

Investment Opportunity in Myanmar

U Aye Lwin

Joint Secretary General

**Republic of Union of Myanmar Federation of Chamber of
Commerce & Industry**

Myanmar

“...In the 1950’s Myanmar was seen as one of the Asian economies with the most potential. It was the world’s largest rice exporter, exported oil to India, had timber, gems, minerals and good supplies of many other natural resources. It was also under-populated, with a well-educated workforce and a parliamentary system...”

“The nation still has abundant natural resources, a strategic location between China and India and access to ... world’s busiest shipping lanes.

It is one of 10 member countries of the Association of Southeast Asian Nations (ASEAN), a rapidly integrating market with collective GDP approaching \$800 billion.”

(David Steinberg, Georgetown University)
Interview with KWR International Advisor (edited)

Myanmar at a Glance

Total Area: 676,578 sq km

Land area is 653,508 sq km (96%)

Water area is 23,070 sq km (4%)

Land Boundaries: Total 5,876 km

Bangladesh 193 km, India 1,463 km, China 2,185 km,

Lao 235 km, Thailand 1,800 km

Coast Line: 1,930 km

Population: 60 millions (2010 est;)

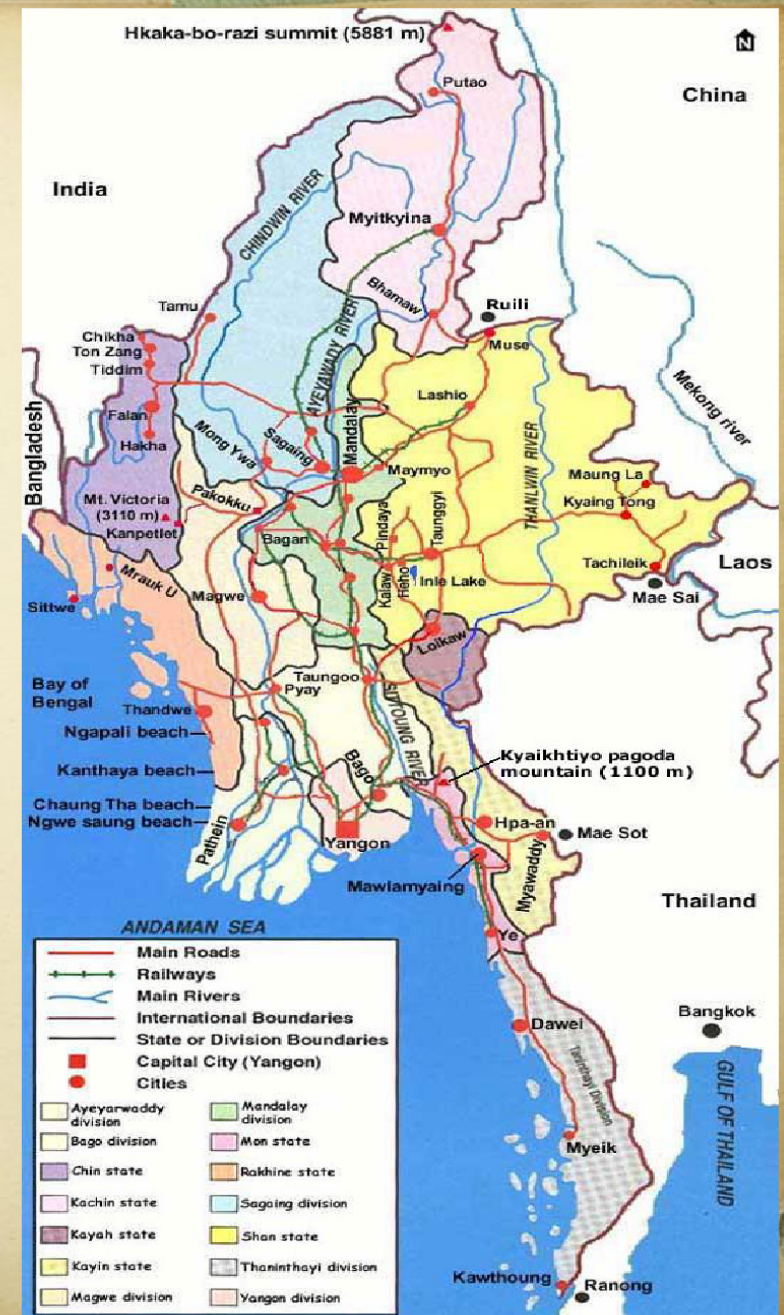
Growth Rate: 1.84%

Literacy Rate: 90 %

GDP: USD 76.5 Billion

GDP per capital: USD 650

**Inflation : Remained Single digit
Since 2009 (4% to 5%)**



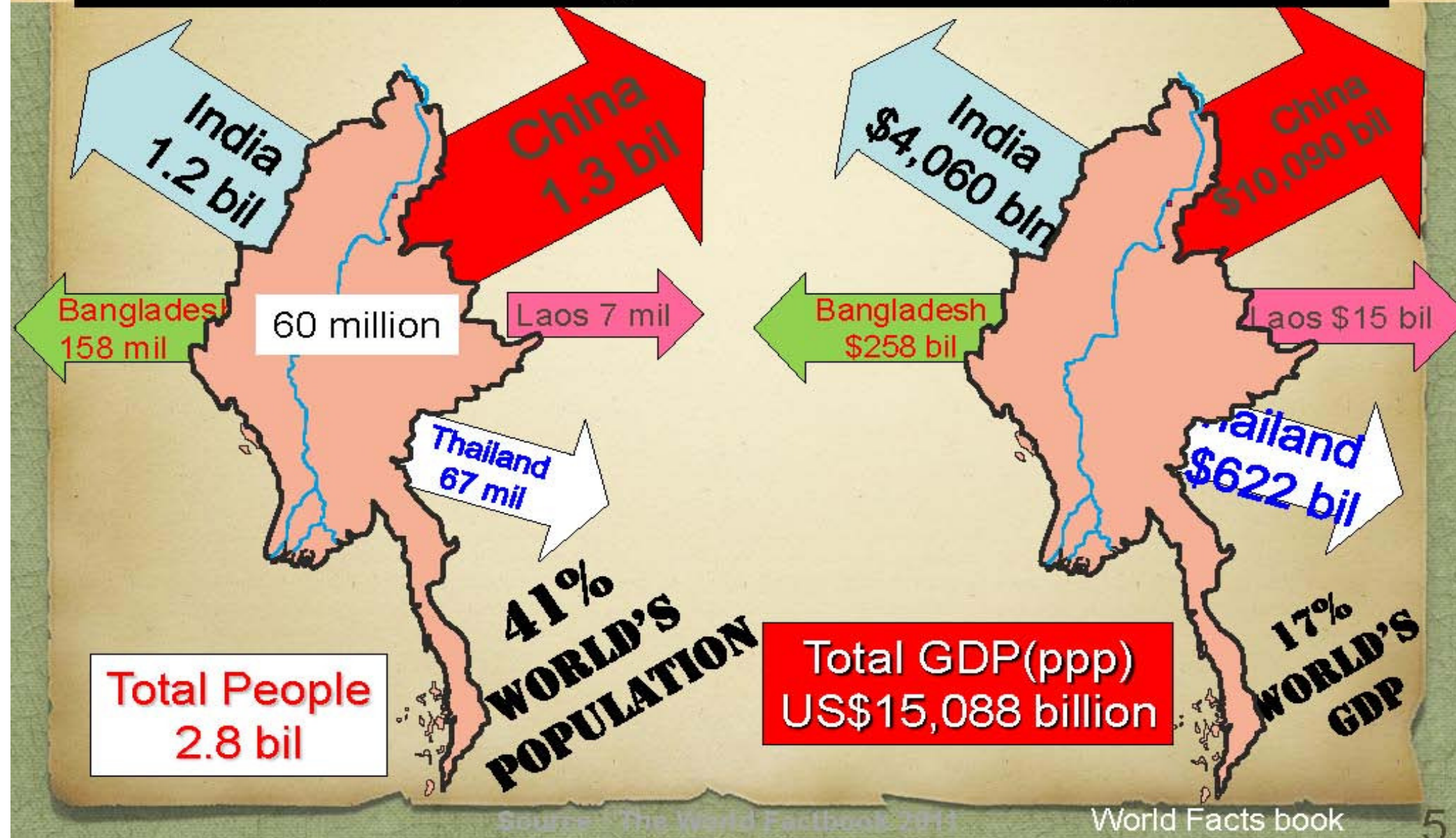
States & Regions of Myanmar

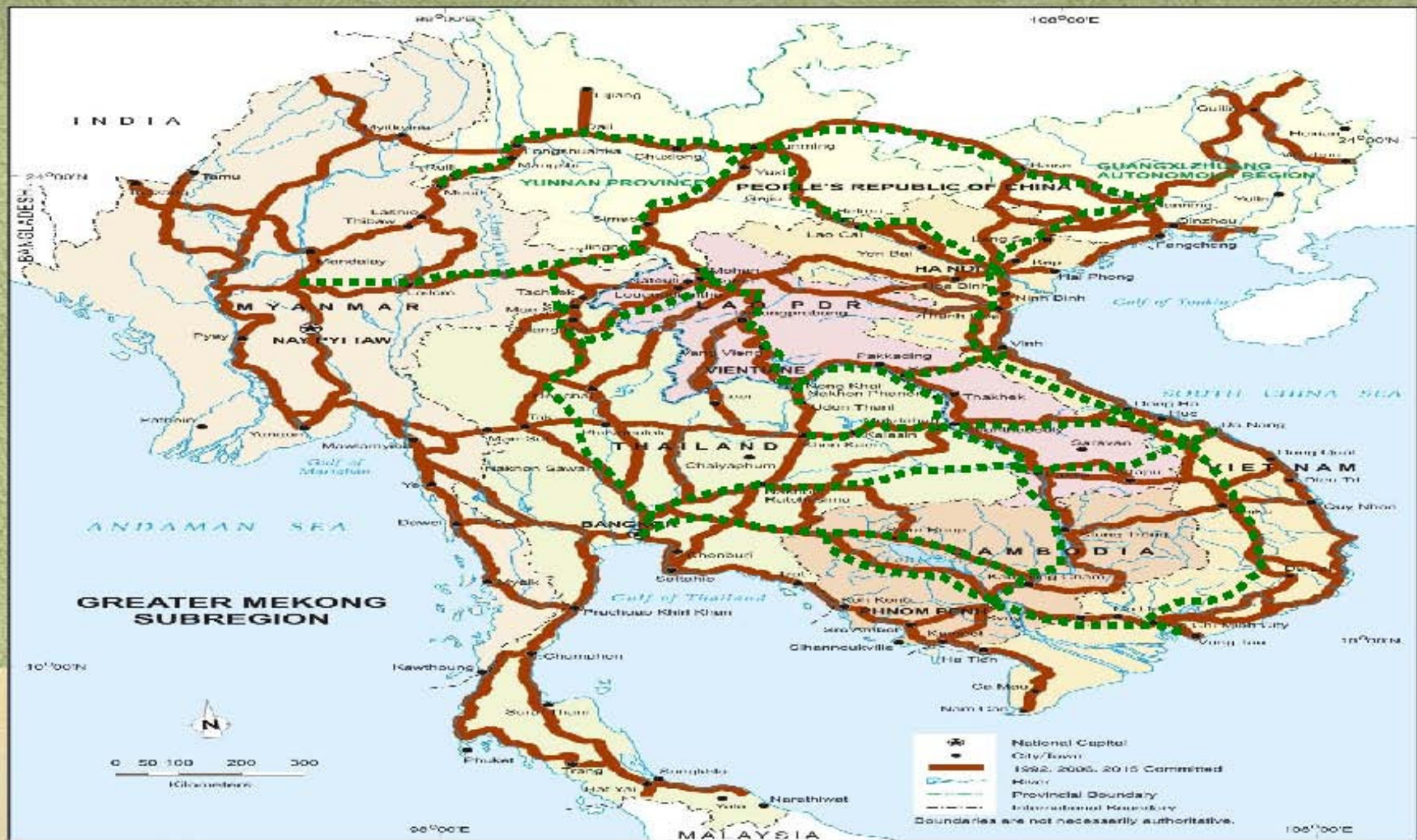
7 States & 7 Regions; 312 Towns; 65,148 villages

No	State/Region	District	Township	City/Town	Ward	Village Gp	Villages
1	Kachin State	3	18	20	116	606	2,630
2	Kayah State	2	7	7	29	79	624
3	Kayin State	3	7	10	46	376	2,092
4	Chin State	2	9	9	29	475	1,355
5	Sagaing Region	8	37	37	171	1,769	6,095
6	Taninthayi Region	3	10	10	63	265	1,255
7	Bago Region	4	28	33	246	1,424	6,498
8	Magway Region	5	25	26	160	1,543	4,774
9	Mandalay Region	7	31	29	259	1,611	5,472
10	Mon State	2	10	11	69	381	1,199
11	Rakhine State	4	17	17	120	1,041	3,871
12	Yangon Region	4	45	20	685	634	2,119
13	Shan State	11	54	54	336	1,626	15,513
14	Ayerwady Region	6	26	29	219	1,912	11,651
	Total	63	324	312	2,548	13,742	65,148

Reviewing Myanmar Strategic Potential

28th Most Populated, 40th Largest in the world and 2nd Largest in ASEAN





Gateway to Indian Ocean
Entrance to GMS

GMS Connectivity:

2015

- Roads
- - - Telecommunications
- Power Transmission Line



Source: ADB

BORDER TRADE ROUTES

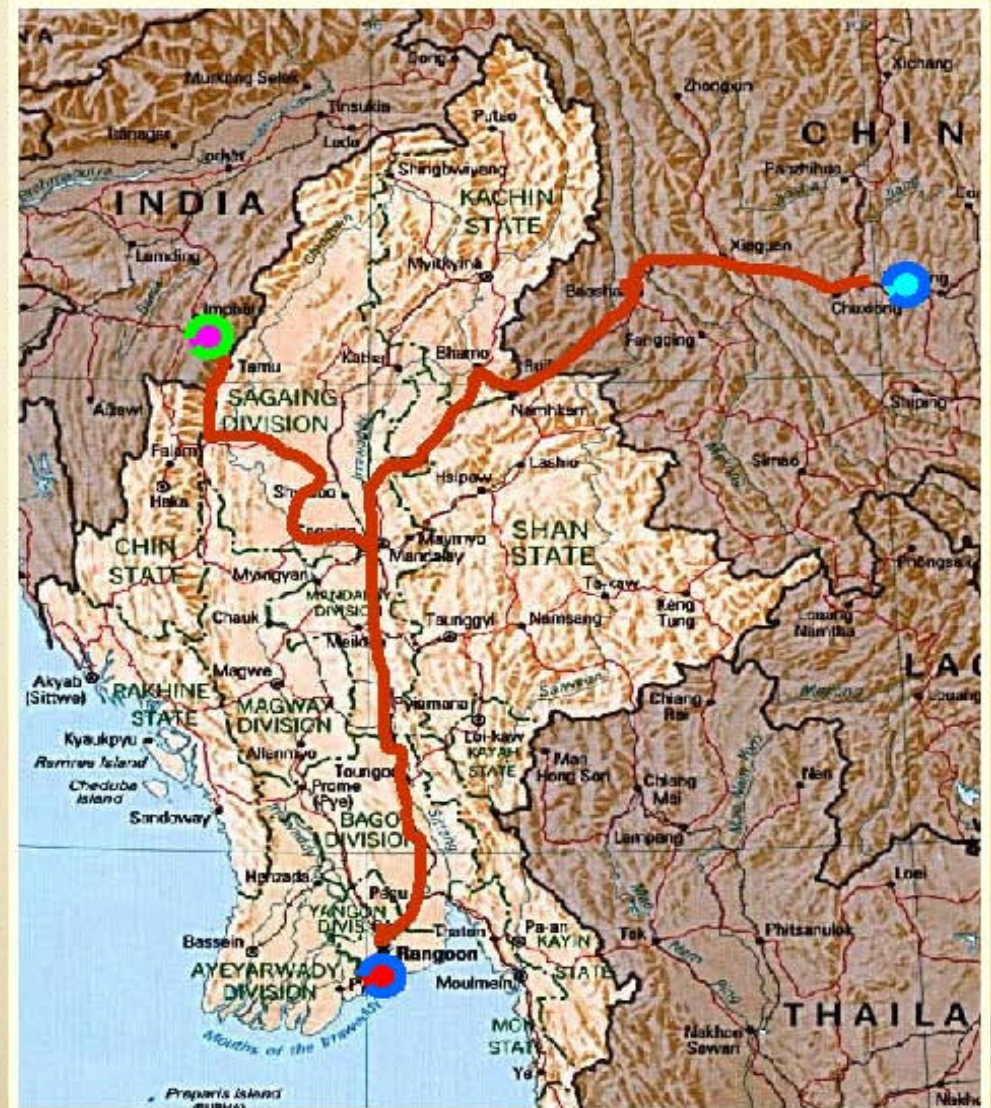
India-Myanmar-China Route

Yangon-Kunming: 2,020 km

Yangon-Tamu: 1,230 km

Ygn-Mdy: 690 km

Mdy-Muse: 460 km



Market Opportunities

PREFERENCES

ASEAN FREE TRADE AREA – AFTA
ASEAN ECONOMIC COMMUNITY - AEC
ASEAN COUNTRY OF ORIGIN (CO)
ASEAN INTEGRATION SYSTEM OF PREFERENCES
(AISP)
ASEAN'S & WTO'S SPECIAL AND PREFERENTIAL
TREATMENTS TO MYANMAR

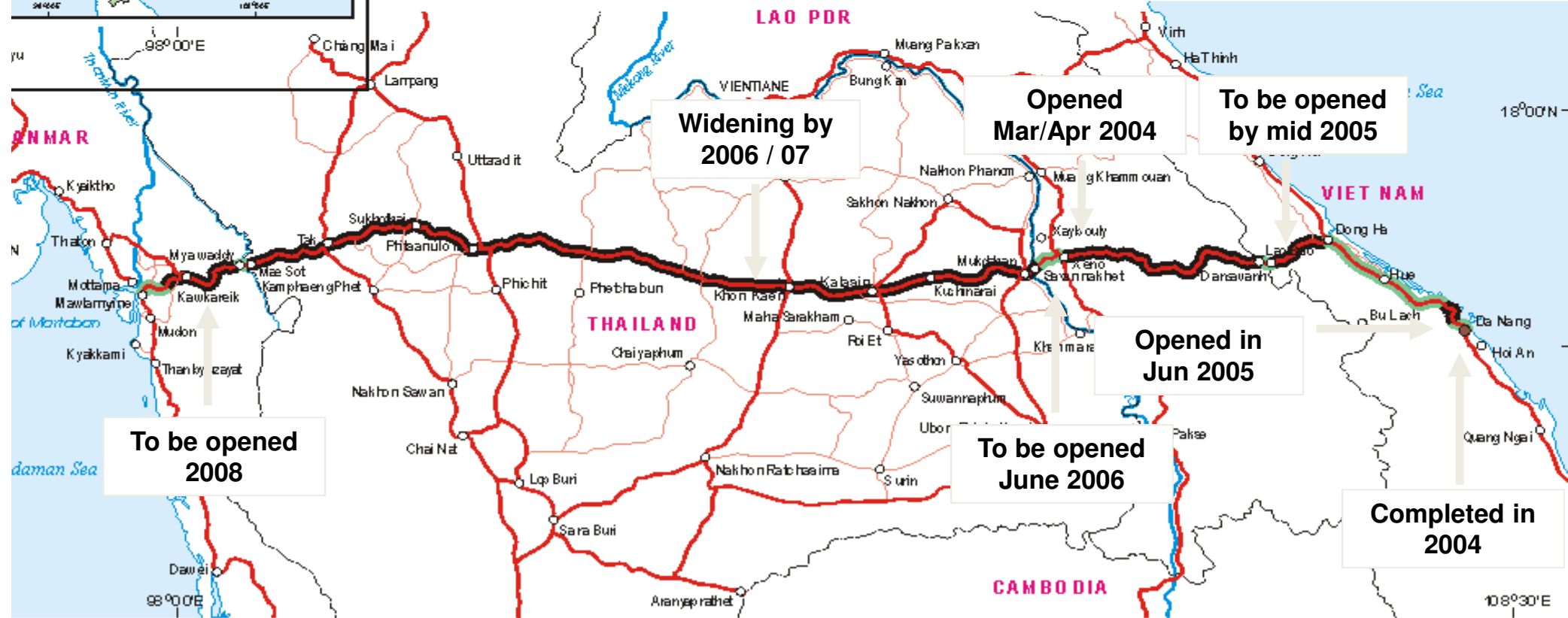
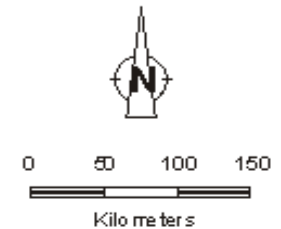
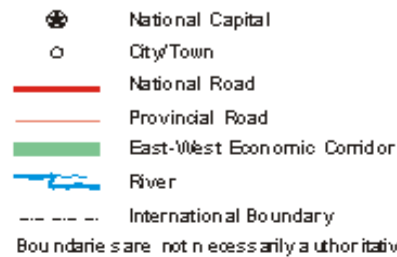
Double Taxation
Avoidance Agreement
With :
Thailand
Singapore
Malaysia
Indonesia
Vietnam



600 MILLION

Why Myanmar

GREATER MEKONG SUBREGION
EAST-WEST ECONOMIC CORRIDOR



Top Ten Export Items of Myanmar (2011-2012)

No	Items	Value (USD in Million)
1	Natural Gas	3463.482
2	Bean and Pulses	1120.938
3	jade	780.340
4	Marine Products	705.866
5	Garment	498.608
6	Rice	324.622
7	Rubber	311.090
8	Teak log	283.923
9	Hardwood Log	272.883
10	Corn	216.789

Top Ten Import Items of Myanmar (2011-2012)

No	Items	Value (USD in Million)
1	Petroleum Products	2079.765
2	Vehicles & Spare Parts	1178.761
3	Iron & Steel Construction materials	603.768
4	Iron and Steel Materials	512.460
5	Machinery and Spare Parts	511.518
6	Palm Oil	388.291
7	Plastic Raw Materials	314.129
8	Ships, Boats and Spare Parts	311.383
9	Pharmaceuticals	226.061
10	Fertilizers	174.590

Potential Businesses

- Resource Based Industry
- Labour Intensive Industry
- Service & Hospitality Industry
- Infra-structure Development Industry

Resource Based Industry

- Agriculture
- Fishery
- Mining
- Forestry
- Oil & Gas, etc.

Agricultural Sector



- » Total Rice Sown Area 8.09 million Hectare
- » Total Paddy Production of 32.68 million MT
- » Total Crop Land of 10.273 Hectare
- » Only 15% of available Land is in use for Agriculture



rade 1

Second biggest Bean export in the World



Myanmar Name: Matpe (FAQ)
Trade Name: Black gram/Urd,Urad

Fishery Sector

- Continental Shelf of total 228,000 sq km
- Exclusive Economic Zone 486,000 sq km
- Total developed farm area about 160,000 Hectare

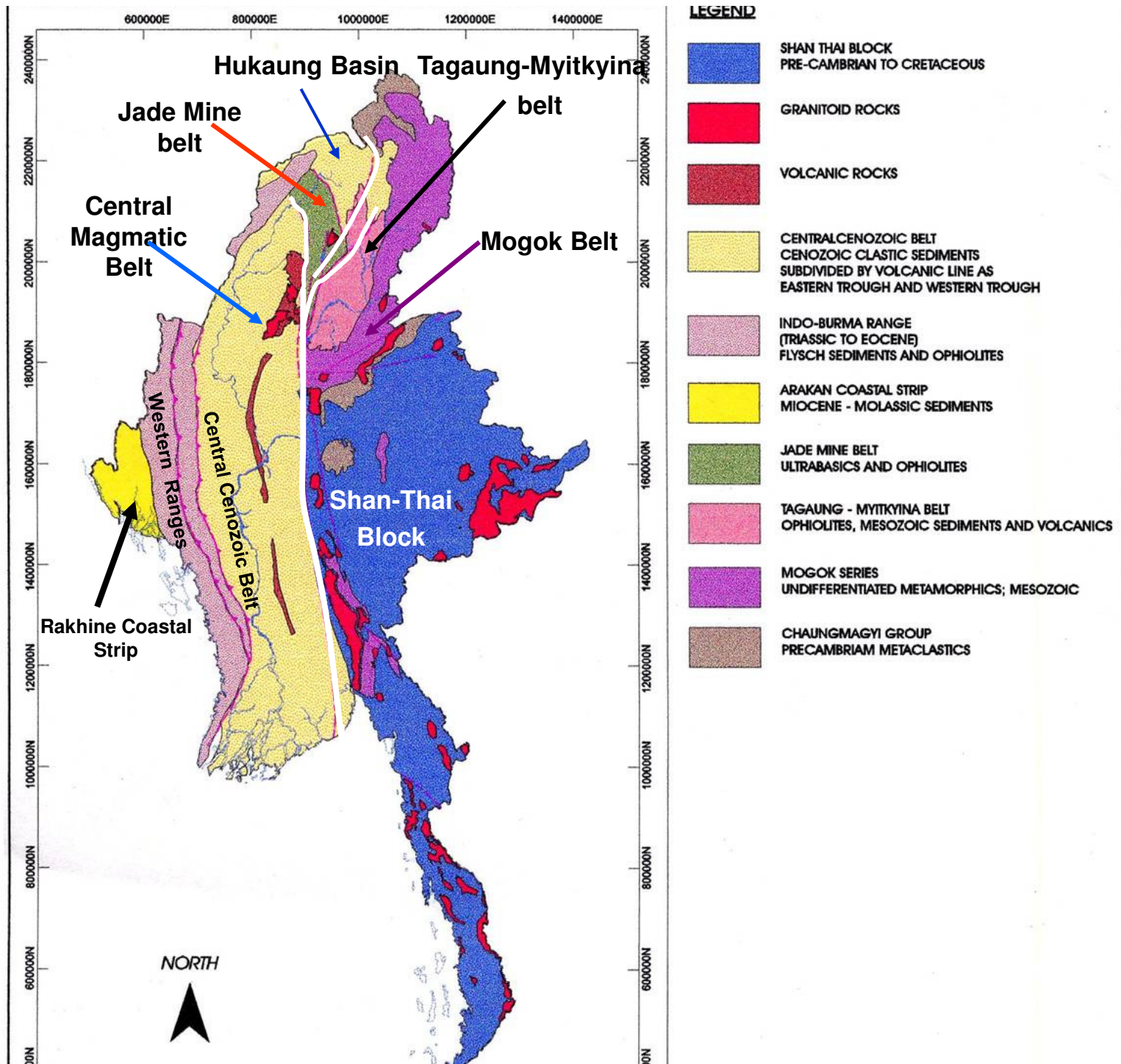


Mining

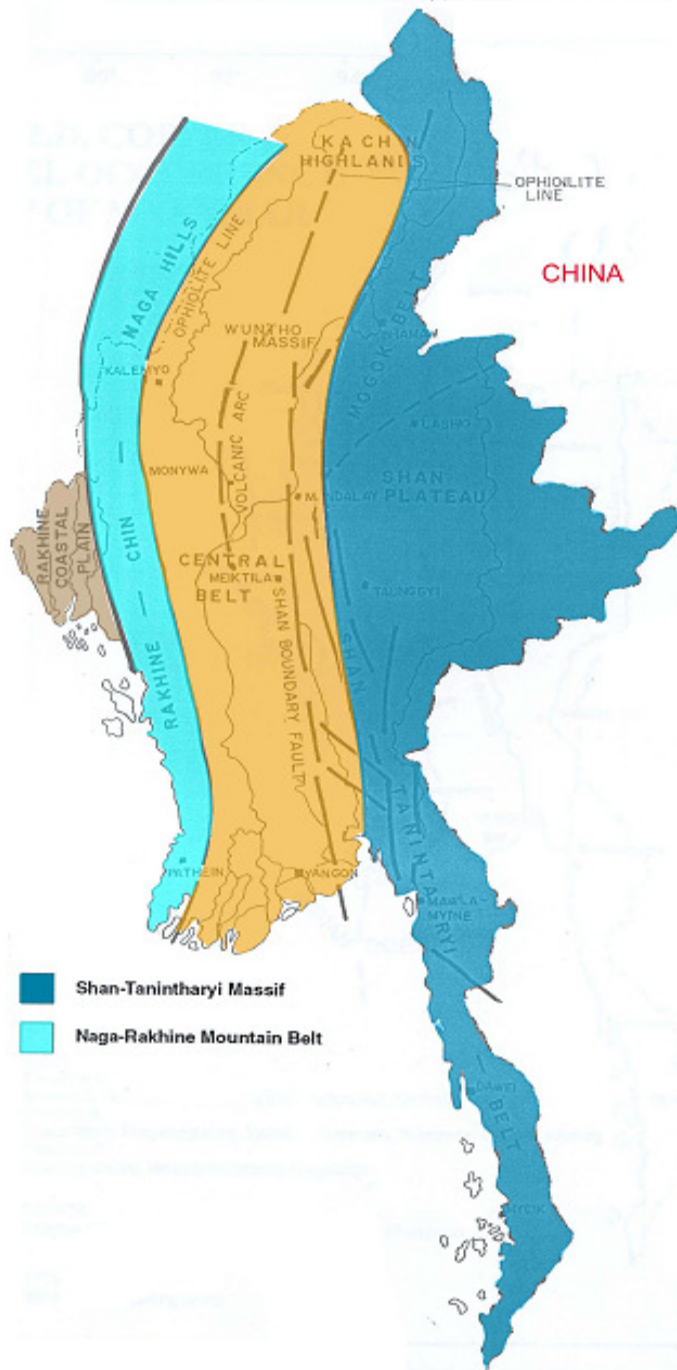


- Many famous mines
- Many opportunities to work under FDI in various fields of mining, either foreigner or Joint Venture or local citizens can be invested by the rules and regulations and recommendations of Ministry of Mines
- Mining extensively quality gems such as Rubies, Jade, etc.
- Manufacturing of jewellery and jade carving are quite popular.





GEOMORPHIC TECTONIC MAP OF MYANMAR



Geology

*Four Parallel North-South Trending
Geotectonic Belts*

**Rakhine
Coastal Belt**

Oil & Gas

**Western
Ranges**

*Nickel
Chromite
PGM*

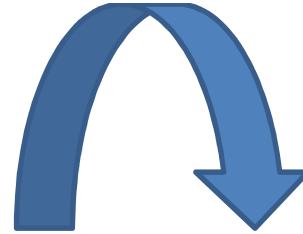
**Central
Belt**

*Porphyry
Copper
Gold
Coal
Oil & Gas*

**Eastern
Highlands**

*Lead,Zinc
Copper
Silver
Tungsten
Antimony
Iron*

The Status of Mineral Resources in Myanmar



Categories of Mining Permit

Very Rich	Rich	Fairly Rich	Poor
Jade, Ruby, Sapphire Limestone	Copper, Lead, Zinc, Tin, Tungsten Gold, Coal, Barite	Antimony Silver, Nickel, Gypsum, Iron	Cromite, Manganese, PGM Minerals, Radioactive Minerals, Diamond, Fertilizer Minerals, Fluorite, Bauxite, Mercury, Kaolin, Feldspar, Quartz, Bentonite, Mica

Prospecting Permits	1 Year
Exploration Permit	1 Year
Feasibility Study	1 Year
Subsistence Mining Permit	1 Year
Small scale Mining Permit	5 Years
Large scale Mining Permit	25 Years



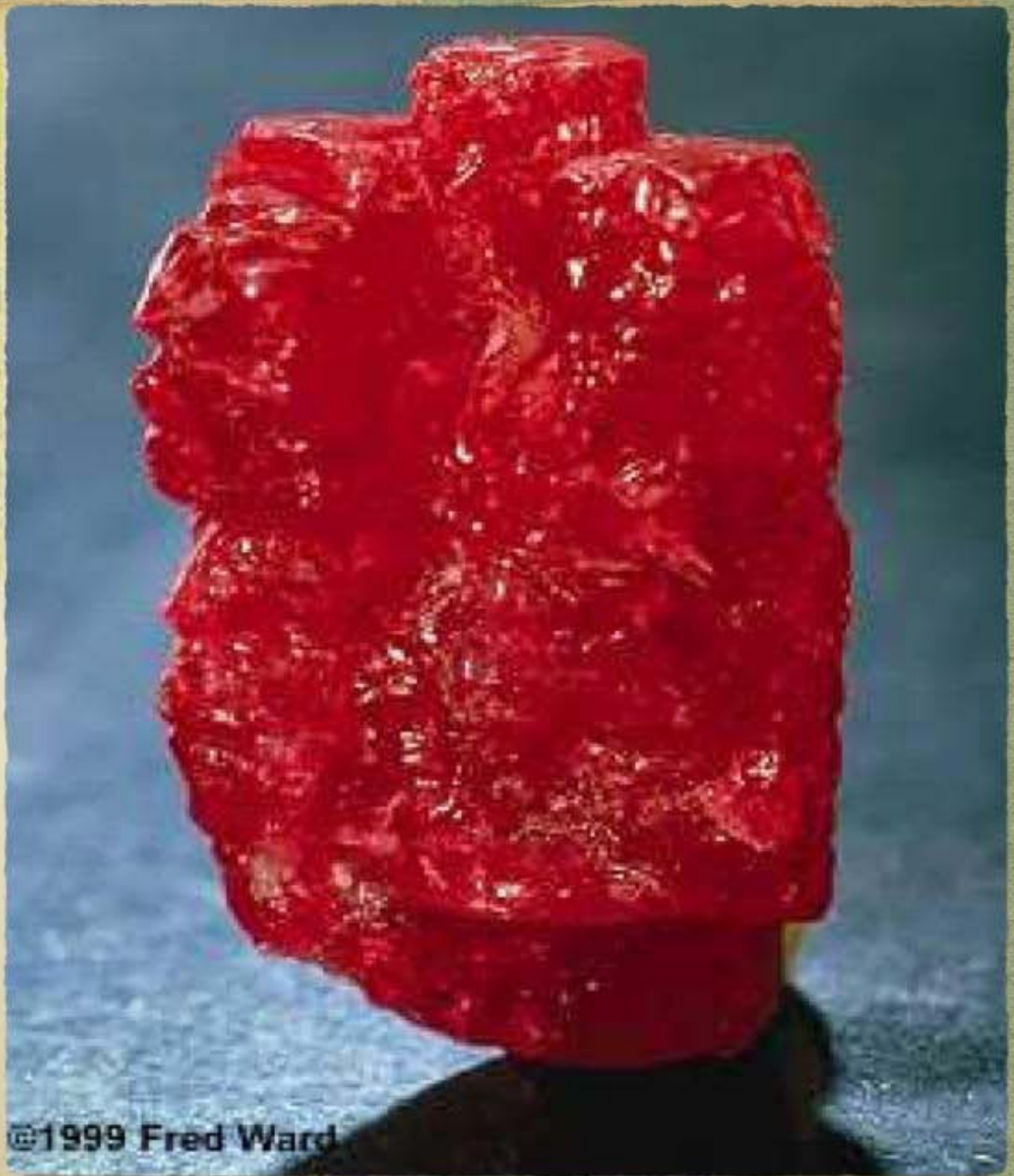
Myanmar is Rich of Gems and Precious Stones

Big Jade Production in the World





The Best Ruby in
the World is from
Myanmar



©1999 Fred Ward

Forestry Sector

- Forests covering about 50 percent of its total land area.
- Major exporter of teak in the world, takes up 75 percent of the world market.
- About 8% of Total Export.
- Potentials for Value added production of other Forest Products: Bamboo, Cane, Rattan



Myanmar Teak is the Best in the World



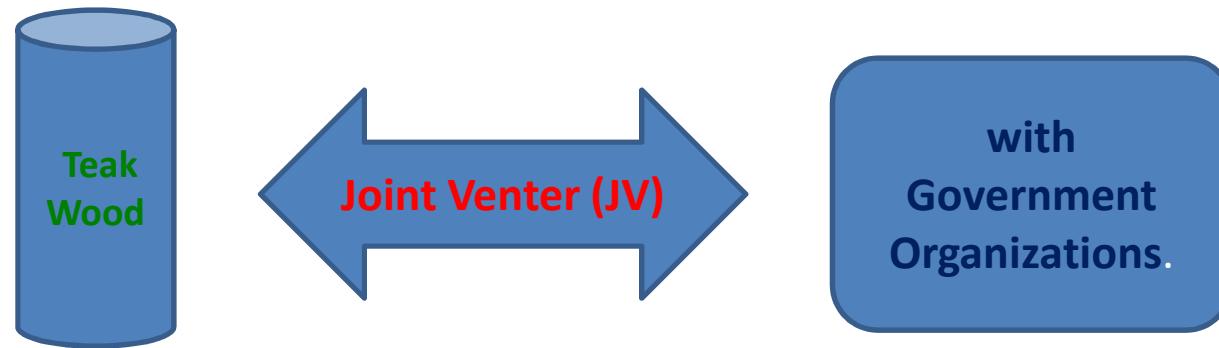
Potential in Forestry Sector

- Myanmar teak is highly reputable in the world market.
- It has a large variety of timber species with some lesser known species.
- Production of value added wood based products will be a prosperous business.
- (281) factories producing value added products all over the country and (90) out of these are situated in Yangon Division area.
- Plantation **by rotation** for mass production of Bamboo, Cane and other hard wood **which are widely used in the country and the demand is growing.**



How can invest in Forestry Sector ?

1. Foreigners can invest in Production of Finished Products



2. Production of Finished Wood Products other than Teak

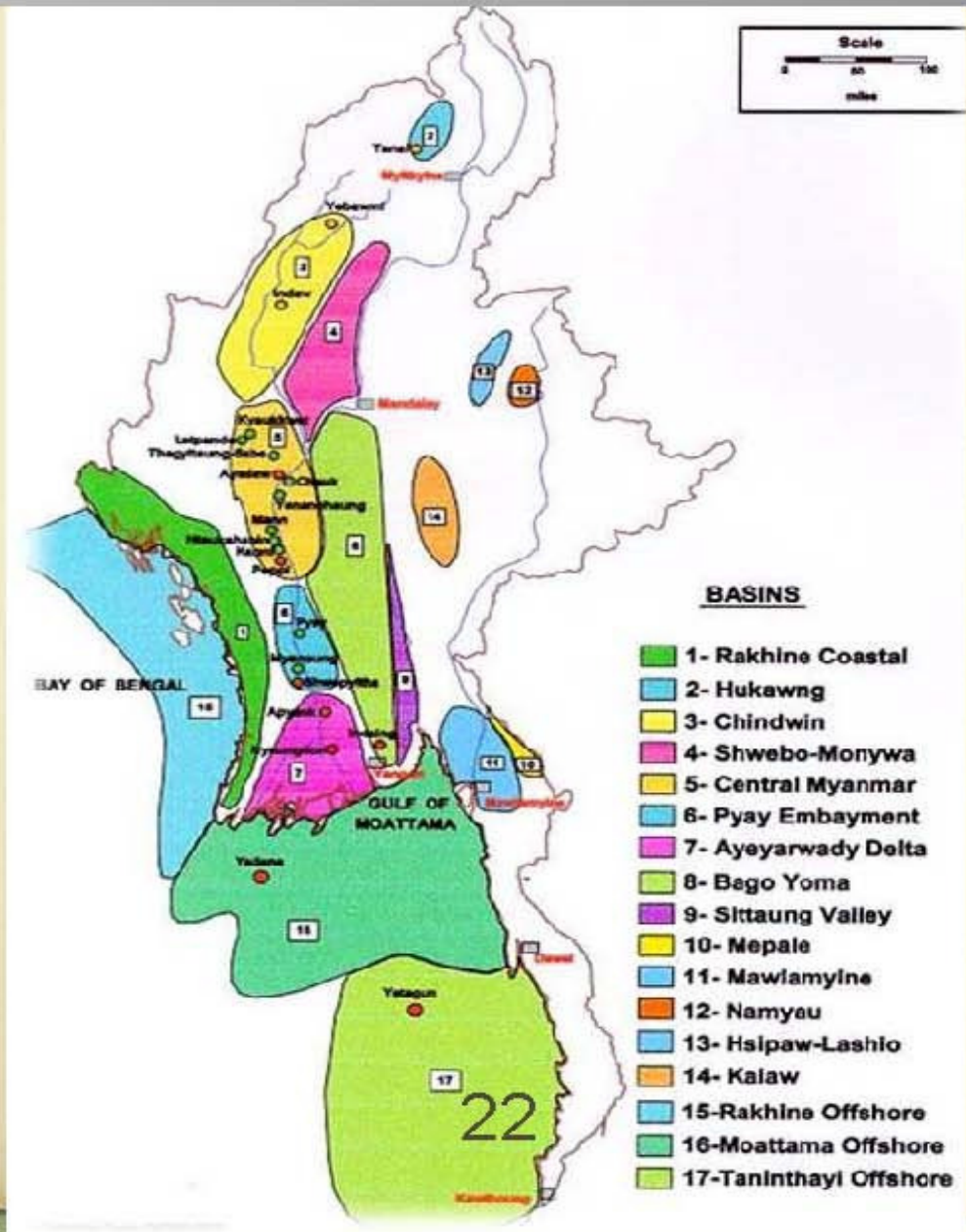
Either Foreigners or Joint Venture of Local are allowed for the production of finished wood products other than Teak.

3. Forest Plantation is allowed **only to the Local investors.**



OIL & GAS SECTOR

- ❑ 2.512 TRILLION CUBIC METRES OF NATURAL GAS.
- ❑ 3.2 BILLION BARRELS OF CRUDE OIL.
- ❑ 2.5 BILLION USD, LARGEST INCOME AMONG EXPORT ITEMS.
- ❑ 39% OF MYANMAR'S TOTAL INVESTMENT WITH 13.8 BILLION USD BY 104 ENTERPRISES.





Rich Of Natural Gas

Labour Intensive Industry

- ☐ Garment
- ☐ Electronic Parts Assembly
- ☐ Fishery Value Added Processing
- ☐ Mining Value Added Product
- ☐ Others

Labor Incentives (Work Forces in million)

Minimum Labor Wages and
Labor Law is still at
implementing stage

Current Market Wages in USD

Myanmar	Cambodia	Malaysia	Thailand
\$70-80	\$90-100	\$300	\$200



Age Group	Male	Female	Total	%
15-19 yr	2.90	2.79	5.70	9.5%
20-24 yr	2.77	2.69	5.46	9.1%
25-29 yr	2.57	2.54	5.12	8.5%
30-34 yr	2.34	2.38	4.73	7.8%
35-39 yr	2.10	2.18	4.29	7.2%
40-44 yr	1.84	1.96	3.80	6.3%
45-49 yr	1.58	1.71	3.30	5.5%
50-54 yr	1.31	1.44	2.75	4.6%
55-59 yr	1.06	1.19	2.26	3.8%
Total	18.47	18.88	37.35	62.25%



Industrial Zones in Myanmar

Magwe Ind. Zone,
Pakokku Ind. Zone
Yenangyaung Ind.
Zone (3)

Pyay Ind. Zone (1)

Patheingyi Ind. Zone
Mingyan Ind. Zone
Hinthada Ind. Zone (3)

Yangon Ind. Zone (14)

Myeik Ind. Zone (1)



Monywa Ind. Zone
Kalay Ind. Zone,
Shwe Bo Ind. Zone (3)

Mandalay Ind. Zone
Mingyan Ind. Zone
Meiktila Ind. Zone (3)

Taunggyi Ind. Zone (1)

Mawlamyine Ind. Zone (1)

**30 Industrial Zones are
already developed**



Foreign Investment at Industrial Zones in Yagon City

- Mingaladon Zone (48.199 million)
- Hlaing Thayar Zone (32.535 million)
- Dagon South/Seikkan Zone (23.012 million)
- Shwe Pyithar Zone (8.07 million)
- Shwe Paukkan Zone (6.42 million)
- Shwe Linban Zone (2.2 million)
- Thanlyin Kyauktan Zone (15 million)

Service & Hospitality Industry

- ☐ Hotels & restaurants
- ☐ Tourism Industry
- ☐ Logistics
- ☐ Real Estate
- ☐ etc.

Tourism Sector

- ❑ **Booming sector after reform;**
- ❑ **16.95% increased in 2009-10, 4.88% increased in 2010-11 and 30% increased in 2011-12;**
- ❑ **Thai visitors were ranking first with 22.8%;**
- ❑ **Very new white sand beaches at Myeik Archipelago comprising 800 islands;**
- ❑ **Year round festivals with simple and kind hearted people;**





Land of Tourist Attraction



Land of Buddhist Religion, Calm & Peaceful



Shwedagon Pagoda as Land Mark of Myanmar

Foreign Investment in Hotels

Sr.	Country	Hotel / Apartment	Investment (USD in Million)
1.	Singapore	12	597.756
2.	Thailand	11	263.250
3.	Japan	6	123.013
4.	Hong Kong	4	77.000
5.	Malaysia	2	20.000
6.	British	1	3.400
Total		36	1144.419

Sr.	Projects	Rooms	Investment (USD in Million)	Remark
1.	31	5145	855.919	Completed
2.	5	1415	288.500	Under Construction
	36	6560	1144.419	

Foreign Investment in Hotels

Foreign Investment Hotels, Apartments and Complex (Yangon)

No.	Names of Hotel / Project	Rooms	Investment	Date of Opening
	<i>100% Foreign Investment</i>	<i>2660</i>	<i>470.395</i>	
1	Sedona Yangon	450	103.270	18-9-96
2	Traders	496	84.000	14-11-96
3	Chatrium	315	38.000	20-3-98
4	Parkroyal	359	50.000	27-5-97
5	Kandawgyi palace	208	27.500	18-9-96
6	Yangon International	100	10.000	15-5-97
7	Seasons of Yangon	121	5.000	18-9-96
8	Summit Parkview	250	29.000	3-6-95
9	Nawarat	80	10.000	28-5-94
10	Savoy	30	0.625	11-1-96
11	Micasa	48	15.000	14-12-98
12	Governor's Residence (Pansea)	50	3.400	21-3-97
13	Grand Meeyahta	48	16.000	26-1-02
14	Orchid	105	3.600	18-7-96
15	Centre Point Towers	Office	75.00	16.9.10

Foreign Investment Hotels, Apartments and Complex (Yangon)

No.	Names of Hotel / Project	Rooms	Investment	Date of Opening
	<i>Joint Ventures</i>	<i>361</i>	<i>35.000</i>	
16	Strand	64	23.000	5-11-93
17	Inya Lake	239	10.500	27-10-95
18	Thamada	58	1.500	17-1-97
	<i>Apartments & commercial Complexes</i>	<i>469</i>	<i>151.013</i>	
19	Sakura Tower	Office rooms	30.000	25-1-99
20	Marina Residence	142	31.313	1-2-2000
21	Sakura Residence	115	26.700	15-8-98
22	Golden Hill Tower	212	63.000	7-11-2000
	Total	3490	656.408	

Infra-structure Development Industry

- Road & Bridge Construction
 - Power plants
- Industrial Zone Development
 - Ports Development
 - Airport
 - Etc.

Statistical data of Vehicles & Roads

Year	Registered Vehicles	Road Length (km)
2001	445167	69732
2002	461692	73843
2003	476350	78266
2004	960341	90713
2005	978522	92859
2006	991566	104058
2007	1024372	111737
2008	1997358	125355
2009	2067839	127942
2010	2298677	130050
2011 June	2331663	142395

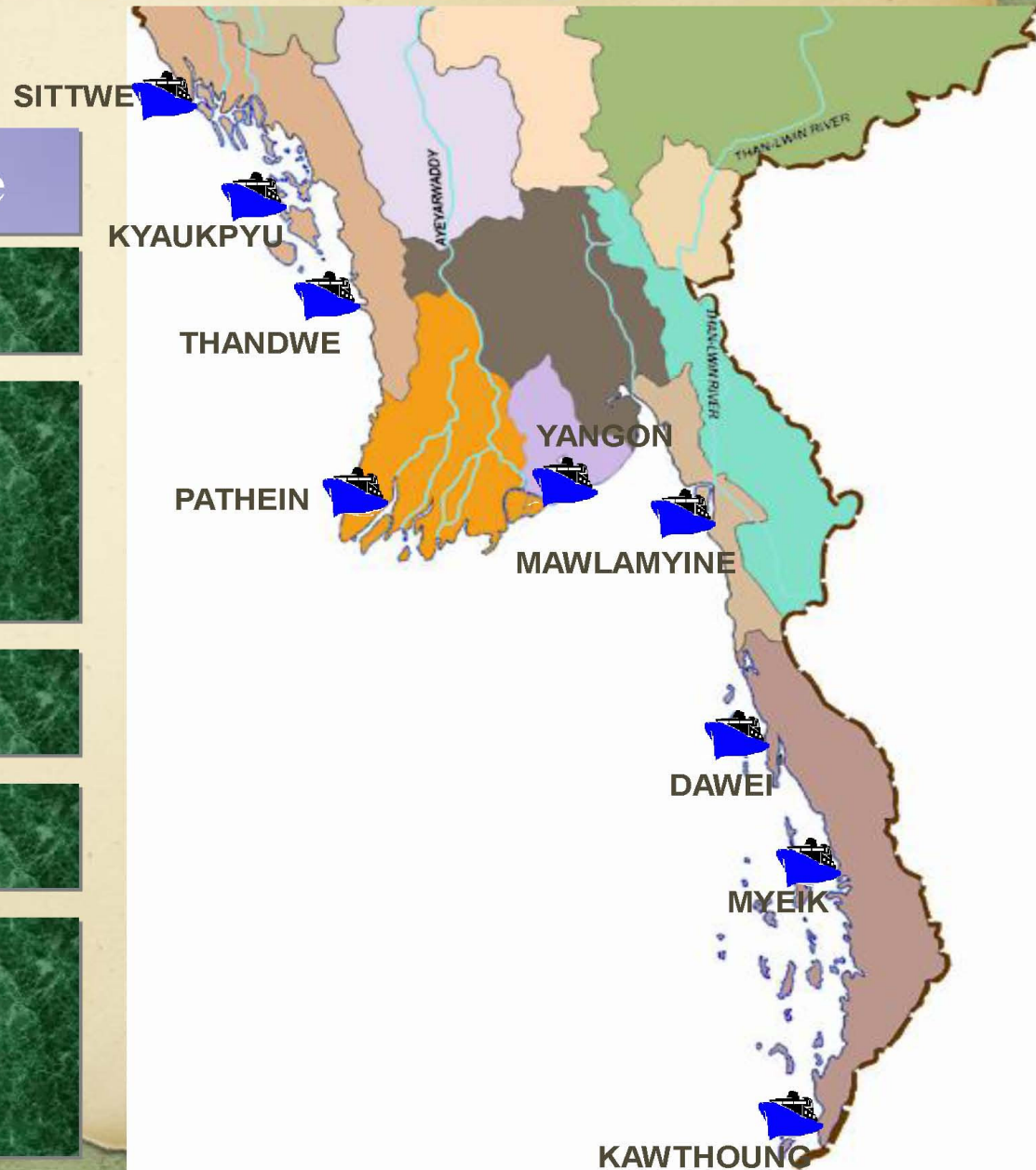
Myanmar has about 142395 Km of road networks. The length of various categories of road are as under:

- Union Highways 18,740 km
- Township network road 19,045 km
- Major city and other roads 26,427 km
- Village & boundary roads 78,183 km

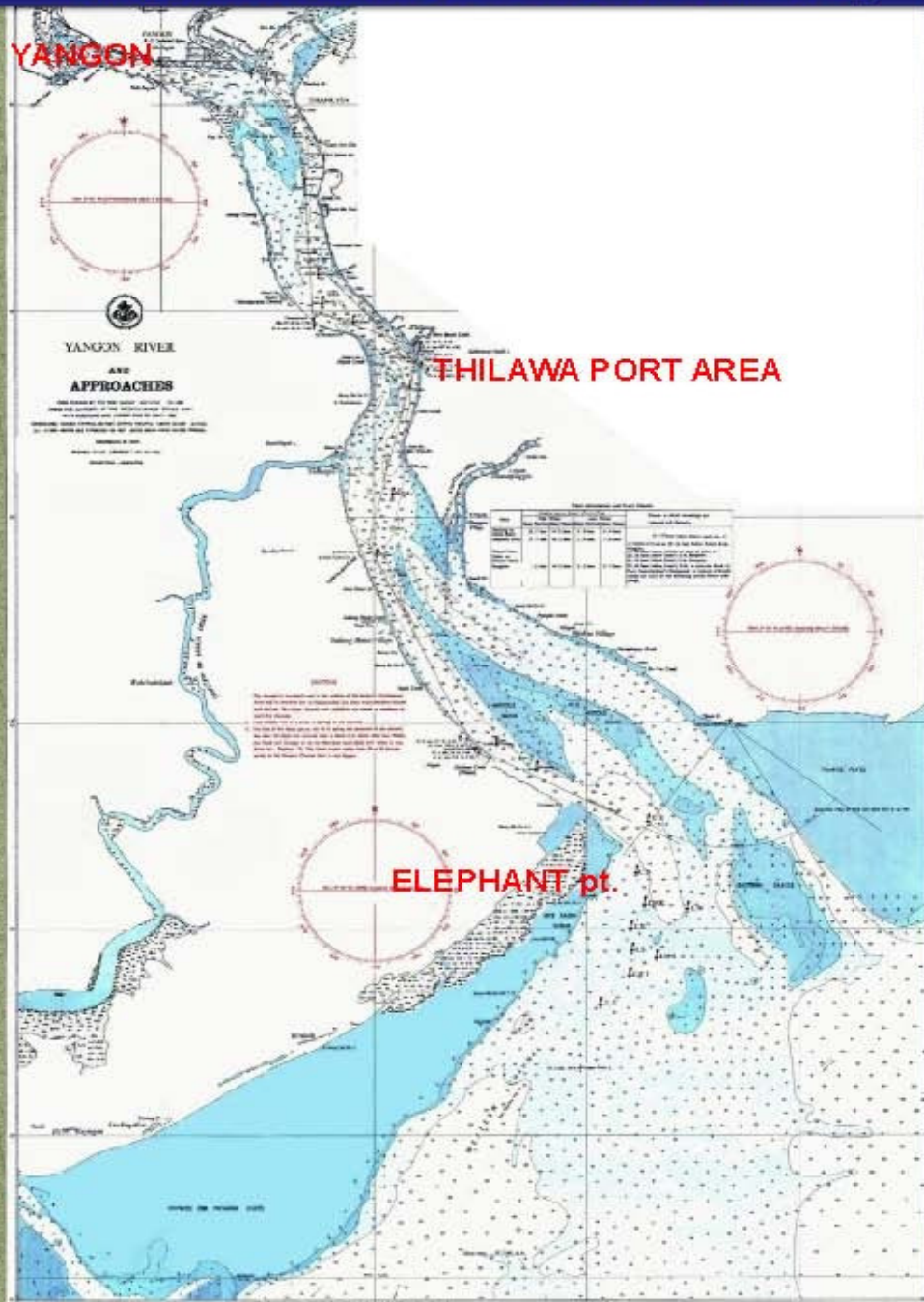
Among these roads , under the **Ministry of Construction** is about 39,241 km.

Ports of Myanmar

Port	Region/State
Yangon	Yangon
Sittwe Kyaukphu Thandwe	Rakhine
Pathein	Ayeyarwady
Mawlamyine	Mon
Dawei Myeik Kawthoung	Tanintharyi



Yangon Port & River Estuary



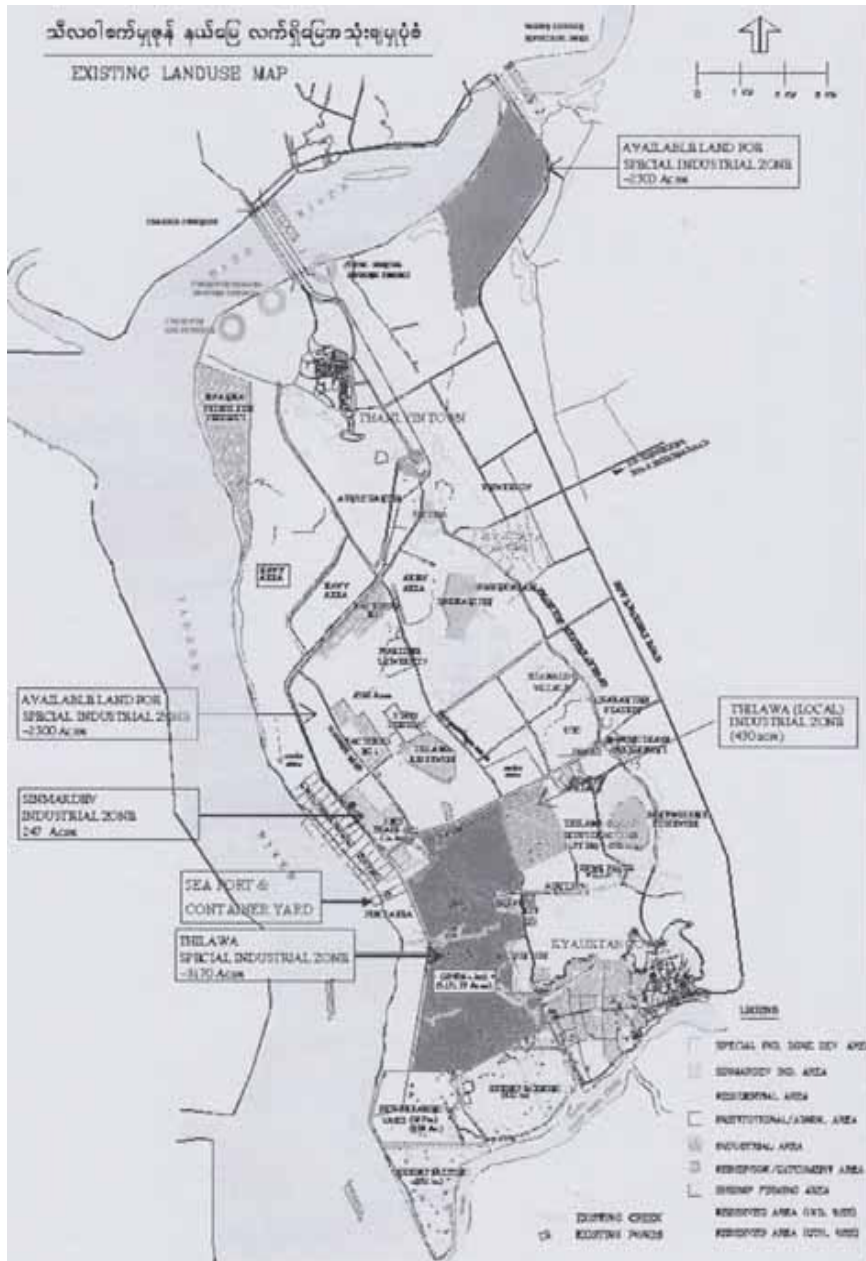
- Latitude 16 47' N
Longitude 96 15' E
- Yangon Port to Thilawa Port -16 Km
- Yangon Port to Elephant Point -32 Km
- Elephant Point to Pilot Station -32 Km
- All vessels calling to the Yangon Port, pilotage is compulsory if they are over 200 GRT.
- Tidal Range (The average tidal range)
 - about 19.3 feet (5.85 m) at spring tide
 - about 8.4 feet (2.55 m) at neap tide
- Current Velocity
 - 4 to 6 knots
- Wave
 - do not hinder marine operations
 - seldom rough with less than (2 m) wave-height



Thilawa SEZ

In the SEZ plan, SEZ and industrial zones will be as follows;

- ▶ Special Industrial Zone (for FDI)- 2300 acres
- ▶ Local Industrial Zone- 430 acres
- ▶ Singapore Myanmar Development (SINMARDEV) Industrial Zone -247 acres
- ▶ Sea ports and container yard
- ▶ Thilawa Special Industrial Zone – 3,170 acres





Thilawa SEZ Project Location

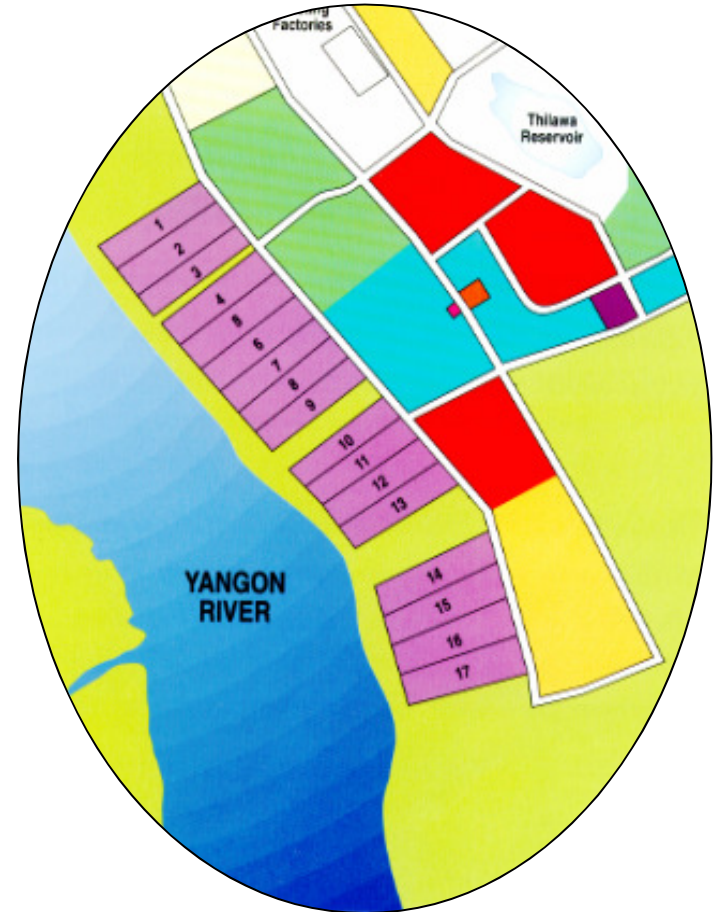


THILAWA SEZ and PORT

Yangon Port

Thilawa Area

Thilawa Port



- Total 37 Plots
 - 200 m quay length
 - 750 m landward
- } (Each Plot)

Land Plot Allocation for Development of Ports



1. Developed

- MIPL (Plot No. 4)
- MITT (Plot No.5 to 9)
- MEC Ship Breaking Yard (Plot No 34 to 37)

Plot

- 1
- 5
- 4

Total

- 10

2. Under Construction (GC Terminal)

- MSPL (Plot No. 10 and 11)
- UMEHL (Plot No. 12 and 13)

- 2
- 2

Total

- 4

3. Under Construction (Tanker Berth)

- Plot No. (1) (2) (14) (15) (16) (17) (18) (19) (24) (25) (26) (27) (28) (33)

Total

- 14

4. Reserved

- Plot No. (3) (20) (21) (22) (23) (29) (30) (31) (32)

Total

- 9

	Developed		Under Construction (Tanker)
	Under Construction (GC)		Reserved

Kyaukpyu Deep Sea Port Project

Location

Made Island., 11.2 km S/E of Kyaukphu

Geographical Position

19 H 22'.6 N, 93 H 40'.8 E

Approach channel

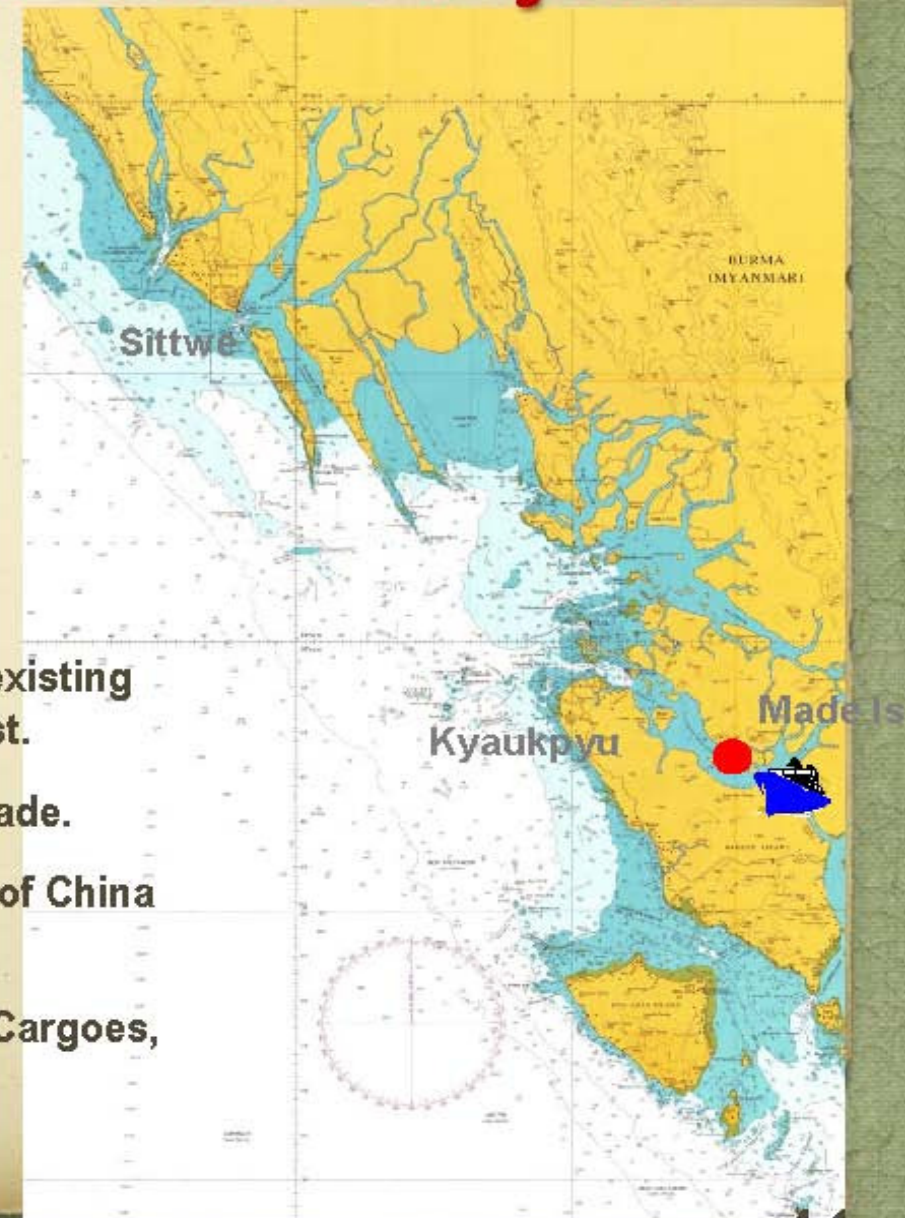
LAD 24 m, Tidal Range 2~2.7m

Habour Area

LAD 20 m, Sea Room 1000 m ~ 1600 m

Prosperity

- Most appropriate approach to cope western corridor.
- Save sailing distance about 5000 Km compare with existing sea route through Malacca Strait to China East Coast.
- Main Outlet of ocean route for land locked regions' trade.
- Short linkage to sea outlet for land locked provinces of China and Lao.
- Opportunity for transporting of Container, General Cargoes, Crude Oil and Gas.
- Shortest trade route from India to China and Lao.





Special Economic Zones in Myanmar





Dawei SEZ Project Location



Asia Regional Hub



Strategic Location



**Southern Economic Corridor &
Indian Ocean Gateway**

Conceptual Image of Dawei Master Development Plan



*Thank You for Your
Kind Attention*