



HEALTHCARE GUIDE 2016

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EUROPEAN CHAMBER OF COMMERCE IN MYANMAR

EuroCham serves as the voice of European business in Myanmar. Its main mission is to significantly increase the presence of European companies in the country and to facilitate market access particularly for European SMEs – by advocating for member interests with the government and organisations in Myanmar, the ASEAN region and the EU.

With a strong, growing network of partners, EuroCham offers on-the- ground assistance for European businesses interested in commercial endeavours in Myanmar, whether in the form of advocacy, business services, research or networking.

Myanmar currently finds itself at a political and economic crossroads. After opening up to the world in 2011 and holding its first credible elections for decades in 2015, interest within the European business community in the many underdeveloped economic sectors in the country is on the rise.

Now that Myanmar is re-entering the global community, there is no better time and opportunity for the European business community – and particularly EU SMEs – to invest in one of the fastest growing economies in the world.

This sector guide provides entry-level information for European companies planning to enter this fascinating frontier market. Please contact us for further information and support.

Yangon, November 2016





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ADVOCACY

BUSINESS SERVICES

EVENTS

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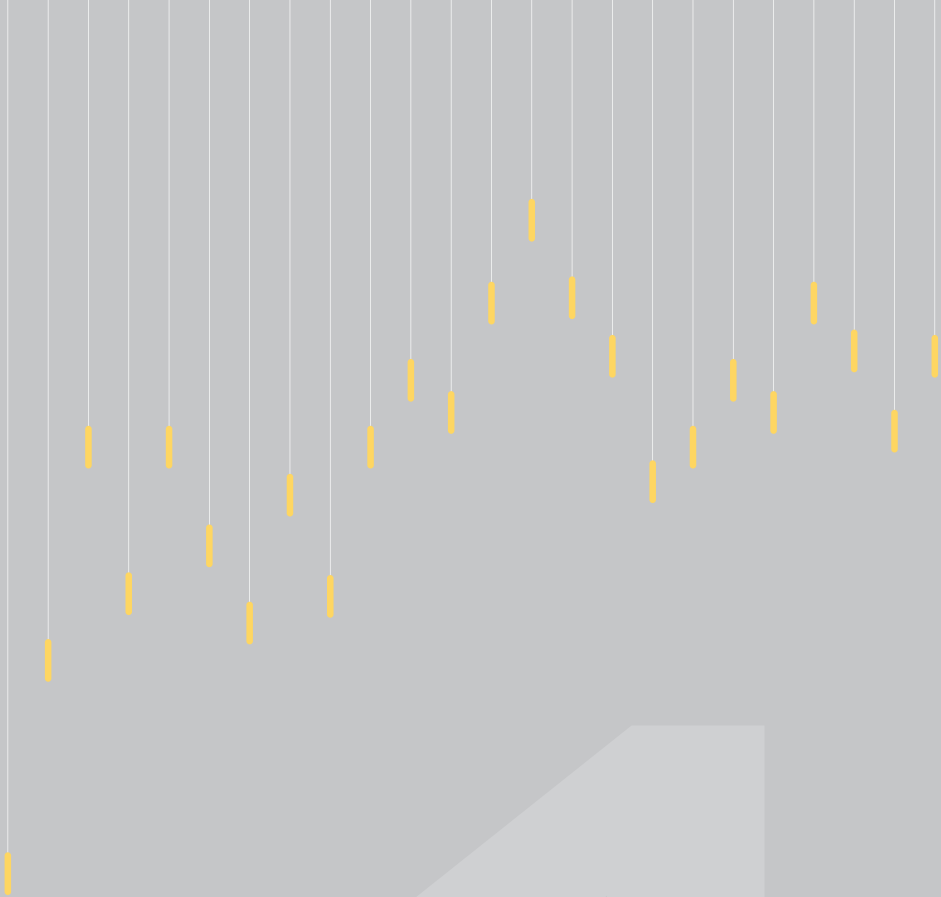
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ACRONYMS

<i>NCDP</i>	<i>National Comprehensive Development Plan</i>
<i>MMA</i>	<i>Myanmar Medical Association</i>
<i>WHO</i>	<i>World Health Organization</i>
<i>UHC</i>	<i>Universal Healthcare Coverage</i>
<i>OPP</i>	<i>Out-of-Pocket-Payment</i>
<i>FDI</i>	<i>Foreign Direct Investment</i>
<i>MNCs</i>	<i>Multinational companies</i>
<i>GE</i>	<i>General Electric</i>
<i>BPI</i>	<i>Burma Pharmaceuticals Industry</i>
<i>FDA</i>	<i>Department of Food and Drug Administration</i>
<i>DICA</i>	<i>Directorate of Investment and Company Administration</i>
<i>MIC</i>	<i>Myanmar Investment Commission</i>
<i>MMC</i>	<i>Myanmar Medical Council</i>
<i>MPMEEA</i>	<i>Myanmar Pharmaceuticals and Medical Equipment Entrepreneur Association</i>
<i>FIL</i>	<i>Foreign Investment Law</i>
<i>ASEAN</i>	<i>Association of Southeast Asian Nations</i>
<i>AEC</i>	<i>ASEAN Economic Community</i>



1. SECTOR OVERVIEW



With a population of over 53 million people, Myanmar's healthcare sector represents a huge area with enormous opportunities. On the other hand, it has been left behind by international development and is scrambling to achieve the government's ambitious plans. The challenges surrounding the healthcare sector are rooted in the mismanagement of the previous administration, the military regime.

The current government has indicated that one of its first priorities will be improving and expanding basic healthcare provision. Other aims include reducing out-of-pocket spending on medical treatment and permitting the opening of more private healthcare centres, to augment public health systems.

In recent years, the military-backed civilian government and the new administration have both prioritised the healthcare sector with increased budget allocations. The sector has also seen increased foreign investment by regional and global players.

1.1. CURRENT MARKET SITUATION/UPDATES

Myanmar's healthcare sector is serviced by both the private and public sectors. The Ministry of Health & Sports is the union-level ministry implementing the National Comprehensive Development Plan (NCDP); and the Department of Health – a department of the Ministry of Health & Sports – serves as the main regulatory body for healthcare providers as well as stakeholders in the fields of pharmaceuticals, medical devices and capital investment. Myanmar Medical Association (MMA) is the facilitator between different healthcare providers, and ensures that private practitioners are integrated into public healthcare activities.

Increased Government Spending

Since 2011, the government has been gradually increasing the budget allocation for the healthcare and education sectors. Total government health expenditure increased from USD 590 million (€527 million) in 2014-2015 to USD 630 million (€563 million) in 2015-2016. This was close to a 7% increase over the previous budget. The funds will be earmarked for the purchase of advanced medical equipment, including electro-surgical technology; the provision of free medical treatment for government employees; and training medical professionals.

The major source of finance for healthcare services is the Union Government, with other sources consisting of foreign aid and community contributions and donations.

Healthcare Manpower

Currently, Myanmar has fewer doctors per capita than other countries in the region. According to the World Health Organization (WHO), there were 6.1 doctors per 10,000 people as of 2015, compared with 11.9 in Vietnam, 19.5 in Singapore and 23 in Japan.

Universal Healthcare Coverage

The Ministry of Health & Sports plans to implement the Universal Health Coverage program nationwide by 2030. There are three components of Universal Healthcare Coverage (UHC): population coverage, service delivery and financial protection. The priorities for development are firstly to strengthen access and referrals at points of care, especially primary care at township levels, and secondly, to build an Essential Medicine program and ensure generic-quality medicines are available at all levels. However, the successful implementation of the program faces numerous challenges including, but not limited to, the shortage of medical staff and lack of proper medical equipment, infrastructural needs and insufficient funding.

Health Insurance Scheme

A new health insurance scheme was introduced in mid-2015 but take-up has been low, with less than 2,000 applications so far. Until 2013, the state-owned Myanmar Insurance held a monopoly on the insurance industry, and did not offer health coverage. There are now 12 private insurers, but not all of them can offer health insurance. There are only nine private insurers that offer health insurance policies to people between the ages of 6 and 65 at a rate of MMK 50,000 (USD 45) per unit (see table below). The policies offer up to five units, with each unit entitling the policy holder up to MMK 15,000 (USD 13.5) a day in hospital charges for up to 30 days. According to the insurance policies, a person can buy only up to five units. The detailed amounts that can be claimed for different types of units are described as follows.

	1 UNIT	2 UNITS	3 UNITS	4 UNITS	5 UNITS
<i>1-year premium price</i>	50,000 kyats	100,000 kyats	150,000 kyats	200,000 kyats	250,000 kyats
<i>Claim for 1-day hospitalization (up to 30 days)</i>	15,000 kyats	30,000 kyats	45,000 kyats	60,000 kyats	75,000 kyats
<i>Claim for accidental death</i>	1,000,000 kyats	2,000,000 kyats	3,000,000 kyats	4,000,000 kyats	5,000,000 kyats

Designed by the Insurance Business Regulatory Board, the payment and application process is the same for all 12 insurers, excluding the state-owned Myanmar Insurance. The insurance providers are required to pay out MMK 1,000,000 (USD 900) in the case of accidental death.

Healthcare Financing

According to the World Bank, Myanmar has the highest regional out-of-pocket-payment (OPP) proportion of spending on healthcare expenses at 92.7% as of 2012, higher than its counterparts including Vietnam, Cambodia, Laos and Thailand. The situation now is believed to have improved, with public hospitals giving most of the treatment free-of-charge, though more recent OPP data is not yet available. As public hospitals provide healthcare subsidies, most of the time they are overcrowded and operating beyond capacity, with many patients unable to stay in hospital rooms. Finally, while there is a large proportion of the population who are burdened by healthcare expenses, the middle and upper classes tend to choose alternative private hospitals to seek better services.

Influx of FDI

As Myanmar opens up and the government pursues its ambitions towards enhancing healthcare services and extending universal healthcare to the country's 53 million people, there has been a high inflow of foreign direct investment (FDI) in the healthcare sector. Multinational companies (MNCs) like General Electric (GE), as well as companies from regional markets, have invested in Myanmar, especially in the areas of medical equipment and pharmaceutical products.

Challenges

Besides shortages in labour, infrastructure needs and financial limitations, there are many other challenges affecting the healthcare sector. The smuggling of pharmaceuticals across the Chinese, Thai and Indian borders is a major issue impacting the local pharmaceuticals market. The quality of these drugs is often questionable, resulting in serious health effects and even loss of life for the users, who are often poor and/or from rural areas. Moreover, Myanmar's Food and Drug Administration is under-staffed, lacks basic equipment, and has limited access to laboratory and cold storage facilities, which all have an impact on its ability to keep new drugs for testing and approval before release.

1.2. HEALTHCARE SECTOR STATISTICS

The following table shows some general indicators of the country's healthcare sector, according to the Ministry of Health and Sports.

TOTAL POPULATION (2015)	Over 53 million
LIFE EXPECTANCY AT BIRTH M/F (YEARS, 2015)	65/68
TOTAL EXPENDITURE ON HEALTH PER CAPITA (2014)	USD 103
TOTAL EXPENDITURE ON HEALTH AS % OF GDP (2014)	2.3

Table 1: Indicators of Healthcare Sector

The following table shows the manpower available to the healthcare sector in Myanmar over the last few years, according to the Ministry of Health and Sports.

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014 (PROVISIONAL ACTUAL)
<i>Total number of doctors</i>	24,536	26,435	280,77	298,32	31,542
<i>Dental surgeons</i>	2,308	2,562	2,770	3,0011	3,219
<i>Dental nurses</i>	262	287	316	334	357
<i>Health assistants</i>	1,845	1,883	1,893	2,013	2,062
<i>Female health visitors</i>	3,278	3,344	3,371	3,397	3,467
<i>Midwives</i>	19,051	19,556	20,044	20,617	21,435
<i>Health supervisors</i>	2,174	2,621	2,330	2,527	5,650
<i>Traditional medicine practitioners</i>	6,627	6,627	6,752	6,854	6,963

The following table shows the development of healthcare facilities in Myanmar, according to the Ministry of Health and Sports.

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
<i>Hospitals under the Ministry of Health and Sports</i>	884	897	921	944	988
<i>Hospitals under other Ministries</i>	27	27	66	66	66
<i>Total No. of Hospital Beds</i>	39,060	43,789	54,503	55,305	56,748
<i>No. of Primary and Secondary Health Centres</i>	86	86	87	87	87
<i>No. of Maternal and Child Health Centres</i>	348	348	348	348	348
<i>No. of Rural Health Centres</i>	1,504	1,558	1,565	1,635	1,684
<i>No. of School Health Teams</i>	80	80	80	80	80
<i>No. of Traditional Medicine Hospitals</i>	14	14	14	14	16
<i>No. of Traditional Medicine Clinics</i>	237	237	237	237	243

Table 3: Development of healthcare facilities

Outside of hospitals, health centres are limited to providing only basic services. Most of the centres are located in rural areas and have a shortage of doctors; many are headed by health supervisors who can only perform basic healthcare treatment. These centres also lack medical devices and equipment, and often refer patients to nearby hospitals for more advanced treatment.

Aiming towards the “Health for All Goal”, a series of National Health Plans targeted


at improving primary health care services have been systematically developed and implemented. From 1991 onwards, successive National Health Plans have been formulated and implemented. A long-term health development plan, the 'Myanmar Health Vision 2030' (from 2000/2001 to 2030/2031) has been drawn up to meet future health challenges by prioritising development in the following areas:

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



2. INVESTMENT OPPORTUNITIES

Investment opportunities in the healthcare sector are broad-ranging, for both local and foreign companies. Although local companies can invest in any stage of the supply chain, there are limitations for foreign investors, as explained in detail in the following section.



2.1. INFORMATION ON TENDERS

The following three tenders recently announced by the Ministry of Health & Sports illustrate the types of tender openings from the Ministry to expect.

Chin State Cure Department, Haka Township, Ministry of Health & Sports: Open Tender

Tender opening date: 10 October 2016

Tender closing date: 31 October 2016

Chin State Cure Department, Haka Township, under the Ministry of Health & Sports invited an open tender to purchase the following items in Myanmar Kyats.

No.	DESCRIPTION
-----	-------------

1	Medicine arrival to district and township storage plants of Chin State
---	--

Children Hospital (550beds), Chanayetharsan Township, Mandalay, Ministry of Health & Sports: Open Tender

Tender opening date: 17 October 2016

Tender closing date: 28 October 2016

Children Hospital (550beds), Chan Aye Tharzan Township, Mandalay, under the Ministry of Health & Sports invited an open tender to purchase the following items in Myanmar Kyats.

No.	DESCRIPTION
-----	-------------

1	Medicine with FDA certification for Children Hospital (550 beds), Mandalay
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Head Department of Public Health, Yangon Region, Ministry of Health & Sports: Open Tender

Tender opening date: 12 October 2016

Tender closing date: 31 October 2016

Head Department of Public Health, Yangon Region, under the Ministry of Health & Sports invited an open tender to purchase the following items in Myanmar Kyats.

No.	DESCRIPTION
1	Machinery equipment and office furniture for Public Health Department

2.2. POTENTIAL OPPORTUNITIES FOR FOREIGN COMPANIES

When considering potential investment opportunities for foreign companies, it is also important to analyse the strengths and weaknesses of local companies, as well as the challenges that have held them back from further expansion in this sector thus far.

Strengths and weaknesses of local companies

Strengths

Major hospitals in cities such as Yangon and Mandalay already have a foundation of middle-class consumers receiving healthcare services. A foreign entrant into the market, such as a new foreign-brand hospital, will need to thrive to have a competitive edge over existing rivals who have already established their brands.

Local doctors have an understanding of the local culture which, when compared with international companies, means they provide a better bedside manner and an improved understanding of the requirements from the perspective of the patients.

Weaknesses

Most of the private and public hospitals are running at full capacity to meet demand, especially in big cities like Yangon and Mandalay. With the limited number of healthcare professionals and the large number of patients, at times, this means that the level of service and care is much lower than international standards. Private hospitals tend to perform better than public hospitals in this respect. However, even in these institutions, disputes occur and negligence can often result in negative consequences for patients.

In addition, the number of doctors and specialists is very limited, with just 6.1

doctors per 10,000 people, and this constitutes a challenge for new entrants in acquiring skilled medical professionals locally. There is also a limited number of certain types of medical service provider, such as psychiatrist clinics.

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

There is minimal domestic production of pharmaceuticals and medical devices. Although there are a few companies – such as Burma Pharmaceuticals Industry (BPI) and FAME Pharmaceuticals – most of the time, prescriptions are only for foreign medicines. In terms of medical devices and equipment, foreign brands still dominate the market.

Areas of investment for foreign investors

There are four major areas of investment in Myanmar's healthcare sector. These are as follows:

No.	INVESTMENT AREA	DESCRIPTION
1	Healthcare equipment	Myanmar's healthcare sector lacks modern medical equipment and devices, which were previously unavailable due to economic sanctions. With the easing and withdrawal of sanctions, many foreign companies have entered Myanmar to provide medical devices and equipment to both the private and public sectors. However, hospitals in many parts of the country still remain in need. Some hospitals use dilapidated devices and equipment while some lack them entirely.
2	Healthcare & Pharmaceutical Supplies	High demand with very small domestic production creates an opportunity for foreign pharmaceutical companies. However, despite these promising opportunities, the pharmaceutical industry is challenged by illegal imports which make up a significant percentage of the country's total imports. Although the FDA has been making moves to tackle the issue of illegal-

imports, no effective measures have been implemented yet.

3 Healthcare Services

Currently, healthcare providers and patients are often entangled in disputes over questionable services. No foreign investor has yet to enter the healthcare services sector and this presents an opportunity to provide services of an international standard for the first time in Myanmar. The need for improved healthcare services is not just limited to hospitals and clinics, but also includes diagnostic centres and laboratories.

4 Healthcare Training

The future of Myanmar's healthcare relies heavily on the quality and service of healthcare professionals in the region. Understanding the importance of this, the government has been collaborating with companies like GE in launching training programs all over the country to produce healthcare service professionals of a higher quality who are well-versed in up-to-date medical practices and technology.

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

Many Myanmar people are interested in foreign healthcare treatments; however, they do not necessarily have the relevant information, and are concerned about language barriers. To address these issues and facilitate medical treatment, many foreign hospitals have set up representative and liaison offices in Myanmar to help deal with the language barriers through local partners.

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

- Bangkok Hospital (Thailand)
- Bumrungrad Hospital (Thailand)
- Chaophya Hospital (Thailand)
- Praram 9 Hospital (Thailand)
- Samitivej Hospital (Thailand)
- Vejthani Hospital (Thailand)
- Vibhavedi Hospital (Thailand)
- Yanhee Hospital (Thailand)
- Parkway Hospital (Singapore)
- Raffles Hospital (Singapore)
- Singapore General Hospital (Singapore)
- Tan Tock Seng Hospital (Singapore)
- Amri Hospital (India)
- Apollo Hospital (India)
- Mahkola Hospital (Malaysia)



3. GOVERNMENT RULES AND REGULATIONS ON FOREIGN INVESTMENTS

3.1. GENERAL LEGAL/INVESTMENT STRUCTURE

In 2012, the Parliament approved the Foreign Investment Law (“FIL”) which sets the cornerstone of reform for foreign investment. The key points and incentives as set forth in the FIL are as follows:

- Foreign investors are permitted to own 100% of businesses which are not in the restricted or prohibited lists;
- Businesses set up under the FIL enjoy an initial 5-year tax holiday;
- Foreign investors may lease land for their business;
- Repatriation of profits after taxes and relevant funds is allowed through banks prescribed by the Myanmar Investment Commission (MIC) in the relevant foreign currency and at the official exchange rate. Further approval for repatriation is required from the Central Bank of Myanmar.

Under the FIL, a foreign investor may seek to conduct business in Myanmar in any of the following manners:

- As a 100% foreign-owned entity;
- By way of a joint venture with a Myanmar citizen or the Myanmar Government; or
- By way of a “system contained in a contract approved by both parties” (it will usually be a cooperation system between the government and private including BOT and BTO systems)

For investments permitted only via a joint venture with citizens, the foreign investment capital ratio may be up to 80%. Insofar as an investment requires the recommendation of a relevant Ministry, a different shareholding ratio may, however, be imposed.

October 2016, the Union Parliament enacted the new Myanmar Investment Law, which consolidates the Foreign Investment Law 2012 and the Citizens Investment Law 2013 into one. However, the governing rules and regulations are still in the drafting process. These regulations will be key for the specifics of establishing a business in Myanmar, indicating if investors will be able to set up a 100% wholly-owned enterprise or if they will need to set up a joint-venture with a Myanmar owner. In addition, the new law ensures that there is a level playing field for investors. It will be consistent with best practice in the ASEAN region, and prepare Myanmar for inclusion in the ASEAN Economic Community (AEC).

Myanmar Investment Commission (MIC)

Companies registered under the Myanmar Companies Act as industrial companies or service companies may apply for an investment permit from MIC in order to enjoy tax incentives and other guarantees.

Upcoming Laws

New laws that will be of central importance for foreign investment are currently being drafted. The new investment law has recently been approved.

The Myanmar Companies Act is being drafted with the assistance of Asian Development Bank in order to replace the century-old Companies Act (1914). The new Myanmar Companies Act is expected to facilitate economic reform initiatives in the banking and finance sector, including Yangon Stock Exchange, and set out clear regulations for better corporate governance.

According to DICA, the following relaxations will also be made in a move to attract more foreign investment.

- Easing long-term land lease requirements
- Allowing foreign players to participate in the stock market
- Allowing foreign investors to hold small stakes in local companies operating in the sectors which were previously banned from foreign ownership

3.2. HEALTHCARE-RELATED RULES AND REGULATIONS

Healthcare-related laws

Other healthcare related laws include the Organ Donation Law, the Myanmar Red Cross Law, the Blood and Blood Products Law and the Myanmar Medical Council Law, which address a wide range of healthcare regulatory issues.

Investing in the healthcare sector

Notification 26/2016 issued by the MIC distinguishes business activities based on their types of ownership. The notification categorises business activities which are prohibited, which can only be conducted in the form of a joint venture with Myanmar citizens or the government, and which can only be conducted under specific conditions (please refer to the annex for the full list).

Activities permitted for 100% foreign ownership

Economic activities which are not included in the notification can be carried out with 100% foreign investment. This requires the approval of the relevant ministry.

Activities permitted for joint venture

In order to invest in private hospitals, private clinics, private diagnostic activities, pri-

vate medicine and pharmaceutical production, the establishment of private medical institutes and medicine-related institutes and training schools, a joint venture with a Myanmar citizen is required. The local partner would, as a rule, hold a minimum of 20% ownership.

A Myanmar partner is also required to invest in the production and research of vaccines and testing kits, the trading of raw materials for Myanmar traditional medicine products, the cultivation and production of traditional medicinal herbs, laboratory services, the manufacturing of traditional medicines and traditional medicine hospitals. In the above cases, again, the local partner should have at least a 20% shareholding.

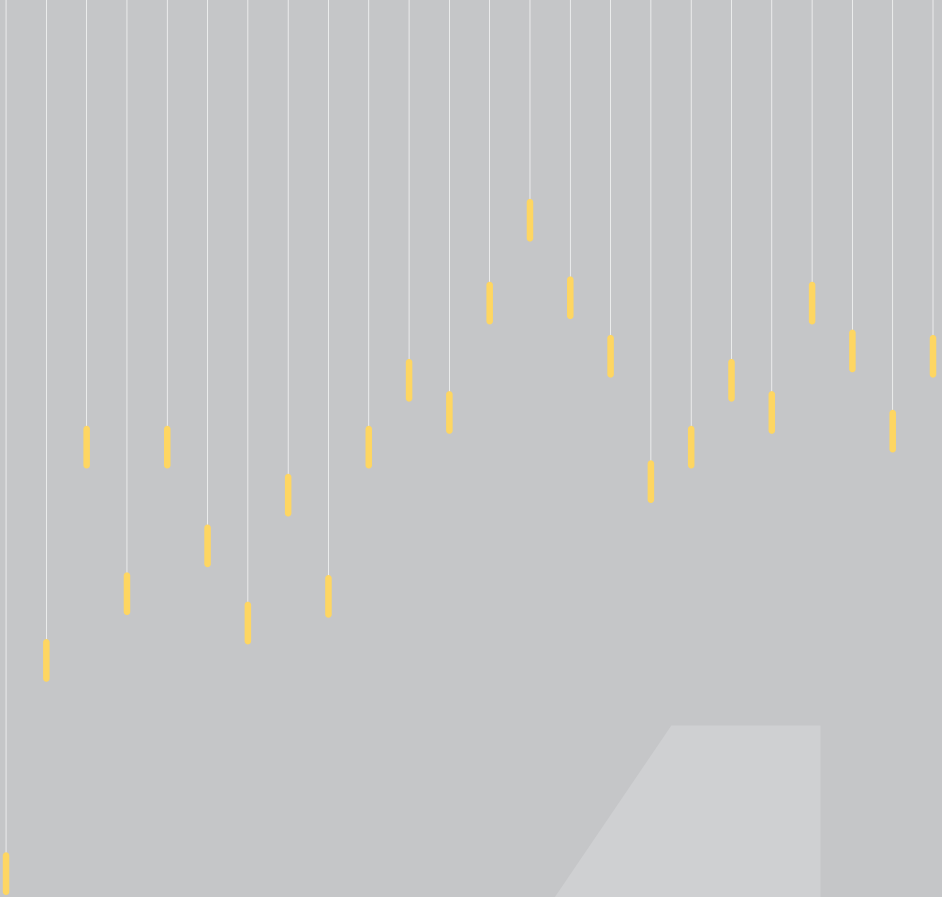
The import and resale of medical equipment is permitted by foreign investors in a joint venture with a Myanmar partner. No minimum percentage is prescribed.

Activities under prohibition

The import and resale of medicine is only permitted by 100% Myanmar-owned businesses. A foreign investor may not hold any shares in such businesses at this point in time.

Only Myanmar-owned companies are allowed to import drugs to Myanmar for the purpose of resale. Under a special exemption, foreign companies may now import and distribute medical equipment. Import licences, including a recommendation from the Department of Food & Drug Administration, is required for each importation.

The MIC published Notification 26/2016 dated 21 March 2016 on the prohibited and restricted activities for foreign investment.



4

4. CHALLENGES AND OUTLOOK

The government's ambition to streamline UHC creates a very positive atmosphere for European investors looking to enter Myanmar. However, there are still challenges that could hinder the successful implementation of UHC. The fact that the public sector, which the population relies heavily on, is underfunded is a major challenge to UHC. However, the government has been receiving international aids, grants and loans which may help in achieving the target.

With 70% of population residing in rural areas (according to the 2014 Census), rolling out UHC will take a significant amount of time.

The fact that there is very minimal domestic production of pharmaceuticals and medical devices is also an opportunity for foreign investors. On the other hand, challenges such as illegal pharmaceutical imports pose a threat for investors. However, if the government could effectively tackle these illegal imports, the pharmaceutical market could become significantly more attractive for investors.

The government is also doing a lot to attract foreign investment. Although foreign investors cannot engage in trading activities, under a special exemption, foreign companies are allowed to import and distribute medical equipment into the market. However, there are still some areas which limit the involvement of foreign players, or where foreign involvement in pharmaceutical production is limited only to traditional medicine.

Rising disposable income, a growing middle class and opportunities to target a market that currently relies on overseas medical care are all factors that have enticed foreign companies to do business in Myanmar. According to Nielsen Emerging Markets Research 2014, healthcare expenditure constitutes 9% of the typical Myanmar consumer's monthly household expenses – making it, proportionally, the second largest. Although this may seem low compared to other regional benchmarks, rising incomes driven by strong economic growth are expected to increase spending power on healthcare.

Despite a number of challenges in this sector, the outlook for healthcare provision in Myanmar is positive. The government's ambition towards UHC, increased government spending and expected increases in spending power, along with the increased adoption of insurance, are all factors that are likely to attract attention from investors. Taking into consideration these factors together with increased attention from foreign players, it is undeniable that the healthcare sector has a positive future outlook.



5. INDUSTRY CONTACT INFORMATION

5.1. GOVERNMENT OFFICES

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

Ministry of Health & Sports

MAILING ADDRESS	4 Zeya Htani Rd, Nay Pyi Taw
CONTACT	+95 67 411 298 www.moh.gov.mm

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

Department of Food and Drug Administration

MAILING ADDRESS	Pyigy Zayyar Road (In front of Sabei Housing), Zayyar Thiri Ward, Zabu Thiri Township, Nay Pyi Taw
CONTACT	+ (95) 67- 403 609 www.fdamyanmar.gov.mm www.moh.gov.mm

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

Ministry of Commerce

Ministry of Commerce

MAILING ADDRESS	Director General Department of Trade Ministry of Commerce Building No. 3, Office Compound, Nay Pyi Taw
DIRECTEUR GENERAL	+ (95) 67- 408 002, 408 265, 408 485
YANGON OFFICE	Address: 228- 240, Strand Road, Yangon Ph: (95) 1- 251 197

The Customs Department is an arm of the Ministry of Commerce.

Customs Department

MAILING ADDRESS	No.(132), Strand Road, Kyauktada Township, Yangon
CONTACT	+ (95) 1 - 379 423, 379 426 to 9

Ministry of Planning and Finance

DICA and MIC are the lead government bodies for foreign business incorporation in Myanmar. Both fall under the authority of the Ministry of Planning and Finance. Companies need to be aware of procedural updates issued by the MIC in order to successfully navigate the legal aspect of investment.

MAILING ADDRESS

Director General
Directorate of Investment
and Company Administration
Ministry of National Planning
and Economic Development
Building No. 32, Office Compound, Nay Pyi Taw

**DIRECTORATE OF
INVESTMENT
AND COMPANY
ADMINISTRATION**

Address: No.1, Thitsar Road, Yankin Township,
Yangon

+ (95) 1- 658 143, 657 891, +(95) 67- 406 471

**MYANMAR
INVESTMENT
COMMISSION**

Address: No.1, Thit Saw Road, Yankin Township,
Yangon

CONTACT

+ (95) 1- 657 891, 658 127 to 30

5.2. OTHER RELEVANT ASSOCIATIONS

Myanmar Medical Council (MMC)

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

Address: No. 123, Nat Mauk Road, Bahan Township, Yangon, Myanmar.

Tel: 09 45684 4445

Fax: +951 546709

Email: myanmarmedicalcouncil@gmail.com

www.myanmarmedicalcouncil.org

Myanmar Pharmaceuticals and Medical Equipment Entrepreneur Association (MPMEEA)

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

Address: UMFCCI Office Tower (Level - 6) No.29, Min Ye' Kyaw Swar Street, Lanmadaw Township, Yangon, Myanmar.

Tel: (+95-1) 2316205, 2314834

Email: mpmeea@myanmar.com.mm, mpmeea@gmail.com

www.mpmeea.org

Myanmar Medical Association (MMA)

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

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

Fax: 951- 378863

Email: skystar.green@gmail.com

www.mmacentral.com



ANNEX 1: Notification No. 26/ 2016

Notification 26/2016 categorises business activities based on their permitted types of ownership. Activities which are not specifically listed in the below can be carried out with 100% foreign ownership.

List of Economic Activities under Prohibition

No. TYPES OF BUSINESS ACTIVITIES

- 1 Manufacturing and related services of arms and ammunition for national defence
- 2 Activities that can damage mangrove forests, religious places and places where traditional worship is done, grazing land, hill-side cultivation, farmland and water resources
- 3 Conservation and management of natural forests
- 4 Prospecting, exploration and production of jade/gem stones
- 5 Production of minerals by medium scale and small scale
- 6 Supervisory control of electric power systems
- 7 Inspection of Electrical works
- 8 Air navigation services
- 9 Exploration of minerals including gold in the rivers and waterway
- 10 Pilotage
- 11 Cross ownership between print media and broadcasting media service without approval of the Union Government
- 12 Periodicals in languages of national races including Myanmar

Types of Business Activities permitted to be carried out in the form of a joint venture with Myanmar Citizens

No. TYPES OF BUSINESS ACTIVITIES

- 1 Manufacturing and domestic marketing, sale and distribution of biscuits, wafers, all kinds of noodles, vermicelli and other cereal-related food products
- 2 Manufacturing and domestic marketing, sale and distribution of all kinds of confectionary including sweets, cocoa and chocolate
- 3 Preserving, manufacturing, canning, and domestic marketing of other food products except milk and dairy products
- 4 Manufacturing and marketing of malt and malt liquors and non-aerated products
- 5 Distilling, blending, rectifying, bottling and marketing of all kinds of spirits, alcohol, alcoholic beverages and non-alcoholic beverages
- 6 Manufacturing and marketing of all kinds of purified ice
- 7 Manufacturing of purified drinking water
- 8 Manufacturing and marketing of all kinds of ropes
- 9 Manufacturing and domestic marketing of enamelware, cutlery, crockery of all kinds
- 10 Manufacturing and domestic marketing of plastic wares
- 11 Packaging
- 12 Processing of hides, skins and leathers of all kinds, excluding synthetic leather, and manufacturing and domestic marketing thereof including footwear, handbags, etc.
- 13 Manufacturing and marketing of all kinds of paper, raw materials for paper, all kinds of products made by paper, paper boards including carbon paper, waxed paper, toilet paper, etc.
- 14 Manufacturing, and marketing of chemicals based on natural resources available domestically (excluding products of petroleum and gas)

- 15 Manufacturing and marketing of solid, liquid, gaseous and aerosol (Acetylene, Gasoline, Propane, Hairsprays, Perfume, Deodorant, Insect spray) (excluding products of petroleum and gas, petroleum-related products)
- 16 Manufacturing and marketing of Oxidants (Oxygen, Hydrogen, Peroxide) compressed (Acetone, Argon, Hydrogen, Nitrogen, Acetylene)
- 17 Manufacturing and marketing of corrosive chemicals (Sulphuric Acid, Nitric Acid)
- 18 Manufacturing and marketing of industrial chemical gases (solid, liquid, gas)
- 19 Manufacturing of pharmaceutical raw materials
- 20 Small and medium-scale production of electricity
- 21 Development of international standard golf courses and resorts
- 22 Development, sale and lease of residential apartments/condominiums
- 23 Development and sale of office/commercial buildings
- 24 Development, sale and lease of residential apartments in areas related to industrial zones
- 25 Development of affordable housing
- 26 Domestic air transport service
- 27 International air transport service

List of Economic Activities Permitted with Specific Conditions

(a) List of Economic Activities permitted with the recommendation of the relevant Ministry and requiring joint venture with Myanmar Citizens

No. TYPES OF ECONOMIC ACTIVITIES

1 *Permitted with the Recommendation of the Ministry of Livestock, Fisheries and Rural Development*

- Production of bee and bee products
- Manufacturing of fishing nets
- Construction of fishing jetty and fish auction markets
- Research activities for livestock and fisheries products
- Fishing activities on sea
- Processing and manufacturing of fisheries products
- Export/import of animals and fisheries products including live fish species
- Culture of fresh water and marine fish and prawns

2 *Permitted with the Recommendation of the Ministry of Environmental Conservation and Forestry*

- National parks
- Businesses related to the reduction of carbon emissions
- Establishment of extraction (logging), and production wood in the forest land (reserved forests and protected public forest)
- Import, multiplication and sale of genetically modified organisms and living modified organisms
- Technical research and business related to the breeding, culture and production of genetically superior quality seeds, propagules, tissues, etc. of valuable and rare flora species
- Development of high technology, research and human resources in the forestry sector
- Extraction of natural resources in forested land at the disposal of the government
- Importing, exporting, breeding and production of wild flora and fauna species for commercial purposes

3 *Permitted with the Recommendation of the Ministry of Industry*

- Manufacturing and marketing of soft beverages, aerated and non-aerated products
- Production of seasoning powder
- Production of medicinal drugs by using controlled chemicals

4 ***Permitted with the Recommendation of the Ministry of Transport***

- Passengers and cargo transport services by vessels
- Establishing nautical and training school
- Dockyard services
- Water transport related services on land plots owned by Inland Water Transport

5 ***Permitted with the Recommendation of the Ministry of Communications and Information Technology***

- Domestic and international postal services

6 ***Permitted with the Recommendation of the Ministry of Health***

- Private hospital services
- Private clinic services
- Private diagnostic services
- Private pharmaceutical and medical devices production
- Research on vaccine and diagnostic test kit production
- Private medical institute and health related institute and training school
- Trading of traditional pharmaceutical raw materials
- Traditional herbal cultivation and production
- Traditional medicine research and laboratory
- Manufacturing of traditional drugs
- Traditional hospitals

7 ***Permitted with the Recommendation of the Ministry of Information***

- Publishing of periodical newspapers in foreign languages
- FM radio programs
- Businesses in the broadcasting industry Direct to Home (DTH)
- Businesses in the broadcasting industry using DVB-T2 system
- Businesses in the broadcasting industry using Cable TV system
- Businesses in film production
- Businesses in film showing

(b) List of Economic Activities with other Conditions and requiring a joint venture

No.	TYPES OF ECONOMIC ACTIVITIES	CONDITIONS
1	Construction and implementation of storage tank, loading port, pipeline, related machineries and equipment and construction of building for importing, transporting, storage, distribution and selling of oil, gas and petroleum products.	Permitted only under the condition of a joint venture with the Ministry of Electricity and Energy.
2	Importing, producing, constructing and installing equipment, accessories and parts for exploring and interpreting oil and gas by geological, geophysical and geochemical methods.	Permitted only under the condition of a joint venture with the Ministry of Electricity Energy.
3	Importing, producing, constructing and installing equipment, accessories and parts or installations for exploiting, producing and researching oil and gas.	Permitted only under the condition of a joint venture with the Ministry of Electricity and Energy.
4	Importing, producing, constructing and installing equipment, accessories and parts of installations for transporting and constructing the pipeline network for oil and gas.	Permitted only under the condition of a joint venture with the Ministry of Electricity and Energy.
5	Importing, producing, constructing and installing equipment, accessories and parts of installations for the construction of various kinds of offshore drilling.	Permitted only under the condition of a joint venture with the Ministry of Electricity Energy.
6	Construction of various types of refinery, maintaining and upgrading the old refinery and implementing the work.	Permitted only under the condition of a joint venture with the Ministry of Electricity Energy.
7	Manufacturing of cigarettes.	The local Virginia tobacco must be used for 50% within the first (three) years or at least 50% of raw materials bought

- from the export earnings of local Virginia shall be used in production.
Export shall be 90%. The list of local raw materials to be used and planned exportation must be attached in the investment proposal. Requires the recommendation of the Ministry of Industry.
Permitted only in joint venture with the State Government.
Permitted only in joint venture with the State Government.
- 8 Production and marketing of explosive chemicals (TNT, Nitro-glycerin, Ammonium Nitrite). Permitted only for the production of value-added products. Allow foreigner shareholding up to 49%.
- 9 Production and marketing of flammable liquids and solids (Titanium Powder), self-reactive substances (Potassium Sulphide), and substances which, in contact with water, emit flammable gases (Calcium Phosphide). Allow trading, local export/sales, depending on the production of the joint venture company. Strictly prohibited to export paddy by sea or through border trade.
- 10 Distribution in the local market and exporting of crops after they are cultivated and manufactured by using imported and necessary input materials. Required recommendation of the Ministry of Planning and Finance.
Only permitted in joint venture with the Government.
- 11 E-lottery business. Required recommendation of the Ministry of Planning and Finance. Only permitted in joint venture with the Government.
- 12 Development of new satellite town. Requires the recommendation of the Ministry of Construction. Permitted in joint venture with the Government.

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| 13 | Urban redevelopment. | Requires the recommendation of the Ministry of Construction. Permitted in joint venture with the Government. |
| 14 | Construction of new railway line, new station and new buildings. | Permitted for joint venture /BOT with Myanmar Railways. Requires the recommendation of the Ministry of Rail Transportation. Needs the permission of the Union Government. |
| 15 | Train operation and maintenance. | Permitted for joint venture /BOT and hires system with Myanmar Railways. Requires the permission of the Ministry of Rail Transportation. |
| 16 | Manufacture and maintenance of locomotive, carriages, wagons and spare parts. | Permitted for joint venture /BOT and hires system with Myanmar Railways. Requires the permission of the Ministry of Rail Transportation. Joint venture/BOT and hires system with relevant enterprise/directorate. |
| 17 | Laying fibre optic cable, construction of towers, machine rooms on land owned by the Ministry of Rail Transportation. | Permitted for joint venture /BOT and hires system with relevant enterprise/department. Needs the permission of the Ministry of Rail Transportation. |
| 18 | Comprehensive utilization of land and building owned by Ministry of Rail Transport for commercial purposes. | Permitted for joint venture /BOT and hires system with relevant enterprise/department. Requires the permission of the Ministry of Rail Transportation. |
| 19 | Automobile services for passenger and freight transport operating. | Needs the permission of the Union Government. Permitted for a joint venture with relevant enterprise/department/organization (departmental and private). Requires the recommendation of the Ministry of Rail Transportation. |

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| 20 | Vehicle inspection, driving training centre, repair and maintenance training. | Requires entry into joint venture by 50% local and 50% foreign investment. Requires the recommendation of the Ministry of Rail Transportation. |
| 21 | Generation of electric power to be used for train operation. | Permitted for joint venture /BOT and hire system with Myanmar Railways. Requires the recommendation of the Ministry of Electric Power and needs permission from the Ministry of Rail Transportation. |
| 22 | Manufacturing, sale and distribution of vaccines to prevent diseases. | Permitted for joint venture with the State Government. Must meet and comply with minimum WHO GMP standards. |

ANNEX 2: Notification No. 50/ 2014

Notification 50/2014 lists business activities which require an environmental impact assessment (EIA).

No. TYPES OF BUSINESS ACTIVITIES

- 1 All activities for mining and mineral processing.
- 2 Exploration and production of oil and gas, establishment of oil refinery or petrochemical plants.
- 3 Construction of large-scale irrigation, high dams and embankment.
- 4 Hydropower project and other heavy electricity generation, construction of electric power transmission line.
- 5 Construction of Oil and Gas pipeline project.
- 6 Construction of large-scale river crossing bridges, fly-over bridges, highways, subways, ports, shipyards, airports and runways, large-scale drainage systems, large-scale motor vehicle manufacturing and assembling industries.
- 7 Manufacturing of pharmaceuticals, chemicals and pesticides.
- 8 Manufacturing of batteries.
- 9 Large-scale pulp and paper production.
- 10 Large-scale textile industry, dyeing facilities and garment production.
- 11 Production of iron, steel and minerals.
- 12 Production of cement.
- 13 Production of liquor, beer and spirits.
- 14 Production of petrochemicals such as petroleum, engine oils, fertiliser, wax and varnish.
- 15 Large-scale foodstuff industry, including sugar factories.

- 16 Production of leather and rubber products.
- 17 Large-scale cultivation of fresh water and marine fish/prawns.
- 18 Large-scale wood based industry.
- 19 Development of large-scale housing projects and Industrial Zones.
- 20 Construction of large-scale hotels, recreation places and resorts.
- 21 Operation in cultural heritage, archaeological and prominent geographical symbolic sites.
- 22 Operation in wetlands.
- 23 Operation in ecologically fragile areas.
- 24 Operation in national parks, wildlife sanctuaries and protected areas.
- 25 Operation in wilderness areas containing rare or endangered species of flora or fauna and their habitat
- 26 Operation in areas prone to natural disaster such as Rakhine State, Ayeyarwaddy Delta.
- 27 Operation in the vicinities of main resources for public drinking water, lakes and reservoirs.
- 28 Operation in resort areas and areas closed to oyster fishing and pearl farms areas.
- 29 Cultivation and production of crops at a large scale.
- 30 Large-scale forest and industrial crop plantation.



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