



# MARKET OPPORTUNITIES IN MYANMAR



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## COUNTRY PROFILE

- POPULATION: 51.4 mil
- DEMOGRAPHY:
  - 135 ethnic groups
    - Bamar (68%), Shan (9%), Kayin (7%), Rakhine (4%), Mon (2%), Others (5%)
    - Chinese (3%), Indians (2%)
  - Median age is 27
  - 55 per cent are under 30
  - Age 15 – 29 account for 1/3<sup>rd</sup> of the population
  - Falling dependency ratio
  - 89.5 per cent literacy rate
- AVERAGE INCOME:
  - USD4,835 (GDP per head)



## COUNTRY PROFILE

- GDP GROWTH:
  - 7.2 per cent (FY2015/16, ADB)
  - 8.4 per cent (FY2016/17, ADB)
- DEVELOPMENT PLAN:
  - 2011/12 - 2015/16 Five Year Plan
    - Decentralised economy;
    - Electricity;
    - Drinking water and fresh water;
    - Employment;
    - Telecommunications;
    - Agriculture and development;
    - Financial sector; and
    - Poverty reduction & rural development.



## COUNTRY PROFILE

- DEVELOPMENT PLAN:
  - 2016/17 – 2020/22 Five Year Plan
    - Economic growth;
    - Encouraging investments;
    - Public-private partnerships;
    - Health;
    - Education; and
    - Electricity.



# MARKET OPPORTUNITIES FOR PRODUCTS AND SERVICES

NO	PRODUCTS/SERVICES	OPPORTUNITIES	CHALLENGES
1	Fast Moving Consumer Goods (FMCG)	<ul style="list-style-type: none"> <li>Retail growth expanded by an average rate of 7-15% per annum since 2011</li> <li>Basket of goods grow by 10 per cent each year</li> <li>Increasing spending power in urban cities, especially Yangon, where salaries have risen significantly</li> </ul>	<ul style="list-style-type: none"> <li>FDA requirements</li> <li>Minimum order quantity</li> <li>Seasonal purchasing</li> <li>Competition from border trade and smuggled goods</li> </ul>
2	Construction & Building Materials	<ul style="list-style-type: none"> <li>The construction sector is expected to expand at an annual rate of at least eight per cent over the next five years.</li> <li>The industry is valued at USD3 bil, with the residential segment accounting for half the sum.</li> <li>Construction of highways, concessions</li> </ul>	<ul style="list-style-type: none"> <li>JV requirement for construction</li> <li>Financing</li> </ul>

## MARKET OPPORTUNITIES FOR PRODUCTS AND SERVICES

NO	PRODUCTS/SERVICES	OPPORTUNITIES	CHALLENGES
3	Oil & Gas	<ul style="list-style-type: none"> <li>Myanmar has 7.8 trillion cubic feet of proven natural gas resources worth about USD75 billion waiting to be discovered.</li> </ul>	<ul style="list-style-type: none"> <li>Finding the right local partner</li> <li>Global oil prices</li> </ul>
4	Power	<ul style="list-style-type: none"> <li>Annual electricity consumption rate expected to increase 13 per cent per year, currently totalling 4,362 MW.</li> <li>30 per cent of Myanmar's population have access to electricity</li> <li>Frequent power cuts.</li> </ul>	<ul style="list-style-type: none"> <li>Financing</li> <li>Tariffs</li> </ul>

## MARKET OPPORTUNITIES FOR PRODUCTS AND SERVICES

NO	PRODUCTS/SERVICES	OPPORTUNITIES	CHALLENGES
5	Human Resources Development	<ul style="list-style-type: none"> <li>Myanmar is facing a shortage of trained and capable labour in a range of industrial sectors that could undermine the nation's development prospects. The country's demand for skilled workers is expected to reach a level equal to almost half the population by 2015.</li> </ul>	<ul style="list-style-type: none"> <li>JV requirement</li> <li>Standards and accreditation</li> </ul>
6	Hotel & Tourism	<ul style="list-style-type: none"> <li>The tourism boom, which brought in a record number of 1 million tourists into Myanmar in 2012 has drawn interest from hotel owners to invest in the country.</li> <li>Myanmar welcomed 4.68 million tourists in 2015,, another sizeable annual uptick representing a 52 percent increase on the previous year.</li> </ul>	<ul style="list-style-type: none"> <li>JV requirement</li> <li>Land prices</li> </ul>

## MARKET OPPORTUNITIES FOR PRODUCTS AND SERVICES

NO	PRODUCTS/SERVICES	OPPORTUNITIES	CHALLENGES
7	Automotive aftermarket	<ul style="list-style-type: none"> <li>Number of registered vehicles increased from 2 million in 2008/09 to 4.4 million in 2013/14</li> <li>Used vehicles from Japan dominate market</li> <li>Extreme climate and poor road conditions accelerate need to replace parts</li> </ul>	<ul style="list-style-type: none"> <li>Border trade / imports</li> <li>Low cost imports</li> </ul>
8	Pharmaceuticals & Medical Equipment	<ul style="list-style-type: none"> <li>The pharmaceutical and medical equipment market in Myanmar is expected to grow to USD800 million by 2020</li> </ul>	<ul style="list-style-type: none"> <li>Low cost generic imports</li> <li>FDA requirements</li> </ul>

## TRADE BARRIERS

### NON-TARIFF BARRIERS

- Legal framework
- Limited pool of skilled and talented workforce
- High land prices
- High rental for office and residence
- Foreigners not allowed to own land
- Foreigners not allowed to do trading
- Competition from border trade
- Funding and technical assistance is expected
- Inadequate infrastructure
- Small quantity orders
- Cash based society, use of credit / debit / visa cards are limited
- Seasonal weather conditions (Hot, rainy and cool)
- Disruption of electric supply for industries
- Disruption of water supply
- Red tape and bureaucracy

## TRADE BARRIERS

# KEY POINTS IN DOING BUSINESS IN MYANMAR

- LICENSING
  - Working with local partners
- TAXATION
  - 25 per cent
- REGULATIONS ON INVESTMENT
  - Foreign Investment Law
  - Special Economic Zone Law

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