



Flow of Presentation

Opening Remarks

U Win Aung

i. Why Myanmar

U Moe Kyaw

ii. Agriculture

U Sai Ba Nyan, Paolo Ceriti

iii. Buildings, infrastructure and energy: tenders for major works:

U Win Aung

iv. Tourism

U Moe Kyaw

v. Automobile

U Myo Zaw Aung


vi. Textile and Garment

U Moe Kyaw



The Republic of the Union of Myanmar
Federation of Chambers of Commerce & Industry
69 Affiliated Trade Associations

Myanmar Rice Industry Association	Myanmar Marine Engineer Association
Myanmar Petroleum Trade Association	Myanmar Plastic Industries Association
Myanmar Travel Association	Myanmar Paddy Producer Association
Myanmar Hotelier Association	Myanmar Mercantile Marine Development Association
Myanmar Oil Palm Producers' Association	Myanmar International Freight Forwarders' Association
Myanmar Construction Entrepreneurs Association	Myanmar Gold Entrepreneurs Association
Myanmar Gems And Jewellery Entrepreneurs Association	Myanmar Pharmaceuticals & Medical Equipment Entrepreneurs Association
Myanmar Sugar Cane and Sugar Related Products Merchants And Manufacturers Association	Myanmar Women Entrepreneurs Association
Myanmar Perennial Crop Producers' Association	Myanmar Livestock Federation
Myanmar Rubber Producers' Association	Myanmar Customs Brokers Association
Myanmar Onion, Garlic and Culinary Crops Production and Exporting Association	Myanmar Printers & Publishers Association
Myanmar Agro Based Food Processors and Exporters Association	Myanmar Fisheries Federation
Myanmar Fruit and Vegetable Producer and Exporter Association	Myanmar Industries Association
Myanmar Computer Industry Association	Myanmar Forest Products & Timber Merchants Association
Myanmar Garment Manufacturers Association	Myanmar Edible Oil Dealers Association
	Myanmar Rice & Paddy Traders Association
	Myanmar Pulses, Beans & Sesame Seeds Merchants Association
	Myanmar Rice Millers Association
	Myanmar Retailer Association



1. Why Myanmar?

MYANMAR'S DEVELOPING ROLE IN ASIA

The Gateway for New Markets

Presented by U Moe Kyaw
 Head of EU DESK
 Union of Myanmar Federation of Chambers of Commerce and Industry

Why Myanmar

Reviewing Myanmar Strategic Potential

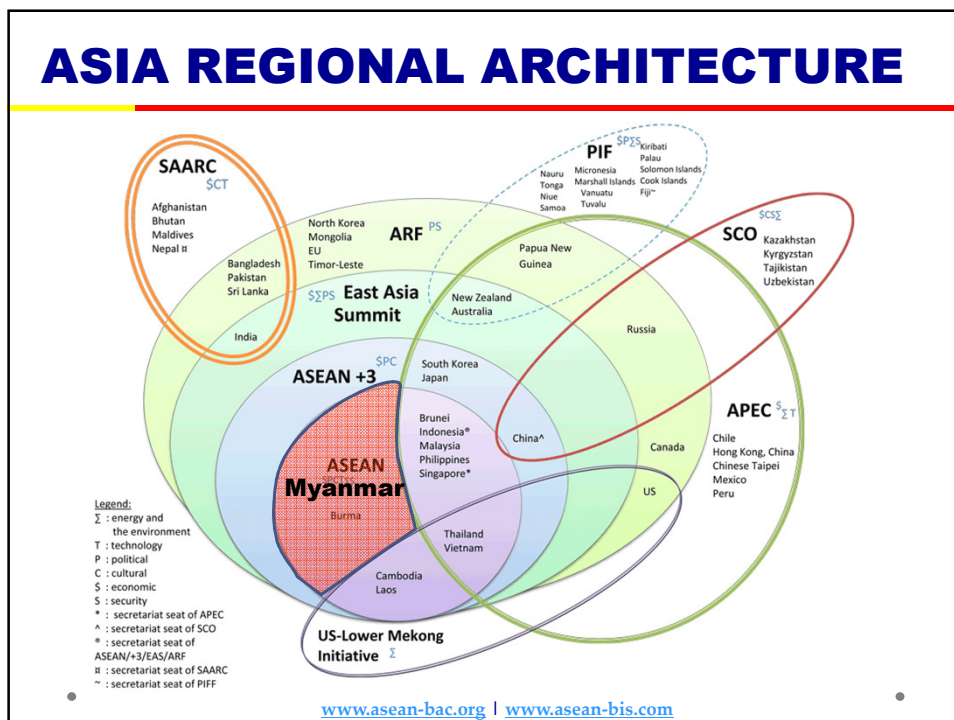
28th Most Populated, 40th Largest in the world and 2nd Largest in ASEAN, Largest Land Mass in ASEAN, Own Time Zone

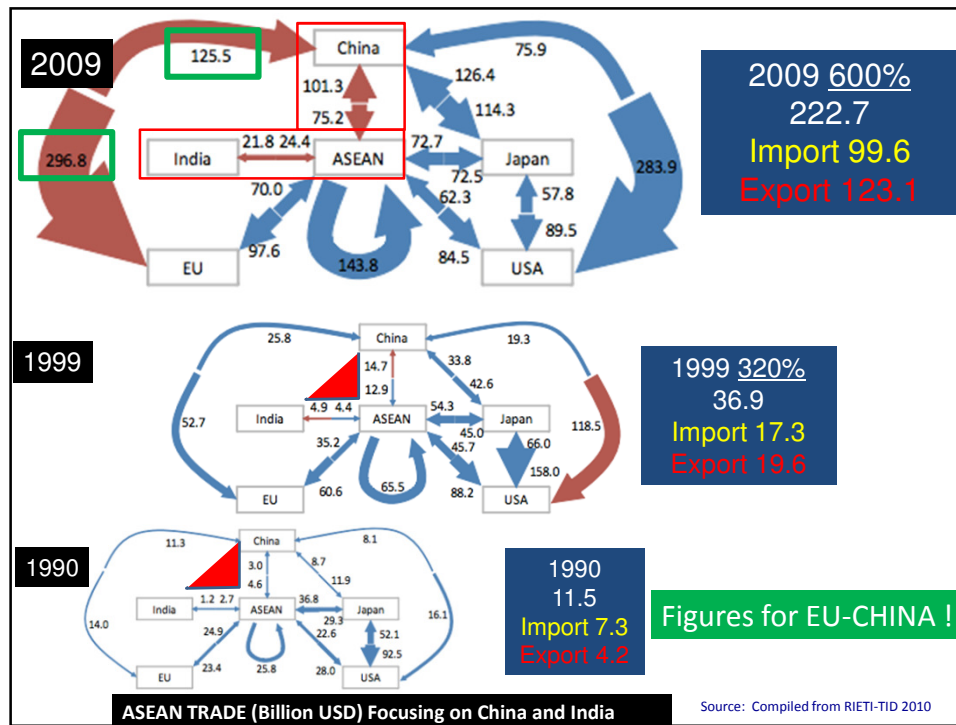
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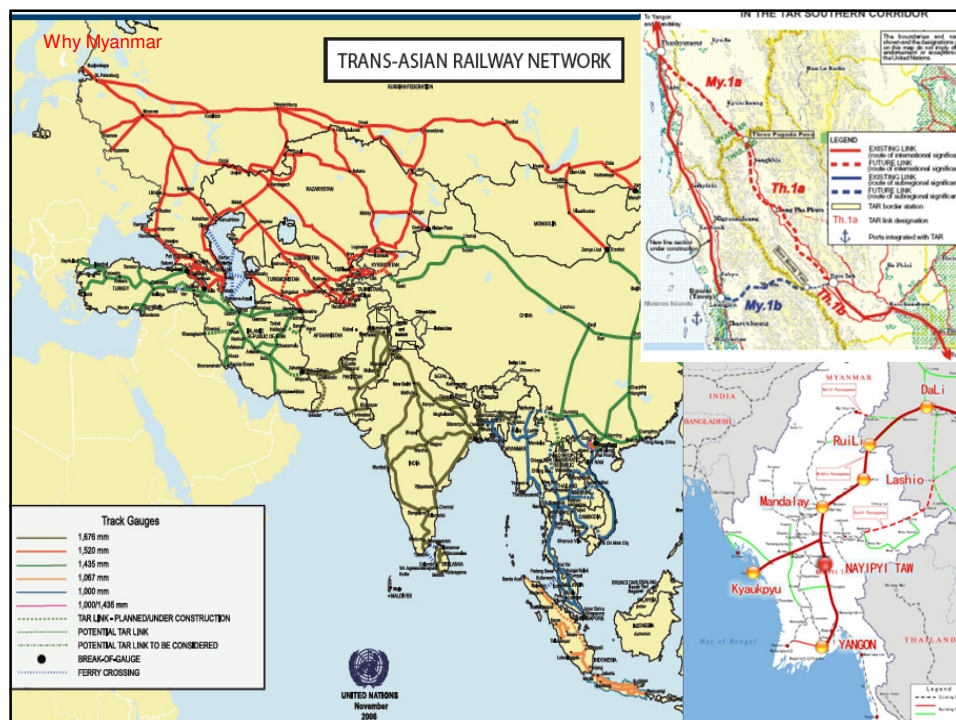
Comparing Italy & Myanmar

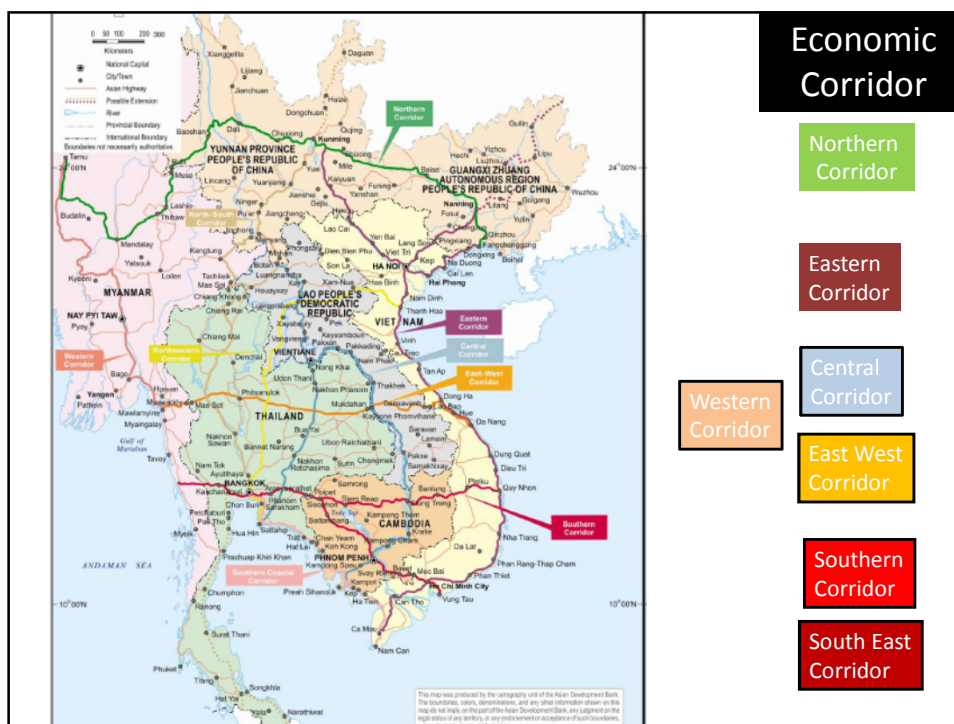
	Italy	Myanmar	
Area	301,340 <small>72</small>	676,578 <small>40</small>	2.25 Times
Population	61,482,297 <small>23</small>	55,167,330 <small>24</small>	10% Less
GDP Per Capita	\$ 30,600 <small>48</small>	\$ 1,400 <small>204</small>	5%
GDP Billion US\$	1,863 <small>11</small>	91 <small>77</small>	5%
<i>Agriculture:</i>	4%	39%	
<i>Industry:</i>	28%	19%	
<i>Services:</i>	68%	42%	

Source World Factbook

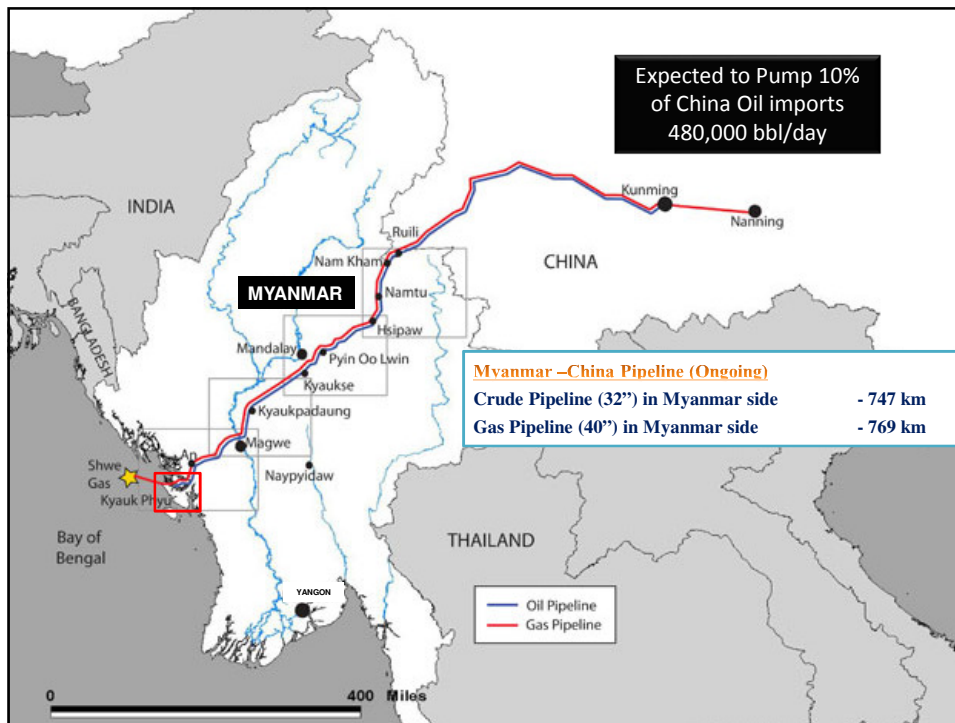




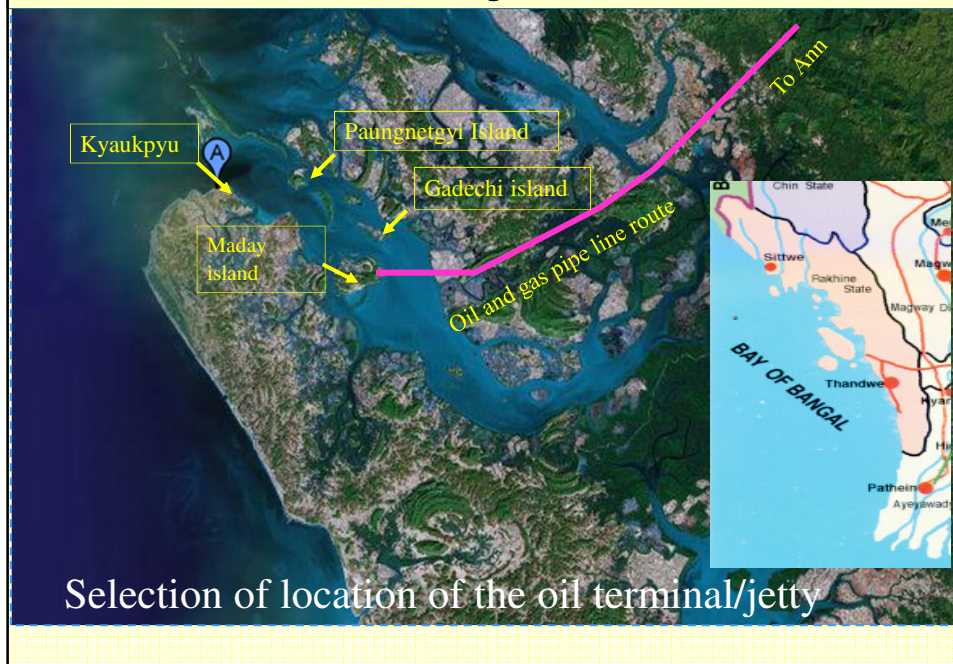








Crude Oil Terminal/Jetty





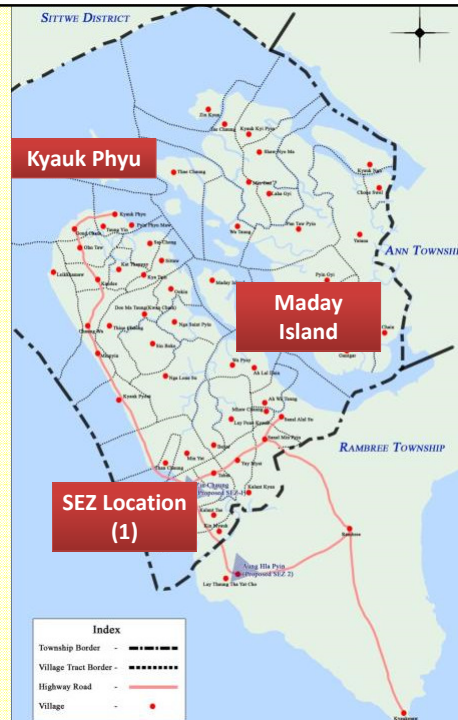
What does Kyauk Phyu mean..

- **Why do think the Chinese has been so quiet.**
 - Direct Route to the Indian Ocean.
 - Save up to 8 days sailing and 5% transportation Cost.
- **You Must Visit Kunming**
 - A rail link (which we must own) could take a day and a half.
- **Most of China investment is in the West.**
- **Will make other big countries Eager to Join.**

SEZ location

— Priority (1)

- the place between Zin Chaung Village Tract and Kinn Myauk Village Tract of Kyaukpyu Township
- continual land area of 1500 to 2000 acres (600-800 ha)
- free from swamp and mangrove
- available to construct deep-seaport at the mouth of Kinn River
- located nearby Yangon-Kyaukpyu Union Highway
- located nearby planned Kunming-Kyaukpyu Railway
- possible of ample water supply for SEZ
- 30 km from Kyauk Phyu airport (4500'x100')



Proposed SEZ location

— Priority (2)

- the place between Aung Hla Pyin Village Tract and Kyauk Nagar Village Tract of Ramree Township
- continual land area of 3000 to 5000 acres (1200-2000 ha)
- old air field for military purpose in the second world war
- only 35 km far from Yangon-Kyaukpyu Union Highway
- possible of ample water supply for SEZ
- available to construct deep-seaport by upgrading existing Aung Hla Pyin port
- 60 km to Kyauk Phyu airport



Why Myanmar

- If you have Investment Potential/Time
 - *Where else....*
- If you want a New Markets
 - *Where else to access the China, India and ASEAN markets*
- If you want a New Manufacturing base
 - *Where else ... The connectivity and economic labour rate looks favourable.*
- If your looking EAST..
 - *Where else... Myanmar borders 40% of the worlds population and 25% of the worlds GDP.*

You have to Consider

- After 50 years of isolation, Myanmar doors have been unlocked.
 - Hotels are pretty full.
 - Privatization of petrol station, and State Owned Industries.
- A Consumption power is increasing
 - 1,000 Galaxy S4 sold in 1st half hour.
- Trade with Myanmar is increasing
- World Bank, ADB are going to resume loans.

Ready to Develop your Business

❑ If you want to Sell or Buy or Produce, first look at What Myanmar Businesses can offer.

❑ In the Yangon Directory (Yellow Pages)

YANGON

Business Type	Count
Production	2,920
Retail	21,097
Retail/WS	12,016
Services	29,228
Trading	1,607
Grand Total	66,868

Lower Myanmar

Business Type	Count
Production	550
Retail	17,773
Retail/Whole Sales	8,354
Services	12,281
Trading	45
Grand Total	39,003

www.yangon-directory.com

Role of Agriculture Sector	Myanmar		Thailand
Share in GDP (2008)	35.6%		8.9%
Share in export (2008)	22.9%		13.6%
	Million Hectares		
Net Sown Area	11.98	17.7%	
Fallow Land	0.24	0.35%	
Cultivable Waste Land	5.61	8.3%	
Reserved Forest	16.9	24%	
Other Forests	16.25	24%	
Others	16.68	24.6%	
	67.99		
Sugar Production	280,000 tons	3%	10,200,000

Agriculture still dominates in Myanmar economy

If Thailand wants to be the Kitchen of the World, Than Myanmar is most suited to be the Garden.. It can also be very sweet..

Make Sure Myanmar is in your Plans

- ✓ Seeing is believing...
- ✓ Wait for the working investment and business laws to be established and seeing how it works.
- ✓ Consider getting a representative or dealers.
- ✓ There are many Myanmar workers in other countries consider employing them to start your business up.
- ✓ It won't be expensive anymore...

BUT

- ✓ Remember Myanmar is just opening up...
- ✓ Infrastructure is very weak
- ✓ Consumers are still POOR. But there is a small niche.

BUT

- ✓ Remember Myanmar is just opening up...
- ✓ Infrastructure is very weak
- ✓ Consumers are still POOR. But there is a small niche.
- ✓ Property very expensive and restrictive.

Yangon More Expensive Than NYC Sparking Boom: Real Estate **Bloomberg**

By Sanat Vallikappen & Pooja Thakur - Jul 30, 2013 12:16 PM GMT+0630



COMMENTS

QUEUE



Sean Danley has spent the past six months scouting office space in Yangon after being sent to establish the Myanmar branch of his U.S.-based employer.

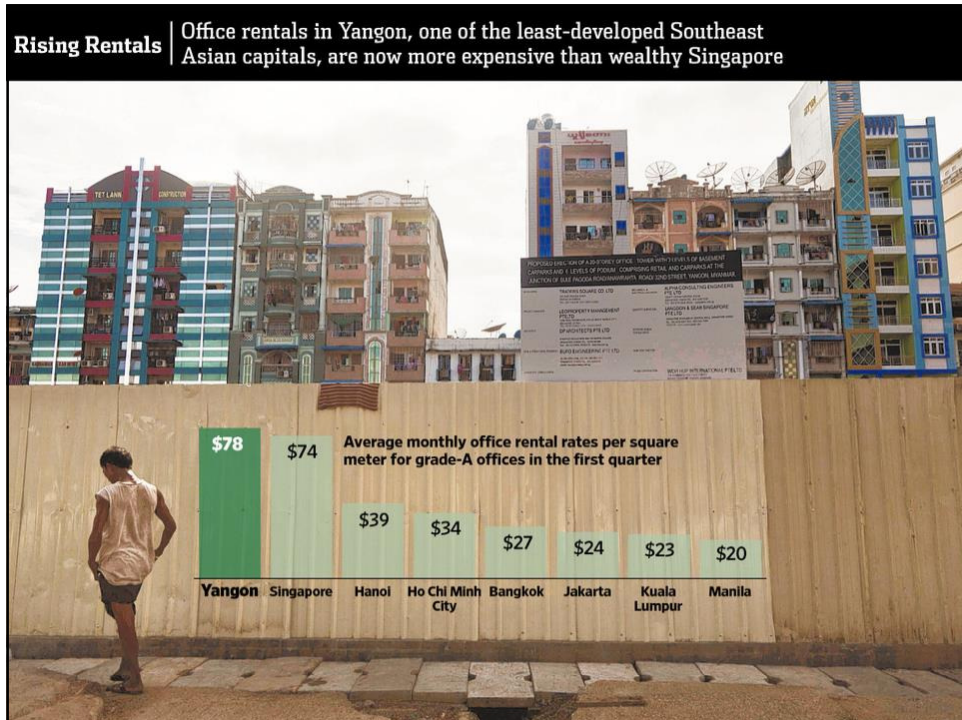
He looked in the city's three sole 1990s-era towers, where annual rents have climbed to more than \$100 a square foot, compared with less than \$75 in [downtown Manhattan](#), according to broker CBRE Group Inc. Too expensive, he said.

Enlarge image

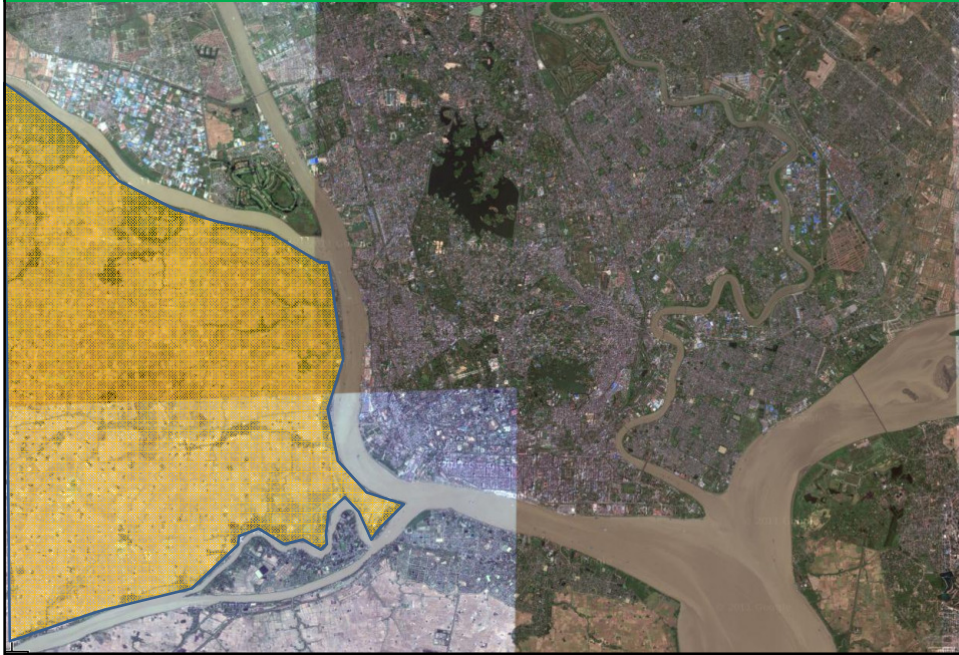


Pedestrians cross a road in front of the AGD Bank tower, right, and the

The villas he considered either didn't have safety exits, weren't clean, required sharing space with other companies or were in odd locations -- all unsuitable to the image of his \$29 billion in revenue engineering and construction company, which he said he wasn't authorized to identify. After seeing 10 places and losing one possibility to someone faster with his "bag of money," Danley is still looking.



Don't worry we have lots of LAND



35 KM Perimeter
70,170,227 Square meter



With +55 Million people and linkage to China and India Myanmar is **THE PLACE...**

BUT IS THE TIME RIGHT

Yoma Strategic Holdings Ltd. (Z59.SI)-SES [Add to Portfolio](#)

0.81 ↓ 0.00 (0.61%) 15 Aug 17:04 SGT

Prev Close:	0.82	Day's Range:	0.80 - 0.82
Open:	0.82	52wk Range:	0.38 - 1.05
Bid:	0.81	Volume:	4,016,000
Ask:	0.82		
1y Target Est:			
Beta:	N/A	EPS (ttm):	0.01
Next Earnings Date:	N/A	Div & Yield:	N/A (N/A)

Quotes delayed, except where indicated otherwise. Currency in SGD.

S\$ 937,000,000

Quite a lot of Singaporean think the time is RIGHT..

Myanmar- Italy Trade and Investment

Myanmar-Italy Trade Volume

US\$ Millions

	2008-09	2009-10	2010-11	2011-12	2012-13
Export	4.10	6.59	5.78	6.89	13.38
Import	9.14	12.74	17.60	17.26	14.29
Total Trade	13.24	19.33	23.38	24.15	27.67

Italy accounts for 0.15% of Myanmar Total Trade Volume in 2012-13.

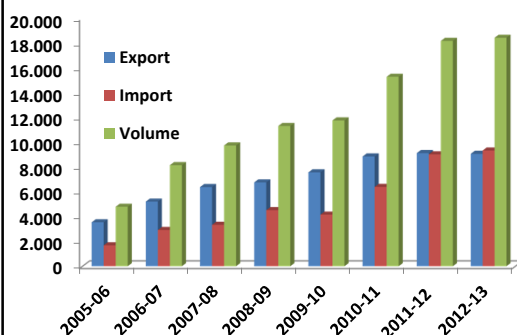
Myanmar's Trade Volume

US\$

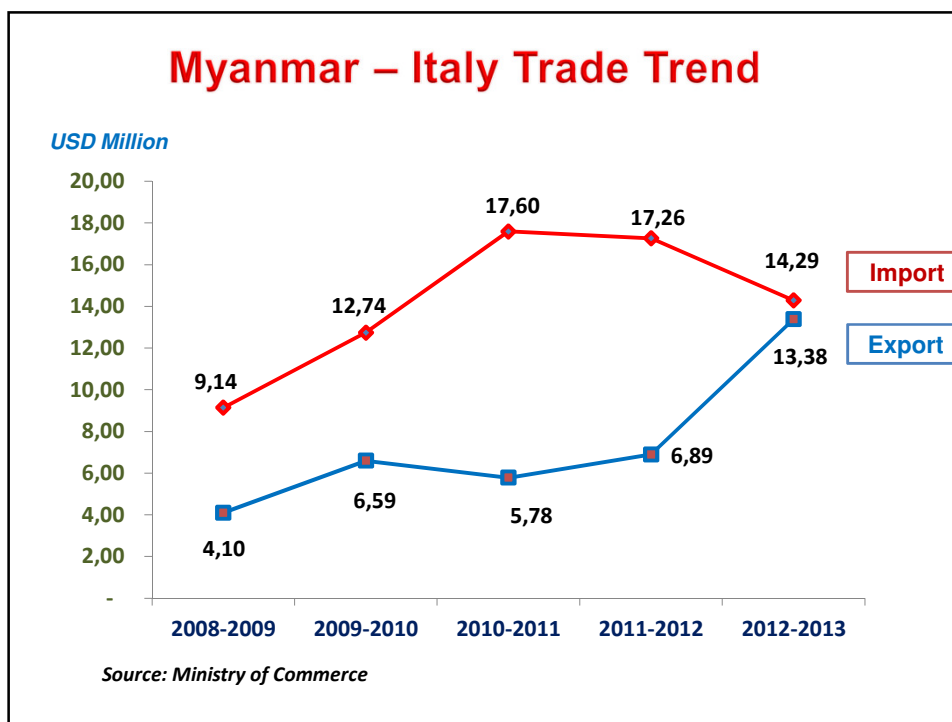
Fiscal Year	Export	Import	Volume
2005-06	3,557	1,693	4,821
2006-07	5,233	2,937	8,169
2007-08	6,402	3,353	9,755
2008-09	6,779	4,543	11,322
2009-10	7,587	4,181	11,768
2010-11	8,864	6,415	15,279
2011-12	9,136	9,035	18,171
2012-13	9,076	9,345	18,421

Myanmar Trade Volume

USD Million



Source: Ministry of Commerce



Myanmar - Italy Trade in 2012-13

Top Export Commodities to Italy

Sr.	Commodity	Value
1	Garment	10.94
2	Seafood	1.56
3	Wood & Wood based Products	0.75
4	Pulse and Bean	0.09
5	Handicraft	0.02
6	Consumer goods	0.01
7	Footwear	0.01

Top Import Commodities from Italy

(US\$ Million)

Sr.	Commodity	Value
1	Machinery & equipment	6.82
2	Pharmaceutical & Medical instruments	2.47
3	Electrical & Electronic goods	1.85
4	Leather products	1.02
5	Iron and steel	0.55
6	Textile articles	0.46
7	Pulse and Bean	0.26

Source: Customs Dept.

Myanmar-EU Trade Volume

(Unit: Million)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Export	213.58	205.11	166.23	138.59	162.69	149.51	142.69
Import	75.43	103.50	112.85	111.19	227.14	263.13	265.69
Total Trade	289.01	308.61	279.08	249.78	389.83	412.64	408.38

EU accounts for **2.2%** of Myanmar Total Trade Volume in 2012-13.

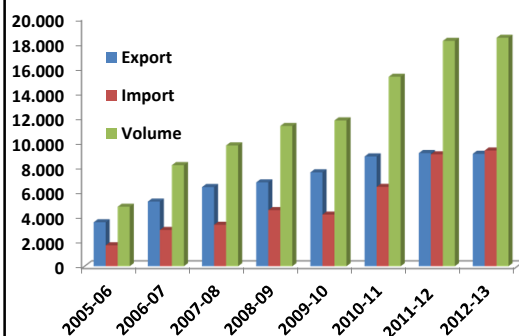
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Myanmar Trade Volume

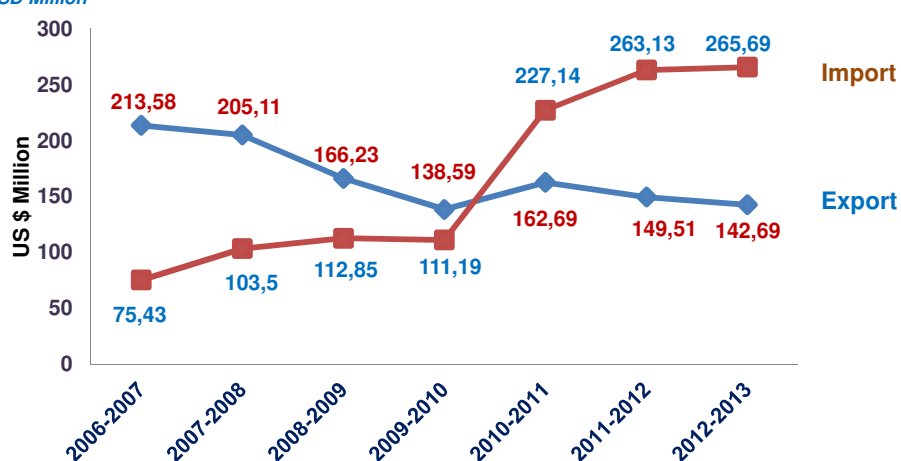
USD Million



Source: Ministry of Commerce

Myanmar – EU Trade Trend

USD Million



Source: Ministry of Commerce

FOREIGN INVESTMENT OF EXISTING ENTERPRISES AS OF (31/8/2013)

Sr.No	Particulars	Existing Enterprises		
		No.	Approved Amount (USD Mil)	%
1	China	30	14,110.98	41.97
2	Hong Kong	40	6,353.46	18.9
3	EU	35	2,976.36	8.85
4	Republic of Korea*	70	2,966.26	8.82
5	Thailand	30	2,871.68	8.54
6	Singapore	57	2,099.17	6.24
7	Malaysia	19	1,028.19	3.06
8	Viet Nam***	6	511.19	1.52
9	India	8	278.60	0.83
10	Japan	26	171.34	0.51
11	Russia Federation	2	94.00	0.28
12	Panama	2	55.10	0.16
13	Mauritius	2	30.58	0.09
14	Indonesia	3	22.20	0.07
15	Republic of Liberia**	2	14.60	0.04
16	Philippine	1	6.67	0.02
17	Australia	1	22.99	0.07
18	Canada	3	2.40	0.01
19	Brunei Darussalam	2	2.23	0.01
	Total	339	33,618.00	100

Source: Directorate of Investment and Company Administration (DICA)

FOREIGN INVESTMENT OF EXISTING ENTERPRISES AS OF (31/8/2013)
 (By Sector)

(US \$ in million)

Sr. No	Particulars	Existing Enterprises		
		No.	Approved Amount	%
1	Oil and Gas	64	13,630.10	40.54
2	Power	5	13,207.92	39.29
3	Mining	9	2,304.50	6.85
4	Hotel and Tourism	33	1,339.68	3.98
5	Manufacturing	185	2,201.15	6.55
6	Real Estate	9	347.87	1.03
7	Industrial Estate	2	179.11	0.53
8	Agriculture	7	156.67	0.47
9	Transport & Communication	7	137.68	0.41
10	Livestock & Fisheries	8	88.06	0.26
11	Other Services	10	25.27	0.08
	Total	339	33,618.00	100

Source: Directorate of Investment and Company Administration (DICA)

Agro-Industrialization in Myanmar and Opportunities for FDIs

U Sai Ba Nyan and Mr Parolo Ceriti

Thadoe Hein

Executive Committee Member - UMFCCI

President - Myanmar Fertilizer, Seed and Agrochemical Entrepreneurs Association

Background

- Country Size: 676 590 km²
- Population: 60 Million
- Agriculture Land: 12 Million (Ha)



Perspective – Land Use

	Myanmar	Thailand	Vietnam
Total Land Area	653 520 km ²	510 890 km ²	310 070 km ²
Agriculture Land	11.984 Million Ha	19.75 Million Ha	10.072 Million Ha
%	18.3 %	38.7 %	32.5 %
Arable Land	10.577 Million Ha	15.20 Million Ha	6.35 Million Ha
% of Agriculture Land	88.3 %	77.0 %	63.0 %

- Potential to expand agriculture land use
- If agriculture land is 35% of the total land area, it will be 22.9 Million Ha
- Could be double the size of Vietnam

Major Crops in Myanmar

Rice	19,689,178
Pulses and Beans	11,122,206
Sesame	3,860,032
Groundnut	2,167,404
Rubber	1,245,414
Corn (Maize)	962,295
Cotton	819,114
Sugarcane	679,223
Chilli	384,232
Oil Palm	308,252
Tomato	266,316
Onion	178,895
Potato	95,632
Cabbage	74,803
Garlic	71,976
Melons	51,585

Perspective – Rice Yield and Income

	Myanmar	Thailand	Vietnam
Yield per Hectare (MT)	2.5 MT	3.5 MT	4.5 MT
Price (farm-gate)/MT	US\$ 170	US\$ 350	US\$ 270
Income per Hectare	US\$ 425	US\$ 1,225	US\$ 1,215

- Based on average yield of rain fed rice
- Relatively low compare to neighboring countries
- Potential for yield increase
- Income of other crops are lower than neighboring farmers too
- Lower income due to lower yield, lower crop price, exchange rate, logistics and transport, losses in post harvest and processing, financing, trading system

* Thai price based on average and not on guaranteed price.

Low Productivity / Yield

- ▣ Low crop prices
- ▣ Limited access to credit and high finance costs
- ▣ Very low usage of fertilizers and chemicals
- ▣ Poor quality Seeds
- ▣ Primitive farming (mechanization required)
- ▣ Losses during harvesting (manual harvesting)
- ▣ Infrastructure (road access, irrigation system)
- ▣ Losses during drying and storage (farm level)

Low Prices / Income

- Exchange rate is not very export favorable
- High logistics / transport costs
- Losses in post harvest processing (milling – require upgrading), storage and transport
- High financial cost and access to credit (need to factor high interest rate in trading and stocking)
- Inefficient commodities trading system and lack of regulated future markets
- Inadequate port and logistics facilities
- International banking constraints and limitations

Why Agro-Industrialization?

- 61% of labor force depends on Agriculture
- 32% of GDP contributed by Agriculture
- Agro-industrialization is the key to effectively develop the Myanmar economy to a higher growth path
- To develop the agricultural sector - the sector with the highest population, the widest reach, and the most potential for sustainable and equitable growth
- Agro-industry should be viewed as a major means of adding value to agricultural exports
- FDIs are welcome!

Opportunities for Investments (all along the supply chain!)



OPPORTUNITIES
to fill the gap >> win-win

Farming

- ▣ Contract farming
- ▣ Livestock farming
- ▣ Fisheries
- ▣ Land lease and large scale farming
- ▣ Supplying Fertilizer, Seed and Chemical
- ▣ Farm Machineries and Equipment Supply and Leasing

Post Harvest

- Drying facilities (Dryers)
- Storage facilities (Warehousing / Silos / Cold Storage)
- Milling and other facilities (upgrading current rice mills, setting up new mills, sugar mills, oil palm mills, feed mills)
- Commodities exchange centers (market places)
- Meat processing and commercial slaughter houses

Value Added Processing

- Consumer Oriented Packaging
- Husk and processed pulses and beans
- Dried fruits / Dehydrated Fruits
- Preserved Fruits
- Modified / Processed Foods (Tomato Ketchup, Pickled Fruits and Vegetables, Sweetened Vegetables, Snacks)
- Canned and Packaged Foods

Export and Distribution

- Located between the two world most populous countries – India and China – could be the main supplier of agricultural products
- Export opportunities to ASEAN, EU, Japan and USA
- Distribute value added, processed and packaged products for domestic consumption (as the country develops and GDP grows, demand will be there)

Opportunities in Enabling Sectors

- Financial Services (Farmers Banks and Microfinance Institutions)
- Infrastructure Developments (road access, irrigation systems)
- Ports and Logistics Developments (ports, bonded warehouses, in-land transportation, river transportation etc.)
- Logistic Services

FDI + AgroIndustrialization =

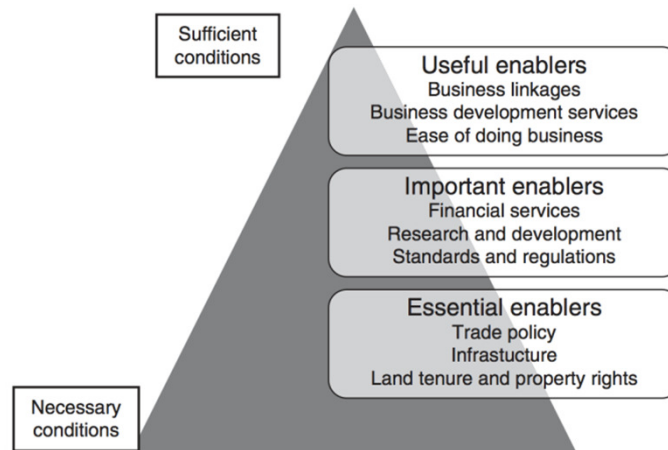
- Access to credit and enable investments
- Improve productivity and yield, minimize losses, improve crop quality
- Well integrated and modernized supply chain
- Supply and Demand matching
- Attractive prices for the producers and better income for the farmers and the country
- Employment opportunities
- Primary Producer to Value Added Producer

FDI + AgroIndustrialization =

Benefits for the country and Profit for the investors.

“WIN – WIN”

Enabling Needs for Agro-Industrialization and FDIs



A Glimpse at FDI Law

- Most of the businesses in the agro-industrialization process are not allowed for 100% FDI. (Except for very large scale investments beneficial for the country and people).
- Joint venture with private companies or the public is allowed – up to 50% stake (?)
- Long term land lease is permitted (lease from either private or public) (50 + 10 + 10 years)
- Five Years Tax Holiday (extendable)

A Glimpse at FDI Law

- Import duties waiver on machines and other capital goods
- 100% Capital and profit repatriation guarantee
- Commercial tax exemption on exports
- Guarantee Protection from Nationalization



A Brief Overview of Myanmar Rice Industry

Presented by:
U Ye Min Aung
Secretary-General
Myanmar Rice Industry Association

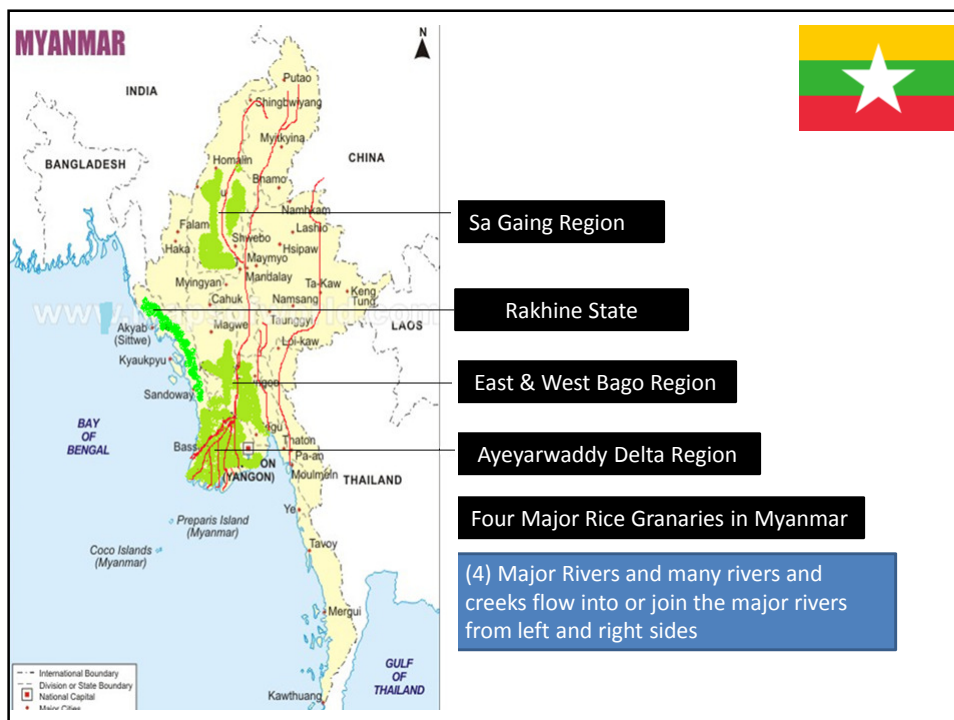
9-2-2011

Purpose: Two-fold

(1) To lift the veil on some recent exciting developments in Myanmar in relation to concerted efforts to **increase the productivity and to (re)establish Myanmar as a major rice exporter**

(2) Elaborate some of the key drivers – **Public-Private-Partnership and Comprehensive Rice Supply Chains** – while leveraging on the **‘weight of history’** and building on **past gains**

Underlying theme: Myanmar is slowly but surely getting the basics and balance right, and hence is well positioned to contribute to development and wellbeing in future global and regional rice markets



Agricultural Profile

Categories	1988-1989	2010	Progress
Cultivable Land (million acres)	23.80	56.73	32.93
Dam, Reservoirs	138	371	233
River Water Pumping Projects	-	327	327
Ground Water- tube-wells	-	8001	8001
Monsoon Paddy Sown Acres (million)	11.80	16.50	4.70
Summer Paddy Sown Acres (million)	-	3.25	3.25
National Sufficiency %	102%	173%	71%

Agricultural Profile - continued

Average Yield (Monsoon Paddy) – 76.49 basket/acre

Average Yield (Summer Paddy) – 78.06 basket/acre

National Production of Paddy – 32.57 million M/T (2009)

National Production of Milled Rice – 16.28 million M/T (2009)

National Consumption of Milled Rice – 12.25 million M/T
(210 KG per head)

Population – 58.38 million

(2009 with average annual growth rate of 1.52%)

National Surplus – 4.03 million M/T

Export Status

No	Fiscal Year	Quantity (Metric Ton)
1	2007-2008	358495
2	2008-2009	669657
3	2009-2010	818464
4	2010-2011 (As of Jan 10 th)	300581

Recent Development in Myanmar Rice Industry – Formation of Rice Specialization Companies (RSC)

At major production areas, rice leading/specialization companies are formed – joint production between major companies and local traders, millers and farmers – more comprehensive & effective Contract Farming

Major activities include : seasonal loans, credit- in- kind in terms of seeds and chemical inputs, procurement of produce at harvest – with very minimal/reasonable interest rate of 2 pct per month

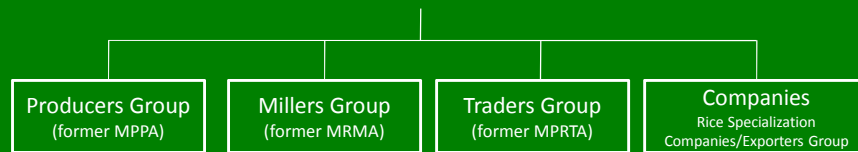
Ministry of Agriculture provides technical support and extension services, including supply of pure line varieties for commercial production of certified seeds by Rice Specialization Companies

Private Sector – Rice Industry

Union of Myanmar Federation of Chambers of Commerce & Industry (UMFCCI)



Myanmar Rice Industry Association (MRIA)



Presently MRIA has already formed (177) Township Level Associations, (12) State & Region Level Associations and with the membership capacity of (11005) individuals and (95) companies.

Importance of Rice Industry in Myanmar

- Emerging rice supply chains, rice specialization companies
- Structural change – formation of Myanmar Rice Industry Association (MRIA) – efficient/effective coordinations
- Rural farmers in key production areas now have access to farm credit provided by specialization companies
- Contract Farming of RSC- the important driver for economic growth and rural development

Myanmar Rice Industry –Private-Public Partnership

- Private Sector – independently running all the activities from cultivation to selling, represented by UMFCCI and MRIA
- Public Sector – Ministry of Agriculture & Irrigation
- Ministry of Commerce
- Rice specialization companies and their emerging developments of rice supply chains are a good example of private-public partnership, with the keen involvement not only by ministries (MOAI, MOC) but also from regional authorities

Recent Private Sector Development in Myanmar Rice Industry

- Nearly 75 billion Ks of new investment directed to Myanmar Rice Industry by private sector by means of formation of Rice Specialization Companies
- (36) rice specialization companies already registered, at major production areas; (22) companies in Ayeyarwaddy Region, (9) in Bago Region, (3) in Rakhine State, and (2) in Sagaing Region
- Rice Specialization Companies are emphasizing on improvement of rice supply chains – increasing productivity, production, quality, traceability, innovation, and transmission of prices and benefits back to farmers and players along supply chain.
- Major activities include : seasonal loans, credit- in- kind in terms of pure seeds and chemical inputs, **providing farm mechanization services**, procurement of produce at harvest, local distributive trade and export

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Improvement in Milling & Storage Sector

- Before the rice market liberalization in 2003, nearly 40% of rice mills were owned by MAPT and 60% of the total rice mills owned by private millers.
- Most of the MAPT rice mills were medium and large scale, above 50 TPD capacity of milled-rice, and the maximum ones were 240 TPD and 360 TPD.
- Nowadays, rice specialization companies have acquired almost all the MAPT rice mills when they were privatized. Renovation and adding of new modern rice milling machines such as de-stoner, wet-polishers and color sorters are being installed at those acquired rice mills – **improved mill recovery & outturn, reduced rice losses**
- Recently it is noted that new rice mills are being installed by rice specialization companies.
- The most remarkable improvement is setting up large capacity re-milling/reprocessing plants with 240 TPD capacity. In Yangon only, in 2009, there are (3) nos of 240 TPD RM plants installed by SATAKE and Buhler with very modern wet-polishers and color sorters, and (2) nos of 360 TPD RM plants are being renovated by adding modern rice milling equipment

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- There are a number of large warehouses for rice and silos built at Yangon Area.
- Another substantial development is small mill owners' interest to replace their abrasive whiteners with rubber rollers, to avoid mill losses and to improve the quality due to market demand.

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New Rice Mills recently installed by Rice Specialization Companies (2009-2010)

Sr	Companies	Capacity	Maker	Location	Warehouse (feet)
1	Gold Delta Co Ltd	6 TPH	Yong Xiang	Yangon (Shwe Lin Ban)	(300 x 200) 2 Nos
2	Gold Delta Co Ltd	2.5 TPH	Satake	Yangon (Shwe Lin Ban)	-
3	Gold Delta Co Ltd	2.5 TPH	Young Xiang	Da Nu Phyu Township	(80 x 40) 1 No
4	Gold Delta Co Ltd	4.5 TPH	Satake	Da Nu Phyu Township	(225 x 50) 2 Nos (80 x 70) 1 No
5	Zalun Link Co Ltd	1 TPH	-	Zalun Township	-
6	Zalun Link Co Ltd	2 TPH	China	Zalun Township	
7	Zalun Link Co Ltd	2 TPH	China	Ma u bin Township	
8	Zalon Ayeyar	2.5 TPH	Yong Xiang	Zalun Township	
9	Kyaiklat/Dagon Int'l	4 TPH	Satake	Yangon	
10	Khittayar Hinthar	2.5 TPH	Wuhan Dingxin	Pyay	(60 x 120) 1 Nos (40 x 80) 3 Nos
11	Ayeyar Hinthar	10 TPH	Satake	Yangon (Hlaing Thar Yar)	(360 x 400) 1 No
12	Ayeyar Hinthar	10 TPH	Wuhan Dingxin	Yangon (Hlaing Thar Yar)	-
13	Khittayar Hinthar	2.5 TPH	Wuhan Dingxin	Thae Kone Township	(20 x 80) 2 Nos
14	Khittayar Hinthar	2.5 TPH	Wuhan Dingxin	Paung De Township	(40 x 80) 2 Nos
Total Capacity		54.5 TPH	1308 TPD		

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480 TPD (2 x 240 TPD) New Rice Reprocessing Plant with storing capacity of nearly 110,000 Sq Ft



Newly built 240 TPD Rice Reprocessing Mill and Warehouses in Yangon



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Combine Harvesters

- The use of Combines has been introduced quite significantly by Rice Specialization Companies at their contract farming areas.
- It is learned that farmers can not only save time and energy, but also can avoid losses of 3-5 baskets (nearly 5-10% of production).
- RSC should invest more in importing Combines to implement the Custom Hire service to farmers which is a win-win situation.
- The State should provide loans with attractive interest rates to RSC to operate and run Custom Hire system.





New Dimensions/Extensions: Future Food Systems

Ambler-Edwards et al. (2009) – Chatham House Report - over the next few decades, the global food system will come under renewed pressure from the combined effects of seven fundamental factors: Population Growth, Nutrition Transition, Energy, Land, Water, Labour, Climate Change.

They further pointed that:

- 'Business as usual' models would at worst fail, at best poor preparation for future scenario;
- Food supply arrangements must operate profitably around significantly higher price norm (reflecting true cost of resources & incorporating wider social and ecological considerations);
- Supply systems going to be more uncertain and prices more volatile
- New capacities, policy framework and institutions are cornerstones

Conclusion:

Increasing relevance of Comprehensive Supply Chains coupled with Public-Public Partnerships and farm mechanization to develop the rice economy of Myanmar

Given Myanmar's implicit adoption of Supply Chain Management coupled with Public-Private Partnerships as key drivers, we are guardedly optimistic that Myanmar will soon increase productivity and (re)establish itself as a major force in the international rice market.

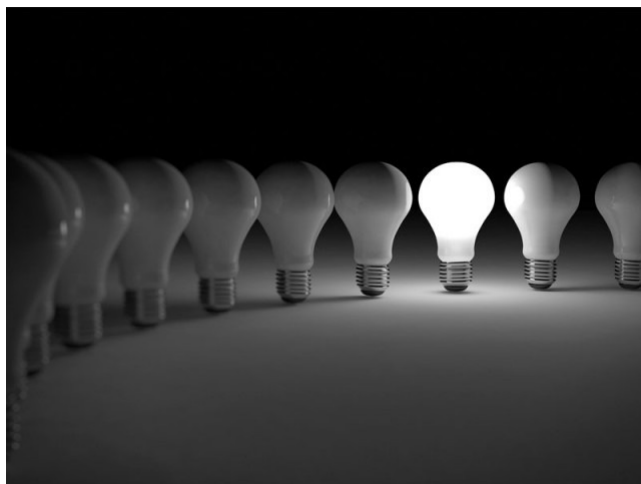
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Win Aung

President

Union of Myanmar Federation of Chamber of
Commerce and Industries
(UMFCCI)



POWER SHORTAGE AND SOLUTIONS

Electrification Ratio

Year	Electrification Ratio
Before 1988	10.59 %
2005 - 06	15.83%
2009 May	23.27%
Target 2020	60%
Target 2025	80%

Demand Growth from 2010 - 2030

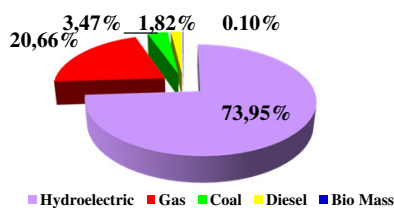
Year	Demand MW	Demand Growth Rate (%)	Year	Demand MW	Demand Growth Rate (%)
2006 – 2007	1,200.00		2018 – 2019	3,280.65	9.00%
2007 – 2008	1,284.00	7.00%	2019 – 2020	3,575.90	9.00%
2008 – 2009	1,373.88	7.00%	2020 – 2021	3,897.73	9.00%
2009 – 2010	1,470.05	7.00%	2021 – 2022	4,190.06	7.50%
2010 – 2011	1,572.96	7.00%	2022 – 2023	4,504.32	7.50%
2011 – 2012	1,730.25	10.00%	2023 – 2024	4,832.14	7.50%
2012 – 2013	1,903.28	10.00%	2024 – 2025	5,205.30	7.50%
2013 – 2014	2,093.60	10.00%	2025 – 2026	5,595.70	7.50%
2014 – 2015	2,302.96	10.00%	2026 – 2027	5,987.40	7.00%
2015 – 2016	2,533.26	10.00%	2027 – 2028	6,406.52	7.00%
2016 – 2017	2,761.25	9.00%	2028 – 2029	6,854.98	7.00%
2017 – 2018	3,009.77	9.00%	2029 – 2030	7,334.82	7.00%

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Electrical Power Sector

Installed Capacity in Year 2011

	Grid System (MW)	Isolated (MW)	Total (MW)	(%)
Installed Capacity	3,360.90	100.08	3,460.98	100.00 %
Hydroelectric	2,526.00	33.34	2,559.34	73.95%
Gas	714.90	-	714.90	20.66%
Coal	120.00	-	120.00	3.47%
Diesel	-	63.02	63.02	1.82%
Bio Mass	-	3.72	3.72	0.10%



Future Plan of Power Generating Station

Generation Type	Nos. of Project	Installed Capacity (MW)
Hydropower	45	35,578.5
Coal	2	606.0
Gas	1	450.0
Total	48	36,634.5

Future Plan of Transmission Lines and sub stations

Voltage (kV)	Nos. of Line	Length		Nos. of Substation	Capacity (MVA)
		miles	km		
500	6	1,693.0	2724.04	10	5,000
230	80	5,894.0	9483.45	25	2,360
132	12	410.5	660.49	10	675
66	33	1,222.1	1966.36	31	340
Total	131	9,219.6	14834.34	76	8,375

Electrical Power Sector Potential

Hydro Potential State and Division

Sr No	State & Division	No of Potential	Potential (MW)
1	Kachin State	19	18,744.5
2	Kayah State	5	954.0
3	Kayin State	9	7064.0
4	Sagaing Division	6	2830.0
5	Tanintharyi Division	6	711.0
6	Bago Division	8	538.0
7	Magwe Division	5	359.0
8	Mandalay Division	9	1555.0
9	Mon State	2	290.0
10	Rakhine State	6	764.5
11	Eastern Shan State	4	719.8
12	Southern Shan State	8	7569.5
13	Northern Shan State	5	4000.0
Total		92	46,099.3

Major Coal deposits in Myanmar

Sn	State/Division	Tonnage (in million)	Remarks
1	Shan	234.053	Lignite – Sub-bituminous
2	Sagaing	220.94	Lignite – Sub-bituminous
3	Taninthayi	8.35	Lignite – Sub-bituminous
4	Magwe	1.93	Lignite – Sub-bituminous

Potential Coal Reserves - **711 Million Tons**

Available Renewable Energy Resources of Myanmar

❖ POTENTIAL AVAILABLE BIOMASS

- (31.77 million hectares)

46.96 % of total land area is covered with forest

❖ POTENTIAL AVAILABLE SOLAR ENERGY

- 51,973.80 TWh / Yr (1997, NEDO)

- 18.3 MJ/m² / day (2009, DEDE)

❖ POTENTIAL AVAILABLE WIND ENERGY

- 365.10 TWh / Yr

❖ POTENTIAL GEOTHERMAL SITES

- 93 Locations

Oil and Gas Sector



Onshore Blocks Total - 53

Offshore Blocks

Shallow (PSC)

Rakhine - 7
Moattama / Taninthayi - 19

Deep (PSC)

Rakhine - 18
Moattama / Taninthayi - 8
Total - 52

Estimated Crude Oil and Natural Gas Recoverable Reserves (as at 1-4-2011)

<u>Location</u>	<u>Crude Oil (MMBBL)</u>	<u>Natural Gas (TCF)</u>
Onshore	104.027	0.41
Offshore	100.892	19.732

Policy for Electric Power Sector

- To employ gas turbine power generation only for short term and rely on hydroelectric power as a vital source of energy sufficiency
- To generate and distribute more electricity for economic development
- To reduce losses and conserve electric energy for future energy sufficiency
- To promote electricity production from new and renewable sources of energy

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Goals and Objectives

- (1) To employ the hydro power generation as a base load and the gas turbine generation as a peak load
- (2) To perform the combined cycle power generation in the gas turbine power stations in order to conserve the fuel consumption
- (3) To expand the National Grid System, whereby enlarged and developing industrial zones can be electrified and also the electrification of towns and villages by diesel generating sets will be eliminated
- (4) To enhance the quality of the power system in the transmission and distribution sectors according to the technical standards

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Goals and Objectives

- (5) To reduce the power interruption frequency and duration
- (6) To improve the reliability and stability of the power system
- (7) To reduce the loss of electricity incurred in transmission and distribution
- (8) To provide the policy and technical know how to use alternative energy such as bio-mass in remote area, where electricity through the National Grid is not accessible
- (9) To promote the development of non-conventional energy resources such as wind, solar, geothermal and tidal energy to meet the future power demand

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FUTUER PLAN

The Kunlone hydropower project, a joint venture between the Myanmar government and **Chinese Hanergy Holding Company** will begin this year. The project will generate **1400 megawatt** of electricity. (August 2013)

500 MW thermal power plant project set to complete in December 2014, will be built by **Hanza International Company** with the support of 18 companies including a Korea-based **Western Power Company**.

UPP Holdings Ltd and **UPP Greentech Pte Ltd**, were given approval for producing and selling electricity as wholly-owned businesses at Ywama power station in Yangon Region.

A joint-venture between Singapore listed **ISDN Holdings Limited** and local Tun Thwin Mining Co.,Ltd (TTMCL) is developing a **540 MW** coal-fired power plant in Sagaing Region. (September 2013)

Singaporean company **Emerging Markets Energy Pte Ltd** will make feasibility study on establishing geothermal power plants in Myanmar under a memorandum of understanding reached with the Myanmar Ministry of Electric Power. (September 2013)

FUTUER PLAN

The International Development Agency (IDA) of the World Bank has agreed to extend an interest-free loan of US \$140 million to upgrade and boost electricity generation of an aging gas turbine station **106 MW** in Thaton, Mon State. (September 2013)

TATA Power to built **660-megawatt** plant in Nganyoutkaung, a sub-township of Patheingyi. (October 2013)

Gunkul Engineering is conducting feasibility studies for the development of wind turbines with a total capacity of **2,930 MW** in Mon, Kayah, Tanintharyi and seven locations in Shan State. (October 2013)

China Three Gorges Corporation (CTG) is studies in Rakhine State, and Ayeyarwady and Yangon regions to develop wind turbines which can generate up to **1,102 MW** of electricity. (October 2013)



DEMAND**Key Challenges in Housing Development**

- ❑ With expected growth of population from around 60 million to around 90 million by the year 2040, the housing market is expected to grow continuously in the near future.
- ❑ Increase in housing demand due to
 - ❑ increase in per capita income and saving capacity due to the national development projects and changing political and economic situation;
 - ❑ increase of foreign investment in industrial and service sectors as well as agricultural mechanization resulting in more urbanization.

Key Challenges in Housing Development

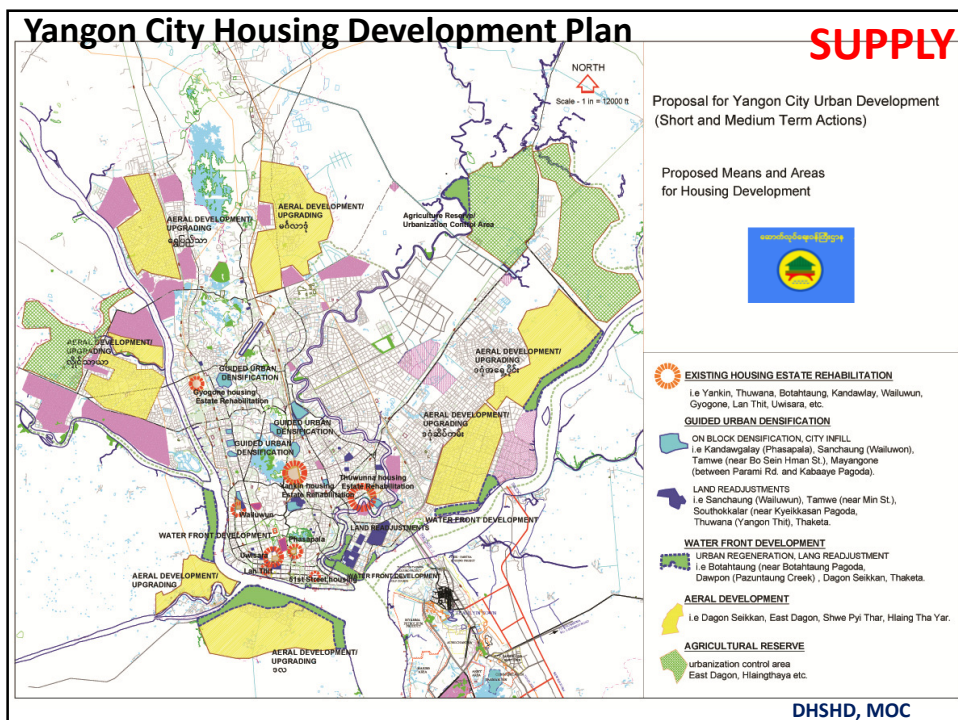
- ❑ With around 12 million households in Myanmar, calculated at household size of 4.7, an annual demand for housing is around 300,000 units, making the housing development an important sector for the future.
- ❑ Development of sustainable housing financing system;
- ❑ Resource development in modern building materials, construction technologies, machineries, equipment and promotion of construction industry for mass production of housing.

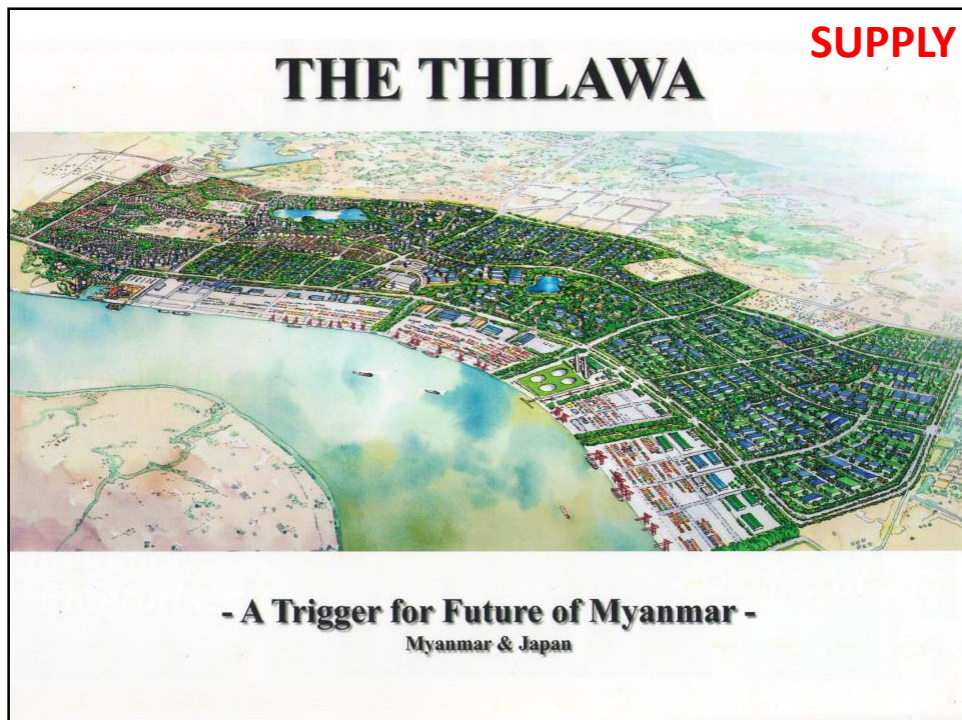
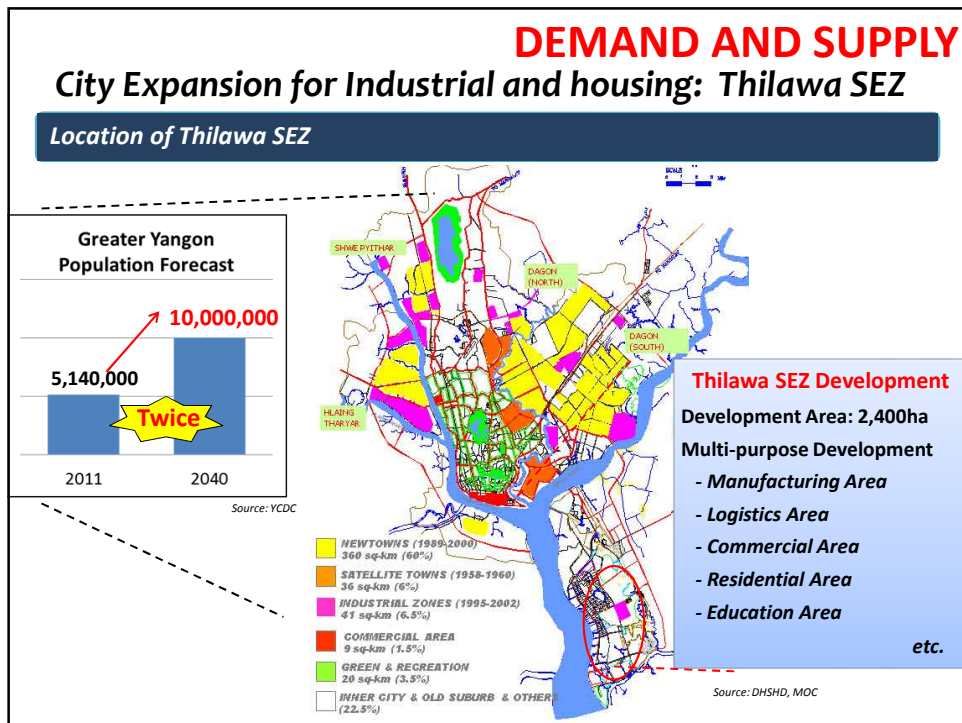
Means and Areas for Housing Development in Yangon **SUPPLY**

As an increase of around one million households is expected in the next 30 years, there is an annual need of around 25000 housing units and housing plots. This is proposed to be implemented through –

- ❑ **Densification** of unpopulated residential areas;
- ❑ **Upgrading of Housing Estates:** upgrading of government owned and public housing estates, densification through additional storeys in the upgrading projects (e.g. Yankin Shwe Ohnpin Housing Estate);
- ❑ **Old Satellite Towns Redevelopment:** with the location of South Okkalapa, North Okkalapa and Thaketa townships becoming central, efficient utilization of existing buildings and increase of building storeys to achieve densification;
- ❑ **New Satellite Town Redevelopment:** Densification through mid-rise housing estate development in unpopulated wards of Dagon Newtown, Shwe Pyithar and Hlaing Thayar townships.
- ❑ **Water Front Development:** Urban regeneration and land readjustment in Botahtaung, near Botahtaung Pagoda, Dawbon (Pazundaung Creek), Dagon Seikkan and Thaketa.

DHSHD, MOC





Development Concept

SUPPLY

As one of the most important national projects, Thilawa SEZ should be developed not only for a manufacturing zone but also an advanced model new city.



“Yangon appraisals fixed for property transaction taxes”

TAX

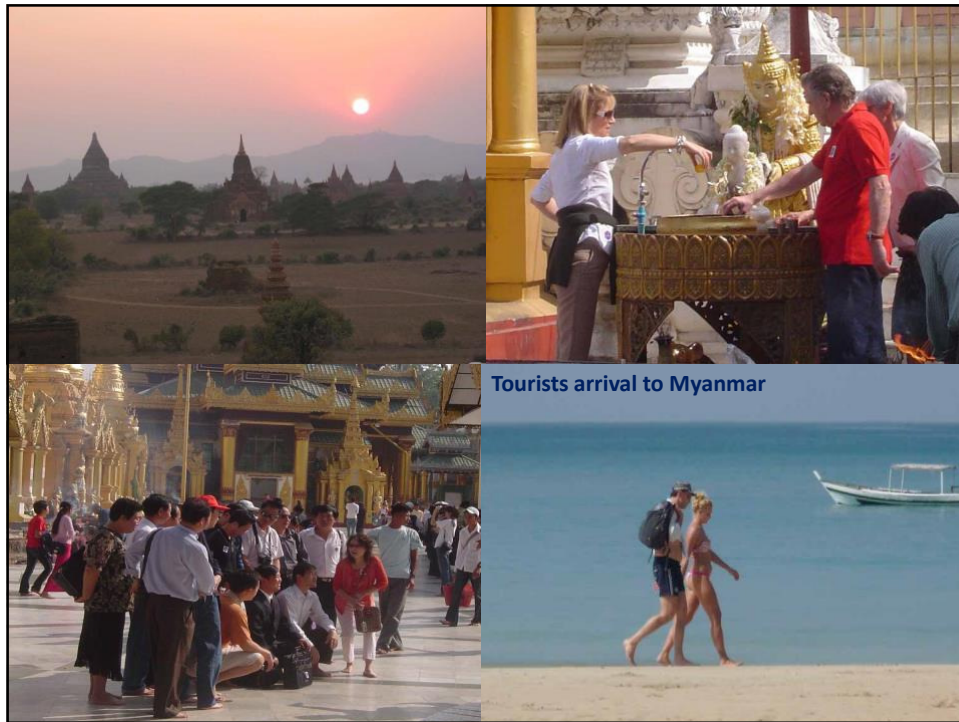
Several of Yangon's recent assessment values displayed on a map of the city. Although dozens of neighbourhoods have been assessed, several examples are presented here for comparison

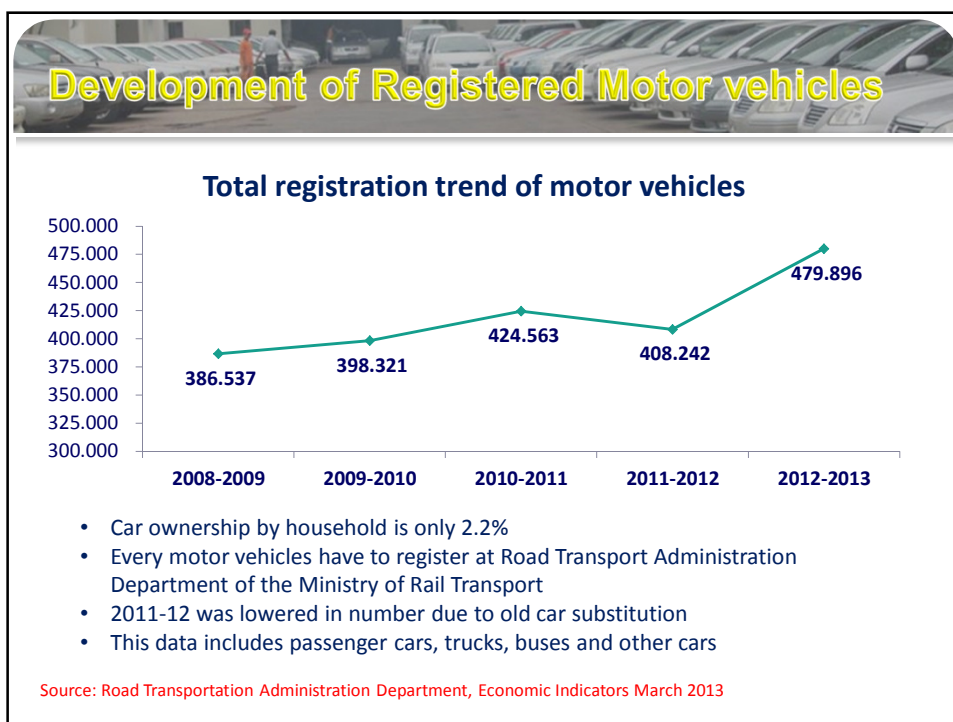
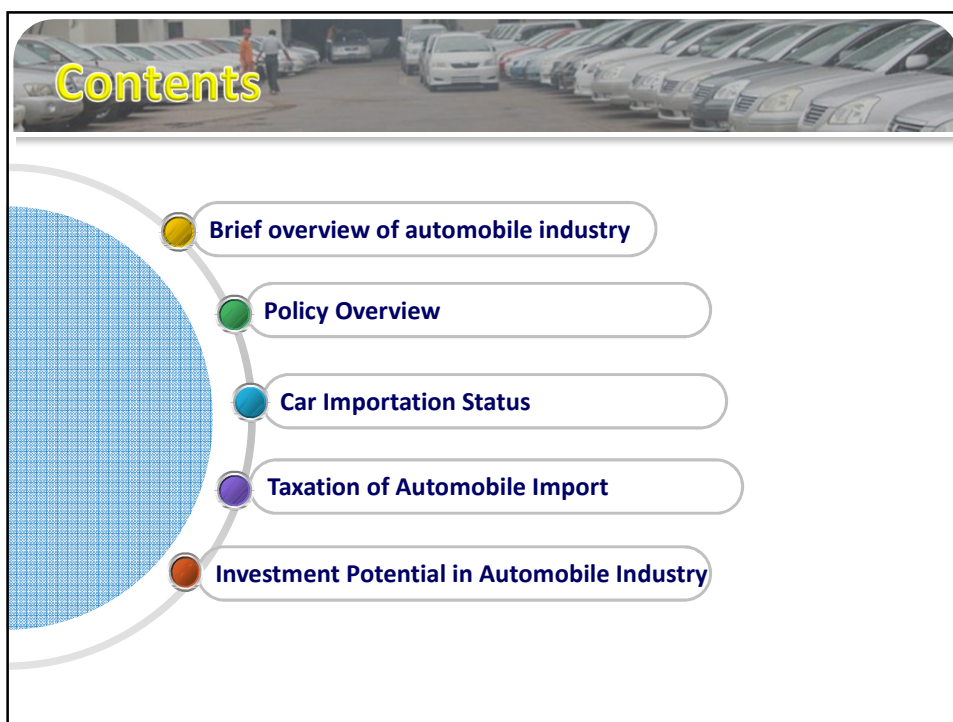


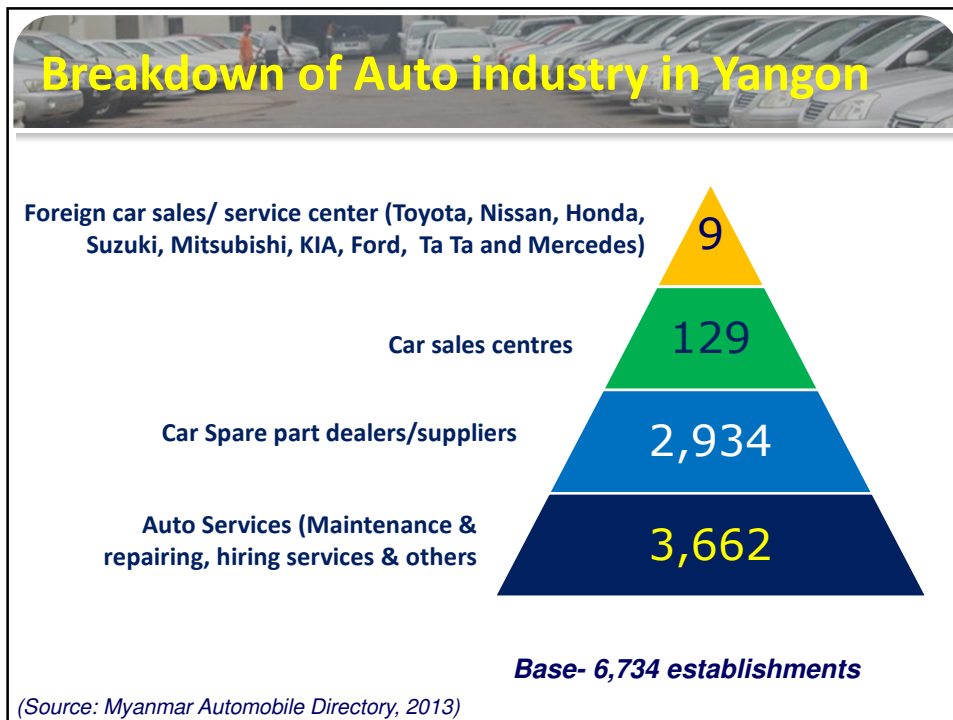
Transaction taxes on Yangon property will become harder to avoid beginning October 1st as authorities complete a city-wide assessment of neighborhood values, according to Yangon Regional Revenue Department officials.

37% TAX on undisclosed income when purchasing property

Source: [THE MYANMARTIMES](http://www.myanmartimes.com)





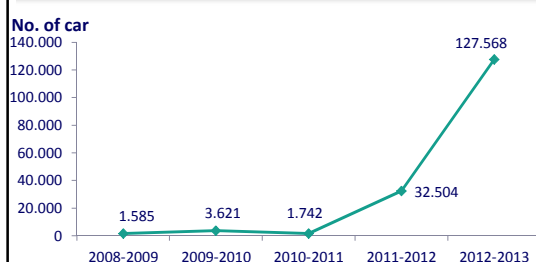


Policy Overview

Policy Changes and Deregulation

Sept 2011	<ul style="list-style-type: none"> Allowed to import 1995 to 2005 models cars to substitute 20-30 old cars
Nov 2011	<ul style="list-style-type: none"> Allowed to import 2007 and above model car for Myanmar companies Issued the licenses for car sales centres
May 2012	<ul style="list-style-type: none"> Allowed to import cars for taxi purpose
May 2012	<ul style="list-style-type: none"> All Myanmar Citizen with foreign account in MFTB and MICB banks are allowed to import cars
July 2012	<ul style="list-style-type: none"> All Myanmar Citizen with foreign account are allowed to import 1-3 ton Light truck
Near Future	<ul style="list-style-type: none"> Will be allowed branded cars for car showrooms

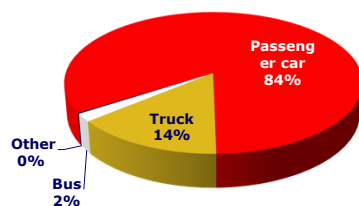
Automobile import 5 years trend



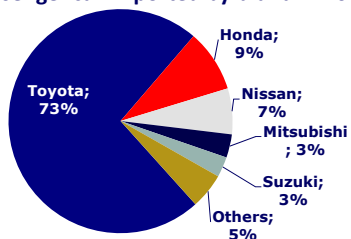
Source: Customs Department

- Over 90% of cars are imported from Japan in 2012-13

Automobile import by type in 2012-13



Passenger car imported by brand in 2012-13

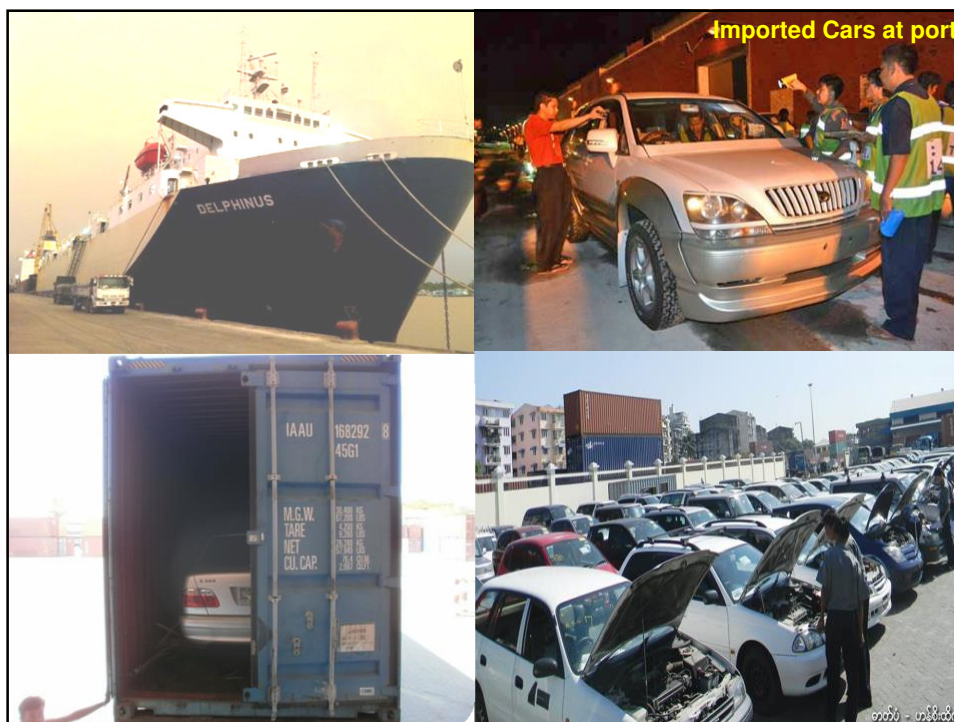


Car Imports in the Top Imports of Myanmar

Top 10 imports to Myanmar in 2012-13

Sr.	Imported Items	share % of total import
1	Petroleum goods	19%
2	Machinery & spare parts	16%
3	Automobile & equipment	14%
4	Iron and steel structure for construction	10%
5	Textile articles	6%
6	Electrical & Electronic Products	4%
7	Pharmaceutical Products & equipment	4%
8	Palm oil	3%
9	Plastic resin	2%
10	Cement	2%

Source: Customs Department



Taxation on importing of motor vehicles

No	Vehicle Type	Customs Duty Rate	Commercial Tax Rate	HS Heading
1	BUS (10 person with driver)	3%	5%	87.02
2	Motor-homes Saloon, Wagon, Hatchback, Van, Double Cab.(engine displacement 2000 cc)	30%	25%	87.03
3	Motor-homes Saloon, Wagon, Hatchback, Van, Double Cab. (engine displacement 2000 cc above)	40%	25%	87.03
4	Ambulance engine (any engine (cc)	1%	5%	87.03
5	Pick up (Single cub, Space cub, Extra cub), Truck, Box Truck, Heavy Truck, Dump Truck, etc: Motor Vehicles for the Transport of goods	3%	5%	87.04
6	Crane Lorries, Mobile drilling derricks Fire fighting Vehicles, Concrete-mixer Lorries (Special purpose motor vehicle)	1%	5%	87.05
7	Bulldozers, Excavator, Wheel ,Loader, Motor Graders, Road Roller etc;(Heavy Vehicles)	1%	5%	84.29
8	Spare Parts	1-5%	5%	87.06-08

Source: Customs Department

Note: For types of vehicle listed in 2 and 3 (engine displacement of 2000cc above and below), CD rate is 3% and CT rate is 25% if the vehicle is imported as City Taxi. If you use for Fire fighting truck and Hearse, CD and CT rate are 0. Custom Duty is levied on Custom Assessable Value -CIFx Exchange rate). Commercial tax is based on AV +CD.(Customs Department)

Automobile registration fee

No	Type	%
a)	Trucks (Light Truck, Truck, Single cub, Space cub, Dumper, Tanker, Refrigerated Van, Box Truck, Crane Truck, Logging Truck, Container Carrier Truck and Tractor Head)	5%
b)	Passenger vehicle (Bus) (10/15 passengers and above including the driver)	5%
c)	Luxury vehicle (Saloon, Jeep, Station Wagon, Pickup (Double cub), Micro Bus, Van, MPV, SUV)	
	1) Engine power of 1350 CC and below	50%
	2) Engine power between 1351 CC and 2000 CC	80%
	3) Engine power between 2001 CC and 5000 CC	100%
	4) Engine power of 5001 CC and above	120%

Registration fee is collected based on 83.33% of CIF value as 16.67% is deducted for shipping cost

Source: Road Transport and Administration Department (RTAD)

INVESTMENT POTENTIAL IN AUTOMOTIVE INDUSTRY

- Old car substitution programme is nearly completed (89% finished)
- Government will allow to import left hand driving cars for brand new car import
- Government will practice road transport procedure of ASEAN countries in 2014
- Many foreign automobile brands including world class brands entering Myanmar car market
- Japanese car companies are preparing to invest in manufacturing of cars and spare parts in Thilawa SEZ
- Potential to invest in car show rooms, service centres and manufacturing as there are more rooms in rural areas

Thank You !





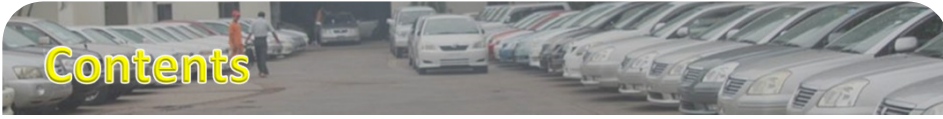
Myanmar Garment Industry Overview

November, 2013

U MOE KYAW
CEC , UMFCI



MIMRO
Research Services
Myanmar - Marketing Research & Development Co., Ltd.



Contents

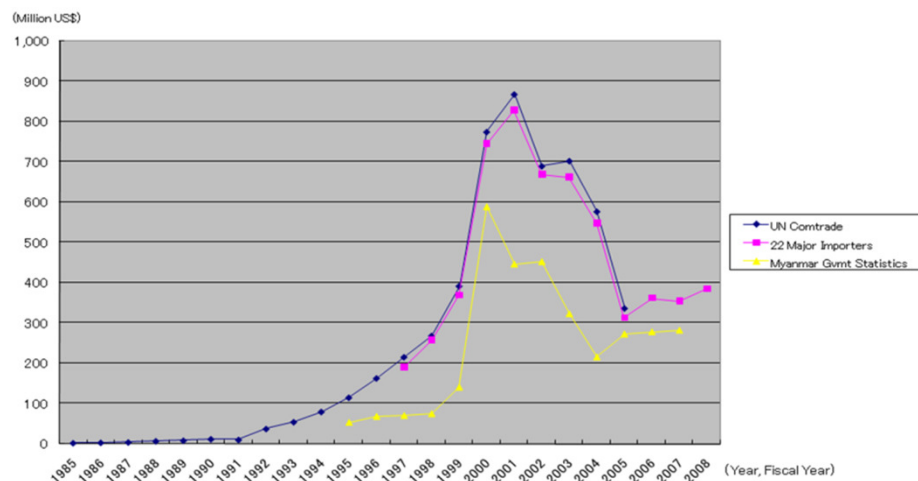
- Brief background of garment industry
- Industrial growth
- Destination of Myanmar garment export
- Myanmar Vs. Cambodia garment industry
- Opportunity in garment Industry

Industry Background

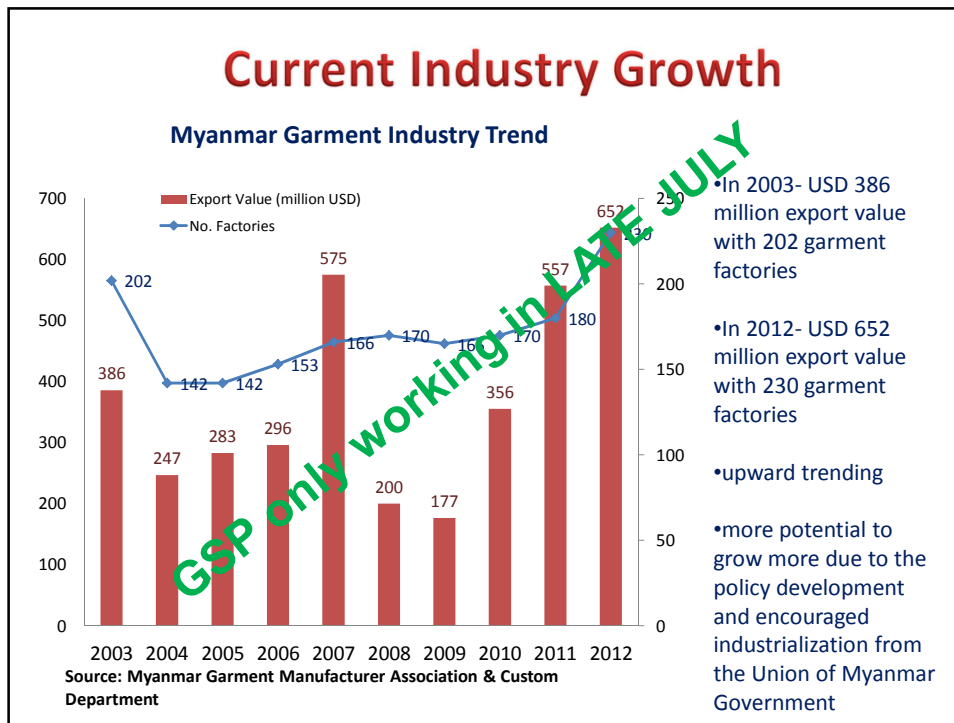
- Garment industry in Myanmar started in the late 1980s
- Boom throughout the 1990s with foreign ventures between Union Of Myanmar Economic Holdings Ltd. (UMEHL) and Hong Kong , Taiwanese, Mainland Chinese and South Korean companies
- There were some 400-garment factories in Myanmar during peak time



Industry Background (1995-2008)



Myanmar garments was in peak in 2000 due to export of US market then declined due to sanction



Local and Foreign Investments

230 Garment Firms in Myanmar

0 State Owned Enterprises

1 Foreign JV with UMEHL

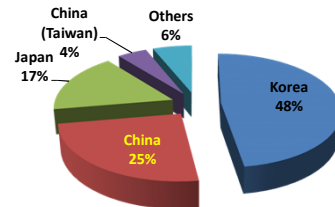
4 Foreign JV with private local firms

60 100% foreign garment firms

165 local private garment firms

Sr.	Country	No. of Factories
1	Korea	31
2	Japan	11
3	China	8
4	China (HK)	8
5	China (Taiwan)	3
6	Australia	1
7	Malaysia	1
8	Singapore	1
9	Thailand	1
Total FDI		65

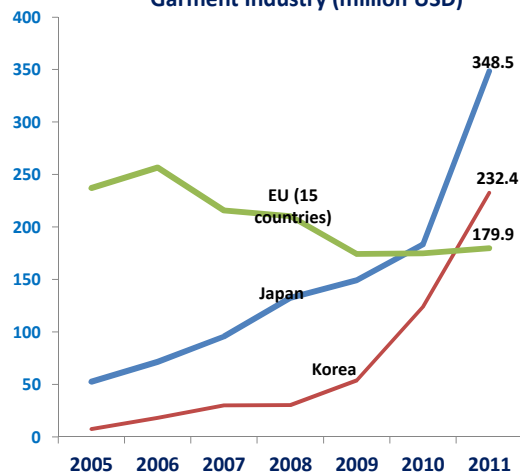
Foreign Owned Factories by Country



Export Status and Destinations of Garment Industry

- In 2012, the amount exported to Japan was 272.15 million USD, 41.71 percent of total export
- The second was South Korea, the value is 213.87 million USD and 32.78 percent of the total export
- There was a huge gap between South Korea and the third place, China, whose value is 28.46 million USD
- The followers are Georgia and Spain which are fourth and fifth places
- US and the EU serves as potential markets in the coming years

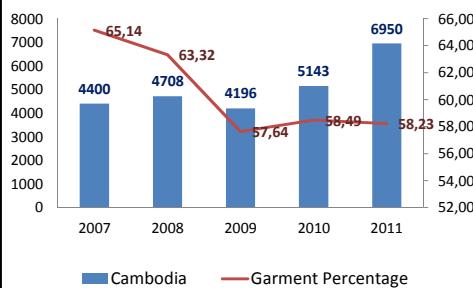
Figure Major Export Markets for Myanmar Garment Industry (million USD)



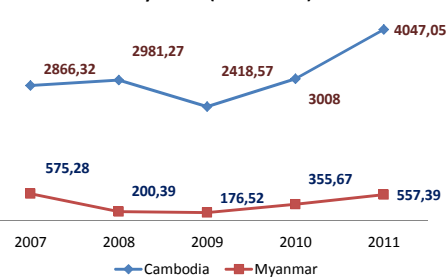
Myanmar vs Cambodia Garment Industry

- Cambodia garment industry is more developed and more profitable industry for the country due to the incentives offered by United States and EU
- Foreign investors are attracted by incentives and they invest in Cambodia despite the labour wages are slightly lower and literacy rate in Myanmar is higher than Cambodia
- The garment export revenue was much higher than Myanmar since Myanmar got US trade embargo and termination of WTO agreement while Cambodia was granted MFN's incentive of tariff reduction by United States of America and European Union

Garment Export Percentage of Total Export Value
Cambodia

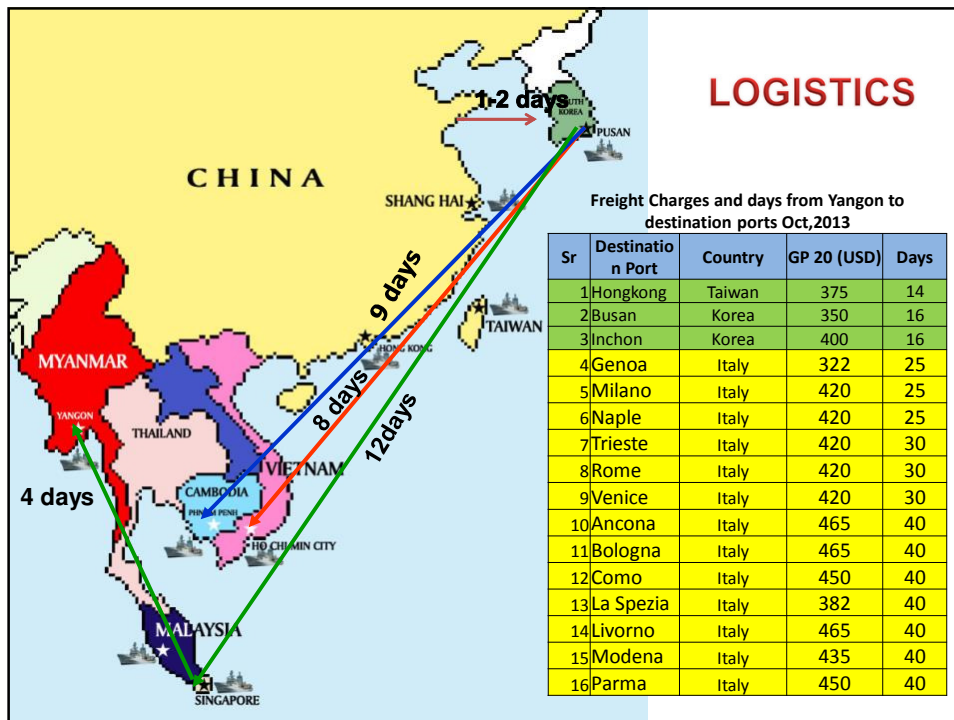


The Garment Export Revenue of Cambodia
vs. Myanmar (2007 - 2011)



Opportunities in the Garment Sector

- **Location Advantages:** At the crossroad of South and East Asian supply and production chains, exports to regional markets (Japan, South Korea) are growing
- **Labor Advantages:** Availability of affordable, experienced and hard working garment workers
- **Changing Economic Environment:** economic liberalization, increasing FDI, infrastructure developments, re-integration of Myanmar with the ASEAN and the World
- **GSP:** GSP is enjoyed for export to EU countries
- **High Potential:** the Myanmar garment industry is likely to expand highly over the coming years



THANK YOU

We look forward to seeing you in Myanmar