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Voluntary - Public

**Date:** 8/6/2019

**GAIN Report Number:** BM 6016

## **Burma - Union of**

**Post:** Rangoon

## **Exporter Guide 2019**

### **Report Categories:**

Exporter Guide

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### **Report Highlights:**

This report serves as a guide for U.S. companies seeking to do business in Burma (also called Myanmar) and provides practical tips and information on local business practices, consumer preferences and trends, food standards and regulations, and import and inspection procedures. It also identifies market trends and opportunities for the three major market sectors (food retail, food service, and food processing).

### **Post:**

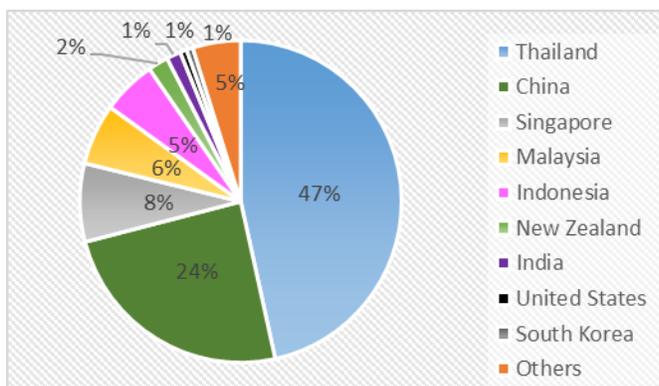
Rangoon

## Market Fact Sheet:

### Executive Summary

Myanmar is one of the last untapped markets with one of the fastest growing economies in Asia. Myanmar GDP reached \$ 65.7 billion in 2019 with a growth rate of 6.4%. It has a population of 54 million and 55% are under the age of 30. Myanmar consumers are experiencing rapid growth in purchasing power parity, resulting in drastic changes in their food and beverage consumption patterns.

### Imports of Consumer-Oriented Food Products (2018)



### Food Processing Industry

The number of food production firms also grew from 28,000 in 2017 to 29,000 in 2018, which accounts for 57% of the manufacturing industry. Recent liberalization allows foreign companies to manufacture food in Myanmar if they enter a joint venture with Myanmar companies. Domestic production of beverages including spirits, beer, and soft drinks is growing fast due to the infusion of foreign direct investment. The food-processing sector consists mainly of bakery products, instant noodles, coffee, tea and ready-to-eat traditional foods.

### Food Retail Sector

Retail sales in the packaged food market in Myanmar were estimated at nearly \$1.7 billion in 2016. That represents a growth of over 90 percent since 2012. The forecast for growth in this market is also promising. By the year 2021, retail sales of packaged food in Myanmar are expected increase by more than 60 percent and reach over \$3.1 billion

### Myanmar Quick Facts

Imports of Consumer-Oriented Food Products – \$ 802 million (2018)

#### List of Top Growth Products

- |                      |                            |
|----------------------|----------------------------|
| 1) Soybean meal      | 6) Non-Alcoholic Beverages |
| 2) Distillers Grains | 7) Wine & beer             |
| 3) Feeds & Fodders   | 8) Tree Nuts               |
| 4) Prepared Food     | 9) Condiments & sauces     |
| 5) Dairy Products    |                            |

#### Food industry trade 2018 (U.S billion)

Food Exports –\$ 5.08

Food Imports –\$ 1.7

#### Top 10 Retailers 2018

City Mart, Marketplace by City Mart, Ocean, Aeon Orange, Capital Hyper Market and Super Market, Sein Gay Har Super Market, Pro-mart, SuperOne and Gandarmar Wholesale.

#### GDP/Population (2019)

Population (*millions*): 54.1

GDP (*billions*): \$65.7

GDP per capita (*USD*): \$ 1,240

GDP Growth Rate: 6.4%

<p><b>Strengths</b> A dynamic and eager younger population with willingness to try new products and receptive to trends</p>	<p><b>Weakness</b> Inadequate infrastructure, including ports and cold storage facilities, outside of Yangon</p>
<p><b>Opportunities</b> Rapidly growing market, foreign restaurant and hotel chains, bakeries, a growing tourism industry</p>	<p><b>Threats</b> Difficult business climate, and a dysfunctional regulatory environment</p>

#### **Data and information sources:**

Global Trade Atlas (GTA), trading economics and interviews with local industry experts

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## **SECTION I. MARKET OVERVIEW**

The Myanmar-U.S. relationship was renewed after a visit by former U.S. President Obama in November 2012. Myanmar State Counselor Daw Aung San Suu Kyi also visited the United States in September 2016 representing the first civilian Myanmar government in more than fifty years. After these visits, the United States government lifted economic sanctions imposed on Myanmar, followed by the easing the U.S. import ban.

Total U.S. imports from Myanmar grew to \$512.8 million in 2018 from near zero in 2012. Imports January through June of 2019 are up 70 percent compared the same period last year. Textiles, apparel, and shoes are the major import categories and the rapid growth in the last year is in part due to the U.S.-China trade conflict. Total U.S. exports to Myanmar grew from zero in 2012 to \$250 million in 2018, Exports in the first 6 month of 2019 are up 6 percent. U.S. exports of agricultural products account for half of total U.S. export to Myanmar. U.S. ag exports reached \$127 million in 2018 and are up 10 percent in the first half of 2019. Feed ingredients; soybean meal, DDGs, and soybeans account for two thirds of the ag exports. Wheat for milling and planting seeds are the next largest exports categories. Good growth is seen in several high value categories, although from very small levels, as interest in American food products increases in the hotel and restaurant sector ([BICO Report](#)).

Myanmar, bordered by India, China, Thailand, Bangladesh and Laos, is one of the last untapped markets and one of the fastest growing economies in Asia. The country's recently adopted Foreign Investment Law and other economic reforms, combined with the termination of U.S, EU and Australian sanctions, have encouraged foreign companies to view Myanmar as an attractive potential market. Myanmar's total foreign trade increased to \$35,895 million in FY 2017/18, up 11.1 percent from the previous year. The trade balance showed a deficit of \$3,002 million with export of \$16,447 million and import \$19,449 million in FY 2017/2018. China is, by far, the main destination for Myanmar exports: it represented 37.2 percent of total exports, followed by Thailand (18.3%), Japan (7.7%), Hongkong (3.4%) and Singapore (2.9%) in FY 2017/2018. China also the origin of Myanmar imports accounting (31.6%), followed by Singapore (18.9%) of total imports, Thailand (13.2%), India (5.0%) and Indonesia (4.9%) in FY 2017/2018.

While the country has made significant progress, major institutional and political challenges remain. One of the largest challenges is the incomplete peace process, as multiple ethnic armed organizations are fighting with the government, and the related crisis in Rakhine State. Due to human rights abuses in Rakhine State, the United States imposed targeted sanctions under the Global Magnitsky Act on four Myanmar military police commanders and two army units on August 17, 2018. Despite these sanctions, responsible investment in the Myanmar private sector is not restricted and can foster economic growth and improve the standard of living for all people in Myanmar.

Myanmar has bilateral trade agreements with Bangladesh, Sri Lanka, China, South Korea, Laos, Malaysia, the Philippines, Thailand, and Vietnam in the Asian region, as well as with a number of Eastern European countries. It also maintains special border trade agreements with China, India, Bangladesh, Thailand, and Laos. Myanmar is also a party to many regional free trade agreements. These include the ASEAN Free Trade Area, and ASEAN agreements with Australia, New Zealand, India, Japan, China, and

Korea. Burma also is participating in the 16-member Regional Comprehensive Economic Partnership negotiations. Myanmar’s top trading partners are Thailand, China, India, Japan and Singapore. The United States and Myanmar also signed a Trade and Investment Framework Agreement in May 2013.

Myanmar is a resource-rich country with a strong agricultural base; however, it is still one of the poorest countries in Southeast Asia, with an estimated GDP per capita of \$1,240 in 2019 ([IMF](#)). Myanmar GDP is estimated \$65.7 billion in 2019 and is expected to reach \$71.4.7 billion in 2020 ([IMF](#)). The growth rate for 2019 is estimated at 6.4 percent and is forecast to reach 6.6 percent in 2020 ([IMF](#)). Growth is mainly driven by services 40 percent, industry 35 percent and agriculture 25 percent. According to the Myanmar government’s official statistics, total foreign investment in the country reached \$80 billion as of June 2019. Singapore is the top foreign investor with more than \$21 billion, followed by China with approximately \$20 billion, and Thailand with \$ 11 billion ([DICA](#)). The oil and gas sector receive the highest level of investment, at \$22.4 billion, followed by the power sector at \$21 billion, manufacturing at \$11 billion, and transport and communication totaling \$10 billion each. Total foreign investment in the agriculture, and livestock & fisheries sector is only about 1.3 percent of total investment ([DICA](#)).

Myanmar has a population of 54.1 million in 2019 according to [World Population Review](#), 55 percent of which is under the age of 30. Its capital city is Naypyidaw, where most government ministries are located, however the largest city and former capital is Yangon (Rangoon). Yangon is still the business center, while Mandalay, the second largest city, is still the chief center of economic activity in Upper Myanmar. There is also significant trade and business activity at border areas, several other major cities, and tourist areas such as Bagan, recently approved UNESCO Site, Ngapali and Inle Lake. Rapid economic growth, increasing purchasing power, urbanization, and the expansion of the internet and digital communication use in Myanmar have all resulted in the exposure of Myanmar’s growing middle-class to international brands. Myanmar has a young and emerging urban middle-class with increasing incomes and a preference for international brands is. Myanmar consumers are experiencing rapid growth in purchasing power parity, resulting in drastic changes in their food and beverage consumption patterns since late 2013 when international investments drastically increased in Myanmar. Another significant contributor to these changing demographics was the large number of Myanmar citizens working abroad who decided to return after the first democratic elections. Consumer spending has the potential to increase to over \$100 billion per year by 2030, which is triple the current \$35 billion. The general election of 2015 was the only valid one Myanmar has held in 60 years, making the upcoming vote in 2020 just the second.

### **Advantages and Challenges Facing U.S. Products in Myanmar**

<b>Advantages</b>	<b>Challenges</b>
A dynamic, eager, and young population is willing to try new products and is receptive to trends that fit their increasingly westernized lifestyles.	Stiff competition from neighboring Asian countries such as China, Japan, Singapore, South Korea, and Thailand that have logistical advantages and that entered the market before the United States.
The expansion of retail markets offers new inroads for consumer-oriented products.	Regional tourists sometimes seek cheaper local food alternatives and food products sourced from their respective countries.

Advantages	Challenges
The lifting of sanctions by the United States and other countries allows for greater economic development and foreign investments in Myanmar.	Free trade agreements with Australia, New Zealand, China and ASEAN countries make U.S. products less competitive, especially for high-value consumer products.
Experienced F&B importers are aware of the good reputation of U.S. products.	U.S. products entered the market relatively late compared to those of other countries, creating brand loyalties that are difficult to overcome, especially in the HRI sector.
Increasing number of tourists and expatriates seeking western food.	Low awareness and limited knowledge of U.S. products and major brands among average Myanmar customers.
Myanmar generally levies tariffs that are comparable or lower than that of other countries in the region.	A legal and regulatory system that relies on existing practices and government discretion rather than written laws, which causes additional risks for U.S. companies.

## Section II. Exporter Business Tips

Myanmar has a range of religious communities, although Buddhism is the dominant one. As in many Asian countries, Myanmar people place an emphasis on harmony and respect. In business also, they expect business associates to be polite, patient, and respect their cultural norms. There is a strong tradition of respect for elders throughout society and in business. Myanmar people do not have surnames, and they refer to each other by their full names and titles. The handshake is normal in business culture; however, romantic male to female contact should be avoided in public. It is important to build relationships with Myanmar counterparts and recognize that business decisions are not made quickly. Often, a first or even second meeting will simply be an opportunity for parties to get to know each other, as a prelude to more serious or in-depth matters for discussion later. Dining at restaurants and playing golf are established means of networking in business. It is common practice to give a modest gift of little commercial value such as company branded items upon visiting.

Before doing business in Myanmar, it is essential to visit the market to conduct market research into such things as product testing, price comparisons, competitor analysis, consumer preferences, and trends before making major decisions or deals. Market data is limited; however, some official import statistics and market information is available in the Statistical Data section of the [Myanmar Central Statistical Organization](#) and [Ministry of Commerce website](#). Please refer to the [Burma: Food Retail](#) report for more information on retailers and importers. The best approach to get started is to contact potential importers directly, as they are familiar with customers' tastes, preference, and requirements as well as feasible quantities. Consider localizing your products if necessary. Verify consumer preferences and match products with local tastes and set product prices competitively. To meet new importers, exporters can participate in popular trade shows for food and beverages, such as those listed below. Trade promotions at high-end shopping malls are also an effective option for promoting products directly to end users.

## Popular Agricultural and Food Related Tradeshows in 2019

Exhibition Name	Place Title	Next Date
<a href="#">MYANMAR FOODBEV</a>	<a href="#">Tatmadaw Exhibition Hall</a>	August 15 – 17, 2019
<a href="#">AQUA FISHERIES MYANMAR</a>	<a href="#">Rose Garden Hotel</a>	September 26 – 28, 2019
<a href="#">FOODTEC MYANMAR</a>	<a href="#">Tatmadaw Exhibition Hall</a>	October 31– November 2, 2019
<a href="#">LIVESTOCK MYANMAR</a>	<a href="#">Rose Garden Hotel</a>	September 26 – 28, 2019
<a href="#">MYANFOOD MYANHOTEL</a>	<a href="#">Myanmar Event Park (MEP)</a>	October 31 – November 2, 2019
<a href="#">MYANMAR WOOD</a>	<a href="#">Myanmar Convention Centre</a>	Nov. 2019
<a href="#">MYANMAR AGROTEK FOODTEK</a>	<a href="#">Myanmar Event Park (MEP)</a>	November 27 – 30, 2019
<a href="#">AGRILIVESTOCK MYANMAR 2019</a>	<a href="#">Myanmar Event Park (MEP)</a>	December 5 – 7, 2019
<a href="#">FOOD AND HOTEL MYANMAR 2020</a>	<a href="#">Myanmar Fortune Plaza</a>	June 3-5, 2019

Domestic transportation of goods can be costly so consider all options when shipping from Rangoon to other provinces (i.e., commercial bus or ships). The product should be packed and shipped for a tropical climate and have clear storage instructions, keeping in mind the country's limited energy supplies and/or cold storage. U.S. exporters should locate the best distribution channel; such as local importers, distributors, supermarkets, etc. and establish a good relationship with them, as they are very useful in facilitating and promoting exports of U.S. consumer-ready food products in Myanmar. Many U.S. food product shipments are currently consolidated in Singapore and Malaysia, and reshipped to Myanmar

Myanmar's market presents U.S. companies with unique opportunities and potentially significant gains but requires patience and persistence. Local knowledge gained by early movers could prove to be an invaluable competitive advantage. Currently, a majority of food imports are from Thailand and China, with price points that are affordable to the middle-class population. U.S. firms may need to be flexible with their pricing strategy for the Burmese market. Focus on a target group like retail, wholesale, or restaurants and hotels to be able to target their price range.

As with other markets, U.S. exporters should provide reliable product availability, consistently quality, technical support, and accurately respond to inquiries within 24 hours, as competitors from within Asia are just a phone call away and in similar time zones. Many Myanmar importers have expressed frustration with the requests from some U.S. suppliers for many documents and background-check procedures, which take time. Exporters should also consider Retail (versus foodservice) size packaging preference by distributors and retailers to increase sales to households and small restaurants, which prefer the smaller size packaging. Because Myanmar is still developing in many areas, customers really appreciate any additional assistance suppliers can provide such as training on product selection, handling, storage, use, recipe development, or other relevant technical information; and/or support for promotions, sampling, etc. This kind of support can also help suppliers gain the interest and partnership of potential customers, particularly for products that are not yet widely known in Myanmar.

## **General Customer Tastes and Preferences**

Myanmar's staple food is rice, which locals usually mix with spicy curries cooked in oil. Other than that, people like to eat noodles and vermicelli together with soup. Tea and coffee are popular drinks; dry tea has the highest market penetration at 81 percent, and coffee mix is second at 78 percent.

Consumer with more access to education and higher incomes, particularly in the urban area, are increasingly more conscious about what they eat. Because of the opening up of the country and more interaction with foreign cultures through business, tourism and social media people are learning more about imported products and are eager to try out new cuisines. This is changing the eating habits of consumers and supporting a boom in international restaurants and bistros. The popularity of cooking programs on televisions is also driving this curiosity to try new foods. Consequently, Myanmar consumers are increasingly experimenting with international food at restaurants and at home, including Italian, Indian, Chinese, Thai, Korea, Japanese, and American cuisine.

Importers and suppliers of foreign ingredients can increase their sales in Myanmar if they give more information about recipes, how to use their products, the health benefits and nutritional information that the consumer might not be aware of. On the other hand, modern trade and convenience stores are expanding and consumer-buying habits are changing. Working youths and households often prefer to go convenience stores and supermarkets in order to buy fast foods and packaged products. Many do not cook as regularly as their parents did.

Mobile communication is booming, start from the opening of Myanmar to new telecommunication operators in 2013. The internet and Facebook in particular, is a rapidly evolving and effective marketing platform for companies of all sizes. Myanmar consumers are starting to browse things online and like to order through delivery services. Having an active Facebook page with information and special offers is helpful to promote products in Myanmar.

## **Section III Import Food Standards & Regulations and Import Procedures**

The [National Standards and Quality Department of Myanmar](#) is responsible for setting standards to which all products made in Myanmar must meet. Different ministries and departments in Myanmar are involved in establishing the requirements for import food standards, regulation and procedures. Imports and exports are regulated under the *Land Customs Act*, the *Sea Customs Act* and the *Export Import Law*, which are enforced by the [Myanmar Customs Department](#).

The Department of [Food and Drug Administration \(FDA\)](#) is Myanmar's food safety regulatory body, which oversees the safety and quality of food, drugs, medical devices and cosmetics. It regulates and controls the manufacture, import, export, storage, distribution and sale of food and drugs, in the interest of public safety. Importation of all food related products requires approval from FDA. FDA analyzes imported food to check whether it complies with its related specification or international standards.

Importers must apply for an Import Recommendations (IR) at the FDA with a product sample and supporting documents such as a food specification document, ingredients documents, GMP certificate or

Product Registration or Free Sale Certificate and the food item with original packaging or if the food item package is too big to provide, a photograph of the packaging. The IR is valid for 2 years. Importers must obtain an appropriate food import license for each product line being imported, along with the IR, at the [Department of Trade of the Ministry of Commerce](#) for each shipment. The validity of an Import License is 3 months and can be extended two times for another 3 months each time.

In order to clear Customs, imports must be accompanied by a customs declaration and required accompanying documents. All imports must be cleared through Customs using their defined Import Declaration Form along with Customs Valuation Form. When the shipment arrives, a sample with the batch number will be sent to FDA for microbiological and chemical test, depending on the type of food being imported, to obtain the Import Health Certificate, which needs to be attached in the newly launched [Myanmar Automated Cargo Clearance system](#). [Myanmar Customs](#) is responsible for assessing and collecting applicable customs duties and taxes on imports and carrying out other regulatory and law enforcement responsibilities relating to imports. Further information is available on [Myanmar Trade Portal](#) and the USDA Rangoon report [Burma: Food and Agricultural Import Regulations and Standards](#).

There are some exceptions and additional procedures for certain products. For example, products such as poultry, fresh meat and fish also require a Recommendation from the Meat Inspection Board and the Ministry of Livestock and Fisheries in order to get an import license. However, Myanmar Rules are unpredictable; import licenses for some products can temporarily be postponed as a means of protectionism for local suppliers. Wine imports are only allowed by airfreight or by sea, not by truck. Importer must apply for a Wine Import Registration Card with excise license FL 11. In addition, the Myanmar government imposed a pest risk analysis (PRA) requirement for some imported plant commodities. The Plant Protection Division (PPD) is responsible for the inspection of plants and their authorization to enter the country. PPD provides a recommendation letter to allow the commodities after inspecting random samples for pests and diseases.

The [Food and Drug Administration \(FDA\)](#) under the [Ministry Of Health And Sports](#) prescribes certain labelling rules for all food products sold in local markets, such as the need to display the address and contact information of the manufacturer/factory, manufacturing and expiry dates, FDA registration number, production number, license, and ingredient, etc. Recently, the government began requiring some of this information in the Myanmar language. Myanmar uses the Harmonized System (HS) for determining duties collected on imports as well as some selected exports. Imports are subject to a Commercial Tax (with exemptions granted for some products). In addition, some imports are subject to an excise tax (such as gasoline, alcohol and electrical appliances). The applicable tariff rates can be found in [Myanmar's Customs Tariff \(MCT\) 2017](#). Most tariff rates range from 0% to 40%.

**Myanmar's Trade Mark Law** was published in August 2017. According to the law, an Intellectual Property Office will be established under the Ministry of Education and will be responsible for registering trademarks, as well as the examination, publication, granting, renewal and cancellation of trademarks. Any individual or corporation that owns a trademark will be allowed to register it in the Myanmar Intellectual Property Office. Foreigners must appoint a local agent if their ordinary residence or principal place of business is outside of Myanmar. The term of registration for marks will be ten years from the filing date of the application for registration, and the protection will be renewable every ten years.

## Section IV. Market Sector Structure and Trends

It is often best for U.S. exporters to partner with importers, wholesalers, and distributors that are willing to introduce products to major retailers and restaurants. Many imported food and beverage (F&B) products come into Myanmar overland from neighboring countries, particularly China, India and Thailand or by sea through the Yangon Port. There are a growing number of direct air links for perishable items, however, they are costly to use. Foods are often imported into Myanmar via Singapore, Malaysia and Thailand, which likely results in sales to Myanmar being underreported in official statistics. Around 60 percent of imports come via Yangon Port and 40 percent arrive across the Thailand and China borders. Imported products, including food items, find their way to the market both through legal and illegal means. There are several large-scale harbors, deep-sea ports and waterways being constructed or planned, such as a new bulk terminal at Thilawa Port next to Yangon, which is scheduled for completion in April 2019. Other planned ports are Dawei Port in Southern Myanmar and Kyaukphyu Port in the west coast of Myanmar, which are being developed by India and China. These will be part of the Special Economic Zones, which offer many benefits including tax and customs duty exemptions.

The **Burmese retail sector** has seen a large number of foreign consumer brands enter the country over the past five years. The latest data available indicates that retail sales in the packaged food market in Myanmar were estimated at nearly \$1.7 billion in 2016. That represents a growth rate of over 92 percent since 2012. By the year 2021, retail sales of packaged food are expected to reach over \$3.1 billion. Newly announced reforms have opened Myanmar's rapidly expanding retail and wholesale sectors to overseas investment. The Ministry of Commerce (MOC) issued amended regulations (Notification 25 in 2018) creating a pathway for 100% foreign-owned retailers and wholesalers to distribute many different types of domestically produced and imported commodities. More information about the food retail industry is given in [Burma: Retail Foods 2018](#) report. In addition to Food Retail report, Siam Makro Plc, the Thai operator of Makro cash-and-carry stores, is expanding its presence into Myanmar in 2019 and plan to open wholesales supermarket in late 2020. Siam Makro has already opened stores in towns close to Thailand's border with Myanmar, such as in Mae Sot, Tak province, and now has more than 60 stores across Thailand.

In its **tourism sector**, Myanmar draws a large number of tourists interested in eco- and cultural- tourism. Myanmar is more than 50 percent covered in natural forests and has one of Southeast Asia's last vestiges of traditional hill-tribe life. Bagan, an ancient city, is expected to host more and more tourists in coming years after it is named UNESCO World Heritage Site. According to Myanmar Hotel and Tourism statistics, the number of tourist arrivals dropped 1 percent in 2018 compared to 2017, mainly because of concerns over the Rakhine refugee crisis. The number of western tourist arrivals fell, more than offsetting increased arrivals from Asia. However, arrivals have recovered in recent months and for January to June 2019 are up 30 percent during.

Visa restrictions have been eased for Japan, South Korea and arrival visa are now granted at airports in Yangon, Mandalay and Naypyidaw for China, including Hong Kong and Macau. According to the [Statistical Data of tourism Myanmar](#), the number of tourist arrivals in the first six months of 2019 was 3.34 million. Arrivals from most non-Asian countries are up moderately; western from U.S.A 2%, Italy

23%, Austria 16%, Spain 18% and Africa 6%, Middle east 10%. While arrivals from most Asian countries are up sharply; China 135% , Korea 188%, Japan 23%, and India 9%, while those from Taiwan and Macau are up more than 15 times year ago levels. Western travelers stay longer in the country and spend more money than Asian visitors. The spending power of one western traveler is equal to the income from three Asian travelers. Chinese travelers are expected increase up to 1.5 million in 2019 and 2020. Though Asian Market grow very quickly, there is still some gap to fill in western market. The government announced that from October 1<sup>st</sup>, 2019, Italian, Spanish, Russian, Swiss, German and Australian tourists are allowed visa on arrival at international airports. These are the tourists with the tendencies and capacities to spend in the coming years.

**Food sales in the HRI sector**, reinforced by the tourism sector, offers great sales opportunities for U.S. high-value food products. Many new **hotels** have been built; the number of hotel rooms in Yangon and Mandalay has doubled in 2018. Meanwhile, foreign investment in the tourism industry in 2018 through October rose to \$5.7 billion compared to \$4.4 billion for all of 2017 according to DICA. Singapore is currently the heaviest foreign investor in Myanmar's hotel sector with investments of over \$2.7 billion in 32 tourism-related projects. Thailand has invested \$486 million in 12 projects and Vietnam has invested \$440 million in one project. In addition, Malaysia, Japan, Hong Kong, UK, Luxembourg, and South Korea have also made some commitments to invest in the country's hotel sector. Myanmar has 2534 travel companies, and more than 1590 hotels/motels and guesthouses. Of these, 387 hotels are located in Yangon. Most hotels are located in Yangon, Mandalay, Naypyitaw, Bagan and Nyaungshwe according to Myanmar Tourism Statistics 2017. Food and beverage sales in hotels account for about 35 percent of total revenues.

**Fast food chains** are capitalizing on a booming food and drink sector in Myanmar. Per capita spending on food consumption grew about 12 percent from 2013 to 2018, and strong opportunities remain. Myanmar's quickly growing economy and increasing consumer activity is a welcoming market for international brands. Within the past four years, food and beverage franchise chains from Asian countries such as Singapore, Thailand, Malaysia, Indonesia, Philippines, Korea and Japan have made inroads in Myanmar. They brought Lotteria, MarryBrown, Manhattan Fish Market, BreadTalk, Pizza Company, Australia's Gloria Jean's, Black Canyon, Café Amazon, DoiChaang Café, Fuji Japanese Restaurant, Ice Manias, Shabushi, The Pizza Company, True Coffee and Tummor, and many more. Since 2013, American brands such as KFC, Burger King, Pizza Hut, Swensen's ice cream, Miami Grill Victoria, Hard Rock Café, Coffee Bean and Tea Leaf and Yogurt Land also entered the market. The Auntie Anne's franchise entered Myanmar market in early 2019.

Apart from franchise restaurants, a lot of individual **restaurants**, cafes and bars specializing in anything from hot pots, bakery items, bistro food, cakes, tea, ice cream, desserts have emerged. Brunch and buffets at hotels are also spreading and are enjoyed by middle-class and high-end customers. The number of restaurants in the Yangon region in 2017 exceeded 8000, according to the Health Department of the Yangon City Development Committee. There is a wide variety of restaurants including Chinese, French, German, Indian, Italian, Japanese, Korea, Latin, Vietnamese, Thailand and Western. Not only local people but also foreign investors are entering this sector to provide premium services, especially in the hotel and tourism sector. Imported products that are currently offered in Myanmar include: U.S. beef; Norwegian salmon; Chilean salmon roe; New Zealand mussels; Australian/New Zealand beef and lamb;

cheeses from Australia, New Zealand, and Switzerland; poultry from Thailand and Brazil; turkey, beef and lobster from the United States; and wines from Australia, France, Italy, and South Africa and few from the United States.

GDP per capita in Myanmar increased rapidly between 2014 and 2019, fueling “rapid” growth in food and beverage sales. As stated earlier, rising disposable income and optimistic consumer sentiment will be key drivers for growth, according to the research from Food & Beverage Insights. The number of bars and restaurants are increasing in Yangon and Mandalay, where young Myanmar citizens and most business expatriates frequently enjoy a bustling nightlife. Myanmar citizens are traveling more domestically too, as transportation options improve. Upper income Myanmar citizens have been interested in trying more high-quality restaurants during travel while middle-income citizens are enjoying the many new fast food franchise restaurants and cafes. Opportunities in this sector abound, especially in modern bakeries and ethnic foreign restaurants. Indian, Chinese, Thai, Japanese, Italian, and Korean tourists have increased noticeably in recent years. More information about restaurants and catering services can be found in lifestyle magazines and websites such as [Myanmore](#) and [Yangon Life](#).

In the **food processing industry**, there are 29,118 food and beverages companies registered, which is 57% of the total manufacturing companies. Myanmar’s manufacturing sector has been growing at least 4% each year, reaching 50840 companies in June 2019. Food and beverage companies are mainly located in the Ayeyarwaddy, Bago, Sagaing, Yangon and Mandalay regions. Of these, 14% are large firms, according to [the Industrial Registration Data report](#). Foreign companies are allowed to manufacture food in Myanmar as a joint venture with Myanmar companies. Local players are eager to partner with foreign firms because they believe that they can grow rapidly. Myanmar’s consumer class is becoming more and more brand-aware, and now foreign brands such as Nestle, Tata, Kellogg’s, P&G, Unilever, Kraft, Heineken, Henkel, Heinz, Pfizer, Pepsi, Coca-Cola, Britannia and many others are available. Myanmar’s agriculture-based food industry constitutes over 70 percent of production by volume, employing the largest number of workers. The traditional food production businesses, which is 67 percent of the total industry, are mostly small family units spread all over the country. Domestic production of beverages including spirits, beer, and soft drinks is growing fast, benefitting from an infusion of foreign direct investment. The food-processing sector consists mainly of bakery products, instant noodles, coffee, tea and ready-to-eat traditional foods.

The Myanmar **livestock feed industry** is entirely operated by the private sector and the industry has been growing steadily due to the development and growth of the livestock sectors. Myanmar’s total animal feed demand increased approximately 14 percent from 2016 to 2018, reaching an estimated 3 million tons this year, and it is forecast to jump to 4 million tons by 2020. The country’s feed sector is mainly led by foreign companies, which hold about a 60 percent share of domestic feed sales in Myanmar. More information about the feed industry, refer to the [Burma: Feed Industry Update 2018](#) report.

## **Section V. Agricultural and Food Imports**

Bilateral trade between Myanmar and the United States has grown dramatically since 2012, when the government of Myanmar started its economic and political reforms. Direct U.S. Exports of agricultural products to Burma totaled US 127 million in 2018, which was an increase of more than 80 percent from

the prior year. Soybean meal, distiller’s grains and other intermediate products counted for much of total growth. U.S. exports of consumer-oriented products also grew 94 percent to \$10.3 million. Despite slowed trade due to new Pest Risk Analysis (PRA) requirements issued in January 2017, imports of intermediate goods and bulk goods increased again, more than 80 percent in 2018 after this issue was resolved ([New Pest Risk Analysis Requirements](#)).

Top U.S. processed food exports to Myanmar in 2018 included non-alcoholic beverages, rice, pork and pork products, breakfast cereals, tree nuts, dairy products, wine & beer, condiments and sauces. The actual volume of U.S. agricultural products that end up in Myanmar is much higher than official statistics indicate due to products that are transshipped through Singapore and elsewhere. In addition, U.S. products such as tree nuts and processed fruits are shipped in bulk to countries such as Malaysia and Thailand where they are repackaged for consumer or commercial distribution in Myanmar. As the market in Myanmar continues to grow there will be opportunity to replace some of these indirect exports with direct export to Myanmar.

**U.S. Exports of Agricultural & Related Products to Myanmar (CY 2014 – 2018 and Year-to-Date comparisons)**

(\$ in Million)

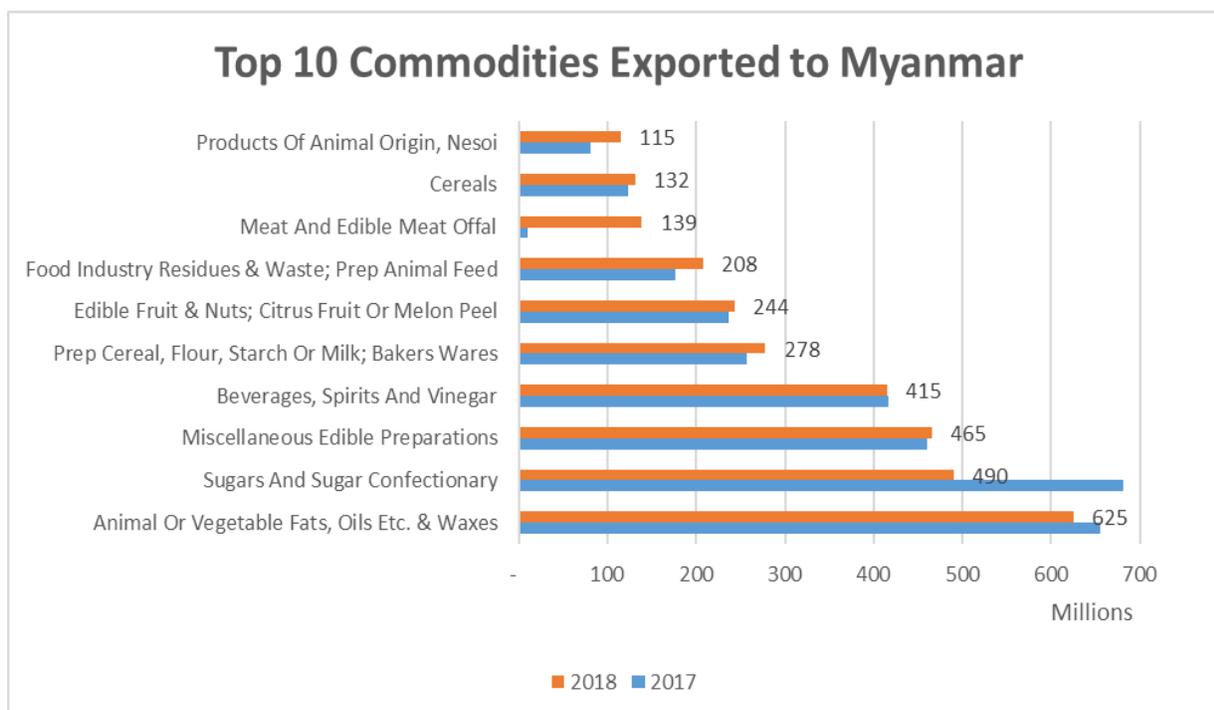
Product	2014	2015	2016	2017	2018	2017 Vs 2018 Change %	2018 Jan - Jun	2019 Jan - Jun	Change %
Bulk total	6	5.5	13.3	11.1	18.8	69%	8.2	17.3	112%
Intermediate total	8.2	30.1	64.3	53.2	97.6	83%	56.4	54.2	-4%
Consumer Oriented	2.0	2.9	4.6	5.3	10.3	94%	5.4	5.3	-2%
Total Agricultural Products	<b>17.0</b>	<b>38.4</b>	<b>82.1</b>	<b>69.6</b>	<b>126.7</b>	<b>82%</b>	<b>70.0</b>	<b>76.8</b>	<b>9.8%</b>
Agricultural Related Products including Fishery and Forestry	1.0	1.1	0.8	1.3	0.3	-77%	0.1	0.1	0%
Total	<b>18.0</b>	<b>39.5</b>	<b>82.8</b>	<b>70.9</b>	<b>127.0</b>	<b>79%</b>	<b>70.1</b>	<b>76.9</b>	<b>9.8%</b>

[Source: BICO Report](#)

The best market prospects for U.S. suppliers include:

- Bulk and Intermediates – soybeans, soybean meal, distiller’s grains, planting seeds
- Consumer Oriented products – dairy products (cheese, cheese spread, cream cheese, whipped cream, cheese sticks, cheese dip and ice-cream, condensed milk, yogurts, and milk), non-alcoholic beverages, wine, meat products (frozen and processed meat products; beef, pork, lamb, turkey, sausage, bacon, lobster, Alaska King crab legs, scallops), tree nuts (almonds, walnuts, pecans and pistachios), confectionary items such as jam, candy, chocolate milk mix, condiments and sauces, breakfast cereals, fresh fruits and processed vegetables including potatoes, dog and cat food, canned food and processed food, chocolate and cocoa products, and snack foods

Demand for organic food and products is increasing among the health conscious and higher income consumer segments. With adequate communication of product benefits, there is a lot of potential for this segment to grow. Franchising is another growing area in Myanmar that suppliers can consider.



Source: [Global Trade Atlas \(Reporting Countries\)](#)

## Section VI. Key Contacts and further Information

The Foreign Agricultural Service in Rangoon, Burma maintains current information about food and agricultural import opportunities in Myanmar. Questions or comments regarding this report can be sent to:

U.S. Department of Agriculture, Foreign Agricultural Service

U.S. Embassy

110 University Avenue, Kamayut Township 11041, Yangon, Myanmar

Tel: +95-1-536509, Fax: +95-1-511069

E-mail: [agrangoon@fas.usda.gov](mailto:agrangoon@fas.usda.gov), Key Contact(s): Agricultural Affairs Officer

Government Contacts	Myanmar Associations
<a href="#">Food and Drug Administration (FDA)</a>	<a href="#">Myanmar Retailer Association</a>
<a href="#">Ministry of Agriculture, Livestock and Irrigation</a>	<a href="#">Myanmar Chef Association</a>
<a href="#">Ministry of Commerce</a>	<a href="#">Myanmar Restaurant Association</a>
<a href="#">Directorate of Investment and Company Administration (DICA)</a>	<a href="#">Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)</a>
<a href="#">Myanmar Customs Department</a>	<a href="#">Mandalay Region Chamber of Commerce (MRCCI)</a>