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MYANMAR

AGRICULTURE GUIDE 2016

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EuroCham serves as the voice of European business in Myanmar. Its main mission is to significantly increase the presence of European companies in the country and to facilitate market access particularly for European SMEs – by advocating for member interests with the government and organisations in Myanmar, the ASEAN region and the EU.

With a strong, growing network of partners, EuroCham offers on-the- ground assistance for European businesses interested in commercial endeavours in Myanmar, whether in the form of advocacy, business services, research or networking.

Myanmar currently finds itself at a political and economic crossroads. After opening up to the world in 2011 and holding its first credible elections for decades in 2015, interest within the European business community in the many underdeveloped economic sectors in the country is on the rise.

Now that Myanmar is re-entering the global community, there is no better time and opportunity for the European business community – and particularly EU SMEs – to invest in one of the fastest growing economies in the world.

This sector guide provides entry-level information for European companies planning to enter this fascinating frontier market. Please contact us for further information and support.

Yangon, November 2016

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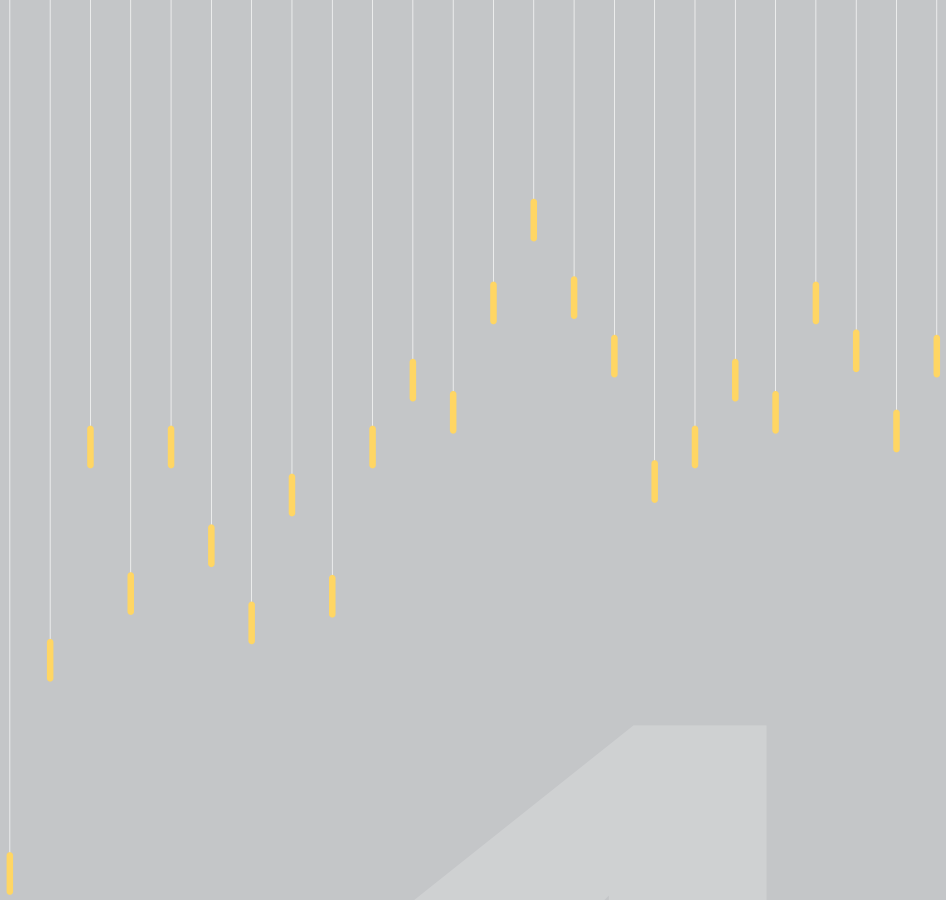
ACRONYMS

FAO	*Food and Agriculture Organization*
MADB	*Myanma Agricultural Development Bank*
MFI	*Microfinance Institutions*
DICA	*Directorate of Investment and Company Administration*
FDI	*Foreign Direct Investment*
ADB	*Asian Development Bank*
EU	*European Union*
GAP	*Good Agricultural Practices*
EIA	*Environmental Impact Assessment*
MIC	*Myanmar Investment Commission*
UMFCCI	*Union of Myanmar Federation of Chambers of Commerce and Industry*
MAPCO	*Myanmar Agribusiness Public Corporation*
FIL	*Foreign Investment Law*
ASEAN	*Association of Southeast Asian Nations*
AEC	*ASEAN Economic Community*



1. SECTOR OVERVIEW

Myanmar's predominantly agro-based economy is dominated by a single crop: rice. Most rice production is small-scale and many farmers exist at, or almost at, a subsistence level. According to the data from the Food and Agriculture Organization (FAO) of the United Nations Statistics Division, Myanmar was the world's top rice exporter from 1961 to 1963, shipping 1.6-1.7 million tonnes of rice a year before being replaced by Thailand. Today, Myanmar is the world's 9th biggest exporter of rice and 2nd top exporter of beans and pulses, following Canada.

Myanmar's export decline was driven by a number of contributing factors, the most important of which were misguided government interventions and inefficient economic policies. During the socialist government (1962-1988), an emphasis was placed on central planning and there was major government intervention in the sector. Until August 1987, the government controlled the marketing of rice via a procurement and distribution system.

In September 1988 the military regime assumed power and reoriented the country toward a more market-based economy, with the aim of promoting exports and increasing production. As a result, since 1988 agricultural production and exports have increased, albeit slowly due to underinvestment in the sector.

Out of 167.2 million acres of land in Myanmar, 19.75 million acres are agricultural. The agricultural sector contributes approximately 36% of GDP and employs approximately 60% of the labour force, accounting for over 20% of export earnings. Across its varied agro-ecological contexts, Myanmar is able to grow crops such as rice, maize, sesame, pulses and beans, fruits and vegetables, as well as perennial plants, for export to international markets.

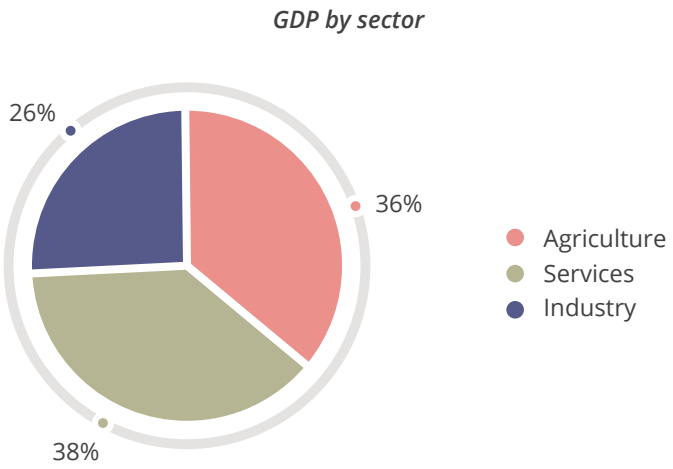


Figure 1: Myanmar's GDP breakdown by sector last measured in 2010 (Source - World Bank)

1.1. CURRENT MARKET SITUATION

Compared with international standards or even regional peers, agriculture is a very labour-intensive industry in Myanmar as most of the activities are carried out manually with low levels of mechanization. This directly links to the low productivity and agricultural output. Moreover, investment in this sector remains minimal and the industry lacks modern warehousing, distribution and logistics facilities, packaging and branding. Poor quality seeds and irrigation also hinder the agricultural sector's ability to reach its full potential. Agricultural land is also currently under-capitalised and farmers have very limited access to credit. They often have no choice but to borrow capital at exorbitant interest rates and suffer from high finance costs. Despite these challenges, the agricultural sector has the potential to see rapid growth with the introduction of better access to capital for farmers, greater availability of better seeds, more modern logistics and an increased use of technology.

Although the government has seed distribution schemes, they are under-resourced. According to the World Bank, the supply of certified paddy seeds meets no more than 1% of the potential demand. The public system, therefore, does not come close to producing enough quality seeds, and the private sector at present has not picked up the slack. Private seed providers have not been able to produce enough to meet demand, nor import the required amounts of quality seeds. As a result, many Myanmar farmers use their own seeds, which are often of poor quality. A lack of quality seeds directly equates with low productivity and is, thus, a major challenge to the growth of this sector.

Regarding credit, about 71% of farmers receive loans from the state-owned Myanma Agricultural Development Bank (MADB). In total, 80% of those loans are provided to small farmers engaged in paddy production and are only large enough to purchase inputs for the following cropping season, so are insufficient to purchase farm tools and equipment. Although MADB offers loans to farmers, there is a cap on the loan size. Farmers can take out 12-month loans of MMK 100,000 per acre for up to 10 acres if they are growing paddy or sugar cane. Those growing sesame, pulses and peas, long cotton fibre, sorghum, and corn can take out loans of up to MMK 20,000 per acre. The interest rate is 5% per annum.

Besides MADB, the government has also been providing low interest loans to farmers under the name of cooperatives. Over the recent years, more sources of finance have emerged, such as microfinance. Private microfinance institutions (MFIs) also offer loans at low interest rates. However, with limitations such as the limited reach and loan size caps, informal sources of credit such as private money lenders have become a major source of capital for many farmers. These money lenders usually charge a monthly interest rate of 10-20%. Overall, the limited nature of financing sources available restricts the diversification opportunities for small farmers.

According to some sources, the government has allocated nearly 0.8 million hectares of land in large concessions to local agribusiness companies and to foreign investors since 2010.

1.2. LOCATION OF AGRICULTURE PRODUCTION SITES

Agriculture products mainly come from five regions: Ayeyarwaddy, Sagaing, Bago, Magway and Mandalay. About 70% of the cultivated land in Myanmar is found in these five regions.

The following map shows major crops by zones.

Hilly and Mountainous Zone
Regions: Shan, Chin

Major Crops:
Rice, Wheat, Maize, Sorghum, Vegetables, Sugarcane, Coffee

Central Dry Zone
Region/States: Magway, Mandalay

Major Crops:
Rice (subsistence), Oil crops, Pulses, Vegetables, Tea, Sesame, Groundnuts

Delta Zone
Region: Bago, Yangon, Ayeyarwady, Mon State

Major Crops:
Rice (Delta type rice production, intensive rice production using canals for irrigation), Pulses

Coastal Zone
Region: Tanintharyi Region, Mon State, Kayin State

Major Crops:
Rice, Rubber, Oil, Palm, Fruits Tree

1.3. TYPES OF AGRICULTURE PRODUCTS

Rice is grown on nearly 20 million acres (7.8 million hectares) and is by far the most common crop choice for farmers. Its closest rival, pulses and beans, are grown on 11 million acres (4.5 million hectares). Rice is grown in two seasons: summer and monsoon. The summer crop has a higher per acre yield, though farmers can only grow it on just over 3 million acres because of the limited availability of irrigation. The other main crops include sesame seed, cereal, ground nut, rubber, maize, cotton, sugarcane and coffee.

Myanmar is the world's second largest exporter of beans and pulses, after Canada. It mostly exports to India, the United Arab Emirates, Thailand, Bangladesh, and China. In 2014 alone, USD 835 million of beans and pulses were exported, exceeding the export value of rice, which was estimated to be USD 630 million.

1.4. AGRICULTURE SECTOR STATISTICS

According to official figures from the Directorate of Investment and Company (DICA) Registration, from 1998 up to 31 May 2016, there have been only 19 enterprises for Foreign Direct Investment (FDI) in the agricultural sector, which amount to USD 250 million. This accounts for only 0.39% of the total FDI of USD 63 billion from 1998–2016. In terms of local investment, currently there are only six Myanmar enterprises with a total investment of USD 52 million in the sector, contributing 0.42% of the total investment by local companies permitted under the Myanmar Citizens Investment Law.

The agriculture sector contributes around 25% of export earnings, according to data from the Department of Agricultural Planning under the Ministry of Agriculture, Livestock and Irrigation.

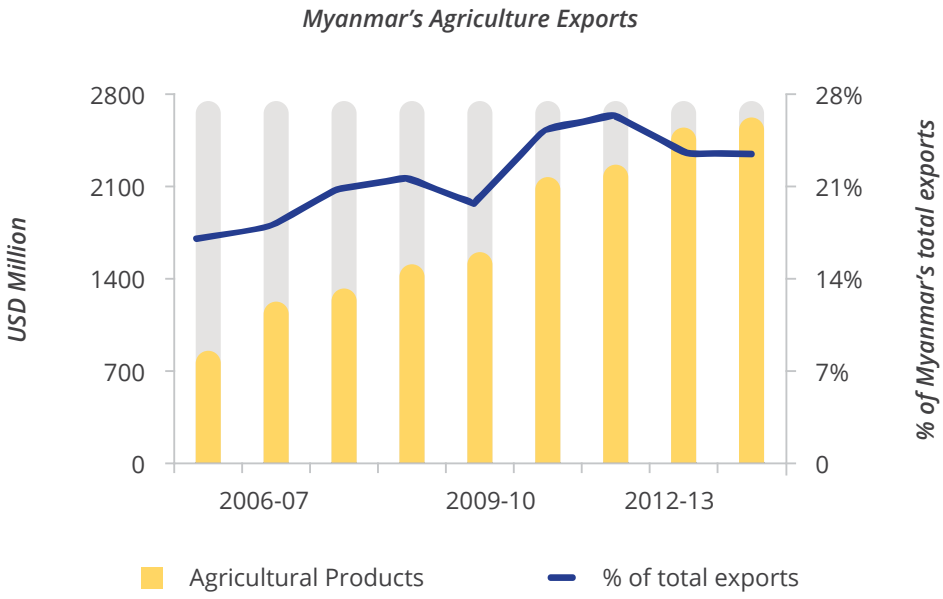


Figure 2: Myanmar's total agricultural exports (Source: Customs Department)

The following chart and table show the production and sown statuses of major crops.

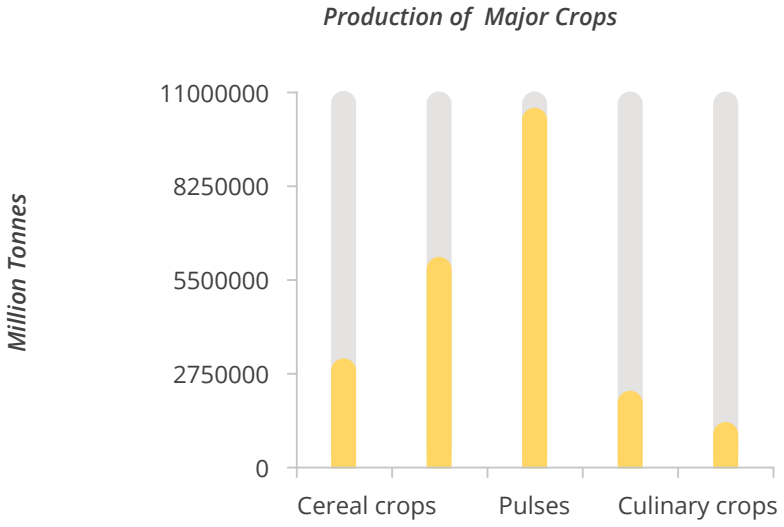


Figure 3: Production of major crops in 2012 - 2013(Source: Ministry of Agriculture, Livestock and Irrigation)

No.	CROPS	SOWN (HA'000)	SOWN AREA %
1	***Cereal crops***	***8360***	***39.7***
	a. Paddy	7241	34.4
	b. Wheat	99	0.5
	c. Maize	422	2
	d. Other cereals	598	2.8
2	***Oil seed crops***	***3414***	***16.2***
	a. Groundnut	912	4.3
	b. Sesame	1553	7.4
	c. Sunflower	496	2.4
	d. Oil palm	144	0.7
	e. Other oil seedcrops	309	1.5
3	***Pulses***	***4449***	***21.1***
	a. Black gram	1108	5.3
	b. Green gram	1087	5.2
	c. Chick pea	362	1.7
	d. Pigeon pea	613	2.9
	e. Butter bean	64	0.3
	f. Sultani	14	0.1
	g. Sultapya	108	0.5
	h. Soy bean	158	0.7
	i. Other	936	4.4
4	***Industrial crops***	***1018***	***4.8***
	a. Cotton	278	1.3
	b. Sugarcane	154	0.7
	c. Jute	0	0
	d. Kenaf	1	0
	e. Rubber	581	2.8
	f. Virginia Tobacco	3	0
5	***Culinary crops***	***341***	***1.6***
	a. Potato	37	0.2
	b. Onion	72	0.3
	c. Garlic	29	0.1
	d. Chili	113	0.5
	e. Spices	90	0.4
6	***Plantation crops***	***207***	***1***
	a. Tea	91	0.4
	b. Coffee	20	0.1
	c. Coconut	57	.3
	d. Toddy	39	.2

7	*Vegetables*	*541*	*2.6*
8	*Fruits*	*588*	*2.8*
9	*Miscellaneous*	*369*	*1.8*
10	*Other*	*1758*	*8.4*
	TOTAL	*21047*	*100*

Table 1: Sown status of crops under each category for the year 2012 - 2013 (Source: Ministry of Agriculture, Livestock and Irrigation)

The following show the export volume and earnings of selected crop s for 2014-2015, as per the Ministry of Commerce figures.

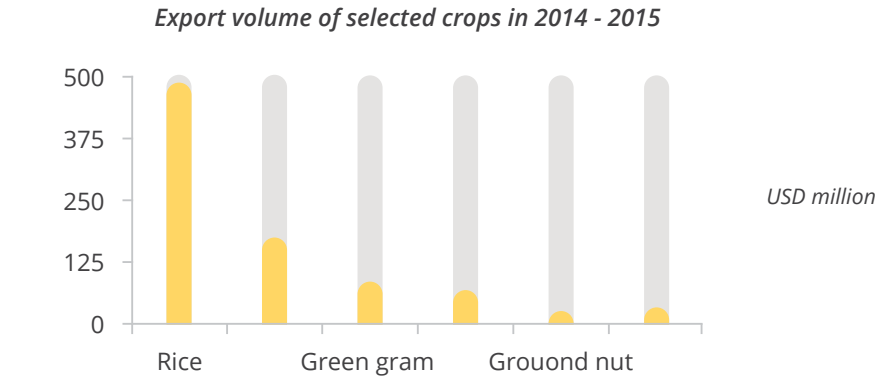


Figure 4: Export volume of selected crops for the year 2014–2015 (Source: Ministry of Commerce)

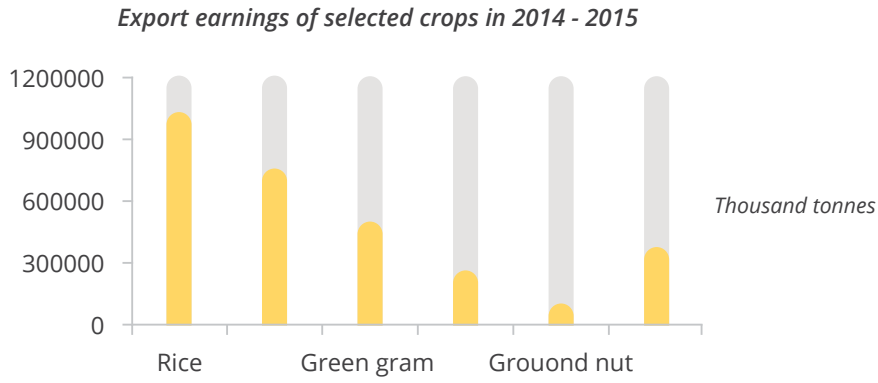


Figure 5: Export earnings of selected crops for the year 2014 – 2015 (Source: Ministry of Commerce)

There is a difference between the official rice export figures published by the Ministry of Commerce and that of the Myanmar Agribusiness Public Corporation (MAPCO).

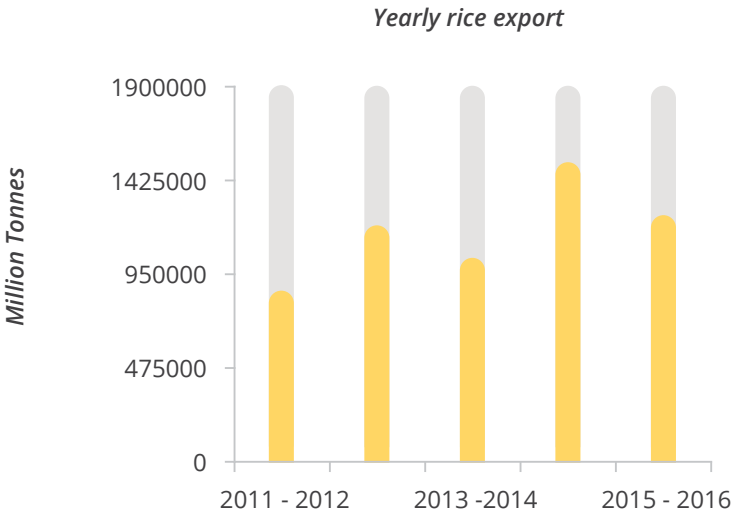


Figure 6: Yearly rice export volume (Source: Myanmar Agribusiness Public Corporation)

The following chart shows the production of rice by region.

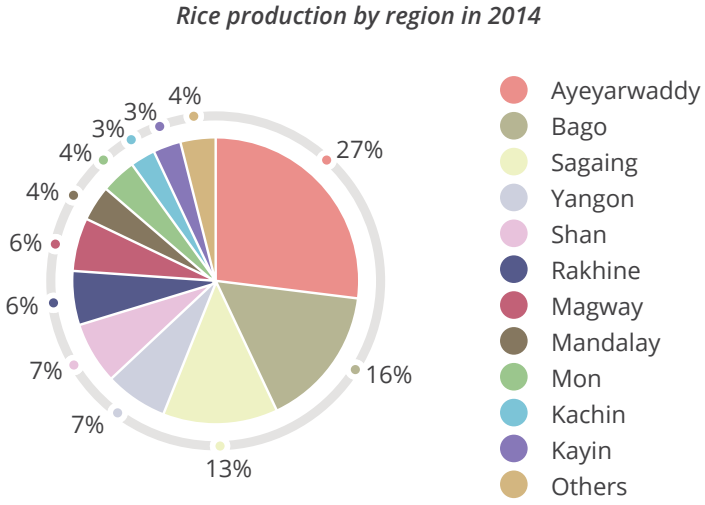


Figure 7: Rice production by region in 2014 (Source: Ministry of Agriculture, Livestock and Irrigation)

2. INVESTMENT OPPORTUNITIES

Investment opportunities in the agriculture sector are plentiful, for both local and foreign companies. While local companies are able to invest at any stage of the supply chain, there are limitations for foreign investments. This is explained in detail in the next section.

2.1. INFORMATION ON TENDERS

Unlike other Ministries, such as the Ministry of Electricity and Energy, tender openings from the Ministry of Agriculture, Livestock and Irrigation are rare, and most of them are related to the purchasing of farming equipment from both local and international companies.

Recent tenders in the sector

The three most recent tenders issued by the Ministry of Agriculture, Livestock and Irrigation are detailed below. These offer an idea of the types of tender openings from this Ministry.

Ministry of Agriculture, Livestock and Irrigation: Open Tender

Tender opening date – 24 October 2016
Tender closing date – 17 November 2016

Department of Irrigation and Water supply management, Pathein Township under the Ministry of Agriculture, Livestock and Irrigation, invited an open tender to purchase the following items in Myanmar Kyats.

No.	DESCRIPTION
1	Invitation to bid for service of digging creeks and canals at Ayeyarwady Region

Ministry of Agriculture, Livestock and Irrigation: Open Tender

Tender opening date – 14 October 2016
Tender closing date – 15 November 2016

Construction Group (9), Department of Irrigation and Water Supply Management, under the Ministry of Agriculture and Irrigation, invited an open tender to purchase the following items in Myanmar Kyats.

No.	DESCRIPTION
1	Buying spare parts for preparation of batching plant

Ministry of Agriculture, Livestock and Irrigation: Open Tender

Tender opening date – 4 October 2016
Tender closing date – 24 October 2016

Kayin State Head Department of Fisheries, Hpa-an Township under the Ministry of Agriculture, Livestock and Irrigation, invited an open tender to purchase the following items in Myanmar Kyats.

No.	DESCRIPTION
1	Construction works of employee housing building , road construction and excavation of fish ponds

Potential upcoming tenders

As there is an insufficient supply of machines, equipment, and technology in Myanmar's agricultural sector, there are many potential tenders likely to be issued in the near future.

Asian Development Bank (ADB) is also working with the government on a new Country Partnership Strategy (2017-2021) to support sustainable inclusive growth. This five-year strategy will prioritise three key sectors, including rural and agricultural development. As part of the strategy, ADB will invest in agriculture and irrigation, urban infrastructure − including water supply and sanitation − and private sector initiatives.

The government itself is also initiating projects in order to improve this sector with the goal of increasing exports. One such initiative is a three-year project, involving 1,000 farmers, to develop mango exports to Singapore. With these plans in place to promote the sector, it is likely that more tender openings will follow in the near future to address the challenges described above.

2.2. POTENTIAL OPPORTUNITIES FOR FOREIGN COMPANIES

When considering potential investment opportunities for foreign companies, it is also important to analyse the strengths and weaknesses of local companies as well as the challenges that restrain them from expansion in this sector.

Strengths and weaknesses of local companies

Strengths
The strengths of Myanmar agriculture companies lie in their ability to understand the needs of the market and the stakeholders, especially farmers, and being able to respond or adapt to these needs. Having existed in the market long before the sector became open for foreign investments, local companies already have first mover advantage, and established relationships with farmers.

Weaknesses
Despite having first mover advantage and large market share, local companies are also constrained by a number of factors.

One of the major weaknesses is the lack of advanced technology in processing and in farming practices. The lack of modern practices used by local companies offers foreign investors an opportunity to invest and enhance capacity.

Local companies have also been weak in ensuring the quality of their agricultural products. The lack of proper agricultural practices and quality control measures has resulted in a low product standard, resulting in cases where agricultural exports to foreign markets have been rejected due to quality issues. For instance, green gram exported to Taipei and the European Union (EU) was rejected after a pesticide residue was found in the product. In an attempt to buy products with reliable quality assurance, the EU only buys from selected firms trained by them in compliance with their Good Agricultural Practices (GAP) standards.

Another weakness is that local companies have not invested in research and development to innovate farming methods and adapt to the variety of often hostile weather patterns in Myanmar.

In addition, local companies have been reluctant to make capital investments such as mechanizing processing facilities to enhance productivity. These productivity issues are compounded by a lack of proper storage and transport facilities and processing techniques. Only 20 rice mills have the capacity to mill more than 100 tonnes per day out of the 1,362 registered rice mills in Myanmar, and in fact 90% can only process 40 tonnes or less as they rely on machinery that is often 60-70 years old.

Challenges
One of the hurdles facing local companies is land confiscation. The failure to give full compensation to landowners, coupled with a lack of secure land rights, pose

problems in land acquisition for local companies.

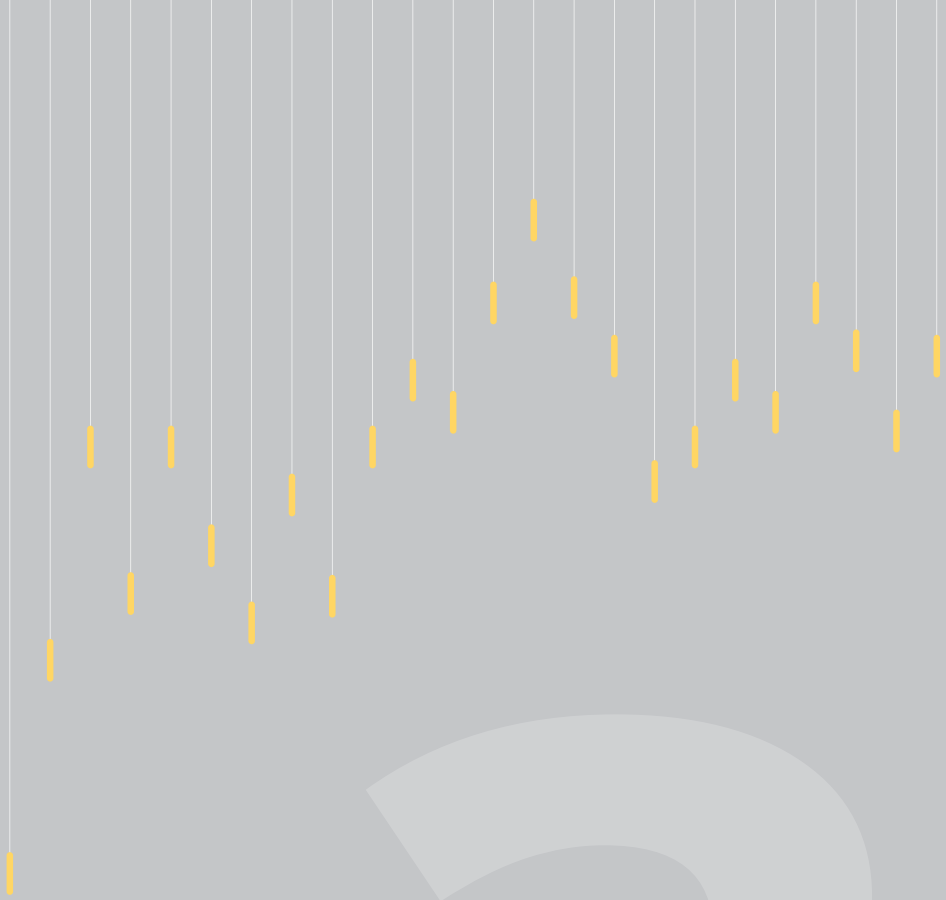
Another challenge is the circulation of substandard farming equipment in the market. As no effective measures have been taken to control imports of farming implements, the market has been flooded by illegal imports of often sub-standard equipment. Consequently, these implements have compromised the quality of the crops as well as the health of the soil.

Areas of investment for foreign investors

For foreign investors looking to invest in this sector, there are opportunities to assist Myanmar's diversification into higher value-added crops to meet market demands and export targets. Currently, foreign investment into this sector is only 0.44 % of total foreign investment.

There are four areas foreign investors should focus on:

- Input industries (seed, fertiliser, 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) and;
- Aquaculture.



3. GOVERNMENT RULES AND REGULATIONS ON FOREIGN INVESTMENT

3.1. GENERAL LEGAL/INVESTMENT STRUCTURE

In 2012, parliament approved the Foreign Investment Law ("FIL"), the legal cornerstone for foreign investment. The key points of this law are:

- Foreign investors are permitted to own 100% of businesses which are not on the restricted or prohibited lists (Business activities have been categorised according to the ownership types in Notification No. 26/2016 issued by the MIC. The detail of agriculture related activities are elaborated upon in 4.2.);
- Businesses set up under the FIL enjoy an initial 5-year tax holiday;
- Foreign investors may lease land for their business;
- Repatriation of profits after taxes and relevant funds is allowed through banks prescribed by the Myanmar Investment Commission (MIC) in the relevant foreign currency and at the prevailing official exchange rate. Further approval for repatriation is required from the Central Bank of Myanmar.

Under the FIL, a foreign investor may seek to conduct business in Myanmar:

- As a 100% foreign-owned entity;
- By way of a joint venture with a Myanmar citizen or the Myanmar Government; or
- By way of a "system contained in a contract approved by both parties" (usually as a cooperation system between the government and a private company − including BOT and BTO systems).

For investments permitted only under a joint venture with citizens, the foreign investment capital ratio may be up to 80%. Insofar as an investment requires the recommendation of a relevant Ministry, a different shareholding ratio may, however, be imposed.

October 2016, the Union Parliament enacted the new Myanmar Investment Law, which consolidates the Foreign Investment Law 2012 and the Citizens Investment Law 2013 into one. However, the governing rules and regulations are still in the drafting process. These regulations will be key for the specifics of establishing a business in Myanmar, indicating if investors will be able to set up a 100% wholly-owned enterprise or if they will need to set up a joint-venture with a Myanmar owner. In addition, the new law ensures that there is a level playing field for investors. It will be consistent with best practice in the ASEAN region, and prepare Myanmar for inclusion in the ASEAN Economic Community (AEC).

Myanmar Investment Commission (MIC)

Companies registered under the Myanmar Companies Act as industrial companies or service companies may apply for an investment permit from MIC to enjoy tax incentives and other guarantees.

Upcoming Laws

New laws that will be of central importance for foreign investment are currently being drafted. The new investment law has recently been approved.

The Myanmar Companies Act – is being drafted with the assistance of Asian Development Bank in order to replace the century-old Companies Act (1914). The new Myanmar Companies Act is expected to facilitate economic reform initiatives in the banking and finance sector, including Yangon Stock Exchange, and set out clear regulations for better corporate governance.
DICA has announced that the following relaxations will be made in an attempt to attract more foreign investments.

- Easing long-term land lease requirements
- Allowing foreign players to participate in stock market
- Allowing foreign investors to hold small stakes in local companies operating in the sectors which were previously prohibited from foreign ownership

3.2. AGRICULTURE-RELATED RULES AND REGULATIONS

Activities permitted for 100% foreign ownership

Economic activities which are not included in the MIC Notification 26/2016 (please refer to Annex 1 for the full list) can be carried out with 100% foreign investment. This requires the approval of the relevant Ministry, except for investments reviewed by the MIC.

Activities permitted for joint venture

According to the MIC Notification 26/2016, activities including cultivating and producing crops using imported input materials, distributing them in local markets, and exporting them out of Myanmar are permitted only in the form of a joint venture with a local partner. Foreign ownership can be up to 49% for value-added production. Moreover, trading, export and domestic sales will be allowed depending on production. One of the restrictions for joint venture companies is that sea transport and border trade are not permitted for the export of paddy. This leaves the opportunities for paddy exports in the hands of local companies as air freight is too costly, which limits joint venture companies from this particular activity.
Generally, foreign companies cannot engage in trading activities. However, according to Notification 96/2015 of the Ministry of Commerce, JV companies are now allowed to trade in seed, pesticide and fertiliser.

Activities that require Environmental Impact Assessments

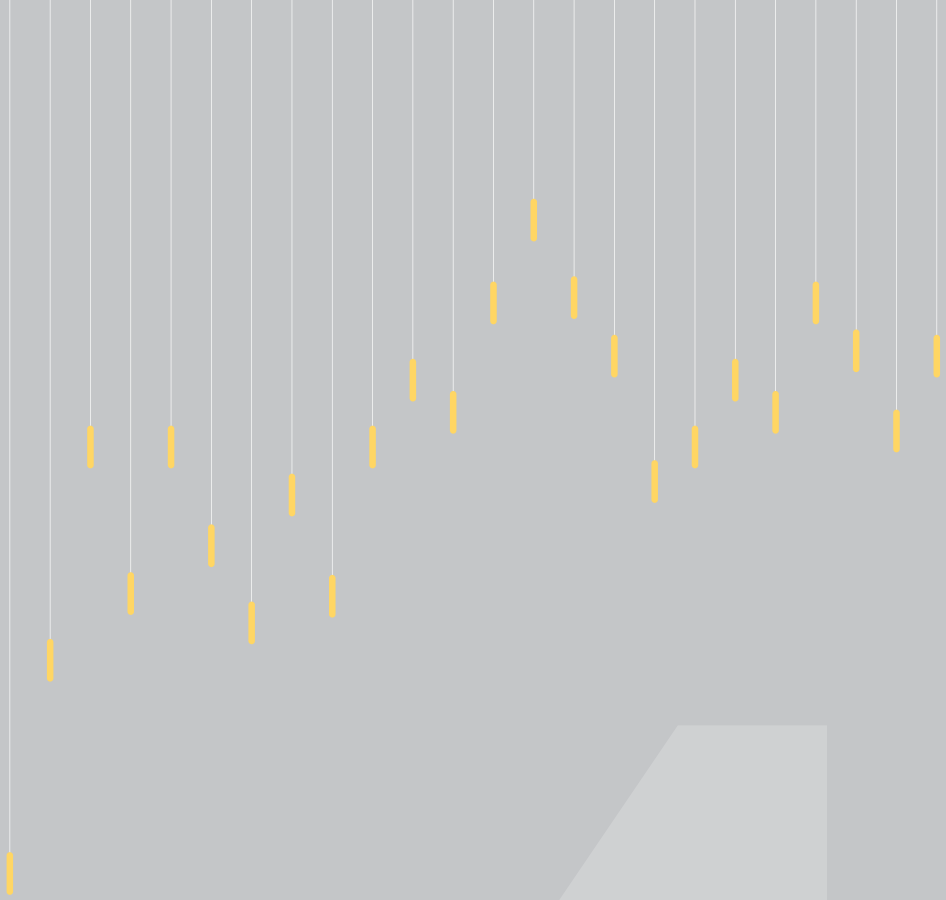
According to Notification 50/2014 (please refer to Annex 2 for the full list), the following agricultural activities require EIA:

- Manufacturing of chemicals and pesticide;
- Production of petrochemicals such as fertiliser;
- Large-scale foodstuff industries, including sugar factories;
- Production of leather and rubber products;
- Operation in wetlands;
- Operation in areas prone to natural disaster such as Rakhine State, Ayeyarwaddy Delta;
- Cultivation and production of crops at large scale;
- Large-scale forest and industrial crop plantation.

Activities under prohibition

Foreign participation is prohibited in activities that can damage mangrove forests, conservation areas, places of religion and worship, grazing land, hill-side cultivation, farmland and water resources.

Other relevant and recently issued laws include the Seed Law (2015), the New Plant Variety Law (2016), the Pesticide Law (2016), and the Law amending the Fertiliser Law (2015).



4. CHALLENGES AND OUTLOOK

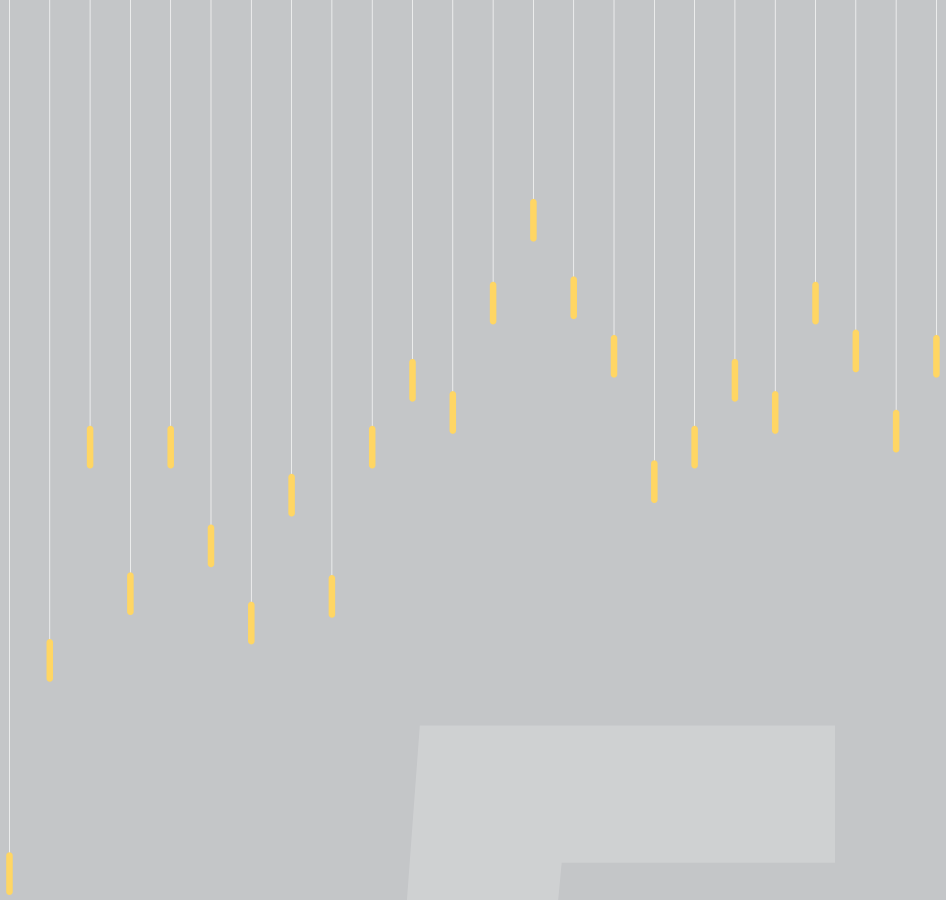
The Myanmar government is currently dedicating significant efforts towards increasing the levels of production and export of rice and other agricultural products, under the overarching objective of improving the export sector and the agricultural industry as a whole. Myanmar's National Export Strategy has been developed with the aim of increasing competitiveness, improving the business environment for development, and expanding the country's trade.

The government has also been working on promoting the sector. New laws, rules and regulations have been enacted and old ones are being updated or amended to encourage foreign investment and to enhance the development of agricultural sector.

However, there are still many areas for improvement, particularly land law reform. Other challenges include the lack of credit access in rural areas, insufficient infrastructure, the lack of quality seeds, and the lack of investment in processing facilities and research and development.

Notwithstanding these challenges, a McKinsey report (2013) estimated that the Myanmar agriculture sector is expected to grow at a compound rate of 4.3% annually and generate USD 49.1 billion of output by 2030.

Reviewing the government's policies and its reforms is critically important for enhancing both local and foreign investments in the agriculture sector. During the years of economic mismanagement and isolation, Myanmar was beaten by its rivals in the field of agricultural exports. Only with the right policies in place and the right kind of investment, can Myanmar challenge itself to resume its status as a leading exporter of agricultural products globally.



5. INDUSTRY CONTACT INFORMATION

5.1. GOVERNMENT OFFICES

The Ministry of Agriculture, Livestock and Irrigation is the focal Ministry for agriculture-related activities. However, when investing in the agricultural sector, there are certain processes at other ministries that are also required. The contact information of all relevant ministries is presented below:

Ministry of Agriculture, Livestock and Irrigation

MAILING ADDRESS	Director General Department of Agricultural Planning Ministry of Agriculture and Irrigation Building No. 15, Office Compound, Nay Pyi Taw
CONTACT	+ (95) 67- 410 106, 410 011 410 554, 410 109, 410 393

Ministry of Natural Resources and Environmental Conservation

For some investment opportunities that require undertaking an Environmental Impact Assessment (EIA), the role of the Ministry of Natural Resources and Environmental Conservation is vital.

MAILING ADDRESS	Director General Department of Forest Ministry of Natural Resources and Environmental Conservation Building No. 39, Office Compound , Nay Pyi Taw
CONTACT	+ (95) 67- 405 477, 405 015 405 401, 405 399

Ministry of Commerce

Exporting agricultural produce and importing products such as farm implements can only be done with an export/import license issued by the Ministry of Commerce. Trading licenses for most of the products are issued in Yangon.

MAILING ADDRESS	Director General Department of Trade Ministry of Commerce Building No. 3, Office Compound, Nay Pyi Taw
DIRECTEUR GENERAL	+ (95) 67- 408 002, 408 265, 408 485
YANGON OFFICE	Address: 228- 240, Strand Road, Yangon Ph: (95) 1- 251 197

The Customs Department is an arm of Ministry of Commerce.

MAILING ADDRESS	No.(132), Strand Road, Kyauktada Township, Yangon
CONTACT	+ (95) 1 – 379 423, 379 426 to 9

Ministry of Planning and Finance

DICA and the Myanmar Investment Commission (MIC) are the focal bodies for the incorporation of foreign businesses. Both fall under the authority of the Ministry of Planning and Finance. Companies need to be aware of procedural updates issued by the MIC in order to successfully navigate the legal aspect of investment.

MAILING ADDRESS	Director General Directorate of Investment and Company Administration Ministry of National Planning and Economic Development Building No. 32, Office Compound, Nay Pyi Taw
DIRECTORATE OF INVESTMENT AND COMPANY ADMINISTRATION	Address: No.1, Thitsar Road, Yankin Township, Yangon + (95) 1- 658 143, 657 891, +(95) 67- 406 471
MYANMAR INVESTMENT COMMISSION	Address: No.1, Thit Saw Road, Yankin Township, Yangon
CONTACT	+ (95) 1- 657 891, 658 127 to 30

5.2. BUSINESS ASSOCIATIONS

Most business associations are formed under the authority of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI), and are located at the UMFCCI building.

UMFCCI

Address: No. 29, Min Ye Kyaw Swar Street, Lanmadaw Township,
Yangon, Myanmar.
Ph: (95) 1- 231 4344 ~ 49 (Ext: 122)
Email: ird@umfcci.org.mm , ird@umfcci.com.mm

- Myanmar Rice Millers Association
- Myanmar Pulses, Beans & Sesame Seeds Merchants Association
- Myanmar Rice & Paddy Traders Association
- Myanmar Edible Oil Dealers Association
- Myanmar Forest Products and Timber Merchants Association
- Myanmar Paddy Producers Association
- Myanmar Farm Crop Producers Association
- Myanmar Fruit, Flower and Vegetable Producer and Exporte Association
- Myanmar Agro-based Food Processors and Exporters Association
- Myanmar Onion, Garlic and Culinary Crops Production and Exporting Association
- Myanmar Rubber Planters and Producers Association
- Myanmar Perennial Crop Producers Association
- Myanmar Sugar Cane and Sugar Related Products Merchants And Manufacturers Association
- Myanmar Rice Federation
- Myanmar Fertiliser Seed And Pesticides Entrepreneurs Association
- Myanmar Oil Palm Producers Association
- Myanmar Wheat Association

5.3. Other Relevant Institutions

Besides associations formed under the UMFCCI, there are several other relevant standalone associations, listed below.

Myanmar Farmer Association

Address: No. 29, Room (901-903), Min Ye Kyaw Swar Street,
Lanmadaw Township, Yangon
Ph: (95) 1- 218 266 ~ 68, (95) 9- 730 236 88
Fax: (95) 1- 218 226
Email: myanmarfarmer@gmail.com

Myanmar Organic Agriculture Group

Address: 28, Min Ye Kyaw Swar Street, 4th Floor, UMFCCI
Ph: (95) 1- 644 217

Myanmar Coffee Association

Address: 13, Nanda Street, 6 Ward, Pyin Oo Lwin Township, Mandalay
Ph: (95) 0 201 1489
Email: koyemyint@gmail.com

Myanmar Agribusiness Public Corporation (MAPCO)

Address: No. 100, Corner of Wardan Street and Kan Naw Street, Beside the Concrete Express Way, Wardan Port Area, Seik Kan (Port) Township, Yangon
Ph: (95) 1- 230 1652 ~ 53, 230 1825 ~6
Fax: (95) 1- 230 1824
Email: admin@mapco-ygn.com

ANNEX 1: Notification No. 26/ 2016

Notification 26/2016 categorises business activities based on their permitted types of ownership. Activities which are not specifically listed in the below can be carried out with 100% foreign ownership.

List of Economic Activities under Prohibition

No.	TYPES OF BUSINESS ACTIVITIES
1	Manufacturing and related services of arms and ammunition for national defence
2	Activities that can damage mangrove forests, religious places and places where traditional worship is done, grazing land, hill-side cultivation, farmland and water resources
3	Conservation and management of natural forests
4	Prospecting, exploration and production of jade/gem stones
5	Production of minerals by medium scale and small scale
6	Supervisory control of electric power systems
7	Inspection of Electrical works
8	Air navigation services
9	Exploration of minerals including gold in the rivers and waterway
10	Pilotage
11	Cross ownership between print media and broadcasting media service without approval of the Union Government
12	Periodicals in languages of national races including Myanmar

Types of Business Activities permitted to be carried out in the form of a joint venture with Myanmar Citizens

No.	TYPES OF BUSINESS ACTIVITIES
1	Manufacturing and domestic marketing, sale and distribution of biscuits, wafers, all kinds of noodles, vermicelli and other cereal-related food products
2	Manufacturing and domestic marketing, sale and distribution of all kinds of confectionary including sweets, cocoa and chocolate
3	Preserving, manufacturing, canning, and domestic marketing of other food products except milk and dairy products
4	Manufacturing and marketing of malt and malt liquors and non-aerated products
5	Distilling, blending, rectifying, bottling and marketing of all kinds of spirits, alcohol, alcoholic beverages and non-alcoholic beverages
6	Manufacturing and marketing of all kinds of purified ice
7	Manufacturing of purified drinking water
8	Manufacturing and marketing of all kinds of ropes
9	Manufacturing and domestic marketing of enamelware, cutlery, crockery of all kinds
10	Manufacturing and domestic marketing of plastic wares
11	Packaging
12	Processing of hides, skins and leathers of all kinds, excluding synthetic leather, and manufacturing and domestic marketing thereof including footwear, handbags, etc.
13	Manufacturing and marketing of all kinds of paper, raw materials for paper, all kinds of products made by paper, paper boards including carbon paper, waxed paper, toilet paper, etc.
14	Manufacturing, and marketing of chemicals based on natural resources available domestically (excluding products of petroleum and gas)

15 Manufacturing and marketing of solid, liquid, gaseous and aerosol (Acetylene, Gasoline, Propane, Hairsprays, Perfume, Deodorant, Insect spray) (excluding products of petroleum and gas, petroleum-related products)

16 Manufacturing and marketing of Oxidants (Oxygen, Hydrogen, Peroxide) compressed (Acetone, Argon, Hydrogen, Nitrogen, Acetylene)

17 Manufacturing and marketing of corrosive chemicals (Sulphuric Acid, Nitric Acid)

18 Manufacturing and marketing of industrial chemical gases (solid, liquid, gas)

19 Manufacturing of pharmaceutical raw materials

20 Small and medium-scale production of electricity

21 Development of international standard golf courses and resorts

22 Development, sale and lease of residential apartments/condominiums

23 Development and sale of office/commercial buildings

24 Development, sale and lease of residential apartments in areas related to industrial zones

25 Development of affordable housing

26 Domestic air transport service

27 International air transport service

List of Economic Activities Permitted with Specific Conditions

(a) List of Economic Activities permitted with the recommendation of the relevant Ministry and requiring joint venture with Myanmar Citizens

No.	TYPES OF ECONOMIC ACTIVITIES
1	***Permitted with the Recommendation of the Ministry of Livestock, Fisheries and Rural Development***

- Production of bee and bee products
- Manufacturing of fishing nets
- Construction of fishing jetty and fish auction markets
- Research activities for livestock and fisheries products
- Fishing activities on sea
- Processing and manufacturing of fisheries products
- Export/import of animals and fisheries products including live fish species
- Culture of fresh water and marine fish and prawns

2 ***Permitted with the Recommendation of the Ministry of Environmental Conservation and Forestry***

- National parks
- Businesses related to the reduction of carbon emissions
- Establishment of extraction (logging), and production wood in the forest land (reserved forests and protected public forest)
- Import, multiplication and sale of genetically modified organisms and living modified organisms
- Technical research and business related to the breeding, culture and production of genetically superior quality seeds, propagules, tissues, etc. of valuable and rare flora species
- Development of high technology, research and human resources in the forestry sector
- Extraction of natural resources in forested land at the disposal of the government
- Importing, exporting, breeding and production of wild floraand fauna species for commercial purposes

3 ***Permitted with the Recommendation of the Ministry of Industry***

- Manufacturing and marketing of soft beverages, aerated and non-aerated products
- Production of seasoning powder
- Production of medicinal drugs by using controlled chemicals

4 ***Permitted with the Recommendation of the Ministry of Transport***

- Passengers and cargo transport services by vessels
- Establishing nautical and training school
- Dockyard services
- Water transport related services on land plots owned by Inland Water Transport

5 ***Permitted with the Recommendation of the Ministry of Communications and Information Technology***

- Domestic and international postal services

6 ***Permitted with the Recommendation of the Ministry of Health***

- Private hospital services
- Private clinic services
- Private diagnostic services
- Private pharmaceutical and medical devices production
- Research on vaccine and diagnostic test kit production
- Private medical institute and health related institute and training school
- Trading of traditional pharmaceutical raw materials
- Traditional herbal cultivation and production
- Traditional medicine research and laboratory
- Manufacturing of traditional drugs
- Traditional hospitals

7 ***Permitted with the Recommendation of the Ministry of Information***

- Publishing of periodical newspapers in foreign languages
- FM radio programs
- Businesses in the broadcasting industry Direct to Home (DTH)
- Businesses in the broadcasting industry using DVB-T2 system
- Businesses in the broadcasting industry using Cable TV system
- Businesses in film production
- Businesses in film showing

(b) List of Economic Activities with other Conditions and requiring a joint venture

No.	TYPES OF ECONOMIC ACTIVITIES	CONDITIONS
1	Construction and implementation of storage tank, loading port, pipeline, related machineries and equipment and construction of building for importing, transporting, storage, distribution and selling of oil, gas and petroleum products.	Permitted only under the condition of a joint venture with the Ministry of Electricity and Energy.
2	Importing, producing, constructing and installing equipment, accessories and parts for exploring and interpreting oil and gas by geological, geophysical and geochemical methods.	Permitted only under the condition of a joint venture with the Ministry of Electricity Energy.
3	Importing, producing, constructing and installing equipment, accessories and parts or installations for exploiting, producing and researching oil and gas.	Permitted only under the condition of a joint venture with the Ministry of Electricity and Energy.
4	Importing, producing, constructing and installing equipment, accessories and parts of installations for transporting and constructing the pipeline network for oil and gas.	Permitted only under the condition of a joint venture with the Ministry of Electricity and Energy.
5	Importing, producing, constructing and installing equipment, accessories and parts of installations for the construction of various kinds of offshore drilling.	Permitted only under the condition of a joint venture with the Ministry of Electricity Energy.
6	Construction of various types of refinery, maintaining and upgrading the old refinery and implementing the work.	Permitted only under the condition of a joint venture with the Ministry of Electricity Energy.
7	Manufacturing of cigarettes.	The local Virginia tobacco must be used for 50% within the first (three) years or at least 50% of raw materials bought

		from the export earnings of local Virginia shall be used in production. Export shall be 90%. The list of local raw materials to be used and planned exportation must be attached in the investment proposal. Requires the recommendation of the Ministry of Industry. Permitted only in joint venture with the State Government. Permitted only in joint venture with the State Government.
8	Production and marketing of explosive chemicals (TNT, Nitro-glycerin, Ammonium Nitrite).	Permitted only for the production of value-added products. Allow foreigner shareholding up to 49%.
9	Production and marketing of flammable liquids and solids (Titanium Powder), self-reactive substances (Potassium Sulphide), and substances which, in contact with water, emit flammable gases (Calcium Phosphide).	Allow trading, local export/ sales, depending on the production of the joint venture company. Strictly prohibited to export paddy by sea or through border trade.
10	Distribution in the local market and exporting of crops after they are cultivated and manufactured by using imported and necessary input materials.	Required recommendation of the Ministry of Planning and Finance. Only permitted in joint venture with the Government.
11	E-lottery business.	Required recommendation of the Ministry of Planning and Finance. Only permitted in joint venture with the Government.
12	Development of new satellite town.	Requires the recommendation of the Ministry of Construction. Permitted in joint venture with the Government.

13	Urban redevelopment.	Requires the recommendation of the Ministry of Construction. Permitted in joint venture with the Government.
14	Construction of new railway line, new station and new buildings.	Permitted for joint venture /BOT with Myanma Railways. Requires the recommendation of the Ministry of Rail Transportation. Needs the permission of the Union Government.
15	Train operation and maintenance.	Permitted for joint venture /BOT and hires system with Myanma Railways. Requires the permission of the Ministry of Rail Transportation.
16	Manufacture and maintenance of locomotive, carriages, wagons and spare parts.	Permitted for joint venture /BOT and hires system with Myanma Railways. Requires the permission of the Ministry of Rail Transportation. Joint venture/BOT and hires system with relevant enterprise/ directorate.
17	Laying fibre optic cable, construction of towers, machine rooms on land owned by the Ministry of Rail Transportation.	Permitted for joint venture /BOT and hires system with relevant enterprise/department. Needs the permission of the Ministry of Rail Transportation.
18	Comprehensive utilization of land and building owned by Ministry of Rail Transport for commercial purposes.	Permitted for joint venture /BOT and hires system with relevant enterprise/department. Requires the permission of the Ministry of Rail Transportation.
19	Automobile services for passenger and freight transport operating.	Needs the permission of the Union Government. Permitted for a joint venture with relevant enterprise/ department/organization (departmental and private). Requires the recommendation of the Ministry of Rail Transportation.

20	Vehicle inspection, driving training centre, repair and maintenance training.	Requires entry into joint venture by 50% local and 50% foreign investment. Requires the recommendation of the Ministry of Rail Transportation.
21	Generation of electric power to be used for train operation.	Permitted for joint venture /BOT and hire system with Myanma Railways. Requires the recommendation of the Ministry of Electric Power and needs permission from the Ministry of Rail Transportation.
22	Manufacturing, sale and distribution of vaccines to prevent diseases.	Permitted for joint venture with the State Government. Must meet and comply with minimum WHO GMP standards.

ANNEX 2: Notification No. 50/ 2014

Notification 50/2014 lists business activities which require an environmental impact assessment (EIA).

No.	TYPES OF BUSINESS ACTIVITIES
1	All activities for mining and mineral processing.
2	Exploration and production of oil and gas, establishment of oil refinery or petrochemical plants.
3	Construction of large-scale irrigation, high dams and embankment.
4	Hydropower project and other heavy electricity generation, construction of electric power transmission line.
5	Construction of Oil and Gas pipeline project.
6	Construction of large-scale river crossing bridges, fly-over bridges, highways, subways, ports, shipyards, airports and runways, large-scale drainage systems, large-scale motor vehicle manufacturing and assembling industries.
7	Manufacturing of pharmaceuticals, chemicals and pesticides.
8	Manufacturing of batteries.
9	Large-scale pulp and paper production.
10	Large-scale textile industry, dying facilities and garment production.
11	Production of iron, steel and minerals.
12	Production of cement.
13	Production of liquor, beer and spirits.
14	Production of petrochemicals such as petroleum, engine oils, fertiliser, wax and varnish.
15	Large-scale foodstuff industry, including sugar factories.

16 Production of leather and rubber products.

17 Large-scale cultivation of fresh water and marine fish/prawns.

18 Large-scale wood based industry.

19 Development of large-scale housing projects and Industrial Zones.

20 Construction of large-scale hotels, recreation places and resorts.

21 Operation in cultural heritage, archaeological and prominent geographical symbolic sites.

22 Operation in wetlands.

23 Operation in ecologically fragile areas.

24 Operation in national parks, wildlife sanctuaries and protected areas.

25 Operation in wilderness areas containing rare or endangered species of flora or fauna and their habitat

26 Operation in areas prone to natural disaster such as Rakhine State, Ayeyarwaddy Delta.

27 Operation in the vicinities of main resources for public drinking water, lakes and reservoirs.

28 Operation in resort areas and areas closed to oyster fishing and pearl farms areas.

29 Cultivation and production of crops at a large scale.

30 Large-scale forest and industrial crop plantation.

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