



CO-FUNDED BY



IMPLEMENTED BY





EUROPEAN UNION

This publication has been produced with the assistance of the European Union. The contents of this publication are the sole responsibility of EuroCham Myanmar and can in no way be taken to reflect the views of the European Union.



EUROPEAN CHAMBER OF COMMERCE IN MYANMAR

EuroCham Myanmar serves as the voice of European business in Myanmar. Its main mission is to 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, November 2019





With a team of more than 50 European and Myanmar lawyers and internationally trained professionals in our office in Yangon, Luther has the competence and expertise necessary to comprehensively assist and advise our clients on all aspects of corporate and commercial law as well as regulatory compliance, including:

- Legal advice
- Tax advice
- Incorporation services
- Corporate secretarial services
- Bookkeeping and accounting
- Tax compliance
- HR administration and payroll
- Payment administration

Our Myanmar clients comprise of international and multinational private investors, MNCs and SMEs, Myanmar businesses and conglomerates as well as embassies, state owned enterprises, international development organizations and NGOs.

With 13 European and 7 Asian offices and partner firms, Luther is one of the top addresses among German commercial law firms. Knowledge of the market in which our clients are active is a prerequisite for providing successful advice. That's why our lawyers and tax advisors, in addition to their specialized legal knowledge, also focus on advising clients from particular industries.



Luther Law Firm Limited | Luther Corporate Services Limited

Uniteam Marine Office Building,

Level 8, Unit #1, 84 Pan Hlaing Street, Sanchaung Township, 11111 Yangon, Myanmar

myanmar@luther-lawfirm.com | myanmar@luther-services.com

Phone: +95 1 500021 | Fax: +95 1 502852

CONTENTS

1. Country Overview - Myanmar	8
<hr/>	
2. Myanmar Agriculture Sector Assessment	12
2.1 Historical and Current Market Situation	12
2.2 Crop Calendar by Regions	17
2.3 Overview of Key Agriculture Segments	19
2.3.1 Paddy	21
2.3.2 Poultry	22
2.3.3 Aquaculture And Fisheries	22
2.3.4 Agriculture Machinery	23
2.3.5 Fertilisers	24
<hr/>	
3. Myanmar Foreign Investment Regulatory Landscape	25
3.1 General Legal / Investment Structure Regulations	25
3.1.1 Myanmar Investment Law	25
3.1.2 Myanmar Investment Commission	27
3.1.3 Myanmar Companies Law	27
3.2 Agriculture-Related Rules and Regulations	28
3.2.1 Fertiliser Law	28
3.2.2 Pesticide Law	28
3.2.3 Prohibited Pesticide List	28
3.2.4 Pesticide Registration for Importers	29
3.2.5 EIA and IEE Requirements for Large-Scale Agricultural Projects	30
3.2.6 Land Law	31
<hr/>	
4. Investment Opportunities in Myanmar	32
4.1 Recent Investments	33
<hr/>	
5. Challenges and Outlook	35
5.1 Challenges	35
5.2 Outlook	38
<hr/>	
6. Industry Contacts Information	40
6.1 Government Offices	40
6.2 Other Relevant Associations	42
<hr/>	
7. References	43

FIGURES

Figure 1	Myanmar's Nominal GDP and GDP Growth Rates	8
Figure 2	Industry Growth Contribution by Sector	9
Figure 3	Myanmar's Total Population	10
Figure 4	GDP and Demographic Trend by States and Regions	11
Figure 5	Agriculture, Forestry and Fishing Output and GDP Share	12
Figure 6	Trade Volumes of Rice by Trade Route	13
Figure 7	Export Value of Selected Crops and Fisheries	16
Figure 8	Export Volume of Selected Crops	16
Figure 9	Sown Acreage Split by Selected Type of Agriculture Product Nationwide	17
Figure 10	Rice Based Crop Calendar in Lower Myanmar	18
Figure 11	Rice Based Crop Calendar in Central Myanmar	18
Figure 12	Sown Acreage of Cereal Crop by Region	19
Figure 13	Major Crops by Zone on the Map of Myanmar	20
Figure 14	Excerpt of International Agri-related Brands in Myanmar	32

TABLES

Table 1	Macroeconomic Benchmarking – ASEAN	9
Table 2	Myanmar Rice Production by Crop Season	21
Table 3	Fishery Production	23
Table 4	Myanmar Investment Law - Key Regulatory Amendments	26
Table 5	IEE and EIA Requirements for Large-Scale Agricultural Projects	30

ACRONYMS

ASEAN	Association of Southeast Asian Nations
CSO	Central Statistics Organisation
DOC	Days Old Chick
EU	European Union
FDI	Foreign Direct Investment
GAP	Good Agriculture Practices
GDP	Gross Domestic Product
GSP	Generalised System of Preferences
HS	Harmonised System
IMF	International Monetary Fund
IFC	International Finance Corporation
JV	Joint Venture
MAPCO	Myanmar Agribusiness Public Corporation
MIC	Myanmar Investment Law
MIL	Myanmar Investment Law
MMT	Million Metric Tons
MoALI	Ministry of Agriculture, Livestock and Irrigation
NES	National Export Strategy
SEZ	Special Economic Zone



The voice of European business
in Myanmar

ADVOCACY

BUSINESS SERVICES

EVENTS

European Chamber of Commerce in Myanmar

271–273 Bagayar Street
Sanchaung Tsp, Yangon, Myanmar



+95 9 45058 2335



info@eurocham-myanmar.org



www.eurocham-myanmar.org



[eurocham.myanmar](https://www.facebook.com/eurocham.myanmar)



[eurocham-myanmar](https://www.linkedin.com/company/eurocham-myanmar)



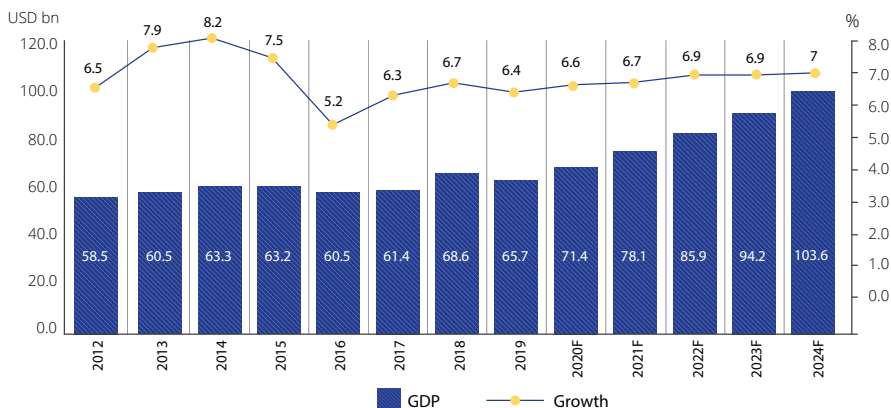
[EuroChamMyanmar](https://twitter.com/EuroChamMyanmar)

1 COUNTRY OVERVIEW MYANMAR

1.1 MACROECONOMIC OVERVIEW

Myanmar is the second largest country in Southeast Asia in terms of land area at 676,578 square kilometres, and the fifth largest country in the region in terms of population with a size of 53 million as of 2019, estimated to grow to 54.7 million by 2024⁴. The neighbouring countries of China, India, Bangladesh, Thailand and Laos, account for approximately 40% of the global population and approximately 20% of the global gross domestic product (GDP). Strategically located between China and India, with vast natural resources and a large coastline, Myanmar is expected to have the highest GDP growth rate at 6.8% till 2024 among the ASEAN countries and holds significant potential as a regional player, which remained largely untapped during almost five decades of economic isolation under a debilitating military rule.










Figure 1: Myanmar's Nominal GDP (USD billion) and GDP Growth Rates (2012 – 2024F)



Source: IMF-World Economic Outlook Database, 2019

A series of economic and political reforms have been implemented by the quasi-civilian government since March 2011, attracting foreign investment into the market. There was a slight decrease in growth rate in 2015, which has since recovered and is expected to stabilise in the next five years.

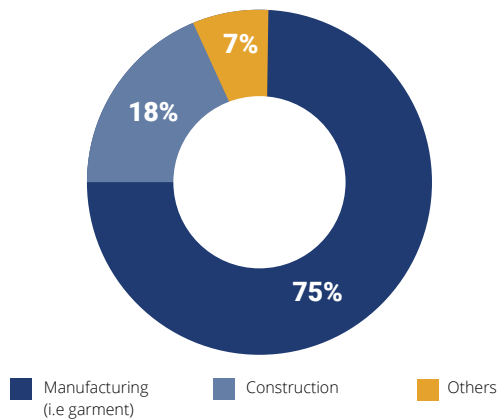
Table 1: Macroeconomic Benchmarking – ASEAN

	Population 2018 (mn)	Current GDP 2018 (USD bn)	GDP / Capita 2018 (USD)	GDP Growth (2018-2024)
 Indonesia	261.9	1,022.4	3,870.6	5.2%
 Philippines	106.6	330.8	3,103.6	6.6%
 Vietnam	94.6	241.2	2,551.1	6.6%
 Thailand	67.8	487.2	7,187.2	3.6%
 Myanmar	52.8	68.6	1,297.7	6.8%
 Malaysia	32.4	354.3	10,941.8	4.8%
 Cambodia	16.2	24.5	1,508.8	6.6%
 Laos	6.8	18.4	2,720.3	6.7%
 Singapore	5.6	361.1	64,041.4	2.6%

Source: IMF-World Economic Outlook Database, 2019

With the further relaxation of regulations for foreign investment in Myanmar, a renewed sense of business optimism led to an influx of foreign firms and strong manufacturing led economic growth, primarily driven by foreign direct investment (FDI). Myanmar, being one of the last accessible frontier markets in the world, is experiencing an accelerated pace of development, similar to economic transformations experienced by its Asian peers such as Thailand and Vietnam.

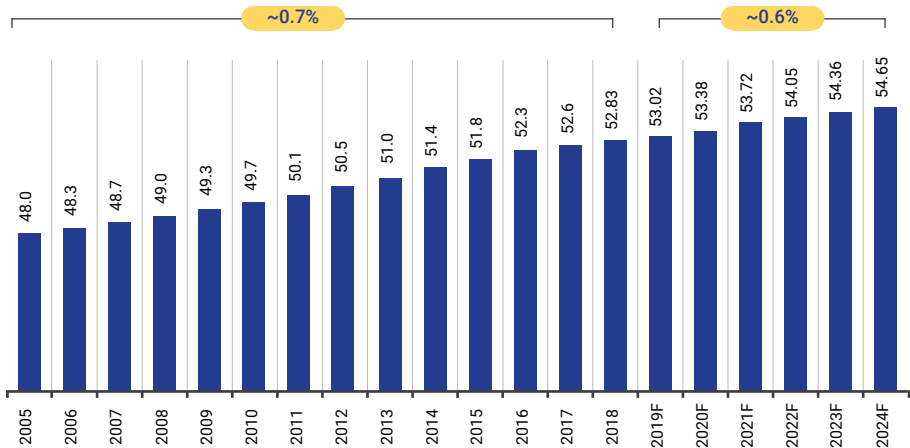
Figure 2: Industry Growth Contribution by Sector



Source: Asian Development Bank, 2019



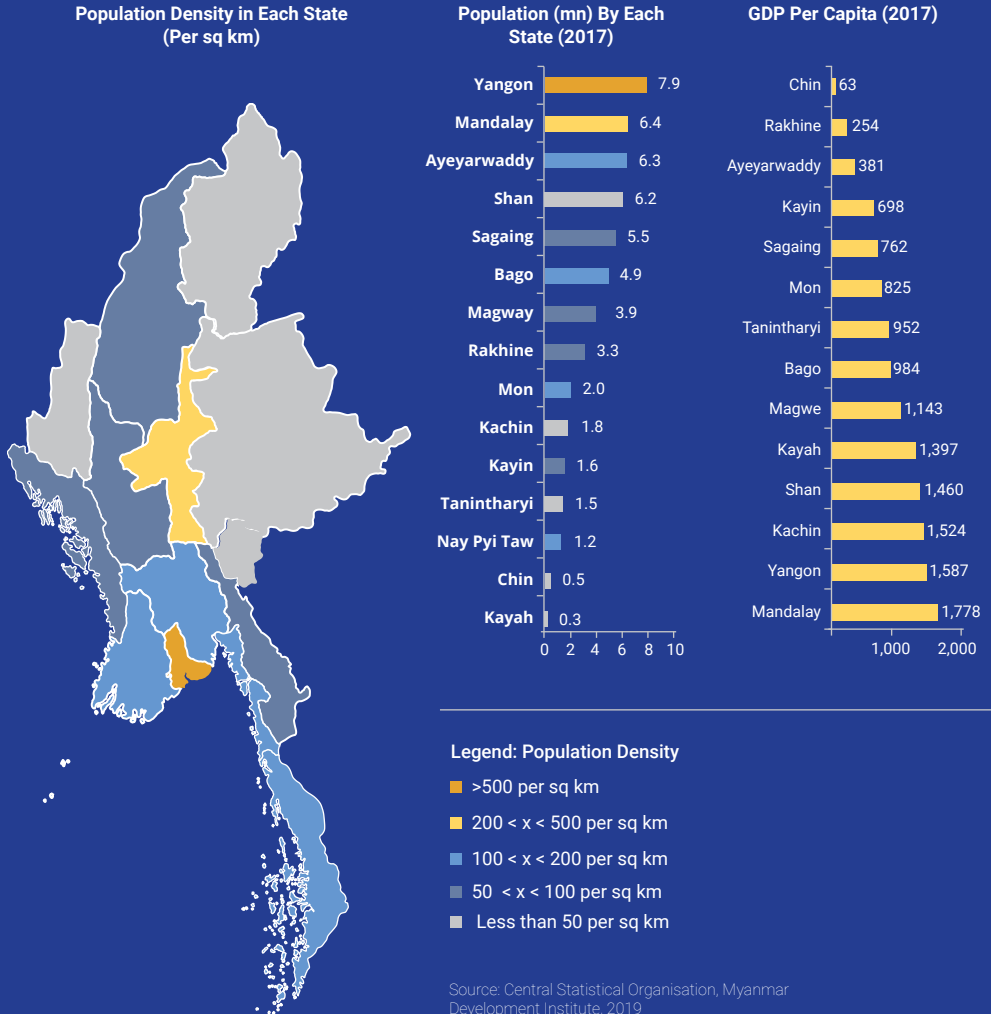
Figure 3: Myanmar's Total Population 2005–2024F (in millions)



Source: IMF-World Economic Outlook Database, 2019

Myanmar's population as of 2019 is estimated to be 53 million with age groups below 24 years old accounting for ~45% of the population. As the commercial centre of Myanmar, Yangon accounts for the highest population density in the country and approximately 15% of Myanmar's population at 7.9 million people with approximately 700 people per square kilometer (sq km).

Figure 4: GDP and Demographic Trend by States and Regions



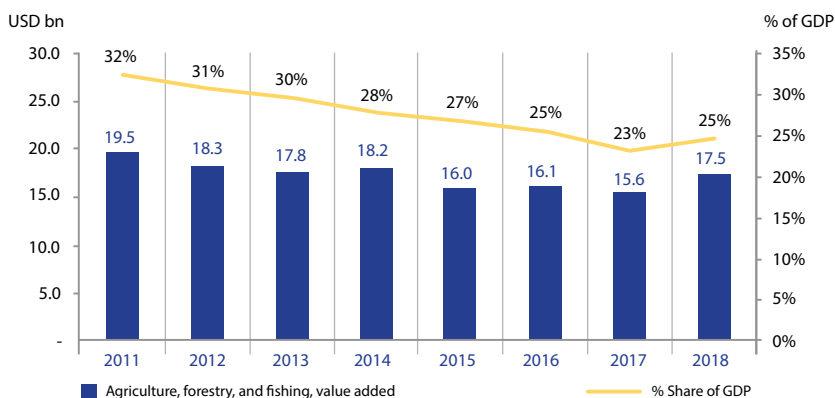
Source: Central Statistical Organisation, Myanmar Development Institute, 2019

2 MYANMAR AGRICULTURE SECTOR ASSESSMENT

2.1 HISTORICAL AND CURRENT MARKET SITUATION

Closed off for decades from the global economy, Myanmar has heavily relied on the agriculture sector which continues to employ more than 60% of the population. Hence, the agriculture sector remains a high priority for the Government of Myanmar. While this sector accounted for a third of the Myanmar economy in 2011 at USD 19.5 billion, it has steadily declined to a quarter of the economy in 2018 with an output of USD 17.5 billion. The National Export Strategy 2015-2019 (NES) as well as the updated NES 2020-2025 has reinforced the importance of agriculture as a priority sector for exports. It aims to improve exports of new products into new markets, as well as to lift production and value-addition in the identified sectors. Within agriculture, the priority sectors identified under the NES include rice, pulses, beans, oilseed crops, fishery, and rubber. The NES aims to address volatility in the supply of agricultural products as well as their commodity prices through a structured roadmap to effectively assign financial, technical, and institutional resources, with the aim of increasing export competitiveness and diversification.

Figure 5 : Agriculture, Forestry and Fishing Output and GDP Share

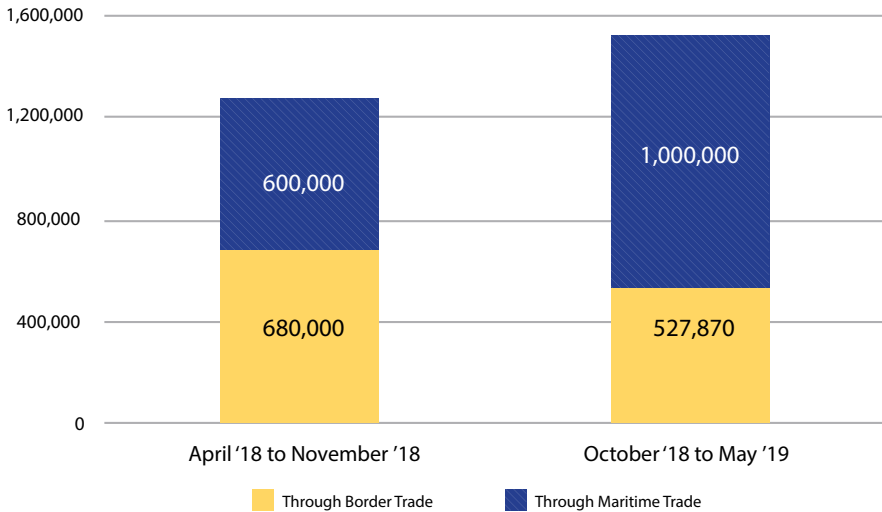


Source: World Bank - World Development Indicators, 2018

Myanmar produces both annual crops (including oilseeds and vegetables) as well as industrial crops (including rubber, sugarcane, cotton, oil palm, coffee, tea). It also has promising abundant natural resources, including fertile and diverse agro-ecological land areas, water, forests, and a coastline of over 2,000 kilometres.

Historically, rice has been the country's top export commodity. Myanmar was once the world's largest rice exporter accounting for a third of the global rice trade between 1934-35. In the post-independence era, however, rice exports from Myanmar were deemed uncompetitive due to rising international standards and Myanmar's poor production quality. Reforms implemented by the Government of Myanmar over the past decade has accelerated the revival of rice exports, coupled with aggressive targets set by the Myanmar Rice Federation to achieve four million tons of rice exports by 2020-21.

Figure 6: Trade Volumes of Rice by Trade Route (in tons)



During April to early November 2018, Myanmar exported about 1.3 million tons of rice, worth over USD 440 million breaking a fifty-year record as Myanmar found new rice export marketsⁱ. Myanmar earned USD 242 million from the export of 680,000 tons of rice and broken rice through border trade, and about USD 200 million from 600,000 tons via maritime trade during the same period. Previously, an estimated 70% of the rice exports was being transported by land across China but strict quotas have now been put in place to discourage illegal trade. According to the Ministry of Commerce, the rice export trading routes are increasingly being dominated by maritime routes. Between October 2018 and May 2019, maritime rice trade amounted to one million tons worth USD 312 million, while border trade earned USD 160 million for over 527,870 tonsⁱⁱ. The biggest importer of Myanmar rice is China followed by the Philippines and Cameroon while the EU countries account for over 20%. Broken rice is mostly exported to Belgium, Indonesia, China, the Netherlands and the United Kingdom.



Myanmar has the largest agri-ecological land area in continental Southeast Asia.

With rice being the staple food for Myanmar people, the country only exports the surplus amount after local consumption has been met. Meanwhile, beans and pulses are consumed relatively less in the domestic market, leaving a large volume for exports. Myanmar is the largest beans and pulses exporter in Asia and ranks second after Canada in the world. Up to fiscal year 2016-17, it was also an agri-commodity that earned the highest foreign exchange for the country. However, in 2017, the Indian government's announcement to impose import restrictions on mung beans, black beans and pigeon peas from Myanmar, led to an adverse effect on Myanmar exports. Having imported beans and pulses from Myanmar for over 30 years, India is the largest single market for Myanmar beans traders.

In Myanmar, many rice farmers grow beans in between rice-growing season to gain additional income. After negotiations between the governments, India announced in June 2019 to allow an import quota of 500,000 tons of selected beans for three months during the 2019-20 fiscal year^{iv}. In October 2019, the Indian government invited merchants to submit orders when some of India's bean farming states were affected by flooding and torrential rains. Despite the growing demand, India continues to pay low prices for Myanmar beans. The Government of Myanmar has requested that bean-trading-activities should be executed through the government-to-government channel to minimise losses for local farmers. From 1 October 2018 to 31 August 2019, Myanmar earned nearly USD 930 million from exporting about 1.5 million tons of various beans and pulses, which is over USD 304 million more than previous fiscal year^v. India mainly purchases mung beans and pigeon peas while China and the EU countries import green gram.

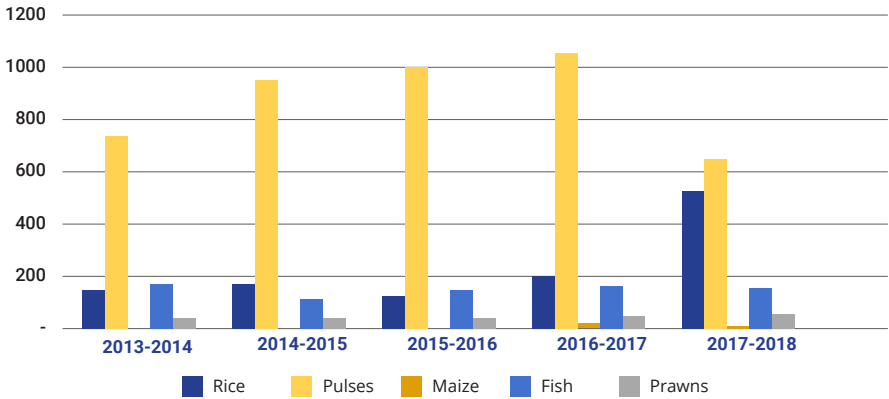
Myanmar is the largest beans and pulses exporter in Asia and the second largest in the world.

Since 1990, China has also been buying maize from Myanmar. Currently it accounts for over 90% of Myanmar maize exports, with the remaining portion being shipped to Singapore, Malaysia, the Philippines, Vietnam, Taiwan and Hong Kong via sea freight. In anticipation of attractive maize prices and with the looming import tariff on beans from the Indian government, many farmers, especially from Shan State, shifted their focus towards maize plantations. As a result, corn production in Myanmar is forecasted to increase to 2.3 million metric tons (MMT) in 2018-19 and 2.4 million MMT in 2019-20. To eliminate illegal border trade, the Chinese government suspended maize exports for nine months in early 2019 resulting in a decline in export volume and maize prices. Since the new price level is lower than the global maize prices, ASEAN countries began to increasingly focus on importing maize from Myanmar. As of October 2019, Thailand increased the maize import from Myanmar by four times at more than 400,000 tons. Vietnam, Laos and the Philippines imported 40,000 tons, 20,000 tons and 33,000 tons respectively^{vi}. While ASEAN countries have helped to fill the gap, it has not made up for the loss from the Chinese market.



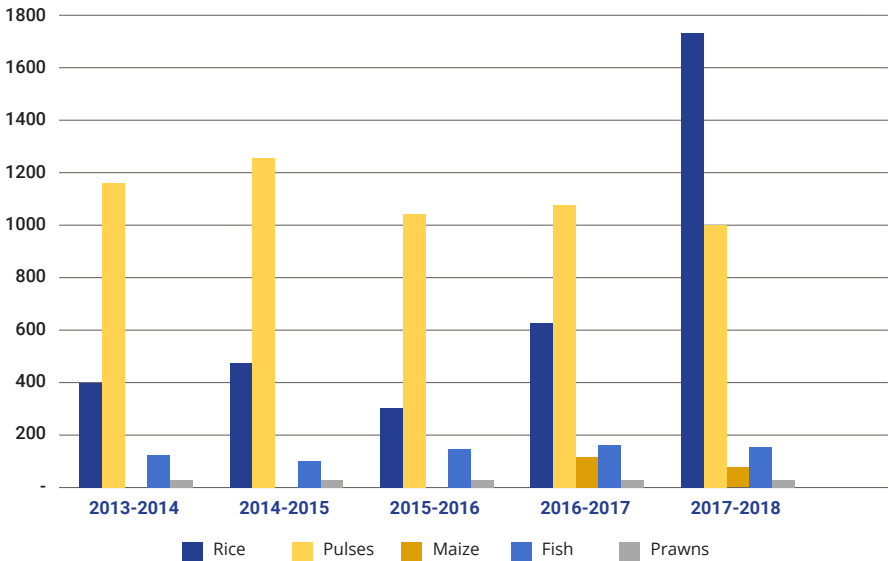
Myanmar exports fishery products such as fish, prawn and crab to over 40 countries and regions including China, Saudi Arabia, Japan and Thailand. In the first eleven months (between October to August) of the fiscal year 2018-19, sector exports earned USD 667 million from over 544,000 tons which is 8,137 more tons of fishery products valued at USD 16 million compared to the corresponding period previous year, 2017-18^{vii}. For a long time, Myanmar was banned from exporting farmed fish and prawns to the European Union (EU), mainly due to the presence of bio-residues in fishery products. Up until April 2019, the EU had only permitted import of fish caught in the wild. However, an upward movement in the sector was encouraged when the EU lifted the ban, granting permits to 13 factories to export farmed fish and prawn products as well as soft-shell crabs^{viii}. The Myanmar aquaculture sector has recently shifted to farming other fish species that have higher demands from international markets such as Tilapia. The switch was accelerated after Saudi Arabia announced a temporary suspension of fish and prawn imports from Myanmar, Vietnam, Bangladesh and India, following a discovery of bacteria in fish imported from Vietnam in early 2018. Myanmar's Rohu fish was largely consumed by the Middle East and Bangladesh. Saudi Arabia alone imports more than 21,000 tons of Myanmar fish and prawns yearly^{ix}.

Figure 7: Export Value of Selected Crops and Fisheries (in USD million)



Source: Central Statistical Organisation, 2018

Figure 8: Export Volume of Selected Crops (in '000 metric tons)

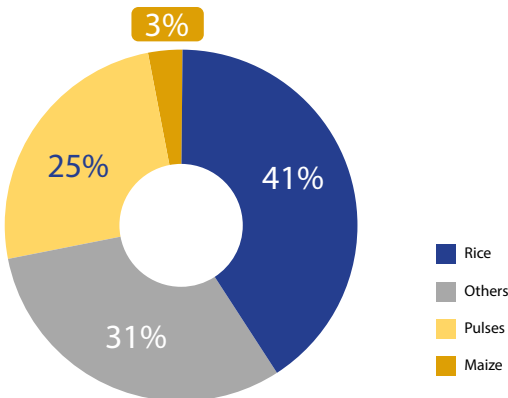


Source: Central Statistical Organisation, 2018

2.2 CROP CALENDAR BY REGIONS

The most common crops in decreasing order are rice, beans and pulses, and maize. In general, farmers grow rice and maize during the monsoon season and beans and pulses during the dry season, although farmers in the temperate highlands often aim for a second harvest of rice and maize if there is enough water left after the rains. Rice (including Myanmar's most famous variety, Paw San) and beans and pulses (especially chickpeas, green gram and black gram) are grown throughout the country. However, the Ayeyarwady Delta Region accounts for the highest share of rice production while the central dry zone region primarily accounts for the largest share of beans and pulses. Unlike beans and rice, maize thrives in the temperate highlands, especially in Shan State, Sagaing Region and Chin State.

Figure 9: Sown Acreage Split by Selected Type of Agriculture Product Nationwide (2017-18)



Source: Central Statistical Organization, 2018

Note: Others include wheat, oilseeds, spices, tobacco, beverage crops, vegetables and fruits, fibre and miscellaneous



Other crops produced in a significantly lower amount compared to rice, beans and pulses or maize include groundnut, sesame and sunflower, and fruits such as watermelons, oranges and chillies in the central dry zone. In Shan, Kachin and Chin States, which are higher altitude regions, farmers also plant soy, coffee, tea and strawberries. Additionally, onions, potatoes, pumpkins, carrots and other vegetables are planted in the foothills in these regions. Rubber plantations are commonly found in Kayin and Mon States*.

Figure 10: Rice Based Crop Calendar in Lower Myanmar

Land Type	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	
Rain fed area		Monsoon Paddy				Green gram			Summer Paddy				
Rain fed area		Monsoon Paddy				Chickpea, Sunflower							
Rain fed area		Monsoon Paddy				Sesame, Pulses							
Rain fed area		Monsoon Paddy				Peanut, Corn							
Irrigated area			Monsoon Paddy				Matpe			Summer Paddy			
Irrigated area		Monsoon Paddy						Summer Paddy					

Source: Department of Agriculture, Ministry of Agriculture, Livestock and Irrigation, 2018

Note: Lower Myanmar regions above include Yangon, Bago, Ayeyarwady and Mon state

Figure 11: Rice Based Crop Calendar in Central Myanmar

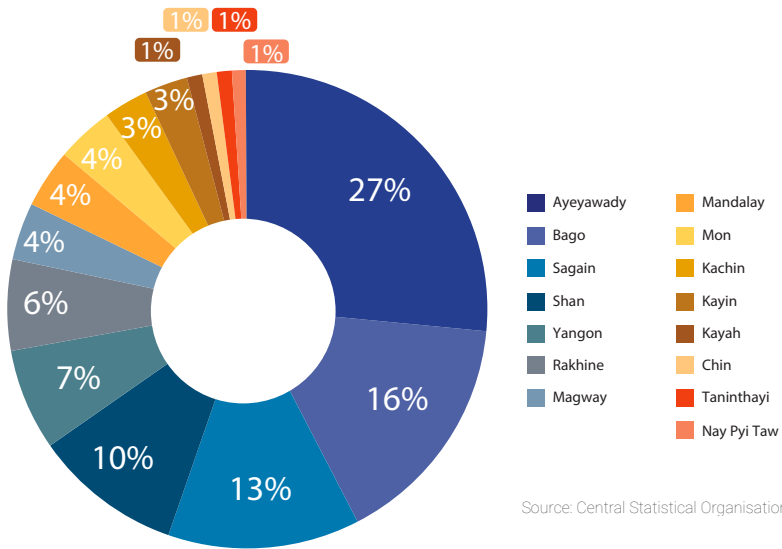
Land Type	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	
Rain fed area		Monsoon Paddy				Peanut, Corn							
Rain fed area		Monsoon Paddy				Green Gram, Corn							
Rain fed area		Monsoon Paddy				Sunflower, Matpe							
Irrigated area		Monsoon Paddy				Sesame							
Irrigated area			Monsoon Paddy				Sunflower, Matpe, Sesame			Summer Paddy			
Irrigated area		Monsoon Paddy						Summer Paddy					

Source: Department of Agriculture, Ministry of Agriculture, Livestock and Irrigation, 2018

Note: Central Myanmar regions above include Mandalay, Sagaing and Magwe

2.3 OVERVIEW OF KEY AGRICULTURE SEGMENTS

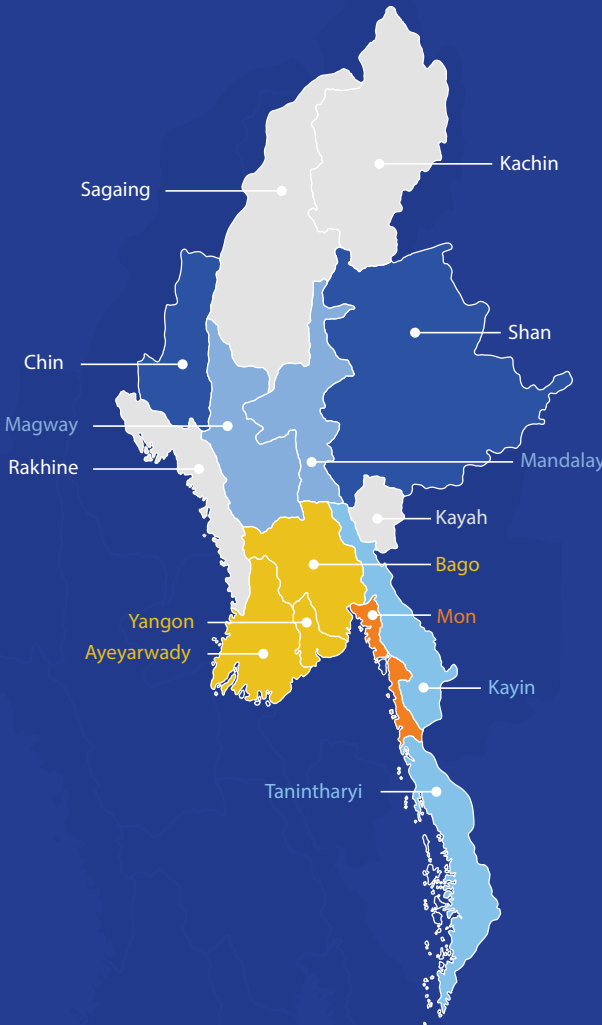
Figure 12: Sown Acreage of Cereal Crop by Region (2017-18)



Source: Central Statistical Organisation, 2018



Figure 13: Major Crops by Zone on the Map of Myanmar



MAJOR CROPS BY ZONE

Hilly and mountainous zone

Regions: Shan, Chin

Major crops: Rice, wheat, maize, sorghum, vegetables, sugarcane, coffee

Central dry zone

Regions/states: Magway, Mandalay

Major crops: Rice (subsistence), oil crops, pulses, vegetables, tea, sesame, groundnuts

Delta zone

Regions: Bago, Yangon, Ayeyarwady, Mon State

Major crops: Rice (delta-type rice production, intensive rice production using canals for irrigation,) Pulses

Coastal zone

Regions: Tanintharyi Region, Mon State, Kayin State

Major crops: Rice, Rubber, oil palm, fruits tree



2.3.1 PADDY

Rice accounts for the largest sown area of crops grown in Myanmar with almost 18 million acres, 41% of the total of 43 sown acres in fiscal year 2017-18. According to the Asian Development Bank (ADB), a significant increase in rice production came about with the introduction of high-yield varieties in the 1970s and double paddy cropping in dry season since 1992. Crop rice is mainly cultivated during May to August and harvested during November to December, whereas second crop rice is cultivated during November to January and harvested in March to May. Between the fiscal years 1990 and 2010, paddy harvested area increased by 68% and led to a subsequent rise in production of 32 million metric tons^{xi}. With favourable weather and more irrigated water provided to farmers, production was estimated to increase to 13.2 million metric tons in fiscal year 2017-18 from 12.6 million metric tons in 2016-17. Rice production areas of Myanmar including the

central part and the lower part suffered from flooding in July and August 2018, experiencing a lower yield. In the same period, the number of total registered rice mills in Myanmar was 11,666. Only 12% of the output was contributed by medium or large mills, while the vast majority was produced by smaller mills which usually have lower quality machinery. In anticipation of a favourable weather, further supported by attractive prices and greater mechanisation in 2019-20, Myanmar's rice production is forecasted to recover with an increase to 13.3 MMT from 13.1 MMT in 2018-19^{xii}. In an effort to protect European paddy farmers in early 2019, the EU withdrew the Generalised Scheme of Preferences (GSP) granted for long grain rice imported from Myanmar and Cambodia which were priced substantially lower than those produced within the EU. The lost market in the EU is likely to be offset by increased market potential in China in the coming years.

Table 2: Myanmar Rice Production by Crop Season

Rice	Unit	2017/18			2018/19			2019/20 (forecast)		
		Main crop	Second crop	Total	Main crop	Second crop (forecast)	Total	Main crop	Second crop (forecast)	Total
Cultivation area	Thousand Hectares	6,150	1,090	7,240	6,100	1,056	7,156	6,150	1,090	7,240
Harvest	Thousand Hectares	6,060	1,040	7,100	6,000	1,050	7,050	6,060	1,040	7,100
Rough Production	Thousand Metrics Tons	16,968	3,813	20,781	16,794	3,675	20,469	16,968	3,813	20,781
Milled Production	Thousand Metrics Tons	10,860	2,440	13,300	10,748	2,352	13,100	10,860	2,440	13,300
Yield	Thousand Hectares	2.80	3.67	2.93	2.80	3.50	2.90	2.80	3.67	2.93

2.3.2 POULTRY

While productivity in crop sector is subject to external factors such as the weather, statistics show a constant growth in livestock and dairy productions. Total meat production in FY 2017-18 amounted to 1.9 billion viss (equivalent to 3.1 million tons), a significant increase of 26% from the FY2013-14 production. Historically, meat consumption in Myanmar has been low as 90% of Myanmar population is Buddhist and a large share of Myanmar people live below the poverty line. Meat consumption is growing increasingly supported by increasing household income and arrival of international visitors. In the meat sector, chicken currently accounts for 51% of meat production at 1.6 million tons, followed by pork 29% and beef 13%. Poultry farming is largely concentrated in the rice producing regions of Shan State, Mandalay, Sagaing, Yangon, Bago, and Ayeyarwaddy with abundant feed resources. Emergence of modern restaurants and bars serving beef, mutton and lamb dishes drives the demand for red meat further. Fastest production growth from FY2013-14 to FY2017-18 is seen in mutton at 39% and beef at 33%. During the same period, both egg and milk (including buffalo milk) production experienced a 28% increase.

2.3.3 AQUACULTURE AND FISHERIES

According to the World Bank, Myanmar's aquaculture and fisheries contribute roughly 2% of the country's gross domestic product, and 50% of animal protein consumption in 2019^{xiii}. The sector also earns foreign exchange for the country, with exports from the fisheries sector generating over USD 600 million in 2016-17. Aquaculture areas have seen an 11% increase to 491,345 acres in 2017-18 from 443,695 acres in 2010-11. Marine fisheries including in-shore and off-shore fishing is estimated to produce between one to three million metric tons per year while freshwater capture produces an estimated 1.6 million tons per year. However, Myanmar is threatened by overfishing in the past years, leading to a decline of marine and freshwater fish resources. In response, the Myanmar Government has been taking measures to increase monitoring on fishing activities. In 2013, the government first announced a no-catch period and closed areas with the exception of allowing a certain number of fishing boats to continue fishing based on concerns from fishermen. In 2019, the Department of Fisheries completely banned fishing activities from 1st June to 31st August during the breeding season for fish and shrimp^{xiv}. This will help to replenish fish stocks and encourage the sustainable management of marine resources.

With the production of an estimated one million metric tons annually, Myanmar was recognised as the eighth largest aquaculture producer in the world in 2015.

Located along the coastline of Southern Myanmar, Myeik is a hub for the fishing industry with an estimated 2,500 inshore and 800 offshore licensed fishing boats officially operating in the area. According to the research by Our Future Initiative, the volume of fishery products exported from Thanintharyi State is three times less than the volume received from Myanmar vessels at the Thai seaport of Ranong, suggesting prevalence of illegal export activities^{xv}. An improved law responding to the illegal fishing is currently being drafted by the Ministry of Livestock, Agriculture and Irrigation. However, there have been delays in submitting the law to the parliament.

Table 3: Fishery Production (2008-09 to 2017-18)

Thousand Metric Tons

No.	Year	Total	Aquaculture	Leasable Fisheries	Open Fisheries	Marine Fisheries
1.	2008-2009	3542.19	775.25	209.72	689.71	1867.51
2.	2009-2010	3921.97	858.76	237.46	764.97	2060.78
3.	2010-2011	4163.46	830.48	250.04	913.12	2169.82
4.	2011-2012	4478.35	899.05	282.64	963.82	2332.84
5.	2012-2013	4716.22	929.38	290.00	1012.97	2483.87
6.	2013-2014	5047.40	964.12	304.44	1076.59	2702.25
7.	2014-2015	5316.95	999.63	315.36	1147.76	2854.20
8.	2015-2016	5591.83	1014.42	338.69	1241.98	2996.74
9.	2016-2017	5675.47	1048.69	339.23	1251.13	3036.42
10.	2017-2018	5877.46	1130.35	341.02	1253.95	3152.14

Source: Ministry of Agriculture, Livestock and Irrigation, 2018

2.3.4 AGRICULTURE MACHINERY

As agriculture has historically been a backbone of the Myanmar economy and the largest portion of the population continues to be employed in the agriculture sector. However, developing a modern and mechanised agro-based industry has been one of the top priorities of the Myanmar Government. Farmers are encouraged to use more machinery and equipment for increased crop productivity and higher yields. With an effective funding system in place, the Myanmar farm enterprises could move beyond exporting only raw agro-commodity and produce value-added finished goods. Hence, the Ministry of Commerce granted the permission for joint ventures (JVs) between foreign and domestic companies to import and sell agricultural machinery effective November 2017. Power tillers, tractors and threshers are the most common equipment used in the Myanmar agriculture machinery segment. According to John Deere, 5,000 tractors are sold each year in Myanmar^{xvi}. Power tillers are the most commonly utilised farm machinery with 305,000 power tillers registered as of 2017-18, followed by threshers at 65,000 during the same period^{xvii}.



2.3.5 FERTILISERS

To encourage the widespread use of chemical fertilisers, the Government has heavily subsidised fertiliser prices since the late 1970s. However, since the removal of the price subsidy, the Government has liberalised the private sector to import and distribute fertilisers. Myanmar currently imports 80% of chemical fertilisers from Thailand and China with an estimated volume between 1.2 and 1.4 million tons per annum^{xviii}. Domestic production is concentrated around urea fertiliser given the availability of abundant natural gas in the country, and meets only 10% of the demand needed for yearly crop cultivation.

Despite the increasing use of fertilisers, many farmers still lack sufficient knowledge to make informed product purchases and affordability remains low in a market where a large portion of products are imported foreign brands. This has led to insufficient application of fertilisers with suitable nutrient composition.

With the aim to provide high quality agrochemicals at an affordable price to local farmers, Myanmar Awba Group recently launched the USD 35 million Hmawbi Agricultural Input Complex (HAIC) in August 2018 with partial funding provided by the International Finance Corporation (IFC). The facility will utilise solar power and greenhouse technology to manage its power consumption. Within the next four years, the plant is expected to manufacture 3.3 to 10.3 million litres of insecticides, fungicides and herbicides in concentrated form, as well as 1.7 million to 5 million kilograms in powder form^{xix}. The availability of local supply could potentially help cutting down the production cost for farmers as they are currently relying on relatively higher-priced import products. Awba estimates that the HAIC facility will be able to supply around half of Myanmar's agrochemical demand by 2021. Established in 1995, Myanmar Awba Group is a leading local player in the manufacturing and distribution of agricultural technology with a focus on crop protection, crop nutrition and high-quality seeds.



Another player, Agri First Co.'s fertiliser factory was launched in the Thilawa Special Economic Zone (SEZ) in late 2018 to locally manufacture and distribute fertilisers of international standards. The investment in the factory was jointly made by the Myanmar Agribusiness Public Corporation (MAPCO), Japan's Mitsui & Co and German's Behn Mayer. MAPCO is an established player importing and distributing fertilisers, agrochemicals and agricultural machineries. With the aim to support other agriculture companies aiming to modernise their agro-product manufacturing, MAPCO has also set up a dedicated subsidiary, MAPCO Engineering & Contracting Co Ltd for design, engineering, equipment installation and maintenance works^{xx}.

3 MYANMAR FOREIGN INVESTMENT REGULATORY LANDSCAPE

3.1 GENERAL LEGAL / INVESTMENT STRUCTURE REGULATIONS

3.1.1 MYANMAR INVESTMENT LAW

The Myanmar Investment Law (MIL) was enacted on 18 October 2016 which consolidated and replaced the Foreign Investment Law 2012 and Citizen Investment Law 2013. The purpose of the new law is to simplify and clarify investment application processes and offering tax breaks, incentives, as well as rights protection for businesses^{xxx}.

The Investment Law is underpinned by the Myanmar Investment Rules 2017 (Investment Rules), and a variety of notifications including Notification 13/2017 dated 1 April 2017 and Notification 15/2017 dated 10 April 2017.



Table 4: Myanmar Investment Law – Key Regulatory Amendments

Key Change	Description
Ease of Foreign Investment	Foreign investors are permitted to own 100% of businesses which are not on restricted or prohibited lists.
Investment Screening	<p>An investor may submit an investment screening application to the Myanmar Investment Commission (MIC) for non-binding guidance on whether a proposed investment:</p> <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. • Is in a promoted Sector under the MIL and related notifications.
Devolvement of Authority for Endorsement Application	Applications with investments of less than USD 5 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	<p>Businesses 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.</p> <ul style="list-style-type: none"> • Less developed regions (Zone 1) grant 7 years of tax exemption; • Moderately developed regions (Zone 2) grant 5 years of tax exemption; • Adequately developed regions (Zone 3) grant 3 years of tax exemption.
Long-term Land Lease	Foreign investors that invest under the Myanmar Investment Law scheme can lease land from the Government for 50 years and then extend it for another 20 years with two 10-year extensions. Lease of land must be situated in industrial zones or permissible area for business.
Compensation for Expropriation	<p>Expropriation of investments is allowed under the following conditions:</p> <ol style="list-style-type: none"> Necessary for the public interest; Carried out in a non-discriminatory manner; Carried out in accordance with due process of law; 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.

3.1.2 MYANMAR INVESTMENT COMMISSION

The Myanmar Investment Commission (MIC) was formed under the 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^{xxii}:

- 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.

3.1.3 MYANMAR COMPANIES LAW

The Myanmar Companies Law, enacted in December 2017 replaces the older version enacted in 1914. Key points of the Companies Law include^{xxiii}:

- Foreign investors will be able to own up to 35% of a Myanmar company before it is considered a foreign company. This enables investors to invest in local companies that previously were not able to accept foreign investment, and indirectly permits foreign investment in companies listed on Yangon Stock Exchange^{xxiv}.
- The replacement of the inflexible Articles of Association and Memorandum of Association with a corporate constitution.
- A company must have at least one resident director, but that director does not need to be a Myanmar citizen and allow a board of directors to determine the form of consideration for an issuance of shares.
- Purchase shares in a “Myanmar Company” without obtaining advanced permission from the DICA.
- Companies must register on Myanmar’s Companies Online platform called MyCO.



3.2 AGRICULTURE-RELATED RULES AND REGULATIONS

3.2.1 FERTILISER LAW

The 2015 Fertiliser Law was amended to modernise the Fertiliser Law enacted in 2002. It addresses the key elements typical of fertiliser legislation and regulations with a set of guidelines that are applicable to fertiliser trade and quality control in Myanmar. The objective of the law is to enable growers to use quality fertiliser, support the conservation of soil and environment by utilising suitable fertiliser and promote education for farmers. It is therefore directed at licensing and controlling producers, importers and distributors of fertiliser rather than end-users whose use of fertilisers is regulated by the Myanmar National Environmental Quality Guidelines, as required in the Environmental Conservation Law on effluent and protection of water sources.

However, important elements of the Fertiliser Law and its 2015 amendment are inadequately covered. For example: (1) fertiliser-related terms and definitions are incomplete and (in some cases) lack clarity and/or conformity with internationally accepted definitions; (2) labelling requirements are not adequately provided; (3) tolerance for allowable variations in nutrient content and bag weight, minimum percentages of nutrient content claimable, and maximum allowable heavy metal limits are not stipulated; and (4) violations and associated penalties are not well-defined^{xxx}.

3.2.2 PESTICIDE LAW

A Pesticides Law was adopted in January 2016 (Law 14/2016). The Pesticide Law establishes the Registration Board under the guidance of the Myanmar Department of Agriculture to test pesticides labelling claims as well as their bio-efficacy on the crops and license importers and sellers of pesticides.

3.2.3 PROHIBITED PESTICIDE LIST

The Ministry of Agriculture, Livestock and Irrigation issued Notification No. 6/2018 on prohibited pesticide list including 41 products that potentially contains hazardous chemicals. The list is published on the homepage of the Myanmar National Trade Portal: www.myanmartradeportal.gov.mm/attachment/1041/download



3.2.4 PESTICIDE REGISTRATION FOR IMPORTERS

Any company (foreign or local companies) that aims to import formulated pesticides and active ingredients to control agricultural pests or for domestic use shall apply for pesticide registration to the Pesticide Registration Board (PRB). An application in the prescribed form shall be submitted for the registration as per the requirements as follows^{xxvi}:

<p>Step 1</p>	<p>Filling out an application form and pay respective fees. Supporting documents required are :</p> <ul style="list-style-type: none"> • Letter of consent from the manufacturer. • Technical residue data including label, toxicology, environmental fate, use pattern, efficacy data and proposed label. • Technical supporting documents. • Proposal label with English and Myanmar translation to be submitted to PRB secretary office. • Formulated product in sufficient amount for carrying out supervised trials and quality control of the product • 25gms of technical active ingredient or ingredients will also be submitted to the Pesticide Analytical Laboratory.
<p>Step 2</p>	<p>The Joint Secretary of the PRB office will check the completed application form and technical dossiers and will consult with the respective technical members. For incorrect applications, the board office will inform the applicants for correction and resubmission.</p>
<p>Step 3</p>	<p>The pesticide laboratory analyses and tests the pesticides, or any active ingredient received as samples in order to conform with the content of ingredient as claimed on the label. The companies have to pay the laboratory fees of MMK 300,000. The technical committee under the Plant Protection Division then evaluates the technical documents.</p>
<p>Step 4</p>	<p>Based on the pesticide analytical results and review of the technical documents, an external technical meeting shall be conducted to evaluate the result of the pesticide, which are then submitted to the PRB.</p>
<p>Step 5</p>	<p>The PRB makes a decision and grants one of the following types of registrations :</p> <ul style="list-style-type: none"> • Experimental registration. • Provisional registration. • Full registration.
<p>Step 6</p>	<p>The Joint Secretary of the PRB issues a letter to the applicants to deposit the respective registration fees as follows :</p> <ul style="list-style-type: none"> • Experimental registration – MMK 1,000,000 • Provisional registration – MMK 2,000,000 • Full registration – MMK 5,000,000
<p>Step 7</p>	<p>After the payment advice, the Joint Secretary of the PRB issues the registration certificate. Based on the pesticide registration certificate, the companies shall apply for an import endorsement at the Plant Protection Division. The overall process is anticipated to take 5 working days.</p>



3.2.5 EIA AND IEE REQUIREMENTS FOR LARGE-SCALE AGRICULTURAL PROJECTS

Part of Myanmar's reform process involves updating and enforcing environmental policy and legislation. The Government of Myanmar has publicly stated its commitment to a development path that is economically strong, but also socially and environmentally sustainable for its citizens. The Framework for Economic and Social Reform (FESR 2013) and the National Comprehensive Development Plan (NCDP 2011-2030) expresses this vision.

The Environmental Conservation Law (ECL 2012) and Rules (ECL Rules 2014) both have implications for domestic and foreign investors in Myanmar. The 2015 Environmental Impact Assessment (EIA) Procedure implements the EIA provisions of the Environment Conservation Law. In the case of a lower impact or smaller-scale activity, an Initial Environmental Examination (IEE) may be required instead of an EIA.

Table 5: IEE and EIA Requirements for Large-Scale Agricultural Projects

Commodity/Crop	Capacity Required for IEE	Capacity Required for EIA
Crops/Industrial crop plantation and production (e.g. rubber, oil palm, cocoa, coffee, tea, banana, cane etc.)	≥200 ha but <500 ha	≥500 ha
Seasonal crops plantation and production (cereals, pulses, roots, tubers, oil-bearing crops, fiber crops, vegetables and fodder crops)	≥500 ha but <3,000 ha	≥3,000 ha
Construction irrigation systems	≥100 ha but <5,000 ha	≥5,000 ha
Animal feed production	Production: ≥100 tons but <300 tons per day (on condition of operating for a maximum of 90 days a year, under 600 tons per day)	Production: ≥300 tons per day (on condition of operating for a maximum of 90 days a year, 600 tons and above per day)
Raw material crops production (rice and wheat flour and all types of flours and powder of corn, coffee, cereals, beans, chili pepper and fruits)	≥100 tons but <300 tons per day (on condition of operating for a maximum of 90 days a year, under 600 tons per day)	≥300 tons per day (on condition of operating for a maximum of 90 days a year, 600 tons and above per day)

3.2.6 LAND LAW

In 2012, the Vacant, Fallow and Virgin Lands Management Law (VFV Law) was established, dictating that unused land can be claimed by willing individuals if the land is made economically productive. The 2012 VFV law was amended in 2018 with the aim of boosting economic development by using vacant, fallow and virgin lands for agricultural, mining and other businesses. The amendment decreases the number of acres one can acquire an agricultural permit for. A first permit of between 300 and 3,000 acres can be applied for with the regional governments of the designated land. When 75% of this land is used, one may again request a permit of between 300 and 3,000 acres with the regional government. If one wants to apply for a permit of between 3,000 and 30,000 acres, applications must be submitted to the Union Government (central committee). Permits are granted for a period of up to 30 years. The process for permit requests may differ from region to region.



4 INVESTMENT OPPORTUNITIES

Investment in the agriculture industry amounted to USD 134 million in the fiscal year 2017-2018 with the farming industry accounting for less than 1% of the total foreign direct investments^{xxvii}. Despite Government liberalisation, foreign investment in the farming sector has not seen significant progress due to concerns related to low mechanisation, difficulty to establish crop insurance and land ownership. Thus, investors' interest has focused on agro-related sub sectors such as livestock, agricultural machinery and equipment, as well as production of value-added finished goods and fertilisers.

Figure 14: Excerpt of International Agri-related Brands in Myanmar





4.1 RECENT INVESTMENTS

Singapore-based Wilmar International's subsidiary Wilmar Myanmar launched a flour mill and consumer pack edible oil processing plant in the Thilawa Special Economic Zone (SEZ) in October 2019. Its partners in Myanmar include National Infrastructure Holdings Company, First Top Group and Riceland International^{xxvii}. The flour mill has the capacity to produce 530 tons of wheat flour per day while the processing plant will handle 460 tons of edible oil per day. Wilmar has also started construction of a rice mill, expected to produce 1,200 tons of rice per day^{xxix}. The Myanmar Investment Commission (MIC) has permitted Wilmar to produce, sell and distribute rice and rice-related products, including rice, rice flour, rice bran, rice bran oil and rice husks. Wilmar has also been granted the right to operate the Wilmar Myanmar Port Terminal at Thilawa under a 50-year build-operate-transfer (BOT) agreement by the MIC. The jetty, which has already been operational since March 2018, has a total length of 234 meters and a breadth of 25-meters. Wilmar aims to extend the jetty to 390-meter length and 13-meter depth so that upon completion of the rice mill, rice bags will be exported to other countries via the Thilawa jetty. The company aims to establish an integrated agribusiness model in Myanmar that encompasses the entire value chain of the agricultural commodity business, from cultivation, processing, merchandising to manufacturing in a bid to upgrade industry standards^{xxx}.

In the poultry sector, there has been a growing presence of modern commercial systems for broilers and eggs production. Contract farming for broilers production is led by CP Myanmar, a subsidiary of Thai conglomerate The Charoen Pokphand Group which has established vertically-integrated business units in Myanmar from commercial broiler farming, compound feed manufacturing, Day Old Chick (DOC) production, animal health product as well as processed food manufacturing such as sausages and meatballs. CP together with Japfa Comfeed Myanmar account for an estimated 70% of the total market share across the vertical supply chain^{xxxi}. Dutch feed giant De Heus launched their first USD 11 million feed factory in October 2016 with a primary focus on the poultry sector. Following the success of the Yangon factory in May 2018, De Heus launched the second factory in the Myotha Industrial Park near Mandalay, with a USD 30 million investment. Moreover, the De Heus aquafeed factory in Myaung Dagar (located close to Yangon) was recently launched in November 2019, with the capacity to produce more than 200,000 metric tons of aqua feed each year. Having established factories in Yangon and Mandalay, De Heus clearly aims to tap into the growing demand in both upper and lower regions of Myanmar^{xxxii}. Another player, South Korea's CJ Feed, also launched their first USD 16.7 million factory in Yangon in December 2018.

Foreign investment in agri-machinery is also increasing. Swiss company Bühler, industrial solutions provider for food processing and manufacturing of advanced materials, opened their first factory located in the Thilawa SEZ in November 2018. The company engages in the importation and sales of advanced milling machineries as well as assembling. Since 1953, Japan based Kubota Corporation has been exporting machinery (power tillers) to Myanmar. From 2011, farm machineries from Siam Kubota Corporation were imported through distributors in Myanmar. Aiming to further strengthen the business, a sales and service focused company, Kubota Myanmar Co. Ltd. was launched in February 2017.



5 CHALLENGES AND OUTLOOK

5.1 CHALLENGES

The transformation of the agricultural sector in Myanmar to a more modern and mechanised industry is a slow process, which inherits various challenges that need to be addressed for the country to re-establish itself in the international market.

Low Productivity and Quality

Despite the presence of abundant fertile land and increasing sown acreage, the country still experiences low crop productivity resulting in one of the lowest yields in Southeast Asia. For example, one day work of harvesting rice in Myanmar generates only 23 kilogram (kg) of paddy compared to 547 kg in Thailand and 429 kg in Vietnam^{xxxiii}. Low productivity at the farm level can be attributed to a number of determinants related to crop inputs including seed, fertiliser and irrigation. Due to cost constraints and the lack of availability of quality fertilisers, Myanmar rice farmers generally use low fertilisers though the practice of using fertilisers has been prevalent for many years. With Myanmar's monsoon weather lasting for three to four months, crops are vulnerable to external weather conditions. Severe damage to crops and infrastructure are caused by floods, heavy rain and landslides every year. In Kayin, Mon and Tanintharyi Regions, a total of 728,000 hectares of sown land was hit by flood and 16,000 hectares of crops were destroyed in 2019^{xxxiv}. Although Myanmar cultivates certain premium varieties of rice such as Paw San, the exported rice is considered to be predominantly low-quality in the international markets. With rising preference for higher quality rice internationally, Myanmar's low-quality rice exports seem to be unsustainable.

Low Mechanisation

Downstream production at the mill level also presents an equally important role. The use of outdated rice mills further constrained by unstable power supply poses a challenge in productivity. The milling sector operates with obsolete processing units that causes about 15-20% losses in quality and quantity during the milling^{xxxv}. In addition, unreliable power supply eliminates the incentives of mill owners to upgrade their machines. Despite the higher availability of loans granted by the Myanmar Agricultural Development Bank, farmers face the additional burden of completing lengthy administrative procedures, resulting in the delay in funding disbursement to support their farm activities.

Climate

Myanmar is among the most natural disaster-prone countries in Asia with an estimated 50% of the total number of disasters in the country related to floods^{xxxvi}. Monsoon rain (usually from June to August) and rising water levels on major rivers cause flooding of farms every year, threatening the agricultural livelihood and food security in the country. In 2015, 79% of damaged areas by flood were paddy plantations with rice production accounting for 89% of the destroyed crops^{xxxvii}. The heavy monsoon-related flood in 2018 affected more than half a million acres of farming land and destroyed about 250,000 acres where paddy, sesame, maize and various beans and pulses were planted^{xxxviii}.

In efforts to eliminate the financial risk of farmers, the Ministry of Planning, Finance and Industry approved a two-year rice insurance pilot project submitted by the local insurer Global World Insurance Co (GWI). The yield-based insurance program will calculate compensation pay-outs based on the market price per acre of rice harvested in different regions, and currently covers only Ayeyarwady, Mandalay, and Yangon regions. Moreover, the state-owned Myanmar Insurance signed a Memorandum of Understanding (MOU) with the state-owned Myanmar Agriculture Development Bank in December 2018 in an effort to provide the weather index-based crop insurance. Myanmar Insurance started running a one-year pilot project since February 2019 covering Pyay township in Bago Region and Shwebo township in Sagaing Region^{xxxix}.

Irrigation System

Irrigation coverage in Myanmar was only 16.2% of the total sown area in 2016-17^{xl}. Farmers especially from dry zones such as Mandalay, Magway and Sagaing rely on rainwater to grow crops. In an event of less rain, only the farms that are connected to the national irrigation system can grow monsoon paddy. Thus, those who do not have access to irrigation have to grow economically suitable crops such as mung beans and sesame that require less water.





Access to Finance

Limited access to credit for farmers is one of the key factors restricting growth of the agriculture sector. Farmers usually access formal credit through three main sources: the Myanmar Agricultural Development Bank (MADB), microfinance institutions (MFIs) and financial cooperatives. In November 2018, MADB announced its plans to lend over MMK 2 trillion (USD 1.3 billion) via a two-step loan from Myanmar Economic Bank to farmers^{xli}. However, MADB loans are not tailored to crop cycles while documentation and disbursement process usually takes long, leading farmers to source alternative credit from unregulated informal lenders at high interest. Commercial banks also lack the expertise to assess the credit risk relating to crop value chains, and often require a collateral. It makes the credit assessment more challenging when the farmers do not keep proper financial records. MFIs increasingly offers unsecured loans at reasonable interest rate, however, often limited by geographical reach and maximum loan cap.

Land Acquisition

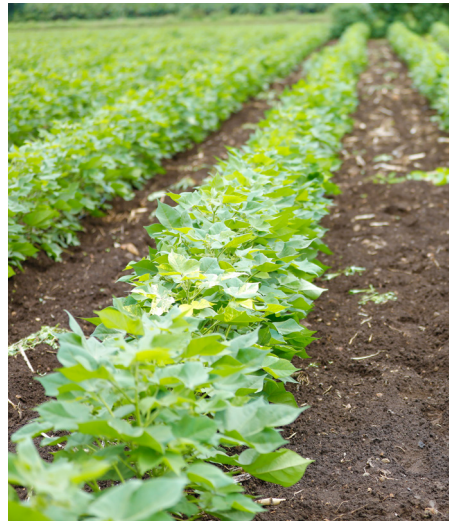
Land ownership has been a key area of conflict between farmers who have been making a living on the land that they claim to own, and the Government pushing for more foreign investment and infrastructure projects. The 2018 amended Vacant, Fallow and Virgin lands Management Law (VFV Law) was introduced by the Ministry of Agriculture, Livestock and Irrigation (MOALI). However, it brings further complexity for investors. A third of the country's land is classified under VFV and an estimated 82% of VFV land is home to ethnic minorities^{xlii}. Many farmers are not aware of the amendment requiring them to apply for a permit to use the land. If they fail to do so, they run the risk of facing legal actions for trespassing on their own property and the land could be confiscated.

5.2 OUTLOOK

The country has four key competitive advantages for agriculture: abundant land, water, labour resources, and proximity to major future food markets. With 12.8 million hectares of cultivated land and the potential to expand this by nearly 50% into additional fallow areas, agricultural potential is immense. In addition, diverse topography and ecosystems enable farmers to produce a range of cereals, pulses, horticultural products, and fruits, as well as livestock and fishery products. Reflecting the relative abundance of land, the average size of farms is higher in Myanmar compared with other comparable Asian countries and a large share of Myanmar's workforce is in agriculture. This enables an easier transition to technologies that improve labour productivity and means less immediate pressure for out-migration from rural areas^{xliii}.

The Government has been undertaking initiatives to transform Myanmar into a modern agri-led industry with support from policy and regulatory reforms. Aiming to promote exports by increasing production quality, the Myanmar Parliament enacted a Law on Standardization in 2014. Meanwhile, with the assistance from the World Trade Organisation and the Food and Agriculture Organisation, Myanmar is also drafting standards and specifications for 26 agriculture products. Standards of rice, beans and pulses, coffee, watermelon, banana and pomelo have been approved while durian, mangosteen, muskmelon, peanut, sesame, mango, onion, corn, cashew nut, coconut and pineapple are being drafted for submission to the Government for approval^{xliiv}.

Moreover, with the objective to increase productivity and competitiveness of Myanmar agricultural products in international markets, the Department of Agriculture of Myanmar's Ministry of Agriculture, Livestock and Irrigation (MoALI) launched the Good Agricultural Practices Protocol and Guidelines, with the support from the International Finance Corporation (IFC). The protocol includes guidelines aiming to transfer knowledge and train cultivators on how to produce safe and quality products through sustainable farming practices. According to the MoALI, 1,538 training sessions have been provided with a total of 253 GAP certificates issued since 2016^{xlv}. This indicates the Government's aspiration to gain access to new export markets, and thus boosting the income as well as improving the livelihoods of farmers.



On government level, negotiation between China and Myanmar during the second China-Myanmar Economic Corridor Forum in early 2019 has been successful at withdrawing some of China's rice import quota. As a result, China agreed to officially import 400,000 tons of rice from Myanmar via sea, increasing the current import quota of 100,000 tons^{xlv}. Subsequently, while Myanmar maize import from China dropped, a new lower price has found new markets around Southeast Asia. In line with the growing poultry sector demand, domestic maize demand is further expected to increase with the launch of new feed mills from international players such as De Heus and CJ Feed. The aquaculture sector is also expected to see a rise in demand followed by the EU removing the ban of farmed fish exports from Myanmar. In a bid to meet EU food safety standards, the Myanmar Fisheries Federation is working together with the breeders and processors by providing safety screening services of fishery products at their ISO-accredited laboratories under the Department of Fisheries. Breeders are also preparing to acquire certificates such as Hazard Analysis and Critical Control Points (HACCP) and Good Aquaculture Practice (GAP). In the other segment where exported fish are caught in the wild and not in fish farms, 25 factories out of more than 120 cold-storage factories were permitted to export wild-caught fish to the EU by September 2019^{xlvii}. The Government's efforts to promote food safety standards supported by the trade liberalisation of export partner countries holds a promising outlook for further growth in the country's fishery sector.



Since the privatisation of the telecom sector, smartphone users in both urban and rural areas are on the rise. Leveraging on the widespread mobile usage, many start-up companies are creating innovative platforms for farmers to stay connected. Locally developed Green Way app was first introduced in 2016 and has 42,000 registered users in 2018. The app provides information on weather, crop prices, advice for pesticides usage as well as a chat feature, allowing other app-user farmers to stay connected and exchange information. Moreover, the app provides expert consultation with agronomists for additional inquiries to address pest problems and fertiliser usage. Impact Terra also operates another app called Golden Paddy which uses three channels – a mobile app, a website and a Facebook page – to connect farmers across Myanmar. On top of providing weather, crop prices and pests information, the app connects farmers to potential buyers. Agriculture equipment rental app, Tun Yat (meaning tilling) unleashes the power of mechanisation by connecting low-income farmers, who need power tractors for harvesting, to the machine owners who seek additional source of income^{xlviii}. This increased deployment of information and communication technology (ICT) further supported by high mobile penetration is driving the rapid transformation and modernisation of the Myanmar agriculture sector.

6 INDUSTRY CONTACTS INFORMATION

6.1 GOVERNMENT OFFICES

MINISTRY OF AGRICULTURE, LIVESTOCK AND IRRIGATION

The Ministry of Agriculture, Livestock and Irrigation is the focal point for agriculture-related activities.

Mailing Address

Director General
Department of Planning
for Ministry of Agriculture,
Livestock and Irrigation
Building No. 15, Office
Compound, Nay Pyi Taw

Contact

(+95) 67 410 106
(+95) 410 011

MINISTRY OF NATURAL RESOURCES AND ENVIRONMENTAL CONSERVATION

The Ministry of Natural Resources and Environmental Conservation is the focal point for Environmental Impact Assessment (EIA) and other environmental regulation.

Mailing Address

Director General
Environmental Conservation
Department
Ministry of Natural
Resources and
Environmental Conservation
Building No. 39, Office
Compound, Nay Pyi Taw

Contact

(+95) 1 - 215043
(+95) 1 - 215035

MINISTRY OF COMMERCE

Exporting and importing products 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

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
 (+95) 1 251 197

MINISTRY OF PLANNING, FINANCE AND INDUSTRY



Mailing Address

Ministry of Planning, Finance
 and Industry
 Office No. 45, Nay Pyi Taw

Customs House,
 Strand Road Kyauktada
 Township, Yangon



Contact

(+95) 67 430 171 (Nay Pyi Taw)
 (+95) 1 380 729 (Yangon)

MINISTRY OF INVESTMENT AND FOREIGN ECONOMIC RELATIONS

DIRECTORATE OF INVESTMENT AND COMPANY ADMINISTRATION (DICA); MYANMAR INVESTMENT COMMISSION (MIC)

The Directorate of Investment and Company Administration (DICA) and the Myanmar Investment Commission (MIC) are the focal bodies for incorporation of foreign businesses. Both fall under the authority of the Ministry of Investment and Foreign Economic Relations.



Mailing Address

Directorate of Investment
 and Company
 Administration
 No. 1, Thitsar Road, Yankin
 Township, Yangon



Contact

(+95) 658102
 (+95) 658103

6.2 OTHER RELEVANT ASSOCIATIONS

UNION OF MYANMAR FEDERATION OF CHAMBERS OF COMMERCE AND INDUSTRY (UMFCCI)

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

Mailing Address Contact

No. 29, Min Ye Kyaw Swar Street, Lanmadaw Township, Yangon, Myanmar.



Contact

(95) 1- 231 4344 ~ 49 (Ext: 122)
Email: ird@umfcci.com.mm

AGRICULTURE AND FARMERS' FEDERATION MYANMAR (AFFEM-IUF)

Mailing Address Contact

No 524/D, Away Yar 4 Street, Nant Thar Gone Ward, Insein Township, Yangon



Contact

(+95) 9 31673785
contact@aff-m.org

MYANMAR FARMER ASSOCIATION

Mailing Address Contact

No. 29, Room (901-903), Min Ye Kyaw Swar Street, Lanmadaw Township, Yangon



Contact

(+95) 1- 218 266
(+95) 9- 730 236 88

MYANMAR ORGANIC AGRICULTURE GROUP

Mailing Address Contact

28, Min Ye Kyaw Swar Street, 4th Floor, UMFCCI



Contact

(+95) 1- 644 217

MYANMAR COFFEE ASSOCIATION

Mailing Address Contact

13, Nanda Street, 6 Ward, Pyin Oo Lwin Township, Mandalay



Contact

(+95) 0 201 1489
www.coffee.org.mm

MYANMAR AGROBUSINESS PUBLIC CORPORATION (MAPCO)

Mailing Address Contact

No. 100, Corner of Wardan Street and Kan Naw Street, Beside the Concrete Express Way, Wardan Port Area, Seik Kan (Port) Township, Yangon



Contact

(+95) 1 - 230 1652
(+95) 1 - 230 1825 ~6
Email: admin@mapco-ygn.com

7 REFERENCES

i	IMF-World Economic Outlook Database
ii	Eleven News (2018): Myanmar Earns US\$ 440 M in Rice Exports, retrieved from https://elevenmyanmar.com/news/myanmar-earns-us440-m-from-rice-export (17/11/2019)
iii	The Global New Light of Myanmar (2019): Exports of rice cross 1.5 mln metric tons in Oct-May, retrieved from https://www.globalnewlightofmyanmar.com/exports-of-rice-cross-1-5-mln-metric-tons-in-oct-may/ (17/11/2019)
iv	Myanmar Times (2019): Myanmar may resume bean exports to India in June, retrieved from https://www.mmtimes.com/news/myanmar-may-resume-bean-exports-india-june.html (17/11/2019)
v	Eleven (2019): Nearly \$930 m earned from export of beans and pulses in 11 months, retrieved from https://elevenmyanmar.com/news/nearly-930-m-earned-from-export-of-beans-and-pulses-in-11-months (17/11/2019)
vi	Myanmar Times (2019): ASEAN demand for Myanmar maize rises, retrieved from https://www.mmtimes.com/news/asean-demand-myanmar-maize-rises.html (17/11/2019)
vii	Asia and Pacific News (2019): Myanmar's fishery export up in first 11 months of FY 2018-19, retrieved from http://www.xinhuanet.com/english/2019-09/20/c_138407205.htm (17/11/2019)
viii	Frontier (2019): Fisheries sector upgrades as exports set records, retrieved from https://frontiermyanmar.net/en/fisheries-sector-upgrades-as-exports-set-records (17/11/2019)
ix	Myanmar Times (2018): Saudi Arabia's ban on fishing imports from Myanmar to be discussed, retrieved from https://www.mmtimes.com/news/saudi-arabias-ban-fishing-imports-myanmar-be-discussed.html (17/11/2019)
x	Frontier Myanmar (2018): Myanmar Agriculture 101, retrieved from https://frontiermyanmar.net/en/myanmar-agriculture-101 (12/11/2019)
xi	Asian Development Bank (2015): Myanmar's Agriculture Sector: Unlocking the Potential for Inclusive Growth, retrieved from https://www.adb.org/sites/default/files/publication/177652/ewp-470.pdf (18/11/2019)
xii	USDA Foreign Agricultural Service (2019): Burma – Union of Grain and Feed Annual, retrieved from https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Grain%20and%20Feed%20Annual_Rangoon_Burma%20-%20Union%20of_4-11-2019.pdf (18/11/2019)
xiii	The World Bank (2019): Fisheries Sector, retrieved from https://www.forestdepartment.gov.mm/sites/default/files/Documents/Fishery%20Policy%20Brief%20English.pdf (18/11/2019)
xiv	Thaibiz (2019): The local fishery producers called for a reduction on the duration of fishing bans during the meeting of Myanmar Fishery Federation, retrieved from http://www.thaibizmyanmar.com/en/news/detail.php?ID=2416 (02/12/2019)

xv	Frontier (2019): As fishing ban ends, authorities urged to tackle illegal boats, retrieved from https://frontiermyanmar.net/en/as-fishing-ban-ends-authorities-urged-to-tackle-illegal-boats (02/12/2019)
xvi	Mekong Business Initiative (2017): Tractors and Combines in Myanmar, retrieved from http://www.mekongbiz.org/wp-content/uploads/2018/04/Myanmar-report_Farm-Mechanization-2017_Report-by-MBI.pdf (18/11/2019)
xvii	Export.Gov (2019): Burma: Agriculture 2019, retrieved from https://www.export.gov/article?id=Burma-Agriculture (18/11/2019)
xviii	Export.gov (2019): Burma – Agriculture, retrieved from https://www.export.gov/article?id=Burma-Agriculture (02.12.2019)
xix	Myanmar Times (2018): Myanma Awba opens new agrochemical production complex in Yangon, retrieved from https://www.mmtimes.com/news/myanma-awba-opens-new-agrochemical-production-complex-yangon.html (02/12/2019)
xx	Myanmar Agribusiness Public Corporation (2019): retrieved from http://mapco.com.mm/business-highlights/agricultural-machinery-equipment (18/11/2019)
xxi	Myanmar Investment Law (2016), retrieved from https://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/myanmar_investment_law_official_translation_3-1-2017.pdf (08/10/2019)
xxii	Directorate of Investment and Company Administration (no date), retrieved from https://www.dica.gov.mm/en/information-myanmar-investment-commission-mic (09/10/2019)
xxiii	Myanmar Companies Law (2017), retrieved from https://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/final_mcl_english_version_6_dec_president_signed_version_cl.pdf (09/10/2019)
xxiv	PricewaterhouseCooper (2017). Myanmar Business Guide. October 2017. pg. 8, retrieved from https://www.pwc.com/mm/en/publications/assets/myanmar-business-guide-2017.pdf (18/11/2019)
xxv	INTERNATIONAL FERTILIZER DEVELOPMENT CENTER (2018): Soil Fertility and Fertilizer Management Strategy for Myanmar, retrieved from https://ifdc.org/wp-content/uploads/2018/11/A-Soil-Fertility-and-Fertilizer-Management-Strategy-for-Myanmar-11-16-2018.pdf (03/12/2019)
xxvi	Myanmar National Trade Portal (no date), retrieved from https://www.myanmartradeportal.gov.mm/en/procedure/48?fbclid=IwAR28SxKafCPL8aWHLszyij-kKLo54hnmjI4BAZ5kaZCaGhdCCLYpU62qv0 (02/12/2019)
xxvii	The Global New Light of Myanmar (2018): Agriculture sector still accounts for less than 1% of total FDI, retrieved from https://www.globalnewlightofmyanmar.com/agriculture-sector-still-accounts-for-less-than-1-of-total-fdi/ (09/10/2019)
xxviii	Myanmar Times (2019): Singapore's Wilmar opens facilities in Thilawa, retrieved from https://www.mmtimes.com/news/singapores-wilmar-opens-facilities-thilawa.html (12/11/2019)
xxix	The Edge Markets (2019): PPB associate Wilmar to build largest rice mill in Myanmar economic zone, retrieved from https://www.theedgemarkets.com/article/ppb-associate-wilmar-build-largest-rice-mill-myanmar-economic-zone (12/11/2019)
xxx	Global New Light of Myanmar (2019): Wilmar Myanmar opens edible oil, flour mills factories in Thilawa, retrieved from https://www.globalnewlightofmyanmar.com/wilmar-myanmar-opens-edible-oil-flour-mills-factories-in-thilawa/ (12/11/2019)

xxx	GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAM (2016): AGRIBUSINESS COUNTRY DIAGNOSTIC – MYANMAR, retrieved from http://documents.worldbank.org/curated/en/541101490092426376/pdf/113627-WP-GAFSP-IFC-Agribusiness-Myanmar-PUBLIC.pdf (12/11/2019)
xxxii	Myanmar Times (2018): Dutch De Heus sets up \$16m feed plant in Myotha, retrieved from https://www.mmtimes.com/news/dutch-de-heus-sets-16m-feed-plant-myotha.html (18/11/2019)
xxxiii	Myanmar Times (2019): Sowing the seeds of growth in Myanmar, retrieved from https://www.mmtimes.com/news/sowing-seeds-growth-myanmar.html (18/11/2019)
xxxiv	Myanmar Times (2019): Less crop damage from floods this year: official, retrieved from https://www.mmtimes.com/news/less-crop-damage-floods-year-official.html (18/11/2019)
xxxv	The World Bank (no date): Myanmar: Capitalizing on Rice Export Opportunities, retrieved from https://www.worldbank.org/en/country/myanmar/publication/myanmar-capitalizing-on-rice-export-opportunities (18/11/2019)
xxxvi	JICA (no date): Natural Disaster Risk Assessment and Area Business Continuity Plan Formulation for Industrial Agglomerated Areas in the ASEAN Region, retrieved from http://open_jicareport.jica.go.jp/pdf/1000023395.pdf (02/12/2019)
xxxvii	Thinn Nay Chi Sun (2019): Why We Need to Talk About The Impact of Flood in Myanmar's Agriculture Sector, retrieved from http://www.changemag-diinsider.com/blog/why-we-need-to-talk-about-the-impact-of-flood-in-myanmar-s-agriculture-sector (02/12/2019)
xxxviii	Myanmar Times (2018): Floods, crop damage under-scores need for insurance, retrieved from https://www.mmtimes.com/news/floods-crop-damage-under-scores-need-insurance.html (02/12/2019)
xxxix	Myanmar Times (2019): Crop insurance begins to take root in Myanmar, retrieved from https://www.mmtimes.com/news/crop-insurance-begins-take-root-myanmar.html (02/12/2019)
xl	Myanmar Agriculture Development Strategy and Investment Plan (2018/19 – 2022/23), retrieved from https://www.liftfund.org/sites/liftfund.org/files/publication/MOALI_ADS_June2018_compressed_EN.pdf pg 3 (02/12/2019)
xli	Eleven Media (2019): MADB plans to lend over Ks2 trillion to farmers in 2018-19 FY, retrieved from https://elevenmyanmar.com/news/madb-plans-to-lend-over-ks2-trillion-to-farmers-in-2018-19-fy (02/12/2019)
xl	DW (no date): Myanmar land ownership law could displace millions of farmers, retrieved from https://www.dw.com/en/myanmar-land-ownership-law-could-displace-millions-of-farmers/a-47740259 (03/12/2019)
xlii	Asian Development Bank (2015): Myanmar's Agriculture Sector: Unlocking the potential for Inclusive Growth, retrieved from https://www.adb.org/sites/default/files/publication/177652/ewp-470.pdf (12/11/2019)
xliv	Asia and Pacific (2019): Myanmar draws up standards for 26 agricultural products to boost export, http://www.xinhuanet.com/english/2019-09/23/c_138414463.htm (18/11/2019)
xl	Myanmar Times (2019): GAP certificates issued to nine coffee plantations, retrieved from https://www.mmtimes.com/news/gap-certificates-issued-nine-coffee-plantations.html (02/12/2019)
xlvi	Myanmar Times (2019): China to increase Myanmar's rice export quota to 400,000 tonnes: MOC, retrieved from https://www.mmtimes.com/news/china-increase-myanmars-rice-export-quota-400000-tonnes-moc.html (18/11/2019)

xlvii	Myanmar Water Portal (no date): 25 factories cleared to export fish to EU, retrieved from https://www.myanmarwaterportal.com/news/1485-25-factories-cleared-to-export-fish-to-eu.html (03/12/2019)
xlviii	The ASEAN post (2019): Myanmar's farmers go hi-tech, retrieved from https://theaseanpost.com/article/myanmars-farmers-go-hi-tech (02/12/2019)

Photo References:

Cover	Shutterstock	Page 27	Freepik
Page 10	Shutterstock	Page 28	Freepik
Page 14	Shutterstock	Page 30	Freepik
Page 15	Shutterstock	Page 31	Freepik
Page 17	Shutterstock	Page 32	Freepik
Page 19	Unsplash	Page 33	Freepik
Page 21	Freepik	Page 34	Freepik
Page 23	Freepik	Page 36	Freepik
Page 24	Freepik	Page 37	Shutterstock
Page 25	Freepik	Page 38	Freepik
		Page 39	Freepik



We help you grow, scale, and transform businesses in Asia

YCP Solidiance is an Asia-focused strategy consulting firm with a global presence across 18 key cities in the Asia Pacific, US, and EU. Our strategic, operational and digital advisory support help you navigate the rapidly evolving Asian markets in today's industry 4.0 era.

Get in touch with our Myanmar team

Naithy Cyriac

Managing Director, YCP Solidiance Myanmar
Suite 606, 6th floor, Crystal Tower, Junction Square Compound,
Kyun Taw Road, Kamaryut township, Yangon, Myanmar

+95 979 700 6465

naithy.cyriac@ycp.com

Asia-focused with a global presence

Australia, China, Hong Kong,
India, Indonesia, Japan,
Lebanon, Malaysia, Myanmar,
Netherlands, Philippines,
Singapore, Taiwan, Thailand,
United Arab Emirates, USA,
Vietnam.

Connect with Us

 YCP Solidiance

 @ycpsolidiance

 www.youtube.com/ycpsolidiance



DULWICH COLLEGE | YANGON |

| PUN HLAING | STAR CITY |



Dulwich College Yangon, where 'Students Come First'

yangon.dulwich.org

**GRADUATE
WORLDWISE.**



European Chamber of Commerce in Myanmar
271–273 Bagayar Street
Sanchaung Tsp, Yangon, Myanmar



+95 9 45058 2335



info@eurocham-myanmar.org



www.eurocham-myanmar.org



eurocham.myanmar



eurocham-myanmar



EuroChamMyanmar

CO-FUNDED BY



EUROPEAN UNION

IMPLEMENTED BY



CCI FRANCE MYANMAR

FRENCH MYANMAR CHAMBER OF COMMERCE & INDUSTRY



EUROCHAMBRES