



# **Recent Developments in Agriculture and Agro-based Industry of Myanmar**

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# Objectives

(1) To lift the veil on some recent exciting developments in Myanmar in relation to concerted efforts to increase the productivity for the **sustainable self-sufficiency** of the nation and **to establish Myanmar as a major player** in global marketplace

(2) Elaborate some of the key drivers – Public-Private Partnership, Opportunities for Foreign and Local Investment and Comprehensive Supply Chains which are at various stages of implementation – while considering the Strategic plans and addressing the challenges and risks

*Underlying theme: Myanmar is slowly but surely getting the basics and balance right for the sustainable food security, and hence is well-positioned to realize key potentials and opportunities to contribute to economic development*



## ***Myanmar in Brief***



**The Land:** The largest country on the mainland of South east Asia.

**Total land area:** 676,577 sq. km

➡ 50% mountains and forests  
(northern and eastern)

**Total coastline:** 2,832 sq.km

**Total international borders:** 5,858 km

**Human Resource:** 60 million (2010)

**Growth Rate:** 1.84%





## MYANMAR



- **GDP – composition by sector:**
  - agriculture: 43%
  - industry: 20.5%
  - services: 36.6% (2011 est.)
- **Lalour force:**
  - 32.53 million (2011 est.)
- **Lalour force- by occupation:**
  - agriculture: 70%
  - industry: 7%
  - services: 23% (2001 est.)

# Agro-based Industry Development Programs ( Private Sector )

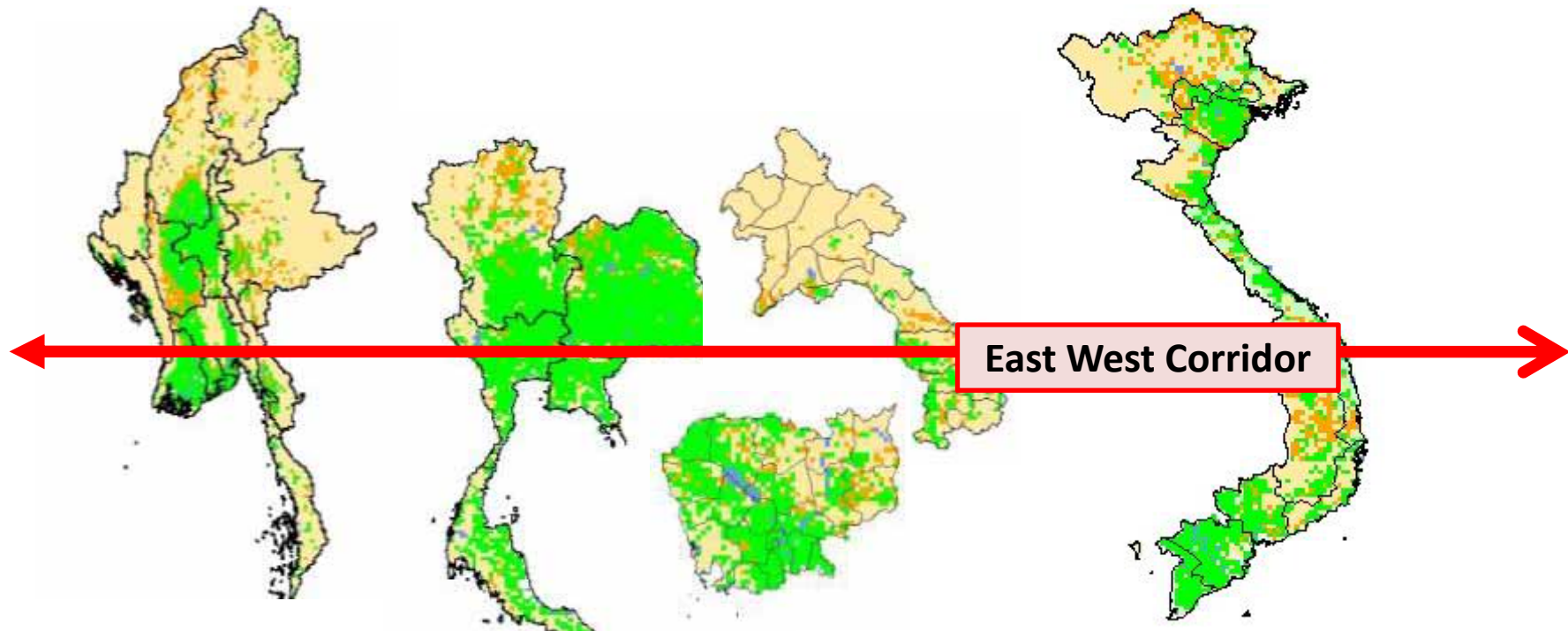
- The private sector is actively taking part in the ABI development activities - the awareness for value addition is well-understood
- MRIA/MPBSA/MFPEA/MIA have formed working committees to provide necessary assistance and support to their members
- Formation of Public Corporations (MAPCO)
- The technical, managerial and other relevant trainings are being provided to the members with the local and foreign expertise.
- The seminars on export promotion, marketing and R&D are conducted in collaboration with related ministries and departments, international organizations and NGOs frequently
- The members are selected to go overseas to study the latest developments by the assistance of the international chambers and other organizations

# Status of Myanmar Agro-based Food Industries

- ❖ Myanmar Agro-based Food Industry constitutes over 70 percent both by volume of production and by the member of industries. It also employs the largest number of workers.
- ❖ The traditional food productions are mostly small family units spread all over the country.
- ❖ The agro-based industries are therefore considered as of **high potential not only for import substitution but also for export promotion**
- ❖ Out of the total registered member of private industries (43239) the number of food industries are (35827) (State-owned 354 units, 35667 private and municipal 6 units) There are also 8194 members of cottage or micro-scale units.
- ❖ **The Largest members are rice mills, bean processing mills and oil mills of various sizes**

# Myanmar's Strategic Location in ASEAN East West Corridor

Source: FAO Statistical Yearbook Country Profile  
ADB Key Economic Indicator

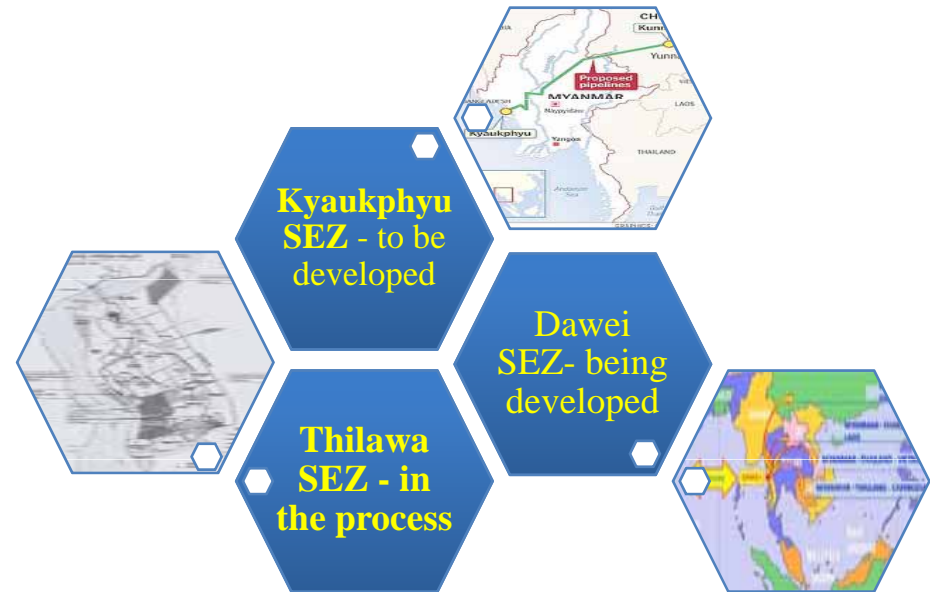


	Unit	Myanmar	Thailand	Cambodia	Lao PDR	Vietnam	
Land Area	1,000 Square Km	670	510	180	230	330	
Cultivated Area	1,000 ha	9,909	15,865	3,700	877	6,200	
Agriculture Workforce	1,000	11,510	14,306	4,750	2,091	22,300	
GDP ratio of Agriculture	%	40	11.4	31.9	42.6	20.3	



# Regional and Local Changes

- Changes in Local :
- Changes in Region :







# Special Economic Zones in Myanmar

- ❑ Dawei Special Economic Zone - being developed
- ❑ Thilawa Special Economic Zone - in the process
- ❑ Kyaukphyu Special Economic Zone - to be developed

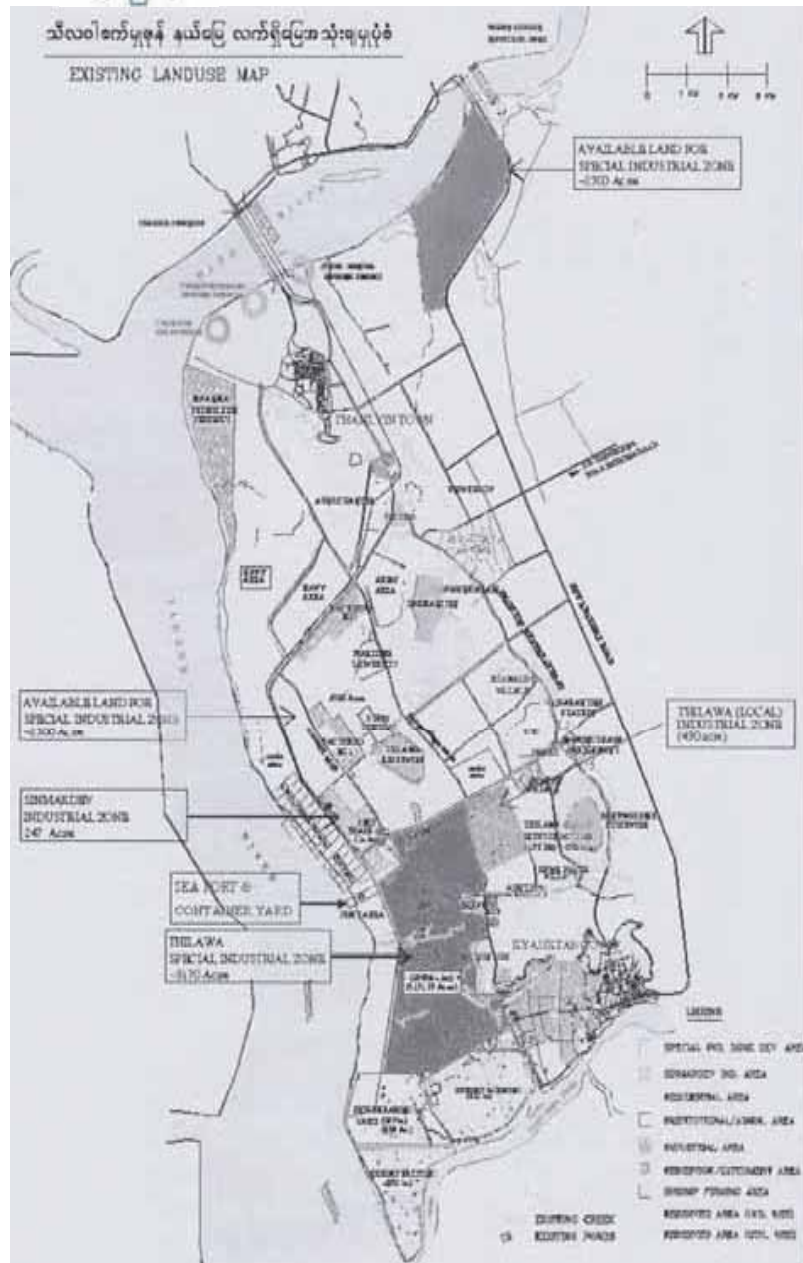






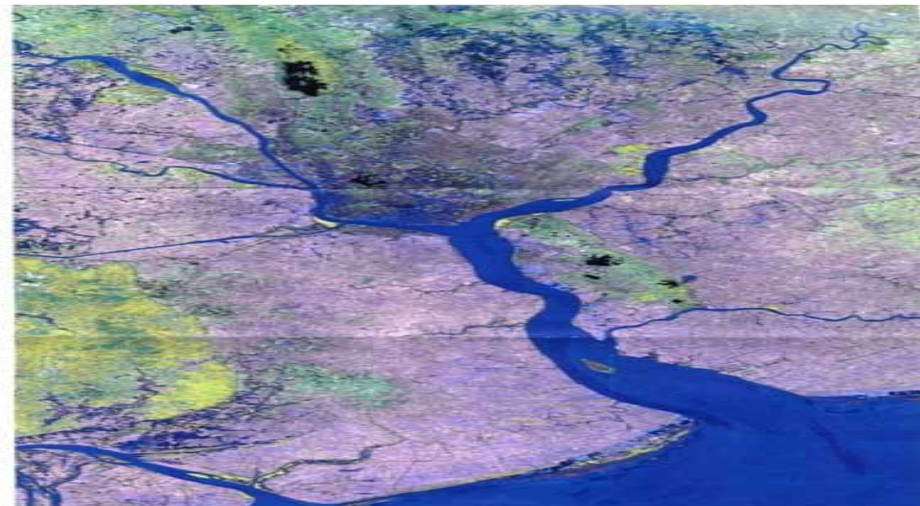


# Thilawa SEZ



In the SEZ plan, SEZ and industrial zones will be as follows;

- ▶Special Industrial Zone (for FDI)- 2300 acres
- ▶Local Industrial Zone- 430 acres
- ▶Singapore Myanmar Development (SINMARDEV) Industrial Zone -247 acres
- ▶Sea ports and container yard
- ▶Thilawa Special Industrial Zone – 3,170 acres





# Opportunities for the Manufacturing

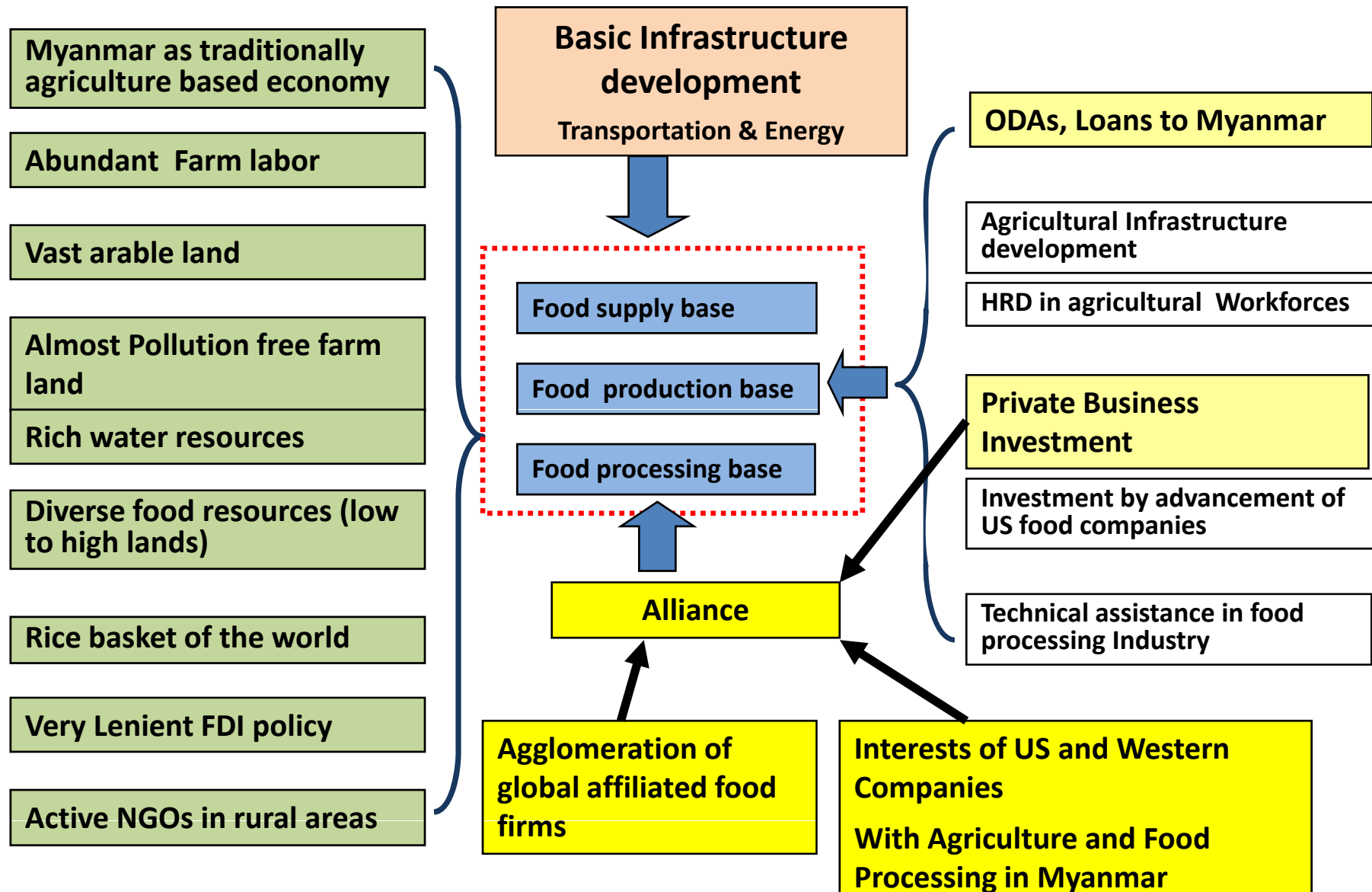
## Export Oriented Industry

- **Resource-based Industry**
  - agro-based industry
  - wood-based industry
  - leather, rubber-based industry
  - processed and semi-processed seafood.
- **Non-Resource-based industry/ labour intensive industry**
  - garment/textile
  - light manufacturing / electrical appliance
  - electronic industry
  - footwear industry
  - other export oriented industry

## Domestic market oriented industry

- **Resource-based industry**
  - ❖ food processing
  - ❖ agro supportive industry (farming tools, fertilizer, pesticides)
- **Non-Resource-based industry**
  - ❖ cement
  - ❖ electronic and machinery component
  - ❖ plastic ware
  - ❖ iron and steel
  - ❖ agro-supportive industry (tractor, water pump)
  - ❖ packaging industry

# Collaboration & Cooperation ~ co-existence, not competition ~



## Strategic Position of Myanmar as the center of Food Supply in Asia Region

Higher Demand for Processed foods  
Due to the increase of household income

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Due to the increase of household income

CHINA

JAPAN

Supply of Agro Products  
And Processed Foods

Supply of Agro Products  
And Processed Foods

Export of Processed  
Foods

INDIA

Mid East

Supply of Basic Agro  
Products

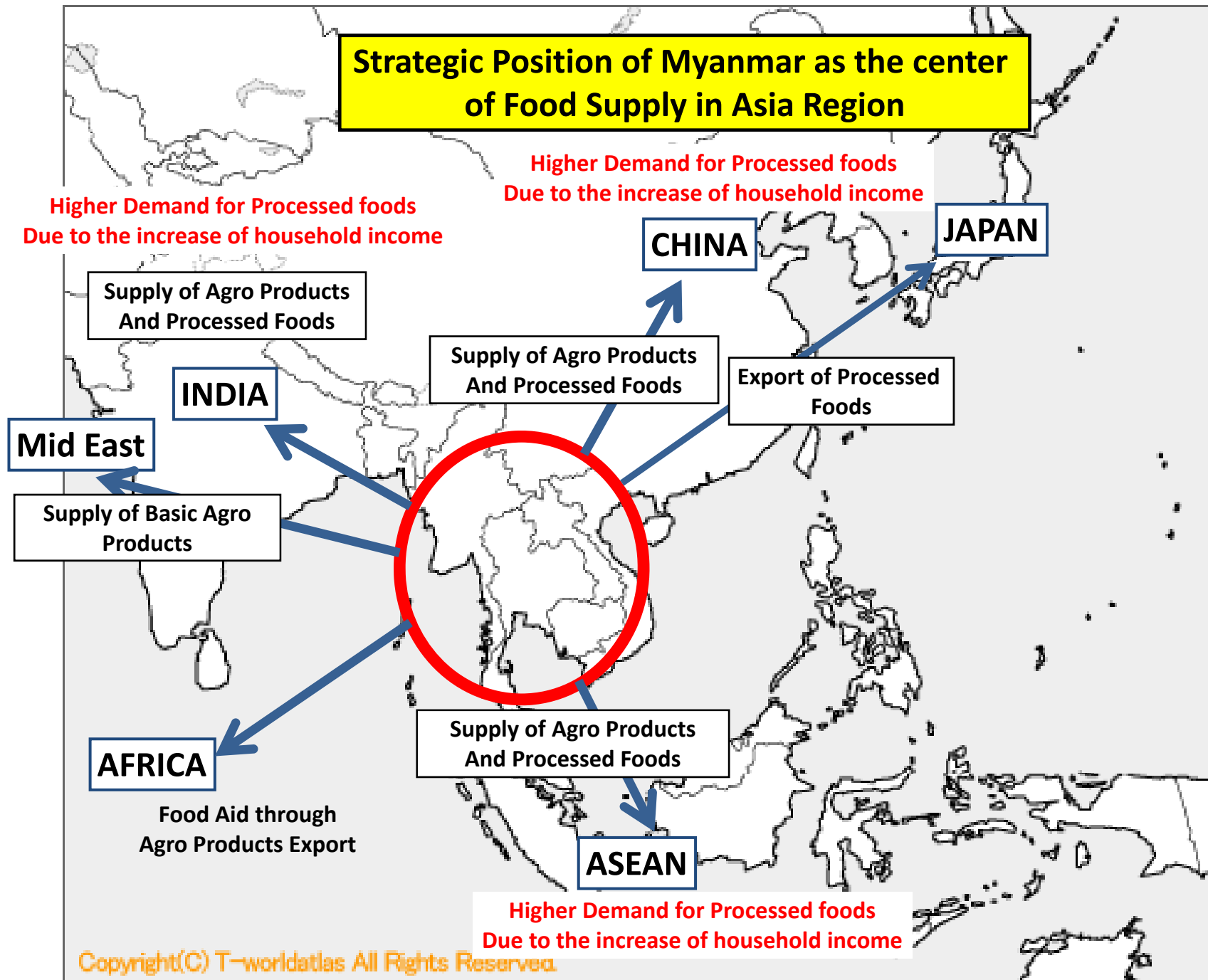
AFRICA

Food Aid through  
Agro Products Export

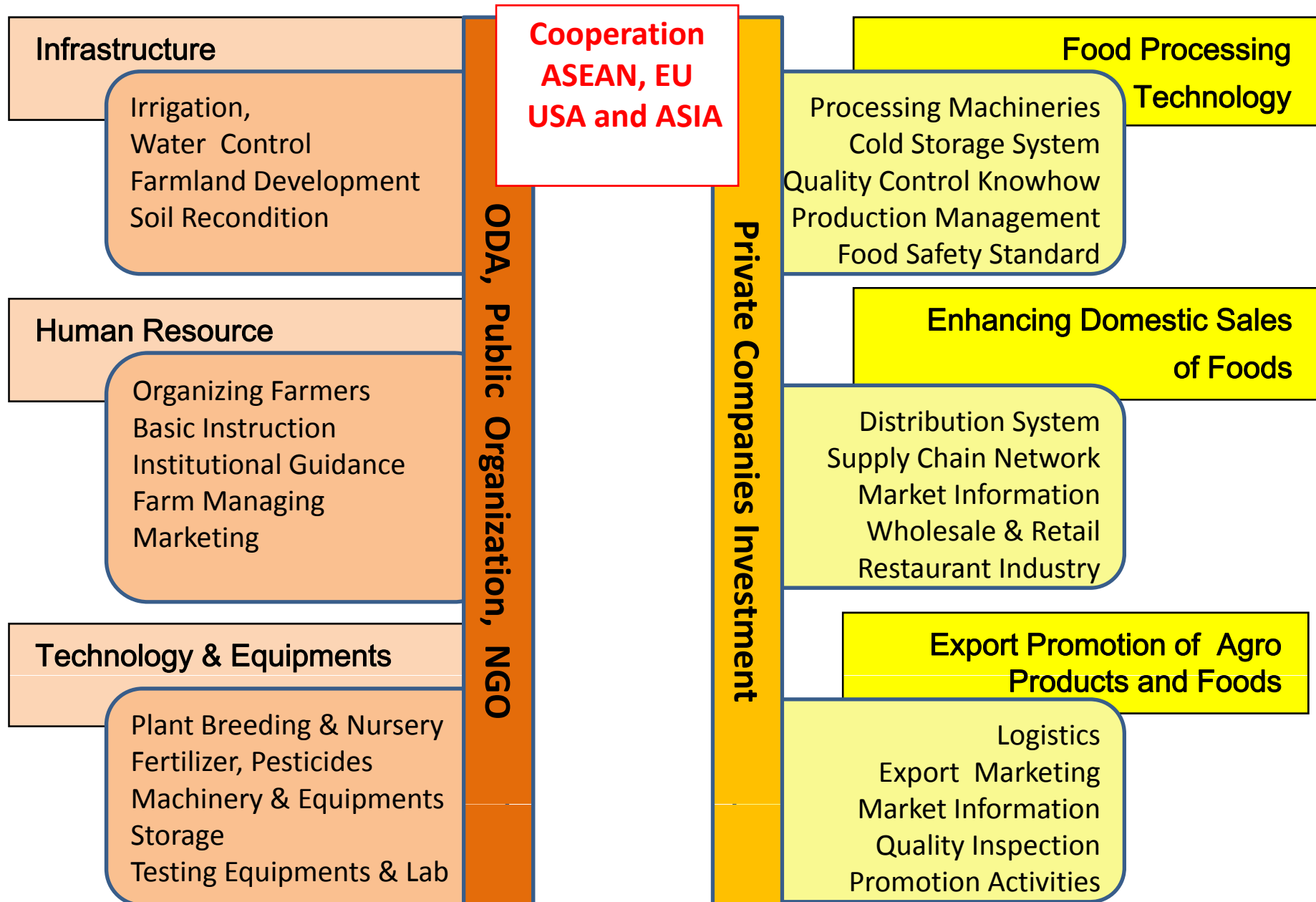
Supply of Agro Products  
And Processed Foods

ASEAN

Higher Demand for Processed foods  
Due to the increase of household income



# Cooperation for Agriculture and Food Processing Industry in Myanmar



# (1) Special Emphasis on Development of Emerging Comprehensive Supply Chains



Specialization Concept- From small scale to commercial scale

1. Rice Specialization Companies
2. Bean/Pulses Specialization Co
3. Vegetables and Fruits Co
4. Onion Specialization Co
5. Oil bearing Crops Specialization Co
6. Horticulture & Floral Specialization Co
7. Livestock & Fishery Products Specialization Co





**Comprehensive Supply Chain Mechanism as the top priority for development of agriculture and agro-based industry.**



## Recent Development in Myanmar 's Agriculture & Agro-based Industry

- At major production areas, Specialization Companies have been formed – with the participation of highly experienced Exporters **in partnership with** local traders, millers/processors and even some farmers – more comprehensive, inclusive & effective Supply Chain Mechanism (Transition - Small Scale → Commercial Scale), with the ultimate intention to transform into Public Companies for mobilizing rural savings in the near future
- Major activities include : seasonal loans, credit-in-kind in terms of seeds and inputs, extension services, farm mechanization services, IPM & agronomic services
- Purchase harvest at market price , process at existing local mills/factories
- **Potential JV partners for Foreign Investors to carry out Contract Farming and related downstream activities**

# Formation of Public Companies



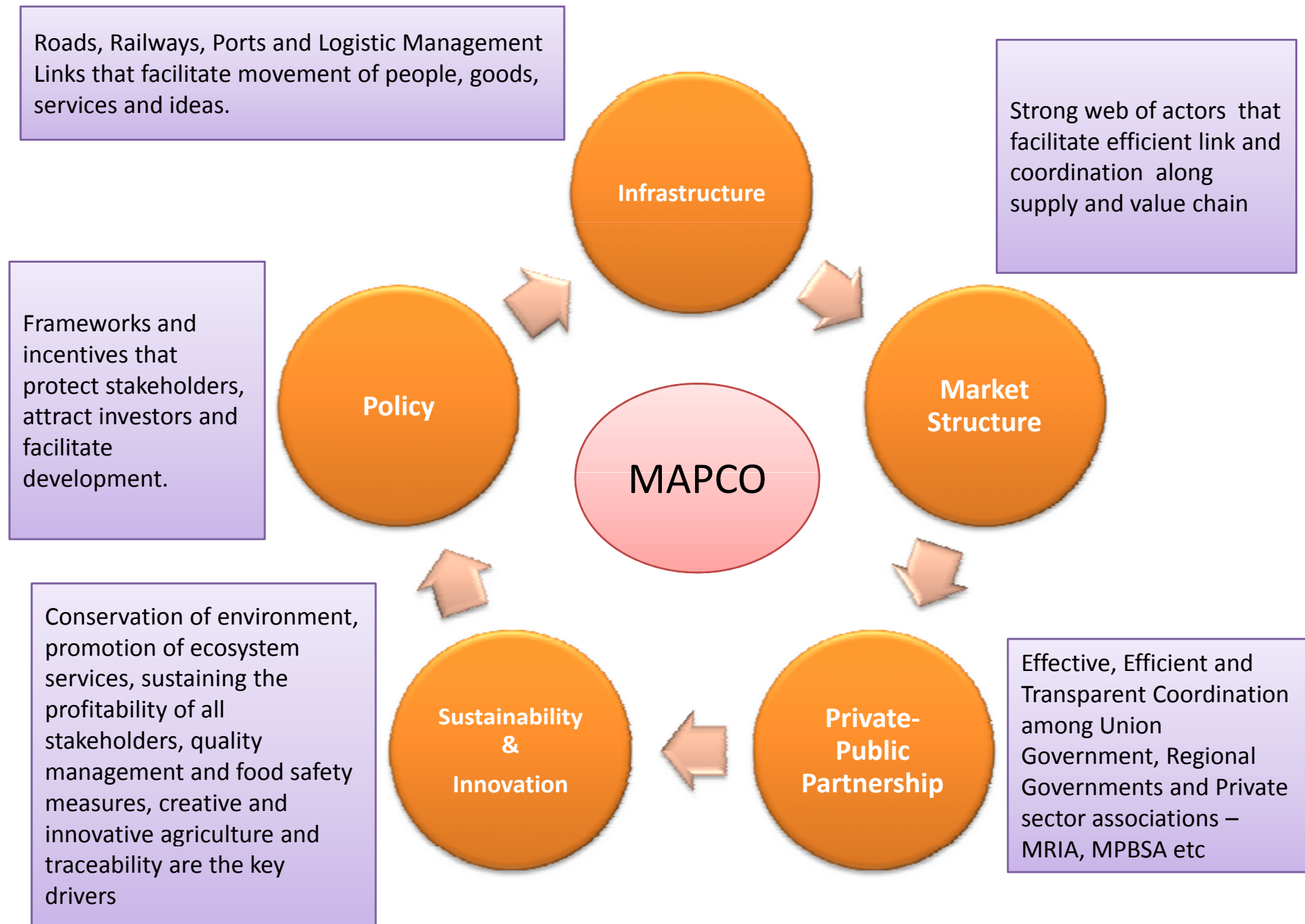
- Sustainable Self sufficiency
- **National Stockpile management**
- Effective & Efficient Coordination along Supply Chain, Value Chain
- Food Safety & Environment Conservation

- Domestic & International Trade
- **Guaranteed Minimum Price**
- Contract Farming
- Fertilizer Distribution
- Seed Production & Distribution
- Infrastructure & Logistical Development
- Agricultural or Farmers' Bank
- Construction & Other Investment Projects

- Market Harmony & Sustainability
- Policy advocacy to Government
- Price & Supply Stabilization (Buffer Stock Practices)
- Commodity Exchange Centers (COMEx)



**Every stakeholder has a critical role.**





# Development of Wholesale Markets





## Promotion of Value-added Industries and Promotion of Trade



# Value-added Bean Processing & Exporting – Nearly 73 Bean Processing Gravity Separation Plants installed in 2009 ~2011 March







Beans & Pulses, Yellow Maize, Sesame, Sugar Cane, Sun Flower are potential crops – Contract Farming

# Value-added Production





# Potentials for USA & ASEAN Investors

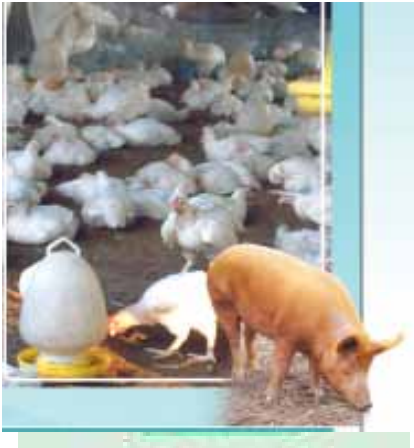


# Potential Area for Investors



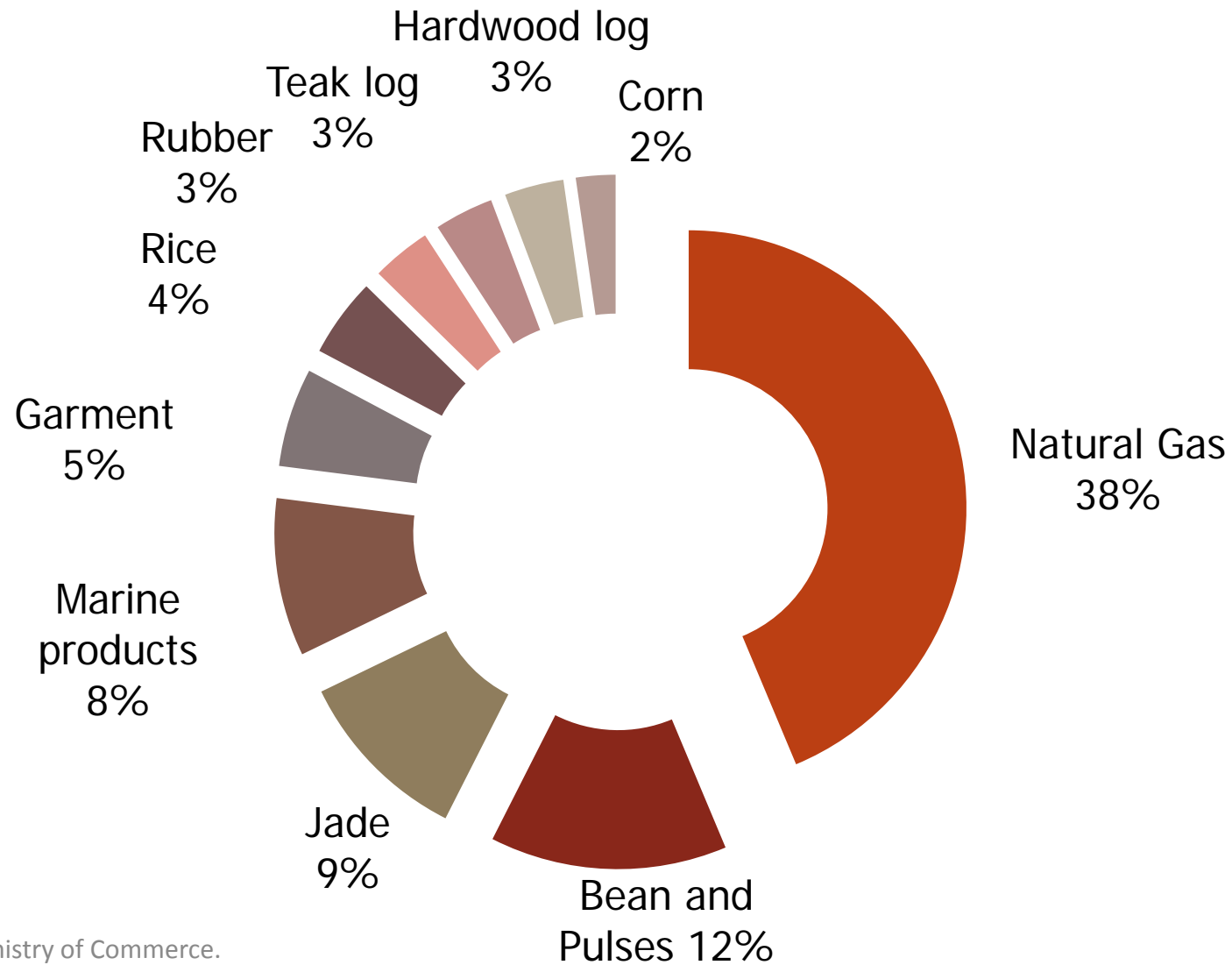


# Potential Area for US & ASEAN Investors





## Major Export Commodities in 2011-12



Source: Ministry of Commerce.



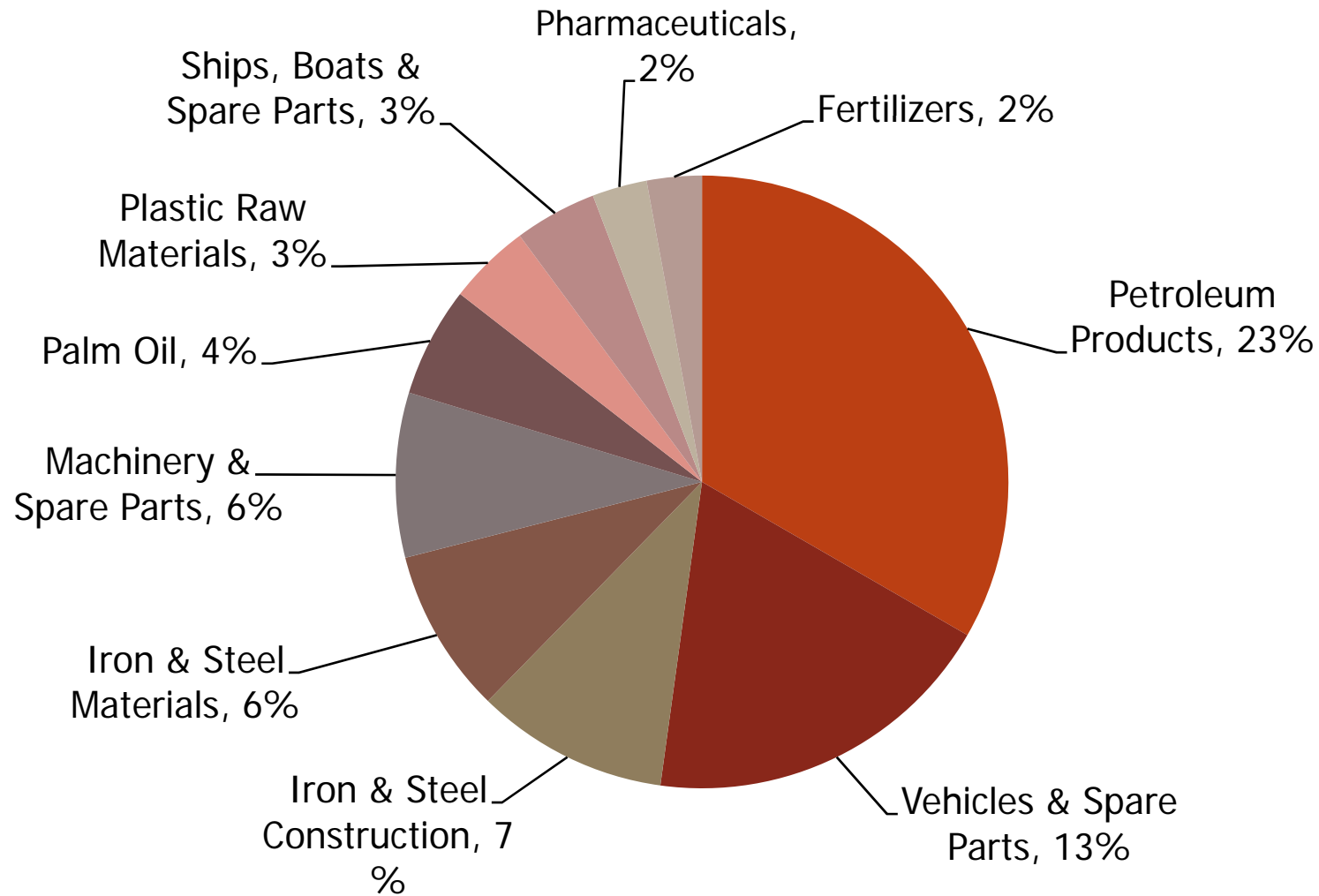
## Top Ten Import Items of Myanmar (2011-2012)

No	Items	Value (US Dollar in Million)
1	<i>Petroleum Products</i>	2079.765
2	<i>Vehicles &amp; Spare Parts</i>	1178.761
3	<i>Iron &amp; Steel Construction materials</i>	603.768
4	<i>Iron and Steel Materials</i>	512.460
5	<i>Machinery and Spare Parts</i>	511.518
6	<i>Palm Oil</i>	388.291
7	<i>Plastic Raw Materials</i>	314.129
8	<i>Ships, Boats and Spare Parts</i>	311.383
9	<i>Pharmaceuticals</i>	226.061
10	<i>Fertilizers</i>	174.590
Total		9053.780

Source: Ministry of Commerce.



## Major Import Commodities in 2011-12



Source: Ministry of Commerce





### ***III. Changes in Trade Environment***

- Commercial tax and Income tax for export - 10% to 0 % (except for 18 special commodities)
- Income tax- 10% to 0% (CMP exports)
- Allow new export and import items
- Reduce Cargo inspection stations at Border Checkpoints
- Liberalization in documentation process for trade procedure
- Liberalized in car import- any citizen with foreign exchange account is allowed to import car
- Online Licensing system .



## 18 Special Commodities

- Cigarette
- Tobacco
- Virginia Tobacco
- Myanmar  
Traditional Cheroot
- Cigars & Pipes
- Tobacco for pipes
- Edible Tobacco
- Alcohol
- Beer
- Wines
- Teak Logs and its cut Timber
- Hardwood Logs and their cut timber
- Jade and other Precious Stones
- Light Vans, Sloons, Sedans and light Wagon and Coupe Car
- Petrol
- Diesel
- Jet Fuel
- Natural Gas



## Conclusion

- On the right track politically and economically
- On the runway to take off which ensures the benefit for investors
- Abundant opportunities

**THANK YOU VERY MUCH !**