Pan Industrial Zone
 Established: 2002
 Size: 1100 acres

Shwe Pauk Kan Industrial Zone
 Established: 1998
 Size: 94.64 acres

ShwePyi Thar Industrial Zone (1)
 Established: 1990
 Size: 336 acres

Shwe Pyi Thar Industrial Zone (2,3, 4)
 Established: 1998
 Size: 987.31 acres

Shwe Than Lwin Industrial Zone
 Established: 200 I
 Size: 412.973 acres

Thardukan Industrial Zone
 Established: 2002
 Size: 480.069 acres

Wartayar Industrial Zone
 Established: 2004
 Size: 1099.64 acres

Yangon Industrial Zone
 Established: 2000
 Size: 902.503 acres

YANGON SOUTH

Thilawa Special Economic Zone
 Established: 2000
 Size: 432.6 acres

Kyauktan Industrial Zone
 Established: 1996
 Size: 3039.33 acres

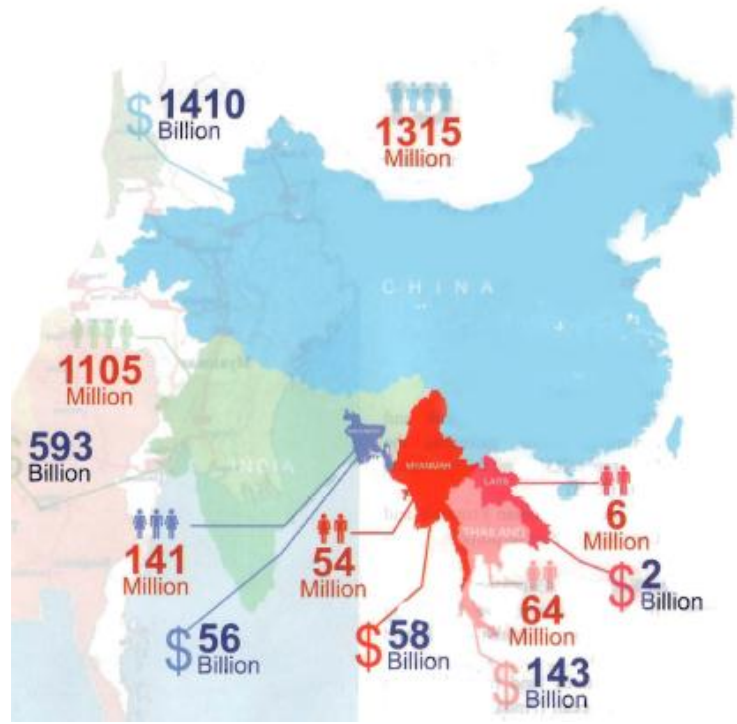
OUTSIDE YANGON

Proposed Plans
 Hlegu Industrial Zone
 Hmawbi Industrial Zone
 Taikkyi Industrial Zone

Why invest in Myanmar?

Access to a Huge Regional Market

Myanmar is strategically located between India, China and ASEAN and is a vital land bridge linking these countries together. It is an economic gateway to a vast market of over two billion consumers



A Vital Trade Route

The majority of trade between India and China and vica versa is transported by sea through the Malacca Straits. With the improved transportation infrastructure, and its connection to international transportation routes - this trade can all go through Myanmar.

Transport Infrastructure

There is extensive development underway to connect Myanmar to Thailand, Laos, India, Vietnam, Cambodia and ASEAN through improving the transport infrastructure. A number of developments are at either the planning stage or in progress:

Road Development

North-South Economic Corridor

Route: the road between Bangkok and Kunming, China, including the Laos route (R3B) and the Myanmar route (R3B)

Benefit: will provide Yunnan Province and Laos with access to ports

East-West Economic Corridor

Route: from Mawlamyine to Da Nang in Vietnam, through Laos and Thailand

Benefit: a continuous land route between Indian Ocean (Andaman Sea) and the South China Sea.

Asian Highways

Routes: Four Asian Highways (AB I, AH2, AH3 and AH14) will pass through Myanmar

Benefit: linking the neighbouring countries - China, India and Thailand and providing access to Yangon Port.

Kaladan Multi-Modal Transit transport Project

Route: connect Kolkataq (eastern Indian Seaport) with Sittwe port by Sea, link Sittwe to Mizoram via river and road transport.

Benefit: reduce the distance from Kolkata to Sittwee by approximately 1328 km



Myanmar-Bangladesh Friendship Road (part of the Asian Highway Project)

Route: from Khaungton Village in Bangladesh to connect to SittwayYangon Road near Kyauk Taw

Benefit: to boost trade and commerce between the two countries

Railway Development

Myanmar

- Upgrade of its 3,300 mile railway network and fleet of 400 locomotives is in progress.
- Plan to connect the railways to the international railway network.

China to Myanmar

Route: From Kyaukphyu in Rakine State to Kunming in Yunnan Province
Benefit: Connect China to the Kyuakphyu SEZ and deep-sea port

Thailand to Myanmar

Route: from Thanbyuzayat in Myanmar to Three Pagodas Pass on the border with Thailand.

Benefit: Connect Thailand to the Kalegauk deep-sea port in Ye Township in Mon State

Yangon to Patheingyi

Route: 98 miles railway between Yangon to Patheingyi

Benefit: connect to the Patheingyi port.

Yangon to Thilawa Economic Zone

Route: Expand the circular railway system to the Thilawa SEZ

Benefit: better transport of goods to the port, and improved transport for the labour force



Ports

Ayeyarwaddy Region

Patheingyi Port

Consists of: In 2011 \$3.3m was invested to develop Patheingyi jetty into an international port

Jetties: Myitta 00 Jetty, Garden Jetty, U Lu Jetty, Satekan Jetty, Zaye Chaung Jetty, Myae Nu Jetty, Polan Jetty, Ohmmardani Jetty, Wae dout Jetty, No(I) Jetty, Pimmawadi and Nga Pu Taw Anchorage

Accommodate: From the mouth of the sea to Pimmawadi, the vessels of 470 feet LOA and 7 M Draft, from Pimmawadi to the Port of Patheingyi, the vessels of 470 feet LOA and 4.5 M Draft can call at the port.

Status: Constructed

Thandwe Port

Consists of: three main jetties

Accommodates: Thabyu Chaing Jetty (1500 tons DWT, 240 ft LOA and 17ft Draft), Lonetharchaing Anchorage (3000 tons DWT, 200 ft LOA and 40 ft Draft), Thabyu Chaing Anchorage (18 ft Draft)

Status: Constructed

Taninthayi Region

Bokypin

Accommodate: Approach LAD 30 m, 20m in harbour area, 65,000DWT

Benefits: provides a link to Bangsaphan in Thailand

Status: in planning stage

Dawei Port

Consists of: 2 port areas - North - 2.7 km2, and South - 3 km2

Accommodate: 50,000 DWT and 300,000 DWT general/container vessels and break bulk vessels

Benefit: Offers a new maritime route rather than the one through the Malacca Strait.

Status: under construction

Kawthaung, Taninthayi Region

Consists of: 3 main jetties

Accommodate: Vessels of 250 feet (76 M) LOA and 13 feet (4 M). Tawwin Jetty (76m LOA, 4m Draft), Myoma Jetty (35m LOA, 4m Draft) and Bayintnaung Jetty (35m LOA, 2m Draft).

Status: Constructed

Myeik Port, Taninthayi Region

Consists of: 4 main jetties

Accommodate: 240 feet (73 M) LOA, 13 feet (4 M) Draft. Seiknge Jetty (73m LOA, 3m Draft), No. 1 Naukle jetty (36.5 m LOA), No.2 Naukle Jetty (31.4m LOA) and Myothit(Yawgyiwa) Jetty (73m LOA and 4.5m Draft).

Status: Constructed

Thank You

The Sector Insight Section was compiled with the assistance and contribution from Business Insight, a department of MMRD (Myanmar Marketing Research and Development Ltd.).

Yangon

Thilawa Port

Myanmar International Terminals Thilawa

Consists of: Current capacity is for 5 ocean going vessels, 5 wharfs and 2 cranes for handling the containers.

Accommodate: DWT - 20,000, LOA - 200 ro, Apron width - 30 m

Status: Constructed

Myanmar Integrated Port Ltd

Consists of: Handles bulk liquid and general cargo

Accommodate: 200 metre long wharf, accessible to vessels up to 20,000 metric tons

Status: Constructed

Yangon Port

Consist of: Main port for the country - handling 85% of imports & exports. Five major port terminals at the Yangon Port, including Bo Aung Kyaw, Hteetan and Sule, Asia World, Myanmar Industrial. Also includes 18 wharfs and 3 Inland Container Depot in 7 locations along the Yangon River.

Accommodate: Asia World Port Terminal (1,2,3) (198 LOA, 9.2m Draft), Bo Aung Kyaw Port (1;2,3) (15000 DWT, 9 m Draft) Botahtaung ICD (1,2,3) (150 LOA, 9.3 m Draft), Myanmar Industry Port (1,2) (12000 DWT, 8m Draft), Sule Pagoda wharf (1-7) (137 LOA, 15000 DWT) and Htee Tan Port (200 LOA, 10000 DWT)

Status: Yangon River Improvement Project is underway. 24 more wharfs will be constncted in 7 places



Challenges in conducting Business in Myanmar

Labour

One of Myanmar's main advantage is its labour force of around 33 million people with an average age of 27 years and a literacy rate of 90%. There is a large number of unemployed and underemployed workers in Myanmar, particularly in the rural areas. Currently, Myanmar has the lowest minimum wage compared to other economic hubs such as China and India. However, rates are set to rise to keep in line with the growing costs of living. The legalization of labour organizations and the right to strike may lead to further salary increases. The government is also developing a policy for a minimum wage which could cause further salary increases which could change Myanmar's traditional advantage of being a low-wage workforce.

Electricity

Myanmar currently produces 3,300 mega watts in total, and the production can fall by 50% in the summer. There is no national grid and 70% of power comes from hydro electric dams. In the dry season, capacity drops sharply leading to frequent and long power cuts. The country's electricity service does not meet demand with many factories having to invest in generators and pay for diesel which can outweigh the advantages that a cheap labour force provides. Improvement in the electricity sector is a high priority for the government and a number of international donors and investors are providing assistance. The World Bank is helping the government to upgrade the power station in Thaton, in Mon State. The Asian Development Bank has also provided a US\$60 million soft loan to develop the electricity supply network. The government has also allowed private firms to produce electricity in the country. General Electric was selected in 2012 to construct a new natural gas-fired power plant with Toyo Thai Power Corp (Singapore). Korea Western Power Company is planning to invest up to US\$ 700 million to construct a 500 MW gas-fired power plant and a trash-fired power plant.

Transport/Logistics

Myanmar is strategically located between India, China and ASEAN markets, and is a vital land bridge linking these countries together. With the opening of the country, transportation projects are now being developed to exploit its strategic location.

Yangon is the traditional major port for the country and has a great location with its proximity to shipping hubs. It takes 5-6 days to ship items from Yangon to Singapore. Freight Charges for vessels shipping from Yangon can be higher compared to other ports in the region which is due to the economies of scale as the larger the trade volume at a port the lower the cost. The Port of Yangon is a tidal port and is only 400 TEU in the rainy season and 300 TEU in the dry season so it is only suitable for small vessels. It can also take up to 2 days for ships to navigate the journey from the sea to the port as sandbars need to be crossed. Cargo is often transferred to Singapore, Klang, Bangkok or Laem Chabang Ports, and the cargo is transferred to larger vessels.

There is a deep sea port 25 km south of Yangon, called Myanmar International Terminals Thilawa (MITT), located at the mouth of the Yangon River, which is adjacent to the soon- to-be-developed Special Economic Zone at Thanlyin-Kyauktan area. Larger vessels are able to berth there. Yangon Port is also in the process of being upgraded to improve accessibility. More deep sea ports are being developed at Dawei in southeast Myanmar and Kyaukphyu in the Rakhine State off the coast of the Bay of Bengal.

Transport of cargo by road to other countries is not possible yet due to poor quality of the roads and the high costs of road transport. This will change as there are plans to develop the Myanmar road network and connect it to India, Thailand and China which will improve accessibility, reduce transportation time and reduce production time.

FDI Investment

President Thein Sein signed into law the new Myanmar Foreign Investment Law (MFIL) on 3 November 2012. The MFIL reflects a positive, pro-business step for industrialists. The MFIL restricts foreign investment in only a limited number of sectors, such as small and medium businesses that can only be operated by a Myanmar national (details forthcoming in the implementing regulations). The MFIL has no minimum capital requirement for foreign ownership, except for joint ventures in restricted sectors, although individual ownership requirements can be established by the Myanmar Investment Commission (MIC).

FOREIGN INVESTMENT OF EXISTING ENTERPRISES AS OF (31/3/2014) (BY COUNTRY)

