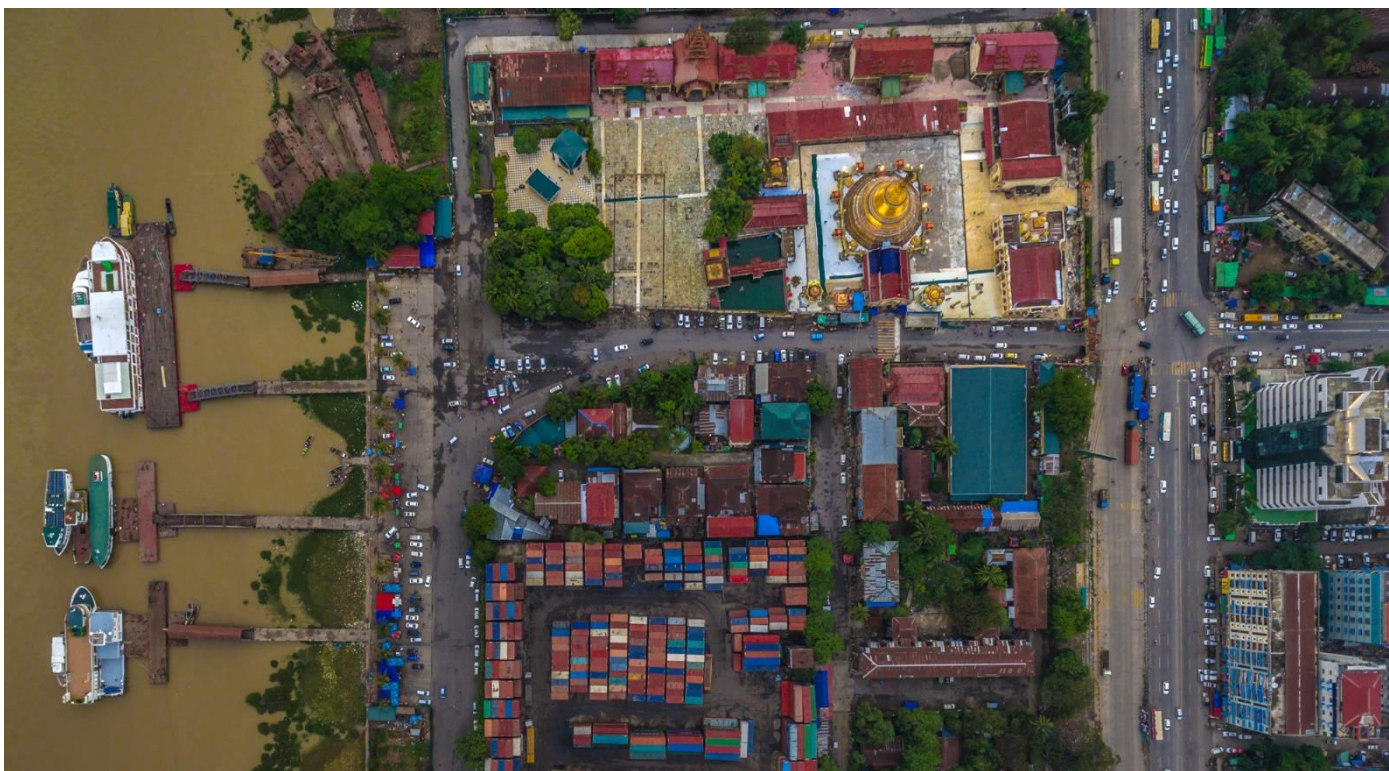


Doing business in Myanmar



EuroCham - The voice of European business in Myanmar



European Chamber of
Commerce in Myanmar

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Funded by



European Union

Implemented by



Federico Sattanino, Project Officer, EuroCham Myanmar
14.02.2017 Zagreb

Country Overview

Myanmar

Population

- 52 million
- 70 % rural, 30 % urban
- 93 % literacy rate
- 135 ethnic groups

Area

676.578m2 – second largest in SEA after Indonesia

Border

6.522 km – with 40 % of the world's population



Recent History



2016

New government takes office

2015

General elections – new NLD – led government

2013

Full lift of EU political and economic sanctions; EU opens representation in Yangon and encourages trade with Myanmar under the “Everything but Arms” – initiative and GSP

2011

End of military rule; start of democratic transition and substantial reform

Economic Indicators



GDP Growth

GDP forecast: 8.4% - 2016 | 8.3% - 2017

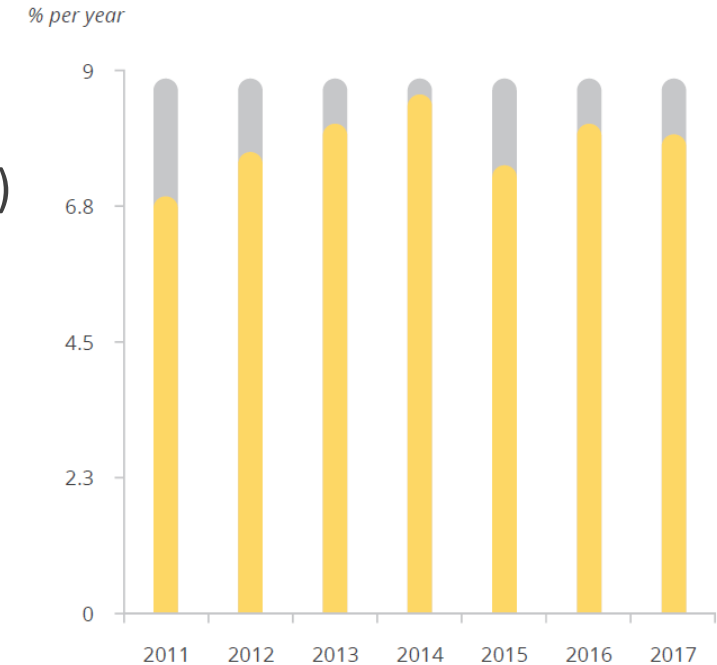
GDP / sector: Agriculture 36%, Industry 22%, Services 42%

FDI: USD 4.1 bn (2014) USD 8.1 bn (2015) USD 9.5 bn (2016)

Industries: Oil&Gas, infrastructure, construction, manufacturing, tourism, mines, transport&communication, agriculture

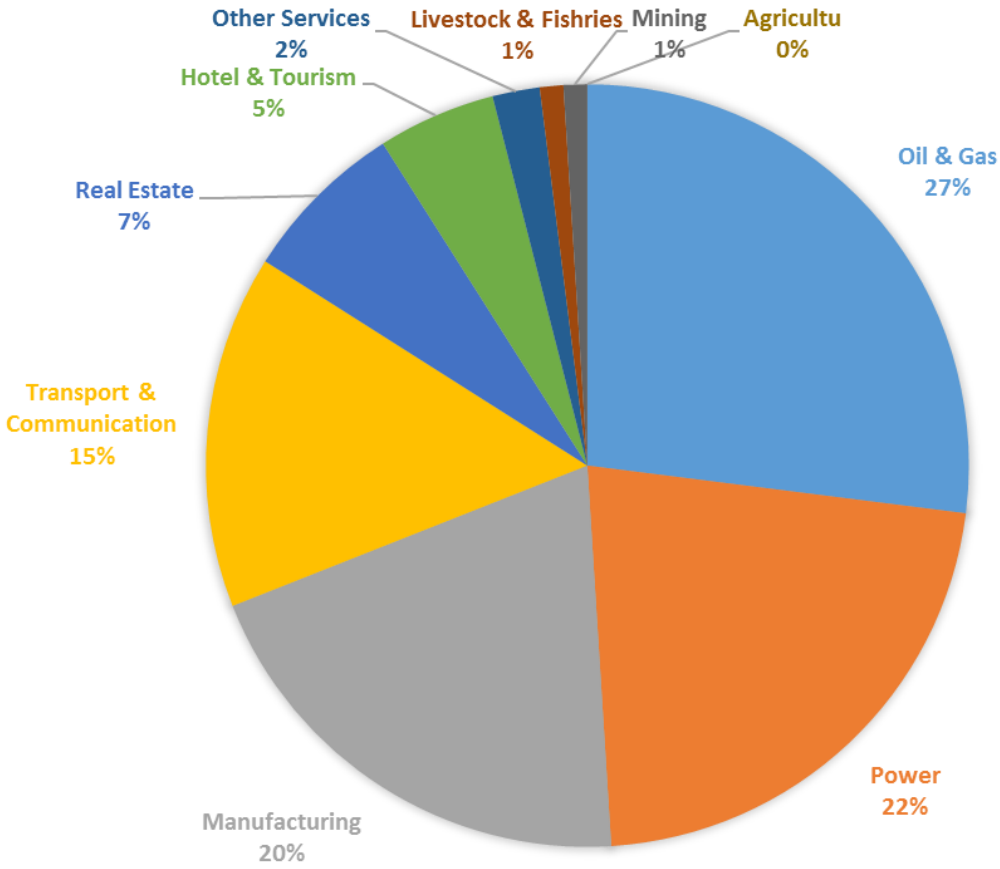
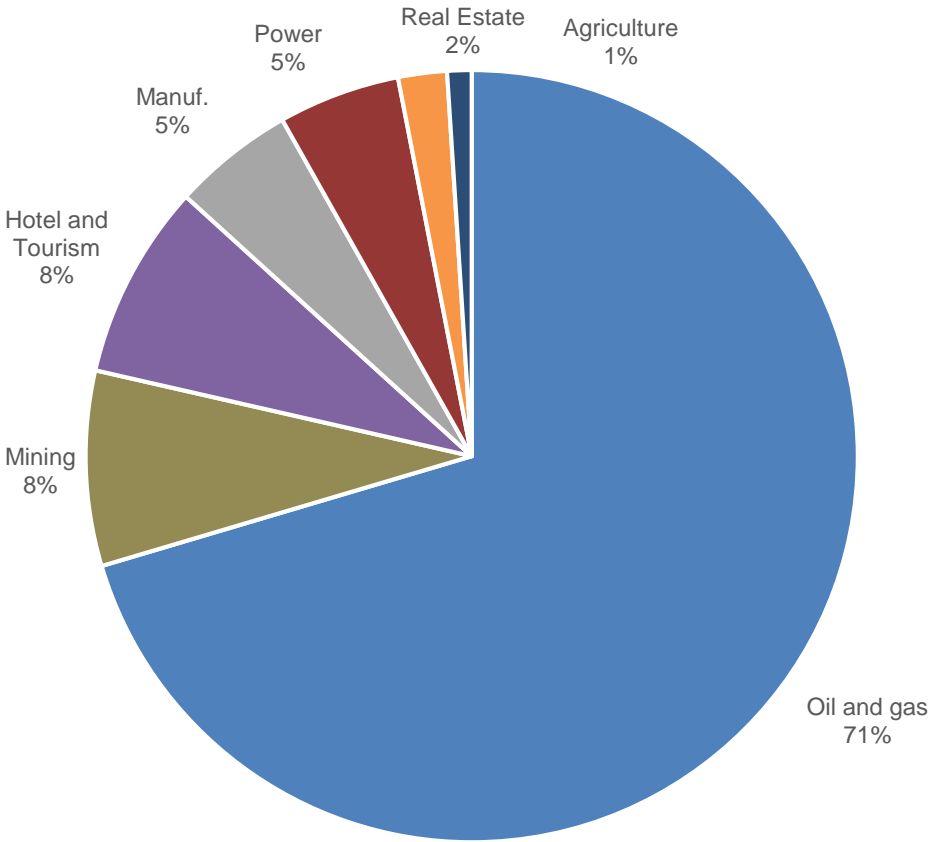
Main exports: USD 5.693 M (Natural gas, beans and pulses, textile, gemstones, rice, wood products)

Main imports: USD 7437 M (Vehicles, iron and steel, machinery)

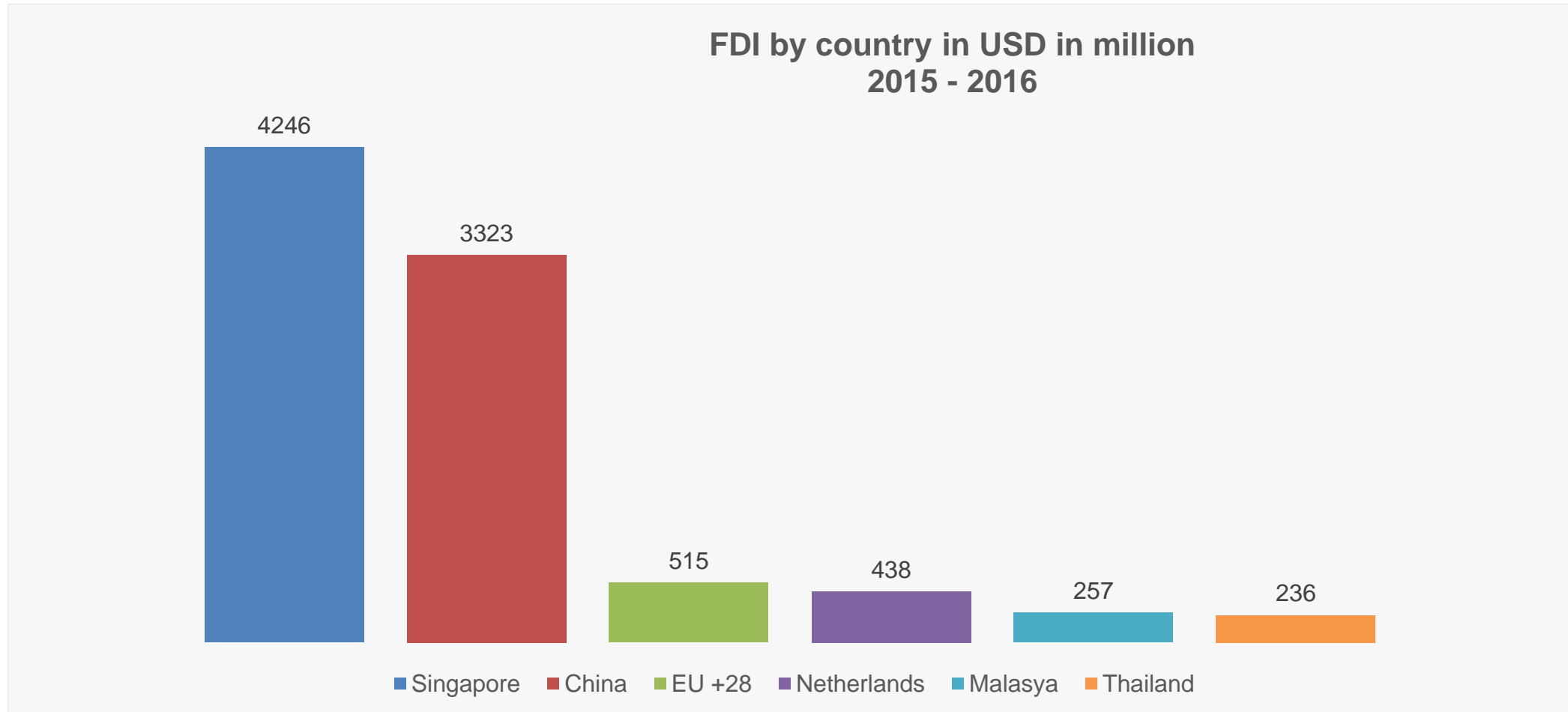


Sources: World Bank, Asian Development Bank, DICA

FDI 1989-90 to 2010-11 VS 2011-12 to 2015-16



Source: DICA, WB



Source: DICA

Economic legal reform post 2011



- 2012 Foreign investment Law
- 2013 New York Convention
- 2014 Special economic Zone (SEZ) Law, **Notification 49/2014**
- 2015 Competition Law, Condominium Law, Myanmar Stock Exchange
- 2016 Arbitration Law, Amendment Factory Act, Shops and Establishment Law
- 2016 EU Myanmar Investment Protection Agreement, New investment Law
(Company + Foreign), IP and Trade Marks, Companies Act, Labor...

Opportunities: Energy Sector

Characteristics of local market

- Lack the **capital, technical know-how**, and capabilities of international firms.
- Local companies need to **expand their capacity** and boost project management capacity
- **Technical and financial restraints** limit the competitiveness of local companies

Electricity

- Fragile networks and insufficient production.
- Use of generator is common.
- Electrification rate at 30%, government aims at 100% by 2030.

Opportunities for European investors

- **Supply chain** from power generation to transmission and distribution;
- **Infrastructure and equipment**,
- **Security, risk analysis**;
- **Training** and skills accreditation;
- Legal and professional services,
- **Health and safety** analysis and services.
- Environmental and social **impact assessment consultancy** services.

Opportunities: Manufacturing Sector

Characteristics of local market

- **Capital** limitations,
- **Technological and technical** restraints,
- Lack of **international standards** in the manufacturing of globally competitive goods.
- **47 state-owned factories** will be put up for **lease to local and foreign** investors.



Opportunities for European investors

- **Agro-processing industries** at locations near agricultural production in rural areas
- **Capital-intensive** industries, such as automotive and land machinery, particularly at locations with good access to international and domestic markets.
- **Chemical industries** (e.g. pharmaceutical and plastic articles) based on local and regional demand.
- **Industrial services** (e.g. waste water management, recycling, training)
- Production of **construction materials**
- **Wood-processing industry** particularly based on hardwood and bamboo such as furniture production, paper and cardboard production, etc.
- **Garment manufacturing**, CMP Operations.

Opportunities: Infrastructure & Communication

Roads

- Only One highway (Yangon to Nay Pyi Taw). Secondary roads in a poor condition.
- Aging rail network.
- Thai project: highway BKK to the 3 future SEZ.
- China project to renovate the old Burma road (China-Lashio-Mandalay) Strategy : access to Bengal Gulf.

Real estate

- Objective 70% population in urban area by 2030.
- Since 2005, total number of new residential units in Yangon has increased by 20,000 units per annum (only about 1/3 of property demand).

Telecommunication

- Objective: covering 80% of the population by 2016
- Surge in mobile phone users since 2011; Telecommunications law passed in 2013, licenses granted to Telenor and Ooredoo in 2014
- Prices are dropping - 2013: 250 USD per SIM card, now 1 USD

Opportunities: Health Sector

Characteristics of local market

- Private and public hospitals are **running at full capacity.**
- Limited number of **healthcare professionals.**
- **Very limited** number of **doctors and specialists.**
- Lack of **equipment and modern healthcare** devices
- Minimal domestic production of **pharmaceuticals** and **medical devices.**
- Lack of **international quality healthcare services**

Opportunities for European investors

- Equipment
- Pharmaceutical Supplies
- Services
- Training



Opportunities: Agricultural Sector

Characteristics of local market

- Lack of **advanced technology** in **processing** and in **farming practices**.
- Lack of **proper agricultural practices** and **quality control measures**
- Lack of **investment in research and development to innovate farming methods**
- Lack of **capital investments** such as **mechanizing processing facilities to enhance productivity**

Opportunities for European investors

- **Input industries** (seed, fertilizer, agrochemical, farm industry, machineries, irrigation system and facilities);
- **Production and processing industries** (crop production, value-added production, research and development);
- **Wholesales market industries**
- **Service industries** (credit and insurance, service support for supply chain).

Potential

- Infrastructure improvements gradually taking place
- Liberalization of sectors
- Mass market and strategic location
- Low labour costs

Challenges

- Infrastructure needs
- Laws prioritizing local businesses
- Talent shortage
- Bureaucracy slows down processes
- Legal context still in progress

Establishment and Funding

of the European Chamber of Commerce in Myanmar



Launch and Establishment

2014 in Yangon, 2015 in Brussels

Funding

Five Year Grant (2015-2019) by the EU
EuropeAid/135160/DD/ACT/MM (ICI+)

Implementation

Applicants: CCI France Myanmar and
EUROCHAMBRES

Affiliated entities: Ceipiemonte, VOKA, HCCI



Mission and Mandate



- Advocate for member interests with organisations in Myanmar, the ASEAN region and the EU
- Promote the development of trade, commerce and investment between the EU and Myanmar
- Improve the conditions for doing business in Myanmar
- Provide a platform for EU businesses in Myanmar

- **Advocacy Services**
- **Support for market entry**
- **Information on market and legislation**
- **Organization of business delegations and b2b meetings**
- **Identification of business opportunities**
- **Business Center**





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EALink is a one-stop-shop where European SMEs and business organizations can find key information and relevant links to develop business in Asia.

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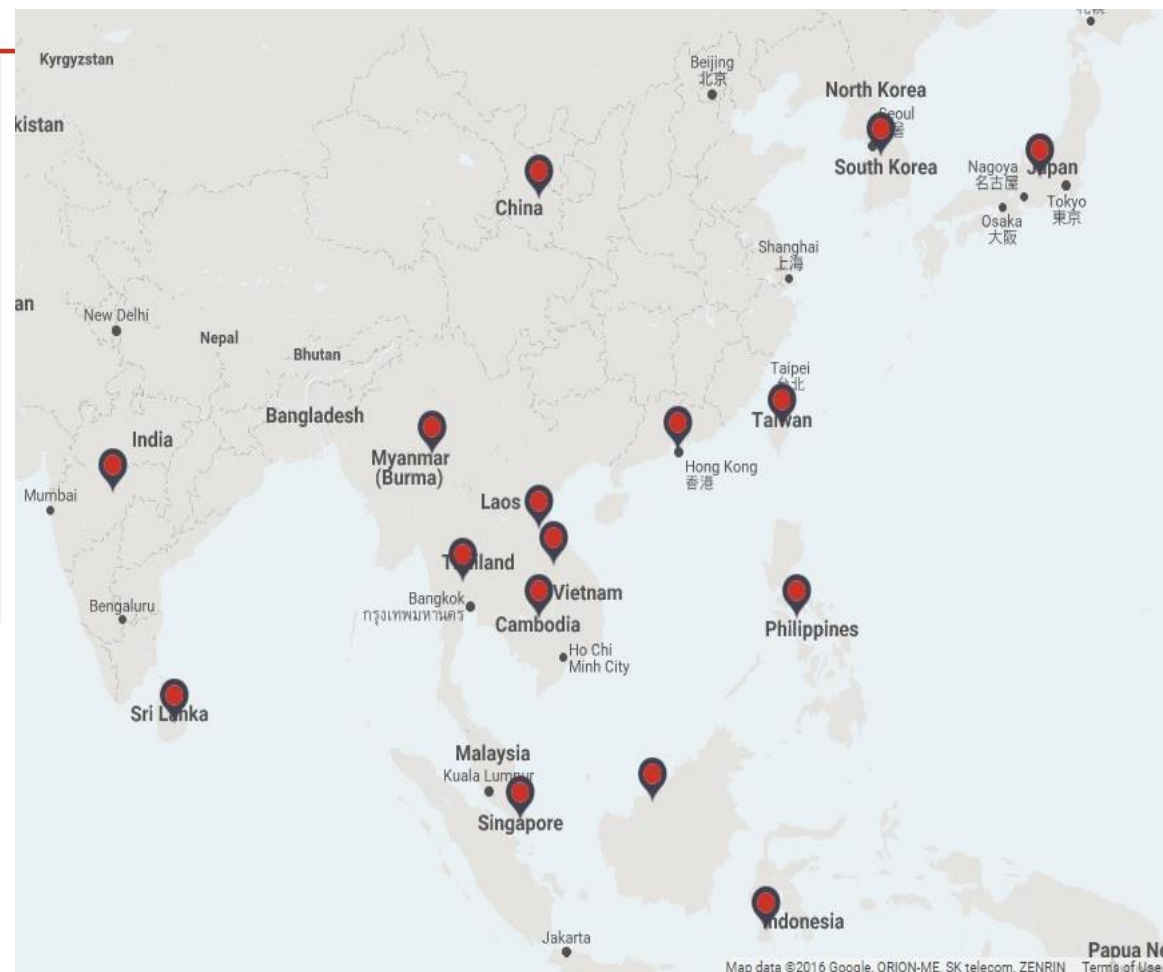
Visit points of sale / factories in Hanoi & Ho Chi Minh City



ABOUT EALINK

About us

The EU Asia Business Link (EALink) is the platform aimed at helping European businesses to set up and develop commercial relations in several Asian countries. EALink is your starting point to find information and support in the target market provided by a wide network of EU Business Support Initiatives as well as European Chambers.



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ASK ANYTHING

Should you have any question relating to establish commercial relations with Asia countries, our team will point you to the right business support organization in Asia.



Ask your question

WWW.EALINK.EU

Thank you

Federico Sattanino
Project Officer
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14.02.2017 Zagreb



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