

*Investment for
Development!*

2023

Myanmar
Investment Guide



Myanmar Investment Guide

2023





Imprint

Published :

September 2023

Published by :

Myanmar Investment Commission
No. (1), Thitsar Road, Yankin Township,
Yangon, Myanmar

Layout by :

Myanmar Investment Commission

Copyright :

Text and Layout - Myanmar Investment Commission



Contents

1. Country Profile	Page
1.1 Summary	1
1.2 Geography and Population	1
1.3 Legal and Judicial System	4
1.4 Economy	4
2. Investment Opportunities	
2.1 Summary	8
2.2 Agriculture, Livestock and Fishery Sector	9
2.2.1 Agricultural Industries	10
2.2.2 Livestock Industries	10
2.2.3 Fishery Industries	10
2.3 Infrastructure	12
2.3.1 Transportation	12
2.3.2 Public Transportation Services	12
2.4 Power	13
2.5 Hotel and Tourism	14
2.6 Manufacturing	18
2.6.1 Fertilizer Manufacturing	18
2.6.2 Cement Manufacturing	19
2.6.3 Iron and Steel Manufacturing	19
2.6.4 Value-added Foodstuffs Manufacturing	21
2.6.5 Electric Vehicle Manufacturing	21
2.6.6 Pharmaceutical and Medical Device Manufacturing	22
2.6.7 Production of Edible Oil	23
2.7 Special Economic Zones	24
3. Conducting Business in Myanmar	
3.1 Investment	27
3.1.1 Investment Registration	28
3.1.2 Investment Assistance and Facilitation	30
3.1.3 Meditation Procedures for Investment	33
3.1.4 Exemptions and Reliefs	34



	Page
3.2 Incorporation	34
3.3 Insolvency	35
4. Trading	
4.1 Export and Import	36
4.2 UMFCCI Registration	38
4.3 Intellectual Property	39
5. Finance	
5.1 Banking and Financial Services	41
5.1.1 Financial Institutions in Myanmar	41
5.1.2 Non-Bank Financial Institutions	41
5.2 Taxation	42
5.2.1 Income Tax	42
6. Labour	
6.1 Employment Contract	45
6.2 Working Hours and Wages	45
6.3 Leaves and Holidays	46
6.4 Social Security	46
6.5 Settlement of Labour Dispute	47
6.6 Regulations for Foreign Experts	47
7. Conclusion	48
Contact Information	49



1. Country Profile

1.1 Summary

Myanmar is an agro-based country with fertile land and abundant natural resources. Given the landscape profile, topographic dimensions and different climatic areas of Myanmar, not only perennial plants but also crops such as rice, pulses and beans, fruits and vegetables can be easily grown. The government is aiming to transform Myanmar's traditional agricultural economy into a productive and sustainable agro-economy.

Myanmar is known for its strategic geographical landscape, borders with economically powerful countries, long coastline with 1,385 miles associated with maritime gateways, abundant natural resources, inexpensive and high quality young labour force and linkage with regional economy and potential domestic market.

1.2 Geography and Population

Myanmar is the second largest country in Southeast Asia and has a total land mass of 261,228 square miles (676,577 sq. km). It stretches 582 miles (936 km) from east to west and 1,275 miles (2,051 km) from north to south. It shares 1,370 mile (2,204 km) border with China, 832 mile (1,338 km) border with India and 1,309.8 miles (2,107 km) border with Thailand.

The bordering countries of Myanmar include Bangladesh, China, India, Lao PDR and Thailand. Myanmar's extensive coastline stretches 1,759 miles (2,832 km) long and its access to sea routes to facilitate



increased regional trade gives it the potential to become a trading bridge between China, South Asia and Southeast Asia.

Myanmar is richly endowed with natural resources such as minerals, natural gas, fresh water and marine produce, as well as having plentiful forests and vast quantities of untapped arable land.

Myanmar is geographically divided into 7 States and 7 Regions which make 14 major territorial divisions and Nay Pyi Taw Union Territory, where the government is seated. Myanmar's level of urbanization remains lower than the Southeast Asian average.

As of 2022, Myanmar has an estimated population of over 55 million. According the data of Central Statistical Organization of Myanmar, the total of 37.7 million people (as of 2019) are included in working age population. Among the working age population, 22.28 million people (as of 2019) are participated in labour force and this number represents 59.4 percent of Myanmar's total population.

The former capital, Yangon, is the country's commercial centre and is the most populated city in Myanmar with a population of more than 8 million, followed by Mandalay and Nay Pyi Taw. The Delta region in the south and the Dry Zone in the central plains are the most densely populated regions and together contribute a significant chunk of Myanmar's GDP. Myanmar's urban areas bring significant opportunities for new sales markets and consumer products.



Table (1) Key Facts about Myanmar

Official Name	The Republic of the Union of Myanmar
Capital	Nay Pyi Taw (Established in 2005; the former capital was Yangon)
Landmass	261,228 sq. miles (676,577 sq. km)
Coastline	1,759 miles (2,832 km)
Population	Over 55 million (2022 estimated)
Population growth	0.87%
Geography	Myanmar is divided into three distinct geographical regions: the Eastern Hill Region, the Central Valley Region and the Western Hill Region
Largest rivers	Ayeyarwaddy River, Sittaung River, Thanlwin River and Chindwin River
Climate	Tropical climate with three seasons: Summer (March to May) Rainy Season (June to October) Cold Season (November to February)
Local time	GMT + 6:30
Currency	Myanmar Kyat (MMK)
Natural resources	Natural gas, petroleum, gold, jade, rubies and other gem- stones, copper, tin, antimony, lead, zinc, silver, teak and other timbers
Major crops	Rice, pulses and beans, sesame, maize, rubber, fruits and vegetables
Major ethnic groups	Kachin, Kayah, Kayin, Chin, Bamar, Mon, Rakhine and Shan



1.3 Legal and Judicial system

The legal system of Myanmar is a hybrid of common law system and civil law system, comprising of customary family law, codified English common law, contemporary statutory laws and the practices of precedents.

The Supreme Court is the highest court in the Union and its subordinate courts include High Courts of the Region/State, Courts of the self-administered Division/Zone, District Courts, Township Courts and the other courts constituted by law. All levels of courts have original jurisdiction to adjudicate all kinds of civil cases and the jurisdiction is determined based on the value of the dispute as below:

- Township Courts: up to 10 million MMK
- District Courts: up to 3 billion MMK
- High Courts: over 3 billion MMK.

1.4 Economy

The Government of Myanmar is implementing all round development by shaping a stable market-oriented economic system and attracting and promoting foreign investments.



The Myanmar Investment Commission (the “**Commission**” or the “**MIC**”) prioritizes the investment sectors with a greater support to investors’ business-operation needs: agriculture and livestock farming and related industries, manufacturing of fertilizer, cement, iron and steel, electric vehicle (EV), value-added foodstuffs, pharmaceutical and medical device, public transportation, and production of edible oilseeds, contract farming for edible oil crops and production of various types of edible oil.

Myanmar is a member of the ASEAN Economic Community (AEC), which commenced operations at the end of 2015. AEC aims to strengthen regional cooperation and increase regional trade. Additionally, Myanmar is one of the first member countries that early entered into force of the Regional Comprehensive Economic Partnership (RCEP) Agreement. China has conveyed the letter expressing agreement with Myanmar that comes into force starting from 1st May 2022. According to the agreed tax rate applicable to ASEAN member countries, RCEP and AEC will provide Myanmar with the opportunity to establish itself as a vital trade hub and production base between ASEAN, China and India.



Table (2) Myanmar’s Economy at a Glance

TRADE	
Major Exports	Rice and agricultural products, pulses, maize, rubber, fish, prawn and other aquatic products, metals, ores and minerals, jade, forestry products, sugar, natural gas, garments, jewellery ¹
Major Imports	Cement, iron and steel, construction materials, vehicles, engines, machinery and parts, computers, telephone and communication accessories, raw materials such as flour, plastics, petroleum products, glass, paint, chemicals, rubber, tyre, paper and consumer goods ²
Major Trading Partners	Singapore, the United Kingdom, People’s Republic of China, Japan, Hong Kong (SAR), Thailand, the Netherlands, United Arab Emirates, Republic of Korea, India, the USA
TRADE VOLUME	
Exports	USD 17,681.089 million (FY 2019-2020) USD 15,363.284 million (FY 2020-2021) USD 8,308.422 million (FY 2021-2022 Mini Budget)
Imports	USD 19,050.856 million (FY 2019-2020) USD 14,686.058 million (FY 2020-2021) USD 7,964.995 million (FY 2021-2022 Mini Budget)
GROSS DOMESTIC PRODUCT (GDP) (FY 2021-2022 Mini Budget)	
GDP	MMK 75044.7 billion
GDP Growth Rate	2.4%
Inflation Rate	13.22%



Public-Private Partnership (PPP) Projects (2018 – 2022)

- 70 MW Electricity Generating Power Plant at Shwe Taung (IPP/BOT)
- Phaung Taw Hydro Power Project (20-28MW)
- Implementation of Online Application System for Road Transportation Business License
- Construction of Gote Hteik Bridge Project
- Water Supply Project (Myeik District)
- International Fish Auction Market and Industrial Zone Project

Source: Ministry of Planning and Finance, Ministry of Commerce

¹*Export/Import Status of Myanmar from October to January, (2020-2021) Financial year published by the Ministry of Planning and Finance, Central Statistical Organization of Myanmar ([Central Statistical Organization \(csostat.gov.mm\)](http://Central.Statistical.Orgанизation(csostat.gov.mm))) dated 15th March 2021.*

²*Export/Import Status of Myanmar from October to January, (2020-2021) Financial year published by the Ministry of Planning and Finance, Central Statistical Organization of Myanmar ([Central Statistical Organization \(csostat.gov.mm\)](http://Central.Statistical.Orgанизation(csostat.gov.mm))) dated 15th March 2021.*



2. Investment Opportunities

2.1 Summary

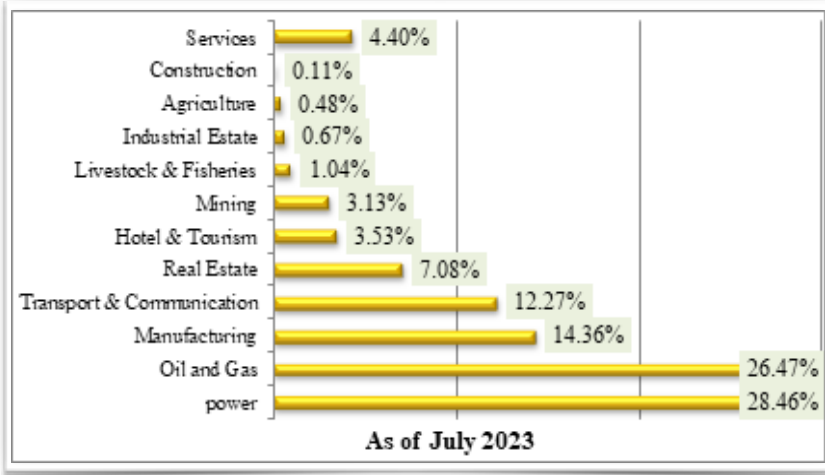
Being a developing country in Southeast Asia, various fields of investment opportunities are opened for both foreign and local investors, including but not limited to agriculture and livestock, infrastructure, transportation and construction, hotel and tourism, manufacturing and service sectors.

Despite experiencing one of the worst economic contractions in recent past, some sectors in Myanmar have stabilized and recovered, particularly in the manufacturing and manufactured exports sectors. Construction activity has also picked up, as work on several projects have resumed. A rise in mobility at workplaces, retail outlets, and transport hubs has supported the overall activities.

As of July 2023 investment data by sectors, the power sector accounted for 28.46 percent of the total FDI. It was followed by the oil and gas, manufacturing and transport and communications sectors. MIC issued the investment promoted sectors in the Notification No. 13/2017.



Chart (1) Investment data by sector



Source: Directorate of Investment and Company Administration (DICA)

2.2 Agriculture, Livestock and Fishery Sector

Agriculture, livestock and fishery sectors are the backbone of Myanmar's economy with approximately 67.3 percent of its population engaged in agricultural work. In terms of GDP, these sectors account for approximately 23.7 percent in the fiscal year 2020-2021. This included 15 percent for agriculture, 8.6 percent for livestock and 0.1 percent for fisheries.

Myanmar actively supports the agriculture, livestock and fisheries sectors to enable comprehensive growth, better food security for its people and also for promoting exports. Myanmar's abundant natural resources and



diverse agro-ecological conditions provide a wealth of opportunities for both foreign and local investment across the entire supply chain.

2.2.1 Agricultural Industries

The agricultural sector, which is a major driving force for Myanmar's economic development, plays a key role in agriculture-based businesses. In the fiscal year 2020-2021, the agricultural sector accounted for 15 percent of the total GDP. The abundance of land resources, climate and soil quality combined with technology will increase the production and earnings from crops and industrial crops in future.

2.2.2 Livestock Industries

The livestock sector is one of the prioritized sectors for Myanmar's economic development. Livestock sector includes animal breeding and production, establishment of animal control station and collection farm for export and import, animal food manufacturing industry, and milk and dairy product manufacturing industry. Additionally, there are opportunities to invest in bees and bee-products.

2.2.3 Fishery Industries

Myanmar has a long coastline of nearly 3,000 km and the continental shelf of 228,781 sq. km as well as an Exclusive Economic Zone (EEZ) of 486,000 sq. km. The total area of swamps along the coastline is about 0.5 million hectares which provides a conducive environment for the

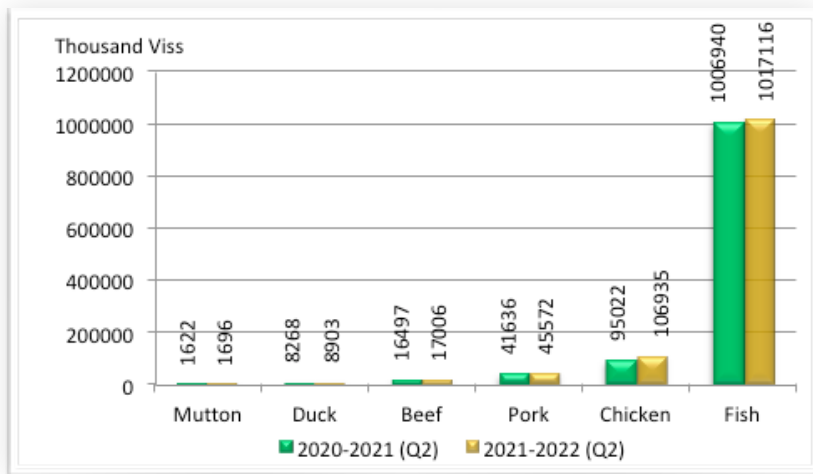


development of fishery industries. In order to improve the production of freshwater fishes, 201,998 hectares of freshwater pond, common fishing area and production from fish farming are being operated.

Fishery sector is a vast potential for investment. The opportunities in this sector include aquaculture production, food processing and marine fisheries. Investment in this sector is permitted to foreign investors in joint-venture cooperation with a local company.

There was an increase in the production of meat, fish, milk and egg in the second quarter of 2021-2022. Fish is the largest meat by total production, accounting for 84.96 percent of all meat production.

Chart (2): Production of Meat and Fish



Source: Central Statistical Organization (CSO)



2.3 Infrastructure

The demand for new infrastructure projects in Myanmar is already high and will continue to rise in line with the economic growth. The government has stated investment priorities that include construction of transport, power and urban infrastructure.

2.3.1 Transportation

While the transport sector has a key role in fostering the economic growth and advancing social development, infrastructure will be required to take advantage on regional trade opportunities. Hence, the development of the country's transport sector focus on enhancing infrastructure priority that will require investment in international airport, deep sea port, inland waterways, strategic rail and highway networks and improvements in cross-border infrastructure and regional connectivity.

2.3.2 Public Transportation Services

Regarding public transportation services, the Ministry of Construction takes responsibility for the hard infrastructure, which are needed for road transportation; whereas, the Ministry of Transport and Communications is responsible for the soft infrastructure such as the issuance of licenses and supervision.



The Ministry of Transport and Communications is encouraging the construction and up-gradation of the following projects relating to public transport, for implementation under Public-Private Partnership (PPP) model:

- River port establishment
- Railway development project
- Establishment of multimodal logistics hubs at Yangon, Mandalay and Bago
- Development of container transit stations
- City truck terminals at Yangon, Magway, Pyay, Mawlamyaing, Dawei, Thandwe and Heho

2.4 Power

The power sector of Myanmar opens up abundant and immediate opportunities to foreign and local investors. The installation of considerable additional capacity to the current 7,129 MW (as of 2019-2020) and the rapid construction of transmission lines are national priorities. In order to reach the objective of full national electrification until 2030, the power sector of Myanmar must grow a multiple of its current size.

The abundance of locations suitable for hydropower generation, the available rich natural gas deposits and virtually unexplored potential in solar and wind power, along with the expansion of the transmission system, offer significant opportunities to invest in the electricity sector. In the



medium run, Myanmar may even develop to the extent it becomes a net exporter of electricity to neighboring countries.

Myanmar possesses vast water resources and therefore relies on hydropower as a major source of generating electricity. FDI in hydropower plants is permitted as a joint venture or a Build-Operate-Transfer (BOT) scheme. Local investors are also permitted to take part in Independent Power Producer (IPP) schemes.

Beyond 54 identified larger-scale hydropower development opportunities, representing an additional 42.33 GW along the Ayeyarwaddy, Sittaung, Thanlwin and Chindwin River systems, there are also smaller-scale hydropower plants as well as other sources of energy (i.e. solar, wind, gas) which have high potential to play a significant role in Myanmar's national power supply.

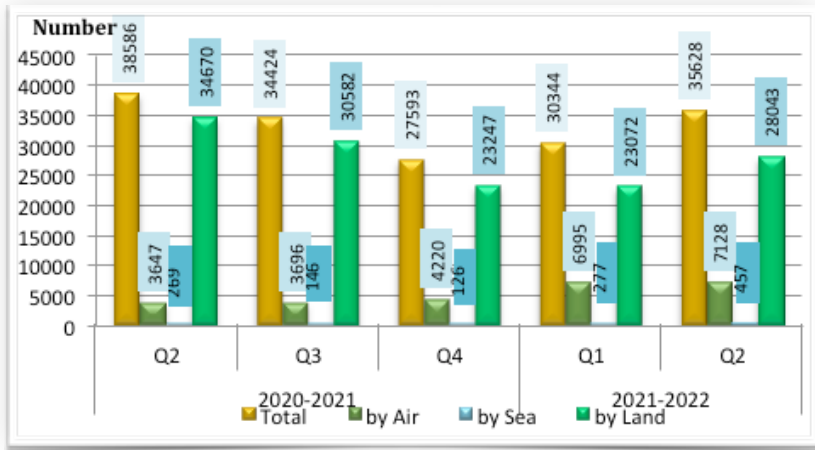
2.5 Hotel and Tourism

As of June 2022, the number of tourists has increased slightly. Foreign tourists (on their first short-term visit to Myanmar) mostly visit Yangon, Bagan, Inle Lake, Nyaung Shwe and Mandalay. However, Myanmar offers unexplored treasures of natural beauty in the whole of the country from Kawthaung in the tropical south-east to Putao in the Himalayas.

In the second quarter of 2021-2022, over 35,000 visitors entered Myanmar. This was increased by 17.41 percent compared with the preceding quarter.



Chart (3) International Tourism Arrivals



Source: Central Statistical Organization (CSO)

Myanmar's top tourist destinations:

- **Yangon**

The former capital city boasts more colonial buildings than any other city in Asia and its glittering 2,000-year-old Shwedagon Pagoda is the most revered in Southeast Asia. Yangon has several attractive parks and lakes, while the historic downtown area is vibrant and cosmopolitan.



Photo by MOHT



- **Bagan**

The ancient city of Bagan has thousands of pagodas and shrines that date back to the Bagan dynasty. Bagan is located 90 miles (145 km) southwest of Mandalay. The hot air balloon businesses have also been reopened recently.

- **Mandalay**

Being the country's second largest city and last royal capital, Mandalay and its surrounds are rich in historical nostalgia as well as being a hub of entrepreneurial activity.



- **Inle Lake**

This picturesque lake in Shan State is studded with floating villages inhabited by the Intha tribe. It's also one of the best places to observe traditional silk weaving and shop for local handicrafts, such as lacquerware.



- **Chaung Tha, Ngwe Saung, and Ngapali beaches**


These three beaches are the most popular among foreign tourists as well as locals and are ideal for snorkelling, fishing and fresh seafood dining. None has been subject to over development and thus remain idyllic gateways.

- **Myeik (also known as Mergui Archipelago)**

Myeik is a group of islands located in the southern region of Myanmar on the Andaman Sea. These untouched islands, colonial-era buildings and clean water are the most attraction for tourism. Myeik is famous for its products such as pearl, rubber, bird's nest, dried fish, dried prawn and shrimp paste.

According to Section 43 and Section 100, sub-section (b) of the Myanmar Investment Law (the “MIL”), the MIC has prescribed the following investment promoted sectors:

- Exploring new high-potential investment locations in hospitality and tourism
- Developing eco-tourism (e.g., development of eco-tourism-oriented hotels and lodges along with respective activities such as trekking routes or tours)
- Building cultural and community-based tourism (e.g., development of shops for the sale of locally produced cultural artifacts)



2.6 Manufacturing

The manufacturing sector opens up opportunities due to the significant domestic market of Myanmar and direct access to the strategic markets of Southeast Asia as well as to China and India.

The investment activities in this sector have to be carried out with the approval of the relevant Ministries and enjoy the incentives and protections prescribed in the MIL and the Myanmar Special Economic Zone Law.

Moreover, the MIC, concerned Ministries and respective State and Regional governments offer all the efforts to provide necessary assistance for both local and foreign investors.

2.6.1 Fertilizer Manufacturing

Fertilizer manufacturing is one of the prioritized investment activities encouraged by the government. The domestic fertilizer industry in Myanmar is concentrated around the production of urea fertilizer from the abundant sources of natural gas in the country. There are five State-owned fertilizer manufacturing plants in Salay, Kyunchaung, Kyaw Swa, Myaung Daga in Hmawbi Township and another in Kan Gyi Dauk of Pathein Township which are supporting the domestic requirements.

The Ministry of Energy recently called for expression of interest from both local and foreign investors for the renovation, upgrading and long-term leasing of State-owned fertilizer manufacturing plants.



2.6.2 Cement Manufacturing

The government presumes cement manufacturing industry as one of the most important sectors to promote for more investment projects. The raw materials for the cement manufacturing including the lime stone, ferruginous bauxite and coal are accessible in Myanmar. Domestic maximum productivity of cement manufacturing is 7.62 million ton per annum from three State-owned factories and sixteen private factories.

The Ministry of Industry allows the State-owned cement plants for long-term cooperation with private investors in the form of Public-Private Partnership (PPP). Foreign investment activities are allowed in the form of a joint-venture with any citizen-owned entity or any Myanmar citizen.

2.6.3 Iron and Steel Manufacturing

For the development of Myanmar's infrastructure, steel is one of the essential materials and is important to various industries. Due to the market demand, steel is still being imported, and Myanmar attempts to supply the local steel consumption.



Table (3): The Number of Registered Fertilizer Plant, Cement Plant, Iron and Steel Plant and Food Processing Plant

Region/State/Territory	Fertilizer Plant	Cement Plant	Iron and Steel plant	Food Processing Plant
Kachin State				1310
Kayah State				84
Kayin State	3			384
Chin State				625
Sagaing Region	15			2883
Tanintharyi Region				974
Bago Region	7			2156
Magway Region	2			1898
Mandalay Region	56	11	9	2236
Mon State	8	1		994
Rakhine State	2			796
Yangon Region	28		19	1799
Shan State	11	3	12	2471
Ayeyarwaddy Region	4			3771
Nay Pyi Taw Union Territory		1		388
Total	136	16	40	22769

Source: The Directorate of Industrial Supervision and Inspection



2.6.4 Value-added Foodstuffs Manufacturing

Value-added foodstuffs manufacturing is also one of the prioritized investment activities encouraged by the MIC. The government encourages value-added food production and provides training to the enthusiastic locals. Small-scale Industry Department conducted the value-added food production training to provide technical knowledge and guide the communities, who are willing to set up small agro-processing enterprises, to tap the natural resources existing in their environments.

Yangon Region Small Scale Industries, Department of the Ministry of Cooperatives and Rural Development conducted 22 technical training courses for value-added products in fiscal year 2022-2023 until now and produced 406 trainees.

Under Mekong-Lancang Cooperation Special Fund (2020), the food innovation center was launched in conjunction with the opening of training course on value-added dried fruit product manufacturing process in Yangon.

2.6.5 Electric Vehicle Manufacturing

Myanmar is intending to change into the electric transportation since the public awareness of global warming has increased significantly in Myanmar. The transportation system including the public transportation as a whole will be transformed into electric transportation with infrastructural development.



Moreover, five-year-action plan for the development of electric vehicles in Myanmar will be of numerous incentives for both the manufacturers and users of electric vehicles.

On 15th February 2023, the MIC promulgated new Notification No. 1/2023 as the promoted sector for EV and related activities (<https://www.dica.gov.mm/en/announcements-information>).

2.6.6 Pharmaceutical and Medical Device Manufacturing

Domestic and foreign investors are being encouraged to invest in the private hospital services. According to the MIL, the health care service sector is one of the promoted sectors in Myanmar. In the pharmaceutical production sector, 7 percent of national requirements are fulfilled by State-owned enterprises. Therefore, the Ministry of Industry encourages investment opportunities in high-tech drug production in Myanmar. According to Section 42, sub-section (d) of the MIL, the investment activities for drug and medical product manufacturing and vaccine production must be approved by the Ministry of Industry.

Local drug manufacturing and drug registration have to be performed according to the National Drug Law. The application form for drug manufacturer's license and the requirements for drug registration are as per the ASEAN Common Technical Dossier (ACTD), which is harmonized among ASEAN countries. Medical Device Manufacturing applications can be easily submitted using the FDA's E-Submission System (<https://www.fda.gov.mm>).



Table (4): Quantity of Private Health Care Services

Types of services	Quantity
Private clinics (general & specialist)	10393
Private hospital (general & specialist)	265
Private maternity home	42
Private diagnostic service (laboratory and radiology)	557
Private nursing home	4
Private mobile health care service	7
Private health care agency	20
Private general health care service	18

Source: Ministry of Health

2.6.7 Production of Edible Oil

Production of edible oilseed, contract farming for edible oil crops, and production of various types of edible oil is one of the prioritized investment activities encouraged by the government.

Myanmar's per capita edible oil consumption is approximately 9.78 kg (6 viss), with a domestic edible oil requirement of approximately 522,984 million ton per year, according to the Yezin Agricultural University. As per the data from the Department of Agriculture, the total production of edible oil was 748,055 million ton in 2019–2020.

Myanmar is one of the top ten groundnut-producing countries in the world, and raw materials for edible oil production can be obtained.



2.7 Special Economic Zones

Special Economic Zone is the area designated by the Myanmar Government having international gateways such as port, airport or which transportation can be done easily to the international border or domestic markets. To encourage the economic growth, three Special Economic Zones – in Thilawa, Kyaukphyu and Dawei – have been set up by the Myanmar Government.

Special Economic Zone Law (the "**SEZ Law**") has come into force since 23rd January 2014 to govern the economic zones. SEZ Law provides division of economic zones into free zones, promotion zones and other zones.

Free zones shall be deemed to be situated outside the country. Free zones are mainly focused on the export-oriented markets and include manufacturing, transportation, trading, services and wholesale areas. Promotion zones are mainly based on the domestic market which promotes the local products in the SEZs. In this zone, investments can be made in manufacturing, housing, departmental stores, banking, insurance, schools, hospitals and recreational places.



Table (5) Incentives for Free Zones and Promotion Zones

Free Zones	Promotion Zones
Income tax exemption for the first seven years	Income tax exemption for the first five years
After seven years, 50 % relief of current legal income tax rates for five years	After seven years, 50 % relief of current legal income tax rates for the second five years
After 12 years, 50% relief of current legal income tax for profit that is reinvested within one year as a reserve fund for the next five years	After 10 years, 50% relief of current legal income tax for profit that is reinvested within one year as a reserve fund for the next five years
Exemption from commercial tax or valued-added tax, customs duties and other relevant taxation on certain businesses	<p>For the first five years, exemptions from customs duties and other relevant taxation on production machinery and replacement parts; and construction materials for building the business's own facilities, such as factories, warehouses and offices.</p> <p>However, for the raw materials, investors have to pay commercial tax and customs duties.</p>



Registering a Business in a Special Economic Zone Process

Companies seeking to invest in the SEZs have to register first and ensure that they are in compliance with the applicable investment law through the SEZs' One Stop Service Center (OSSC). This center has a webpage that explains SOP of the application process and necessary documents for each of their respective SEZs. Since the registration processes are different for each SEZ, investors need to confirm with the respective Management Committee or One Stop Service Center.



3. Conducting Business in Myanmar


3.1 Investment

In Myanmar, investment activities are mainly governed and regulated by Myanmar Investment Law, Myanmar Companies Law, Myanmar Special Economic Zone Law, Income Tax Law, the Union Taxation Law, Environmental Conservation Law, Insolvency Law, and other relevant and applicable laws, rules, regulations, and directives on a sector-by-sector basis.

MIL allows fair and equitable treatment to both local and foreign investors, and offers incentives, exemptions and reliefs based on the place of investment in order to benefit the overall development of the country.

Moreover, the MIC which is a government-appointed body, is supporting the investors in investment approval procedures. To ensure the business facilitation, MIC has reduced the prescribed fees for the application forms and services to 50 percent from the original rates, starting from 20th April 2020.

According to the MIL, two categories of investment approval procedures are available: (i) MIC permit and; (ii) Endorsement of Region or State Investment Committees.



3.1.1 Investment Registration

■ Permit

According to Section 36 of the MIL, the investor shall submit a proposal to the MIC and invest after receiving the permit for the following investment activities stipulated in the Myanmar Investment Rules:

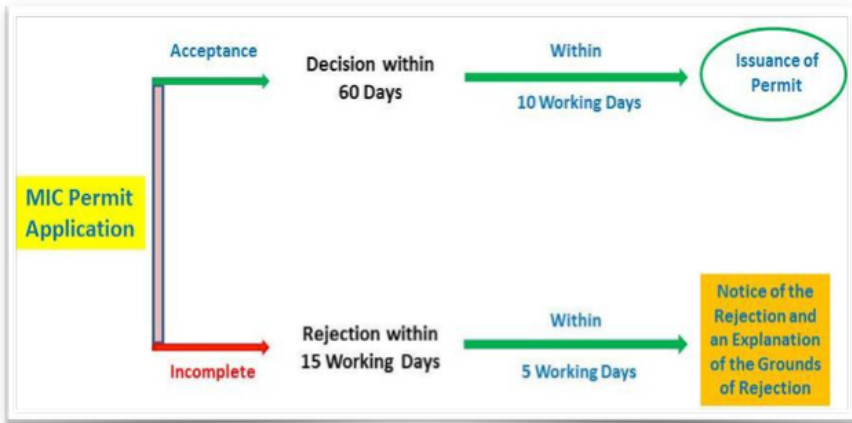
- Essential to the national strategy
- Large capital-intensive investment
- Projects that cause a large impact on the environment and local community
- State-owned land and buildings
- Investments that are designated by the government to require the submission of a proposal to the Commission

■ Endorsement

If the proposed investment amount is less than USD 5 million, the investors can apply the endorsement to the State or Regional Office of the MIC in order to gain incentives.

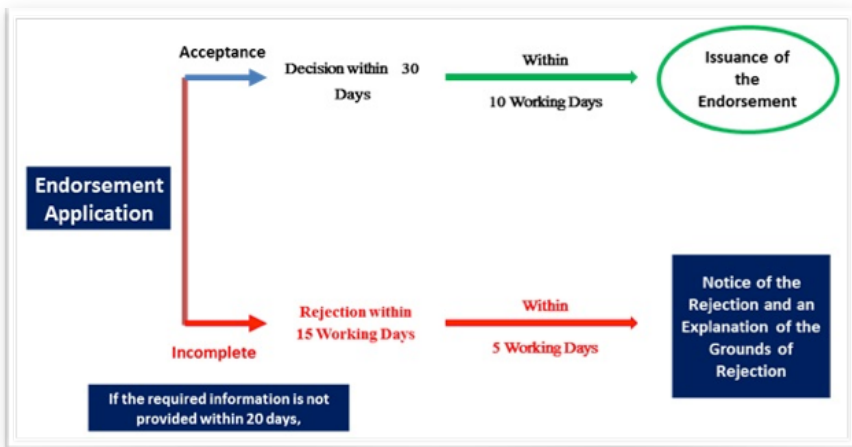


Figure (1): Permit Application Map



Source: Directorate of Investment and Company Administration (DICA)

Figure (2): Endorsement Application Map



Source: Directorate of Investment and Company Administration (DICA)

3.1.2 Investment Assistance and Facilitation

■ DICA website

DICA has provided better information and enhanced services to the business community via its official website (www.dica.gov.mm) since 2012. Investors can get up-to-date information about investments including news, announcements, notifications, data and statistics via this website.

■ Myanmar Companies Online (MyCO)

The electronic company registration system, the Myanmar Companies Online – MyCO (www.myco.dica.gov.mm), was launched on 1st August 2018. Through this system, companies can be registered via online process and the filing of documents can be easily done. The documents and information uploaded on the website can also be easily accessible.

Figure (3): Electronic Company Registration_ Myanmar Companies Online (MyCO)

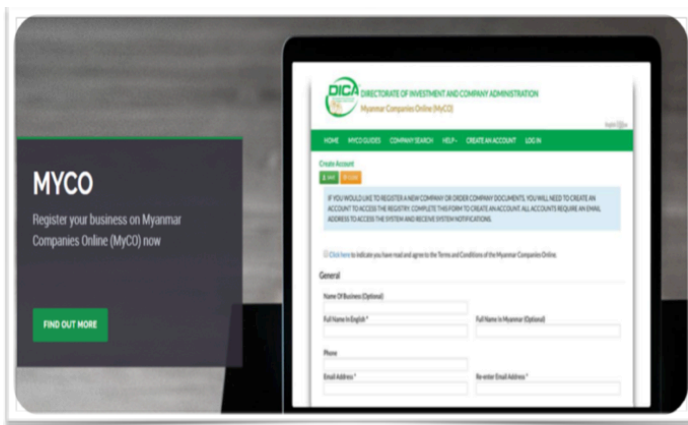
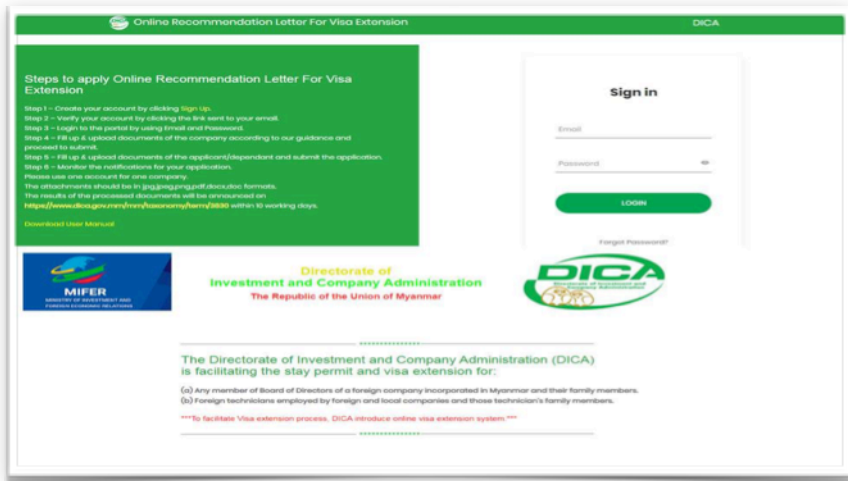




Figure (4): Online Recommendation Letter for Visa Extension



■ Online Recommendation Letter for Visa Extension

DICA introduced the online platform to the business community for visa extension matters. The investors can submit a request for the recommendation letter via the Online Recommendation Letter for Visa Extension (<https://visaonline.dica.gov.mm>).

■ Online Visa Application System (MOVAS)

The MIC Permitted Companies Online Visa Application System (MOVAS) was launched on 1st November 2021. It speedily facilitates businesses that need recommendation letters related to stay visa, re-entry visa and work permit for foreign directors and experts of companies under the permit or endorsement of the MIC and the State and Regional Investment Committees, as well as their family members.

■ DICA Online Solution (DOSo)

In 2022, DICA introduced the DICA Online Solution (DOSo), which is a 24/7 online appointment system. Investors around the world can make the request for appointments and schedule meetings to obtain the online solution via www.doso.dica.gov.mm.

Figure (5): DICA Online Solutions (DOSo)

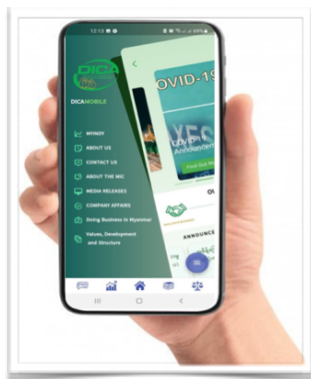


■ DICA Info Mobile Application APK

As a digital front door service, the “DICA Info Mobile Application APK,” which is a DICA web-based application, was introduced on 1st April 2022. With a one-time installation on your mobile device, you can access any investment information such as news, announcements, FAQs, contacts, data and statistics. (https://www.dica.gov.mm/sites/default/files/newsfiles/DICA_info.apk)



Figure (6): DICA Info Mobile Application



3.1.3 Mediation Procedures for investment

According to the MIL, the MIC has issued measures to settle the investors' grievance by the MIC Notification No. 9/2020. It is stated under Clause 19 of the Notification that if the committee for the settlement of investor's grievance accepts to settle the grievance, the disputes between the investors related to grievance and the government organizations can be settled by means of peaceful settlement of disputes such as direct discussion, negotiation and meditation.

At present, as the commercial disputes are included in the types of disputes to be settled by means of court-led mediation system, the investor may, in relation to the mediation procedures, choose from the following methods of mediation:

- Settlement by appointing third-party mediator
- Settlement by the Committee formed by the MIC for the settlement of investors' grievances
- Settlement by means of a court-led mediation system to settle the dispute



3.1.4 Exemptions and Reliefs

MIL provides a number of tax benefits including those for custom duties and other internal taxes, income tax, and other exemptions and reliefs. Investors may apply for one or more of the exemptions and reliefs, which are divided into three zones: least developed, moderately developed, and developed. Detailed information is provided in the MIL Section 75 (a), 77 and 78 and the MIC Notification No. 87/2017.

3.2 Incorporation

Incorporation of the companies is regulated by the Myanmar Companies Law, 2017 (the “MCL”). The law allows private limited companies to be incorporated in Myanmar with a single shareholder, a single resident director, and no minimum capital requirements. Public companies must appoint at least three directors, and one of the directors must be a Myanmar citizen. The Registrar responsible for the monitoring and registration of the companies is the DICA.

Type of Companies

- Limited Liability by Shares (Private and Public)
- Limited Liability by Guarantee
- Overseas Corporation
- Special Company (incorporated with Special Company Act, 1950)

The electronic company registration (MyCO) system (www.myco.dica.gov.mm) provides an efficient, secure and cost-efficient online registrations and corporate submissions, which require minimal material documents.



3.3 Insolvency

The procedures for winding up and insolvency of the companies in Myanmar can be found in the Myanmar Insolvency Law, 2020. Myanmar Insolvency Law, 2020 modernizes the insolvency system to be more predictable and introduces the rescue and rehabilitation process which helps the businesses to restructure, so as to be able to continue operations. The law also offers a more predictable and uniform procedure on each method of winding up, including creditors' voluntary winding up, members' voluntary winding up, and winding up by court.



4. Trading

As the hub of the largest trading area, Myanmar benefits from its strategic location. In response to the changing trend of trade and investment in global markets, the Ministry of Commerce (the “**MOC**”) implemented the National Export Strategy for the period of 2020-2025 in 2019. Trading in Myanmar is regulated by the Department of Trade under the MOC as well as by the Myanmar Customs.

The total value of exports for the second quarter of 2021-2022 was USD 4,456.9 million, a 16.4 percent increase over the total value of exports for the previous quarter, which was USD 4,154.4 million. Import increased by 13.5 percent from USD 3,882.4 million when compared to the same quarter of 2020-2021.

4.1 Export and Import

To enhance the government's policy to promote the digital economy and e-commerce systems in Myanmar, MOC sets out to renovate the trade registration system and converted it to a fully online system TradeNet2.0 in 2020. Traders can register via TradeNet2.0 portal for the relevant businesses and the updated information about the rules, regulations and announcements related to trading are available at www.myanmartradenet.com. The following applications are available on TradeNet2.0:



- Export License and Permit
- Import License and Permit
- Certificate of Exporter/Importer Registration (EIR)
- Retail/Wholesale Registration Certificate
- Duty-free Shop Certificate
- Car importation Certificate
- Wine importation Certificate
- Re-Export Certificate
- Business Service Agency Certificate

To conduct import and export business in Myanmar, businesses must first register with DICA as a company authorized to engage in international trade. Furthermore, it is compulsory to apply for the Exporter/Importer Registration Certificate, which is allowed to do activities of export and import under the Conventional Trade System and Border Trade System using the currencies allowed by the Central Bank of Myanmar (the “**CBM**”) for payment transactions.

The Tradenet 2.0 is linked with the MyCO platform which allows quicker implementation for amendment. The term, fees and procedures for the application of Import and Export Licenses are provided as follows:



Table (6): Procedures for the Application of Import and Export Licenses

License	Application Process	License Fees	Validity of the License
Import License	via semi-online application on the TradeNet website	30,000 MMK to 90,000 MMK	3 months and 2 times extension for another 3 months
Export License	via fully-online application on the TradeNet website	No license fee is charged for exports.	3 months and 2 times extension for another 3 months

Source: National Trade Portal

4.2 UMFCCI Registration

Both Myanmar and foreign companies carrying out trading business may join the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI). Members of the UMFCCI are able to facilitate trade and investment, interact directly with international business partners, participate in both domestic and international business seminars and workshops, and are provided with a monthly newsletter and announcements.

The membership application can be made online via www.umfcci.com.mm. The admission fees for the foreign company are 300,000 MMK, and the yearly subscription charge is 300,000 MMK.



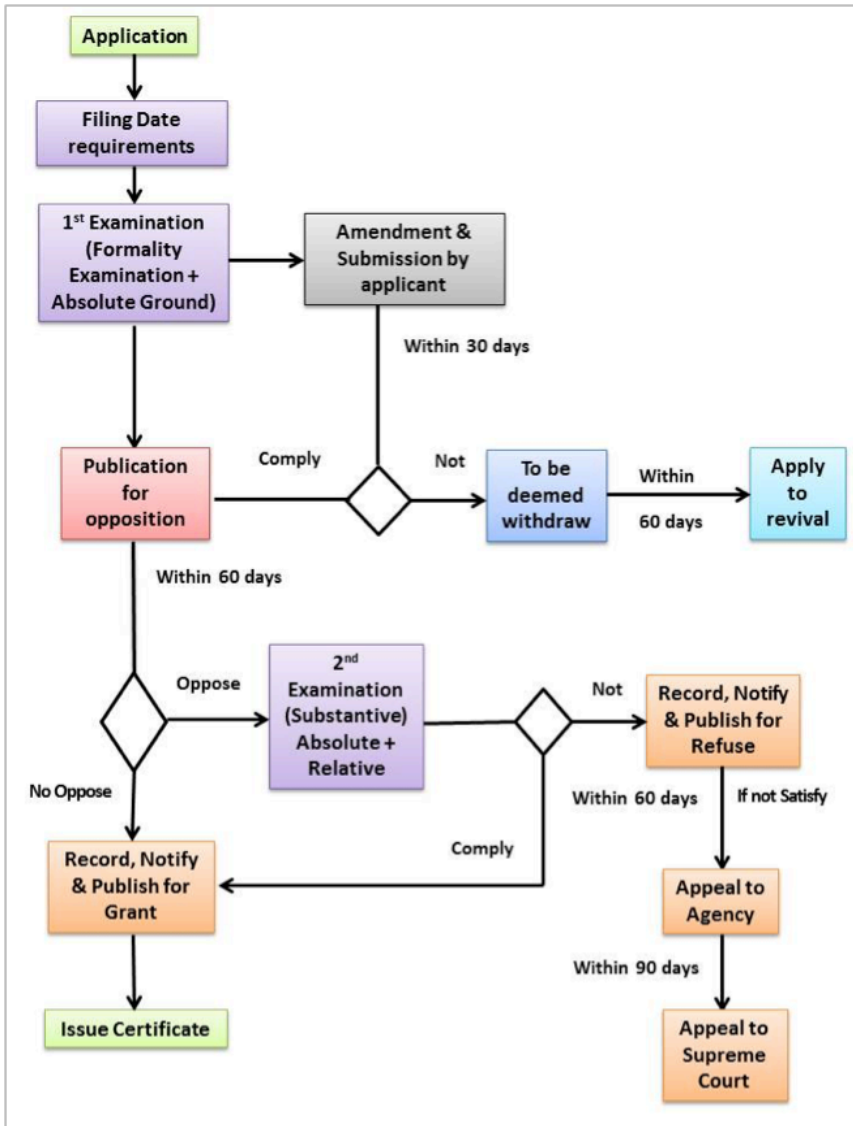
4.3 Intellectual Property

Myanmar, being a member state of the WTO, ASEAN and WIPO, has been collaborating with the international organizations to implement the Intellectual Property (IP) related matters to support the nation's economy. The government has promulgated four IP related laws in 2019.

- The Industrial Design Rights Law
- The Trademark Law
- The Patent Law
- The Literary and Artistic Copyright Law

The Intellectual Property Department has implemented online filing system for the IP registration process and providing IP related services such as alternative dispute resolution, IP Academy, Technology and Innovation Support Centres (TISCs) and IP consultation. The trademark registration can be applied on the website of Intellectual Property Department (www.ipd.gov.mm).

Figure (7): Procedures for Application of Registration of Mark Flowchart



Source: Intellectual Property Department



5. Finance

Myanmar's financial and banking system has undergone major reform and liberalization. In April 2012, the CBM took the first step towards reforming the country's exchange rate system when it scrapped the country's fixed exchange rate in favour of a managed float.

5.1 Banking and Financial Services

5.1.1 Financial Institutions in Myanmar

There are various local and non-local financial institutions presence in Myanmar, including 4 State-owned banks, 27 local private banks, 17 foreign bank branches, 3 foreign bank subsidiaries, and 46 representative offices of foreign banks.

According to the announcement of the CBM in October 2019, a branch licensee will be allowed to operate with just one branch and must maintain minimum paid-up capital of USD 75 million while a subsidiary licensee will be allowed to establish up to ten branches or off-site automated teller machines (ATMs) and would be required to maintain minimum paid-up capital of USD 100 million.

5.1.2 Non-Bank Financial Institutions (NBFIs)

There is no express prohibition under the Financial Institution Law, 2016 that a foreign company is not allowed to carry out NBFi business. Further, the



CBM Notification No. 1/2021 states that any change of status of ownership from local to foreign control or ceasing as a foreign company would need prior approval from the CBM. This implies that 100 percent foreign-owned NBFIs are permitted in Myanmar. However, till date, only 100 percent local entities have been issued the NBFIs registration certificate by the CBM and there is no foreign-owned NBFIs currently operating in Myanmar.

5.2 Taxation

The taxation in Myanmar is governed by the Commercial Tax Law, the Income Tax Law, the Specific Goods Tax Law, the Myanmar Stamp Act, the Tax Administration Law, and the Union Taxation Law. The Union Taxation Law is renewed every year to impose different tax rates for Commercial Tax, Corporate Tax, Income Tax and Specific Goods Tax.

5.2.1 Income Tax

Income Tax can be categorized into Personal Income Tax and Corporate Income Tax.

■ Personal Income Tax

According to the Union Taxation Law, 2023, if a person's income from salary exceeds 4.8 million kyats per year, or if the income is from professional business, enterprise and other sources, the tax rates to be levied on that person on the remaining income, after setting off the reliefs under Sections 6 and 6A of the Income Tax Law from the total income, are prescribed as follows:



Table (7): Income Tax Range

No.	Taxable Income Range		Income Tax Rate
	From (MMK)	To (MMK)	
i.	1	2,000,000	0%
ii.	2,000,001	10,000,000	5%
iii.	10,000,001	30,000,000	10%
iv.	30,000,001	50,000,000	15%
v.	50,000,001	70,000,000	20%
vi.	70,000,001 and above		25%

Source: Union Taxation Law, 2023

■ Corporate Income Tax

The Corporate Income Tax is levied based on the type of company. In the case of State-owned enterprises and businesses, companies and co-operative societies operating with the permission of the MIC, the income tax shall be levied at the specific tax rates prescribed according to the types of taxpayers. In order to enhance the development of businesses and investments affected by COVID-19, the income tax shall be levied on the total of net profit based on the type of business as follows:



Table (8) Corporate Income Tax Rate

No.	Type of Business	Tax Rate
1	Companies (other than Listed Public Companies on Yangon Stock Exchange) incorporated under the MCL, 2017 or the Special Companies Act, 1950, Businesses that operates under the permission of MIC, State-owned Economic Organizations	22% (Without deduction of the reliefs)
2	Listed Public Companies on Yangon Stock Exchange	17% (Without deduction of the reliefs)
3	Co-operative societies except the basic co-operative society	22% on the remaining income after deducting the reliefs
4	Basic co-operative societies registered and formed under the Co-operative Society Law	The same tax rate payable under Section 19(c) of the Union Taxation Law, 2023 on the remaining income after deducting reliefs

Source: Union Taxation Law, 2023



6. Labour

The legal framework regulating the labour and employment in Myanmar can be observed in the relevant labour laws, rules and regulations. These laws and rules lay down the regulations that both employers and employees shall comply with at workplace.


6.1 Employment Contract

As per Notification No. 1/2015 of the Ministry of Labour, Immigration and Population dated 31st August 2015, employment contract shall be entered into between the employer and employee in any factory, workplace, company and business with more than five employees and these employment contracts shall be registered at the relevant township labour office pursuant to Section 5 of the Employment and Skill Development Law, 2013. All employment contracts in Myanmar must conform to the standard employment contract that is prescribed by the Ministry of Labour. The employer shall conclude an employment contract within 30 days of the appointment of the employee.

6.2 Working Hours and Wages

The working hours for adult workers are stipulated as maximum 8 hours per day or 48 hours per week. The employer shall allow at least one day paid day-off per week for the employees. Overtime work shall not extend beyond midnight and the wage for overtime work shall be twice the ordinary wage.

The minimum wage in Myanmar is 4,800 kyats per eight-hour workday, and this amount does not include overtime, bonuses, incentives, or any other allowances.



6.3 Leaves and Holidays

Every employee is entitled to 6 days of paid casual leave per year. Employees enjoy 10 days of earned leave, consecutively or separately, per year. Besides, female employees who are pregnant are entitled to 14 weeks of paid maternity leave (6 weeks before the birth of the child and 8 weeks after the birth, with an additional of 4 weeks in the case of twins). Fathers are also entitled to 15 days of paternity leave.

There are usually around 16 public or gazette holidays per year in Myanmar and every employee is entitled to enjoy public or gazette holidays. Employees who are required to work on a public holiday shall be paid twice the ordinary rate and the living allowance.


6.4 Social Security

The Social Security Law, 2012 provides three types of social security funds that are available:

- Health and social care fund
- Family assistance fund and
- Injury fund

Employees are also given benefits under the law.

- General healthcare
- Compensation for work-related injuries and illnesses
- Maternity benefits



6.5 Settlement of Labour Disputes

According to the Settlement of Labour Disputes Law, 2012, individual disputes shall be settled through the following steps:

- Workplace Coordinating Committee (Negotiation)
- Township Dispute Conciliation Body (Conciliation)
- At the relevant jurisdictional court (Litigation)

Collective disputes shall be settled through the following steps:

- Workplace Coordinating Committee (Negotiation)
- Township Dispute Conciliation Body (Conciliation)
- Region/ State Dispute Settlement Arbitration Body (Arbitration)
- Dispute Settlement Arbitration Council (Arbitration)

Labour disputes in the Special Economic Zones shall be settled by the Special Conciliation Bodies formed in accordance with the SEZ Law.

6.6 Regulations for Foreign Experts

The employment of foreign experts as senior management personnels, technical experts, or consultants needs to submit a work permit application to MIC for approval. The application must be submitted prior to the arrival of such foreign experts or within 7 working days of their arrival. DICA is issuing the recommendation letter for the application processes for stay visa, re-entry visa and labour cards for foreign directors and experts for MIC-permitted companies and their family members. After obtaining the MIC permit, companies shall apply to the DICA for appointment and stay-permits and visa of foreign experts. Since November 2021, visa application submitted online via the website (<http://www.movas.dica.gov.mm>) shall be accepted.



7. Conclusion

Myanmar is an agro-based country with fertile land and abundant natural resources. It is aiming to transform from the traditional agricultural economy into a productive and sustainable agro-based economy. Myanmar is also the second-largest country in Southeast Asia, and benefits from a strategic geographical advantage, borders with economically powerful countries, and a long coastline.

Myanmar also has the past experience of investments by many foreign players, with numbers still adding up. Being a developing country in Southeast Asia, and in addition to its geographic advantage, having the advantage of abundant natural resources and a very economic labour force, various fields of investment opportunities are opened for both local and foreign investors, including but not limited to agriculture and livestock, infrastructure, transportation, and construction, hotel and tourism, manufacturing, and the service sector. DICA would like to invite all the investors to grab this ever-growing business opportunity in Myanmar.



Contact Information

Myanmar Investment Commission (MIC)

Directorate of Investment and Company Administration
(DICA, Secretariat of MIC)

No. 1, Thitsar Road, Yankin Township, Yangon, Myanmar
Tel: (951) 658132

- Email :
ip.dica@mifer.gov.mm
investmentpromotion@dica.gov.mm
 - Website :
www.dica.gov.mm
-

Ministry of Transport and Communications

Building No. (5), Nay Pyi Taw, Myanmar
Tel: (9567) 3411076

- Email :
motc.adm1.411036@gmail.com
 - Website :
www.motc.gov.mm
-

Ministry of Planning and Finance

Building No. (32), Nay Pyi Taw, Myanmar
Tel: (9567) 3406389

- Website :
www.mopf.gov.mm
-



Ministry of Investment and Foreign Economic Relations

Building No. (1), Nay Pyi Taw, Myanmar
Tel: (9567) 3407368

- Email :
ministry@mifer.gov.mm
 - Website :
www.mifer.gov.mm
-

Ministry of Agriculture, Livestock and Irrigation

Building No. (15), Nay Pyi Taw, Myanmar
Tel: (9567) 341004, 3408434

- Email :
contact@e-moali.gov.mm
 - Website :
www.moali.gov.mm
-

Ministry of Natural Resources and Environmental Conservation

Building No. (28), Nay Pyi Taw, Myanmar
Tel: (9567) 405004, 405075

- Email :
messenger@e-monrec.gov.mm
 - Website :
www.monrec.gov.mm
-



Ministry of Electric Power

Building No. (27), Nay Pyi Taw, Myanmar

Tel: (9567) 3410487, 3410483

- Email :
egovsection.projects@gmail.com
- Website :
www.moep.gov.mm

Ministry of Energy

Building No. (6), Nay Pyi Taw, Myanmar

Tel: (9567) 3411048

- Email :
info@energy.gov.mm
- Website :
www.energy.gov.mm

Ministry of Industry

Building No. (30), Nay Pyi Taw, Myanmar

Tel: (9567) 405047

- Email :
egovdept@moimm.net
- Website :
www.industry.gov.mm

Ministry of Immigration and Population

Building No. (48), Nay Pyi Taw, Myanmar

Tel: (9567) 3431011, 3431010

- Email :
molip48-molip@gmail.com
 - Website :
www.mip.gov.mm
-



Ministry of Labour

Building No. (51), Nay Pyi Taw, Myanmar

Tel: (9567) 430181

- Email :
moloffice51@mol.gov.mm
- Website :
www.mol.gov.mm

Ministry of Commerce

Building No. (3), Nay Pyi Taw, Myanmar

Tel: (9567) 408265, 408221, 408004

- Email :
mocdotict@gmail.com
- Website :
www.commerce.gov.mm

Ministry of Education

Building No. (13), Nay Pyi Taw, Myanmar

- Email :
webmoeoffice@gmail.com
- Website :
www.moe.gov.mm

Ministry of Health

Building No. (4), Nay Pyi Taw, Myanmar

Tel: (9567) 3431071

- Email :
info@mohs.gov.mm
 - Website :
www.mohs.gov.mm
-



Ministry of Construction

Building No. (11), Nay Pyi Taw, Myanmar

Tel: (959) 49201878

- Email :
info@construction.gov.mm
- Website :
www.construction.gov.mm

Ministry of Hotels and Tourism

Building No. (33), Nay Pyi Taw, Myanmar

Tel: (9567) 3406458, 3406247, 3406124

- Email :
info@tourism.gov.mm
- Website :
www.tourism.gov.mm

The Central Bank of Myanmar

Office No. (55), Nay Pyi Taw, Myanmar

Tel: (9567) 418505

- Email :
npt.office@cbm.gov.mm
 - Website :
www.cbm.gov.mm
-



Thilawa Special Economic Zone (Management Committee)

Room No. 100, Ground Floor, Administration Complex, Dagon-Thilawa Road, Kyauktan Township, Yangon

Tel: (951) 2309081

- Email :
adminthilawa@thilawasez.gov.mm

- Website :
myanmarthilawa.gov.mm
-

Kyauk Phyu Special Economic Zone (Management Committee)

No.228-240, Strand Road, Yangon

Tel: (951) 245087

- Email :
kpsez.hq@gmail.com
-

Dawei Special Economic Zone (Management Committee)

No. 622-625, Corner of Merchant Road and Bo Sun Pat Road, Pabedan Township, Yangon

Tel: (959) 255049879

- Email :
pmo-ygn@dawaisezmc.com

- Website :
www.dawaisezmc.com
-



**The Republic of the Union of Myanmar Federation
of Chambers of Commerce and Industries
(UMFCCI)**

No. 29, Minyekyawswar Road, Lanmadaw Township, Yangon, Myanmar
Tel: (951) 2314344-9

- Email :
info@umfcci.com.mm
 - Website :
www.umfcci.com.mm
-



Myanmar Investment Guide 2023