



CO-FUNDED BY



IMPLEMENTED BY





EUROPEAN UNION

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

EUROPEAN CHAMBER OF COMMERCE IN MYANMAR

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

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

This 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, December 2017





Your partner in one of the world's
fastest growing economies

ADVOCACY

BUSINESS SERVICES

EVENTS

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



+95 9 45058 2335



info@eurocham-myanmar.org



www.eurocham-myanmar.org



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



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



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

TABLE OF CONTENTS

1 Sector Overview	9
1.1 Current Market Situation	13
1.2 Consumer Demographics	13
2 Investment Opportunities	16
2.1 Strengths and Weaknesses of Local Companies	17
2.2 Recent Foreign Investments	18
3 Government Rules and Regulations on Foreign Investment	21
3.1 General Legal / Investment Structure Information	22
3.2 Myanmar Investment Commission (MIC)	23
3.3 Upcoming Laws	24
3.4 Consumer Goods-Related Rules and Regulations	24
3.4.1 Activities Prohibited to Foreign Investors	24
3.4.2 Activities Permitted only via Foreign-Domestic Joint Venture	25
4 Challenges and Outlook	27
4.1 Challenges	28
4.2 Outlook	29
5 Industry Contact Information	30
5.1 Government Offices	31
5.2 Business Associations	33

TABLES

Table 1: Activities Permitted for Joint Ventures	19
--	----

FIGURES

Figure 1: GDP Growth by Sector	10
Figure 2: Total GDI by Country of Origin	11
Figure 3: Total FDI by Sector	12
Figure 4: Foreign and Domestic Investment by Sector	12
Figure 5: Average Monthly Household Income	14
Figure 6: Average Monthly Household Expenditures	15
Figure 7: Breakdown of Monthly Household Expenditures	16

ACRONYMS

<i>AEC</i>	<i>ASEAN Economic Community</i>
<i>ASEAN</i>	<i>Association of Southeast Asian Nations</i>
<i>CDSG</i>	<i>Capital Diamond Star Group</i>
<i>DICA</i>	<i>Directorate of Investment and Company Administration</i>
<i>FDI</i>	<i>Foreign Direct Investment</i>
<i>FIL</i>	<i>Foreign Investment Law</i>
<i>FMCG</i>	<i>Fast-Moving Consumer Goods</i>
<i>GDP</i>	<i>Gross Domestic Product</i>
<i>GPS</i>	<i>Global Positioning System</i>
<i>MGS</i>	<i>Myanmar Golden Star</i>
<i>MIC</i>	<i>Myanmar Investment Commission</i>
<i>UMFCCI</i>	<i>Union of Myanmar Federation of Chambers of Commerce and Industry</i>



100%

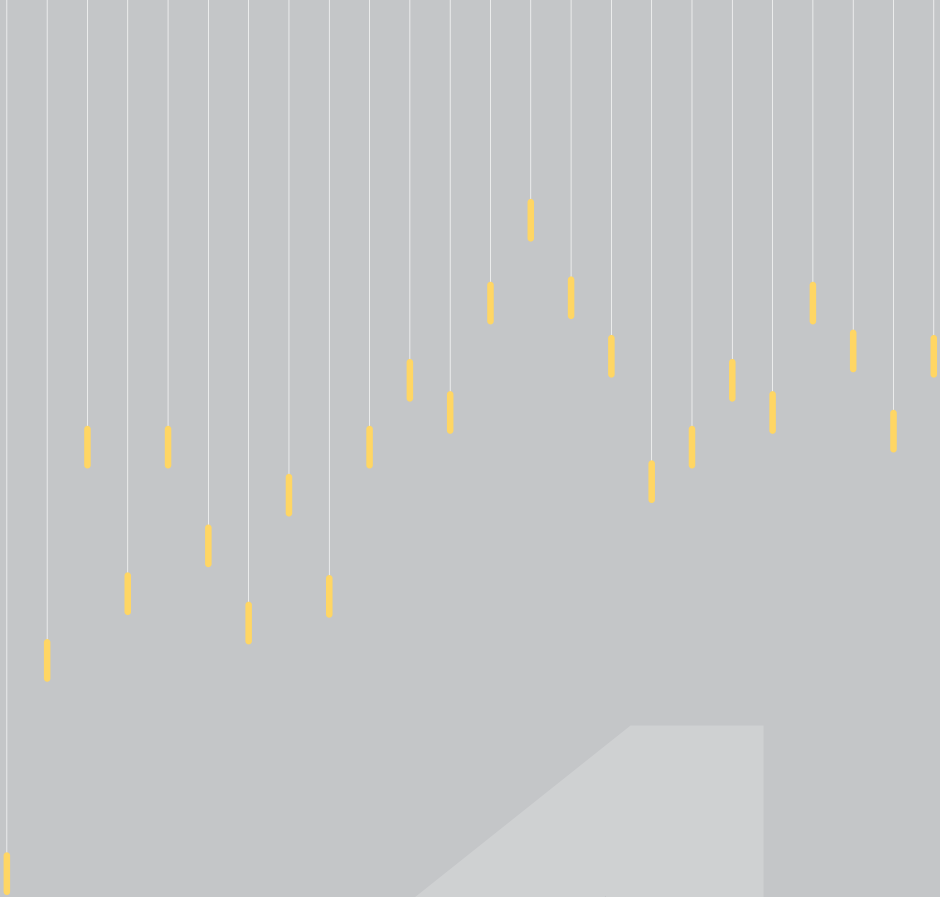
SATHAPANA
MARUHAN Japan
ASEAN
Financial Group

LAWINTSAR CO., LTD
PROPERTY MANAGEMENT & DEVELOPMENT

eVisa
TOURIST & BUSINESS
FAST, EASY & OFFICIAL.
APPLY ONLINE evisa.msp.gov.my



1 SECTOR OVERVIEW



The consumer goods sector is one of Myanmar’s fastest-growing business areas, due to the country’s strong economy, increasing purchasing power, and relatively young population compared with neighbouring countries of China, Thailand, India, Lao PDR and Bangladesh. Myanmar’s proximity to these countries places it within reach of almost 40% of the world’s populationⁱ, underlining its potential to become a regional trading hub.

The transition to a civilian government in 2011 and the accession to power of the NLD party in 2015 saw the easing of sanctions and introduction of economic reform that have, in turn, spurred dramatic economic growth. After being declared the World’s Fastest Growing Economy by the IMF in the 2016 World Economic Outlook, Myanmar’s economy decelerated in 2016–2017 due to rising tensions in Rakhine state and a contraction of the agricultural sector in light of recent flooding. 2016 GDP reached US\$ 67.4 billion, but fell short of World Bank and IMF projections of 7–8% growth, slowing to 5.9% as investors await clarity on the government’s economic policies and response to the widely-publicized conflict in Rakhineⁱⁱ. Regardless, the World Bank projects that growth will resume at about 7% per annum each year until 2020ⁱⁱⁱ.

GDP Growth by Sector

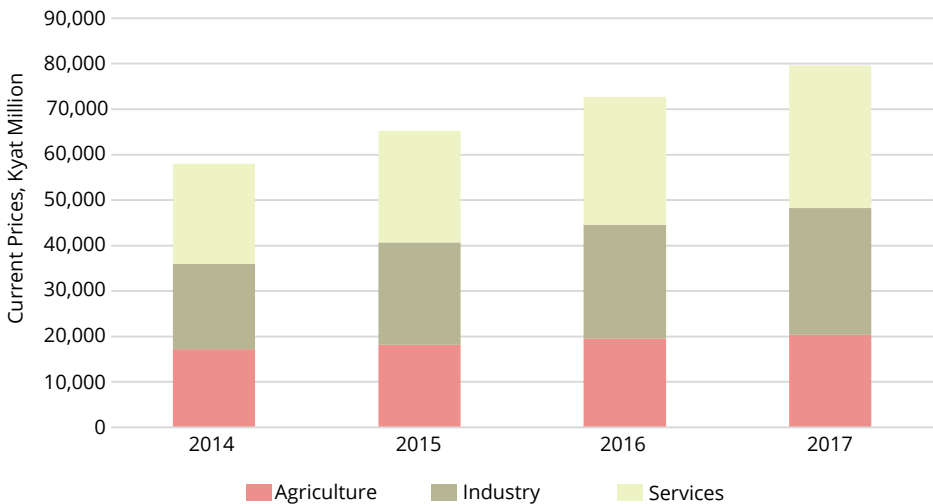
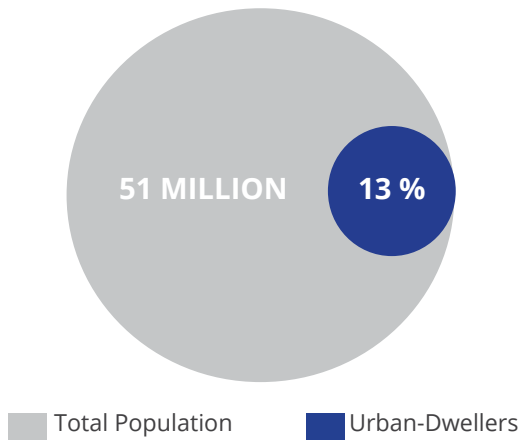


Figure 1: GDP Growth by Sector

The fruits of economic growth remain largely concentrated in the urban areas of Yangon and Mandalay. Only 34% of Myanmar’s 51 million people are urban-dwellers,^{iv} and the disparity in wealth is pronounced. While national per capita GDP hovers just over 1200 USD, one of the lowest in the region, per capita income in Yangon is estimated at anywhere between 1700–3000 USD, while incomes levels in conflict-affected states can be as low as a quarter of that^v.

Foreign Direct Investment has remained strong at just under 7 billion USD, despite a 30% decrease from 2016 attributed to a decrease in the number Chinese projects and hesitation by investors. China and Singapore combined account for over 50% of all FDI commitments. Outside of oil & gas and power, manufacturing and communications were key foreign investment sectors. Foreign investment in local manufacturing for international brands combined with domestic investment in real estate (especially retail space), has spurred the consumer goods sector. According to Oxford Business Group, from 2012 to the end of 2014, Myanmar's retail sector expanded by 7–15% per year, in line with overall GDP growth in excess of 7% over the same period.

Percentage of Urban-dwellers in Myanmar



Population: Urban-Dwellers out of Total Population

Total FDI by Country of Origin

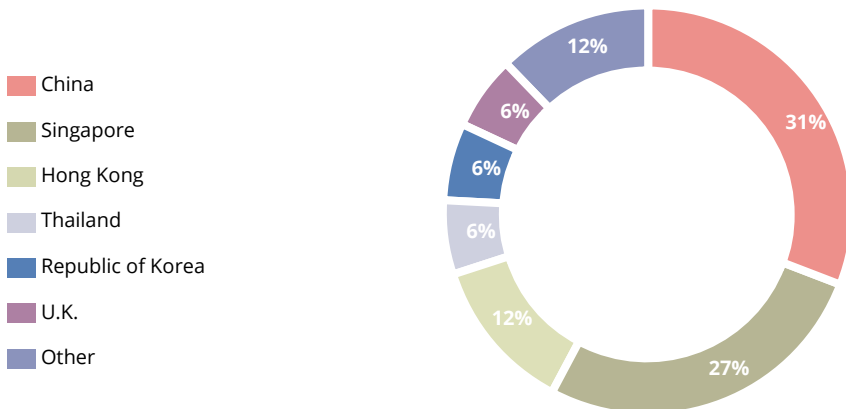


Figure 2: Total FDI by Country of Origin

Source: Foreign Investment of Existing Enterprises (By Country) as of 31 March 2017, Directorate of Investment and Company Administration, Ministry of National Planning Economic Development Myanmar. Cumulative investment amount since financial year ended 31 March 1989.

FDI by Sector

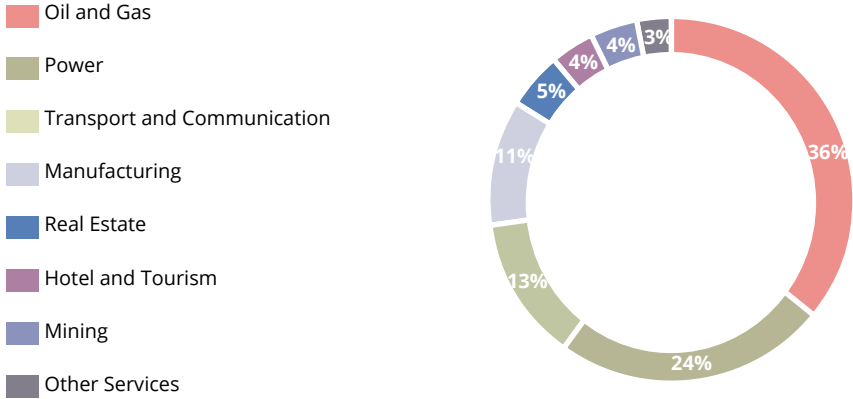


Figure 3: Total FDI by Sector

Source: Foreign Investment of Existing Enterprises (By Sector) as of 31 March 2017, Directorate of Investment and Company Administration, Ministry of National Planning Economic Development, Myanmar. Cumulative investment amount since financial year ended 31 March 1989.

Foreign and Domestic Investment by Sector

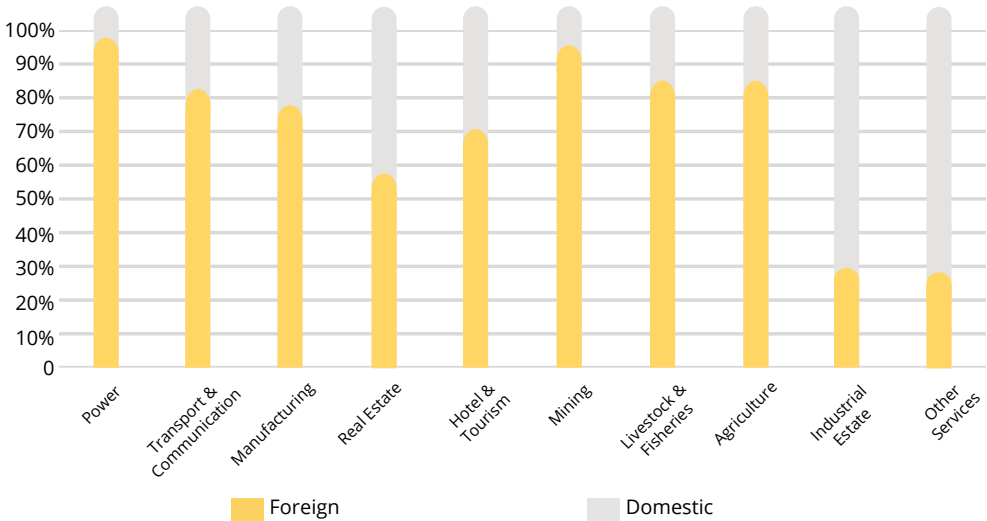


Figure 4: Foreign and Domestic Investment by Sector

Source: Foreign Investment of Existing Enterprises (By Sector) as of 31 March 2017, Directorate of Investment and Company Administration, Ministry of National Planning Economic Development, Myanmar. Cumulative investment amount since financial year ended 31 March 1989.

1.1 CURRENT MARKET SITUATION

Myanmar's fast-moving consumer goods (FMCG) sector grew by 15% from 2010–2014, according to Nielsen Emerging Markets Research. The retail industry is currently valued at between US\$ 10–12 billion, or roughly 15% of GDP, with strong growth projections in the short and medium terms.^{vi} There are approximately 250,000 retail outlets in the country, with grocery, convenience, fabric, pharmacy, and fashion accounting for 45% of total retail stores, according to City Mart Holding Limited^{vii}.

Unlike other commercial sectors, Myanmar's retail market is broadly characterised as a domestically-dominated market with mostly local tenants. However, future modern retail developments bode well for foreign brands, especially mid-tier priced items in the popular clothing, accessories and apparel lines, as well as fast-moving consumer goods.

In addition, many major consumer goods companies have plans for significant expansion over the next few years. Inside Retail Asia reports that a survey of over 200 executives found that 70% of domestic businesses and 80% of international companies in the country have expansion plans in the coming year^{viii}. The scope of expansion plans is well-illustrated by the increasing number and popularity of convenience stores. Until recently, Myanmar boasted only 1 convenience store per 250,000 people, which is 30–40 times lower than rates found in more mature markets of neighboring Thailand, Malaysia and Singapore. In response, City Mart has announced it will double the number of its supermarkets and tremble the number of its convenience stores, while ABC plans to increase the number of its convenience stores from 100 to over 900 in the next five years^{ix}.

Yangon's retail market has undergone rapid change with construction of a number of modern shopping developments to keep pace with robust demand. 2017 saw the addition of over 50,000 sq. m (538196 sq ft) of retail space, a 47% increase from 2016, driven by the addition of a number of new malls like the St. John City Mall and Junction City Shopping Mall. Despite the rapid growth, occupancy rates remain at 95%. Rents have likewise grown by 14% year-on-year to 31 USD per sq. m, but are expected to stabilize as more supply enters the market. Colliers forecasts that an additional 70,000 sq. meters of leasable space will become available over the next two years, driven by life-style malls and mixed-use developments as the young urbanized population of Yangon shifts preferences away from traditional trade channels to more modern and aspirational ones^x.

1.2 CONSUMER DEMOGRAPHICS

In a representative consumer survey conducted by Deloitte in early 2016, 62% of consumers surveyed in Yangon and Mandalay indicated they felt optimistic about the current economy, with 54% stating that they intend to increase their household expenditures next year^{xi}. Of those intending to increase their expenditures, 98% expect to increase by 10% or more. Consumers in lower income brackets expressed more optimism than those in the wealthiest households, pointing to their steadily

increasing ability to purchase goods and services beyond their most basic requirements.

About two-thirds of the population earns between US\$ 125 – US\$ 500 each month. The typical Myanmar consumer allocates between 46% – 49% % of their monthly household spending to cover food and other groceries, household products, and personal care products. As more products enter the market and consumers have more options, “taste” and “quality” have joined “price” as the most important product attributes^{xii}. Consumers still have a preference for local brands, especially outside of Yangon where foreign brands may be largely unfamiliar, but increasingly prefer foreign brands for non-essential and luxury items such as beauty products and appliances.

Despite rapid expansion of Modern Trade channels like supermarkets and braded showrooms in urban areas, Traditional Trade venues such a roadside vendors and local grocery stores are still the most frequented. Consumers across all income brackets believe that products from traditional channels are fresher, as inventory is smaller and regularly re-stocked, and cheaper.

Average Monthly Household Income (US\$)

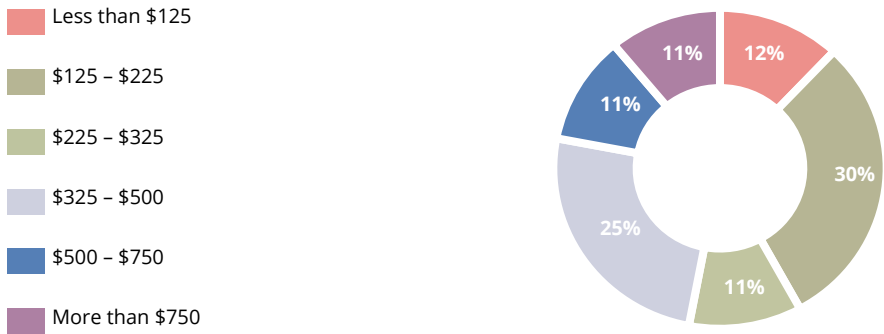


Figure 5: Average Monthly Household Income

Source: WPP. “Spotlight on Myanmar: The ‘Leapfrog’ Nation”. 2016.

Average Monthly Household Expenditure

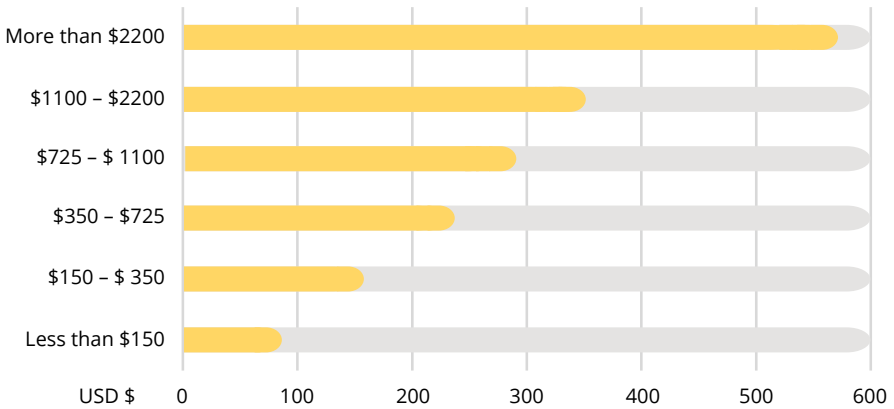


Figure 6: Average Monthly Household Expenditures

Source: Deloitte. The Myanmar Consumer Survey: Golden Land, Golden Opportunities, September 2016.

Breakdown of Monthly Expenditures

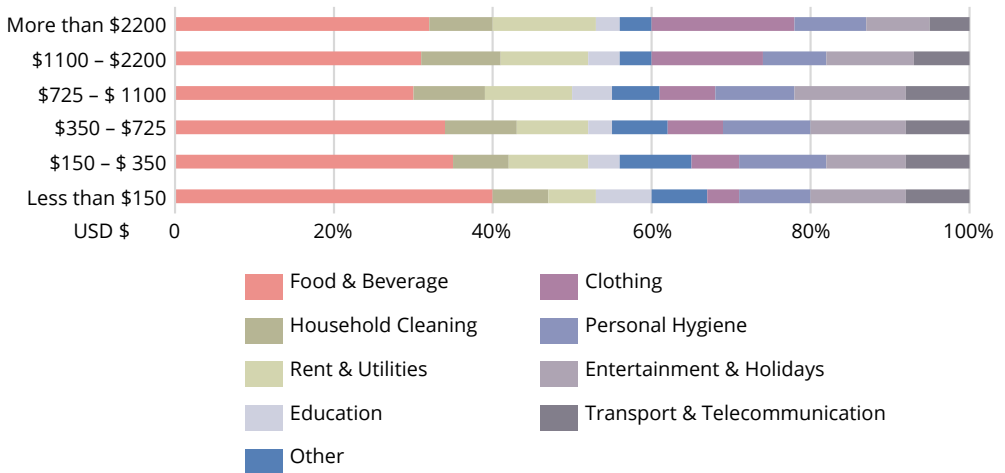
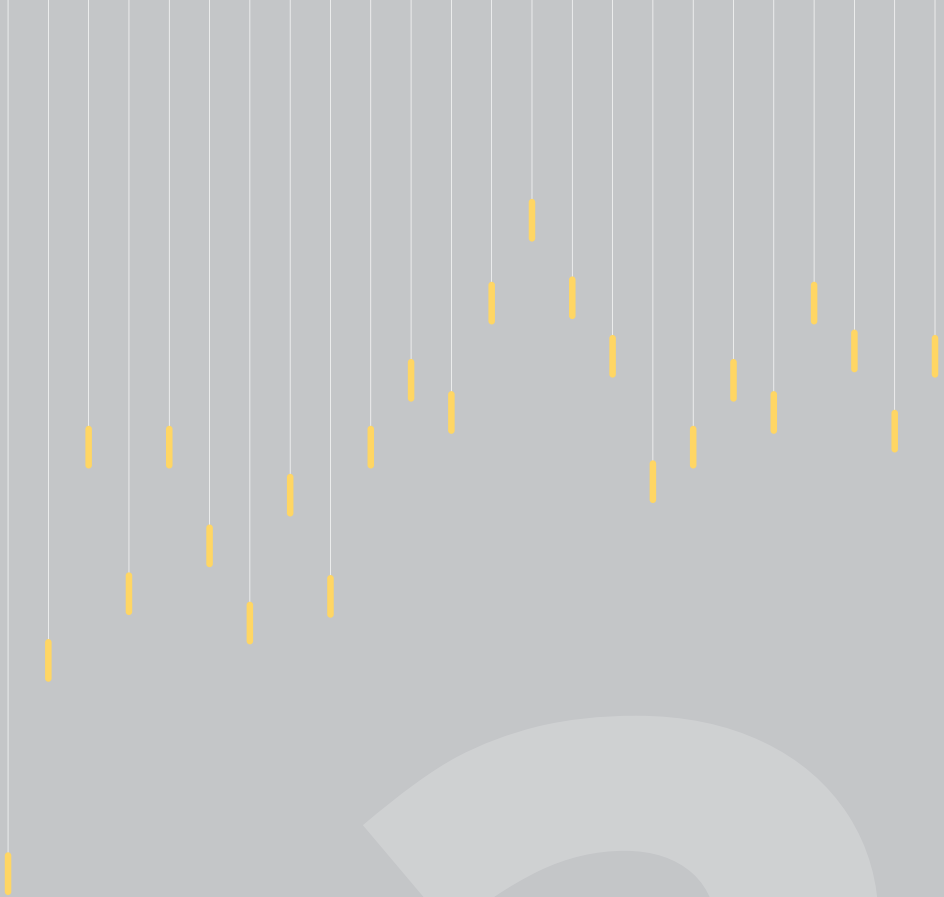


Figure 7: Average Monthly Household Income

Source: Deloitte. The Myanmar Consumer Survey: Golden Land, Golden Opportunities, September 2016. pg. 13



**2 INVESTMENT
OPPORTUNITIES**



When considering potential investment opportunities, it is critical that foreign companies analyse the strengths and weaknesses of local competition, as well as the demographics and preferences of the consumers they serve.

2.1 STRENGTHS AND WEAKNESSES OF LOCAL COMPANIES

Strengths

The strengths of Myanmar consumer goods companies lie in:

- Ability to understand local market needs, such as cultural issues impacting their purchase decision making;
- Having an established distribution network and sales-force;
- Boasting established brand names (serving as competition on new foreign brand entrants).

Having existed in the market long before the sector was open to foreign investors, local companies have a first mover advantage of serving the market and having established their brand name in the minds of Myanmar consumers.

Even with consumer preferences for familiar brands that cater to their tastes, WPP estimates that 32% of brands in Myanmar are “blank slate” in that they are new enough that consumers are either not yet aware of them or have not yet formed an opinion of them, whereas only 16% of brands globally are “clean slates”^{xiii}. This indicates there is significant opportunity to capture first-mover advantage in the sector.

Weaknesses

Despite having first mover advantage and relatively large market share, local companies are also constrained by a number of factors.

One of the major weaknesses of local companies is the lack of financial capital to expand. This includes limitations on the development and launch of new products, the extension of current product lines, diversification into new consumer goods products, plus marketing and branding activities, etc. Moreover, their appetite for business risk is relatively low, while corporate governance, structure, and management are at times not up to international standards, especially among small-to-mid size consumer goods companies.

A common weakness of local consumer goods companies is the lack of advanced technologies or technical capacity in manufacturing. This has an impact on the effectiveness and efficiency of manufacturing processes as well as diversification issues.

Local companies are also weak in research and development initiatives, with restricted budgets for new product development and innovation. The failure to embrace a philosophy that emphasises the importance of market research brace

a philosophy that emphasises the importance of market research, product testing, and focus group discussions is a common characteristic of local companies.

Areas of Investment for Foreign Investors

There are many areas of investment for potential foreign investors in Myanmar in the consumer goods and retail sector. The following section highlights some of the major investments made by international investors over the last few years, as a way of illustrating the types of consumer goods which have seen market growth.

2.2 RECENT FOREIGN INVESTMENTS

Gaining momentum from the political and economic liberalization reforms, as well as the introduction of policies that encourage international investment and promote trade, the consumer goods sector has recently enjoyed a number of major foreign investments, ranging from alcoholic beverages to automobiles and supermarkets.

2015

- Japan's Kirin Holding bought a 55% stake in Myanmar Brewery for USD 560 million, to launch locally-brewed Kirin Ichiban beer.
- Japan's Mitsubishi Corporation and Myanmar's Capital Diamond Star Group (CDSG) formed a food manufacturing and distribution JV, with Mitsubishi investing over USD 200 million for the next three years.
- December 2015. US private equity firm TPG Capital bought a 50% stake in Myanmar Distillery Company, a manufacturer of alcoholic beverages in Myanmar.

2016

- February 2016. Nissan announced it will invest USD 50 million to begin assembly of the Sunny compact sedan in Myanmar its partner, Tan Chong Motor Group. Nissan plans to transfer production to a new plant in the Bago region, which will employ about 300 people and have an annual output capacity of 10,000 cars.
- April 2016. Hitachi Home Electronics Asia (S) Pte. Ltd. announced that it has established Hitachi Home Electronics Myanmar Co., Ltd., to grow its market share in the home consumer business segment.
- April 2016. The government has approved an investment by Japan's Yakult Honsha Co. Ltd. for the manufacturing and wholesale of fermented milk drinks.
- May 2016. Shwe Taung Group announced it will diversify its operations into the food and beverage sub-sector by partnering with Singapore, Breadtalk Group.
- August 2016. Aeon Co Ltd partnered with Creation Myanmar Group of Companies Limited (CMGC) to create Aeon Orange Co. Ltd. to acquire 14 supermarkets by CMGC through its affiliate, Hypermarket Asia Co. Ltd.
- August 2016. Fujifilm announced a USD 6 million investment to establish a facility in Thilawa Special Economic Zone to expand sales of its products and services in Myanmar.
- November 2016. Taiwan's SheenHo International Creation Group awarded a master franchise to a local company, Creation Strength Co Ltd, to invest about MMK 1.3 billion and open up to 20 branches over five years.
- December 2016. Singapore-listed Myanmar Investco Limited, a diversified business group, has committed to operate retail space at the new terminal of Yangon International Airport.
- December 2016. Automobile makers Ford, Nissan and Lisan established their assembly lines in Myanmar and in preparation for sales in 2017.

2017

- February 2017. Singapore-listed Yoma Strategic Holdings Ltd. joined with Germany's Metro Group, an international wholesale and food retail company, to establish an integrated wholesale distribution platform.

NO.SECTOR

RECENT INVESTMENTS

ANALYSIS

1 Food & beverages



Food and groceries make up the largest percentage of an average Myanmar households consumption.

2 Personal care, household care, and hygiene care



After food and beverages, personal care and household products are the next most purchased items in a typical consumer's basket. Since 2011, consumer goods and personal care products have seen 15% growth.

3 Consumer electronics



Mobile devices and phones have been the most popular consumer electronics products with high turnovers as the telecoms boom took off from 2014 onwards. Televisions, washing machines, refrigerators and air-conditioners are also popular consumer electronics categories.

4 Fashion & apparel



This sector is expected to grow further as purchasing power increases. A number of luxury consumer goods brands have entered the country over recent years and many more are expected to follow.



3

**3 GOVERNMENT RULES AND
REGULATIONS ON FOREIGN
INVESTMENTS**

3.1 GENERAL LEGAL/INVESTMENT STRUCTURE INFORMATION

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

The key points of MIL are:

Key Change	Description
Ease of Foreign Investment	Foreign Investors are permitted to own 100% of businesses which are not on restricted or prohibited lists.
Investment Screening	<p>An investor may submit an investment screening application to the Myanmar Investment Commission (MIC) for non-bidding guidance on whether a proposal investment:</p> <ul style="list-style-type: none"> • Requires an MIC Permit application; • Requires Pyidaungsu Hluttaw (Union Parliament) approval prior to Permit issuance; • Is prohibited or restricted under the MIL and related notifications; • In a Promoted Sector under the MIL and related notifications.
Devolvement of Authority for Endorsement Application	Application with investments less than USD 5 million in non-strategic and non-restricted sectors will be handled at the State / Regional level, with close involvement of the State / Regional DICA officials.
Removal of Blanket Incentives	<p>Business may be granted tax exemptions if investments are in promoted sectors – the duration of tax exemption is contingent upon the areas in which business set up operations.</p> <ul style="list-style-type: none"> • Less developed regions (Zone 1) granted 7 years of tax exemption; • Moderately developed regions (Zone 2) granted 5 years of tax exemption; • Adequately developed regions (Zone 3) granted 3 years of tax exemption.

Key Change	Description
Long-term Land Lease possible beyond MIC Permit	Foreign investors may lease land for their business for up to 50 years (+ 10 years + 10 years with approval from MIC) with private landlords or government entities.
Compensation for Expropriation	<p>Expropriation of investments is allowed under the following conditions:</p> <ul style="list-style-type: none"> (a) necessary for the public interest; (b) carried out in a non-discriminatory manner; (c) carried out in accordance due to process of law; (d) on payment of prompt, fair and adequate compensation.
Grievance Mechanism	MIC will establish and manage a grievance mechanism to inquire and resolve issues before escalation to legal disputes, and to prevent the occurrence of disputes.

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

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

3.2 MYANMAR INVESTMENT COMMISSION (MIC)

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

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

3.3 UPCOMING LAWS

A new piece of legislation called the Myanmar Companies Act was submitted to the upper house of Parliament in July 2017 and will replace an older version of the Act drafted in 1914. The act will improve corporate governance by allowing:

- More flexible capital structures and changes to capital share
- Foreign investors will be able to purchase shares in the Yangon Stock Exchange
- Eliminate the requirement for foreign firms to obtain a permit to trade from DICA
- Possibility to incorporate a one-person company with a unique director

Foreign investors will be able to obtain ownership interest up to a threshold of 35% in a Myanmar company before the company is considered a foreign company. This will enable foreign investors to invest in companies that are currently closed to foreign investors, and thereby indirectly help to create foreign interest in companies listed on the Yangon Stock Exchange^{xix}.

3.4 CONSUMER GOODS-RELATED RULES AND REGULATIONS

The MIC published Notification 15/2017 in April 2017 which distinguishes business activities based on the permitted types of ownership. It also lists the prohibited and restricted activities for foreign investment. This Notification repealed the earlier Notification 26 / 2016. Business activities that are not listed in the MIC notification can be carried out with 100% foreign investment.

3.4.1 Activities Prohibited to Foreign Investors

Activities prohibited for foreign investors are primarily related to sectors impacting national security or use of natural resources. The only consumer goods activity prohibited for foreign investors is:

- Mini-market, convenience store (floor area must be below 10,000 square feet or 929 square meter), Industrial Code CPC62

3.4.2 Activities Permitted only via Foreign-Domestic Joint Venture

The following consumer good business activities can be permitted in the form of a joint venture with a Myanmar citizen or government.

ACTIVITY	INDUSTRIAL CODE
Manufacturing and domestic marketing of plastic products	ISIC 1511, 1512, 1520, 46312, 4759, 47593
Manufacturing and domestic distribution of chemicals based on available natural resources	ISIC 2011, 202, 46312, 4759, 47593
Manufacturing and domestic distribution of flammable solid, liquid, gaseous fuels and aerosol (Acetylene, Gasoline, Propane, Hair Sprays, Perfume, Deodorant, Insect spray)	ISIC 201, 202, 46312, 4759, 47593
Value added manufacturing and domestic distribution of cereal products such as biscuits, wafers, all kinds of noodles and vermicelli	ISIC 1074m 46312, 4759, 47593
Manufacturing and domestic distribution of all kinds of confectionery including those of sweet, cocoa and chocolate	ISIC 1073, 46312, 4759, 47593
Manufacturing, preserving, canning, processing and domestic distribution of food products except milk and dairy products	ISIC 1075, 46312, 4759, 47593
Manufacturing and domestic distribution of malt and malt liquors and nonaerated products	ISIC 1103, 46312, 4759, 47593
Manufacturing, distilling, blending, rectifying, bottling and domestic distribution of all kinds of spirits, alcohol, alcoholic beverages and non-alcoholic beverages	ISIC 1101, 1102, 46312, 4759, 47593
Manufacturing and domestic distribution of all kinds of purified ice	ISIC 1079, 46312, 4759, 47593
Manufacturing and distribution of purified drinking water	ISIC 1105
Manufacturing and domestic distribution of all kinds of soap	ISIC 2023/ 20231, 46312, 4759, 47593
Manufacturing and domestic wholesale of all kinds of cosmetic products	ISIC 2023/ 20232, 46312, 4759, 47593

Table 3: Activities Permitted for Joint Ventures

Prohibited Activities

The following activities are prohibited from foreign ownership.

- Activities related to the electric distribution network such as power system control and power trading
- Manufacturing of arms and ammunition and related services Foreign retail chains are not allowed at the moment.



4

4 CHALLENGES AND OUTLOOKS

Myanmar's current economic outlook remains positive, despite the downturn in 2016, as the country continues to implement economic reforms. Drawing up on its young workforce, strategic location, and increasing foreign investment, Myanmar is expected to see yearly GDP growth at 7% per annum, rising to USD 200 billion by 2030^{xv}. In addition, Myanmar will join the AEC in 2018, which is expected to bring many benefits to the country's economy.

4.1 CHALLENGES

Despite strong growth potential, investors in Myanmar still face a number of challenges, which can be broadly categorized as:

Infrastructure

- The supply of electricity is limited and unreliable. Only 32% of homes have mains electric lighting, while businesses cite power outages as a major constraint to performance. Large manufacturing companies suffer on average 15 outages each month and draw 10—15% of their electrical supply from generators^{xvi}.
- Myanmar's poor logistics network, with its dilapidated nationwide transport infrastructure, poses an obstacle for foreign investors in the movement of goods. As such, nationwide distribution coverage is not common for most consumer goods brands. Third-party logistics providers with extensive country-wide distribution networks are also limited.
- There is also an absence of a cold storage supply chain network for perishable and frozen food. It is challenging, time consuming and expensive to distribute in remote areas, particularly the hilly regions. Moreover, distribution efficiencies are also affected by unreliable internet and mobile phone connectivity necessary for GPS (Global Positioning System) and fleet management systems.

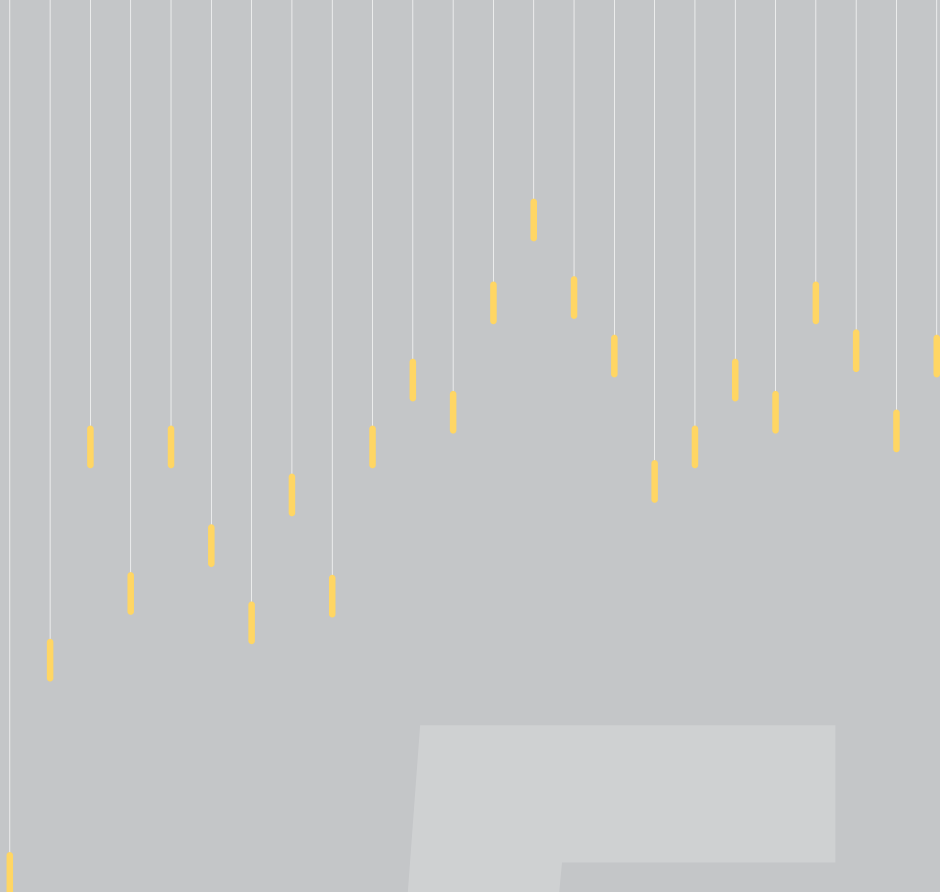
Demographic

- Despite the high proportion of youth, there is a limited pool of skilled employees in Myanmar. This makes the recruitment and retention of high quality local staff difficult and expensive given the high demand from competitors across sectors.
- Local consumers tend to have strong brand loyalty and a substantial amount of time and marketing is required to influence them to switch from established brands. Local consumption habits continue to favour local products, though this is largely due to availability.
- Consumers still prefer cash payments. Even though increasing numbers of urban residents have a bank account and/or bank card, 99% still conduct transactions in cash. Successful companies will have to accommodate this phenomenon.

4.2 OUTLOOK

Robust economic growth, increasing purchasing power and urbanization, and the consumerisation of digital communications have all contributed towards bringing Myanmar's emerging middle class greater exposure to international brands. As such, Myanmar presents a significant investment opportunity for consumer goods companies across a range of areas.

Rising incomes will fuel the expansion of the country's consumer class, growing to 10 million people, or 15% of the population, by 2020 alone^{xviii}. Likewise, consumer spending is projected to triple over the next decade. Within this context, the consumer goods sector will benefit from the evolving buying preferences of the young and aspirational urban middle-class, who are looking to spend their increasing incomes on international brands which have an established international reputation.



5

**5 INDUSTRY CONTACT
INFORMATION**

5.1 GOVERNMENT OFFICES

Ministry of Commerce

The Ministry of Commerce is responsible for the trading of consumer goods, as trade activities can only be conducted with licenses from the Ministry. Trading licenses are issued both in Nay Pyi Taw and Yangon.

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	No. 228- 240, Strand Road, Yangon Ph: (95) 1- 251 197

The Customs Department plays a vital role in trading transactions and is also under an arm of the Ministry of Commerce.

MAILING ADDRESS	No. 132, Strand Road, Kyauktada Township Yangon
CONTACT	+ (95) 67- 408 002, 408 265, 408 485 + (95) 1 – 379 423, 379 426 to 9

Ministry of Planning and Finance

The Directorate of Investment and Company Administration (DICA) and the Myanmar Investment Commission (MIC) are the focal bodies for the incorporation of foreign-owned entities, and are under the authority of the Ministry of Planning and Finance. Companies need to be aware of updates from MIC so as to be kept abreast of the investment climate's evolving legal dynamics.

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	No.1, Thitsar Road, Yankin Township, Yangon + (95) 1- 658 143, 657 891, +(95) 67- 406 471
MYANMAR INVESTMENT COMMISSION	No.1, Thit Saw Road, Yankin Township, Yangon
CONTACT	+ (95) 1- 657 891, 658 127 to 30

City Development Committee

Respective city development committees also play important roles for consumer goods companies in setting up manufacturing footprints. Investors need to apply for construction permits from respective city development committees to start construction.

ENTITY NAME	PHONE NUMBER
Yangon City Development Committee	+ (95) 1 – 248 112, 370 982, 382 565
Mandalay City Development Committee	+ (95) 2 – 69 961

5.2 BUSINESS ASSOCIATIONS

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

UMFCCI

MAILING ADDRESS	No. 29, Min Ye Kyaw Swar Street, Lanmadaw Township, Yangon
CONTACT EMAIL	+ (95) 1- 231 4344 ~ 49 (Ext: 122) ird@umfcci.com.mm

Myanmar Retailers Association

MAILING ADDRESS	No. 409, La Pyay Wun Plaza, Alan Pya Pagoda Street, Dagon Township, Yangon.
CONTACT	+(95) 9-314 225 55, 314 227 77



REFERENCES

- i Deloitte. The Myanmar Consumer Survey: Golden Land, Golden Opportunities, September 2016. pg. 5
- ii World Bank Group. Capitalizing on Investment Opportunities, Myanmar Economic Monitor. October 2017.
- iii WPP. "Spotlight on Myanmar: The 'Leapfrog' Nation". 2016
- iv World Bank Group. Capitalizing on Investment Opportunities, Myanmar Economic Monitor. October 2017. Pg. 49. The cited Deloitte report estimates Yangon per capita income at 3000 USD.
- vi US Department of Commerce. Burma Country Guide: Consumer Goods. Updated July 2017. www.export.gov/article?id=Burma-Consumer-Goods
- vii US Department of Commerce. Burma Country Guide: Consumer Goods. Updated July 2017. www.export.gov/article?id=Burma-Consumer-Goods
- viii "Potential Seen in Myanmar Retail" Inside Retail Asia. Dec 13, 2016. <https://insidetailasia.com/2016/12/13/potential-seen-in-myanmar-retail/>
- ix "Succeeding in Myanmar's Fragmented Grocery Retail Industry". EOS Intelligence. Mar 9, 2016. www.eos-intelligence.com/perspectives/?p=2281
- x Colliers International. Quarterly Review: Yangon Retail. Oct. 31, 2017
- xi Deloitte. The Myanmar Consumer Survey: Golden Land, Golden Opportunities, September 2016. pg. 10.
- xii Ibid. Pg. 14.
- xiii WPP. "Spotlight on Myanmar: The 'Leapfrog' Nation". 2016. Pg. 73.
- xiv PWC. Myanmar Business Guide. October 2017. pg. 8.
- xv McKinsey Global Institute. XXX
- xvi World Bank Group. Capitalizing on Investment Opportunities, Myanmar Economic Monitor. October 2017. Pg.16.
- xvii Deloitte. The Myanmar Consumer Survey: Golden Land, Golden Opportunities, September 2016. pg. 23.
- xviii WPP. "Spotlight on Myanmar: The 'Leapfrog' Nation". 2016. Pg. 8.
- xix Deloitte. The Myanmar Consumer Survey: Golden Land, Golden Opportunities, September 2016. pg. 6.

TRUSTED SERVICE PARTNERS

Luther.

Level 8, Unit #1, Uniteam Marine
Office Building,
No. 84, Pan Hlaing Street, Sanchaung
Township, Yangon, Myanmar
Phone: +95 1 500 021
www.luther-lawfirm.com
www.luther-services.com

Legal Advice. Tax Advice. Corporate Services.

Luther is a full service law firm with more than 350 lawyers and tax advisors in 18 offices in Europe and Asia, including Belgium, China, Germany, Great Britain, India, Luxembourg, Malaysia, Myanmar and Singapore.

Active in Myanmar since 2013, with a current staff strength of more than 45, Luther is one of the largest law firms and corporate services providers in Yangon. Our lawyers, tax advisors and corporate secretaries cover the whole range of corporate and commercial legal work as well as the structuring of investments into Myanmar. Accounting, payroll, tax-compliance and administrative support are provided by our internationally trained accountants and tax consultants.



Pun Hlaing Estate Leasing Office Pun Hlaing Estate,
Pun Hlaing Golf Estate Avenue, Hlaing Tharyar Tsp.
Yangon, Myanmar.
Ph + 95 1 3 687777
www.punhlaingestate.com

Pun Hlaing Estate is a beautifully landscaped oasis of luxury estate homes and spacious apartments located by the Hlaing and Pan Hlaing rivers and built around one of Myanmar's most prestigious golf courses. Contemporary and elegantly designed with large panoramic windows to afford an excellent view of the lush landscaping and greenery, a home in Pun Hlaing Estate is a breath of fresh air away from the city.



StarCity Leasing Office, Star City
A1 building, StarCity, Thanlyin Tsp.
Yangon, Myanmar.
Ph + 95 9 79533620
<http://starcityyangon.com>

Prefer a high-rise residence? StarCity, located in Thanlyin Township, is ideal for your sky-high aspirations. Planned to anticipate every need, the amenities, facilities and retail spaces form a community within a community, the first of its kind in Myanmar. Its prime location ensures convenient access and a short commute for professionals – a 25-minute drive from downtown Yangon, and only ten minutes to Thanlyin Town.



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



+95 9 45058 2335



info@eurocham-myanmar.org



www.eurocham-myanmar.org



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



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



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

CO-FUNDED BY



EUROPEAN UNION

IMPLEMENTED BY

