

Myanmar Pulp And Paper Industry Association



CHALLENGES OF BUSINESS OPPORTUNITIES OF MYANMAR

November, 2019

Challenges of Business Opportunities of Myanmar

Introduction

1. The Republic of The Union of Myanmar with the surface area of 616,578 sq:km has many Historical Heritages with the total population is 54.3 million.

Myanmar at a Glance

2. International borders with Neighboring Countries such as Bangladesh 271 Km, India 1,468 Km, China 2,129 Km, Thailand 2,416 Km and Laos 238 Km

3. The Strength of Myanmar is rich in Natural Resources such as Mineral products, Agricultural Products, Natural Gases, Marine Products, Forest Products and also Human Resources.

4. The Labor Force participation rate of the Country is (62.0%) (2018) and GDP per capita is US\$- 1,256 where as the Minimum Wages is (3.6) US\$ per day for (8) Working Hours.

5. Export Commodities are Natural Gas, Wood Products, Pulses, Beans, Fish, Rice, Clothing, Jade and Games and Import Commodities are Fabric, Petroleum Products, Plastics, Fertilizer, Machinery, Transport Equipment, Cement, Crude Oil, Edible Oil, Construction Materials, Food Products Stuff, Pharmaceuticals, Consumer Goods, Electronics , Vehicles and Etc.

Export / Import Of Myanmar

6. The Export volume of 2018-2019 (up to March) is US\$- 8,306.223 million where as oversea is US\$-4,706.712 million and Broder is US\$- 3,599.511 million.

7. The Import of 2018-2019 (up to March) is US\$-8,965.757 million where as oversea is US\$-7,520.206 million and Border is US\$-1,445.551 million.

8. Myanmar is trading with many Countries and the Top 5 countries are as follows.

Myanmar Trading with Top 5 Countries

Sr.No.	Country	2018-2019(Up to Feb)	
		(US\$ in Millions)	
		Export	Import
1.	China	2,536.448	3,022.958
2.	Thailand	1,570.041	1,075.105
3.	Japan	718.923	269.436
4.	India	337.611	444.916
5.	Republic Of Korea	275.502	218.886

National Economic Policy

9. National Economic Policy Mainly Focus on:-

- Creating employment opportunities for all citizens including those returning from abroad and giving greater priority in the short term to economic enterprises that create many job opportunities.
- Asserting the right of individuals to freely pursue the economic opportunities they choose, so as to enable private sector growth in line with a market economy system;
formulating specific policies to increase foreign investment;
strengthening property rights and the rule of law.

- Government adopted 12 economic policy and design to attract investment ensure, sustainability, increase employment and raise competition.

National Export Strategy

10. Ministry Of Commerce has selected priority sector to promote National Export and Strategy Items are as follows:

- (a) Rice
- (b) Pluses and Beans
- (c) Livestock and Fisheries
- (d) Forestry and Wooden products
- (e) Textile and Garment
- (f) Rubber
- (g) Tourism

Whereas the Extensive Items are:

- (a) Gems and Jewellery
- (b) Agro food Processing
- (c) Handicraft
- (d) Fruits and Vegetable
- (e) Information, Communication and Technology

Pulp And Paper Industry Of Myanmar

11. Myanmar Pulp and Paper Industry Association (MPPIA) is recently formed up with the new and former Executive committee members (MPPIA) is supporting the requirements of the Private Paper Mills accordingly with her Objectives. Regarding the waste Paper (Raw Materials) crises the Association is strongly recommended and discussed with the state level to control waste paper export and cross border illegal export. MPPIA also held some seminars such as

environment pollution of the paper mills on EMP (Environmental Management Plan) and also held Paper Technology seminar with Valmet Co., Ltd of Thailand and etc.

Tharbaung Paper Mills

12. Thabaung Paper Mills is the State owned Paper Mill under the Ministry of Industry and the product of the Mill is

Pulp Sheet	200 MT/D
Culture Paper	50 MT/D
Newsprint Paper	160 MT/D

This mill is looking forward to lease to Interested Foreign and Local partners and issued the EOI (Expression Of Interest) regarding the Mill.

Yeni Paper Mill

13. It's a state owned mill and situated in Bago Division, Yedashe Township has Lease to the Private Company "Lat War Co., Ltd" and this Company has joint venture with "Lee & Mann Paper Group" and formed up Best Eternity Recycle Pulp and Paper Co., Ltd.

14. Recently they are building up the 850 MT/D, 3 mills which will be based on Old Corrugated Containers OCC Paper as main Raw Material producing Wet Paper Pulp with (50%) moisture content.

15. Myanmar Pulp And Paper Association (MPPIA) is trying her best to adapt the Import substitution in accordance with the Industrial Development Trend. Paper Manufacturers are also upgrading their Production Capacity and also new mills are coming up.

The varieties of Paper Imported, Local Production and Export are as follows;

Imported Paper

	2014	2015	2016	2017	2018
Varieties Of Paper	205.25	233.77	237.12	260.21	267.15

(000MT)

Local Production

	2014	2015	2016	2017	2018
Varieties Of Paper	181.80	192.38	223.30	237.00	311.90

(000MT)

Export Item

	2014	2015	2016	2017	2018
Straw Pulp	0.24	0.26	1.00	1.30	1.10

(000MT)

Foreign Investment

16. Myanmar is the most promising country with many Resources and many Investors are looking forward to participate in the new business arena. The five top Investors are as follows.

country	Approved Amount (US \$ in million)
1. Singapore	20,221.590
2. China	17,862.946
3. Hong Kong	8,041.063
4. Thailand	4,159.922
5. Republic of Korea	3,888.744

Conclusion

17. Myanmar has grown to be one of the highest valued investors favourite and has fantastic opportunities with strategic Geographical location and Natural Resources. So may I invite all of you to seek and immense the Golden opportunities in the Fruitful Golden land of Myanmar.

Thank You

Albert Kyaw Min- President

Myanmar Pulp And Paper Industry Association



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OF
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Myanmar at a Glance



Area	676577 sq. km (land: 653,508 sq km, water: 23,070 sq km)
International Borders with	Bangladesh 271 km, China 2,129 km, India 1,468 km, Laos 238 km and Thailand 2,416 km
Population	54.3 Million
GDP	USD 67.069 Billion (2017)
Trade Balance	USD -3,848 Million (2017/18)
Export	USD 13,563 Million
Import	USD 17,411 Million
CPI (2017/ 18)	5.4 % (yoy change /all items)
Minimum Wages	3.6 USD per day for 8 working hrs
Labor Force Participation Rate	62. 0% (2018)
GDP per capita	USD 1,256 (2017)
Export Commodities	natural gas, wood products, pulses, beans, fish, rice, clothing, jade and gems
Import Commodities	fabric, petroleum products, plastics, fertilizer, machinery, transport equipment, cement, crude oil, edible oil, construction materials, food products/ stuff, Pharmaceuticals, Consumer goods, electronics, Vehicles, etc.,



Export/ Import of Myanmar

USD In Mill.

NO	SECTOR	EXPORT			IMPORT			TRADE VOLUME		
		OVERSEA	BORDER	TOTAL	OVERSEA	BORDER	TOTAL	OVERSEA	BORDER	TOTAL
1	2016-2017	7088.722	4909.822	11998.544	14343.877	2867.185	17211.062	21432.599	7777.007	29209.606
2	2017-2018	9346.653	5504.011	14850.664	15672.691	3014.261	18686.952	25019.344	8518.272	33537.616
3	2018 (Mini Budget)	5908.227	2913.026	8821.253	8323.302	1534.735	9858.037	14231.529	4447.761	18679.290
4	2018-2019 (UPTOMARCH)	4706.712	3599.511	8306.223	7520.206	1445.551	8965.757	12226.918	5045.062	17271.980



Myanmar Trading with Top 5 Countries

USD In Mill:

NO	COUNTRY	2016-2017			2017-2018			2018 (Mini Budget)			2018-2019 (UP TO FEBRUARY MONTHLY)		
		EXPORT	IMPORT	TRADE	EXPORT	IMPORT	TRADE	EXPORT	IMPORT	TRADE	EXPORT	IMPORT	TRADE
1	CHINA	5,055.487	5,749.286	10,804.773	5,699.348	6,086.780	11,786.128	2,892.497	3,113.977	6,006.474	2536.448	3022.985	5559.433
2	THAILAND	2,202.234	2,085.938	4,288.172	2,846.066	2,228.641	5,074.707	1,560.502	1,398.585	2,959.088	1570.041	1075.105	2645.164
3	JAPAN	784.257	1,247.534	2,031.791	956.032	965.872	1,921.904	760.976	334.868	1,095.844	718.923	269.436	988.359
4	INDIA	943.476	999.688	1,943.164	607.253	860.942	1,468.195	292.032	508.405	800.437	337.611	444.916	782.527
5	Republic of KOREA	342.432	523.643	866.075	303.257	495.172	798.429	230.840	193.916	424.755	275.502	218.886	494.389



National Economic Policy

- Creating employment opportunities for all citizens including those returning from abroad and giving greater priority in the short term to economic enterprises that create many job opportunities.
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- Government adopted 12 economic policy and design to attract investment ensure, sustainability, increase employment and raise competition.



National Export Strategy

Ministry of Commerce selected priority sector to promote National Export. National Export Strategy items are-

- ❖ Rice,
- ❖ Beans and Pluses,
- ❖ Livestock and Fisheries,
- ❖ Forestry and Wooden Products,
- ❖ Textile and Garment,
- ❖ Rubber and
- ❖ Tourism

Extensive items are-

- ❖ Gem & Jewelry,
- ❖ Agro food processing,
- ❖ Handicraft,
- ❖ Fruits & Vegetable and
- ❖ Information, Communication and Technology



Supply and Demand of Paper

1. Production (Local)

(In 1000 Tons)

Sr No.	Grade	2015	2016	2017	2018
1	Printing & Writing	36.00	30.00	24.00	25.50
2	Wrapping & Packaging	2.48	-	-	-
3	Sanitary Paper	18.00	20.70	22.5	24.30
4	Corrugating Medium	135.00	171.60	189.00	260.10
5	Others	0.90	1.00	1.50	2.00
Total		192.38	223.30	237.00	311.90

2. Exports

(In 1000 Tons)

Sr No.	Grade	2015	2016	2017	2018
1	Straw Pulp	0.26	1.0	1.3	1.1

3. Imports

(In 1000 Tons)

Sr No.	Grade	2015	2016	2017	2018
1	News print	36.70	28.66	26.87	15.89
2	Printing & Writing	115.39	84.97	98.13	98.33
3	Wrapping & Packaging	0.21	1.13	2.95	16.94
4	Sanitary Paper	3.47	9.52	14.80	27.65
5	Liner Board / Paper	15.23	9.87	24.69	25.30
6	Corrugating Medium	8.55	5.95	9.55	23.71
7	Others	54.22	97.02	83.22	59.33
Total		233.77	237.12	260.21	267.15



FOREIGN INVESTMENT OF EXISTING ENTERPRISES AS OF (30/6/2019)
(BY COUNTRY)

Sr.No	Particulars	Existing Enterprises		%
		No.	Approved Amount	
1	Singapore***	261	20,221.590	30.55%
2	China	328	17,862.946	26.99%
3	Hong Kong	179	8,041.063	12.15%
4	Thailand	86	4,159.922	6.28%
5	Republic of Korea	159	3,888.744	5.87%
6	U.K*	58	3,634.273	5.49%
7	Viet Nam	25	2,165.203	3.27%
8	The Netherlands	21	1,320.389	1.99%
9	Malaysia	36	1,127.855	1.70%
10	Japan	102	1,087.018	1.64%
11	India	27	752.067	1.14%
12	France	5	540.400	0.82%
13	U.S.A	5	189.231	0.29%
14	Canada	6	163.813	0.25%
15	Samoa	6	138.326	0.21%
16	United Arab Emirates	21	111.516	0.17%
17	Brunei Darussalam	2	106.692	0.16%
18	Russia Federation	2	94.00	0.14%
19	Republic of Liberia **	4	79.201	0.12%
20	Australia	5	69.538	0.11%
	Others			0.66%

Thank You!