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EUROPEAN CHAMBER OF COMMERCE IN MYANMAR

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.

This report serves as a guide for European small-to-medium sized enterprises interested in investing in Myanmar; it starts with a sector overview followed by entry-level information and relevant contact details.

Please contact us for further information and support.

Yangon, October 2018



The voice of European business
in Myanmar

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ACRONYMS

ASEAN	<i>Association of Southeast Asian Nations</i>
BPI	<i>Burma Pharmaceuticals Industry</i>
DICA	<i>Directorate of Investment and Company Administration</i>
FDA	<i>Department of Food and Drug Administration</i>
FDI	<i>Foreign Direct Investment</i>
FIL	<i>Foreign Investment Law</i>
GE	<i>General Electric</i>
MDOMC	<i>Myanmar Dental and Oral Medical Council</i>
MFDBA	<i>Myanmar Food and Drug Board of Authority</i>
MIC	<i>Myanmar Investment Commission</i>
MMA	<i>Myanmar Medical Association</i>
MMC	<i>Myanmar Medical Council</i>
MNCs	<i>Multinational Companies</i>
MNWC	<i>Myanmar Nurse and Midwife Council</i>
MPMEEA	<i>Myanmar Pharmaceuticals and Medical Equipment Entrepreneur Association</i>
NCDP	<i>National Comprehensive Development Plan</i>
OPP	<i>Out-of-pocket Payment</i>
TMC	<i>Traditional Medical Council</i>
UHC	<i>Universal Healthcare Coverage</i>
WHO	<i>World Health Organisation</i>

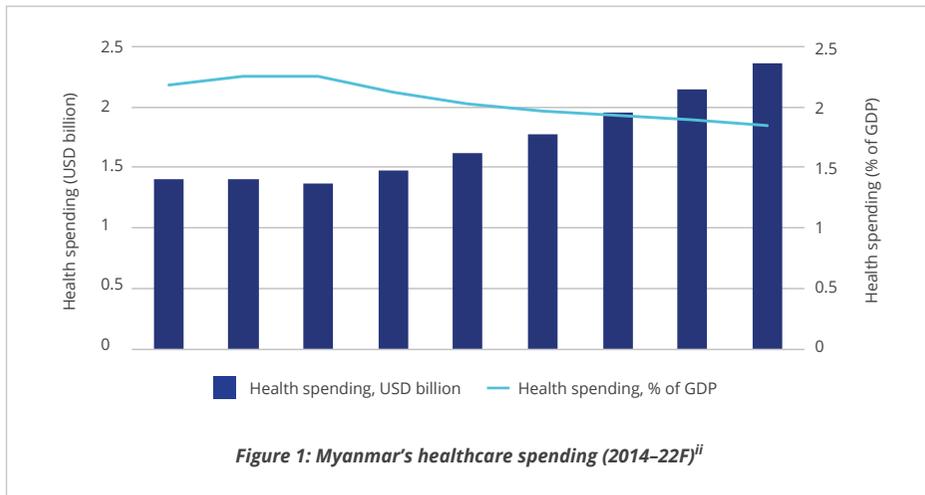




1. SECTOR OVERVIEW

Myanmar's government transition begun in 2011 and subsequent economic opening has led to a significant shift in priorities. One of the sectors to benefit the most has been healthcare, which has seen a significant amount of new funding over the last half-decade, from both public and private sector sources.

A total of 2.12% of Myanmar's GDP in was spent on health in 2017, little changed on the figure of 2.18% from three years previously and far below recommended levels. BMI Research's Q3 2018 *Pharmaceuticals and Healthcare Report* shows that while health spending is forecasted to grow from USD1.476 billion in 2017 to USD2.364 billion in 2022, health spending as a percent of GDP likely to continue to drop through to 2022, as economic growth is set to outpace the annual increase in health expenditureⁱ.



In recent years, the military-backed civilian government and the new administration have both prioritised the healthcare sector with increased budget allocations, promotion of healthcare-related investments, and the release of the National Healthcare Plan (2017-21) in December 2016ⁱⁱⁱ, which describes plans to achieve universal health coverage by 2030^{iv}.

Nonetheless, there is still a long way to go. Most health indicators show significant improvements over the last decade, though still at low levels compared to international norms. For instance, the infant mortality rate per 1000 live births was 41.1 in 2015, compared with 49 in 2010 and 57.6 in 2005, while life expectancy is the lowest in Southeast Asia, at 66.6 years^v.

Government expenditures on health are gradually increasing, reaching 55.08% of total health expenditures in 2017, from 45.91% in 2014^{vi}. The current government has indicated that one of its first priorities will be improving and expanding basic healthcare provision, reducing out-of-pocket payment (OPP) spending on medical treatment, and permitting the opening of more private healthcare centres to reduce the strain on public hospitals. BMI Research projects the government's expenditures as a percent of Myanmar's total health spend will increase to 63.9% by 2022^{vii}.

1.1 CURRENT MARKET SITUATION

Myanmar's healthcare sector is serviced by both the private and public sectors. The Ministry of Health & Sports (MOHS) is responsible for implementing the National Comprehensive Development Plan (NCDP), and the Department of Health – under the Ministry of Health & Sports – serves as the main regulatory body for healthcare providers as well as stakeholders in the fields of pharmaceuticals, medical devices and capital investment.

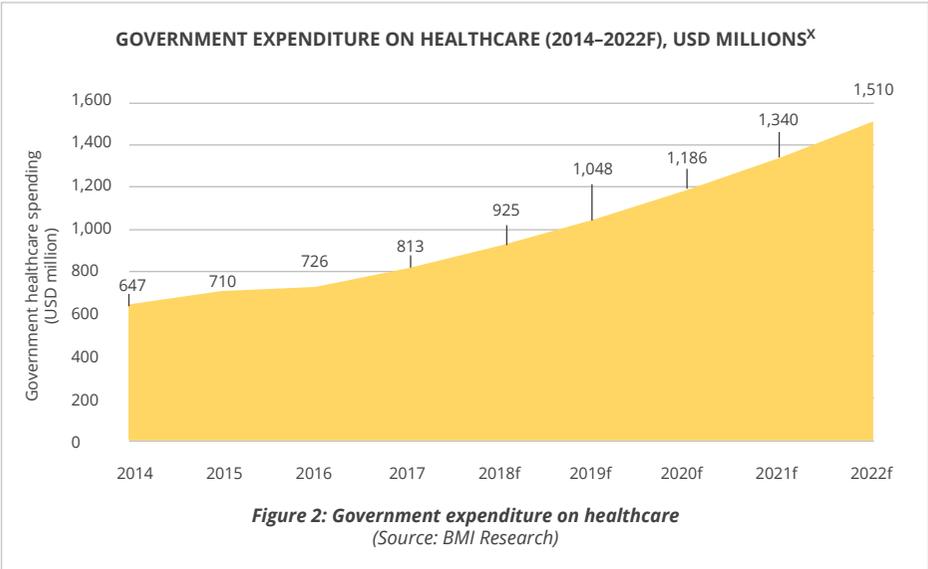
The Myanmar Medical Association (MMA) is the facilitator between different healthcare providers, ensuring that private practitioners are integrated into public healthcare activities. Several supporting government agencies are also authorised for registering and licensing doctors, dentists, nurses, midwives and traditional medical practitioners.

- MDOMC (Myanmar Dental and Oral Medical Council)
- MNWC (Myanmar Nurse and Midwife Council)
- TMC (Traditional Medical Council)
- MFDBA [FDA] (Myanmar Food and Drug Board of Authority)

1.1.1 Increased government spending

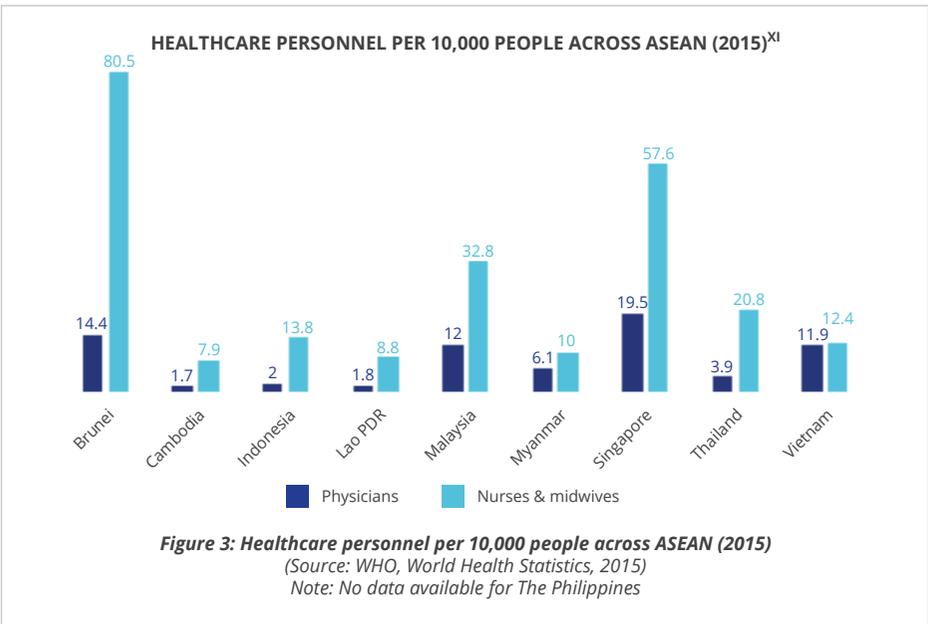
Since 2011, the government has been gradually increasing public budget allocation for both the healthcare and education sectors. Government health expenditure increased from USD279 million in 2012–13 to USD789 million in 2017–18^{viii ix}, but this still represents just over 1% of Myanmar GDP. These funds are earmarked for activities such as: the purchase of advanced medical equipment, including electro-surgical technology; the provision of free medical treatment for government employees; and the training of medical professionals.

Statistics show an overall drop in government expenditure on healthcare planned for 2018–19. However, in relative terms, it is increasing, with the drop from 2017–18 to 2018–19 partly a function of the decline in value of the Myanmar kyat.



Healthcare Manpower

Currently, Myanmar has fewer doctors per capita than many countries in the region. According to the WHO, in 2015, there were 6.1 doctors per 10,000 people compared with 11.9 in Vietnam, 19.5 in Singapore, and 12 in Malaysia.



1.1.2 Universal healthcare coverage

The Ministry of Health & Sports plans to implement the Universal Health Coverage programme nationwide by 2030^{xii}. There are three components of Universal Healthcare Coverage (UHC):

- Population coverage
- Service delivery
- Financial protection.

The government's priorities are first to improve access to healthcare via a more efficient referral system, especially for primary care at township levels; and second, to build an essential medicine programme, ensuring generic-quality medicines are available at all levels of the public healthcare system. The successful implementation of the programme faces numerous challenges, including: shortage of medical staff, lack of proper medical equipment, weak healthcare infrastructure, and insufficient government funding.

1.1.3 Health insurance scheme

A new health insurance scheme was introduced in mid-2015, but take-up was slow, with fewer than 2,000 applications after 6 months of operation^{xiii}. Health insurance was revised in 2016 to provide more expansive coverage — for instance critical illness coverage — and higher benefits, though it did little to encourage growth of health insurance. The reality is that health insurance is still expensive for low and middle income people, while wealthier people tend to travel abroad for treatment – though this will change as economic development continues.

There are now 11 private insurance licensed to provide health insurance as part of their offerings, though some are more active than other. Generally, they provide health insurance products to individuals between the ages of 6 and 65 at rates of about MMK50,000 (USD35) per unit for the first unit, and lower rates for subsequent units. A customer can generally purchase around eight units of coverage, depending on the firm. The units pay commensurate benefits during a health event. There are also optional packages available from some insurers, covering events such as surgery, miscarriage and acute critical illness^{xiv}.

1.1.4 Healthcare financing

According to the WHO, Myanmar has the highest out-of-pocket-payment (OPP) rates of healthcare spending in ASEAN - 73.9% as of 2015^{xv}. The situation has gradually improved, with public hospitals providing a greater proportion of treatment free-of-charge. Public hospitals provide healthcare subsidies, which have made them very popular; at the same time, this has led to overcrowding in the hospitals, with many patients unable to stay in hospital rooms. The middle and upper classes tend to choose private hospitals for better services.

1.1.5 Influx of FDI

Ambitious government plans for the healthcare sector, coupled with the general opening up of Myanmar to foreign companies, has led to an inflow of foreign direct investment (FDI). Multinational, as well as regional companies from across ASEAN, have invested

in Myanmar's healthcare sector. These investments include hospital operators such as Malaysia-based hospital operator KPJ Healthcare, Singapore-based AsiaMedic Ltd., as well as the Thai private hospital group Bangkok Dusit Medical Services Pcl^{xvi}. Other local firms are finding partners to improve their own offerings. One market leader is Yangon-listed FMI in partnership with Indonesia's Lippo Group. It has been particularly active, first in markets like Yangon and Mandalay, and more recently in secondary cities such as Taunggyi^{xvii}.

1.2 CHALLENGES

The healthcare sector faces a broad array of challenges in Myanmar. Some of these are in keeping with challenges faced across all industries, but others are unique to healthcare.

Hospitals

Domestic hospitals are in considerable need of improvement. Public hospitals have faced funding shortages and skills gaps, resulting in uneven quality and limiting their effectiveness, with a number of NGOs and ethnic-based organisations filling the gap. Private sector hospitals also vary considerably in quality, while facing limited government engaging and oversight^{xviii}.

Rising income levels and the emerging middle class will drive demand for private hospitals in the future. A number of foreign companies, including Indonesia's Lippo Group, Mitsubishi from Japan and Malaysia's IHH Healthcare, have announced plans or already entered the market with a hospital in Myanmar^{xix}. Traditionally, most customers with sufficient resources travelled abroad for medical care to regional hubs such as Singapore and Thailand, though most foreign providers are clearly trying to tap this market segment.

Major challenges to private hospitals include a lack of human resources, an underdeveloped insurance market, and difficulties pricing quality services at an affordable level. Gradually many of these challenges will be addressed, such as through improved education for healthcare workers and liberalisation of the insurance market, but this will take time.

Pharmaceuticals

Currently the Myanmar pharmaceuticals market is dominated by imports. There are only a handful of domestic producers of pharmaceuticals, with most market demand instead met by products from neighbouring countries, specifically India, China, Thailand and Bangladesh, as well as Pakistan and Vietnam. BMI Research reported that pharmaceutical sales totalled USD456 million in 2017, to grow around 7% to 2022^{xx}. Currently the market for pharmaceuticals is very price sensitive, and generics dominate. Gradually there will be more space for brand-name products, as the economy continues to expand.

Imported pharmaceuticals must be registered with the Ministry of Health and Sports' Food and Drug Administration Department, though the body is understaffed and under-resourced, impacting its ability to test and approve drugs, as well as crack down on counterfeits. It has however successfully carried out some enforcement action^{xxi}. In addition, state-owned Myanma Pharmaceutical Industrial Enterprise is responsible

for producing pharmaceuticals, though its activities are insufficient to meet domestic demand.

Intellectual property rights are a major hurdle in encouraging pharmaceutical development. Many of Myanmar's IPR laws are outdated and spottily enforced, though the 1992 National Drug Law does outlaw counterfeit pharmaceuticals. A suite of four new IPR laws are being considered, including a Patent Law, which will shore up legal protections when passed^{xxii}. In addition, Myanmar's Competition Law came into force last year, though it remains to be seen in practice how it will be applied^{xxiii}.

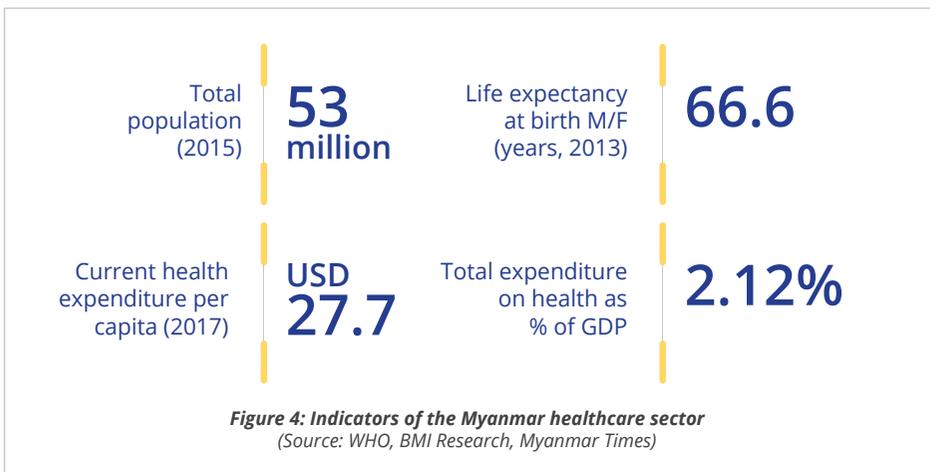
Medical devices

As with pharmaceuticals, most medical devices are imported rather than produced domestically. The Food and Drug Administration is responsible for approving imports, though the process can be somewhat arduous. In 2017, it published a list of devices, including items such as MRI machines and X-ray machines, that were exempt from having to obtain an Import Recommendation (IR) before importing^{xxiv}. In August 2018, it was announced that medical device imports would also not face commercial taxes collected by the Customs Department^{xxv}.

Imports are likely to dominate in the near future. European companies face strong competition from international firms, including Japanese, Chinese and American companies. Although import rules have been loosened, the process of bringing products to market is still challenging, in large part due to often limited distribution channels. Regulatory standards and requirements remain weak, though medical devices are regulated by the FDA, while imports fall under the Ministry of Commerce.

1.3 HEALTHCARE SECTOR OVERVIEW

The following table shows some general indicators of the country's healthcare sector:



The following table shows the personnel available to Myanmar's healthcare sector over the last few years:

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Total number of doctors	24,536	26,435	28,077	29,832	31,542	33,587
Dental surgeons	2,308	2,562	2,770	3,011	3,219	3,499
Dental nurses	262	287	316	334	357	386
Health assistants	1,845	1,883	1,893	2,013	2,062	2,121
Female health visitors	3,278	3,344	3,371	3,397	3,467	3,516
Midwives	19,051	19,556	20,044	20,617	21,435	22,077
Health supervisors	2,174	2,621	2,330	2,527	5,650	7,649
Traditional medicine practitioners	6,627	6,627	6,752	6,854	6,913	7,050

Table 1: Healthcare sector workers in Myanmar
(Source: Ministry of Health and Sports)

The following table shows Myanmar's Union-level hospital indicators:

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Number of hospitals	832	846	871	898	924	945	969	975	1,054	1,115
Number of available beds	43,288	43,748	44,255	45,904	45,346	45,050	48,035	48,737	51,487	55,895
Percentage of bed occupancy	44%	44%	46%	47%	47%	53%	56%	63%	71%	68%
Average duration of stay (days)	6.4	6.3	6.2	6	5.9	5.6	5.5	5.4	5.2	5.1

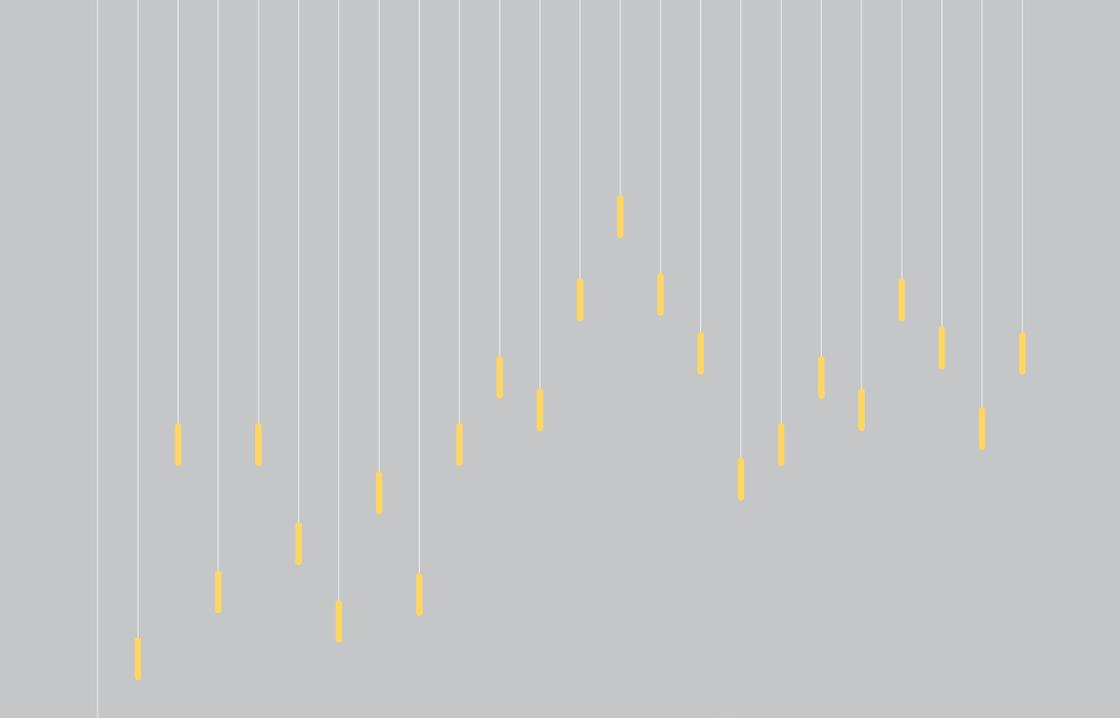
Table 2: Union-level hospital statistics
(Source: Ministry of Health and Sports)^{xxvi}

Outside of city hospitals, health centres are often limited to providing basic services. Most of these centres are in rural areas. They typically suffer from a shortage of doctors, and are often headed by poorly-trained health supervisors who can only perform basic treatments. These centres also lack adequate medical devices and equipment, and often refer patients to nearby hospitals for more advanced treatment.

1.4 GOVERNMENT INITIATIVES

To achieve the government's "Health for All Goal", a series of National Health Plans targeted at improving primary health care services have been systematically developed and implemented. In particular, a long-term health development plan, the 'Myanmar Health Vision 2030'^{xxvii} (from 2000/2001 to 2030/2031), has been drawn up to address future health challenges by prioritising the following areas:

- Health policy and law
- Health promotion
- Health service provision
- Development of human resources for health
- Promotion of traditional medicine
- Development of health research
- Role of co-operatives, joint ventures, the private sector and NGOs
- Partnership for health system development
- International collaboration.



2. INVESTMENT OPPORTUNITIES

The Ministry of Health and Sports regularly advertises open tenders, providing opportunities to both local and foreign healthcare providers.

2.1 POTENTIAL OPPORTUNITIES FOR FOREIGN COMPANIES

The healthcare sector provides numerous opportunities for foreign companies. Before entering the market, it is important to analyse the competence of the existing competition: the local companies.

Strengths

Major hospitals in cities such as Yangon and Mandalay already have a large pool of middle-class consumers. Yet, as the consumer class grows, they will look for more sophisticated healthcare services. The recent relaxation of laws governing foreign investment in healthcare, coupled with current lack of high-quality government healthcare facilities, may provide opportunities for foreign healthcare providers. However, European firms will face competition from established entities within Myanmar, particularly from regional countries and from other ASEAN member states.

Compared with international companies, local healthcare providers tend to have a better understanding of local culture. They are also often perceived by Myanmar citizens as better at providing bedside manners and understanding of patient requirements.

Weaknesses

Most of Myanmar's private and public hospitals run at full capacity to meet client demand, especially in cities such as Yangon and Mandalay. The limited number of healthcare professionals and the large number of patients mean that, at times, the level of service and care provided is below international standards. Private hospitals tend to perform better than public hospitals in this respect. However, even in these institutions, disputes occur and there have been several cases of medical negligence^{xxviii}.

In addition, the number of doctors, specialists, nurses and dentists is limited, with just 6.1 doctors per 10,000 people^{xxix}. New entrants may find that acquiring skilled, local medical professionals is challenging. There is also a limited number of specialist medical service providers, such as psychiatrist clinics and dermatologists.

Due to financial constraints, public hospitals (other than those in Yangon and Mandalay) are not equipped with modern healthcare devices and equipment. Although the government is increasing spending to address this issue, it is a major challenge and will require a significant amount of time to resolve.

Domestic production of pharmaceuticals and medical devices is limited. Although there are a few companies who produce pharmaceuticals – such as Burma Pharmaceuticals Industry (BPI) and FAME Pharmaceuticals – doctors often only assign prescriptions for foreign medicines. In terms of medical devices and equipment, foreign brands still dominate the market.

No.	Investment Area	Description
1	Healthcare equipment	Myanmar's healthcare sector lacks modern medical equipment and devices, which were previously unavailable due to economic sanctions. With the easing of sanctions, many foreign companies have entered Myanmar to provide medical devices and equipment to both the private and public sectors. However, hospitals in many parts of the country remain in need. Some hospitals use out-dated devices and equipment while some lack them entirely.
2	Healthcare & pharmaceutical supplies	High demand with very small domestic production create an opportunity for foreign pharmaceutical companies. However, the pharmaceutical industry is dominated by illegal imports. Although the FDA has attempted to tackle this issue, no effective measures have been implemented yet.
3	Healthcare services	There have been only limited forays by foreign investors into healthcare services. The need for improved healthcare services is not just limited to hospitals and clinics, but also includes diagnostic centres and laboratories.
4	Healthcare training	The future of Myanmar's healthcare relies heavily on the quality and service of healthcare professionals in the region.

Table 3: Potential healthcare investment areas

Due to the lack of international quality healthcare services currently available in Myanmar, many affluent Myanmar citizens and foreign expatriates prefer to fly to neighbouring countries, such as Thailand, Malaysia, India and Singapore, to receive medical treatment. Thailand is the preferred choice due to its proximity, similar culture, low costs, and the fact that it offers visa exemption to Myanmar nationals.

Many Myanmar citizens are interested in foreign healthcare treatments; however, lack of information on foreign companies and concern over language barriers limit their ability to access these foreign treatments. To attract this customer group, many foreign hospitals have now established subsidiary offices in Myanmar.

Some foreign-partnered hospitals in Myanmar, mostly from Thailand, are as follows:

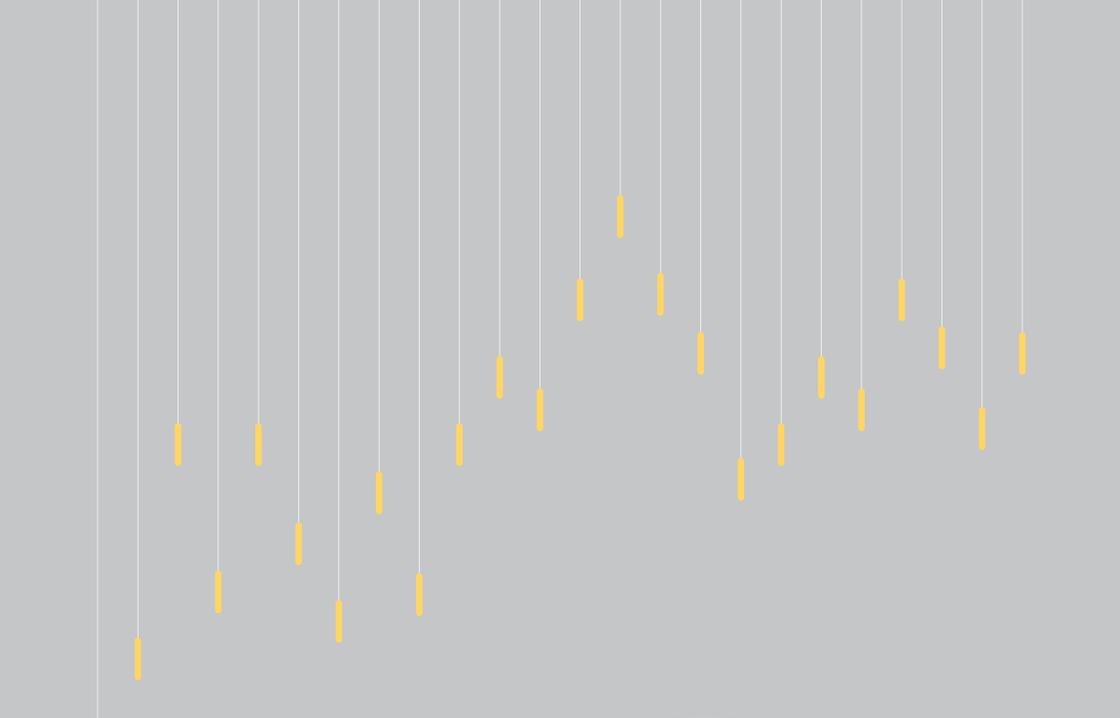
- Bangkok Hospital (Thailand)
- Bumrungrad Hospital (Thailand)
- Chaophya Hospital (Thailand)
- Praram 9 Hospital (Thailand)
- Samitivej Hospital (Thailand)
- Vejthani Hospital (Thailand)
- Vibhavedi Hospital (Thailand)

- Yanhee Hospital (Thailand)
- Parkway Hospital (Singapore)
- Raffles Hospital (Singapore)
- Singapore General Hospital (Singapore)
- Tan Tock Seng Hospital (Singapore)
- Amri Hospital (India)
- Apollo Hospital (India)
- Mahkola Hospital (Malaysia).

2.2 INFORMATION ON TENDERS

The Ministry of Health and Sports releases a constant flow of tenders. These are often related to its core roles, but there are also ancillary opportunities, particularly in areas like construction and office supply.

There are periodically tenders from the Ministry of Health and Sports, but in practice many of them are fairly limited, particularly for multinationals. For most European firms keen on the market, having a local presence scouting for private sector and government opportunities is invaluable.



3

3. GOVERNMENT RULES AND REGULATIONS ON FOREIGN INVESTMENTS

3.1 GENERAL LEGAL / INVESTMENT STRUCTURE INFORMATION

3.1.1 Myanmar Investment Law

The new Myanmar Investment Law (MIL) was signed in October 2016 and has been effective since April 1, 2017; the MIL combines the Foreign Investment Law (FIL) 2012 and the Citizens Investment Law 2013. The new investment law was created to attract both foreign and local investors by simplifying the application process and offering tax breaks, incentives, rights and protections for businesses.

Key changes	Description
Ease of foreign investment	Foreign investors are permitted to own 100% of businesses which are not on restricted or prohibited lists.
Investment screening	An investor may submit an investment screening application to the Myanmar Investment Commission (MIC) for nonbidding guidance on whether a proposal investment: <ul style="list-style-type: none">• Requires an MIC Permit application;• Requires Pyidaungsu Hluttaw (Union Parliament) approval prior to permit issuance;• Is prohibited or restricted under the MIL and related notifications;• In a promoted sector under the MIL and related notifications.
Devolvement of authority for endorsement application	Application with investments less than USD5 million in non-strategic and non-restricted sectors will be handled at the state / regional level, with close involvement of the state / regional DICA officials.
Removal of blanket incentives	Business may be granted tax exemptions if investments are in promoted sectors – the duration of tax exemption is contingent upon the areas in which business set up operations. <ul style="list-style-type: none">• Less developed regions (Zone 1) granted 7 years of tax exemption;• Moderately developed regions (Zone 2) granted 5 years of tax exemption;• Adequately developed regions (Zone 3) granted 3 years of tax exemption.
Long-term land lease possible beyond MIC permit	Foreign investors that invest under Foreign Investment Law (FIL) scheme can lease land from the government for 50 years and then extend it for another 20 years with two 10-year extensions.

Compensation for expropriation	Expropriation of investments is allowed under the following conditions: (a) necessary for the public interest; (b) carried out in a non-discriminatory manner; (c) carried out in accordance due to process of law; (d) on payment of prompt, fair and adequate compensation.
Grievance mechanism	MIC will establish and manage a grievance mechanism to inquire and resolve issues before escalation to legal disputes, and to prevent the occurrence of disputes.

Table 4: Key changes in investment laws

Key points of MIL

Under the MIL, a foreign investor is allowed to conduct business in Myanmar as a:

- 100% foreign-owned entity in permitted sectors;
- Joint venture with foreign, local, or government entities.

Myanmar Investment Commission (MIC) was formed under Myanmar Investment Law. It is a government-appointed body which streamlines and approves investment proposals, and comprises high-level figures, senior officials and experts from government ministries and non-governmental bodies.

The MIC also issues investment-related notifications and orders.

Investors must submit a proposal to the MIC only if the investments are:

- Activities essential to the national strategy
- Large capital-intensive investment projects
- Likely to cause a large impact on the environment and local community
- Use state-owned land and buildings
- Designated by the government as necessary to submit the proposal to the committee.

3.1.2 New laws

A new piece of legislation called the Myanmar Companies Law was approved by President U Htin Kyaw on December 6, 2017, coming into effect in August 2018. The new Law will replace an older version that was enacted in 1914. The act will improve corporate governance by allowing:

- More flexible capital structures and changes to capital share
- Ability for foreign investors to purchase shares in the Yangon Stock Exchange
- Eliminate the requirement for foreign firms to obtain a permit to trade from DICA

- Possibility to incorporate a one-person company with a unique director.

Importantly, foreign investors will be able to hold up to 35% of ownership interest in a Myanmar company; if foreign stakes constitute more than 35%, the company is considered a foreign company. This will enable foreign investors to invest in companies in sectors that are currently closed to foreign investors, and thereby indirectly help to create foreign interest in companies listed on the Yangon Stock Exchange^{xxx}.

3.2 HEALTHCARE-RELATED RULES AND REGULATIONS

3.2.1 Healthcare-related laws

Key healthcare related laws include the Medical Degree Act (1916), National Drug Law (1992), Private Health Care Services Law (2007), Medical Act (1915), Body Organs Donation Law (2015), the Myanmar Red Cross Law (2015), the Blood and Blood Products Law (2003) and the Myanmar Medical Council Law (2015), which address a wide range of healthcare regulatory issues.

3.2.2 Activities permitted for 100% foreign ownership

MIC Notification No. 15 /2017 sets out the business activities based on their permitted forms of ownership, and further relaxed laws relating to healthcare investment. Economic activities which are not included in the notification can be carried out with 100% foreign investment, although many of these activities require the approval of the relevant ministry.

3.2.3 Activities not permitted to foreigners

Activity	Description
Establishment of quarantine station for exportation and importation of animals (Livestock Breeding and Veterinary Department shall undertake to inspect animals and to issue	These investment activities may apply to health assessments carried out at customs, as well as the manufacturing of certain pharmaceutical products. They are not permitted to be carried out by foreign investors.
Manufacturing of forest products from forest area and government administered natural forest	

3.2.4 Activities permitted for joint venture

Activity	Description
Manufacturing and domestic distribution of chemicals based on available natural resources.	These Investment activities are allowed only in the form of a joint venture with any citizen owned entity or any Myanmar citizen.
Manufacturing and domestic wholesale of all kinds of cosmetic products	

3.2.5 Investment activities to be carried out with the approval of the relevant ministries

The following healthcare activities require the approval of the relevant ministry:

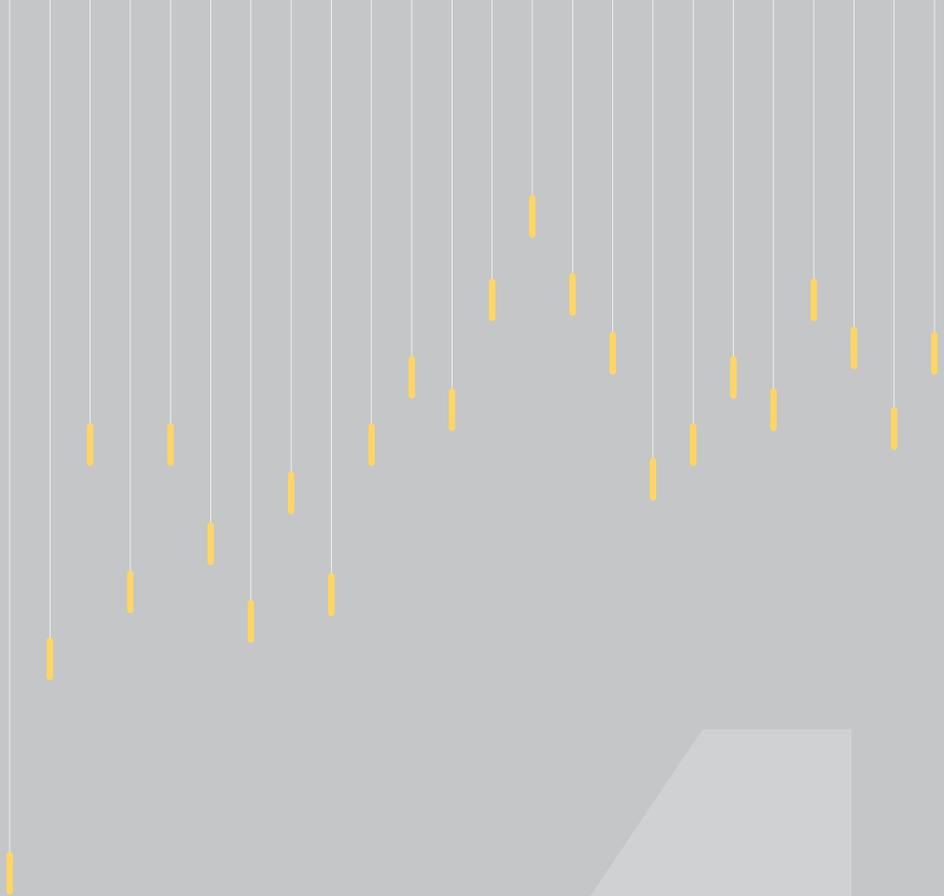
Activity	Description
Manufacturing and distribution of medicines which are produced by using narcotic drugs and psychotropic substances	Investment activities to obtain the approval of the Ministry of Home Affairs.
Manufacturing of vaccine	Investment activities to obtain the approval of Ministry of Industry
Private hospital services	Investment activities to obtain the approval of Ministry of Health and Sports
Private general health services	
Private mobile health services	
Private care shelter services	
Private traditional hospital	
Private traditional clinic	
Manufacturing private traditional medicine and medical product	
Manufacturing of traditional drugs	
Trading of traditional pharmaceutical raw materials (herbal items)	
Traditional herbal cultivation and production	
Traditional medicine research and laboratory	
Research on vaccine and diagnostic test kit production	
Traditional medicine research and laboratory	
Research on vaccine and diagnostic test kit production	This business shall be carried out together with the Vaccine Research Division of the Department of Medical Research.
Laboratory services for the animal diseases diagnosis	Investment activities to obtain the approval of the Ministry of Agriculture, Livestock and Irrigation

Table 5: Activities that require approval from relevant ministries in the healthcare sector

3.2.6 Activities promoted by Myanmar

MIC Notification 13/2017 lists several promoted sectors. Investors in these sectors may benefit from tax discounts including exemption from corporate income tax, customs duties and the right to deduct depreciation / expenses from assessable income. Sectors relevant to healthcare include:

- Production of medicine, chemical products for medicine and botanical products
- Production of chemical items
- Production of traditional medicine
- Production of medical equipment and supply
- Hospital service
- Medical laboratory service
- Traditional hospital service
- Private clinic service
- Manufacturing of Veterinary Medicine
- Science research and development projects for agriculture and breeding
- Research for medical education and medicine
- Research for Industrial development, engineering and technology
- Research on traditional medicine and laboratory service.



4

4. CHALLENGES AND OUTLOOK

The government's ambition to introduce UHC creates a positive atmosphere for European investors. Nevertheless, lack of finance, underqualified staff, and limited capacity to meet consumer needs could hinder the successful implementation of UHC. To counter this challenge, the government has received substantial international aid in the form of grants and loans, but further support will be needed.

4.1 CHALLENGES

With about 66% of the population residing in rural areas^{xxxii}, rolling out UHC will take a significant amount of time.

The low level of domestic production of pharmaceuticals and medical devices presents an opportunity for foreign investors. On the other hand, challenges such as illegal low quality pharmaceutical imports, pose a threat. Effective measures by the government to tackle these illegal imports would increase the attractiveness of the market.

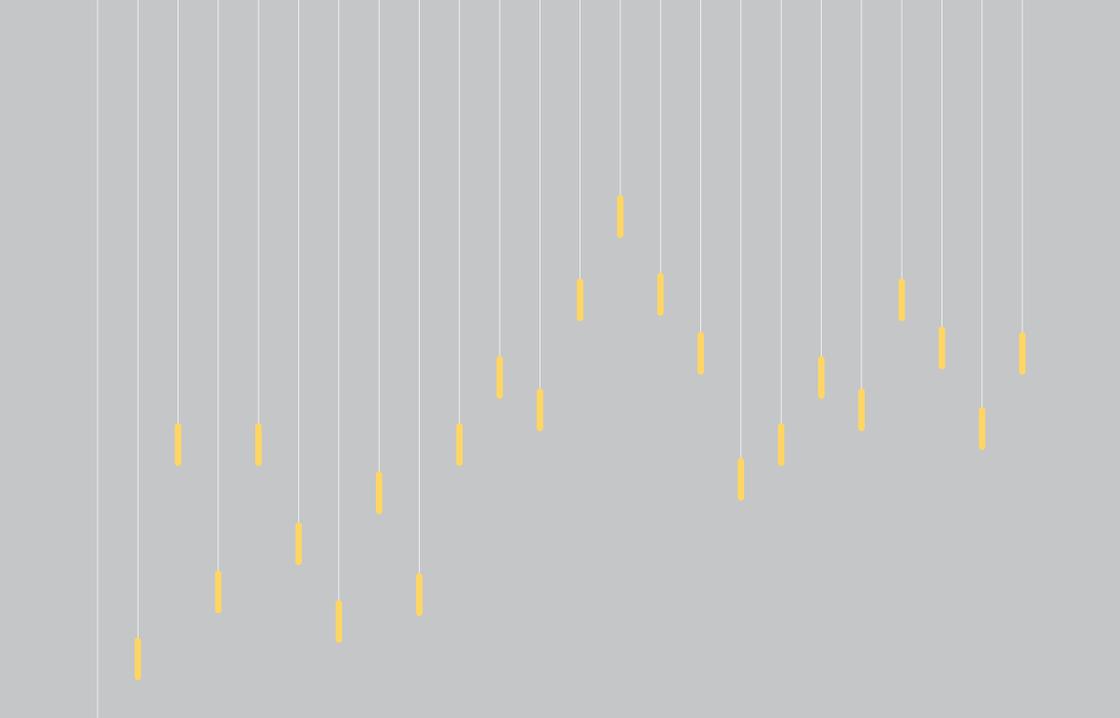
The government is actively encouraging foreign investment. Recent notifications have removed many of the foreign ownership restrictions that previously prevented foreign investment.

So far, rising disposable income, a growing middle class and opportunities to target a market that currently relies on overseas medical care are all factors that have enticed foreign companies to Myanmar. According to Nielsen, healthcare expenditure constituted 9% of the typical Myanmar consumer's monthly household expenses in 2014 – it was the second largest category of consumer spending, behind only food & groceries. Although this may seem low compared to other regional benchmarks, rising incomes driven by strong economic growth are expected to increase spending power on healthcare.

4.2 OUTLOOK

Despite several challenges in the sector, the outlook for healthcare provision in Myanmar is positive. The government's ambition towards implementing UHC, the relaxation of laws related to healthcare investment, expected increases in consumer spending power, along with the positive changes to the insurance industry, are all factors that create opportunity for foreign investors in providing healthcare services and products.

Several major steps forward were taken in 2018. Myanmar committed funding to tackling several neglected tropical diseases such as elephantiasis, while Australia supported creating anti-venom for the country's snake population. The government and NGOs have also done better at planning for the various non-tropical diseases. There has also been growing awareness of mental health concerns, though as a recent article noted, Myanmar only has one psychiatrist per 260,000 people, as of 2016^{xxxiii}. The Minister has also stated a new commitment to improve how medicine distribution and acquisition is handled, to reduce waste and improve efficiency^{xxxiv}.



5

5.
INDUSTRY CONTACT INFORMATION

5.1 GOVERNMENT OFFICES

MINISTRY OF HEALTH AND SPORTS

The Ministry of Health & Sports is the focal ministry for the healthcare sector.

Mailing Address No. 4, Zeya Htani Rd, Nay Pyi Taw
Contact (+95) 67 411 298
www.moh.gov.mm

MINISTRY OF FOOD AND DRUG ADMINISTRATION

The Department of Food and Drug Administration (FDA) is responsible primarily for ensuring the safety and quality of drugs and medical devices.

Mailing Address Pyigyí Zayyar Road, (in front of Sabel Housing)
Zayyar Thiri Ward, Zabú Thiri Township, Nay Pyi Taw
Contact (+95) 67 403 609
fda@mohs.gov.mm
fdanpt1@gmail.com
www.fdamyanmar.gov.mm

MINISTRY OF COMMERCE

The trading of pharmaceuticals and medical equipment can only be conducted with an export/import license issued by the Ministry of Commerce. Licenses for most items are issued in Yangon, while some are issued only in Nay Pyi Taw.

Mailing Address **Nay Pyi Taw**
Director General
Department of Trade
Ministry of Commerce
Office No. 3, Nay Pyi Taw

Yangon
No. 228-240, Strand Road,
Kyauktada Township, Yangon

Contact (+95) 67 408 002, 408 265, 408 485 (Nay Pyi Taw)
(+95) 1 251 197 (Yangon)
mocdotict@gmail.com

The Customs Department is an arm of the Ministry of Planning and Finance.

Mailing Address No. 132, Strand Road, Kyauktada Township, Yangon
Contact (+95) 1 379 423, 379 426-9

MINISTRY OF PLANNING AND FINANCE

DICA and MIC are the lead government bodies for foreign business incorporation in Myanmar. 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.

DIRECTORATE OF INVESTMENT AND COMPANY ADMINISTRATION (DICA)

Mailing Address Director General
Directorate of Investment and Company Administration
Ministry of Planning and Finance
No. 1, Thitsar Road, Yankin Township, Yangon
Contact (+95) 1 658 143
(+95) 67 406 471

MYANMAR INVESTMENT COMMISSION (MIC)

Address No. 1, Thitsar Road, Yankin Township, Yangon
Contact (+95) 1 657 891
(+95) 1 658 127/ 128/ 129/ 130

5.2 OTHER RELEVANT ASSOCIATIONS

MYANMAR MEDICAL COUNCIL (MMC)

Myanmar Medical Council (MMC) is responsible for the recognition of medical degrees offered by local and foreign medical institutions. MMC compiles, keeps and sometimes publishes lists of registered medical practitioners and licensed medical practitioners.

Mailing Address No. 123, Nat Mauk Road,
Bahan Township, Yangon
Contact (+95) 9 456 844 445
(+95) 1 546 709 (fax)
myanmarmedicalcouncil@gmail.com
www.myanmarmedicalcouncil.org

MYANMAR PHARMACEUTICALS AND MEDICAL EQUIPMENT ENTREPRENEUR ASSOCIATION (MPMEEA)

Myanmar Pharmaceuticals and Medical Equipment Entrepreneur Association (MPMEEA) is the association of all entrepreneurs who are actively involved with pharmaceuticals, medical instruments, hospital equipment, and health-care consultancy. They are the manufacturers, traders, exporters, importers, wholesalers, retailers etc. in the healthcare business fields. Importing pharmaceutical and medical equipment requires price recommendations from the MPMEEA.

Mailing Address

UMFCCI Office Tower (Level 6)
No. 29, Min Ye Kyaw Swar Street,
Lanmadaw Township, Yangon

Contact

(+95) 1 231 6205, 231 4834
mpmeea@myanmar.com.mm,
mpmeea@gmail.com
www.mpmeea.org

MYANMAR MEDICAL ASSOCIATION (MMA)

The Myanmar Medical Association (MMA) is a longstanding institution in Myanmar formed by medical doctors as an association representing medical doctors, giving them a unified voice when it comes to the medical profession. It does not really engage in business activities, but rather arranges medical conferences and other networking activities for the doctors' community.

Mailing Address

No. 249, Thein Phyu Road,
Mingalar Taung Nyunt Township, Yangon

Contact

(+95) 1 378 863 (fax)
skystar.green@gmail.com
www.mmacentral.com

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