



Myanmar investment guide

February 2015

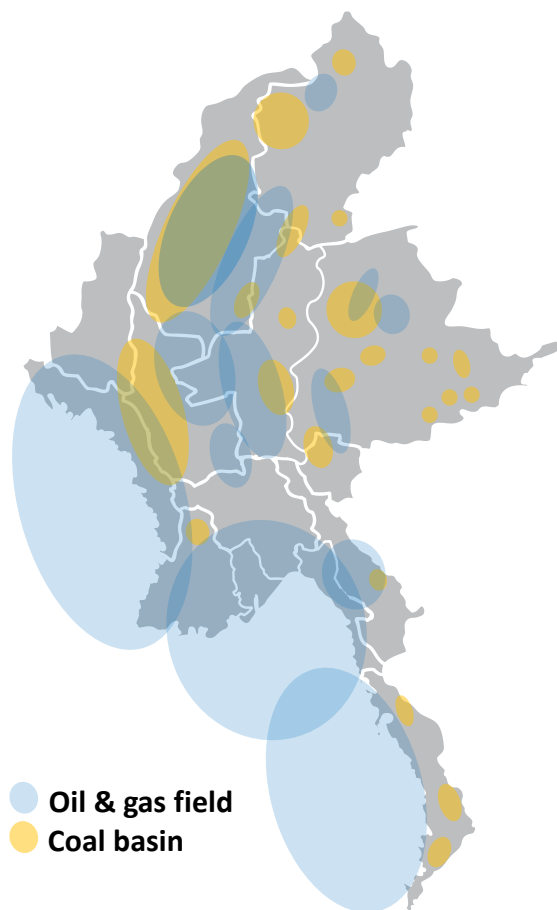


Agenda

-
- **Country at a glance**
 - **Investment environment**
 - **Getting started**
 - **Tips for doing business in Myanmar**
-

Myanmar offers vast untapped natural resources and beneficial labor market conditions such as cheap, abundant, and young workforce

Resource (oil & gas, coal)



Type	Proved reserve
Coal	540 million tons (estimated)
Oil	160 million barrels
Gas	12 trillion cubic feet

- Though current proved reserve levels are similar to Thailand's, but there are vast prospects of unexplored resources that are more than 10 times larger than the current

Wage, labor force, and median age in CLMVT

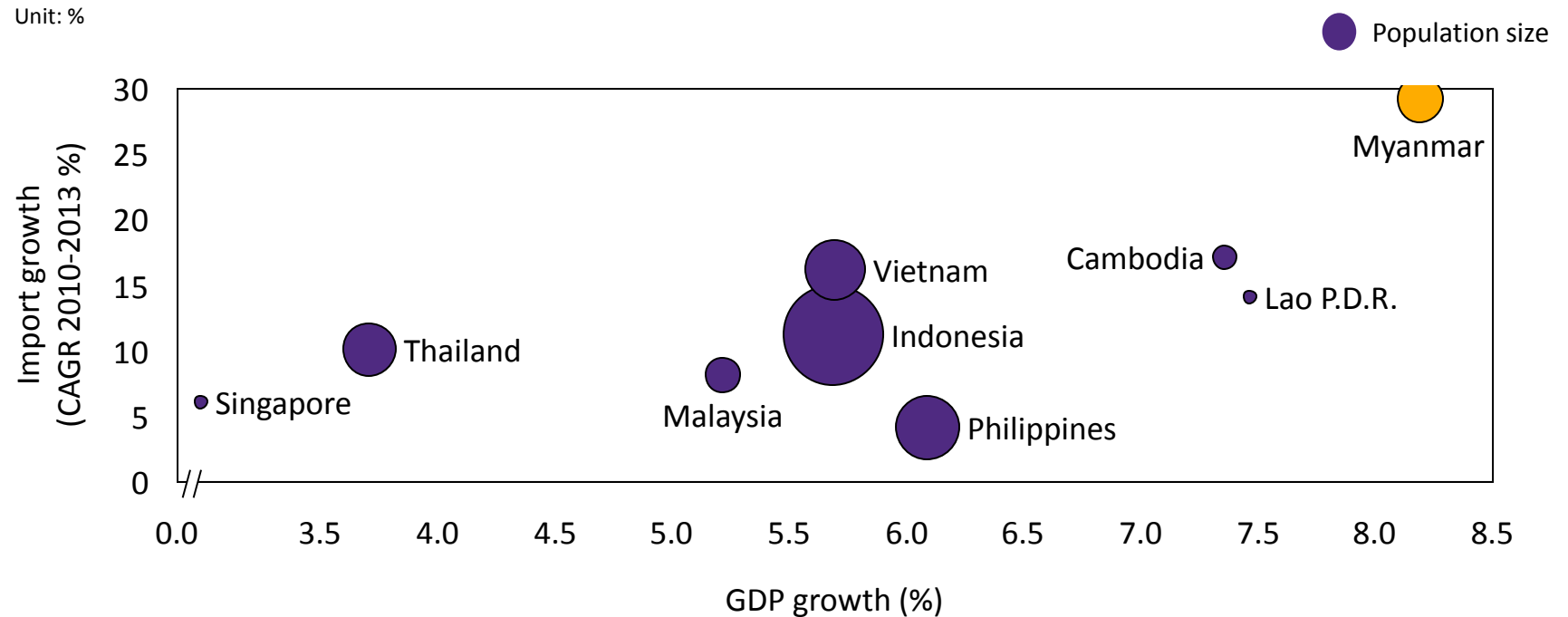
Unit: USD per month, million persons, age

	<u>Average wage</u>	<u>Labor force</u>	<u>Median age</u>
Thailand	516	40	36
Vietnam	314	54	29
Myanmar	241	31	28
Laos	245	3	22
Cambodia	274	9	24

Source: EIC analysis based on data from Ministry of Mines, ADB, JETRO, CIA, and World Bank

Furthermore the country's domestic market has high growth potential such as from GDP growth and import replacement industries

Import growth and GDP growth of countries in ASEAN



Main import products

Cars (include station wagons)

Petroleum oils, not crude

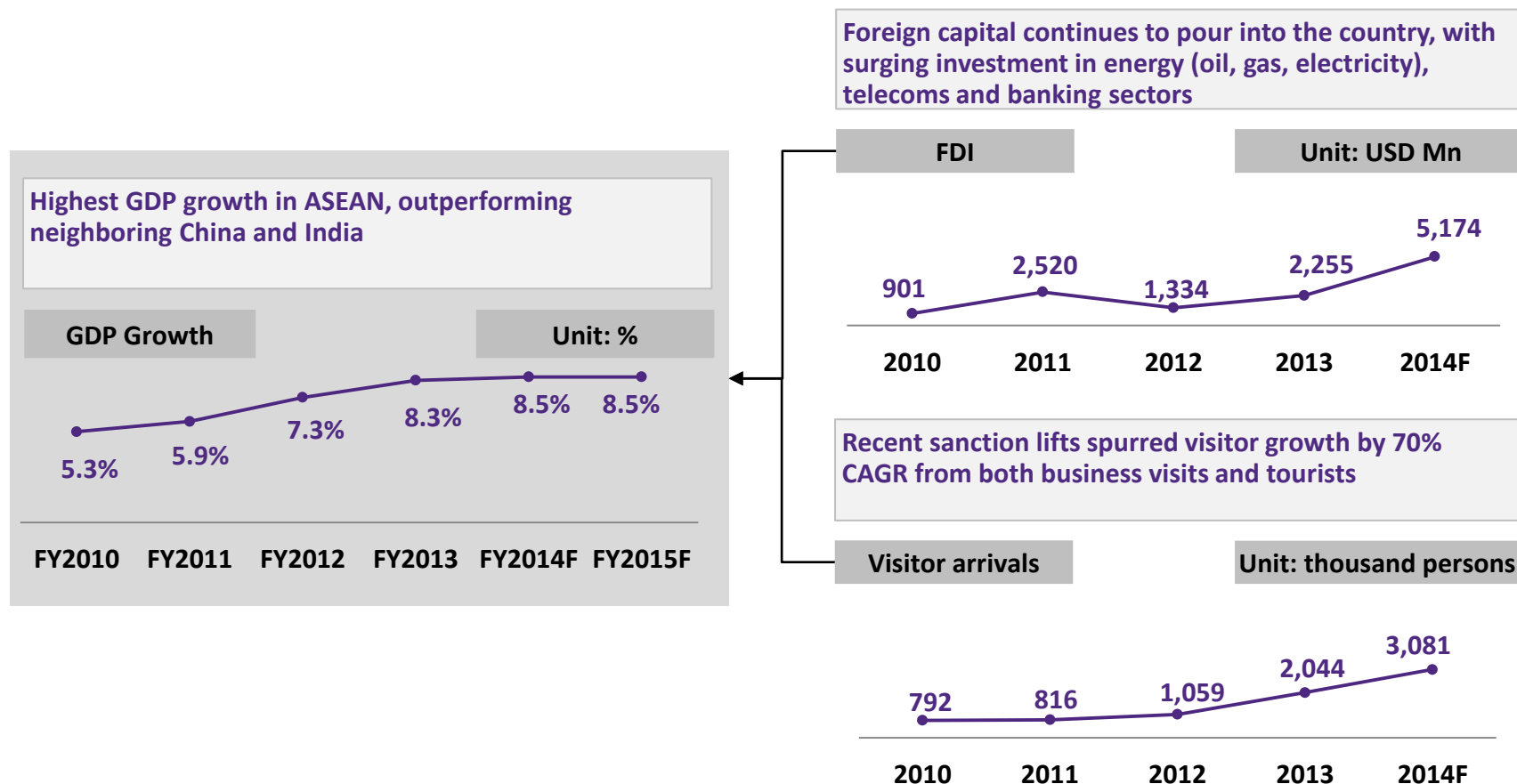
Self-propelled bulldozer, angle dozer, grader, excavator, etc

Machinery part

Diesel or semi-diesel engines

Source: EIC analysis based on data from IMF and Trade Map

Myanmar's economy has accelerated from the surge in FDI and tourism, soaring domestic demand poses great market and investment potentials



Note: 1. All data are in calendar year, except GDP growth which is on a fiscal year (commencing April) basis.

2. FDI reflects direct investment liabilities in the balance of payments.

Source: EIC analysis based on data from ADB, CEIC, IMF, Trade Map, and World Bank and Myanmar's Ministry of Hotels and Tourism

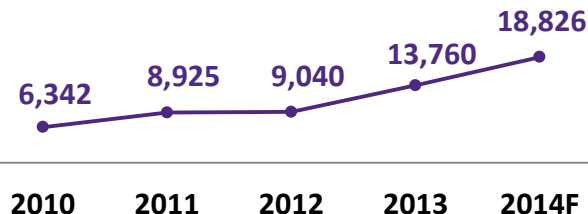
However, the growth stability is still in question from weak external position

High import growth (44% CAGR), led by demand for machinery and refined fuel, as Myanmar increasingly opens its economy, contrary to low export growth from undeveloped domestic industry

As a result, external position indicators weakened such as from the current account % of GDP and foreign reserve to monthly import ratio

Imports

Unit: USD Mn



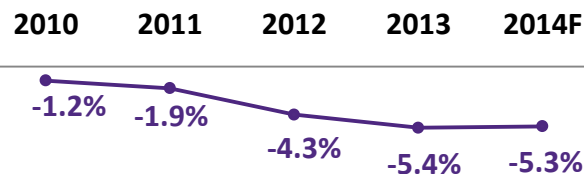
Exports

Unit: USD Mn



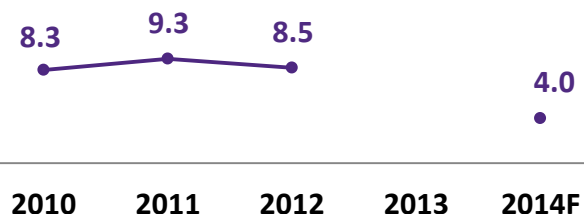
Current Account

Unit: % GDP



FX to monthly import

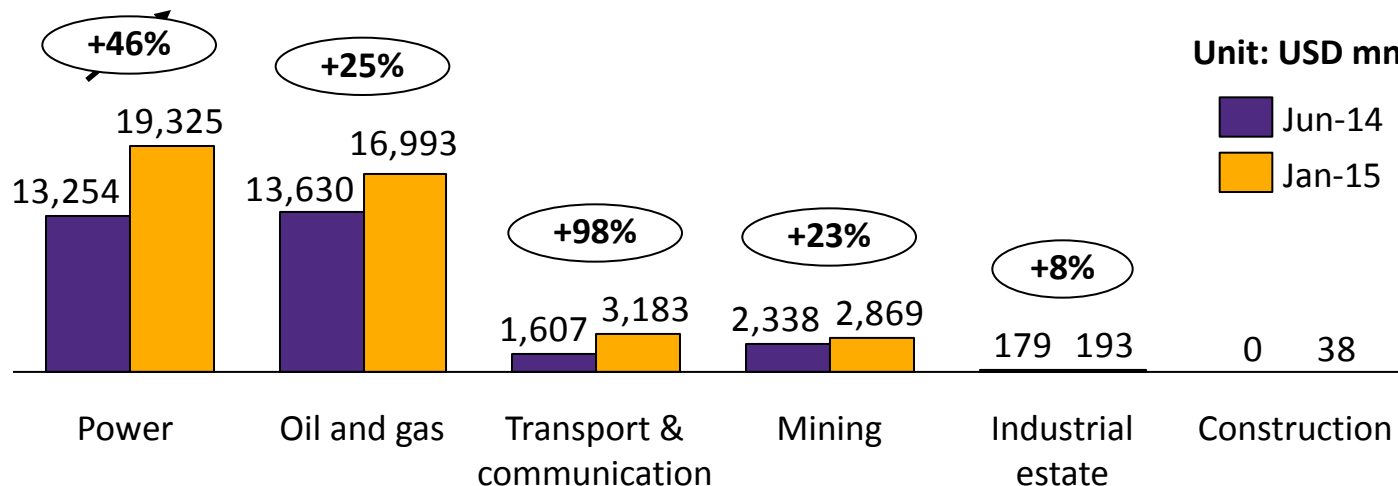
Unit: months



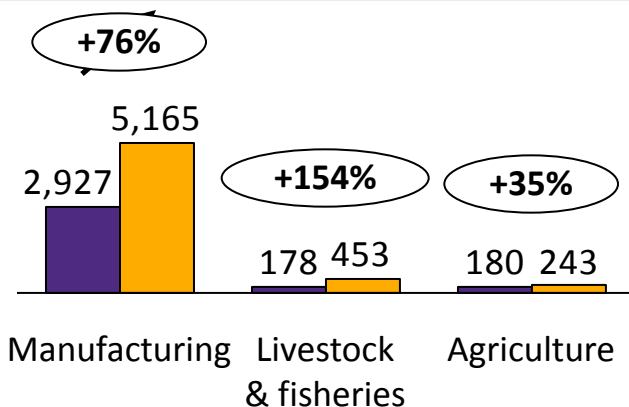
Source: EIC analysis based on data from ADB, CEIC, IMF, Trade Map, and World Bank and Myanmar's Ministry of Hotels and Tourism

Investment in Myanmar has grown tremendously across all sectors

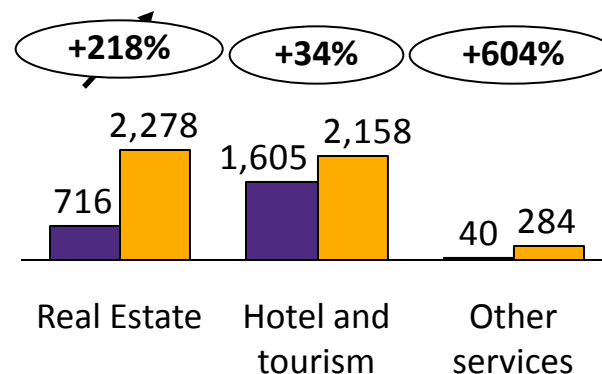
FDI into Myanmar: Infrastructure-related



FDI: Manufacturing



FDI: Service

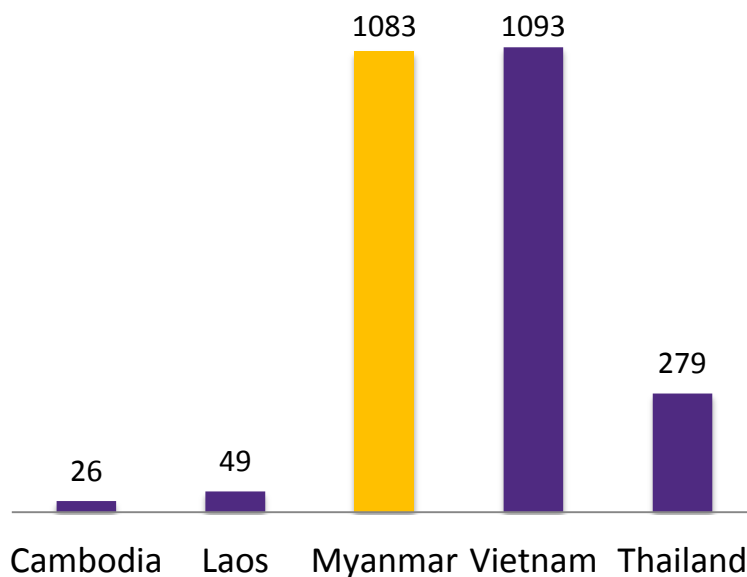


Source: EIC analysis based on data from DICA

Vast opportunities will continue with a million of surplus labor and a two-digit growth in per capita income

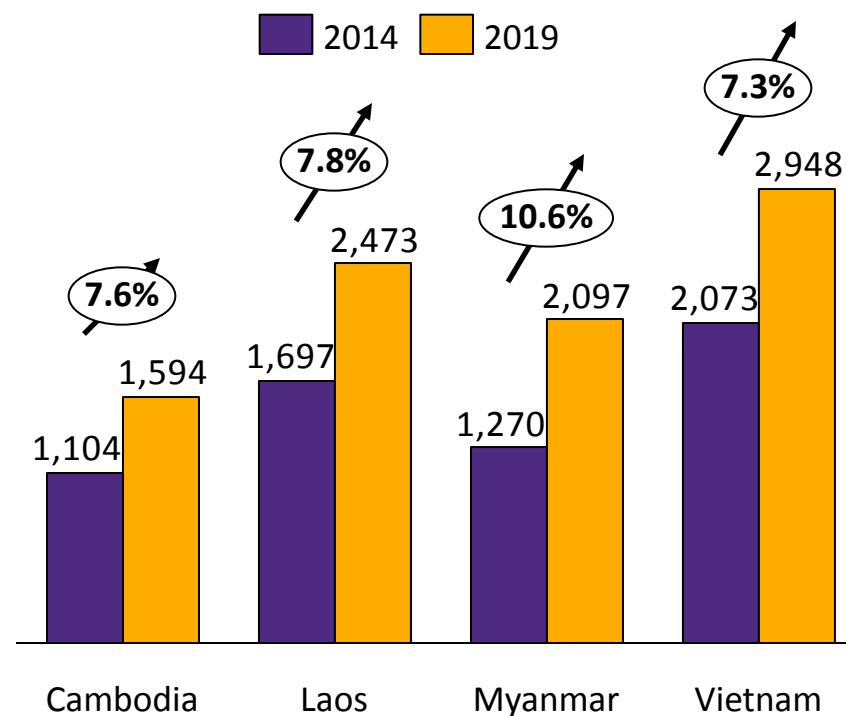
A huge surplus labor will be a source of future growth

Surplus labour force (thousands)



Income per head in Myanmar will likely surge by 65% during 2014-2019, or more than 10% per year

Per capita GDP, nominal (USD)

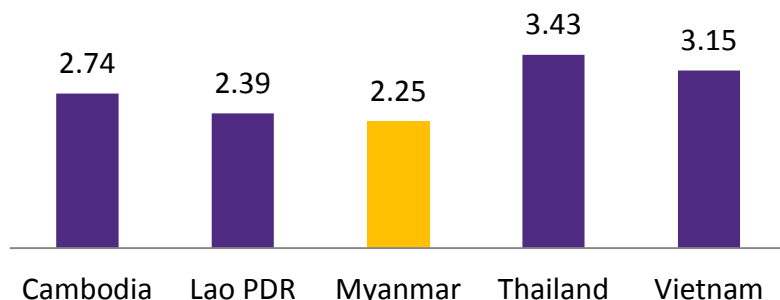


Source: EIC analysis based on data from World Bank and IMF WEO

However, undeveloped infrastructure is a tall challenge to be faced by early entrants

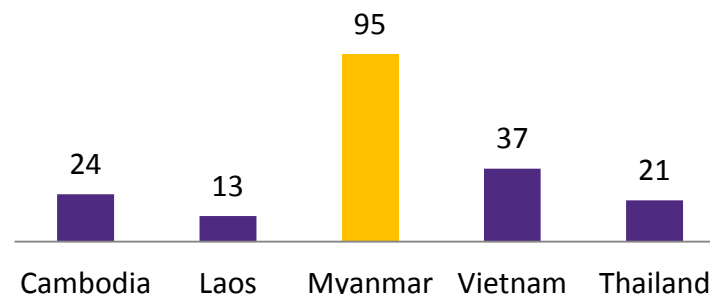
Myanmar's logistic services are incompetent, face severe red tape

Logistics Performance Index (Higher is better)



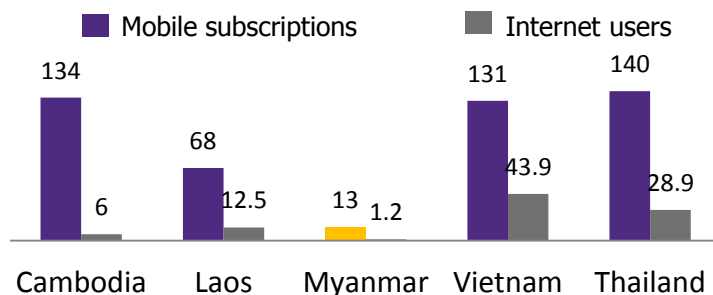
Office rent is exorbitantly high

Office rent (USD/sqm/month)



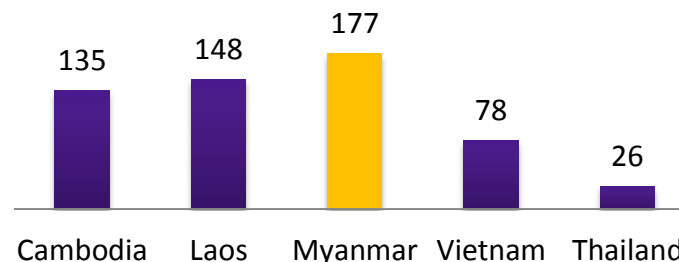
Line access and internet connectivity are low

Mobile subscriptions, Internet users (per 100 people)



Great difficulty in starting a business with no formal contract enforcement

Ease of doing business (rank – Lower is better)



Source: EIC analysis based on data from World Economic Forum and Doing Business

In addition, a small middle class and low wages are hurdles to initially develop a market for products beyond basic necessities

According to MGI, only 4 percent of Myanmar population are defined as consuming class in 2010

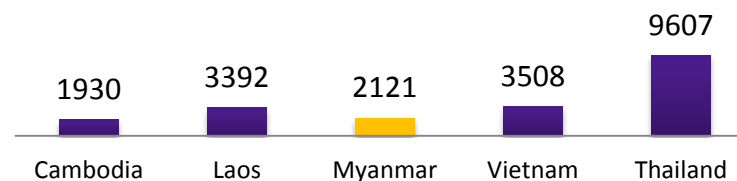
Consuming class (% total)



Note: Consuming class is defined as those with income equivalent to the purchasing power of \$10 per day in 2005.

Low productivity weighs on the going wage and purchasing power

GDP per employment (USD)



- Low purchasing power, with very few affluent segment concentrated in Yangon
- Unsophisticated demand with limited expenditure on fashion and lifestyle

Source: EIC analysis based on data from US Census Bureau, World Bank, IMF, McKinsey Global Institute

Further more, supply constraint in various dimensions can push up overall cost to make less competitive return at initial stage

Low cost labor, but with lower productivity

Unavailable raw materials beyond natural resources

Already high land costs and office rental fee

Many global brands competing for limited shelf space in modern trade

Source: EIC analysis

New entry needs to take into consideration across a number of factors

Domestic focus:

- **Is potential revenue, amid relatively low domestic purchasing power, enough to compensate for high cost of land acquisition?**
 - For example, condominium in down-town can sell at most up to 100,000 Baht per square meter, while land cost especially in down-town Yangon can be up to almost 1 million baht, comparable to Sukhumvit area
- **Is there already potential oversupply given recent investment, which may potentially squeeze expected margin in short-term?**
 - For example, there will likely be more than xxx new supply of hotel rooms in the next 2-4 years given the recent investment

Export focus:

- **Is it cost advantage to manufacturing product taking into consideration availability of materials locally, low labor productivity, and relatively high logistics cost?**
 - Apart from natural resources, almost all manufacturing materials need to be imported, especially for industrial materials i.e plastics, chemicals, and machinery tools and parts
 - Myanmar still has under-developed logistics infrastructure, especially inter-cities roads connection

Given the growth opportunities within the challenges of under-developed conditions, there are quite a few attractive sectors to invest now

Attractive Segments

Infrastructure-related

- Power
- Oil & Gas
- Construction materials
- Construction engineering

Reasons to support investment

- Structurally, Myanmar will have a long period of high growth in infrastructure spending
- Due to lack of local players ' capability, foreign firms can bring in technology and expertise.

Manufacturing (of selected goods)

- Garment
- Timber
- Fisheries
- Agriculture processing

Criteria to select attractive segments

- Labor intensive
- Availability of local raw materials for production
- Import replacement

Service (especially for expats)

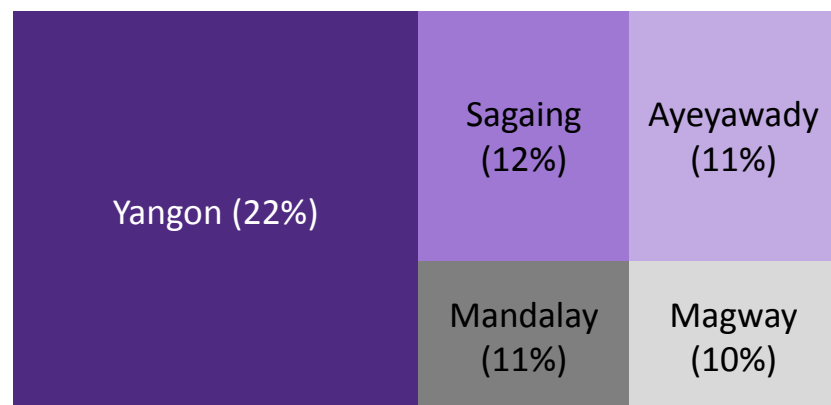
- IT and Telecom-related
- Aesthetics
- Restaurants
- Market research

Reason to focus on Expat

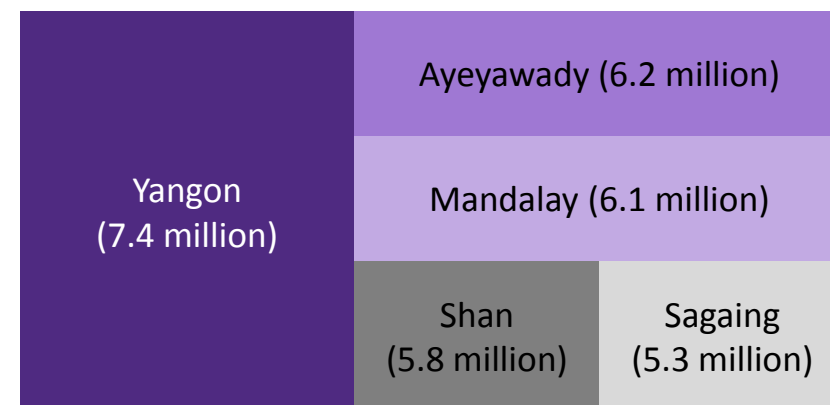
- Local consumers still have low purchasing power.

Statistics revealed that first tier regions are still Yangon and Mandalay, while Sagaing, Shan, Ayeyawady, and Magway are also interesting locations

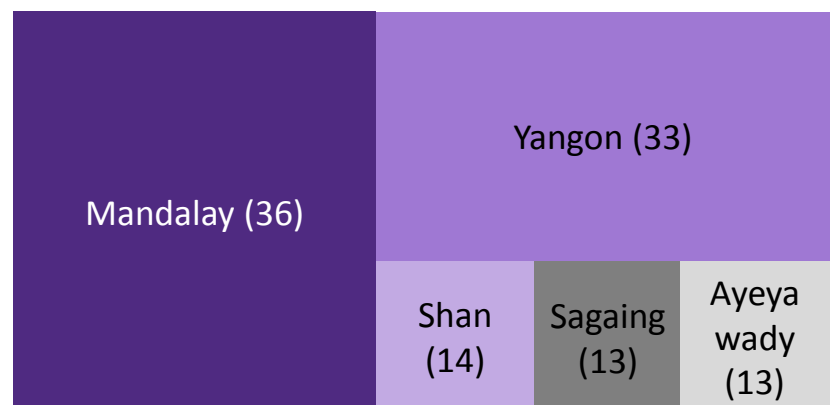
Richest region (% GDP contribution)



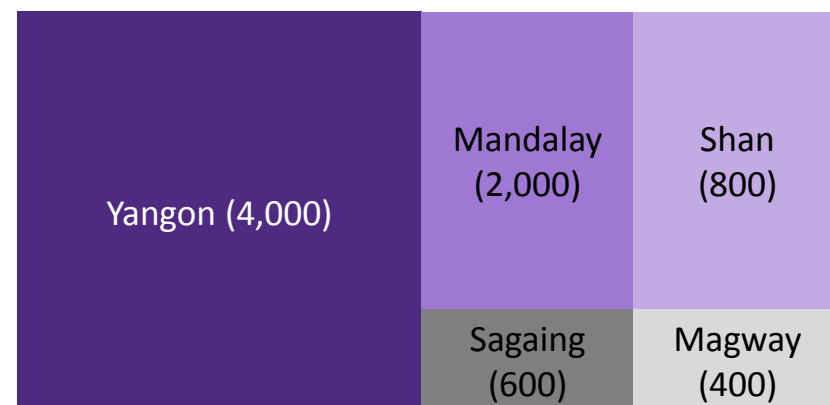
Most populated region (population)



Most educated region (# higher education institute)



Most industrialized region (# factories)

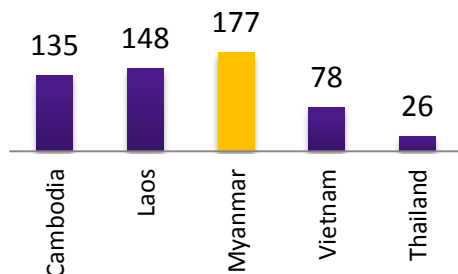


Source: EIC analysis based on data from JETRO, Ministry of Immigration and Population, and Institute of International Education

Myanmar's basic requirements, efficiency enhancers, and innovation and sophistication factors are still weak

****The higher the ranking, the weaker the component****

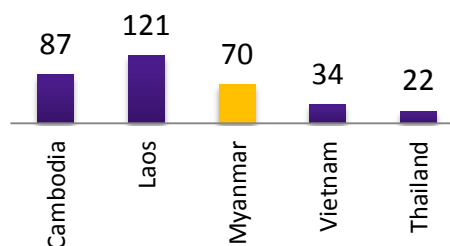
Ease of doing business (rank)



Strength: trading across border

Problems: costs of starting business

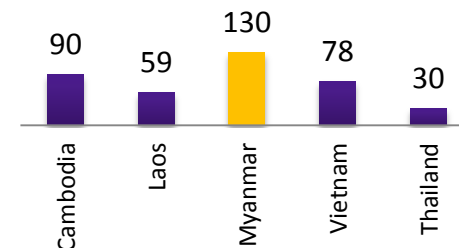
Market size (rank)



Strength: domestic market size

Problems: export as % of GDP

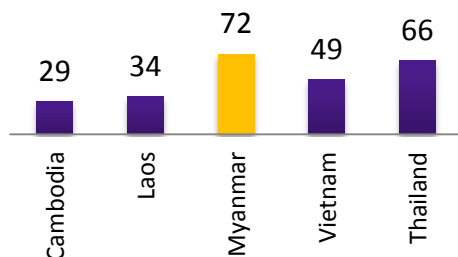
Goods market efficiency (rank)



Strength: trade tariff (% duty)

Problems: extent of market dominance

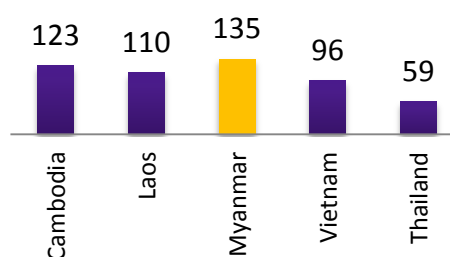
Labor market efficiency (rank)



Strength: % women in workforce

Problems: capacity to retain talent

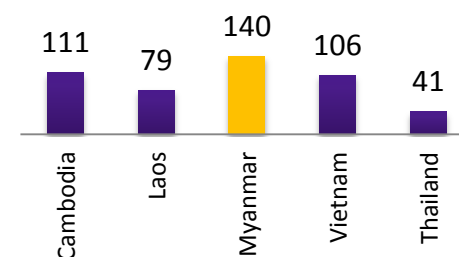
Higher education and training (rank)



Strength: school enrollment

Problems: quality of management schools

Business sophistication (rank)



Strength: value chain breath

Problems: local supplier quantity/quality

Source: EIC analysis based on data from World Economic Forum and Doing Business



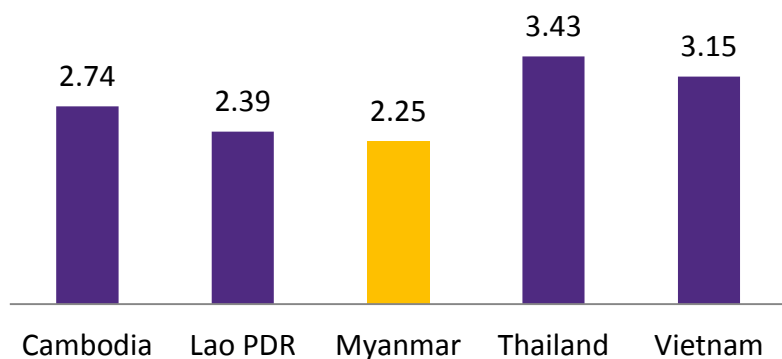
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 - Infrastructure in Myanmar
 - Location for investment
 - Attractive sectors
 - **Getting started**
 - **Tips for doing business in Myanmar**
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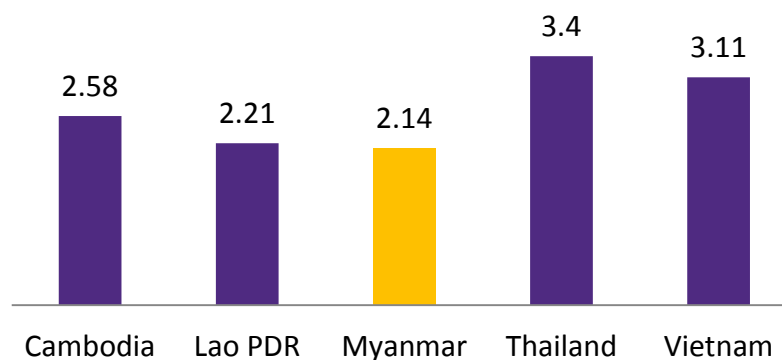
Myanmar ranks last among CLMVT in terms of logistics quality, though timeliness of delivering products is only behind Thailand and Vietnam

****The score is out of 5, the higher the better****

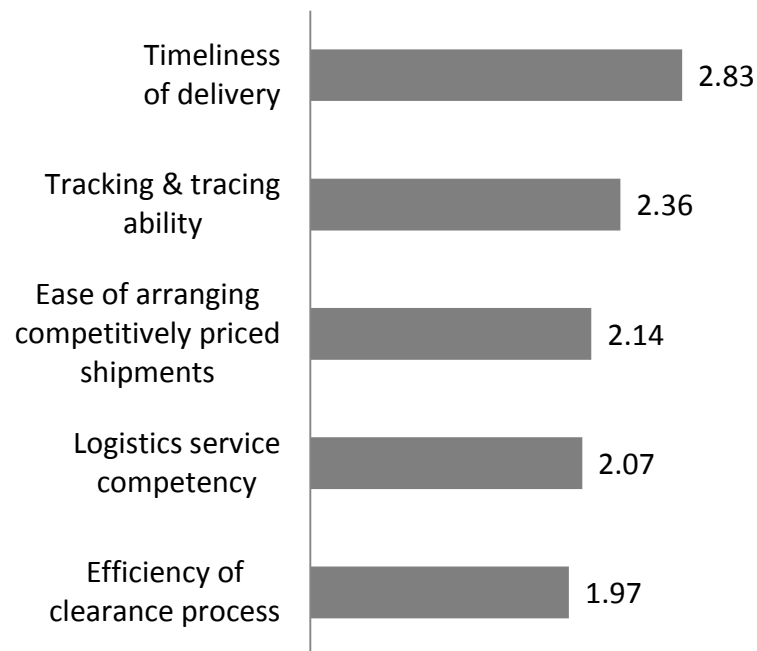
Logistics Performance Index (overall score)



Quality of trade and transport related infrastructure



Other logistics performance indicators

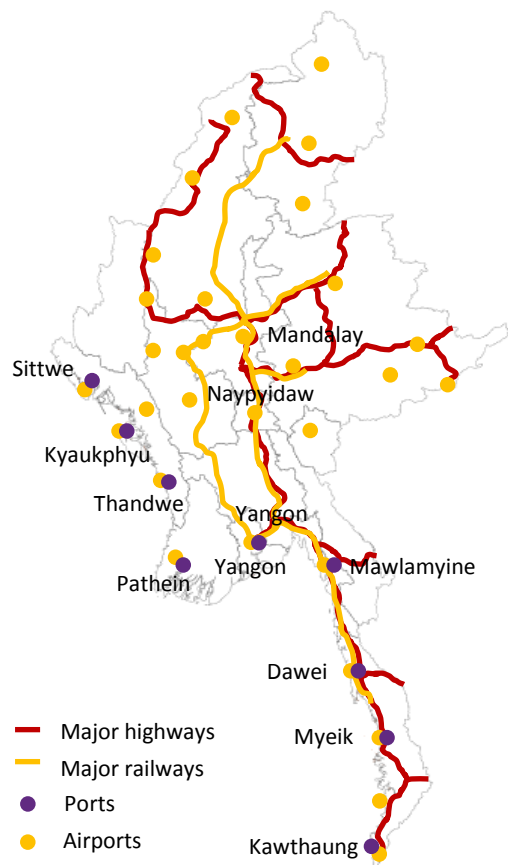


- Timeliness of delivery is particularly strong in Myanmar, as the indicator is ranked at third place among CLMVT countries only behind Thailand and Vietnam, whereas other indicators, Myanmar is majorly at last place

Source: EIC analysis based on data from Logistics Performance Index 2014 (World Bank)

The most popular domestic transportation mode in Myanmar is road, while the cheapest is via rail

Road and railway map



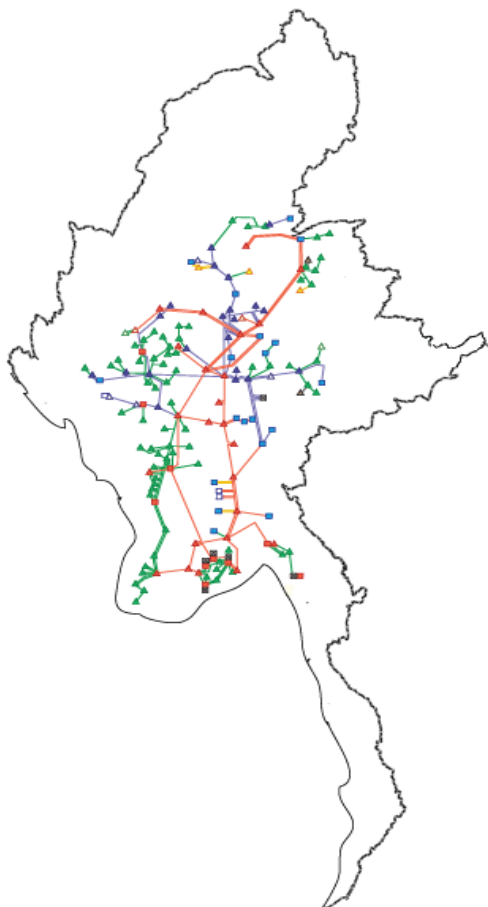
Aspects	Road	Railway	Maritime	Inland water	Airport
Infrastructure availability	151,000 km	6,000 km	9 ports	235 ports	33 ports
Domestic passenger (million)	1,085	55	0.07	33	1.6
International passenger (million)	N.A.	N.A.	0.006	N.A.	2.0
Domestic freight (thousand tons)	14,644	3,124	2,701	2,149	1.18
International freight	4,628	N.A.	27,285	N.A.	15
Hours from Yangon to Mandalay	8	16	82		1
Domestic cost (Kyat/ ton/mile)	140	42	63		1,566

- Road transportation is the fastest option but not appropriate for fragile goods since poor road infrastructure will damage goods
- Shipping is very slow due to shallow water depth and obstructing bridges
- Rail transportation is cheapest but its network coverage is extremely low

Source: EIC analysis based on data from ADB, Ministry of Construction, Ministry of Transport, Myanmar Railways, Eleven Myanmar, Aung Khin Mitynt, and Korea Maritime and Ocean University

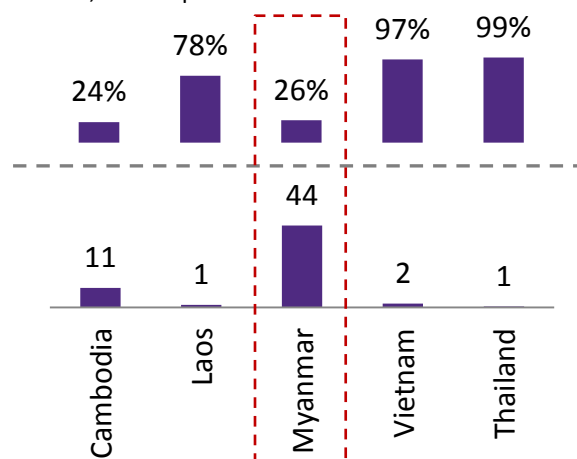
Meanwhile, electricity infrastructure is also scarce with more than 44 million people not having access, in addition the system is outdated

Existing transmission line system



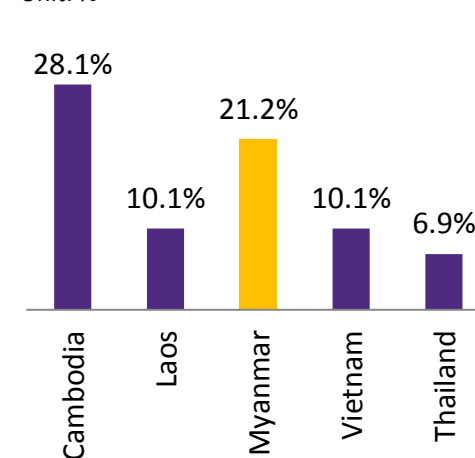
Electrification, unelectrified persons

Unit: %, million persons



Loss in the electricity system¹

Unit: %



Comments of the electricity system in Myanmar

“The aging electricity lines are full to capacity. It’s challenging keeping stable transmission and distribution, and the lines are not in good condition.”

– U Yan Linn, chief engineer, Yangon City Electricity Supply Board, May 2014

“The other day, my electricity went out the whole night, It happens so often these days.”

– Yangon resident, May 2014

1. Loss includes both transmission and distribution loss except for Laos

Source: EIC analysis based on data from MIMU, World Economic Forum, World Bank, Myanmar Times, and EDL

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 - **Researching the market**
 - Infrastructure in Myanmar
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Four types of investment locations emerge, which are large cities, SEZ, private industrial zones, and border trade areas

1. Large cities

- Focus on Yangon



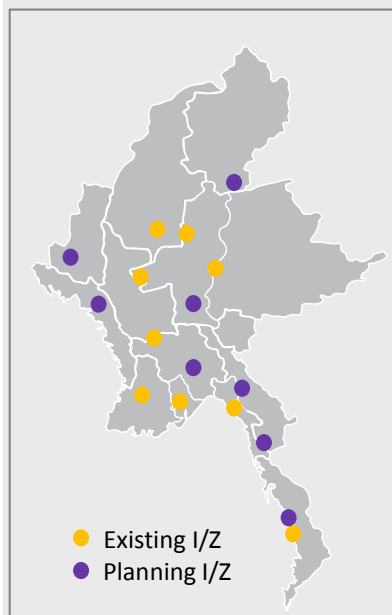
2. SEZ

- 3 main SEZ:
 - Dawei
 - Kyaukphyu
 - Thilawa



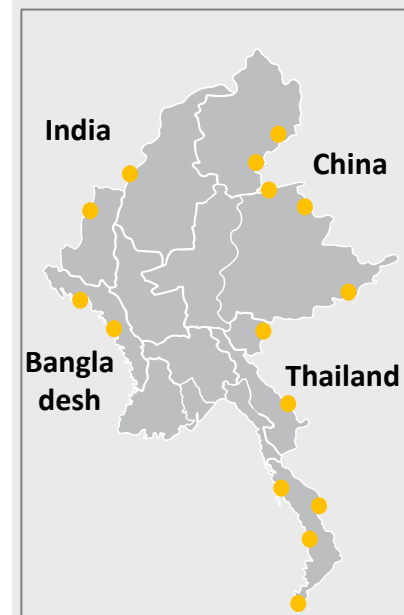
3. Industrial zones

- 38 operating areas (24 in Yangon)
- 8 developing areas



4. Border trade

- 15 border trade areas



Source: EIC analysis based on data from the MIMU and Ministry of Commerce - Myanmar



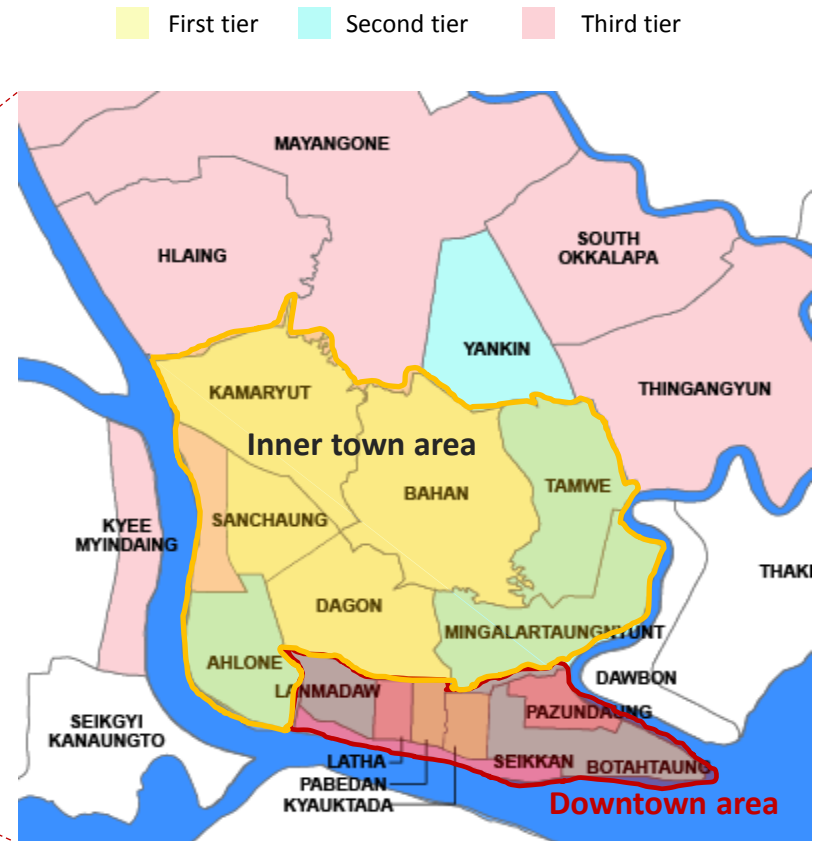
Most of Yangon's development is clustered in West and East Yangon

Townships with high levels of economic and commercial activities are i.e. Dagon, Pabedan, Bahan

Yangon area map



Economic and commercial activities township¹



1 Colliers' Township Scorecard ranking uses the following metrics: number/size/quality of real estate development, number/type of retail development, level of commercial activities, physical urbanization, availability/quality of infrastructure, number of commercial banks, number /quality of passing vehicles, land and rental rates, availability/size of future infrastructure and other real estate development

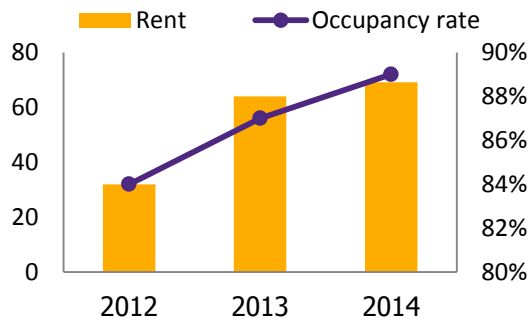
Source: EIC analysis based on data from MIMU and Colliers

Quality office, retail, and hotel supply are still scarce, if developers can meet the announced deadline, significant supply should be witnessed in 2016-2018

Office

Average rent and occupancy in Yangon

Unit: USD/sqm/month, %



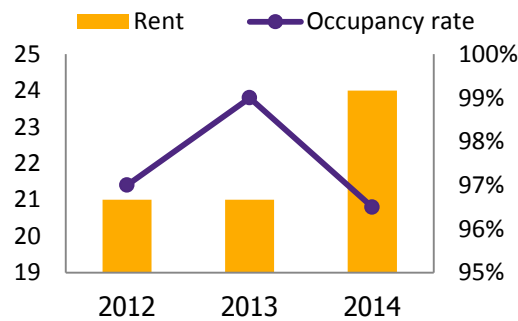
2015 outlook
Rent ↑
Occupancy ↑

- Office supply in Yangon is scarce, but will more than double by 2018
- New project developments are scattered throughout Yangon and are mostly mixed-use
- Companies usually rent or buy house to convert to office space for more privacy, easy accessibility, and better parking since available office quality is not up to standards

Retail

Average rent and occupancy in Yangon

Unit: USD/sqm/month, %



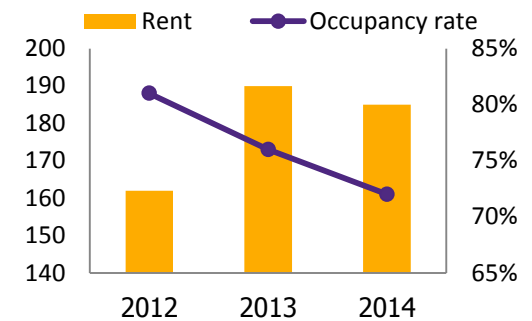
2015 outlook
Rent ↑
Occupancy ↑

- New retail supply will also grow from mixed-use projects
- Retailing is a domestically dominated market due to restrictions for foreigners
- Most of the existing retail space is small and cater for nearby communities

Hotels

Average rent and occupancy in Yangon

Unit: USD/night, %



2015 outlook
Rent ↓
Occupancy ↓

- Luxury hotel supply is increasing
The luxury hotel market is getting less attractive since the skyrocketing rates are pushing customers away to mid-scale hotels
- Additional project in pipeline includes Peninsula, HAGL hotel, Pullman Yangon, Daewoo Amara, Golden City Hotel

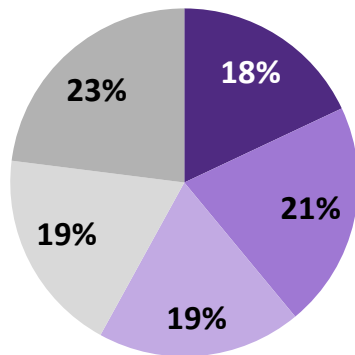
Source: EIC analysis based on data from Colliers International Myanmar

Going forward, new projects without secured land will face land acquisition and feasibility issues

Monthly household income in Yangon

Unit: THB per month, %

■ <3,130 ■ 3130-4,690 ■ 4,690-6,250 ■ 6,250-9,380 ■ >9,380



- Domestic population of approximately 7 million people, 5 million live in urban areas
- Approximately 1 million international visitors in 2014

Ways to procure land in Yangon

Less expensive

Bid directly from the government

- Price received will be much lower than market price, however competition is very high

Find local JV with land possession

- Locals know that market price of land is high and will demand high fees for it

Lease land from private companies

- Size of land plots will be small and discourage collection

More expensive

Consideration to procuring land in Yangon

Locals believe that land prices will continue to increase

Further development will be hard since building density is already high

Low local buying power, contrary to extremely high property and land price

Location needs to be close to target market due to poor logistic infrastructure

Source: EIC analysis based on data from YCDC, Myanmar Times, and Ministry of Immigration and Population

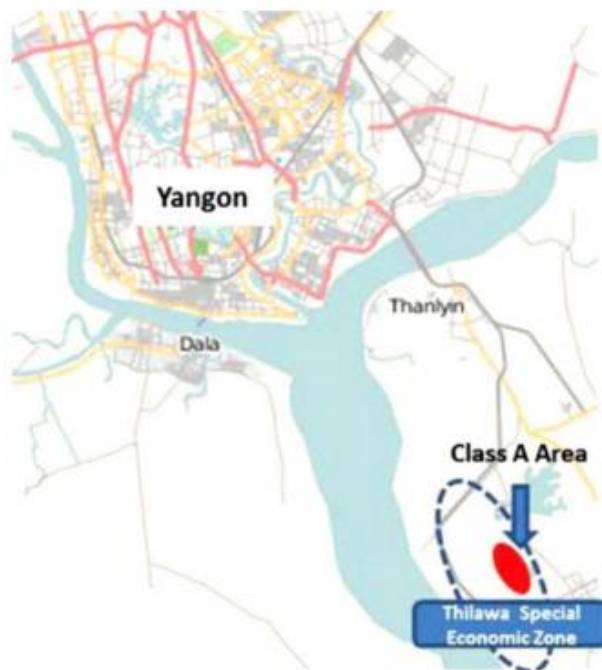
Among the three developing SEZ, Thilawa has the most progress and the first phase will be operational by mid 2015

	Dawei	Kyaukphyu	Thilawa
Basic facts	<ul style="list-style-type: none"> • 350km from Bangkok • 128,125 rais (20,500 hectares) • Aimed for heavy industries • Invested by Thai-Myanmar consortium: ITD-Rojana-EGCO-LNG Plus International (with potential Japanese involvement) 	<ul style="list-style-type: none"> • Located in Rakhine • 3,250 rais (520 hectares) • Aimed for construction materials, textiles, and food industry • Invested by China-Myanmar consortium 	<ul style="list-style-type: none"> • 23km south-east of Yangon • 2,475 rais (396 hectares) • Aimed for light manufacturing industries • Invested by Japan-Myanmar consortium: JICA-Marubeni-Mitsubishi-Sumitomo
Stage of development	<ul style="list-style-type: none"> • First phase construction of basic infrastructure should start in June 2015 	<ul style="list-style-type: none"> • Results for the developer bidding should be announced soon 	<ul style="list-style-type: none"> • First phase operational by mid 2015 (fully booked)
Comments	<ul style="list-style-type: none"> • High uncertainty since the project has been delayed many times • Deep sea port plans 	<ul style="list-style-type: none"> • Deep sea port plans 	<ul style="list-style-type: none"> • Very high rental fee • Land issues with locals • No deep sea port
Special incentives given	<ul style="list-style-type: none"> • Land rent of 50 years plus 25 years renewable period (longer than FIL by 5 years) • Longer tax exemption period (up to 7 in SEZ while up to 5 under FIL) • Report to SEZ authorities rather than central government 		

Source: EIC analysis based on data from PWC, Myanmar Legal Services, Myanmar Thilawa SEZ, JICA, Dawei Development Company, Kyauk Phyu SEZ, and press search

Thilawa offers industrial land, rental factories, and residential areas, the entire project should be completed by 2018

Project location map



- Thilawa is 32 km from Yangon city center or approximately a 50 minutes drive
- Logistics challenge still exist since the road crossing the river to Thilawa is still in poor condition with only 2 narrow lanes
- Utilities such as electricity is still not ready, the SEZ still buys electricity from the grid

Thilawa project development area

	Phase 1	Phase 2	Phase 3	Residential	Total
Development area (hectares)	1,181	863	213	219	2,475
Saleable area (hectares)	925	681	169	219	1,994

Thilawa product offerings

Industrial areas

- Investors construct own manufacturing facilities
- Long term lease

Rental factories

- Ready-built
- Short term lease

Residential areas

- Develop for people who work in Thilawa SEZ

Thilawa project timelines

	Construction period	Sales period
Phase 1	2013/2014-2015	2014-2016
Phase 2	2015-2016	2016-2018
Phase 3	2017-2018	2018

Source: EIC analysis based on data from Myanmar Investment Commission, Nikkei Asian Review, and Myanmar Thilawa SEZ

Investors interested in applying for space in SEZs will need SEZ permit in addition to MIC permit

SEZ application

Examples of documents required (case of Thilawa SEZ)

1.	SEZ investment permit		<ul style="list-style-type: none"> • Reservation Agreement with the developer • SEZ application (i.e. location of the land in the SEZ, water and electricity supply plan, building/factory construction plan, machinery installation plan, environmental management plan) • Land Lease Agreement with the developer
2.	MIC permit	<div>Same procedure to get MIC incorporation</div>	<ul style="list-style-type: none"> • Company business and background • Draft partnership agreement (if any) • Investment and construction period, quantity goods produced • Location of investment • Plant and machinery technicals
3.	Permit to trade		<ul style="list-style-type: none"> • Questionnaire by the Ministry of National Planning and Economic Development • List of economic activities to be performed • Permission from relevant ministry (if any) • Estimated expenditure to be incurred in Myanmar for first operating year
4.	Certificate of incorporation		
5.	Other permits before operations		<ul style="list-style-type: none"> • Building permit • Fire safety certificate • Environmental conservation and prevention plan • Environmental impact assessment (if any)

- There are One Stop Service Centers available to help with company incorporation applications, there is one in Thilawa
- Investors cannot change investment plan that is written in the proposal i.e. scale and material

Source: EIC analysis based on data from Myanmar Thilawa SEZ and Charlston



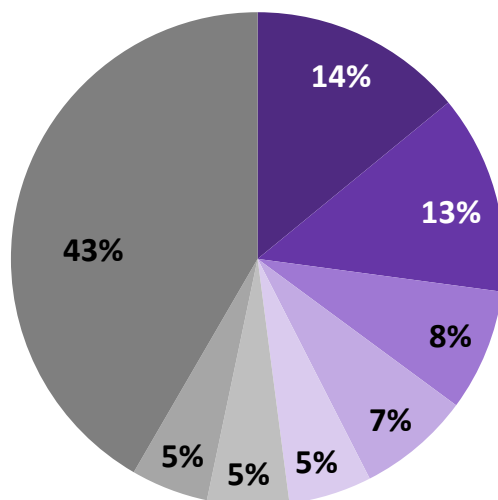
Processing and food related businesses are most popular in industrial zones

Utility charges are equal in all zones, utility availability is more of a concern

Industries located in existing private industrial zones (I/Z)

Unit: %

- Food
- Machinery
- Car
- Clothing
- Processing
- Materials
- Goods
- Others



- **Approximately 8,000 factories**

- **Food related activities** that is most popular are food processing and prepared food manufacturing
- **Machinery** that is most popular are machines that shapes materials such as wood or metals

Industrial estate characteristics

Size

- Size of the I/Z range from 25,000 rais in Sagaing to 63 rais in Yangon

Water

- Approximately 60% of the I/Z has water treatment facilities
- Most still use groundwater

Electricity

- Available electricity supply in most I/Z, but during summer only a half day supply
- Price is the same in all I/Z at USD 0.12/kWh for foreigners

Rent

- Mostly long contract rental periods with price ranging from USD 400/sq.m. in Yangon to 5/sq.m. in Kayin (2013)

* 1 THB = 32 MMK, 1 USD = 1,034 MMK

Source: EIC analysis based on data from JETRO

Most of Yangon's industrial zones are located in North and East Yangon with underdeveloped infrastructure except for Mingaladon

Industrial estates in Yangon

- ★ Existing Industrial estates ★ Thilawa SEZ ● Ports
- International airport



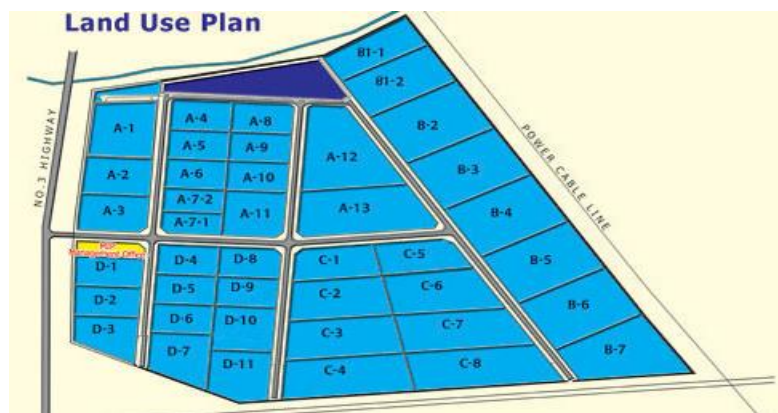
Characteristics of industrial estates in Yangon

- Most industrial estates are developed by the Department of Human Settlement & Housing Development
- **Infrastructure quality in most industrial estates are poor**, such as bumpy roads
- **Prices of almost all industrial estate land has doubled** within the last few years
- Main industrial factories in Yangon are food and fabricated metal products
- Still available vacancy in industrial areas in Yangon due to difficulties for foreign manufacturing plant establishment and high cost of raw material imports from poor infrastructure quality
- Some of the most popular industrial estates are Mingaladon, Hliang Thar Yar, South Okkalapa, and Tharketa, due to strategic locations such as close to city center, rivers, or airports

Source: EIC analysis based on data from Myanmar Industries Association, Jetro, YCDC, and EXIM

Mingaladon Industrial Park is the most successful industrial estate developments in Myanmar as it was the first to meet international standard with fully-equipped infrastructure and located in strategic area

Mingaladon overview



Mingaladon industrial zone

Success factors:

- **First international standard industrial park with ready infrastructure:**
 - Electricity supply: 33KV / 20MW for Phase I
 - Water Supply: 5,000 cubic meters /day, 15 deep wells
 - Waste Water Treatment Plant: 5,000 cubic meters/day capacity
 - Roads: concrete roads 7- 8 meters wide
 - Phones and fax lines availability
 - 24-hour Security Services
- **Big name developers:** Mitsui (Japan), Department of Human Settlement & Housing Development (DHSHD), Ministry of Construction of the Union of Myanmar
- **Strategic location:** close to Yangon international airport (7 km), CBD area (23 km), and Yangon port (24 km)

Results:

- **Tenants:** mostly foreign companies from Japan, Hong Kong, China, Korea, Philippines big names are i.e. Ajinomoto (Japan) and most popular sector is garment and part components

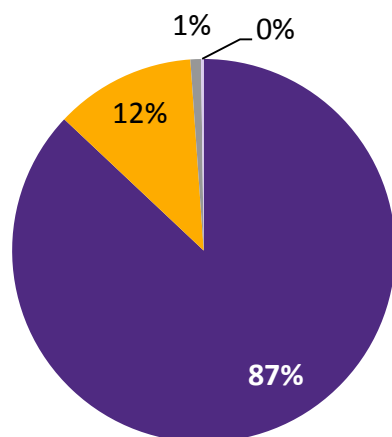
Source: EIC analysis based on data from Mingaladon Industrial Park, Myanmar Industries Association, and EXIM

Thai-Myanmar trade only accounts for 12% of Myanmar's total cross-border trade, items with high trade value are natural gas, refined fuel, and beverages

Trade value with neighboring countries 2014FY

Unit: %

China Thai India Bangladesh



- Most China-Myanmar border trade is via **Muse** camp, Myanmar exports agricultural products like rice, beans, and rubber, while importing motorcycles, fertilizer, and construction materials
- Official figures from Myanmar's Border Trade department is drastically different from Thailand's Department of Foreign Trade

Notes: Myanmar's fiscal year is from April to March

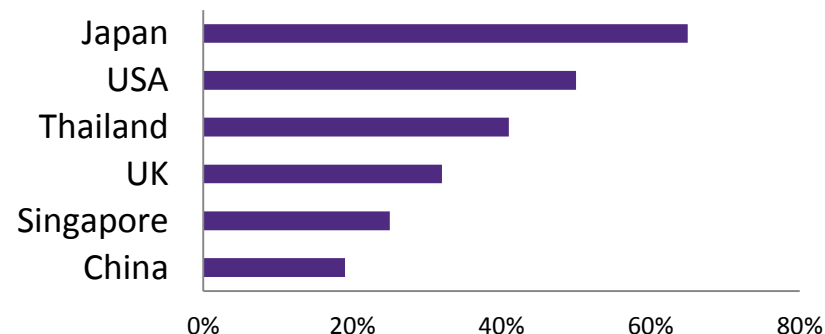
Source: EIC analysis based on data from Department of Border Trade – Myanmar, Myanmar Eleven, and Department of Foreign Trade - Thailand

Myanmar-Thai border trade situation (Jan-Nov 2014)

Province	Trade Value (billion THB)	Main products
Kanchanaburi	104	Import natural gas
Tak	57	Export phones and beer
Ranong	18	Export refined fuels and drinks
Chiang Rai	13	Export refined fuels and alcoholic drinks

Perception on country with highest product quality

Unit: %



Investors planning to invest in the different locations in Myanmar should strategically choose where and when to enter

Location recommendations

1.

Choosing between SEZ and industrial zones

- If you have to invest now, I/Z will be a better option due to immediate land and infrastructure readiness
- If your investment can wait a few years, SEZ will be a better option from more ready infrastructure and better incentives offered
- Logistics availability is key to location selection

2.

Investing in Yangon

- Office and retail supply is currently scarce, expensive, and not up to standards, prices in the long term should be cheaper from higher supply
- Products should be geared towards expats or foreigners due to low local purchasing power

3.

Trading at the border

- Despite dropping market share of Thai trade, the product exported to Myanmar when compared to China is drastically different
- Thai exporters should focus on exporting finished good and use the higher product quality perception advantage

Source: EIC analysis

Agenda

-
- **Country at a glance**
 - **Investment environment**
 - Infrastructure in Myanmar
 - Location for investment
 - Attractive sectors for SMEs
 - Food/seafood manufacturing
 - Services
 - **Getting started**
 - **Tips for doing business in Myanmar**
-

With challenges at early stage of development, infrastructure, basic manuf. & services are more attractive now, while others are better to wait

Industries	Sub segments	Target Thai corporates
Infrastructure related	Power, construction, oil & gas, roads	Large corporates
Manufacturing related (focus on high labor, and local resource industries)	Food and seafood processing	SMEs
Service related (focus on infrastructure related, and for expats)	Services	SMEs

Focus for the subsequent section

Source: EIC analysis based on data from

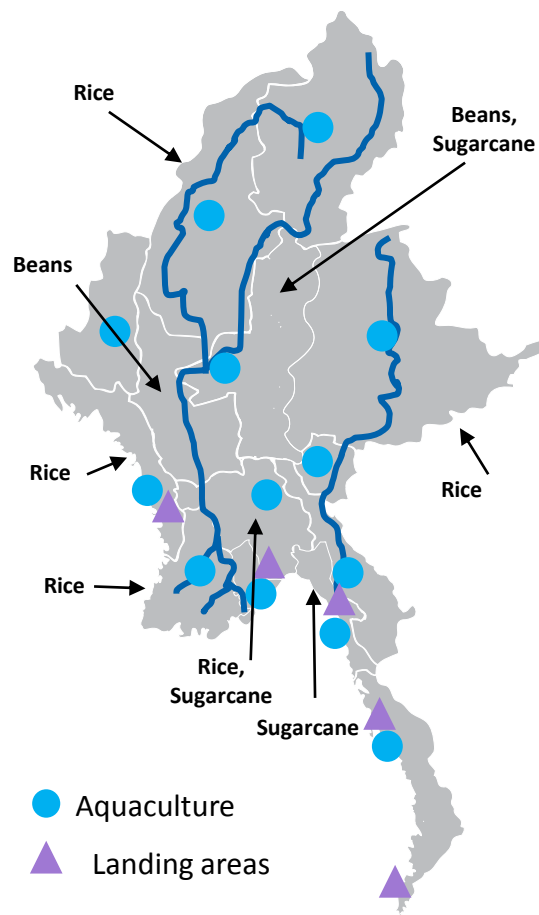


Agenda

-
- **Country at a glance**
 - **Researching the market**
 - Infrastructure in Myanmar
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-

The food/fishery processing is attractive in Myanmar due to rich resources and cheap labor advantage

Major crops & seafood locations



Myanmar advantages

Large country area and coastal line

Relatively cheap and abundant labor

Relatively virgin coastal lines

Major crops in Myanmar

Items	Production 2012 (MT)	CAGR (2009-2012)
Rice	28.1	-5%
Sugarcane	9.7	0%
Beans	5.2	3%

Major fisheries product in Myanmar

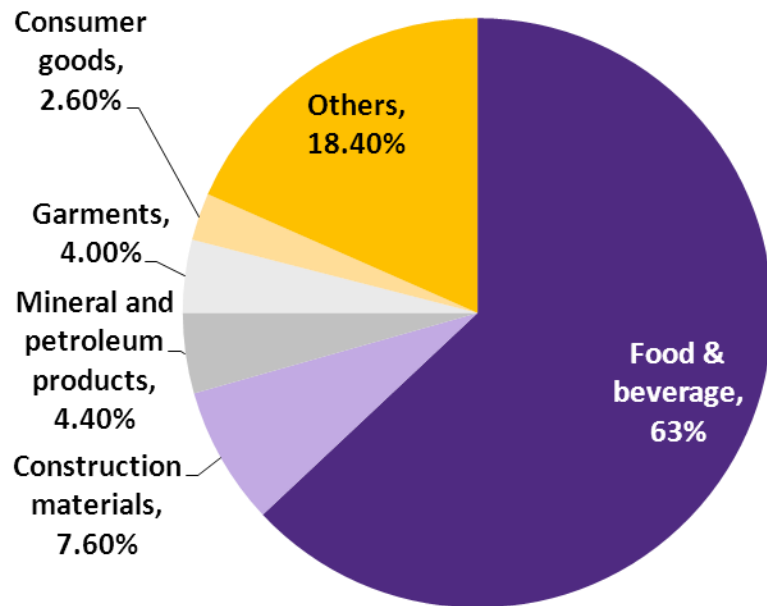
Items	Production 2012 (MT)	CAGR (2009-2012)
Marine fishery (mainly perch likes, crustaceans, herring likes)	2.5	6%
Inland fishery (mainly fish and prawn)	1.3	9%
Aquaculture (mainly freshwater finfish, marine shrimp, freshwater prawn, soft shell crab)	0.9	3%

Source: EIC analysis based on data from FAO, Oil Seed Corporation, Ministry of Livestock, Fisheries and Rural Development,

Though the industry is one of the most competitive in Myanmar, large potential as a seafood exporter to EU and US market is observed after EU GSP reinstated in 2013 and sanction lifted

SME companies in Myanmar

Unit: %



"Myanmar was for a long time considered the rice bowl of Southeast Asia and has huge agricultural potential that has been seized on by a number of foreign investors recently, especially in terms of rice production."

– Baker & McKenzie, June 2013

Fisheries & Aquaculture landscape in Myanmar

Part of the raw products are exported through border trade, then processed and re-exported from Thailand, China, and Bangladesh.

Chinese and Bangladeshi are seen as competitors to Thai buyers as they receive 10% subsidy from their own government, making them more competitive in paying for raw materials than the Thai

However, direct exports from Myanmar are expected to increase after sanctions being lifted, and GSP was reinstated (EBA)

Foreign investors in Myanmar

Processors from Thailand

- Thong Pliss Co.,Ltd J.V. with Htoo Thar Thid J.V. Co.,Ltd
- Siam Jonathan Co., Ltd
- Riuji Siam International (Thailand) Co.,Ltd
- Sang Arun Fishing Co.,Ltd

Source: EIC analysis based on data from ADB and Ministry of Foreign Affairs of Netherlands

Despite high growth prospects, various improvements has to be implemented for the country to reach its full potential

Problems in Myanmar's agricultural/seafood business

Poor logistics quality such as congested ports and poor road quality causing inadequate access to markets

Insufficient and expensive electricity

High cost of inputs such as fertilizers

Low value-add and poor quality products produced from lack of know how and modernized plants resulting in lower producer price



High production cost but low selling price

"We have good natural resources but work is needed to improve infrastructure such as roads and electricity supply. Myanmar is a very large producer of aquaculture products. However, these are not necessarily produced as efficiently as they could be, nor are they the best species to develop an export business with."

– Seafood consultant, March 2014

"Currently, there are less than 10 high-tech and modernized rice mills that can produce 100 to 400 tons in the country."

"25 percent broken rice, which is largely exported to Africa, and many other varieties of rice produced in Burma do not get higher prices in foreign markets as they are not polished during the milling process"

"Also, falling rice prices and surging electricity charges have forced many small- and medium-sized millers to shut down their operations"

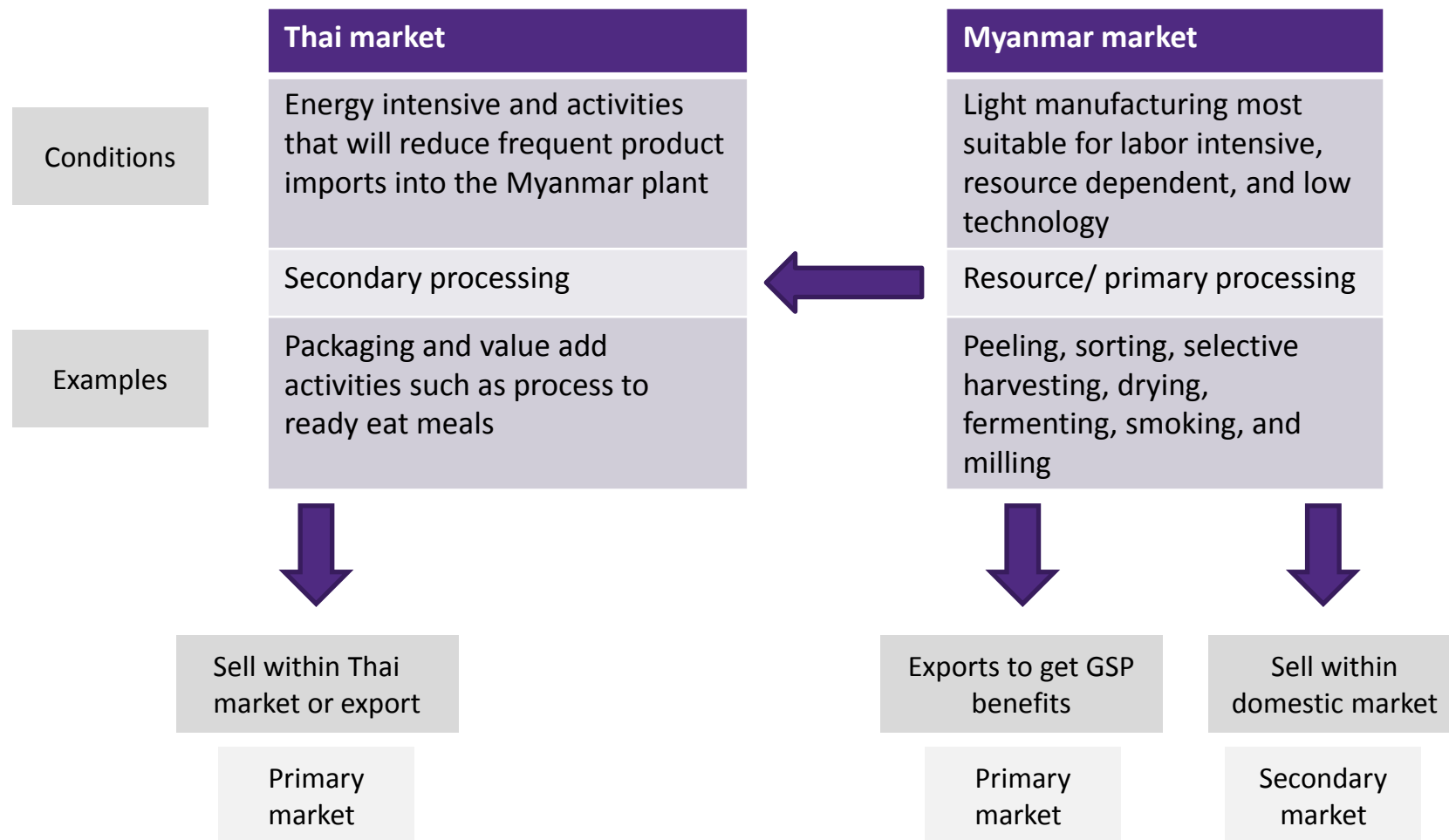
– Myanmar Rice Millers Association, June 2014

"factors hampering growth of agricultural production. These include (i) low producer prices; (ii) high costs for farm inputs such as fertilizers; (iii) inadequate access to markets and inputs due to the poor condition of the rural road network, as well as the imposition of road and bridge tolls by local administrations; (iv) lack of access to credit; (v) limited irrigation; (vi) a land tenure system that provides tillage rights but not ownership;¹³ (vii) nontransparent market mechanisms; (viii) poorly developed research, training, and extension services; (ix) lack of electricity in rural areas; and (x) an appreciating exchange rate. ."

– ADB, March 2014

Source: EIC analysis based on data from

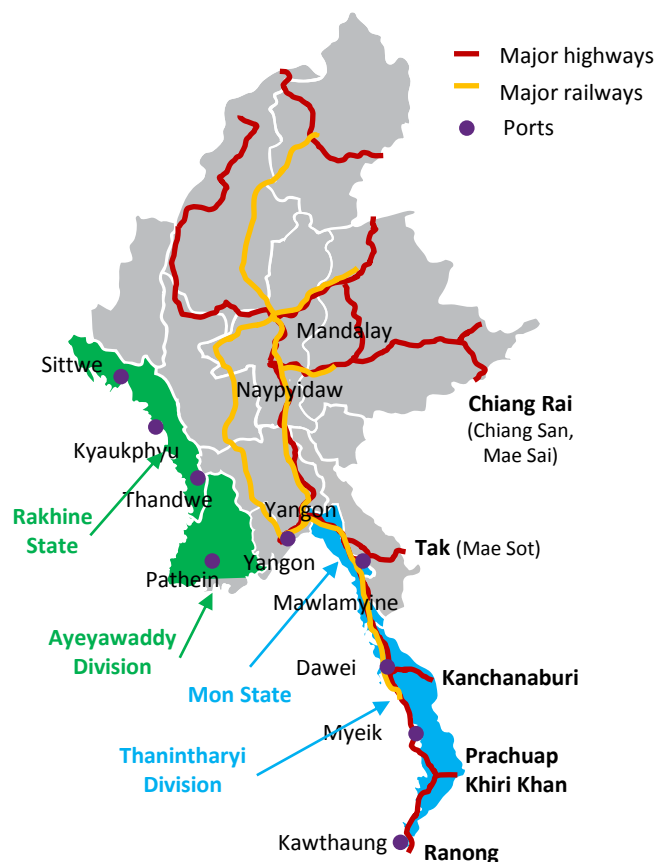
Strategy is to capitalize on resource and labor in Myanmar, while exporting semi-processed food to Thailand for finishing or directly export to Europe



Source: EIC analysis



Moreover, the plant should be located in areas near to major ports as logistics in Myanmar is poor and will be costly



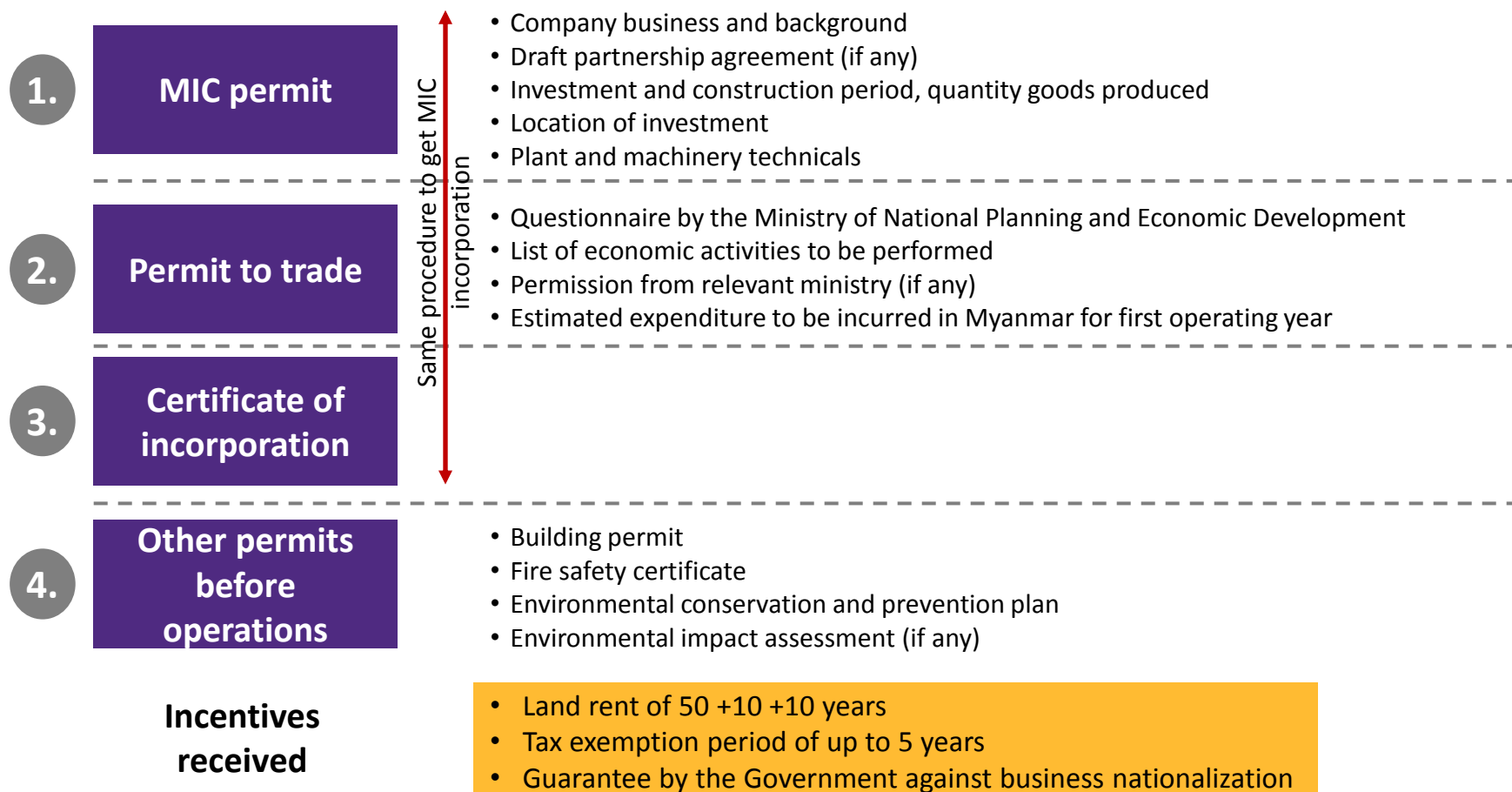
- Strategic locations are areas that are close to ports or border customs
- Areas in the southern province are more recommended due to better Thai transportation and shorter distance of transportation
- Areas in the south (Mon and Tanintharyi) can use both land and sea transportation, seafood processing is recommended due to product abundance, shorter distance and delivery time that is more suitable for products with short expiration periods
- Areas in the north (Rakhine and Ayeyawaddy) is abundant in crop cultivation such as rice, shipping is the only recommended mode and is suitable for products with longer expiration periods

Source: EIC analysis based on data from

Manufacturers will have to apply for MIC permit, which allow long term land provide other incentives such as tax and nationalization protection

Manufacturing incorporation

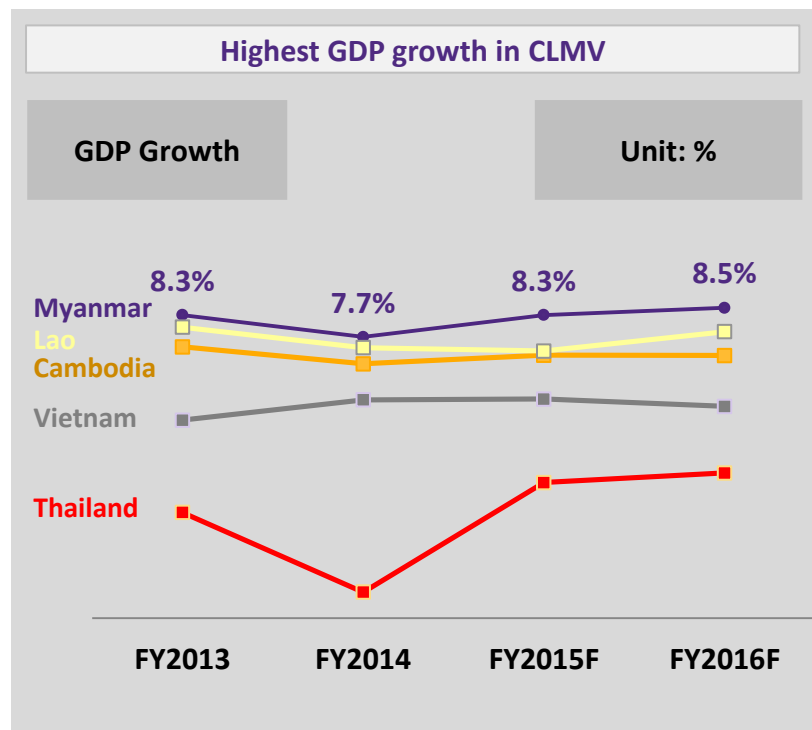
Licensing process



Source: EIC analysis based on data from



Myanmar's economy has accelerated from the surge in FDI and tourism, posing great market and investment potentials for service industry



Foreign capital continues to pour into the country, with surging investment in energy (oil, gas, electricity), telecoms and banking sectors

FDI

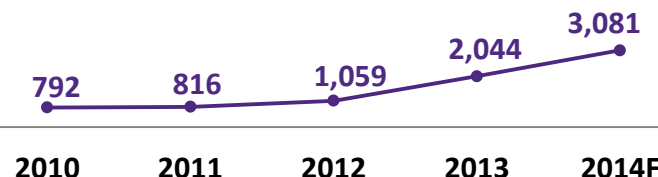
Unit: million USD



Recent sanction lifts spurred visitor growth by 70% CAGR from both business visits and tourists

Visitor arrivals

Unit: thousand persons

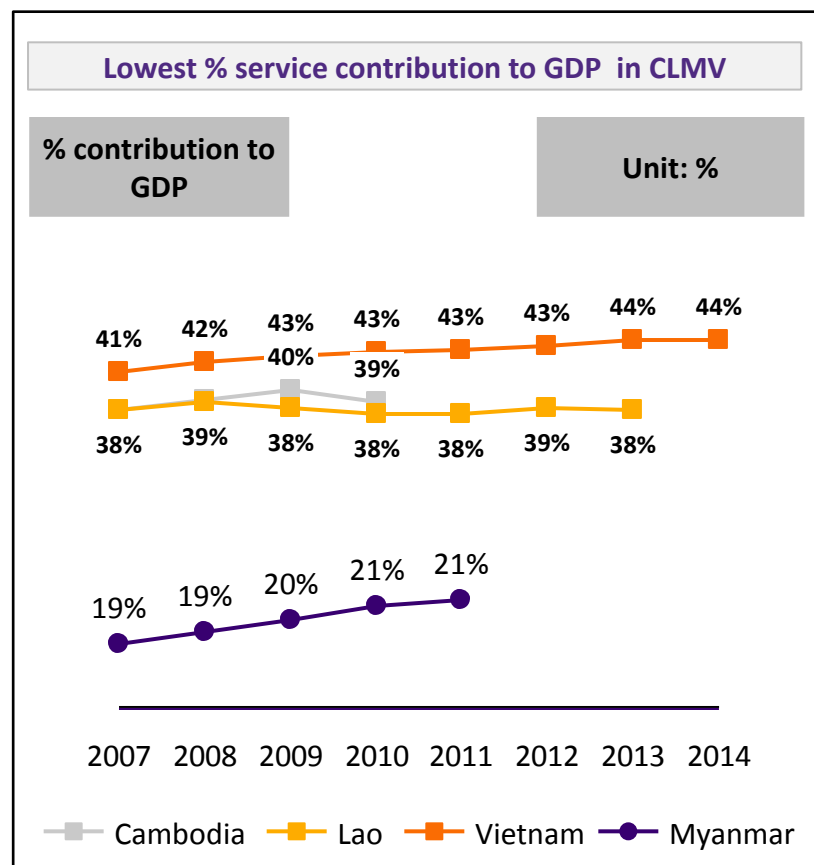


Note: 1. All data are in calendar year, except GDP growth which is on a fiscal year (commencing April) basis.

2. FDI reflects direct investment liabilities in the balance of payments.

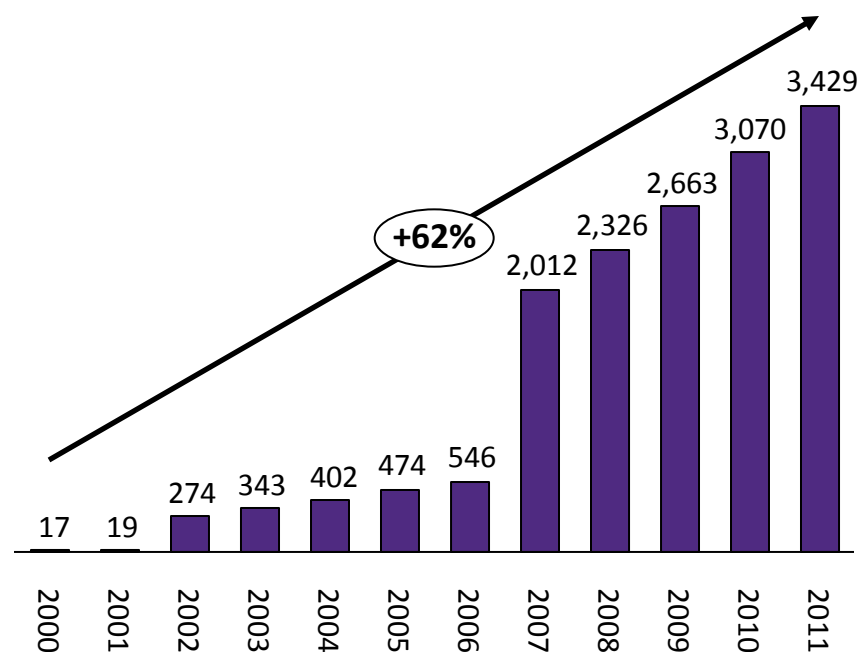
Source: EIC analysis based on data from ADB, CEIC, IMF, Trade Map, and World Bank and Myanmar's Ministry of Hotels and Tourism

The service contribution to GDP is still very small compared to those of other countries but has grown quite substantively over last decade



Service sector revenue growth

unit: billion MYR

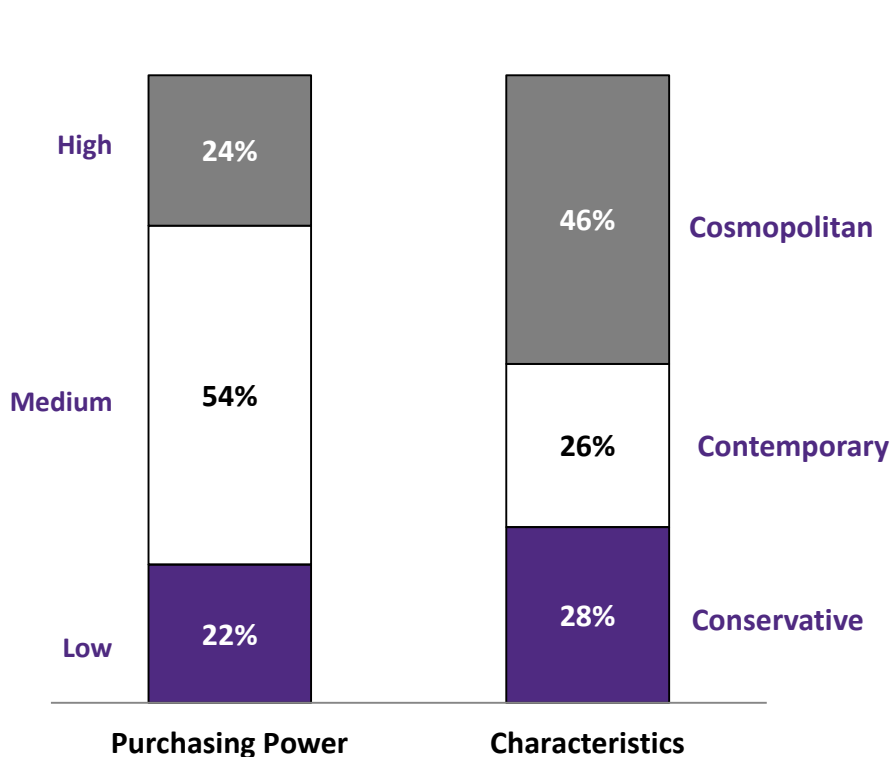


Source: EIC analysis based on data from CEIC

Furthermore, there are potential opportunities to serve sizable young generation with new lifestyle's expectation

Consumer trend in Yangon*

unit: % of samples



Myanmar consumer can be divided into three groups:

1) Cosmopolitan (15-24 years of age group)

- Having started to shop in malls
- 61% males
- Modern lifestyle/ Hang out with friends/ Using internet/ Spending money on brand name products/ Adjusting to a new culture

2) Contemporary (25-34 years of age group)

- Tend to be growing very fast
- Having started to shop in malls
- 60% females
- Don't want to adjust themselves to rapid changes
- Open mind but still conform to tradition
- Start using import products

3) Conservative (aged 45+)

- Still shop at local markets
- 63% females
- Don't want to adjust themselves
- Conform to the tradition

Source: EIC analysis based on data from CEIC and Envirosell

The attractive service business comprises IT network and service, market research, health and wellness service, and restaurant

Attractiveness

Interesting areas

IT network and service

- There has been a continuous influx of FDI in transport and communication sectors during 2014 with 18 projects or 6.68% of the total FDI in 2014
- Moreover, in Q1 15, the eight projects having been approved by DICA value \$ 1,680 million, which is the highest values since 1998 (a total of \$1,505 million had been approving during 1998-2014).
- A number of projects indicates that locals strongly demand for IT network and service providers
- The government has continuously planed to improve broadband connectivity in Yangon, Mandalay, and Ney Phi Taw, and MPT has planed to add 14 million mobile phones to the market by 2016 to increase the subscriber rate from 10% at present to 30% . Therefore, there are a lot of opportunities for new investors to become an IT service provider, especially mobile communication and internet services

- Mobile communication
- Mobile devices
- Internet services
- Wireless communication
- Chanel operator

Health and wellness service

- The health and wellness service will gain a lot of benefits from the increasing number of foreign investors and tourists. According to Myanmar Tourism Master Plan (2013-2020), on the high side, it targets 3.09 million international visitors in 2015 and 7.48 million ones in 2020 (2 million tourist visits in 2013)
- Myanmar people have watched many Thai media and entertainment, which embarks them on the new modern lifestyle and consumption of beauty products and services

- Beauty Salon
- Nail salon
- Facial treatment service
(Franchising business is an interesting method to set up health and wellness service in Myanmar)

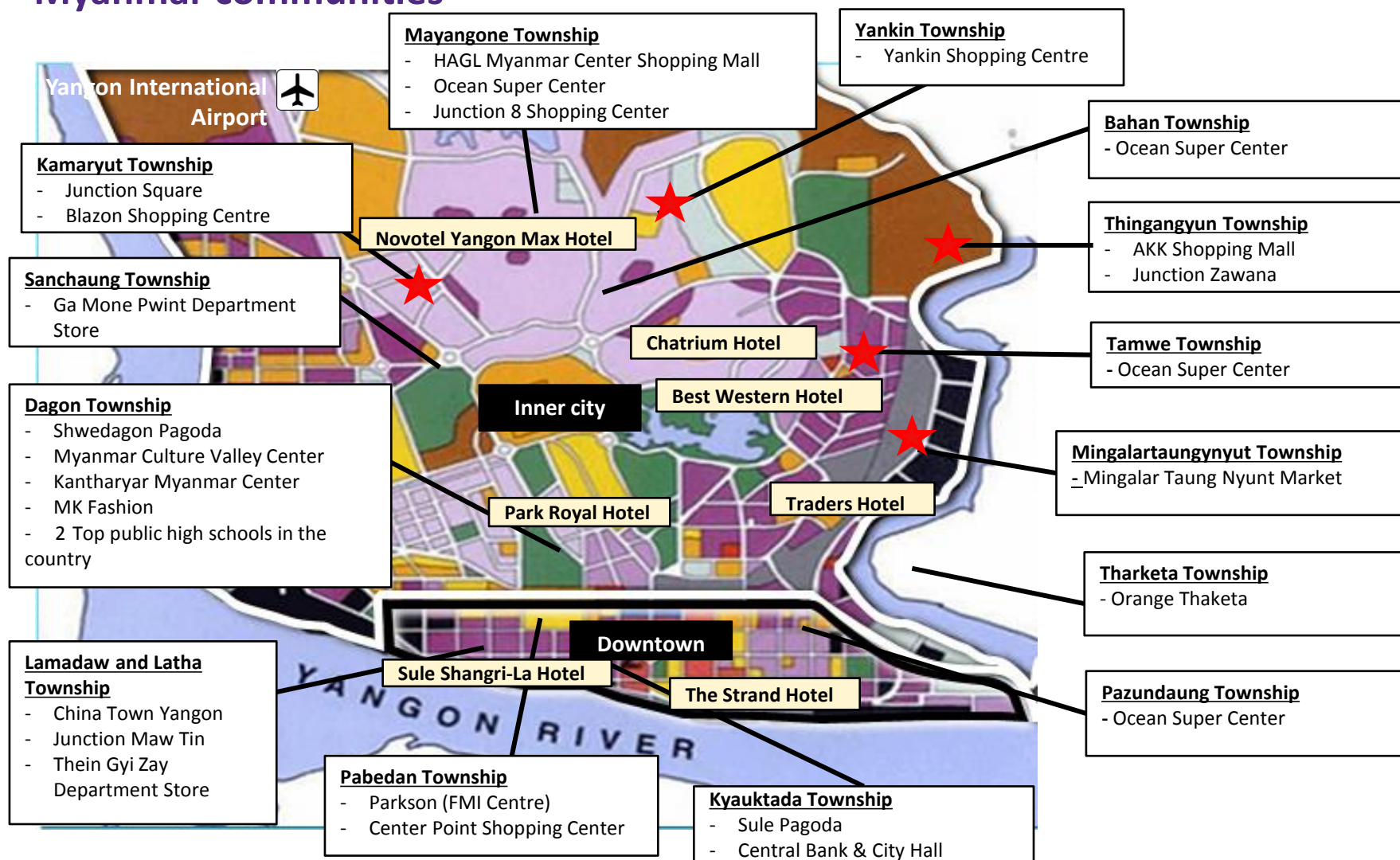
Source: EIC analysis based on data from DICA, MPT, and McKinsey

The attractive service business comprises IT network and service, market research, health and wellness service, and restaurant

	Attractiveness	Interesting areas
Health and wellness service	<ul style="list-style-type: none"> Many affluent Myanmar citizens wish to spend their money on cosmetics, skincare cosmetics, anti-aging, organic & herbal beauty products, make-up, and hair care services to fulfill their needs 	
Market research	<ul style="list-style-type: none"> People around the world still lack the access to Myanmar information. There have hardly been research firms, which can provide public with the up-to-dated information and gather the important and reliable data of Myanmar. Therefore, there is strong appetite for data services in Myanmar. 	<ul style="list-style-type: none"> A lot of areas to conduct research, such as marketing research, real estate research, retail market research, consumer behavior research and healthcare research
Restaurant	<ul style="list-style-type: none"> The per capita food consumption (in local currency terms) will grow at a compound annual rate of 11.7% over 2013-2018, and the country's growing middle and affluent classes are estimated to double by 2020 (from 12 million to 33 million) according to BCG. Therefore, strong opportunities will remain in the sector over the next few years. The emergence of middle and affluent classes will make the country increasingly attractive for fast food chains, as illustrated by Yum Brands having recently opened its first KFC restaurant in the country in 2015 	<ul style="list-style-type: none"> Restaurant Cafe/Coffee Shop/Bakery
Obstacles	<ul style="list-style-type: none"> A lack of skilled labor is still severe barriers to service business operation A service provider can only make a 1 year lease agreement for land and office space 	

Source: EIC analysis based on data from BCG, and McKinsey

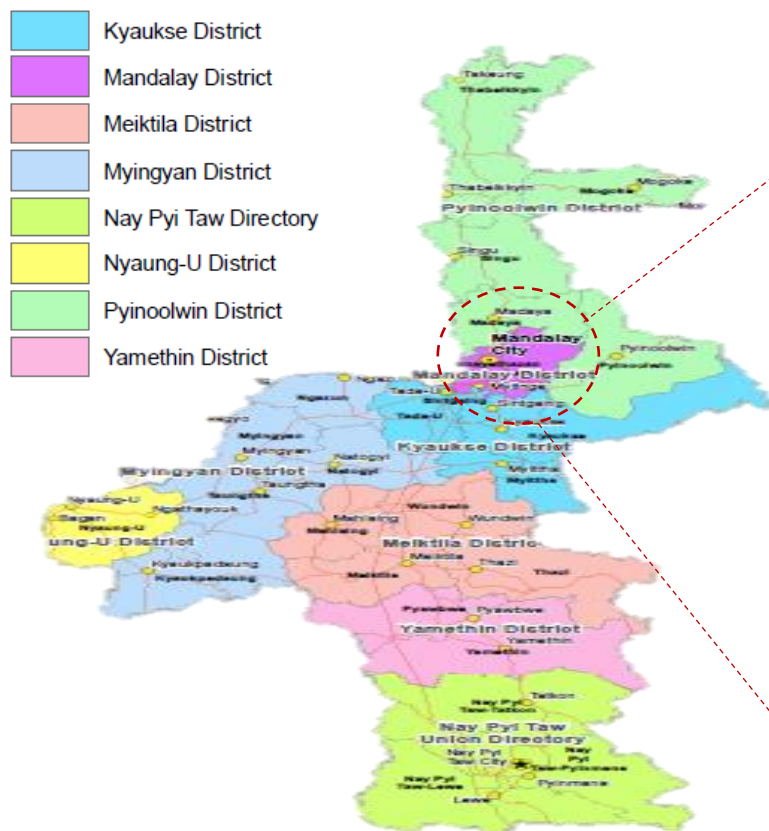
Potential locations in Yangon are areas close to foreigner and wealthy Myanmar communities



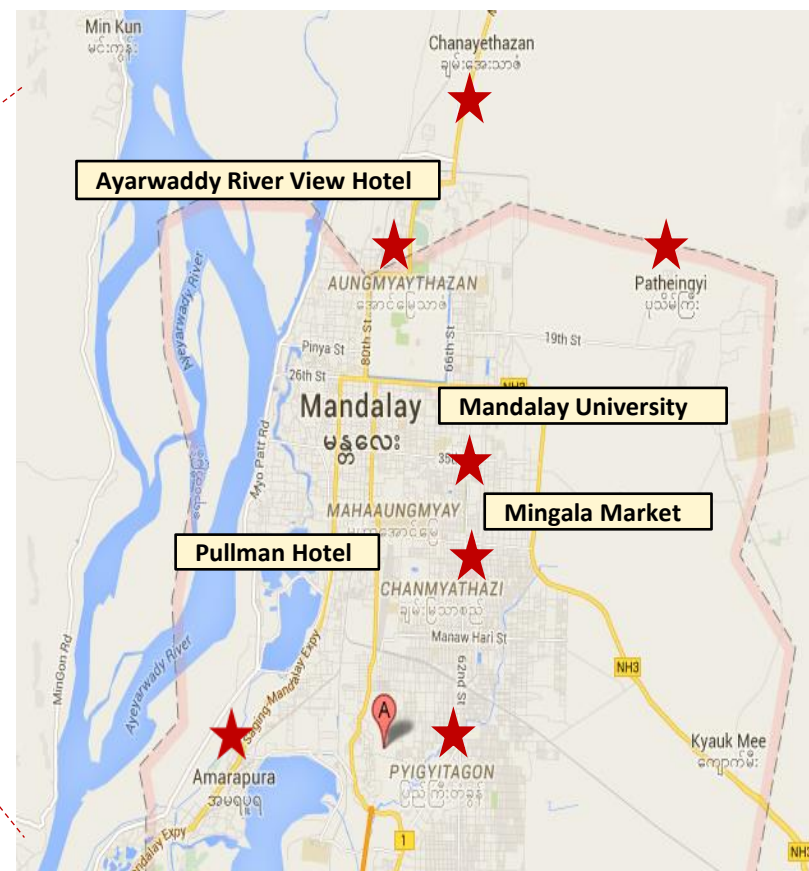
Source: SCB analysis based on Colliers and Google map

Another potential location is in Mandalay with cluster of attractions in city district area

Mandalay area map



Economic and commercial activities township¹



Source: EIC analysis based on data from MIMU and GOOGLE MAP

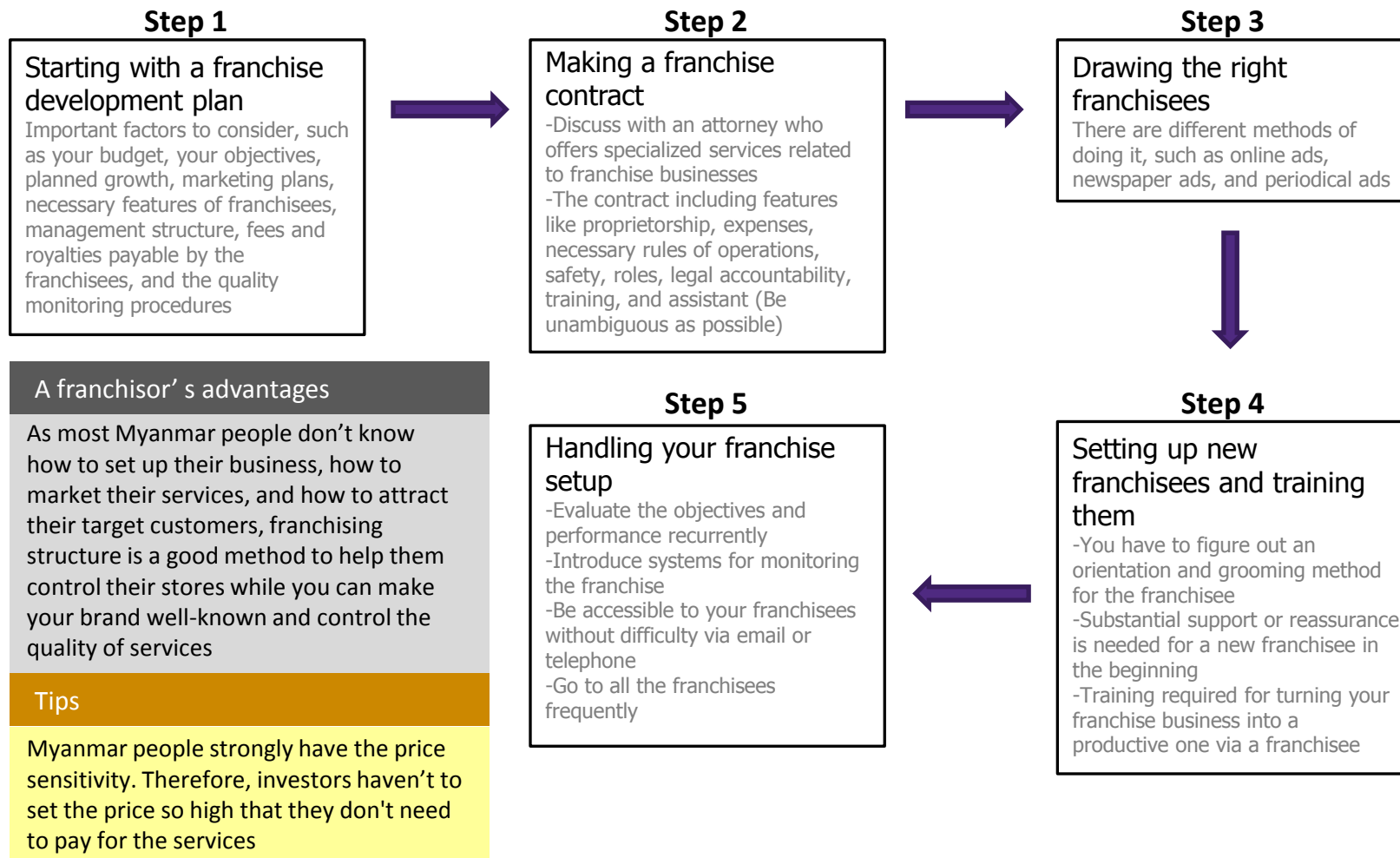
Certain foreign companies in IT network and service, market research, health and wellness service, and restaurant have already entered in Yangon

<u>IT network and service</u>	<u>Restaurant</u>	<u>Market Research</u>	<u>Beauty Service</u>
<p>Thai investors</p> <p></p> <p>Others</p> <p>Telephone, mobile and internet</p> <p>Ooredoo (Qatar)</p> <p>Telenor</p> <p>KDDI Summit Global Myanmar Co., Ltd. (KSGM)</p> <p>Joint venture with MPT</p> <p>Google Inc.</p> <p>Intel Corp.</p> <p>Cisco Systems Inc.</p> <p>Hewlett-Packard Co.</p> <p>Microsoft</p> <p>Locals</p> <p>MPT (Myanmar Post & Telecommunications)</p>	<p>Thai investors</p> <p>Fuji Restaurant</p> <p>Kamayut Township, Yangon</p> <p>Black Canyon Coffee</p> <p>Dagon Township, Yangon</p> <p>COCA SUKI</p> <p>Ahlone Township, Yangon</p> <p>Bangkok Kitchen</p> <p>Natmawk Road, Yangon</p> <p>Others</p> <p>Freshness Burger (Japan)</p> <p>next to the glittering Schwedagon, Yangon</p> <p>Tony Roma's (American)</p> <p>Bahan Township, Yangon</p> <p>Manhattan Fish Market (Singapore)</p> <p>Kannar, Yangon</p> <p>Lotteria (S Korea)</p> <p>Pyay Road, Yangon</p> <p>Marrybrown (Malaysia)</p> <p>Kyauktada Township, Yangon</p> <p>Kentucky Fried Chicken (KFC)</p> <p>Nawaday Road, Dagon townshipYangon</p>	<p>Thai investors</p> <p></p> <p>Others</p> <p>Colliers International</p> <p>Real estate research (hotel, office, serviced apartment)</p> <p>Envirosell</p> <p>Consumer insight research</p> <p>McKinsy & Company</p> <p>Macro & Myanmar's potential</p> <p>BCG</p> <p>Consumer insight research</p> <p>Locals</p> <p>Myanmar Frontier</p> <p>Real estate and construction</p>	<p>Thai investors</p> <p></p> <p>Others</p>

Source: EIC analysis

A franchising structure is a good alternative for setting up service outlets

How to start a franchising business



Source: EIC analysis

Under the Myanmar Companies Act, investors can carry out their businesses in one of the three forms

1 An investment by a foreigner with 100% foreign capital

2 A joint venture with a citizen, private company or the government department and organization

3 Any system contained in the contract which approved by both parties

Other important matters

Repatriation of income and capital

CA companies require approval of the Foreign Exchange Management Board

Exchange controls

- *Dealing with foreign exchange requires permission from Central Bank of Myanmar*
- *The rate of exchange are authorized by the Central Bank of Myanmar*

Foreign ownership of land and immovable property

- Prohibited
- Lease land from private sector for only one year at a time
- Price's problems are too high, not enough apartments and office buildings

Tax

- Companies incorporated under Myanmar Company Act : 25% on total income before deductible expenses
- Income Tax on Non-residence foreigners 35%
- Income Tax on Residence foreigners 1%-20%
- Commercial tax on service 5%

Minimum Capital requirements

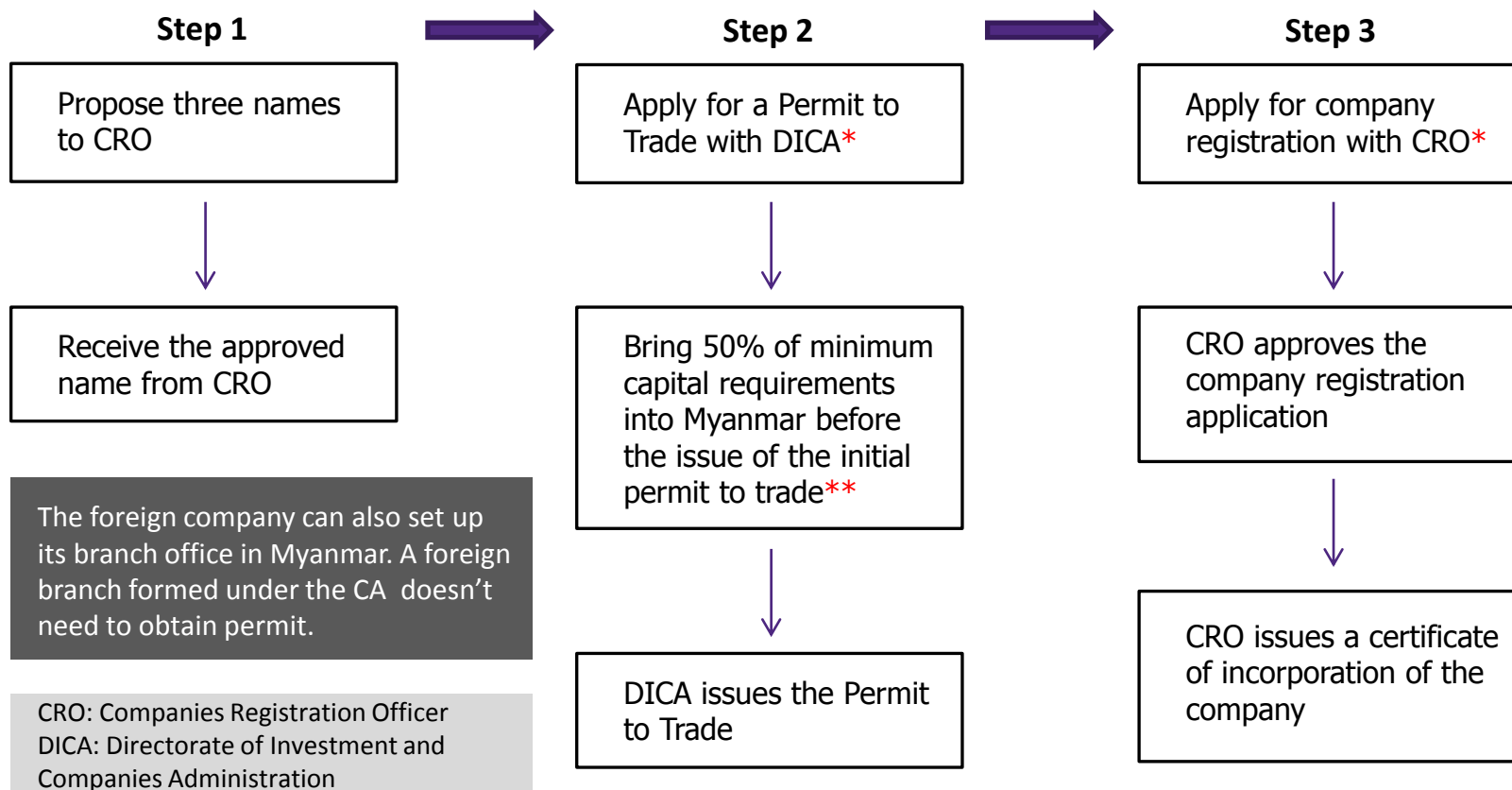
- ***Service company: \$50,000***

Administrator: Directorate of Investment and Companies Administration

Source: EIC analysis based on data from DICA



Setting up their companies in Myanmar, investors have to apply for a permit to trade and then register with CRO under Myanmar Companies Act (CA)



*In case of a foreign branch/representative office, additional documents will be submitted as required while applying for permit to trade and company registration

**Second half may be remitted to Myanmar one year from the date of issue of the permit

Note: A joint-venture private limited company with a government entity formed under the Special Company Act is exempted from obtaining a permit to trade

Source: EIC analysis based on data from DICA

Investors interested in service industry should contact other private local companies or associations for assistance



Ministry of Hotel and Tourism

Building No. (33), Nay Pyi Taw, Union of Myanmar

Tel: 95 67 406129, 406061

Email: mo.moht@mptmail.net.mm , mohtmail@gmail.com

Website: www.myanmar-tourism.org



Myanmar Hotelier Association

No. 3A, Corner of Waizayandar Rd & Thanthumar Rd, Thuwana, Thingangyun Tsp, Yangon

Tel: 95 18 551014, 551015

E-mail: myanhotelier.org@gmail.com

Website: www.myanmarhotelier.org



Myanmar Restaurant Association

No-40/42, 5th Floor, Bo Soon Pat Street, Pabedan Township, Yangon, Myanmar

Tel: 95 97 319 2200, 2500 87536

E-mail: office@myanmar-restaurantassociation.com

Website: www.myanmar-restaurantassociation.com



Myanmar Chef's Association

E-mail: president@myanmarchefs.com

Website: www.myanmarchefs.com



Myanmar Retailers Association

8th Floor, Building (C) New Mingalar Market Corner of Satyone Road and Banyardala Road Mingalar Taung Nyunt Township Yangon

Tel: 09 31 422555, 09 31 422777

E-mail: info@mramyanmar.com

Website: www.mramyanmar.com



MFPEA

Myanmar Food Processors & Exporters Association

Myanmar Food Processors and Exporters Association

29, 6th Flr, Min Ye Kyaw Swar Rd., UMFCCI Tower, Ward (8), LMDW

Tel: 214846, 2300376, 0973097390



Food Science and Technology Association of Myanmar (FoSTA)

Tel: 09 42 5305997, 09 73 174918

E-mail: fostamyanmar@gmail.com

Source: EIC analysis based on data from those websites



Agenda

- **Country at a glance**
 - **Investment environment**
 - **Getting started**
 - Who to contact and partner
 - Costs of doing business
 - Labor market
 - Banking “need-to-know”
 - Investment Regulations & Tax
 - **Tips for doing business in Myanmar**
-

Investors interested in investing in Myanmar should consider seeking information from various sources both public and private

Government contacts

- Both Myanmar and Thai government agencies can help facilitate/provide insightful information regarding investments. Prominent agencies to contact are for example:
 - **Myanmar Investment Commission (MIC)**
 - **Regional government**
 - The Board of Investment of Thailand (BOI)
 - Department of Trade Negotiations –Thailand
- In certain businesses i.e. power, investors will need additional permits from associated ministries

Private contacts

- Private contact points can also be useful, ones that are very useful are for example:
 - **The Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)**, a national level non-governmental organization with almost 30,000 members
- Law firms also provide valuable information especially regarding new regulatory updates

Other tips:

- Find who the decision maker in each department is since different people in the ministry will have different understanding and information
- Make sure that the potential Myanmar partner company is real, banks can help verify
- Influential people in Myanmar are still sanctioned by i.e. the US government, investors wanting foreign loans should check if the partner is sanctioned

Source: EIC analysis based on data from UMFCCI

Investors interested in selling products in Myanmar could consider using local distribution companies, meanwhile retailing needs trained staff

Logistics supply chain

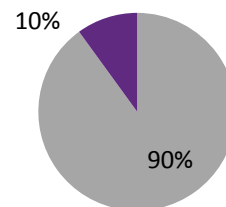


Key players in the distribution market

Distributors	Outlets	Notes
Myanmar Distribution Group	32,000 outlets	N.A.
Pahtama Group	30,000 outlets	Exclusive distributor for Nestle, P&G, Abbott, Nongshim, and etc.
Mega Lifesciences	27,204 outlets	Largest pharmaceutical distributor in Myanmar
MK Distribution	18,000 outlets	Distributor for MAMA instant noodles and snacks, etc.
DKSH	N.A.	Serve more than 28,300 customers in Myanmar

In many cases, distribution is not the core business of large distributors

■ Traditional trade ■ Modern trade



Traditional trade is still prominent in Myanmar i.e. wet markets, but modern trade is growing especially in large cities like Yangon

Top modern trade players in Myanmar

Players	% selling floor area
City Mart Group	41%
Sein Gay Har	14%
Gamone Pwint	14%

Myanmar citizens do not know how to manage stores and do not understand the concept of expiration dates, Thai investors should go into Myanmar to set up the system first

Source: EIC analysis based on data from City Mart, Myanmar Distribution Group, Pahtama Group, Mega Lifesciences, MK Distribution, and DKSH

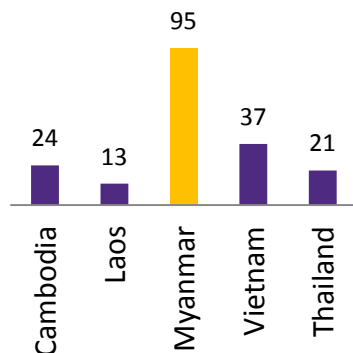
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Business related costs are highest in Myanmar when compared among CLMVT countries, while the cheapest is Laos

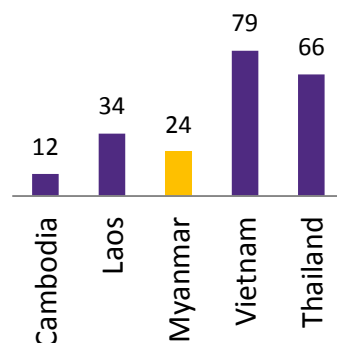
Office rent

Unit: USD/ sq.m./month



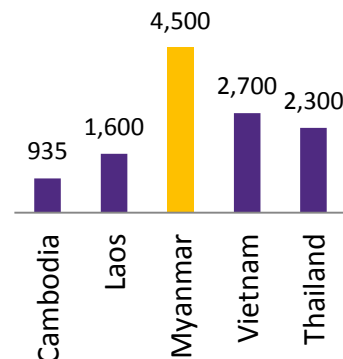
Store rent in city center

Unit: USD/ sq.m./month



Housing rent

Unit: USD/ month

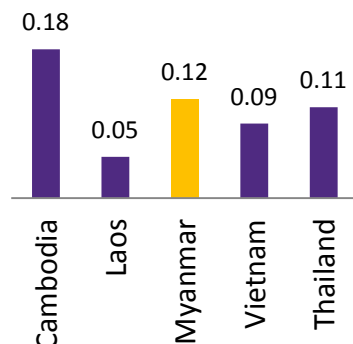


Overall ranking (1= cheapest)

Country	Ranking
Laos	1
Vietnam	2
Thailand	3
Cambodia	4
Myanmar	5

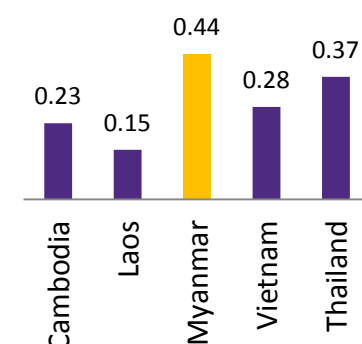
Electricity price

Unit: USD/ unit

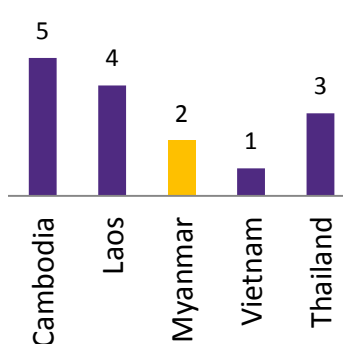


Water price

Unit: USD/ cubic meters



Food price ranking¹



- Most of the water used is groundwater
- Almost every business will need to buy electricity generators due to overall shortage

1. Includes groceries and prices of food in restaurants

Source: EIC analysis based on data from Investment Myanmar, Jetro, and Numbeo

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Myanmar's new labor law aims to improve labor conditions and promote citizen's skill development

Labor law updates

Working Hours:

- 8 hours per day, 44-48 hours per week depending on position, beyond the hours must pay overtime rate that is double of ordinary wage and cannot exceed 12-16 hours per week
- **Usual business hours in Myanmar:**
 - Government: 8:00-16:30, Monday to Friday
 - Post offices: 9:30-15:30, Monday to Friday
 - Restaurants: 7:00-21:00
 - Shops: 9:30-18:00
 - Malls:

Leave and holidays:

- 6 days casual leave per year
- 10 days earned leave per year
- 30 days medical leave per year
- 21 public holidays per year

Minimum wage:

- Direction of the wage is still uncertain
- However the union is trying to push the rate to 200 THB/day or double the rate

Additional requirements under FIL:

- Unskilled positions must be filled by Myanmar citizens
- Need to provide skills training for local staff
- During the first 2 years of operations, 25% of company's skilled workforce and technicians must be Myanmar citizens and gradually increase to 75% by the 5th year

Training:

- Must contribute 0.5% equivalent of employee's salary to the Employee Skill Development Fund
- Must provide training according to the policy of the Skill Development Team such as on the job training, systematic training program, and outside training

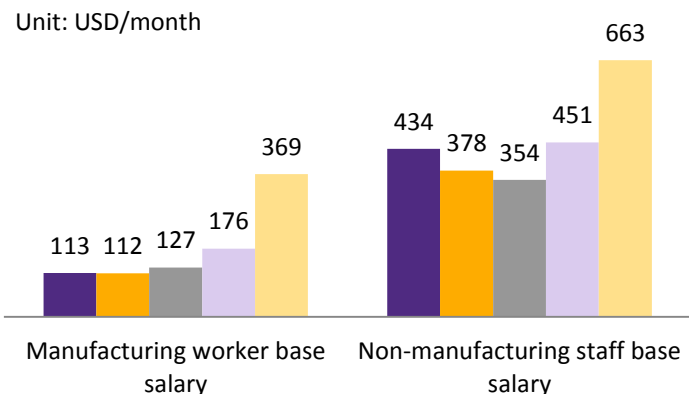
Social security:

- Employers with 5 or more employees will have to contribute 2.5% and employees 1.5% of the employee's salary

Source: EIC analysis based on data from Legal ink and MyanmarBurma

Average labor costs in Myanmar is low and comparable to Laos and Cambodia, investors will need to provide high amounts of training to employees

Surveyed base salary in CLMVT



Surveyed bonus in CLMVT



Labor conditions in Myanmar

Large portion of workers just moved from rural areas and do not know what is quality work or good standard of work	Need to be very selective in recruiting and testing the candidate	People are very conservative, traditional, and hierarchical	Paying market competitive salary is important	Staff expect boss to pay salary in cash	On the job training is very important
Common ways to find labor in Myanmar: <ol style="list-style-type: none"> 1. Word of mouth, from highly integrated society 2. Agents 3. Newspaper advertisements 					

Source: EIC analysis based on data from Consult Myanmar and JETRO

Employers should consider television, newspapers, and radio as methods to find employees and advertise, in addition to word of mouth and internet

Popular ways of communication in Myanmar

Television

TV channels	Coverage (sq. km)	Languages
MRTV	Nation-wide	Myanmar
Myanmar International	Nation-wide	English
Myawaddy	Nation-wide	Myanmar
MRTV-4	83,000	Myanmar
Channel 7	83,000	Myanmar

- **Word of mouth** communication is also important in Myanmar since the society is highly integrated

Newspapers

Two most read newspapers are Weekly Eleven and 7 Days News

- **Internet** is also an emerging segment especially in Yangon and Mandalay
- The overall internet penetration in Myanmar is expected to be at 50% in 2014, driven mainly by smartphones

Radio

Radio	Coverage
Yangon City	Yangon
Mandalay	Yangon and Mandalay
Ruby FM	Mandalay
Myanmar Radio	Rural areas

Source: EIC analysis based on data from MIMU, MMRD, Mizzima, and Yozzo



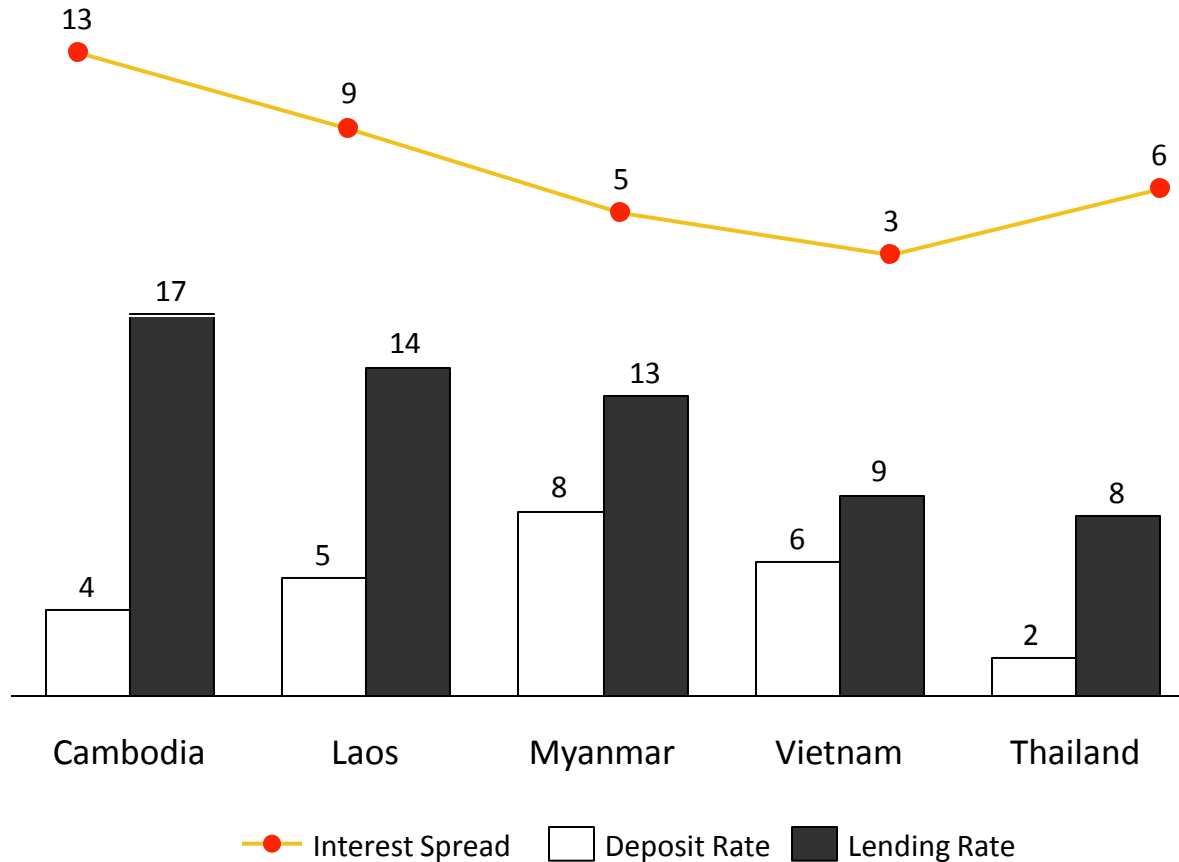
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Myanmar lending rate is still higher than those in Thailand and Vietnam, while deposit is the highest among CLMVT

Deposit rate, lending rate, and interest spread

Unit: %

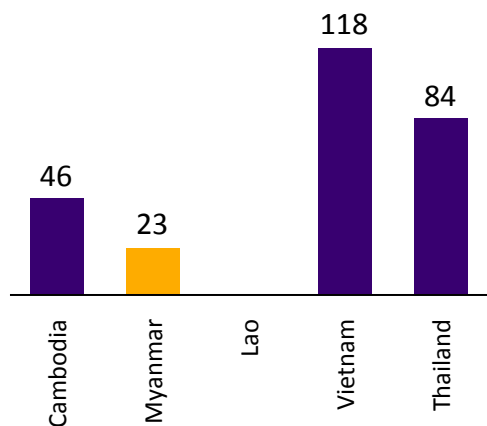


Source: EIC Analysis based on data from NBC and world bank

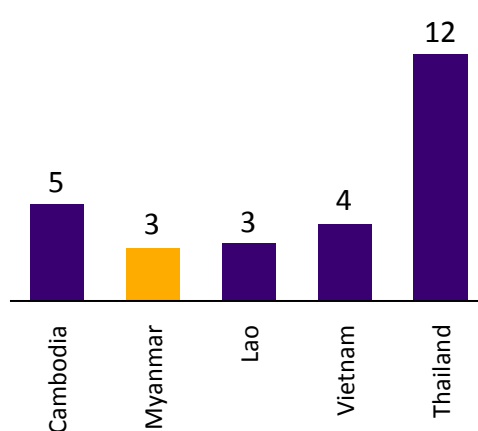


Myanmar's financial services are not widely available observed from the number of branches, ATMs, deposits and loans

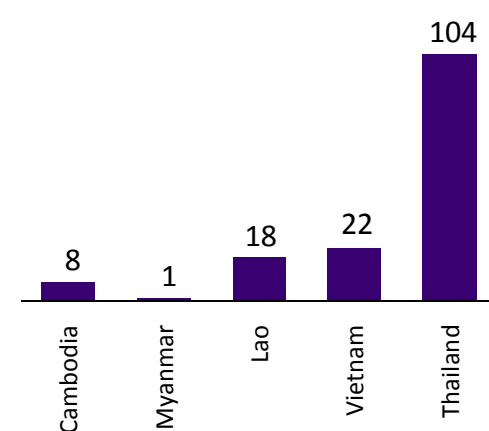
Outstanding deposits with commercial banks (% of GDP)



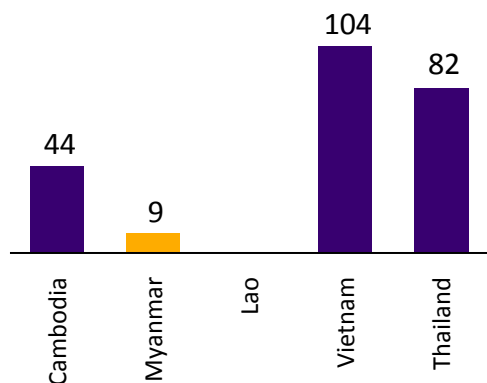
Commercial bank branches per 100,000 adults



ATM per 100,000 adults

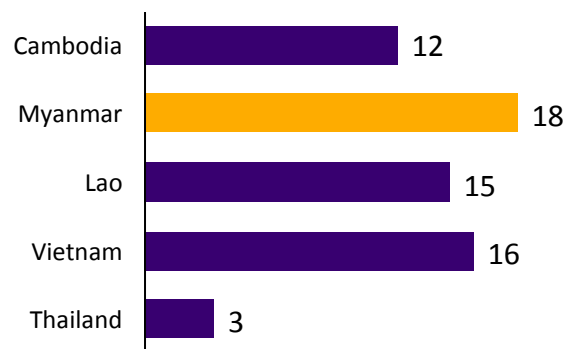


Outstanding loans from commercial banks (% of GDP)



Access to financing

Unit: percent of responses



Source: EIC Analysis based on data from World Bank



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Foreign-invested companies must abide by restrictions especially with regards to retail businesses

Myanmar Investment Restrictions

Foreign companies in Myanmar cannot engage in export/import activities except if registered under MIC as manufacturing firms; can only import raw materials and export processed goods

Retail & Wholesale		Company	Miscellaneous
<ul style="list-style-type: none">• Small-scaled retail trading not allowed• Supermarkets, shopping centers must not be in close vicinity of shops owned by citizens• Citizens own 40% of joint venture enterprises• Priority given to local products• Retailing business in other shops must comply with followings: Department stores and hypermarkets must have an area 50,000 sqft ,and supermarkets 12,000-20,000 sqft		<ul style="list-style-type: none">• Agency offices are permitted, but Myanmar nationals must be employed to perform agency services• 25% of the company's skilled employees must be Myanmar citizens in the first two years of operation; the ratio increases to 50% in the following 2 years; then, 75% 5th year onwards	<ul style="list-style-type: none">• Small, medium sized warehouses are not allowed• Setting up branch shops are allowed only as a franchise (foreign franchisor, local franchisee)

Source: EIC analysis based on data from Customs Department, WTO, Lawgazette, Polastri Wint & partners

Personal tax top bracket for non-resident foreigners are highest among CLMV; however, Corporate tax for special investment receives 5-7 years tax holidays

Personal Income Tax	Tax Rates
Salaries	
Foreigners engaged under special permission in State-sponsored projects, enterprises, received in Kyats	20%
• Resident foreigners	from 1% to 20%
• Non-resident foreigners	35%
<i>Residence— A foreigner who lives in Myanmar for at least 183 days during the income year is treated as a resident. Individuals working for MFIL companies are treated as resident foreigners, regardless of their period of stay in Myanmar</i>	
<i>Resident Foreigner is subject to tax on all income derived from sources within or outside Myanmar</i>	
Other income	
Myanmar Nationals	2% to 30%
Resident foreigners (only 2% to 30%)	2% to 30%
Non-resident foreigners	35%
Capital gains tax	
• Resident (both National and Foreigner)	10%
• Non-resident	40%
Withholding tax	
Dividends	No tax
Interest	No tax to a resident
	15% to a nonresident
	15% to a resident
Royalties	20% to a nonresident

Corporate Income Tax	Tax Rates
Companies incorporated in Myanmar under Myanmar Companies Act	
• Trade/business income for resident companies	25%
<i>** Tax holidays first 5-7 years for MFIL/SEZ</i>	
• Rental income from movable or immovable property	25%
• Non-resident foreign organizations such as a branch of a foreign company	35%
Capital gains tax	
• Resident companies	10%
• Non-resident companies	40%
<i>(except transfer of shares in an oil and gas company where the rates ranging from 40% to 50% will apply on gains)</i>	

Source: EIC analysis based on data from Polastri Wint & partners, PwC

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Tips for doing business in Myanmar

- Most convenient mode of transportation is road but the cheapest is via rail
- Thilawa SEZ is recommended for light manufacturing and it is one of the most developed SEZ
- Registration can be shorten through one-stop-service center, currently, there is one at Thilawa SEZ
- Fishery/aquaculture industries can expand there due to cheap labor, abundant coastal resources and GSP tax advantages
- Poor infrastructure must be taken into consideration as it can add extra unexpected costs
- Plants should be located near ports or borders to mitigate the negative impact of poor logistic routes
- Finance in Myanmar is yet to be developed; source funding/advisory from Thailand can be an option for investors with better lending rate

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Note

Short articles on topical events

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