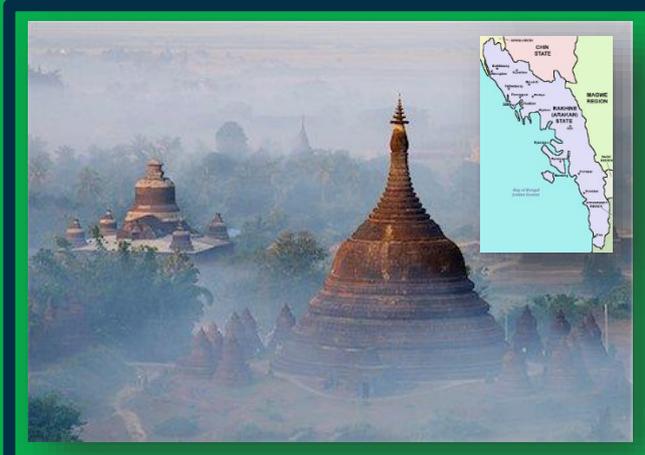


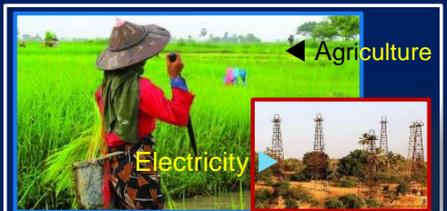
Potential business sectors in Rakhine State

- Fisheries and livestock
- Agriculture
- Hotels & Tourism
- Forestry
- Manufacturing / processing
- Transportation
- Human resources
- Telecommunication
- Energy
- Construction
- Special Economic Zones
- Industrial zones

REPORT



RAKHINE STATE INVESTMENT OPPORTUNITY SURVEY



Yangon, February 2019



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	▪ Rakhine State Government
CO-ORGANIZED BY:	
	▪ Japan International Cooperation Agency (Myanmar Office)
	▪ Japan External Trade Organization (Yangon)
SUPPORTED BY:	
	▪ Parami Energy Group of Companies
	▪ Mango Media Group
	▪ Blue Ocean Operating Management
	▪ JTB Polestar Co Ltd
	▪ Myanmar Survey Research Yangon Central Railways Station Building, Kungyan Street, MingalaTaungnyunt Township, Yangon. ▪ Tel: 95 1 370464 ▪ Fax: 95 1 254263 ▪ Email: msr@myanmarsurveyresearch.com ▪ URL: www.myanmarsurveyresearch.com

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❖ ACRONYMS

ASEAN	Association of South-East Asian Nations
CBM	Central Bank of Myanmar
CSO	Central Statistical Organization, Ministry of Planning and Finance
Dept	Department (Government department)
DICA	Directorate of Investment and Company Administration
EEZ	Exclusive Economic Zone (in the sea)
GAD	General Administration Department, Ministry of Home Affairs
GDP	Gross domestic product
IWT	Inland Water Transport, Ministry of Transport and Communication
KII	Key informant interview
MIC	Myanmar Investment Commission
MSME	Micro, small and medium enterprises
MSR	Myanmar Survey Research
NEP	National Electrification Plan
NPT	Nay Pyi Taw (the capital)
O&G	Oil and gas
OSB	Offshore supply base
SEZ	Special Economic Zone
SME	Small and medium enterprises
Sq-km	Square-kilometer
TEU	20-foot Equivalent Unit
UMFCCI	Union of Myanmar Chamber of Commerce and Industry
CURRENCIES	
MMK	Myanmar kyat
USD	United States dollar

❖ Former and current Rakhine names in English

Current name	Former name
Rakhine	Arakan
Sittwe	Akyab
Kyaukphyu	Kyaukphru
Yanbye	Ramree
Thandwe	Sandoway

❖ TERMS AND MEASURING SYSTEMS

❖ Terms

Myanma:	“Myanmar” denotes the country and people and also is used as an adjective. However, government departments and enterprises use “Myanma” (without ‘r’) as an adjective. Hence, the names of some government enterprises will be found starting with “Myanma” in their names. eg Myanma Petrochemical Enterprise
Paddy:	Rice grain in the husk that has not been milled. (<i>zabar</i> in Myanmar)
Purchase depot:	The phrase “purchase depot” is literally translated from Myanmar. It is also translated as “Brokerage House.” It is a kind of large dealing centre which buys agricultural produce—rice and pulses—and re-distribute within the country or export them.
Rice:	Grain whose husk has been removed by milling (<i>hsan</i> in Myanmar)
U:	“U” is an honorific used before the name of a Myanmar male adult. It is an equivalent of Mr.
Daw:	“Daw” is an honorific used before the name of a Myanmar female adult, single or married. It is an equivalent of Miss/Ms/Mrs.
Seasons in Myanmar:	Myanmar has three seasons: Hot season (summer) (3 months: Mar – May), rainy season (monsoon season) (5 months: Jun – Oct), and cool season (4 months: Nov – Feb).
Fiscal year:	“Fiscal year” in this report refers to the period from October 11 of a year to September 30 of the following year.

❖ Measuring systems

System	Sample product	Units
Volume measuring	Rice, some agricultural produce	8 tinfuls = 1 pyi
		16 pyi's = 1 basket
	Tin = condensed milk tin	
Weighting measuring		100 ticals = 1 viss

Conversion			
Weight	1 viss	=	1.63293 kg (= 3.6 lb)
Volume (rice)	1 basket	=	3.33 kg
Volume (rice)	1.5 baskets	=	50 kg (1 bag)



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PREFACE (Chief Minister of Rakhine State)

RAKHINE STATE is situated at the western part of Myanmar. It sits between N latitude 17' 30" and N 21' 30" and E longitude 92' 10" and 94' 50". The total area of Rakhine State is 36,778 km² and the population is about 3 million. It shares a borderline with Magwe and Bago Regions to the East, Bay of Bengal to the West, Ayeyarwaddy Region and Bay of Bengal to the South, Chin State to the North and Bangladesh to the North-West.

Rakhine is easily accessible by road, waterway and air. It is located at a strategic location to connect with the global trade network. Kyaukphyu Special Economic Zone and Deepsea Port Project and Kaladan Multi Modal Transit Transport Project in Rakhine State will create best investment opportunities for domestic and foreign investors. In addition, the Ka Nyin Chaung Trading Zone Project at Maungdaw town will be beneficial project for the investors in trading with Bangladesh.



Rice is the major product of Rakhine State while spices and condiments like areca nut, pepper and ginger are also cultivated. About 85 % of total arable land is utilized for rice (paddy) cultivation. In addition, produces of fisheries sector such as fishes, prawns, dried fishes and fish paste is major products of Rakhine State and exported to domestic market like Yangon. Besides, Rakhine State is endowed with natural resources such as oil and gas and it has good opportunities to develop this sector. Rakhine State is also abundant in historical heritages such as Mrauk U, the ancient city of Rakhine Kingdom and coastal beaches like Ngapali Beach which is a major tourist destination in Myanmar. Gwa and Man Aung Island are also potential regions for eco-tourism.

The government of Rakhine State is collaborating with Myanmar Investment Commission in promoting investments in prospective business sectors such as Agriculture, Livestock and Fisheries, Hotels and Tourism, Energy, Manufacturing and Infrastructure sectors. Besides, with support from Japan International Cooperation Agency (JICA), Japan External Trade Organization (JETRO) and other business organizations, the government of Rakhine State assigned Myanmar Survey Research (MSR) to conduct the Investment Opportunity Survey in Rakhine State

For long-lasting peace and stability of Rakhine State, the role of regional economic development is the most crucial factor. Increase in investments in the Rankine State will create job opportunities and individual incomes will rise. It is believed that the promotion of domestic and foreign investments in Rakhine State is the best way for sustainable economic development and perpetual peace and stability in the state.

His Excellency U Nyi Pu

**Chief Minister
Government of Rakhine State**

**Chairperson
Rakhine State Investment Committee**



PREFACE (Chairman of Myanmar Investment Commission)

IN ORDER TO ACHIEVE balanced economic development throughout the country, Myanmar Investment Commission (MIC) has been supporting State and Regional Governments and respective Chambers of Commerce and Industry to promote investment in their states and regions. Among various measures in this respect, MIC has commissioned investment opportunity surveys and organized investment fairs in Shan & Kayin states, and Mandalay & Ayeyarwady Regions in partnership with local governments and chambers of commerce in cooperation with the Japan International Cooperation Agency (JICA).



The Rakhine State Government has also been seeking to organize a similar fair in the state in order to pursue inclusive ways to bring together communities through education, healthcare and job creation. It is in this spirit, that the Myanmar business community has come forward with a proposal to work together with the government to organize the Rakhine State Investment Fair from the 21st to 23rd February 2019. Local companies such as Myanmar Survey Research Co., Ltd. (MSR), Parami Energy Group of Companies, Mango Media Group, Blue Ocean Operating Management and JTB Polestar Co., Ltd. as well as JICA and JETRO (Japan External Trade Organization) have joined hands to make the proposed forum a reality to welcome responsible and mutually beneficial investment. investment which does not cause harm to the natural environment and serves the interest of the citizens. Responsible investment brings benefits to all stakeholders, shareholders, workers and people in the host communities as well as to future generations.

It is said that innovation takes place when different ideas come together. Different ideas come from people with different backgrounds. In the world of rapid change, diversity is a source of strength. This is one of the reasons why we welcome foreign investment in Myanmar. It brings in new ideas and new ways of doing businesses into this country.

It is my pleasure to present to you the Report of the Rakhine State Investment Opportunity Survey which was conducted by the Myanmar Survey Research Co., Ltd. from the 2nd to 25th November 2018. This report provides the findings of the survey on promising sectors for investment in Rakhine state.

It is the time to invest in Rakhine state. By investing in this state which is strategically located and endowed with an immense resource, you will be joining our journey to build a prosperous and inclusive Rakhine State.

With best wishes,

His Excellency U Thaung Tun
Chairman, Myanmar Investment Commission



EXECUTIVE SUMMARY

Rakhine State is endowed with natural resources including oil and gas deposits, vast agricultural lands and deep-sea ports. It shares borderline with major regions such as Magwe, Bago and Ayeyarwaddy Regions at the east and south. It also abuts on the common border with Bangladesh which is a potential export market for Myanmar. Rakhine State is home to many beautiful tourist attraction areas, crystal clear untapped beaches and historical sites.

Rakhine State is home to diverse ethnic groups with different cultures and traditions. Of over 3 million population, 62.2% of the state's population is economically employable. Further, 31.1% of the total population is under 15 years. Over 83% of the total population live in rural areas whereas 17% of reside in urban areas.

The major economic sectors of Rakhine state include agriculture, fisheries, hotels and tourism, and oil and gas contributing to a larger share of the state's GDP. Currently, there are two investment projects with a great deal of investment opportunities in near future. These projects are: (1) Kyaukphyu Special Economic Zone and (2) Kalandan River Multimodal Transit Transport Project.

In fiscal 2017-2018, the total GDP of Rakhine State was MMK 2,186,701.8 million. Agriculture Sector represents 25% of total GDP while Industrial Sector and Service Sectors account for 22% and 53% respectively.

Although there are many investment opportunities in Rakhine State, the socio-economic development of Rakhine State is lagging behind, compared with other Regions and States in Myanmar. Fundamental infrastructures such as roads, transportation, communication and electricity were contributing factors for underdevelopment of Rakhine State in the past years. Major investments coming into Rakhine State in these years were in energy sector and hotels and tourism sectors. Recently, as the Rakhine State Government has taken measures for the improvement of the basic infrastructure, the investment opportunities are increasing for domestic and foreign investors.

With the objectives to systematically identify all forms of investment opportunities in different economic sectors, this survey was conducted from November 2, 2018 to November 25, 2018. The in-depth interviews were conducted in 12 business sectors. These key stakeholders included 24 senior government officials, 41 businessmen, and 11 persons from business associations founded in five districts.

The key findings from the survey and our insights were presented at the Stakeholders Meeting held on December 10, 2018 at Nagapli Beach. The purpose of our presentation was to confirm whether these findings from our survey and analysis are authentic and factual so that this information provided in this investment opportunity survey report can be a useful resource for potential investors. Based on our insights and the analysis of responses of interviewees of the survey, we have identified the most prospective four business sectors with vast investment opportunities as follows:

**Main sectors
with investment opportunities
in Rakhine State:**

- 1 Fisheries and Livestock Sector
- 2 Agriculture Sector
- 3 Manufacturing Sector
- 4 Hotels and Tourism Sector
- 5 Forestry Sector
- 6 Trade Sector
- 7 Energy Sector
- 8 Construction Sector
- 9 Healthcare Sector, and
- 10 Transport Sector.

The detailed investment opportunities are presented in **Chapter 6: Key sectors with investment opportunities**.

In addition, we have identified the unique features of Rakhine state which is the most attractive factors for making investment. These distinctive features are as follows:

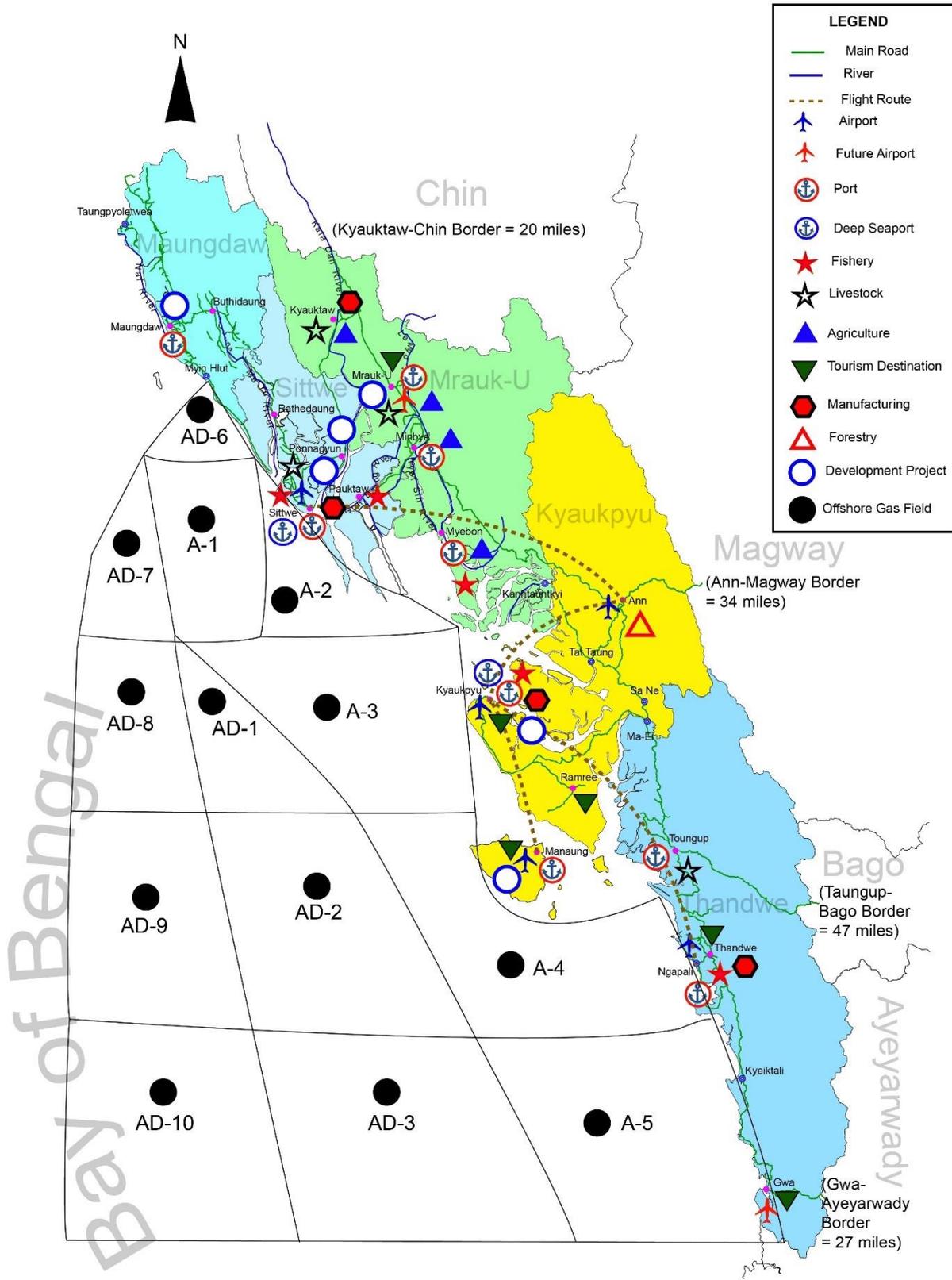
- 1 Being located at a geostrategic location of Bay of Bengal
- 2 Richness in natural resources, untapped beach and historical sites for tourist attractions
- 3 Sharing border with Key Regions such as Magwe, Bago and Ayeyarwaddy
- 4 Contiguity with world's most populous markets—Bangladesh and India.
- 5 Current implementation of Kyaukphyu Special Economic Zone Project and Kalandan River Multimodal Transit Transport Project.



Distinctive features of Rakhine State

MULTIPLE SECTORS

Existing and potential places for doing business in multiple sectors



1

INTRODUCTION

1.1 Background

In July 2016, the Government of the Republic of the Union of Myanmar announced its 12-point Economic Policy. According to the objectives of this policy framework, the Union Government has emphasized the equal enjoyment of the economic development without any gap among States and Regions by creating a good business climate in the country.

In the meantime, the Government of Myanmar recognizes that Foreign Direct Investment (FDI) is the key driver for economic development in the Regions and the States. However, the major investments are mainly carried out in Yangon and Mandalay Regions although there are enormous potentials and untapped investment opportunities in the rest of the Regions and the States. To enjoy the economic development equally throughout the country, Myanmar Investment Commission (MIC) has set up an agenda for investment promotion in specific Regions and States of the Union. To implement this investment promotion agenda effectively, the Directorate of Investment and Company Administration (DICA) was formed under the MIC for facilitation of foreign investments through transparent, clear and expeditious procedures, coordination, provision of necessary information and creating networks among local and foreign investors.

As investment promotion activities, the DICA organized the Investment Opportunity Fairs in Mandalay Region, Shan State, Kayah State, Karen State and Ayeyarwaddy Region in 2015, 2017 and 2018. Based on the results of Investment Opportunity Survey Research, both existing and potential investment opportunities in respective Regions and States were exchanged with interested investors and business people at these events.

The Government of Rakhine State, with facilitations and supports by DICA, is planning to host an event for investment opportunity fair in Rakhine State in February 2019. Rakhine State is well-known for its elusive beauty of beaches, abundance in natural resources, and richness in historical and cultural heritage. In the present, Rakhine State has accommodated two major infrastructures investment projects with support of two of Asia's economic giants—China and India. The development of Kyaukphyu Deep Sea Port and Special Economic Zone by China and Kaladan Multi-Modal Transit Transport Project by India will make Rakhine State as the state of enormous business opportunities for both local and foreign investors in a few years ahead. In addition, sharing common border with Bangladesh and closeness to India is a great opportunity for investors to access such largest markets in Asia.

While enormous opportunities for investors are within a hand's reach, the Government of Rakhine State also understands challenges in dealing with poverty, fundamental requirements and infrastructure improvements. The Rakhine State Government realizes that investment promotion is a key driver for overcoming these challenges because the promotion of investment will create employment opportunities and incentives for people for a better life. Comprehending that, the Union Government offers incentives, tax exemption and special treatments to interested investors to carry out responsible investment throughout the country. Furthermore, it is committed to creating a secure, accessible and conducive environment for both foreign and Myanmar citizen investors¹.

To inform all potential opportunities in different business sectors, the Government of Rakhine State has planned to hold an Investment Opportunity Fair at Ngapali Beach, Thandwe Township, Rakhine State, on February 21 to 23, 2019. With this purpose, the Government of Rakhine State has assigned Myanmar Survey Research to carry out an in-depth study for identifying all potential investment opportunities across the state. The study was carried out from February to November in Rakhine State.

¹ Myanmar Investment Application Guidebook, April 2018

Within this period, the researchers met with different business groups, investors, senior government officials, senior persons from international business associations, Japan External Trade Organization (JETRO) and international corporation agencies such as Japan International Cooperation Agency (JICA), commercial counselors, development practitioners from international development agencies in order to acquire their views regarding investment opportunities throughout the Rakhine State. The findings were presented at the key stakeholders meeting to validate the results of this study. Based on the identified findings of this study, the Investment Opportunity Fair is to be held at Ngapali Beach in Thandwe Township, Rakhine State.

Therefore, in this Investment Opportunity Survey Report, we have presented the existing and potential investment opportunities in main business sectors in Rakhine State for interested domestic and international investors.

1.2 Objectives

The main objectives of Investment Opportunity Survey Research and Investment Opportunity Fair in Rakhine State are as follows:

- 1 To realize untouched investment opportunities in Rakhine State to inform potential domestic and foreign investors to make investments for development of the state
- 2 To catalogue all potential investment projects, which will be the key driver for economic development and job creation for the communities in Rakhine State
- 3 To exchange information with domestic and foreign investors to attract investments in Rakhine State
- 4 To create a good network among business people in Rakhine State and those who are in other States and Regions including foreign countries for investment promotion in Rakhine State, and
- 5 To support capacity building of DICA Sittwe branch and demonstrate its services for industries.

All in all, the purpose of this report is to inform international, national and local investors of the untapped investment opportunities throughout the Rakhine State. In the times of rapid political and economic transformation in Myanmar, it is highly anticipated that the findings in this report will provide essential information to potential investors across the region, and business firms concerning the opportunities in different economic sectors.

1.3 Methodology of conducting Investment Opportunity Survey

For successfully completing the abovementioned objectives in this report, three survey methodologies were applied for this task. These methods were as follows:

I DESK STUDY

The purpose of desk study method mainly concerned understanding the general situation of Rakhine state, which included the current situation of Rakhine's economy, the key economic activities, the general trend of border trading in Rakhine, conditions of infrastructure, an overall picture of human resources and job market and a potential investment of business sectors.

In trying to understand these general trends of Rakhine State, all relevant information for this trend was collected from newspapers, magazines, books, reports, and fact-sheets published by INGOs, government's statements, the Statistical Year Book prepared by Central Statistical Organization (CSO) and Databank by MSR.

II FIELD DATA AND INFORMATION COLLECTIONS

Though general information of Rakhine State’s economic trend could be obtained from the desk study, it was highly considered that field data collection was critical to get the first-hand information from businessmen, companies’ managers and traders other essential key persons in Rakhine to fully understand all types of opportunities and challenges to make investments in Rakhine State.

To carry out this task successfully, MSR trained and assigned well-experienced interviewers and sent them to Rakhine State. All major business activities of key government officials, business associations, and business persons in five districts of Rakhine—Sittwe, Mrauk-U, Thandwe, Kyaukphyuhyu, and Maungdaw District—were selected to interview about their business operations, challenges and future opportunities for promotion of investments. All data and information from the field study were analyzed and incorporated into this report for interested investors.

III STAKEHOLDERS MEETING

After the desk study and field interviews, the major findings were presented at the Stakeholders’ Meeting to validate whether these findings were factual and accurate before the final report was published.

Sampling

In this Investment Opportunity Survey Report, 12 business sectors were pre-identified as the backbone of economic development in Rakhine State. To identify all untapped opportunities in these sectors, 76 key persons from the respective departments of the Rakhine State Government, business associations, business owners, the heads of companies and independent investors were interviewed. At the interviews, their experiences, views regarding the investment climate of Rakhine State, business activities and potential investment opportunities in business sectors were recorded and analyzed to detect potential investment opportunities.

Sector-wise list of samples

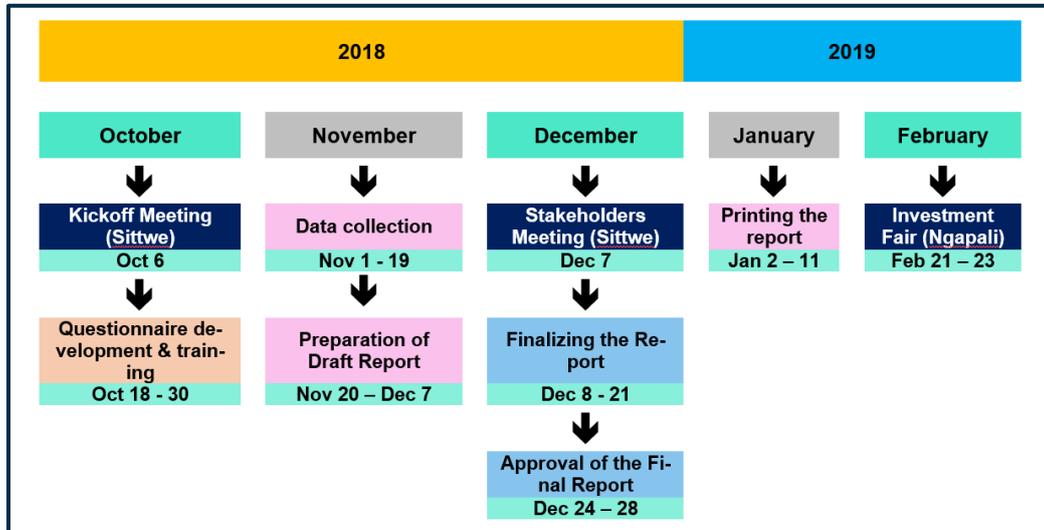
Sr No	Sectors	Districts					Total
		Sittwe	Kyaukphyu	Thandwe	Mrauk-U	Maungdaw	
1	Agriculture	4	1	1	8	0	14
2	Livestock breeding	4	0	1	1	0	6
3	Fisheries	3	3	2	3	0	11
4	Manufacturing	3	1	3	2	0	9
5	Forestry	1	0	1	0	0	2
6	Hotel and Tourism	1	0	5	1	0	7
7	Transportation	4	3	7	0	0	14
8	Human resources	1	0	0	0	0	1
9	Border trade and trading	3	0	0	0	0	3
10	Construction	1	0	0	1	0	2
11	Investment projects	1	1	0	0	0	2
12	Other related sectors	5	0	0	0	0	5
	Total ►	31	9	20	16	0	76

(SEE: Appendix 8.3: Detailed list of samples)

1.4 Implementation Plan

The implementation period for the investment opportunity survey and the investment fair was from October 2018 to February 2019. The kick-off meeting of this task was started at Sittwe on October 6, 2018, Stakeholders meeting in December and the Rakhine State Investment Fair will be on February 21 to 23, 2019.

Implementation Plan



1.5 Limitations of study

This survey is not an in-depth study of each business sector in Rakhine State. Instead, it is an investigation of business opportunities which potential investors, local and abroad, will find useful in identifying sectors in which they are keen to invest. This report is to highlight the business sectors which are promising for making investments. Further detailed research will be needed if the businessman has actually decided to invest in a particular area.

2

OVERVIEW OF MYANMAR

2.1 National information

Myanmar is among the fastest growing economies in the ASEAN region. It has significant potentials for the growth and expansion of foreign companies which are in a position to take advantage of the Myanmar's rich labour force and untapped opportunities in the country. They can collaborate with the local businessmen who are knowledgeable about the local context and trend.

This chapter presents the general picture of Myanmar's socio-economic condition, mainly focusing on the trend of foreign investments coming into the country since 1988, the current trend of foreign investments in different economic sectors and the climate of foreign direct investments in Myanmar together with the population trends.

2.2 The Myanmar economy in brief²

GDP	USD 79.7 billion (2015/2016)
GDP growth rate	5.9% (2015/2016)
Major exports	Natural gas, garment, sugar, black matpe, jade, rice, green mung bean, fish, metal, and ore, maize
Major imports	Petroleum products, vehicles, machinery and parts, iron and steel construction materials, iron and steel materials, raw plastics, palm oil, motorcycles, telephone and communication accessories, pharmaceutical
Major trading partners	China, Thailand, Singapore, Japan, India, Malaysia, South Korea, Indonesia, USA, Vietnam
Export volume	USD 12.0 billion (2016/2017)
Import volume	USD 17.21 billion (2016/2017)

2.3 State- and Region-wise Union population³

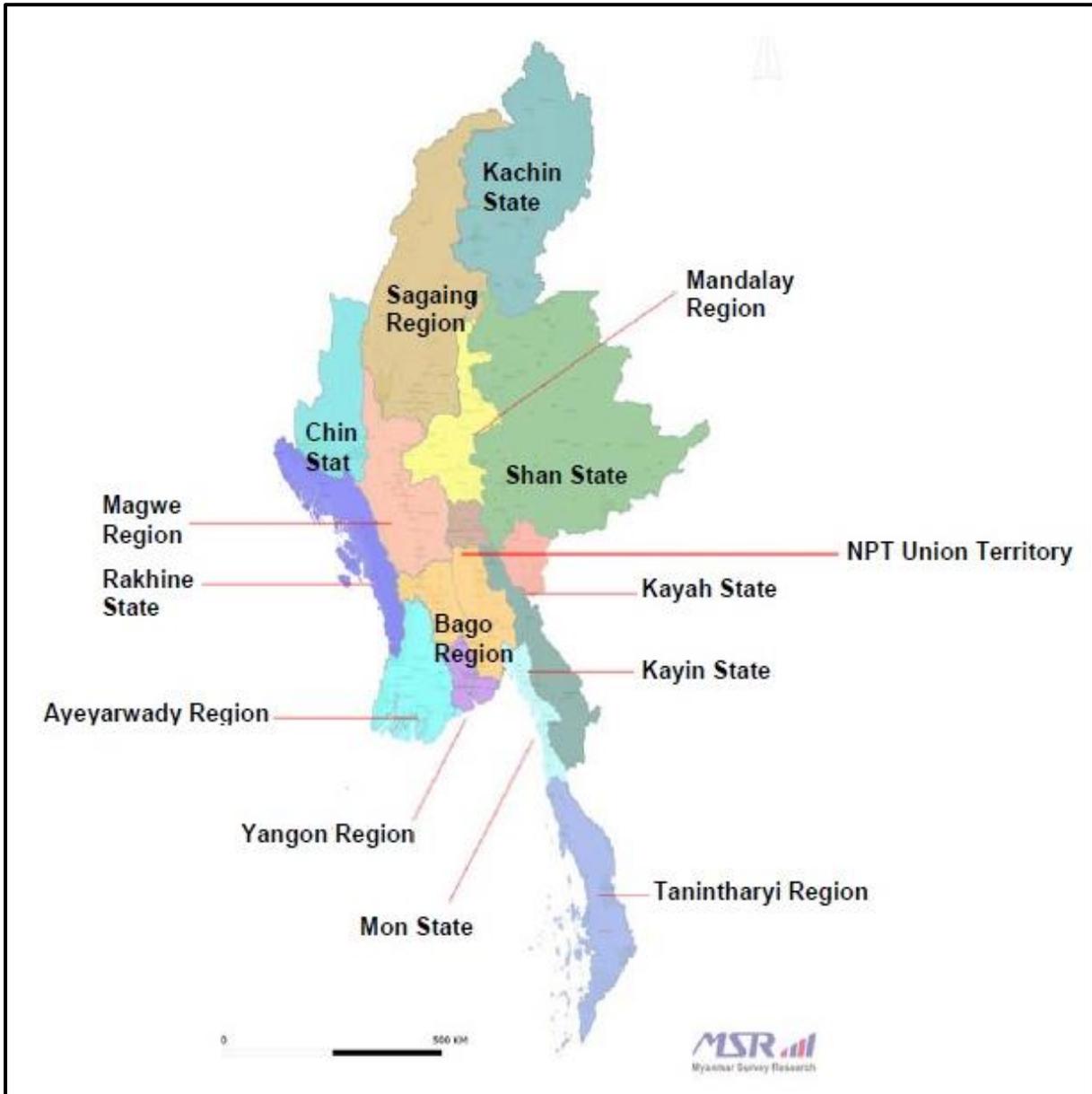
Sr. No	State/ Region		Population (Enumerated data)	Population (Plus estimated data)	Remark
1	Kachin	State	1,642,841	1,689,441	With estimated data
2	Kayah	State	286,627	286,627	
3	Kayin	State	1,504,326	1,574,079	With estimated data
4	Chin	State	478,801	478,801	
5	Sagaing	Region	5,325,347	5,325,347	
6	Tanintharyi	Region	1,408,401	1,408,401	
7	Bago	Region	4,867,373	4,867,373	
8	Magway	Region	3,917,055	3,917,055	
9	Mandalay	Region	6,165,723	6,165,723	
10	Mon	State	2,054,393	2,054,393	
11	Rakhine	State	2,098,807	3,188,807	With estimated data
12	Yangon	Region	7,360,703	7,360,703	
13	Shan	State	5,824,432	5,824,432	
14	Ayeyarwady	Region	6,184,829	6,184,829	
15	Nay Pyi Taw	Region	1,160,242	1,160,242	
	Total ▶		50,279,900	51,486,253	

² DICA, <https://www.dica.gov.mm/en/invest-myanmar>

³ Results of The 2014 Myanmar Population and Housing Census, Ministry of Labour, Immigration and Population

The latest census was taken in April 2014, and results were announced by the Ministry of Labour, Immigration and Population in May the same year. Because of the instability in some parts of the three States—Kachin, Kayin and Rakhine—during the census, they had to be estimated. In Rakhine State, the enumerated population is 2,098,807, and with estimated population, its total population is 3,188,807.

2.4 Fourteen States and Regions and Nay Pyi Taw Union Territory⁴



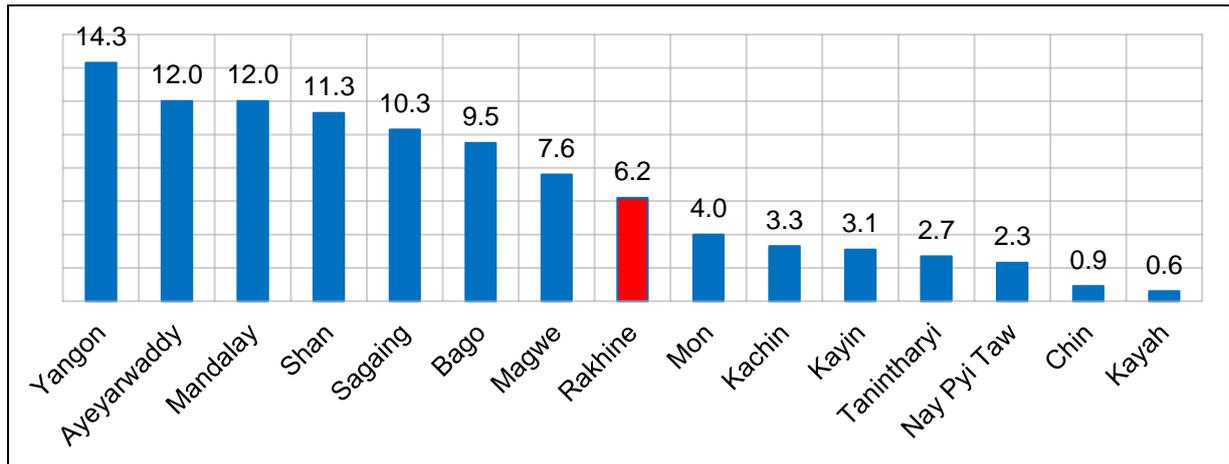
Major territorial divisions of Myanmar

In Myanmar, there are 7 States, 7 Regions and the Nay Pyi Taw Union Territory. Each of the States is known by its majority ethnic group. For example, in Shan State, Shan nationals are the majority ethnic group, residing mingling with other ethnic groups. In Kachin State, Kachin nationals are the majority ethnic group, mingling with other ethnic groups. In each of the 7 Regions, the majority ethnic group is Bamar, who reside, mingling with other ethnic groups.

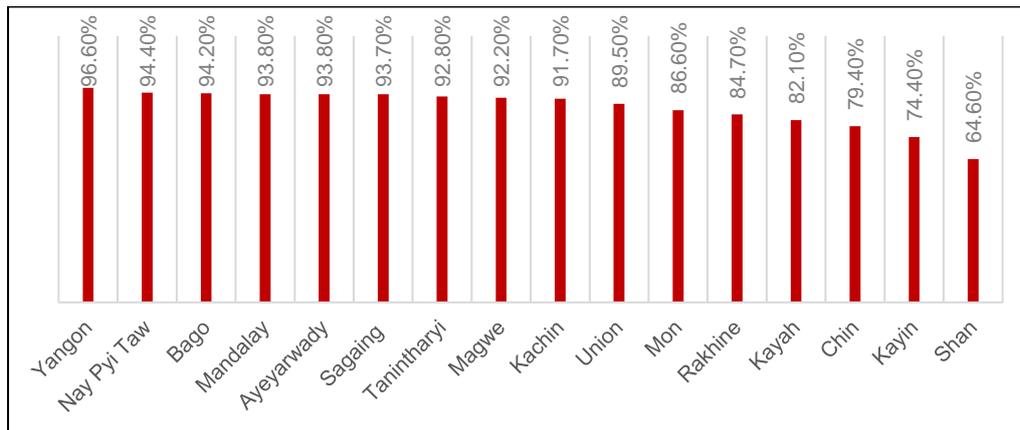
⁴ Prepared by Myanmar Survey Research

2.5 Population ratios of States and Regions⁵

Percentage



2.6 Adult literacy rate (15 years and above)⁶



2.7 Population density of States and Regions⁷

AREA AND POPULATION DENSITY				
(Years 1973-2014) persons per sq-km				
States and Regions	Area* (sq. km)	Density (persons per square-km)		
		1973	1983	2014
Union	676,577.23	43	52	76
Kachin State	89,041.80	8	10	19
Kayah State	11,731.51	11	14	24
Kayin State	30,382.77	28	35	52
Chin State	36,018.90	9	10	13
Sagaing Region	93,702.48	33	41	57
Tanintharyi Region	43,344.91	17	21	32
Bago Region	39,404.43	81	96	124
Magway Region	44,820.58	59	72	87
Mandalay Region	30,888.09	99	124	200
Mon State	12,296.64	107	137	167
Rakhine State	36,778.05	47	56	87
Yangon Region	10,276.71	310	387	716
Shan State	155,801.38	20	24	37
Ayeyarwady Region	35,031.88	118	142	177
Nay Pyi Taw	7,057.10	-	-	164

⁵ Ibid

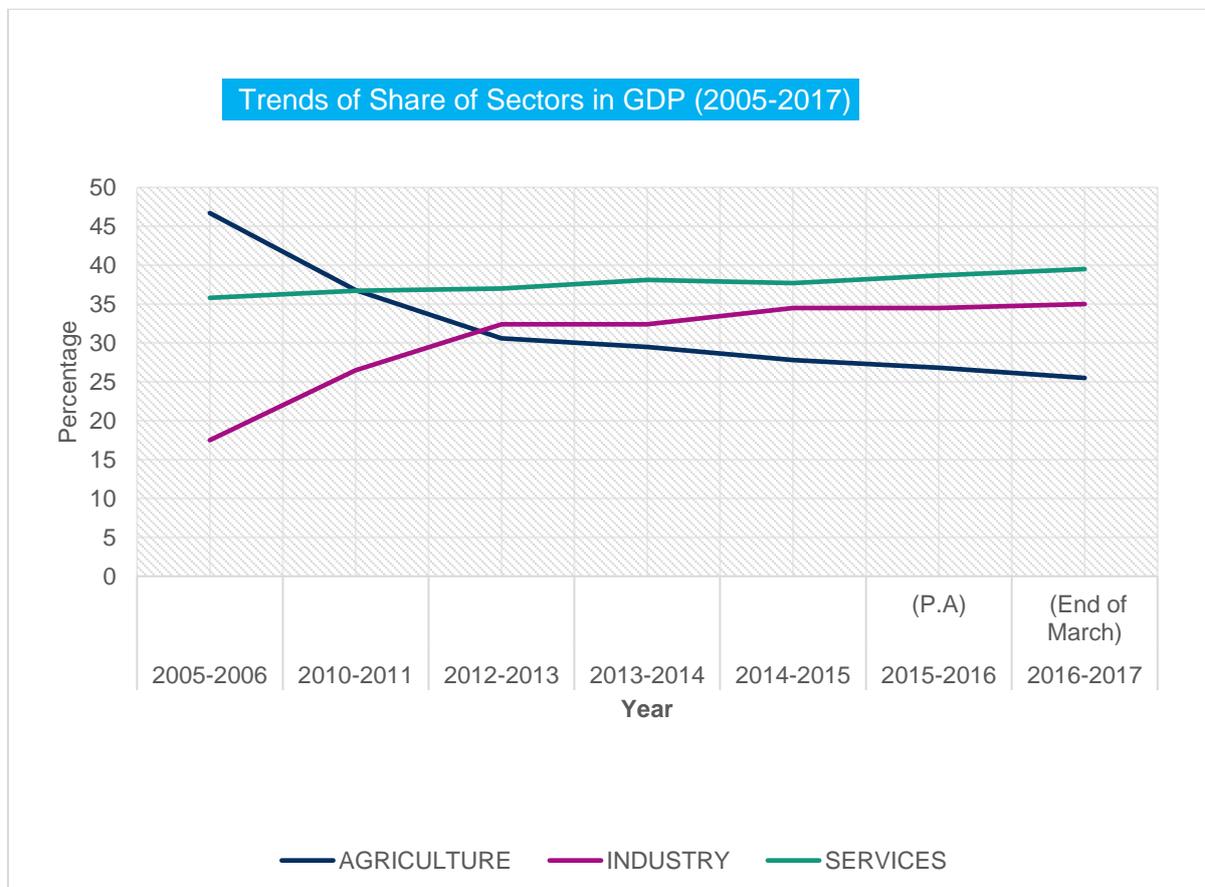
⁶ The 2014 Myanmar Population and Housing Census, Rakhine State Census Report, Census Report Vol.3-K by

⁷ Ibid

2.8 Sector-wise contribution to National GDP – by percentage⁸

Sr	Sectors	2005-2006	2010-2011	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
							(P.A)	(End of March)
1	AGRICULTURE	46.7	36.8	30.6	29.5	27.8	26.8	25.5
	Agriculture	38.4	27.9	22.1	21.2	19.6	18.5	17.2
	Livestock and Fishery	7.7	8.5	8.1	8.0	8.0	8.1	8.2
	Forestry	0.6	0.4	0.4	0.3	0.2	0.2	0.1
2	INDUSTRY	17.5	26.5	32.4	32.4	34.5	34.5	35.0
	Energy	0.2	0.2	5.4	5.0	6.2	5.1	3.3
	Mining	0.6	0.7	0.8	1.0	1.2	1.1	1.1
	Processing/manufacturing	12.8	19.9	20.1	19.9	19.9	20.8	22.8
	Electric Power	0.2	1.1	1.2	1.2	1.4	1.4	1.4
	Construction	3.7	4.6	4.9	5.3	5.8	6.1	6.4
3	SERVICES	35.8	36.7	37.0	38.1	37.7	38.7	39.5
	Transportation	10.4	11.5	11.9	11.9	11.5	11.3	11.2
	Communications	1.1	0.8	1.2	1.6	1.8	2.1	2.1
	Financial Institutions	0.1	0.1	0.2	0.2	0.2	0.2	0.3
	Social and Administrative Services	0.9	2.3	2.6	2.9	3.1	3.7	3.5
	Rental and Other Services	1.6	1.9	2.1	2.3	2.4	2.5	2.7
	Trade	21.7	20.1	19.0	19.2	18.7	18.9	19.7
	Gross Domestic Product (GDP)	100.0						

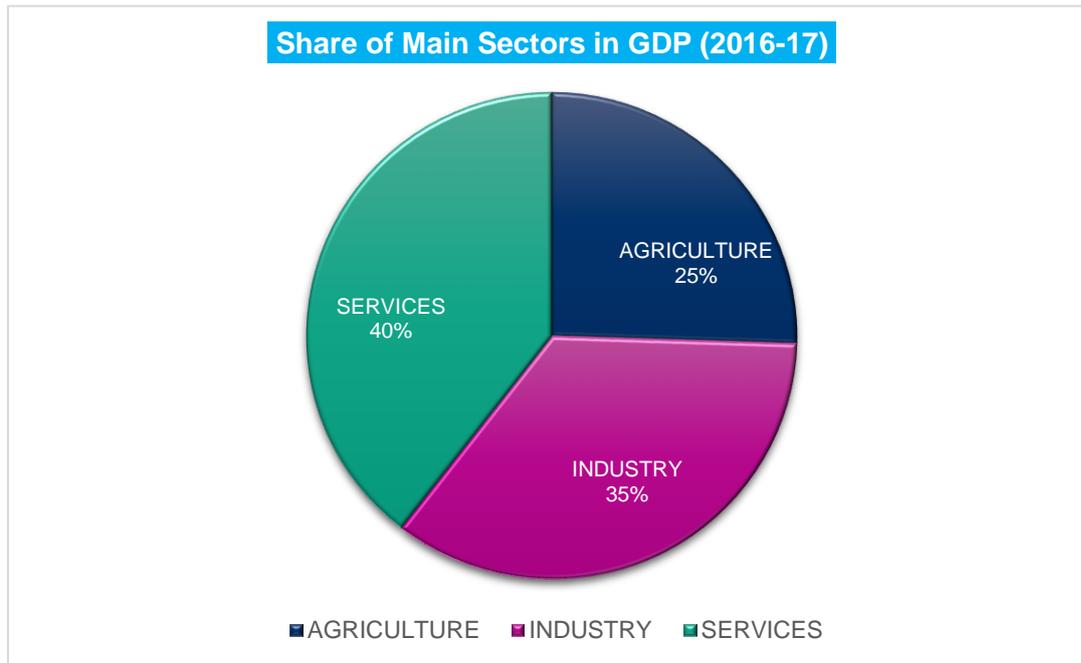
Trends of percentage share of main sectors in GDP⁹



⁸ Myanmar Statistical Yearbook 2017, CSO, Ministry of Planning and Finance

⁹ Ibid

Percentage share of main sectors in GDP (2016-17)¹⁰



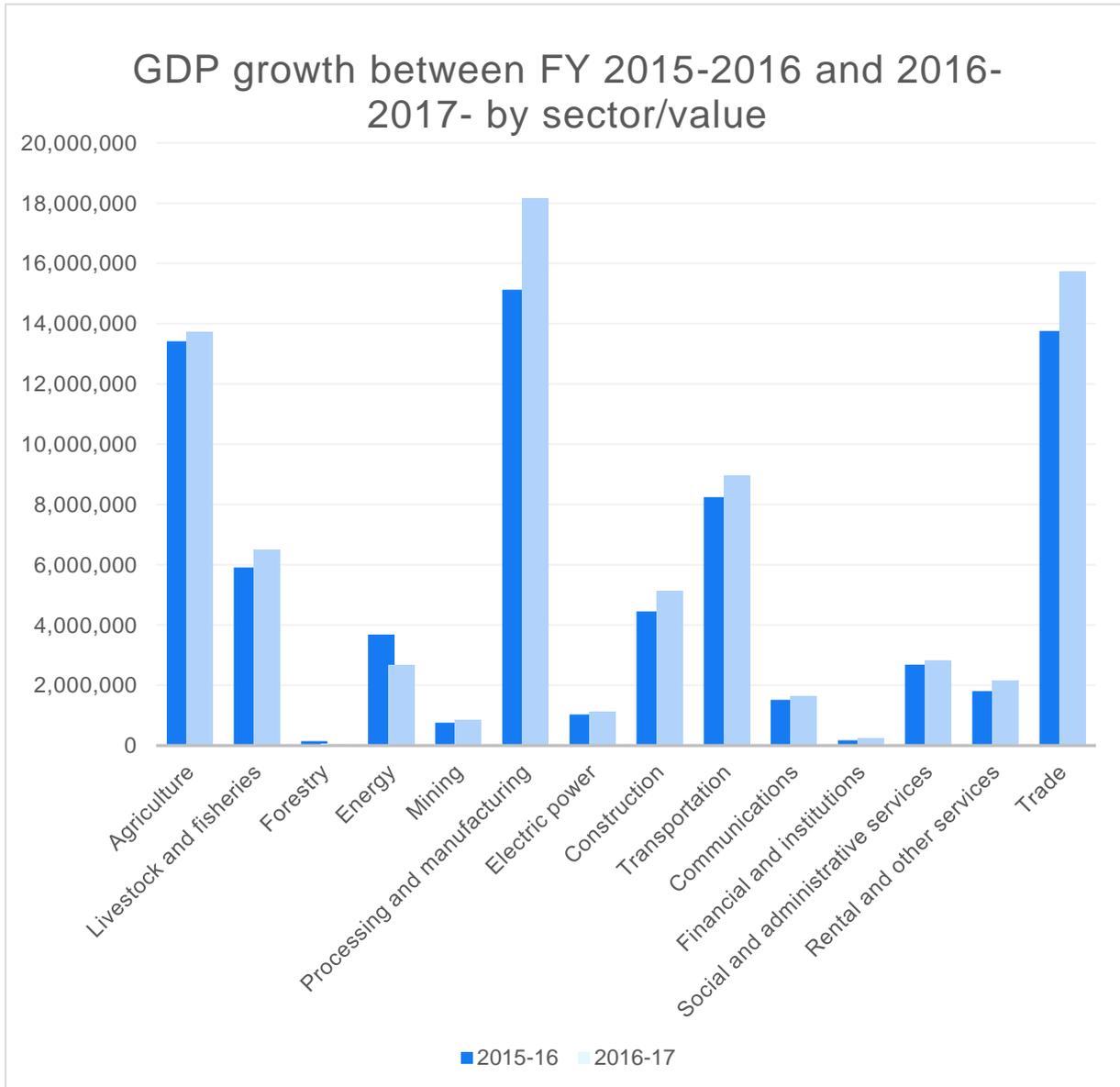
2.9 Comparison of sector-wise contribution to National GDP – by value/percentage (2015-16 and 2016-17)¹¹

Sectors and sub-sectors	2015-16	Share in total GDP	2016-17	Share in total GDP
Agriculture	13,417,668.2	18.5%	13,736,113.2	17.2%
Livestock and fisheries	5,906,519.1	8.1%	6,505,195.6	8.2%
Forestry	142,649.5	0.2%	58,726.8	0.2%
Agriculture	19,466,836.8	26.80%	20,300,035.6	25.60%
Energy	3,687,516.1	5.1%	2,669,961.3	3.3%
Mining	759,981.8	1.0%	835,279.5	1.0%
Processing/manufacturing	15,130,436.7	20.8%	18,167,436.6	22.8%
Electric power	1,030,836.9	1.5%	1,111,243.5	1.4%
Construction	4,454,894.5	6.1%	5,133,917.1	6.4%
Industry	25,063,666.0	34.50%	27,917,838.0	34.90%
Transportation	8,239,652.8	11.3%	8,948,034.7	11.2%
Communications	1,512,271.1	2.1%	1,638,899.7	2.1%
Financial institutions	173,401.9	0.2%	233,833.0	0.3%
Social/administrative services	2,686,743.5	3.7%	2,806,426.9	3.5%
Rental and other services	1,812,108.0	2.5%	2,159,037.1	2.7%
Trade	13,759,341.1	18.9%	15,716,792.9	19.7%
Services	28,183,518.4	38.70%	31,503,024.3	39.50%

¹⁰ Ibid

¹¹ Ibid

2.10 Comparison of GDP growth between 2015-16 and 2016-17 – by sector/value¹²



¹² Ibid

3

INVESTMENT CLIMATE IN MYANMAR

The year 2010 witnessed change of the ruling system of the country from militarism to democracy. Since then, Myanmar has been undergoing fundamental political and economic transformation as a democratic, federal and peaceful national state. The government of Myanmar is highly committed to encouraging new investments with positive impacts on society and the environment.

To create a more enabling and vibrant business environment, the Government of Myanmar declared the passage of the Myanmar Companies Law, which assumes international best practices on company formation, business registration process, corporate governance and puts foreign investors on a more level footing with local companies. The law permits foreign investors an opportunity to buy shares in a domestic company. The change in the foreign company definition unlocks huge business potentials in areas that were previously restricted to foreign investors. It not only simplifies the procedures of incorporating a business in Myanmar but also significantly reduces the cost.

The government further revised Myanmar Investment Law that serves to bring the country's investment law under one regulatory roof by combining Myanmar Citizen Investment Law and the Myanmar Foreign Investment law. The combined law allows Foreign Direct Investment in the form of 100 percent foreign ownership or joint ventures in manufacturing, services, infrastructure, and retail. It also offers tax incentives, tax holidays and certain exemptions to foreign establishments in the first three to seven years of operations. The level of exemption depends on the type of business and its location.

3.1 Foreign Investment of permitted enterprises as of December 31, 2018¹³

The following table shows the foreign direct investments made in different sectors in Myanmar as of December 31, 2018. The data shows in this table is accumulative permitted investment amount since 1988/89. The major share of foreign investments goes into the Oil and Gas sector. It represents 28.55% of total FDIs whereas the Power and Manufacturing sectors take the second and third largest shares of FDI as of December 31 in the same year.

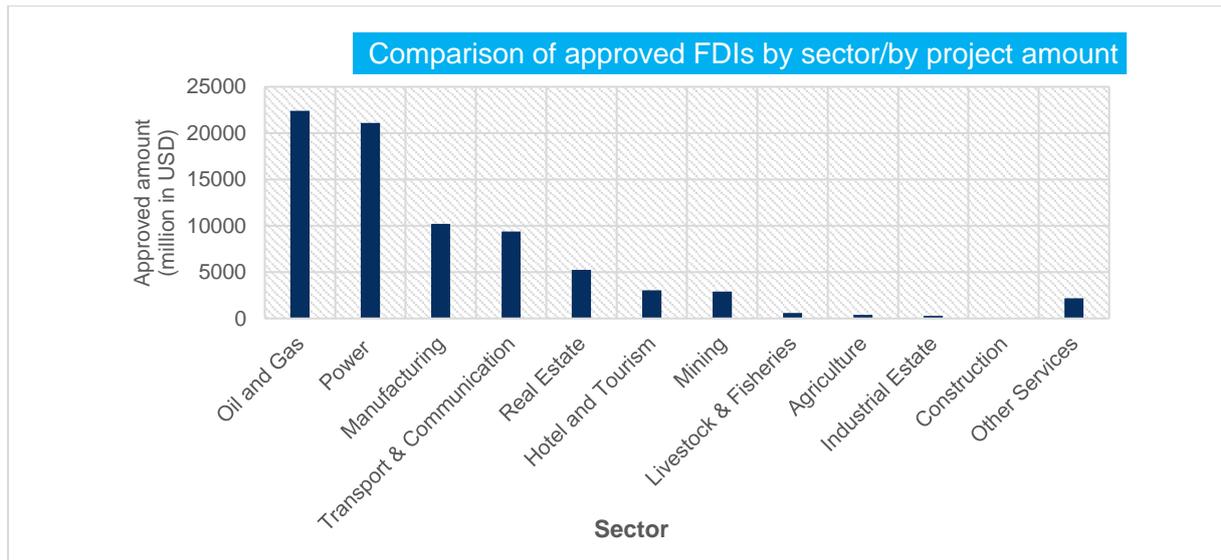
TABLE 1: **Foreign Investments by sector (As of December 31, 2018)¹⁴**

Sr No	Sectors	Permitted enterprises		
		Total Numbers	Approved amount (USD in Million)	Percentage
1	Oil and Gas	154	22,420.572	28.55%
2	Power	19	21,084.852	26.85%
3	Manufacturing	979	10,386.054	13.22%
4	Transport & Communication	58	9,785.256	12.46%
5	Real Estate	53	5,256.347	6.69%
6	Hotel and Tourism	76	3,040.684	3.87%
7	Mining	71	2,904.916	3.70%
8	Livestock & Fisheries	55	628.990	0.80%
9	Agriculture	31	405.621	0.52%
10	Industrial Estate	6	271.631	0.35%
11	Construction	2	37.767	0.05%
12	Other Services	114	2314.125	2.95%
	Total ►	1,618	78,536.815	100.00%

¹³ Ibid

¹⁴ Ibid

FIGURE 1: **Approved FDIs – by sector (From 1988/89 to December 31, 2018)**¹⁵



3.2 Top 20 countries that have invested in Myanmar¹⁶

The following table shows the total numbers of enterprises of top 20 countries, the total amounts of permitted investments and the percentages of total FDI in Myanmar from Fiscal Year 1988/89 to December 31, 2018. China represents the largest investor and accounts for 26.10% of total amount of foreign investments in Myanmar as of December 31, 2018. Singapore and Thailand are the second and third largest investors respectively in Myanmar in 2018.

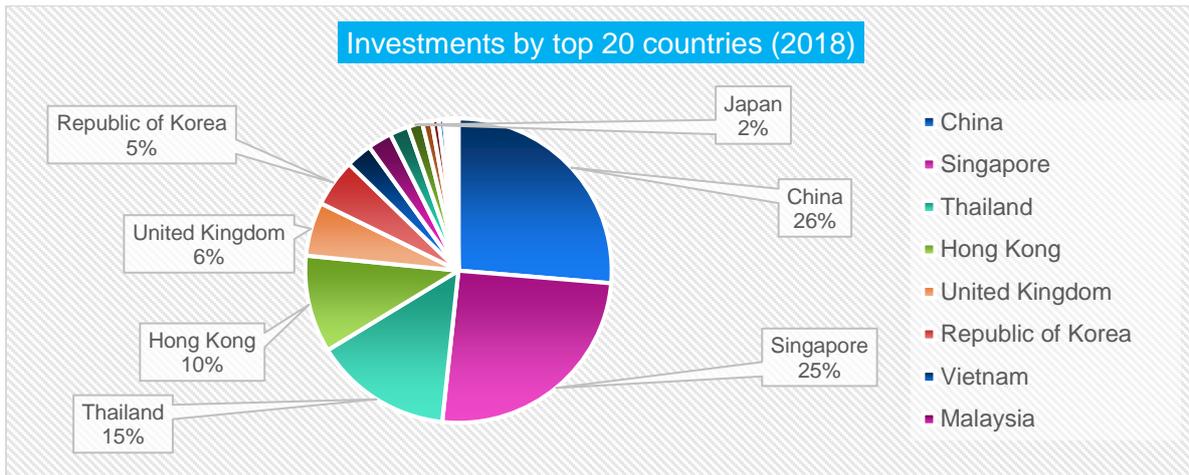
TABLE 2: **Top 20 countries that have invested in Myanmar since 1988/89 as of December 2018**

No	Country	Permitted enterprises		
		Number	Approved amount (Million USD)	Percentage
1	China	297	20,353.528	25.92%
2	Singapore	297	20,337.703	25.90%
3	Thailand	122	11,124.715	14.16%
4	Hong Kong	181	7,900.472	10.06%
5	United Kingdom	93	4,517.663	5.75%
6	Republic of Korea	165	3,892.136	4.96%
7	Vietnam	22	2,161.103	2.75%
8	Malaysia	66	1,963.124	2.50%
9	The Netherlands	22	1,531.671	1.95%
10	Japan	112	1,183.921	1.51%
11	India	30	763.567	0.97%
12	France	20	549.740	0.70%
13	USA	20	432.796	0.55%
14	Indonesia	16	274.530	0.35%
15	Canada	20	203.594	0.26%
16	United Arab Emirates	18	145.799	0.19%
17	The Philippines	3	147.692	0.19%
18	Australia	3	147.173	0.19%
19	Samoa	5	133.404	0.17%
20	Brunei Darussalam	23	105.122	0.13%

¹⁵ Directorate of Investment and Company Administration (2018)

¹⁶ Ibid

FIGURE 2: Comparison of investments – by top 20 countries since 1988/89¹⁷

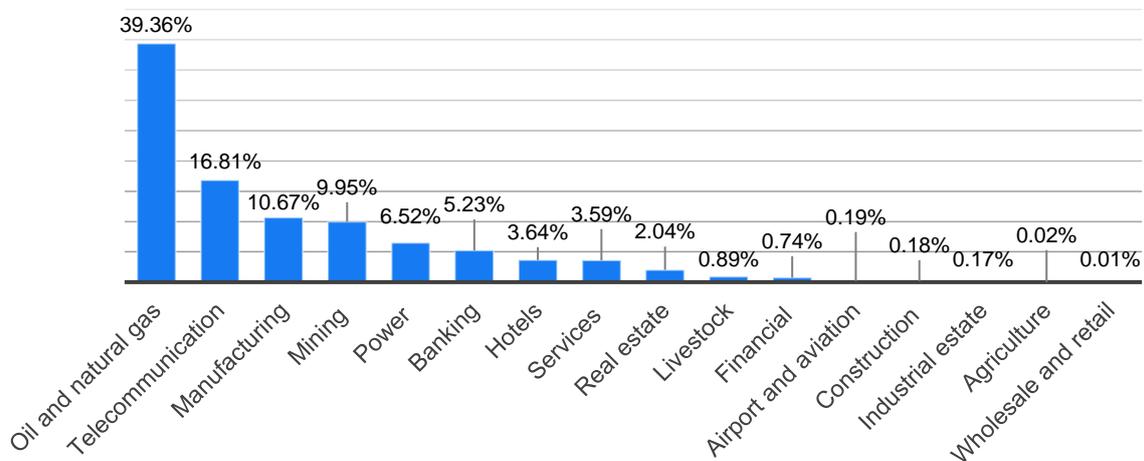


3.3 Yearly approved amounts of Foreign Investments – by sector

TABLE 3: Yearly approved amounts of Foreign Investment by Sector (2014-2018)¹⁸

Sr. No	Sector	Foreign capital brought in	2014-15	2015-16	2016-17	2017-18	2018 (4-9)	2018-19 (As of 30/11/2018)
1	Agriculture	405.621	39.666	7.180		134.485	10.650	3
2	Livestock & Fisheries	628.990	26.861	8.250	96.678	27.661	32.955	3
3	Mining	2,904.916	6.259	28.923		1.310	6.000	
4	Manufacturing	10,296.559	1502.013	1069.846	1179.514	1769.177	706.677	20
5	Power	21,084.852	40.110	360.100	909.883	405.774	92.680	
6	Oil and Gas	22,420.572	3220.306	4817.790				10.204
7	Construction	37.767						
8	Transport & Communication	9,541.823	1679.304	1930.996	3081.149	901.639	314.158	1
9	Hotel & Tourism	3,040.684	357.949	288.395	403.646	176.767	9.536	1
10	Real Estate	5,256.347	780.745	728.680	747.620	1261.977	280.380	
11	Industrial Estate	271.631		10.000		34.037	34.481	
12	Other Services	2,313.325	357.320	235.963	231.322	1005.259	277.184	6
	Total ▶	78,203.087	8010.533	9486.123	6649.812	5718.086	1764.701	34

FIGURE 3: FDI positions in sectors by percentage (1988-2017)¹⁹



¹⁷ Directorate of Investment and Company Administration, 2018

¹⁸ Ibid

¹⁹ Ibid

3.4 Myanmar citizens' investments – by sector²⁰

TABLE 4: Myanmar citizens' investments of permitted enterprises as of (October 31, 2018)

Sr. No	Sector	Total permitted enterprises	Total amount (USD in Million)	Percentage
1	Real Estate Development	76	1,244.819	23.32%
2	Manufacturing	829	2,648.006	17.32%
3	Transport & Communication	50	2,256.507	15.97%
4	Others	119	1,690.259	16.36%
5	Hotel and Tourism	154	769.259	10.43%
6	Construction	68	506.827	6.02%
7	Industrial Estate	11	86.830	4.83%
8	Power	17	464.063	3.62%
9	Mining	66	120.385	0.97%
10	Livestock & Fisheries	83	142.819	0.86%
11	Agriculture	11	52.325	0.29%
	Total ►	1,484	9,982.099	100%

3.5 Foreign investments in States and Regions

TABLE 5: FDIs in States and Regions (2010-2011 – 2016-2017)²¹

States and Regions	2010-2011		2012-2013		2013-2014		2014-2015		2015-2016		2016-2017	
	No. of enterprises	Foreign Investment										
Kachin State	2	8,218.52	-	-	-	-	-	-	-	-	-	-
Kayah State	-	-	-	-	-	-	1	2.43	-	-	-	-
Kayin State	1	186.10	-	-	-	-	-	-	1	37.00	-	-
Chin State	-	-	-	-	-	-	-	-	-	-	-	-
Sagaing Region	3	1,396.08	-	-	4	201.43	4	144.38	-	5.08	1	137.27
Tanintharyi Region	7	320.05	3	205.63	2	32.73	6	601.12	9	3,311.65	-	0.53
Bago Region	1	2.00	5	57.98	7	626.65	17	460.04	11	67.00	9	129.08
Magway Region	-	-	2	39.40	-	-	3	234.20	1	6.00	2	312.62
Mandalay Region	-	-	2	64.50	2	82.25	7	666.54	12	473.48	7	736.22
Mon State	2	2,945.00	-	-	1	374.70	6	325.60	3	336.60	-	0.60
Rakhine State	5	6,866.90	-	-	-	-	5	1,618.19	5	1,178.35	-	-
Yangon Region	3	64.32	80	833.53	102	2,745.11	154	3766.65	159	3,862.46	117	5,296.83
Shan State	-	-	1	198.93	2	32.73	1	16.83	3	154.00	1	6.67
Ayeyawady Region	-	-	1	19.50	3	11.46	6	165.56	7	42.16	1	29.99
Nay Pyi Taw	-	-	-	-	-	-	1	9.00	2	7.50	-	-
Total ►	24	19,998.97	94	1,419.47	123	4,107.06	211	8010.53	213	9,481.28	138	6,649.81

²⁰ Ibid

²¹ Ibid

❖ INVESTMENTS MADE IN RAKHINE STATE

3.6 Myanmar citizens' investments in Rakhine State²²

TABLE 6

Sr	Name of the investing company		Type of business		
	Permitted month/year	Business location	Area (Acre)	Invested amount	
				USD in million	MMK in million (incl: USD)
1	Eden Hotel & Resort Co Ltd		Hotel services (5-star) (BOT)		
	Jan 2015	Zi-phyu-kone Village-tract, Ngapali Beach, Thandwe Township	6.61	9.120	18,285.770
2	Inn Pauk Wa Co Ltd		Hotel services		
	Oct 2015	Kyee Bin Gyi Ward, Sittwe Township	0.39	4.560	5,338.260
3	Adventure Myanmar Tours & Incentives Co Ltd		Hotel services (4-star) (BOT)		
	Jul 2015	Zi-phyu-kone Village-tract, Ngapali Beach, Thandwe Township	4.33	1.190	3,359.090
4	Fortune International Limited		Hotel services		
	Oct 2015	Zi-phyu-kone Village-tract, Ngapali Beach, Thandwe Township	4.33	2.480	5,054.000
5	Golden Han Tha Waddy Co Ltd		Hotel services (4-star) (BOT)		
	Jul 2015	Airport (Dept of Civil Aviation), Sittwe Township	6	1.190	4,200.000
6	Jade Marina Resort Hotel Co Ltd		Hotel services		
	Dec 2015	Zi-phyu-kone Village-tract, Ngapali Beach, Thandwe Township	5.65	—	7,169.000
7	Minor Myanmar Co Ltd		Hotel services (BOT)		
	Mar 2016	Mya Pyin Village-tract, Thandwe Township	6.60	1.080	10,911.000
8	Myanmar Treasure Hotel & Resort Group Co Ltd		Hotel services		
	Mar 2016	Mya Pyin Village-tract, Thandwe Township	5.54	—	6,311.800
9	Ngapali Bay Villas & Spa Co Ltd		Hotel services		
	Jul 2016	Mya Pyin Village-tract, Thandwe Township	4.034	—	7,590.000
10	Bagan Thandwe Hotel Group Co Ltd		Hotel services (BOT)		
	Jun 2019	Mya Pyin Village-tract, Thandwe Township	—	—	1,356.270
11	Pristine Lotus Group Co Ltd		Hotel services (BOT)		
	Nov 2017	Mya Pyin Village-tract, Thandwe Township	—	—	3,000.000
12	Nawarat Marine Myanmar Co Ltd		Marine produce manufacturing		
	Jul 1996	Rakhine and Mon States, Ayeyarwady and Tanintharyi	—	5.000	32.000
13	Lin Aung Industrial & Production Co Ltd		25-ton ice factory, 100-ton cold storage		
	Feb 2002	Linthar Village, Thandwe Township	—	—	210.150
14	Shwe Tharawun Shesaung Fisheries Co Ltd		Ice factory and cold storage		
	Nov 1998	Thandawli Ward, Sittwe Township	—	0.940	44.000
15	Padamya Consultancy and Trading Ltd		Ice factory and cold storage		
	May 2001	Thandawli Ward, Sittwe Township	—	0.350	50.410
16	Lin Aung Industrial & Production Co Ltd		25-ton ice factory, 100-ton cold storage		
	Apr 2017	Gyo-gyar-kwin Village-tract, Taungup Township	—	0.090	143.230

²² Ibid

17	Nayla Thitsar Construction Group Co Ltd	Road paving (BOT) and toll collection
	Jan 2011 Pyay-Taungup road	— 9.330 20,700.650
18	Amazing Holdings & Resort Co Ltd	9-hole golf course, 40-room hotel, serviced apartments
	Nov 2016 Ngapali Golf Course area, Thandwe Township	115.12 6.610 11,697.200
19	Myanmar Chemical & Machinery Co Ltd	Offshore supply base
	Aug 2017 Madei Village-tract, Kyaukphyu Township	146.70 72.720 130,824.000
20	Seven Sunrays Co Ltd	Fish powder factory, ice factory
	Jan 1998 Thabyu Chaing Sakhan, Thandwe Township	— 1.000 52.200

(SEE: Appendix 8.2: Addresses of Myanmar companies (above) that have invested in Rakhine State)

3.7 Foreign investments in Rakhine State²³

TABLE 7

Sr	Name of the investing company		Type of Business		Investment amount (USD in millions)
	Permitted month/year	Country			
1	Myanmar Simco Song Da Joint Stock Co Ltd	Mining	Mar 2012	Vietnam	18.147
2	BXT International Co Ltd	Real Estate	Mar 2016	South Korea	9.253
3	Daewoo International Corporation, Korea Gas Corporation (KOGAS), ONGC Videsh Ltd Gail (India) Ltd (Korea)	Oil & Gas	Jun 2000	South Korea	26.100
4	Daewoo International Corporation, (Korea) ONGC ONGC Videsh Ltd (OVL), Gail (India) Ltd (GAIL), Korea Gas Corporation (KOGAS)	Oil & Gas	Feb 2004	China	32.300
5	CNOOC Myanmar Ltd, China Focus Development Ltd and China Huanqiu Contracting and Engineering Corporation (HQCEC)	Oil & Gas	Dec 2014	China	18.100
6	ESSAR Exploration and Production South East Asia Limited (EEPSEAL)	Oil & Gas	May 2005	Mauritius	22.250
7	ESSAR Exploration and Production South East Asia Limited (EEPSEAL)	Oil & Gas	May 2005	Mauritius	—
8	GAIL India Ltd., and Silver Wave Energy Pte Ltd	Oil & Gas	Nov 2006	Singapore	47.500
9	MPRL E&P Pte Ltd	Oil & Gas	Dec 2006	British Virgin Islands	32.530
10	CNPC International Ltd (AD-1)	Oil & Gas	Oct 2007	Cayman Islands	45.000
11	CNPC International Ltd (AD-6)	Oil & Gas	Jan 2007	Cayman Islands	46.000
12	CNPC International Ltd (AD-8)	Oil & Gas	Jan 2007	Cayman Islands	46.000
13	Daewoo International Corporation	Oil & Gas	Feb 2007	South Korea	37.000
14	ONGC Videsh Limited (AD-2)	Oil & Gas	Apr 2007	India	45.000
15	ONGC Videsh Limited (AD-3)	Oil & Gas	Apr 2007	India	46.000

²³ Ibid

16	ONGC Videsh Limited (AD-9)	Oil & Gas	Apr 2007	India	46.000
17	South East Asia Gas Pipeline Co Ltd (Natural gas transportation by pipeline)	Oil & Gas	May 2010	Hong Kong	2146.000
18	South East Asia Crude Oil Pipeline Co Ltd (Crude oil transport by pipeline)	Oil & Gas	Jun 2010	Hong Kong	2251.700
19	Daewoo International Corporation, ONGC Videsh Ltd Gail (India) Ltd, Korea Gas Corporation	Oil & Gas	Jul 2010	Korea	1975.401
20	Daewoo International Corporation, ONGC Videsh Ltd, Gail (India) Ltd, Korea Gas Corporation	Oil & Gas	Jul 2010	Korea	443.087
21	Ophir Myanmar (Block AD-3) Limited & Parami Energy Development Company Limited (AD-3)	Oil & Gas	Dec 2014	Jersey	258.450
22	Shell Myanmar Energy Pte Ltd & MOECO Oil & Gas Asia Pte Ltd (AD-9)	Oil & Gas	Dec 2014	Singapore	380.620
23	Shell Myanmar Energy Pte Ltd & MOECO Oil & Gas Asia Pte Ltd (MD-11)	Oil & Gas	Dec 2014	Singapore	377.620
24	Unocal Myanmar Offshore Co Ltd & Royal Marine Engineering Co Ltd	Oil & Gas	Feb 2015	Bermuda Island	277.850
25	Statoil Myanmar Private Limited & Conocophillips Myanmar E & P Pte Ltd	Oil & Gas	Feb 2015	Singapore	323.650
26	BG Exploration & Production Myanmar Pte Ltd & Woodside Energy (Myanmar) Pte Ltd & Myanmar Petroleum Exploration & Production Co Ltd (A-4)	Oil & Gas	Mar 2015	Singapore	297.300
27	BG Exploration & Production Myanmar Pte Ltd & Woodside Energy (Myanmar) Pte Ltd & Myanmar Petroleum Exploration & Production Co Ltd (A-4)	Oil & Gas	Mar 2015	Singapore	284.000
28	Woodside Energy (Myanmar) Pte Ltd & BG Exploration & Production Myanmar Pte Ltd & Myanmar Petroleum Exploration & Production Co Ltd (A-7)	Oil & Gas	Mar 2015	Singapore	297.700
29	Woodside Energy (Myanmar) Pte Ltd & BG Exploration & Production Myanmar Pte Ltd (AD-5)	Oil & Gas	Mar 2015	Singapore	290.100

3.8 Policy and regulatory provision for making investments in Rakhine State

- In order to narrow the economic development gap among states and regions, the Union government has laid down a special tax exemption policy for investments made in specific states and regions in order to attract more investments in these areas.
- Rakhine state is included in the specially designated areas where free tax exemption is granted for seven years.
- In addition, the Union Government of Myanmar is offering taxation incentives to encourage investment in particular industries, including agriculture, manufacturing, services, and tourism²⁴.

Rakhine State is included in the specially designated areas where free tax exemption is granted for seven years.

²⁴ Myanmar Investment Guide 2018

4

NATIONAL ECONOMIC POLICY & INVESTMENT REGULATORY FRAMEWORK

4.1 Myanmar Economic Policy

The Government of Myanmar launched its Economic Policy in July 2016. It is the overall framework that guides socio-economic development of Myanmar in the future. This policy is people-centered, and it aims to achieve inclusive and sustainable development. It is also designed to establish an economic framework that supports national reconciliation, based on balancing the sustainable natural resource mobilization and allocation across the States and Regions. The objectives of Myanmar Economic Policy are as follows.

- 1 To support national reconciliation and the emergence of federal democratic Union
- 2 To achieve balanced economic development across the States and Regions
- 3 To create opportunities for the emergence of capable and skilled new generations for the benefit of the country
- 4 To establish an economic system that can achieve and maintain positive development outcomes through the participation, innovation and efforts of all citizens

The 12 points of the Economic Policy are as follows:

- 1 Expending our financial resources through transparent and effective public financial management
- 2 Improving the operations of State-owned enterprises and privatizing those State-owned enterprises that have the potential to be reformed while promoting and assisting small and medium enterprises as generators of employment and growth
- 3 Fostering the human capital that will be needed for the emergence of a modern developed economy and improving and expanding vocational education and training
- 4 Prioritizing the rapid development of fundamental economic infrastructures, such as electricity generation, roads, and ports, and establishing a data ID card system, a digital government strategy, and an e-government system
- 5 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
- 6 Establishing an economic model that balances agriculture and industry and support the holistic development of agriculture, livestock and industrial sectors, so as to enable rounded development, food security and increased exports
- 7 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, and strengthening property rights and the rule of law
- 8 Achieving financial stability through a finance system that can support the sustainable long-term development of households, farmers and businesses
- 9 Building environmentally sustainable cities, upgrading public services and utilities, expanding public spaces, and making greater efforts to protect and conserve our cultural heritage
- 10 Establishing a fair and efficient tax system in order to increase government revenues and protecting individual rights and property rights through enacting laws and regulations
- 11 Establishing technical systems and procedures to support intellectual property rights that can encourage innovation and the development of advanced technology
- 12 Identifying the changing and developing business environment both in ASEAN and beyond, so as to enable our own businesses to situate themselves to take advantages of potential opportunities

4.2 Myanmar Investment Policy

The investment policy is sure to support the implementation of the 12 points in the Economic Policy of the Government of the Republic of the Union of Myanmar.

- 1 Responsible and mutually beneficial foreign investments are welcomed.
- 2 The Myanmar Investment Commission and the relevant government organizations are sure to facilitate foreign investments through transparent, clear and expeditious procedures.
- 3 The supportive environment with macroeconomic stability, rule of law, credible dispute settlement procedures, and reliable financial system for well-functioning economic infrastructure for all investors are to be carried out.
- 4 As foreign investment is very crucial for national development, the Union Government will:
 - a Establish a predictable regulatory environment with non-discriminatory treatment between foreign and local businesses;
 - b Protect businesses from seizures that are likely to be in dispute;
 - c Protect the right to transfer profits and other repatriation in accordance with the law after payment of taxes and duties and other payment obligations; and,
 - d Provide right to long-term land lease in accordance with the law for the approved investments.
- 5 Local and foreign investors shall comply with the principles for responsible investment and business conduct, including environmental and natural resources matters on an equal basis and in a non-discriminatory manner at all.
- 6 No foreigners are permitted to conduct certain businesses relating to national security, and culture and social affairs. These restricted businesses will be made publicly available.
- 7 The following investment businesses are welcomed and encouraged:
 - a Investment business that supports productivity-enhancing and value-added agro-based industries with linkages to regional and global supply chains;
 - b Investment businesses that enable technology transfer and domestic production to be beneficial;
 - c Investment businesses that enable to support the development of small and medium enterprises;
 - d Investment businesses for rapid development of infrastructure;
 - e Investment businesses that enable to create job opportunities and provide vocational education and training for skill enhancement and development of human capacity;
 - f Investment businesses to be made in economically less developed regions;
 - g Investment businesses that enable to develop industrial cities and the special economic industrial clusters; and,
 - h Investment businesses related to tourism.

4.3 Legal framework for Investment

The Myanmar Investment Law was promulgated on October 18, 2018, integrating the Myanmar Citizen Investment Law and the Foreign Investment Law in order for streamline investment procedures, open up more sectors to investors and promote regional development.²⁵

Under the Myanmar Investment Law, any investors who are not required to submit an investment proposal but who wish to obtain permission to enter into long-term lease agreements or tax incentives may submit an application for an endorsement. The MIC delegates the assessment of tax incentives to a State or Regional Committee if the value of the investment is less than \$ 5 million in US dollar. The notifications for the Myanmar Investment Commission (MIC) clarified promoted sectors for investment and give a longer period of income tax incentive to less-developed areas.

The Myanmar Investment Commission (MIC) is a government-appointed body formed under the Myanmar Investment Law. It comprises representatives and experts from government ministries, departments and governmental and non-governmental bodies.²⁶ The MIC's mandate and functions include:

- 1 Acting as an Investment promotion agency
- 2 Facilitating investment
- 3 Providing investment policy advice
- 4 Reviewing incentives
- 5 Encouraging responsible business and
- 6 Facilitating and investment grievance mechanism

The Myanmar Investment Commission is responsible for verifying and approving investment proposals. It is mandated to issue notifications about sector-specific developments on regular basis.

Under the Myanmar Investment Law, the Government of Myanmar has offered the investors Rights, Protections and Guarantees. The certain rights and protections that are offered to the investors include:

- National treatment and most favored nation
- Fair and equitable treatment
- Right to use land
- Right to employ expatriates
- Investment guarantee
- Transfer of funds

Investors are entitled to lease or use land for an initial period of 50 years depending on the types of business or industry and the volume of investment.²⁷ In addition, the Myanmar Investment Commission may extend the period for a further 10 years respectively upon the request by the inventors.

Myanmar Investment Law also confers the investors with the rights to transfer foreign currency. According to Section 56 of this law, foreign investors can transfer the following funds abroad relating to the investments made under this law.²⁸

- Capital designated under the provision relating to capital around rules stipulated by the Central Bank of Myanmar

²⁵ DICA (2018), "Myanmar Investment Promotion Plan"

²⁶ Ibid

²⁷ Ibid

²⁸ Ibid

- Proceeds, profits from the asset, dividends, royalties, patent fees, license, fees, technical assistance and management fees, shares and other current income resulting from any investment under this law
- Proceeds from the total or partial sale or liquidation of an investment
- Payment made under a contract including a loan agreement
- Payment resulting from any settlement disputes
- Other compensation or money as compensation under the investment or expropriation
- Remuneration, Salary and earnings of foreign experts legally employed in the Union

According to Chapter XIV, Section of 52 of Myanmar Investment Law, the Government of Myanmar offers the investor guaranties that no expropriation of investments expects under the following conditions;

- It is necessary for public interest
- It occurs in a non-discriminatory manner
- It is in accordance with due process of law, and
- On payment of prompt, fair and adequate compensation

While Myanmar Investment Law offers the investors the certain guarantees, the law also provides the certain obligations including incorporating and operating under existing laws of the Republic of the Union of Myanmar.²⁹

4.4 Myanmar Sustainable Development Plan

In February 2018 Myanmar Sustainable Development Plan (MSDP) was released. The objective is to connect and align the country's numerous policies and institutions for the purpose of generating implementable solutions to achieve "genuine, inclusive and transformational economic growth"³⁰.

MSDP is a single national strategy that provides an overall framework for coordination and cooperation across all ministries, and all States and Regions to forge a common path towards the emergence of a prosperous and peaceful and democratic country which is the long-term vision of Myanmar. It encompasses five goals, 28 strategies and 238 action plans. It also aligns with the United Nations' Sustainable Development Goals, the objectives of Myanmar Economic Policy.

It contains many references to investment, mainly under Goal 3 Job Creation & Private Sector Led Growth. In particular, Strategy 3.3 lists planned areas of actions to "provide a secure, conducive investment enabling environment which eases cost of doing business, boosts investor confidence and increase efficiencies".

In relation to Rakhine State, it is to be noted that Strategy 1.2.8 intends to "prioritize flows of development assistance and investment into conflict-affected States and Regions" and Strategy 1.2.6 plans to "fully implement recommendations set forth within the Final Report of the Advisory Commission on Rakhine State.

²⁹ Ibid

³⁰ Myanmar Times, "Myanmar Sustainable Development Plan drafted, govt feedback sought", May 16,2018. URL: <https://www.mmtimes.com/news/myanmar-sustainable-development-plan-drafted-govt-feedback-sought.html>

5 OVERVIEW OF RAKHINE STATE

5.1 Brief profile of Rakhine State

Rakhine State is situated at the Westernmost part of Myanmar. It abuts on the border with Magwe and Bago Regions in the East, Ayeyarwady Region and the Bay of Bengal in the South, Bangladesh and Chin State in the Northwest and North. The Rakhine state covers 36,778 square-kilometer in terms of total area and it consists of 17 townships. Sittwe is the capital city of Rakhine State.

The total population of Rakhine state is estimated at about 3.22 million with the population density of 88 people per sq-km. The 16% of the total population live in urban areas while the remaining 84% in rural area. About 70% of people in Rakhine State earn their livings doing businesses related to agriculture while fishery sector is the second largest business sector. Rakhine State possesses an over 360-mile-long strategic coast to access to the Indian ocean.

Rakhine State holds enormous economic potentials because it preserves oil, natural gas fields, maritime resources and strategic coastal line with potential deep seaports to connect the global market. It possesses a unique geographical position which links with South Asia³¹ and the South-East Asian countries. In addition, Rakhine State serves as an essential political as well as economic corridor for Myanmar, connecting the country to regional centers in Africa and the Middle East as well as India. The Rakhine State is crucial for Myanmar's economy although it is located outside the heart land of the country, divided by Rakhine Roma Range.

Rakhine State serves as an essential as well as economic corridor for Myanmar.

It possesses a 360-mile-long strategic coast.

FIGURE 4:
Location of Rakhine State

5.2 Territorial divisions of Rakhine State

Rakhine State is made up of five districts under which there are 17 townships and 9 towns. Under the townships and towns, there are 170 wards and 1,035 village-tracts. Village-tracts are organized with villages. There are 3,738 villages under the village-tracts. Sittwe is the chief city of Rakhine State.



³¹ South Asian countries include India, Bhutan, Nepal, Pakistan, Bangladesh, Sri Lanka and Maldives.

TABLE 8: Populations in the five districts³²

No	District Town	Township	Town	Village-tracts	Village	Population	Remark
1	Sittwe	4	-	260	654	535,583	Without estimated population
2	Mrauk-U	4	1	287	933	669,131	
3	Maungdaw	2	3	174	704	96,330	
4	Kyaukphyu	4	2	170	840	439,923	
5	Thandwe	3	3	144	607	357,840	

5.3 Demographic Information

Like other States and Regions in Myanmar, Rakhine State is home to multi-ethnic groups. However, the ethnic Rakhine makes up the majority and its sub-ethnic groups include Thet, Khamein, Mro, Dainet, Maramagri, and Kaman. There is a sizeable Muslim population, especially in the Northern Rakhine.

According to the Myanmar Population and Housing Census (2014), the total population in Rakhine is 3,188,807 whereas the male population constitutes 47.87% (1,526,402 persons) and the female 52.13% (1,662,405 people) of the total population. The total population of Rakhine State constitutes 6.2% of the total population of Myanmar.³³ The census data also demonstrates that the population of Rakhine State has increased from 5.8% to 6.2% in the period between 1983 and 2014.

FIGURE 5: Territorial divisions

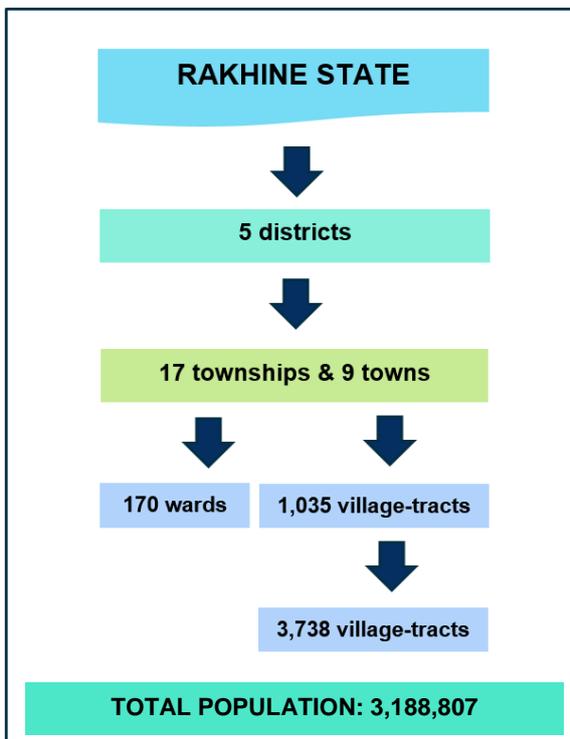


FIGURE 6: Five districts of Rakhine State³⁴



According to the Myanmar Housing Census (2014), approximately 23.2% of the households are female-headed. In addition, the female population in Rakhine State exceeds the population of males whereas the sex ratio (number of males for every 100 females) is 92 which is slightly lower than the Union level ratio of 93 males to 100 females.

³² The 2014 Myanmar Population and Housing Census, Census Report Vol.3-K

³³ Ibid.

³⁴ Ibid.

In terms of age group, the Population and Housing Census data describes that the 62.2 % of the total population is identified as “**economically productive group**” whereas only 6.7% of the population is the age group of over 65 years. The literacy rate of the total population of persons aged 15 years and over is 84.7%, whereas the **male literacy rate** is quite higher than that of the females in the same group. While 92.2% of the male population aged 15 years and above are literate, only 78.7% female are literate.

TABLE 9: **Demographics of Rakhine State**

Total Population	3,188,807	100.00%
▪ Male	1,526,402	47.87%
▪ Female	1,662,405	52.13%
<hr/>		
% of urban population		17.0%
% of rural population		83.0%
<hr/>		
Population density	86.7	per sq-km
Sex ratio	Male: 92	Female: 100
<hr/>		
Literacy rate (15 and over)		
▪ Male		92.2%
▪ Female		78.7%
▪ Total		84.7%
<hr/>		
Children (0 – 14)		31.1%
Economically productive (15 – 64)		62.2%
Elderly population (65+)		6.7%

Labour force participation	Male	Female	Both sexes
▪ Age 10 and over	68.3%	31.7%	48.7%
▪ Age 15 and over	79.3%	35.4%	55.4%
▪ Age 15-64	83.2%	38.1%	58.8%

Employment to population ratio:	Male	Female	Both sexes
▪ Age 10 and over	61.8%	27.5%	43.4%
▪ Age 15 and over	72.4%	31.0%	49.8%
▪ Age 15-64	75.6%	33.2%	52.6%

Unemployment rate	Male	Female	Both sexes
▪ Age 10 and over	9.5%	13.5%	10.9%
▪ Age 15 and over	8.8%	12.5%	10.1%
▪ Age 15-64	9.1%	12.8%	10.4%

5.3.1 Population density

Rakhine State is ranked as the second densely populated state after Shan State among States in Myanmar. The 2014 Census report shows that the population density is 86.7 persons per square kilometer³⁵. This figure displays that it is the 8th most densely populated state in Myanmar. Meanwhile, it also is higher than the Union level population density of 76 persons per square kilometer.³⁶ It has considerably increased in population density from 47 persons per square kilometer in 1973 to 86.7 persons per square-kilometer in 2014.

Among the five districts in Rakhine State, Maungdaw District is the most densely populated area in Rakhine.³⁷ Rakhine State ranks the third lowest proportion of its population living in

³⁵ Ibid.

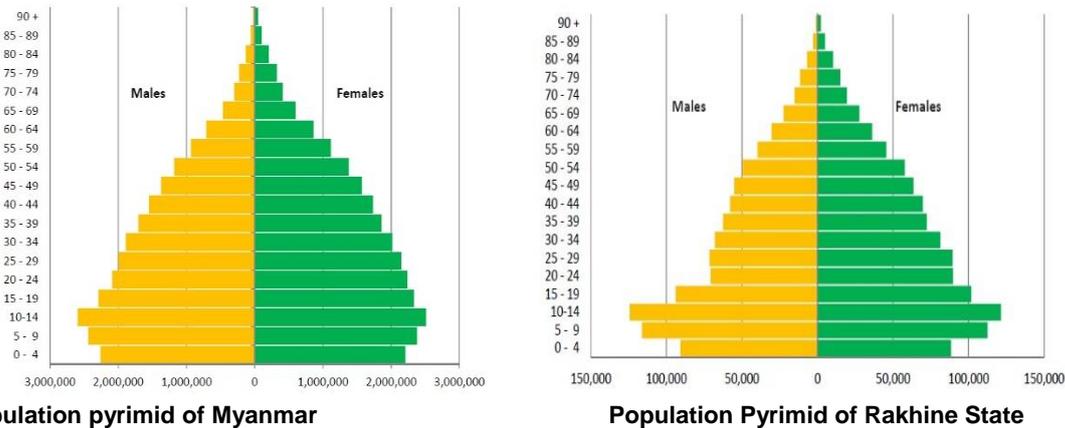
³⁶ Ibid

³⁷ General Administration Department, Rakhine State

urban areas in the country after Ayeyarwady and Magway Regions. About 83% of the total population live in rural areas while 17% reside in urban areas.

5.3.2 Population pyramids of Myanmar and Rakhine State³⁸

FIGURE 7



Like the population pyramids of the most of States and Regions in the country, Rakhine State has a narrow base. This figure shows that there has been a decline in birth rate, with a bulge between the ages of 5 and 19.³⁹ The population pyramid of Rakhine State describes that the proportion of the population has declined from age 20 and above. This can be related with a huge out-migration in Rakhine State.

5.4 Economy

Rakhine State is situated along the Bay of Bengal at the westernmost part of Myanmar, through which India, Bangladesh, and the global markets can be easily connected. Located at the strategic location in the region, Kyaukphyu SEZs and Kaladan Multi Modal Transit Transport Project, which are the two giant projects in the region, will provide Rakhine State a unique comparative advantage in joining the international trading network. Further, the existence of a river network across the state, which can be navigated throughout the year, is a natural gift to connect different port cities inside and its regional counterparts as well.

Although Rakhine State is not in Myanmar’s heartland geographically, it plays a vital role in the country’s economy because Rakhine State holds enormous economic potentials with richness in natural endowments such as oil reserves, natural gas fields, and maritime resources, recreational hotspots, beaches, and historical sites. For people in Rakhine State, such natural endowments are things that will create employment opportunities for the better living condition in the future if they are exploited by responsible investment.

At present, the economy of Rakhine State heavily relies on agriculture and fisheries. In the agriculture sector, rice cultivation takes the major share of total agricultural land, occupying 85% of total land. On the one hand, coconut and nipa palms plantations are also essential for the state’s economy. Fishing is a key industry, with most of the catch transported to Yangon currently.

Rakhine State holds enormous economic potential with richness in natural endowments such as oil reserves, natural gas fields, and maritime resources, recreational hotspots, beaches, and historical sites.

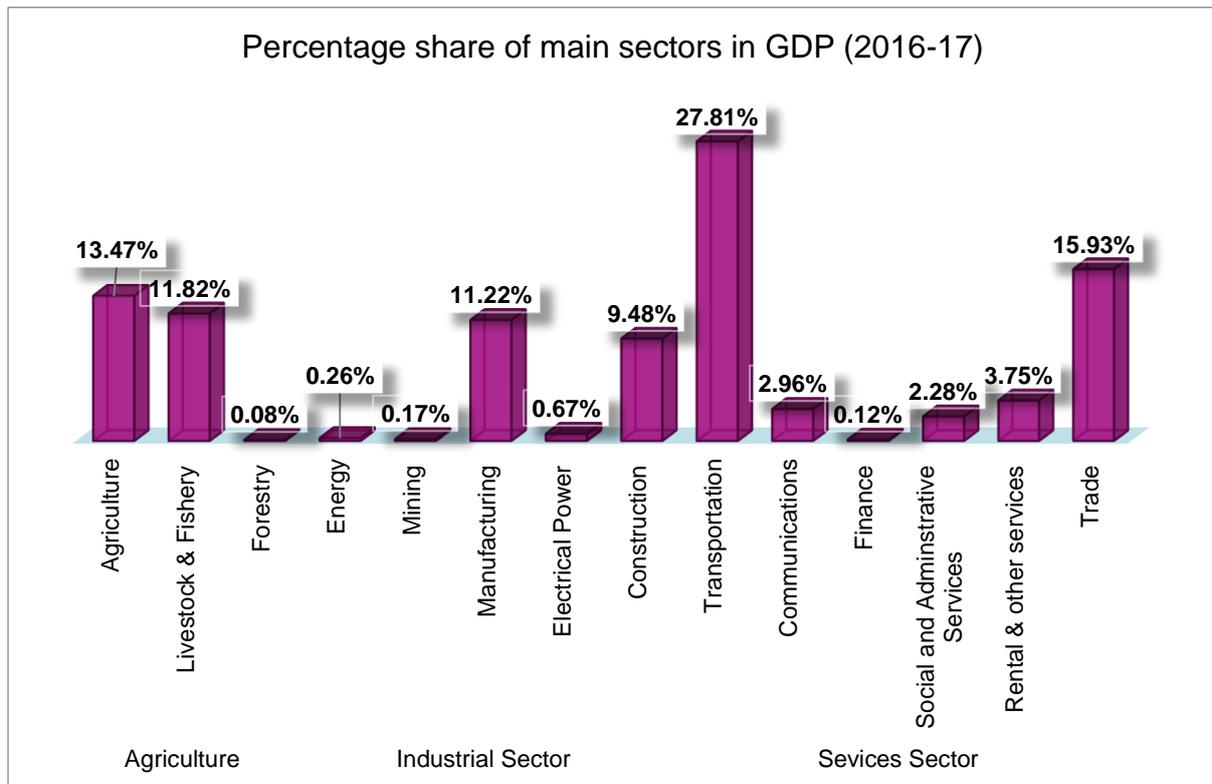
³⁸ Ibid
³⁹ Ibid

TABLE 10: Percentage share of sectors in Rakhine State's GDP⁴⁰

Main sector	Sectors	Kyats in million	% Share
Agriculture	Agriculture	284,047.5	13.47%
	Livestock & fisheries	249,240.2	11.82%
	Forestry	1,623.0	0.08%
Industrial	Energy	5,535.7	0.26%
	Mining	3,507.1	0.17%
	Manufacturing	236,608.7	11.22%
	Electrical power	14,059.4	0.67%
	Construction	200,044.1	9.48%
Services	Transportation	586,667.3	27.81%
	Communications	62,430.4	2.96%
	Finance	2,430.8	0.12%
	Social & administrative service	47,995.5	2.28%
	Rental & other service s	79,038.2	3.75%
	Trade	335,973.9	15.93%
	GDP ►	2,109,201.8	100.00%

According to the Rakhine State Government's statistics (2016-2017), the major sectors that mainly contributed to the state's GDP were agriculture (13.47%) and livestock and fisheries (11.82%) in Agriculture Sector, manufacturing (11.22%) in the Industrial Sector and transport (27.81%) and trade (15.93%) in the Services Sector.⁴¹

FIGURE 8: Percentage shares of main sectors in GDP in 2016-2017⁴²



⁴⁰ General Administration Department, Rakhine State

⁴¹ Department of Planning (2015-2016), Rakhine State

⁴² Ibid

5.4.1 Basic infrastructures in Rakhine State

Improvement of basic infrastructures in Rakhine state is fundamentally important for its economy to function efficiently and to attract investments into the state. Rakhine State stretches from the the Naf River on the border between Bangladesh and Myanmar in the north to Gwa River in the south. There are a lot of sizable offshore islands including Manaung, Yanbye and Myaynu Islands in Rakhine State. The principal rivers of Rakhine state, which run from the north into the Bay of Bengal are Naf, Mayyu, Kaladan and Laymro Rivers. Although Rakhine State is outside the heartland of Myanmar, located at the western-most part of Myanmar, it can be accessible through highway road, sea and air routes.

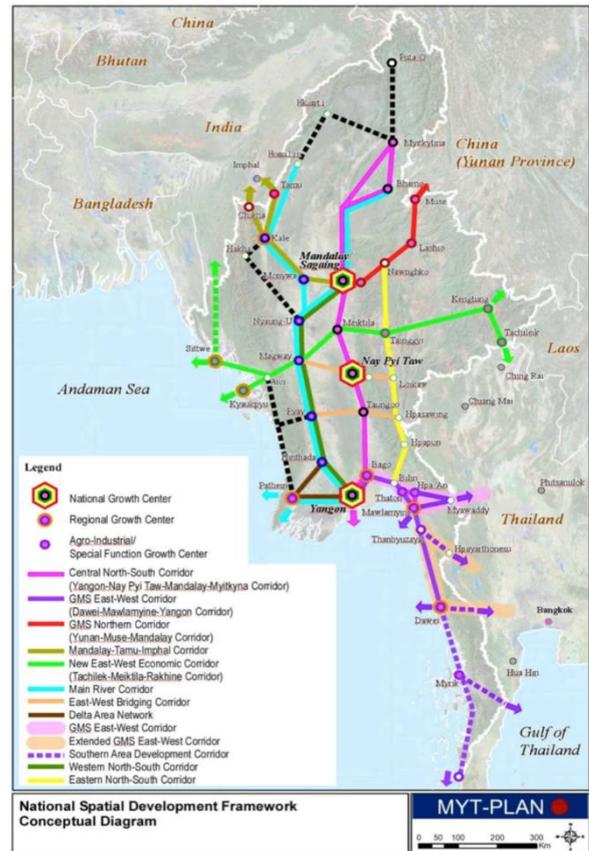


FIGURE 9: National Spatial Development Framework and Road Network Plan⁴³

5.4.1.1 Transportation

I Highway roads

There are three inter-city highways that connect Rakhine State with the rest parts of Myanmar, which are Sittway-Ann-Minbu-Yangon Highway, Taungup-Pyay-Yangon Highway, and Gwa-Ngathaingchaung-Yangon Highway.

TABLE 11: Length of road networks in Rakhine and other States and Regions⁴⁴

Sr	State/Region	Concrete	Bituminous	Metal	Gravel	Earth	Mule	Total (km)
1	Kachin State	25.347	587.820	541.947	970.737	967.417	693.426	3,786.694
2	Kayah State	0	472.040	60.452	99.980	329.111	0	961.583
3	Kayin State	0	831.830	87.609	176.223	723.502	26.554	1,845.718
4	Chin State	0	555.626	528.267	0	861.603	0	1,945.496
5	Sagaing Region	32.186	2,091.544	519.920	715.957	1,124.228	0	4,483.835
6	Tanintharyi Region	0	744.724	323.277	206.600	81.875	0	1,356.476
7	Bago Region	263.328	1,467.823	199.559	122.310	158.118	0	2,211.138
8	Magwe Region	0	2,586.317	341.382	352.347	260.714	0	3,540.76
9	Mandalay Region	202.978	1,861.609	98.773	12.171	23.134	0	2,198.665
10	Mon State	0	729.838	2.414	65.380	82.278	0.604	880.514
11	Rakhine State	36.411	991.356	439.351	182.258	215.853	0	1,865.229
12	Yangon Region	97.365	787.372	87.408	12.070	59.948	0	1,044.163
13	Shan State	65.983	4,902.866	1,236.177	2,142.138	2,606.534	0	10,953.698
14	Ayeyarwady Region	19.312	1,592.245	158.823	488.637	361.801	0	2,620.818
15	Nay Pyi Taw	191.511	223.699	0	0	18.507	0	433.717
	Total (km) ►	934.421	20,426.709	4,625.359	5,546.808	7,874.623	720.584	40,128.504

⁴³ DICA, Long-term Foreign Direct Investment Promotion Plan in Myanmar

⁴⁴ Myanmar Infrastructure Summit 2018, URL: <http://www.myanmarinfrastructuresummit.com/>

II Railways

Although railway transportation is important and cost-effective in transporting local products to the market and ports, Rakhine State has only one rail route that runs on the Sittwe-Mrauk-U-Minbu route and this route is not useable throughout the year.

III Inland Water

Most people in Rakhine rely on inland water transportation for flows of produce/products among different townships, villages in the state. Also, sea route is a major transportation mode for inflow and outflow of goods. The major ports exist at Sittwe and Kyaukphyu while all towns in Rakhine State have jetties.

TABLE 12: **Vessels berthed at Sittwe Port (Quantity and capacity)**

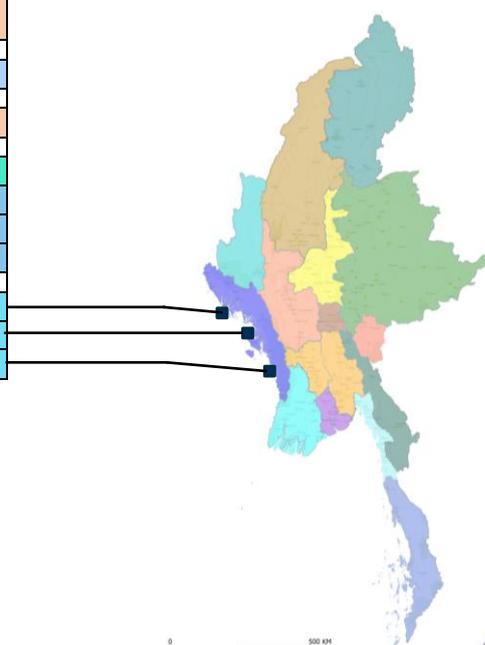
Years (2010/2011-2015/2016)

Port	Year	Number			Gross Tonnage (000)			Net Tonnage (000)		
		Vessels	Schooners	Total	Vessels	Schooners	Total	Vessels	Schooners	Total
ARRIVALS										
Sittwe	2011-2012	326	-	326	339	-	339	133	-	133
	2012-2013	394	-	394	356	-	356	136	-	136
	2013-2014	508	-	508	970	-	970	390	-	390
	2014-2015	498	-	498	736	-	736	285	-	285
	2015-2016	490	-	490	501	-	501	232	-	232
	2016-2017	459	-	459	416	-	416	168	-	168

FIGURE 10: **Major sea ports in Rakhine and other coastal Regions and States**⁴⁵

Ports in Myanmar

Region/State	Coastal length	Major port
Yangon Region		Yangon Ports
Ayeyarwady Region	272 miles	Patheingyi Port
Mon State	670 miles	Mawlamyine Port
Tanintharyi Region		Kawthoung Port
		Myeik Port
		Dawei Port
Rakhine State	443 miles	Sittwe Port Kyaukphyu Port Thandwe Port



⁴⁵ Ibid.

TABLE 13: **Coastal trade of domestic seaports (Out-shipment)⁴⁶ (2005 – 2016)**
(MMK in Millions)

Seaport	2005	2010	2012	2013	2014	2015	2016
Sittwe	6,838.97	1,695.99	689.23	620.80	-	151.57	66.05
Patheingyi	-	-	-	-	-	-	-
Coco Gyun	7.44	-	-	-	-	-	-
Kyaukpadaung	0.51	2.99	0.3	-	-	-	-
Myeik	4,075.40	2,484.36	2,459.02	1,793.27	-	275.63	53.53
Mawlamyaik	1.02	-	0.10	-	-	237.07	70.49
Yangon	19,091.06	19,132.44	17,425.44	19,729.46	18,794.79	22,946.55	15,304.07
Thandwe	4.75	-	-	-	-	-	-
Dawei	347.14	1.55	17.52	-	-	-	3.68
Kawthoung	3,400.06	3,513.89	5,174.39	5,589.01	263.36	16,778.75	10,013.65
Maungdaw	-	-	-	-	-	-	-
Total ▶	33,766.35	26,831.22	25,766.00	27,732.54	19,058.15	40,389.57	25,511.47

IV Airways

Airways is the essential mode of travel between Rakhine and Yangon, the business hub of Myanmar. There are five airports used for air transportation in Rakhine State which are Sittwe Airport, Kyaukpadaung Airport, Thandwe Airport, Ann Airport and Man-aung Airport. The development of airports at Gwa, Mrauk-U and Man-aung are at planning stages.

5.4.2 Telecommunication

The three key operators in Myanmar – MPT, Ooredoo, MyTel and Telenor—are present in Rakhine State. Although mobile penetration rate in Rakhine State and tele-density in Rakhine was lower compared with other regions in Myanmar, this figure is rapidly changing and catching up with the other States and Regions.

5.4.3 Electricity

In Rakhine State, there is a wide disparity between the urban and rural areas in access to the electricity. The majority of households in the rural area rely on wood as the primary source of energy for cooking and lighting. However, households in the rural areas are using the solar battery for lighting at night in the recent years. According to the data by the Ministry of Electricity and Energy, only 20.78% of the total households are electrified in fiscal 2017-2018. Accordingly, the 2014 Census shows that 88.9% of households cannot access the electricity as their source of energy. This figure is higher than the Union level of 69.2%.

TABLE 14: **The total electrified households in 2017-2018⁴⁷**

Sr.	District	Total households	Electrified households	Un-electrified households	% of electrified households
1	Sittwe	109,256	20,709	83,547	23.53%
2	Mrauk-U	145,987	16,899	129,088	11.85%
3	Kyaukpadaung	101,776	19,124	82,652	18.79%
4	Thandwe	83,593	28,511	55,082	34.11%
5	Maungdaw	19,160	5,294	13,866	27.63%
	Total ▶	459,772	95,537	364,235	20.78%

⁴⁶ Statistical Yearbook 2017, CSO, Ministry of Planning and Finance

⁴⁷ Ibid.

The Government of Myanmar is striving for universal access to electricity in Myanmar in 2030. The effort by the Union Government for distribution of electricity to cover the whole state is gaining momentum in recent years. There are four main substations that distribute electricity in the respective township area. Taungup substation, with the capacity of 100 MVA distributes the electricity in Taungup Township, Thandwe Township, Ma Ei Township, and Tha-htay-chaung hydro project. The Ann substation, with the capacity of 45 MVA, distributes electricity in Ann township. The Ponnagyun substation, with the capacity of 100 MVA, provides electricity to Sittwe Township, Kyauktaw Township, Mrauk-U Township, Pauktaw Township, and Ponnagyun Township. The Kyaukphyu substation, with the capacity of 100 MVA, distributes electricity in Kyaukphyu Township and Yanbye Township.

TABLE 15: **230kV primary substations in Rakhine State**⁴⁸

1 Taungup substation	Location:	Taungup	▶	1	Taungup Township
	Voltage ration:	230/66/11 kV		2	Thandwe Township
	Capacity:	100 MVA		3	Ma Ei Township
				4	Tha-htay-chaung Hydrop Project
2 Ann substation	Location:	Ann	▶	1	Ann township
	Voltage ration:	230/33/11 kV			
	Capacity:	45 MVA			
3 Ponnagyun substation	Location:	Ponnagyun	▶	1	Sittwe Township
	Voltage ration:	230/66/11 kV		2	Kyauktaw Township
	Capacity:	100 MVA		3	Mrauk-U Township
				4	Myebon Township
				5	Pauktaw Township
				6	Ponnagyun Township
4 Kyaukphyu substation	Location:	Kyaukphyu	▶	1	Kyaukphyu township
	Voltage ration:	230/66/11 kV		2	Yanbye Township
	Capacity:	100 MVA			

5.4.4 Land utilization

The total landmass area of Rakhine state covers 9,088,053 acres, whereas 18% of the total area is arable land. However, the government data shows that only 14 % of the total arable land is used for cultivation currently. The records show that 1,138,506 acres is used for agriculture in the raining season while the 1,099,853 acres is used for rice plantation.

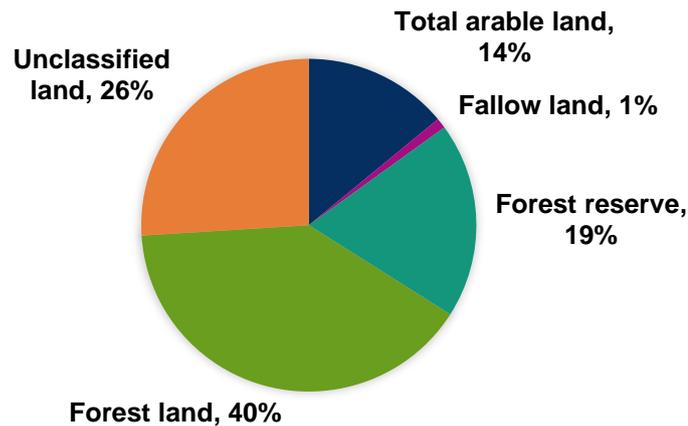
TABLE 16: **Land Utilization Plan (Rakhine State)**⁴⁹

No	Types of land	Total area (Acre)		Share
		2013-2014	2016-2017	2016-2017
1	Total arable land	1,229,251	1,231,503	14%
2	Fallow land	66,557	63,882	1%
3	Forest reserve	1,696,347	1,675,148	19%
4	Forest land	3,531,905	3,547,866	40%
5	Unclassified land	2,297,740	2,298,413	26%

⁴⁸ The Ministry of Electricity and Energy

⁴⁹ Department of Planning (2015-2016), Rakhine State

FIGURE 11: **Types of land by percentage (2016-2017)**⁵⁰



5.4.5 Labor force participation and unemployment

The unemployment rate in Rakhine State is highest compared with other Regions and States' and is higher than the Union level unemployment rate. The statistical data of the census report (May, 2014) shows that around 58.8% of the population aged 15 years and above is economically active whereas the percentage of the economically active population is 67%. The economically active population or "labor force" defined by International Labor Organization, consists of the population aged 15 years and above who are actively working and those who also are not working but are actively seeking jobs.

Rakhine State's employment-to-population ratio: 52.6%, the highest of all other States and Regions)

In terms of employment-to-population ratio which is the proportion of employed people to the total population, the ratio in Rakhine state is much higher for males than females, representing 75.6% for males and 33.2% for female. However, the ratio of employment-to-population ratio in Rakhine is also the lowest among the states and regions in Myanmar.

TABLE 17: **Employment situation in Rakhine State**

	Union	Rakhine State	Remark
Labour force participation rate	67%	58.8%	Rakhine is the lowest. Shan State is the highest at 77.5%
Unemployment rate	3.9%	10.4%	Rakhine is the highest. Shan State is the lowest at 2%
Employment-to-population ratio:	64.4%	52.6%	Rakhine is the lowest. Shan State is the highest at 75.9%.

5.4.6 Border trade

TABLE 18: **Border trade volumes and values**

No	Name	Trade volume (Tons in million)				Trade value (Million USD)
		2014-15	2015-16	2016-17	2017-18	September 2018
1	Sittwe	6.511	6.327	4.649	14.816	258.299
2	Maungdaw	7.774	5.435	5.945	14.328	4.891

⁵⁰ Ibid

5.5 Business sectors prioritized by the Government of Rakhine State

The Rakhine State Government places a strong emphasis on and a balance between equal enjoyment of the benefits of economic development among the public and harmonious development in all business sectors without imposing negative impacts on the socio-economic environment. Based on human resources and natural resources endowment in the Rakhine State, the Government of Rakhine State has prioritized six business sectors for economic development.

These six sectors are as follows:

- 1 **Agriculture**
- 2 **Livestock and fishery**
- 3 **Education and human resource development**
- 4 **Infrastructure and transportation development**
- 5 **Tourism**
- 6 **Development of SMEs and Industrial Zone**



While the role of investment is essential to create economic development, the Rakhine State Government has also put an equal emphasis on responsible investment which doesn't harm the harmoniousness among natural, and social environment and economic growth. On the one hand, it is highly important to be in line with the development policies laid down by the Union Government when the attempts are made for the development of Rakhine State.

6

KEY SECTORS WITH INVESTMENT OPPORTUNITIES

After conducting in-depth interviews with key persons from 12 business sectors, the key business sectors with the most prospective investment opportunities are identified and ranked in order of opportunity levels. Then, the opportunities detailed are analyzed in each sector and presented. Also, the key business firms working in each business sector are also provided with the purpose that the potential investors can communicate with them for the promotion of further investment in these sectors.

The ranking of business sectors with the most prospective investment opportunity

TABLE 19

Ranking of the most prospective sectors for Investment (Based on respondents' views)		
	Sector	Ranking
❖	Fisheries & livestock	1
❖	Agriculture	2
❖	Manufacturing	3
❖	Hotel and tourism	4
❖	Forestry	5
❖	Energy	6
❖	Transportation	7
❖	Construction	8
❖	Healthcare	9
❖	Trade	10
❖	Human Resources	11

KEY FINDINGS: According to selection by the key respondents from 12 business sectors, the top five prospective business sectors with investment opportunity in Rakhine State include: (1) Fisheries & Livestock, (2) Agriculture, (3) Hotel & Tourism (4) Forestry (5) Energy sector.

6.1 FISHERIES & LIVESTOCK SECTOR

6.1A FISHERIES SECTOR

6.1A.1 Overview of fisheries sector

Fisheries is one of the key business sector in Rakhine State's economy. Basically, Fisheries sector can be divided into three categories which are (1) Inland fisheries (2) Marine fisheries and (3) Aquaculture. In 2016-2017, the contribution of fisheries sector to the Rakhine State's GDP represents about 12% of the total GDP.

The vast coastal area and tidal rivers are home to different fish species in Rakhine state. It

has an enormous opportunity to develop fish and prawn farming grounds throughout the coastal areas as well as in farming method to meet the market demand and widen its export market. However, the people are still using traditional method in fishing, fish and prawn farming. As a result, the production rate is generally low compared with other coastal regions like Ayeyarwaddy and Tanintharyi Regions. Regarding the processing and manufacturing of fishery products, there are 9 cold storage factories in Rakhine State.

Key stakeholders in Fisheries Sector

The followings are the key stakeholders of fisheries sector in Rakhine State.

- 1 Rakhine State Government
- 2 Department of Fisheries, Ministry of Agriculture, Livestock and Irrigation,
- 3 Myanmar Livestock and Fisheries Development Bank
- 4 Rakhine State Chamber of Commerce and Industries
- 5 Fisheries-related associations
- 6 Small-scale fishery businesses, fishery workers

Essential laws in Fisheries Sector

The followings are key laws regulating the fishery sector with objectives for sustainable development of fisheries sector, food security, production of safety fishery products and improvement of the production of value-added fisheries product.

- 1 Myanmar Marine Fisheries Law (1990)
- 2 Law Relating to Fishing Rights of Foreign Vessels (1989)
- 3 Fresh Water Fisheries law (1991)
- 4 Aquaculture Law (1989)

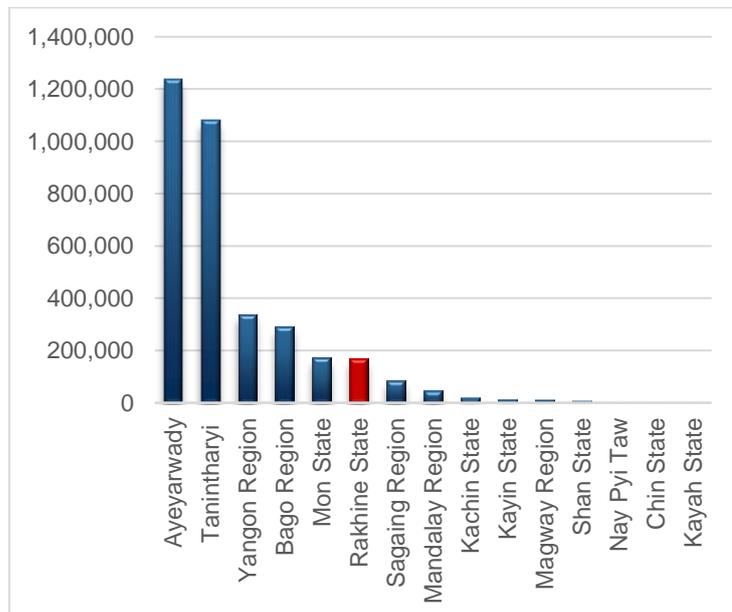
Currently, Rakhine State has 9 cold storages to process fisheries produce.

Comparison of production of fish and prawn by State/Region

In comparison of fish and prawn production, Rakhine State stands at 6th place among States and Regions in Myanmar. However, its 443-mile-long coastal line, offshore islands and coastal rivers are home to different marine species to breed and grow.

TABLE 20: Comparison of total production of fish and prawn by State/Region (2016-17)⁵¹

States & Regions	Total Viss
Ayeyarwady	1,236,856
Tanintharyi	1,081,248
Yangon Region	338,004
Bago Region	289,324
Mon State	172,624
Rakhine State	169,077
Sagaing Region	83,142
Mandalay Region	47,361
Kachin State	20,210
Kayin State	13,969
Magway Region	11,380
Shan State	7,370
Nay Pyi Taw	2,811
Chin State	1,298
Kayah State	956

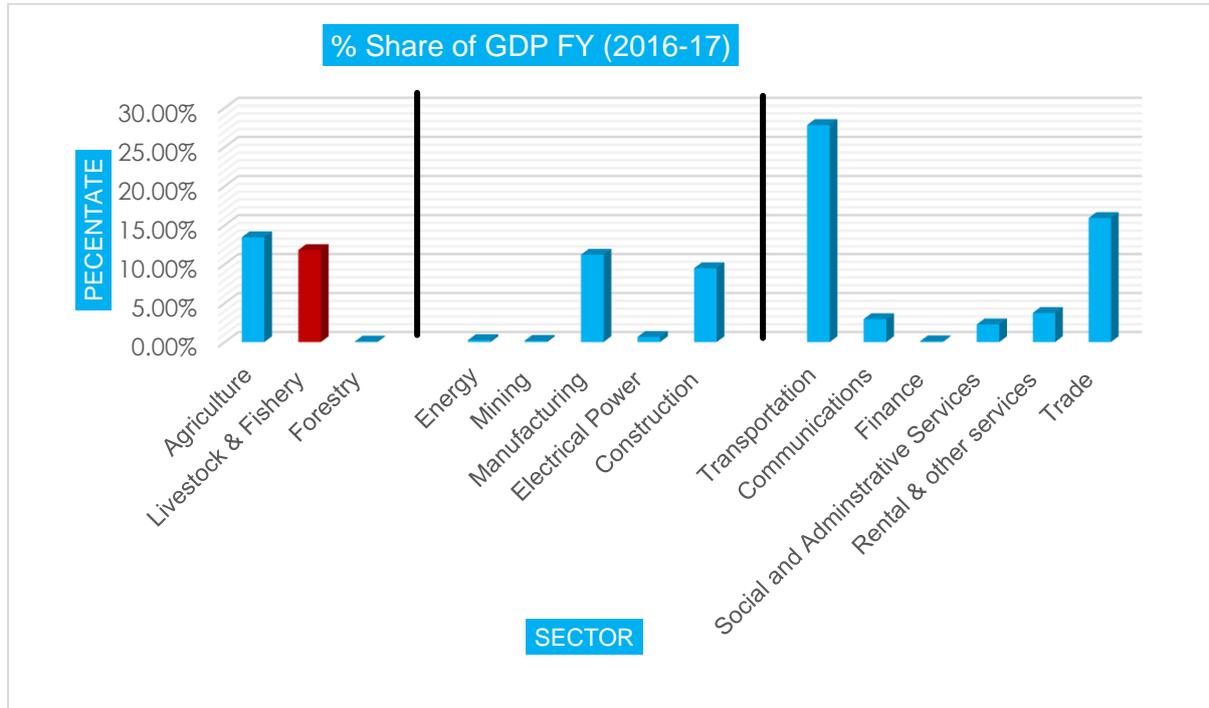


⁵¹ Department of Fishery, Central Statistical Organization (2017)

Share of fisheries sector in Rakhine State's GDP

Fishery & livestock sector represents fourth largest share in the whole economy of Rakhine State.

FIGURE 13: **Share of sectors in Rakhine State's GDP (2016-2017)**⁵²



6.1A.2 Types of fisheries in Rakhine State

Basically, the Fishery Sector can be divided into three categories in Rakhine State, which includes (1) Inland fishery, (2) Marine fishery (3) Aquaculture.

INLAND FISHERIES

Inland fisheries in Rakhine State is divided into two types (a) Open water fishery and (b) Flooded water fishery.

The coastal area of Rakhine State is rich in alluvial tidal areas where fishing is carried out with traditional method.

MARINE FISHERIES

Marine fishery is divided into Coastal and Offshore fishery. The Rakhine State government is authorized to manage and supervise the coastal fishery while the offshore fishery is supervised and managed by the Union Government. Fishing boats are required to register for license for both fresh water and sea water fishing business.

(a) Coastal fisheries

There are two types of coastal fisheries in Rakhine State, which are (a) fresh water fishery and (b) sea water fishery. In fresh water fishery business, people widely use the traditional method and small fishing boat without engine. Mostly, this business is carried out in Sittwe,

TABLE 21: **Categories in Fisheries Sector**

Sr	Category	Main Business
1	Inland Fisheries	Open Water Fishery Flooded Water Fishery
2	Marine Fisheries	Coastal Fishery Offshore Fishery
3	Aquaculture	Fin Fish, Crustaceans and Seaweed

⁵² GAD (2016-2017), Rakhine State

Mrauk-U, and Maungdaw Districts. Sea water fishery is widely carried out throughout Rakhine State. People use both fishing boats without engine and drifters. In coastal fisheries, fishing boats are allowed to operate within 10 nautical miles from the shoreline. The size and capacity of coastal fishing boats is not more than 30 feet long and powered by less than 25 HP engine. Normally, driftnet, gillnet and long line are used in coastal fisheries.

Fishing boats

TABLE 22: Total number of fishing boats in Rakhine State⁵³

Sr	District	Fresh Water		Seawater		Total	
		Motor-boat	Row-boat	Motor-boat	Row-boat	Motor-boat	Row-boat
1	Sittwe	-	1,246	1,345	322	1,345	1,568
2	Mrauk-U	-	998	363	1,582	363	2,580
3	Maungdaw	-	636	-	-	-	636
4	Kyaukphyu	48	88	871	861	919	949
5	Thandwe	20	-	1,709	234	1,729	234
	Total ▶	68	2,968	4,288	2,999	4,356	5,967

(b) Offshore Fisheries

Offshore fishing vessels are allowed to operate beyond the inshore (Coastal) fishing zone to the Exclusive Economic Zone (EEZ). Typically, offshore fishing vessels are more than 30 feet long and powered by more than 25 HP engine. Trawl net, purse seine, and longline are used in offshore fishing.

TABLE 23: Registered fishing vessels

		No of fishing vessels
1	Registered in Rakhine State	9
2	Registered in Nay Pyi Taw	295
	Total ▶	304

6.1A.3 Investment opportunities in coastal and offshore fisheries

Opportunities:	1 Establishment of fish market 2 Cold storage ⁵⁴ , Canning and Packing Factory 3 Manufacturing of fishery products 4 Construction of fishing jetty
Locations:	1 Thandwe 2 Kyaukphyu 3 Sittwe
Potential markets:	1 Domestic market 2 ASEAN 3 India 4 China 5 Japan 6 Western market
Existing firm:	1 Local business
Address:	Rakhine State Chamber of Commerce and Industry Room 1-2 Myoma Bazar, Sittwe Phone: +95 43 21278

⁵³ Department of Fishery, Rakhine State (2018)

⁵⁴ U Soe Moe Aung, the Head of Village, Sat Thwar village, Gwa township. Ph. 09 264098180

DRY RACK FISHERY BUSINESS

Dry rack-fishery business is a prospective business of fisheries sector in Rakhine State. Domestic consumption and the demand for dried fishes are increasing rapidly in the recent years. Business operations are widely carried out in Sittwe, Kyaukphyu and Thandwe Townships. The market demand for dried perch is at the highest state compared to other dried fishery products in the domestic market.

Primary information on dry rack-fishery business in Kyaukphyu⁵⁵

Annual production rate	36,000 viss
Purchase Price	MMK 1,000 – 10,000 per viss of fresh fish
Sale price	MMK 3,000 – 50,000 per viss of dried fish
Storage system	Dried fishes are stored inside the airconditioned room
Labor cost	MMK 150,000 – 400,000 per head
Transportation charges to market	MMK 150 – 200 per viss of dried fish
Mode of transport	By road
Main market	Yangon Fish Market

AQUACULTURE

The main businesses in aquaculture in Rakhine State include fish and prawn farming and crab farming (Soft shell).

(a) Fish farming

Fish farming is carried out mainly in Sittwe District. Total area of fish farming throughout Rakhine State is estimated at about 3,663 acres. The total area of fish farming in Sittwe district in 2016-2017 is 3558 acres. According to the Department of Fisheries, Rakhine State, the total production of fish farming in Sittwe District is nearly 58 tons, which represents over 97% of total production of fish farming in Rakhine State. Other two districts where fish farming is carried out are Maungdaw and Thandwe Districts.⁵⁶

TABLE 24: Total area of fish farming and production rate – by district

Sr	District	Farms (Acres)	Production rate (Ton)
1	Sittwe	3558	57
2	Mrauk U	0	0
3	Maungdaw	23	0.7
4	Kyaukphyu	0	0
5	Thandwe	82	0.08
	Total ▶	3,663	58

6.1A.4 Investment opportunities in fish farming

Opportunities:	1	Breeding farm	Existing firm:	Local business
	2	Culture farm		
	3	Processing and cold storage		
	4	Fish feed and factory		
Locations:	1	Sittwe	Address:	Rakhine State Chamber of Commerce and Industry Room 1-2 Myoma Bazar, Sittwe Phone: +95 43 21278
	2	Mrauk-U		
	3	Maungdaw		
	4	Thandwe		
Potential markets:	1	Domestic market		
	2	Bangladesh		
	3	India		

⁵⁵ U Kyi Win, owner of dry rack-fishery business, Kyaukphyu. Ph: 09 425 65012

⁵⁶ Department of Fishery, Rakhine State

(b) Prawn farming and production

TABLE 25: Prawn farming and production – by district⁵⁷

Sr.	District	Farms (Acre)	Production rate (Ton)
1	Sittwe	47,073	1,245
2	Maruk-U	20,693	437
3	Maungdaw	15,331	3,366
4	Kyaukphyu	29,502	6
5	Thandwe	1,351	0.7
	Total ▶	113,950	5,055

6.1A.5 Investment opportunities in prawn farming

Opportunities:	1 Cold storage 2 Feed production plants 3 Freshwater prawn/shrimp farming
Locations:	1 Sittwe 2 Mrauk-U 3 Kyaukphyu 4 Thandwe
Potential markets:	1 China 2 Singapore 3 Thailand 4 Japan
Key business firm:	Local shrimp and prawn businesses
Key player:	Myanmar Fisheries Federation (Rakhine State)
Address:	Rakhine State Chamber of Commerce and Industry Room1-2 Myoma Bazar, Sittwe Phone: +95 43 21278

(c) Crab (soft shell) farming

In many areas of Rakhine State, crab farming is widely carried out. Mud crab farming and soft-shell crab farming are profitable businesses with strong domestic and international markets. Mud crab breeding is carried out on small scales by local people in villages. Soft crab farming is carried out in Sittwe and Kyaukphyu Districts to export to foreign markets.

6.1A.6 Investment opportunities in soft-shell crab farming

Opportunities:	1 Mud crab farming 2 Crab (soft shell) farming 3 Processing and packaging plant
Locations:	1 Sittwe 2 Kyaukphyu
Potential markets:	1 China 2 Thailand 3 Japan
Key business firm:	1 Local mud crab business 2 The Best Season Co Ltd 3 Silver Fishing Island Manufacturing Co Ltd

⁵⁷ Department of Fishery, Rakhine State (2018)

Key player:	Myanmar Fisheries Federation (Rakhine State)	
Address:	1	The Best Seafood Co Ltd ADDRESS: Amyint Kyun Village, Ponear Kyun Township, Sittwe. Ph: +95 942 3729323
	2	Silver Fishing Island Manufacturing Co Ltd ADDRESS: Zaytiya village, Kyauk phyu Township. Ph: + 95 42 17 29 887

Primary information on key soft-shell crab farming firm at Sittwe

The Best Seafood Co Ltd

Company:	The Best Seafood Co Ltd
Type of business:	Soft Shell Crab Factory (JV with Sunflower Co)
Total number of employees:	60 – 108
Total number of ponds:	8
Area of a pond:	3 acres
Salary range:	MMK 100,000 – 270,000
Total juvenile crabs per pond:	280,000 – 300,000 crabs
Prices of crabs:	MMK 3,000 – 6,000 per kilogram
Type of feed:	Fresh fishes
Total feeds per day:	1 ton of fishes (800 – 850 viss) for a pond with 300,000 crabs
Production rate:	3,500 – 4,000 soft shell crabs per day
Mode of transport:	By road

6.1A.7 SWOT Analysis of the Fisheries Sector

SWOT ANALYSIS		VIEWES OF RESPONDENTS
STRENGTHS		<p>“Fisheries sector is the prospective sector to do investment. Especially, prawn farming business. The prawn and fish produced can be exported to Middle East, Bangladesh. Crab (Soft Shall) farming has been already existed in Rakhine. The crabs are exported to China, Thailand and Bangladesh”⁵⁸</p> <p>“In the past, there were about 20 Cold Storage Factories in Rakhine State. However, there are only 8 Cold Storage Factories operating in Rakhine. The main reasons of decline in number of Cold Storage Factories is that the transportation is getting smoother in the recent years. It takes only 24 hours to get to Yangon from Sittwe and only 13 hours from Kyuak Phyu to Yangon. Therefore, the value-added products are only produced in Yangon rather than Rakhine State”⁵⁹</p> <p>“Investment in cold storage factories is very prospective because fishes, shrimps can be purchased and can be packaged to export to foreign market”⁶⁰</p>
	<ul style="list-style-type: none"> • Existence of long coastal line • Resourceful in coastal lands • Proximity to foreign market • Existence of pool of labor 	
WEAKNESSES		
	<ul style="list-style-type: none"> • Lack of modern technology • Financial Constraints 	
OPPORTUNITIES		
	<ul style="list-style-type: none"> • Upgrading fishing jetty • Processing, manufacturing of fisheries products • Cold storage, canning and packaging industries • Research and development 	
THREATS		
	<ul style="list-style-type: none"> • Outbreak of seasonal storms 	

⁵⁸ U Than Hlaing, Former Chairperson of Mrauk U Hotel, Inn Pauk Wa Co Ltd. Ph: 09 783331110

⁵⁹ U Soe Naing, Director, the Department of Fisheries, Sittwe. Rakhine State

⁶⁰ U Tun Tun Naing, Manager, Linn Aung Cold Storage Factory, Thandwe township. Ph: 09 421730122

6.1B LIVESTOCK SECTOR

6.1B.1 Overview of Livestock Sector

Mostly, livestock breeding is carried out in rural areas in Rakhine State, particularly by land-less households which breed for earning supplementary income. A few households in urban areas also raise animals for making money. Livestock sector contributes substantially to the GDP of Rakhine State. Livestock & Fisheries Sector represents 11.82% of the total GDP in FY 2016-2017. It also takes the second largest share of the Main Agriculture Sector which includes Agriculture, Livestock & Fishery and Forestry.

Key stakeholders in Livestock Sector in Rakhine State

The main stakeholders in Livestock Sector of Rakhine State are as follows:

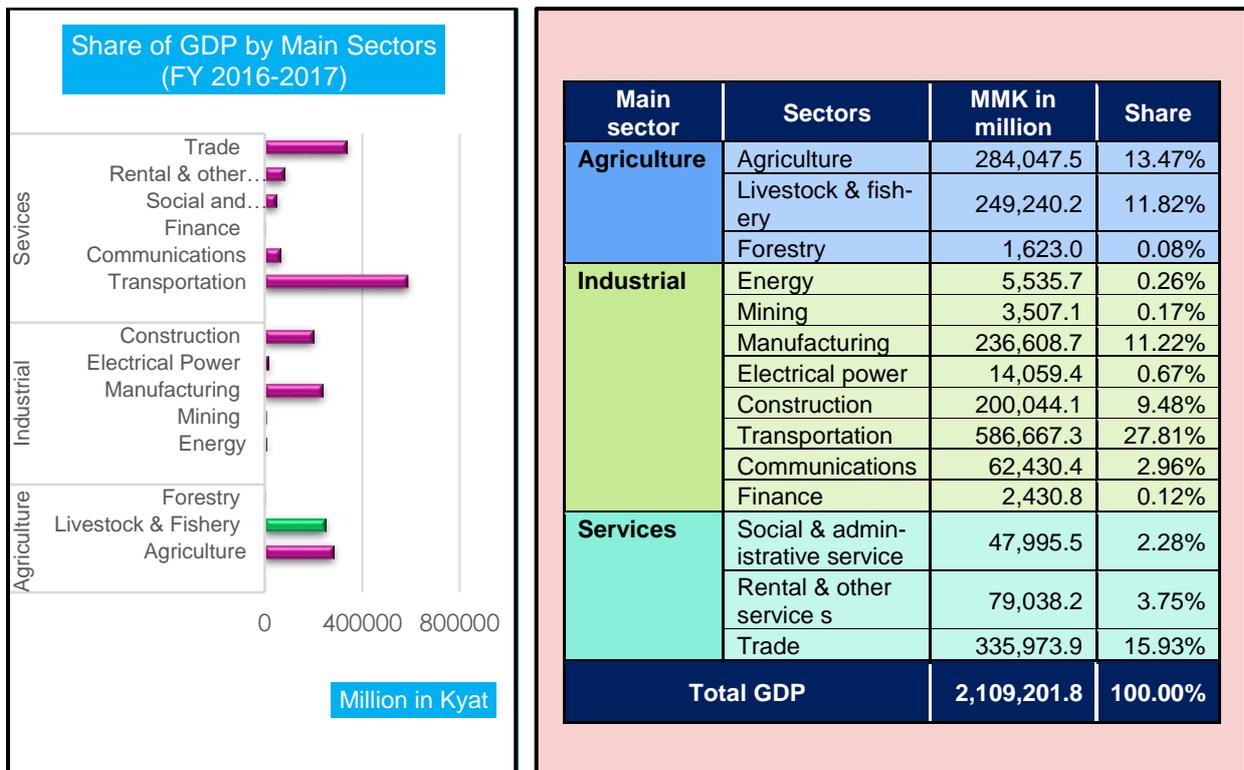
- 1 Rakhine State Government
- 2 Myanmar Livestock Association (Rakhine State)
- 3 Myanmar Livestock Society Developer Co Ltd
- 4 Rakhine State Chamber of Commerce and Industry⁶¹

Essential laws in Livestock Sector in Rakhine State

- 1 Animal Health and Development Law, 1993
- 2 Law amending Animal health and Development Law, 2010

Share of Livestock Sector in Rakhine State's GDP

FIGURE 14: Share of Livestock & Fisheries Sector in Rakhine State's GDP (2016-17)⁶²



⁶¹ Rakhine State Chamber of Commerce and Industry, Room No 1-2, Myoma Bazaar, Sittwe. Ph: +95 43 212 78

⁶² General Administration Department, Rakhine State (2016-2017)

6.1B.2 Main livestock breeding in Rakhine State

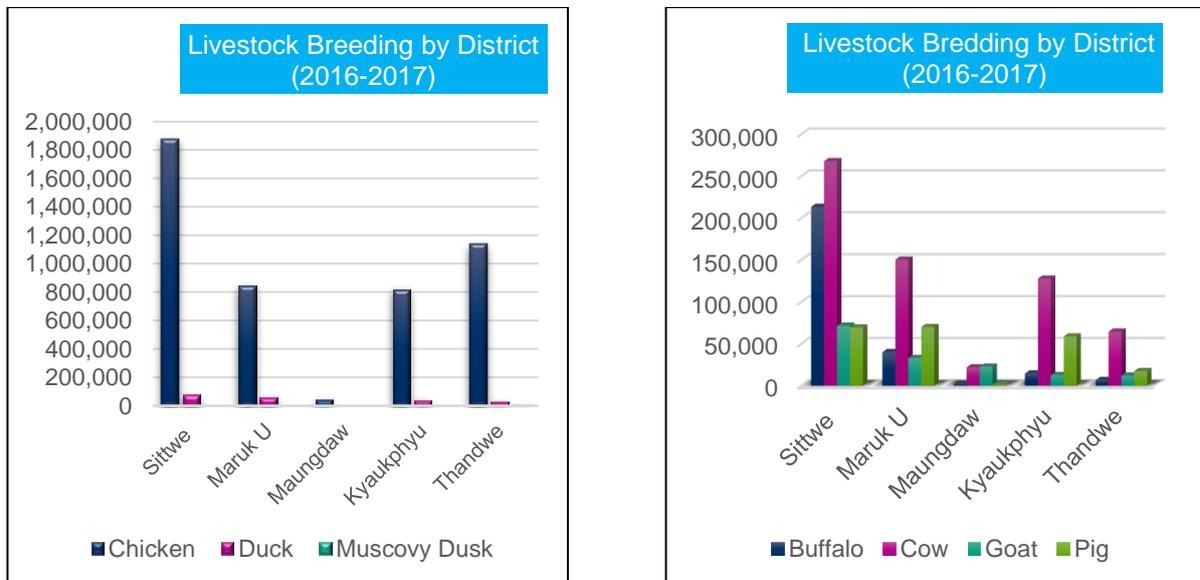
The following table shows the total number of head of animals raised in five districts of Rakhine State in fiscal 2016-2017.

TABLE 26: **Livestock breeding – by district (2016-2017)**⁶³

Sr	District	Buffalo	Cow	Goat	Pig	Chicken	Duck	Muscovy Dusk
1	Sittwe	213,306	267,737	71,434	69,291	1,878,193	76,875	1,164
2	Maruk U	39,971	150,265	32,869	69,854	846,102	59,630	-
3	Maungdaw	1,937	1,763	22,631	1,037	42,131	1,311	528
4	Kyaukphyu	14,392	127,614	12,565	58,633	817,890	40,592	340
5	Thandwe	6,644	64,446	11,916	17,307	1,136,300	27,739	7,343
	Total ▶	276,250	631,825	151,415	216,122	4,720,616	206,147	9,375

By comparison, livestock breeding is carried out widely in Sittwe District whereas Mrauk-U District and Kyaukphyu District are the second and third districts where livestock breeding is carried out in 2016-2017.

FIGURE 15: **Total livestock breeding – by district (2016-2017)**



CP CHICKEN BREEDING

CP chicken breeding is carried out in Kyaukphyu, Sittwe and Thandwe Townships. The number of CP chicken breeders has increased due to the fast growth rate and cost-effectiveness of the birds. The main supporting group to the local CP chicken breeders is the Myanmar CP Livestock Company Limited. The company provides the chicks, feed and required medical supports to the breeders. CP chicken breeding business is more profitable for the farmers compared to breeding local chickens because the growth rate of local chicken is slow compared with that of the CP chicken. Farmers can secure MMK 600,000 –800,000 per coup (about 200 head) ready for slaughter⁶⁴.

⁶³ Ibid

⁶⁴ The Global New Light of Myanmar, URL: <http://www.globalnewlightofmyanmar.com/c-p-expands-its-breeding-operations-in-rakhine-state/>

Primary information on chicken breeding at Sittwe⁶⁵

CP Poultry Farming

Type of business:	CP Poultry Farming
Types of breeds:	White CP broiler chicken
Source of breeds:	Myanmar CP Livestock Co Ltd.
Feeds:	Corn (30%), broken rice (30%), fish powder (40%)
Total No of chicken produced:	360,000 (Approx.) one breed
Salary of employee per month:	MMK 500,000 for one coup that can host about 2,000 chickens
Market:	Domestic markets
Source of market information	Survey research by the company
Mode of transport	By road

CATTLE BREEDING

Primary Information on cattle breeding at Kyauktaw Township⁶⁶

Thinbaw Kwe village cattle farm

Location:	Thinbaw Kwe village, Kyauktaw Township, Mrauk-U District
Types of breed:	95 cows 120 buffaloes
Method of breeding:	<ul style="list-style-type: none"> Breeding in open area. Cows and buffalo are free in mountains and virgin land area. Over 20 buffalo calves and 30 cow calves are born naturally. Only 3 to 6 employees are required for herding throughout the year.
Main feed:	Bamboo leaves, grasses and straws
Current price:	MMK 450,000 – 600,000 per head (3- to 4-year-old buffalo) MMK 400,000 – 500,000 per head (grown-up cow)
Main market:	Domestic market (because of no export license for exporting into foreign market)
Potential markets:	Bangladesh and India

Primary Information on cow breeding at Ponnagyun Township⁶⁷

Dairy cow breeding

Type of farming:	Dairy cow breeding
Total number of dairy cows:	28 (Foreign) and 8 (Local)
Total farm land area:	30 acres
Sources of feed:	Mandalay and Yangon Nevia grass cultivated in the farm
Monthly volume of feed used:	Soft bamboo feed (600 kg = 30 bags x 20 kg per bag) Feed rod (1,500 kg = 30 bags x 50kg per bag)
Daily milk production rate:	55 liters per 5 dairy cows
Current price of adult cow	MMK 400,000 – 700,000

⁶⁵ U Kyaw Ko Ko Latt, Manager. C.P Poultry Farming. Address: Bogyoke Road, Sittwe. Ph:09 255704399

⁶⁶ U Tun Aye Thar, the Owner of Cattle Breeding Farm Address: Thinbwa Kwe Village, Kyauk Taw township, Mrauk U District

⁶⁷ U Hla Tun Kyaw, Padaethar Farming, Ponnagyun Township. Ph: 09 767950933

6.1B.3 SWOT Analysis of the Livestock Sector

SWOT ANALYSIS		IEWS OF RESPONDENTS
STRENGTHS		<p>“For chicken breeding, land can be easily available. The demand for chicken from Hotels and Tourism sector here is increasing. Therefore, Livestock breeding is prospective business for both domestic and export market.”⁶⁸</p> <p>“Electricity is important for lighting in the poultry farming. Light help poultry chicken to be productive and findings foods”⁶⁹</p> <p>“The major weakness in livestock sector in Rakhine State is that livestock breeders and farmers do not possess Form 105, which is a legal document of possession of land. Therefore, it is difficult to support and get loan from banks.”⁷⁰</p> <p>“Livestock breeding is a highly prospective business in Thandwe Area because the hotels’ demand for meats, chicken, pork and beef and seafoods is rapidly increasing. As the country is opening, the number of hotels in this region will be increasing as the tourism sector is developing. Therefore, investment in livestock breed is highly prospective”⁷¹.</p> <p>“Grass farming (culture) is prospective business because virgin lands are abundant in Rakhine State. Virgin Land Law has been already approved. This law confers the authority to the State government to grant 50-60 acres of virgin. There are over 700 companies that applied for the usage of virgin land”⁷²</p> <p>“Dairy cow breeding at Man Aung Island is a prospective business for doing investment”⁷³</p>
	<ul style="list-style-type: none"> Land availability Proximity to domestic and foreign markets Strong demand in local market 	
WEAKNESSES		
	<ul style="list-style-type: none"> Lack of modern technology in livestock breeding, farming and production Financial constraints Legal constraints Lack of electricity 	
OPPORTUNITIES		
	<ul style="list-style-type: none"> Production of animal feed Livestock breeding Frozen meat processing plant Veterinary clinic Research and Development Contract farming 	
THREATS		
	<ul style="list-style-type: none"> Harsh weather including storms Outbreak of livestock diseases 	

⁶⁸ U Min Than Hteik, the Owner, Yin Min Htike -Travel & Tour Company, Thandwe Township. Ph. 090421730810

⁶⁹ U Kyaw Ko Ko Latt, Manager, CB Company: Poultry Farming. Ph.09 255704399

⁷⁰ U Min Oo, Nay Chi Thwe Thit Chicken Farming, West Sanpya Ward, Sittwe. Ph: 09 -896908968

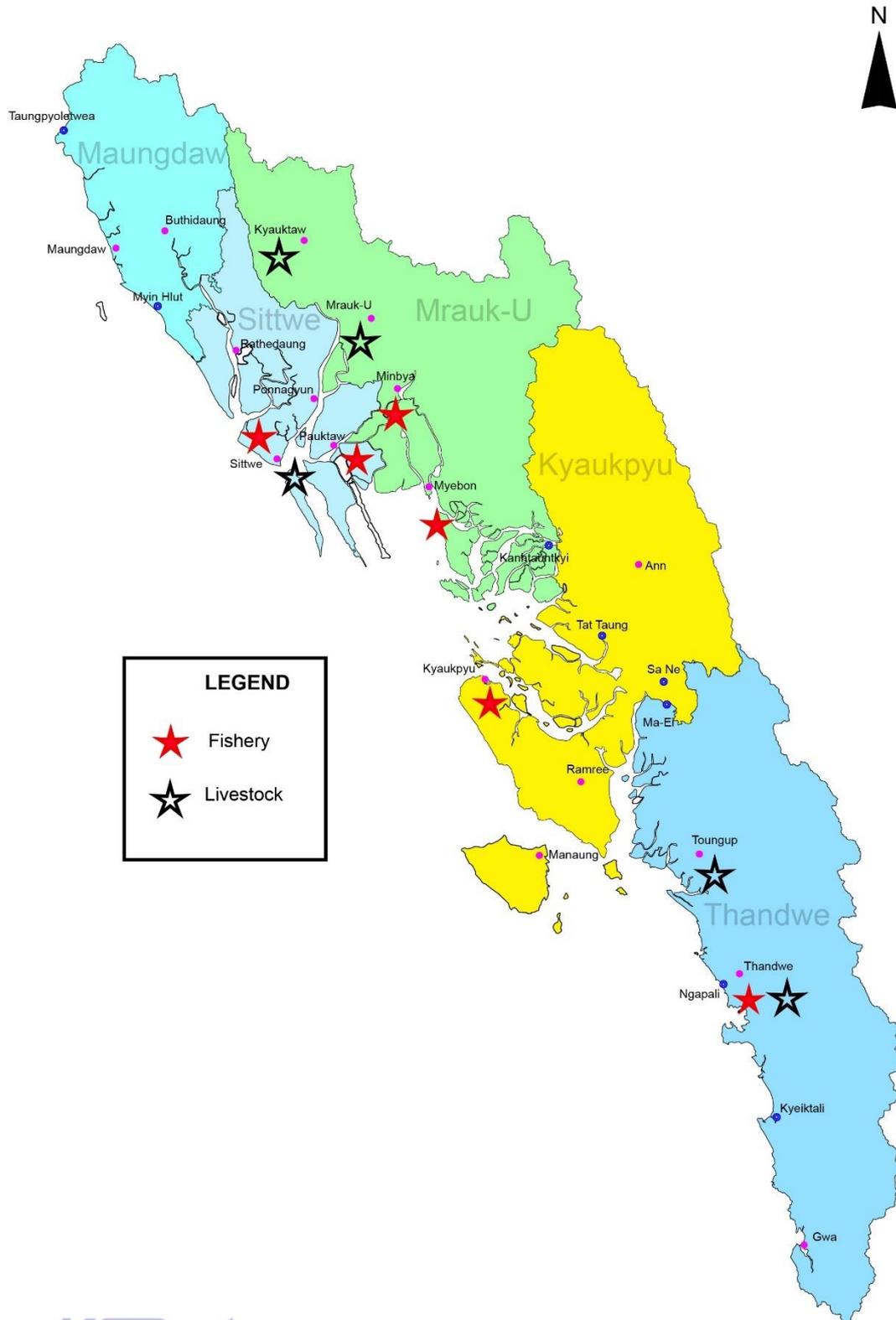
⁷¹ U Ali Ko, Resident Manager, Amazing Ngapali Resort Hotel, Ph.09 402773606

⁷² Dr. Nay Naing Htoo, Myanmar Livestock Development Co Ltd. Ph. 09 250290261

⁷³ Dr. Than Naing, Director, Livestock Breeding and Veterinary Department, Sittwe. Ph: 09 85023083

LIVESTOCK & FISHERIES SECTOR

Existing and potential places for doing business in Livestock & Fisheries Sector



6.2 AGRICULTURE SECTOR

6.2.1 Overview of Agriculture Sector

Agriculture sector is one of the backbone sectors of Rakhine State's economy. Over 18% of total land area is arable in Rakhine. But only 14% of this arable land is used to cultivate different crops throughout Rakhine State. The main crop cultivated is paddy (rice) while oilseed crops, different types of ground nuts and seasonal vegetables are also cultivated. Paddy (rice) is mainly cultivated in the rainy season. In the present time, Rakhine State has over one million acre of paddy cultivated land in the rainy season, but only (0.20%) of total land can be used for sowing a high-yield seed.

Agriculture sector takes an essential role for food security for households in rural areas. Also, it employs the majority of rural residents. Although agriculture sector is one of the key sectors for Rakhine State's economy, this sector is in the subsistence farming stage. Farmers cannot afford to use modern agricultural machinery, quality seeds for higher level of output and productivity. Despite such difficulties, abundance in agricultural land, availability of freshwater in Kaladan, Laymro and Mayyu river basins and concentration of labor in rural areas are existing opportunities to investment in agriculture sector.

Key stakeholders in Agriculture Sector

The followings are the key stakeholders in agriculture of Rakhine State.

- 1 Rakhine State Government
- 2 Department of Agriculture, Ministry of Agriculture, Livestock and Irrigation
- 3 Agricultural Mechanization Department
- 4 Myanmar Agricultural Development Bank
- 5 Rakhine State Chamber of Commerce and Industry
- 6 Rakhine Rice Public Company Limited⁷⁴
- 7 Kyauktaw Public Company Limited
- 8 Small and Medium-scale farmers

Main crops sown in Rakhine State

The main crops sown in Rakhine State include paddy (rice), green gram, cashew nut, and different types of oilseed crops

The following table shows the key crops mostly cultivated in five districts. In Mrauk U district, Paddy and Green Gram plantation are widely carried out whereas Cashew nut is cultivated in Kyauk Phyu District.

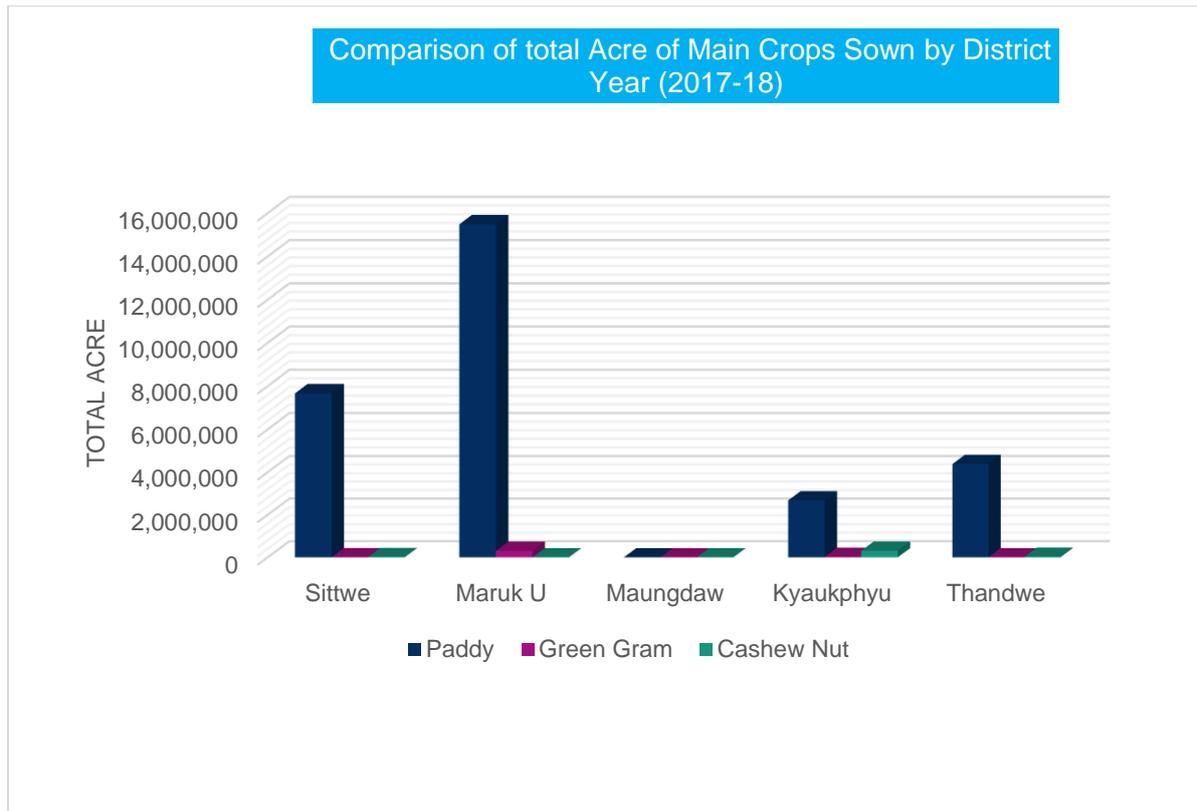
TABLE 27: **Total acreage of main crops sown in districts in Rakhine State (2017-18)**⁷⁵

Sr	District	Paddy	Green gram	Cashew nut
		(Acre)		
1	Sittwe	269,868	273	209
2	Maruk-U	300,070	19,807	808
3	Maungdaw	67,348	-	640
4	Kyaukphyu	162,933	1,535	11,351
5	Thandwe	130,233	-	431
	Total ►	930,452	21,615	13,439

⁷⁴ Rakhine Rice Public Company Limited. Address: Kone Tan Ward, Sittwe, Ph: + 95 9 25 1132605

⁷⁵ Biyearly Report (2018), General Administration Department, Rakhine State

CHART 16: Total acreage of main crops sown in Rakhine State - by district ⁷⁶



CEREALS

Rice

Rice (Paddy) is a widely cultivated crop throughout Rakhine State. The most popular type of rice among farmers are Paw Sann Hmwe and Paw Sann Yin. Mainly, rice is cultivated in Kyauktaw, Mrauk-U, Minbya, Buthidaung and Maungdaw Townships⁷⁷. It is also cultivated in Thandwe Township. For investors who interested in doing investment in Agriculture sector, contract farming is the prospective businesses in Rakhine State.⁷⁸

TABLE 28: Yearly sown acres of cereals (paddy, wheat, maize) in Rakhine State (2009-2017)⁷⁹

Year	Paddy	Wheat	Maize
	(Acre)		
2009-10	1,237,476	3	140
2010-11	1,237,495	-	163
2011-12	1,143,019	-	86
2012-13	1,133,038	-	39
2013-14	1,128,732	-	39
2014-15	1,123,597	-	38
2015-16	1,116,660	-	571
2016-17	1,113,159	-	50

For investors, contract farming is a recommended business.

⁷⁶ Ibid

⁷⁷ U Aung San Thar, Deputy Directory, The department of Agriculture, Rakhine State

⁷⁸ Ibid

⁷⁹ Statistical Yearbook 2017, Central Statistics Organization

FIGURE 17: Trend of paddy cultivation (2009-2010 – 2016-2017)

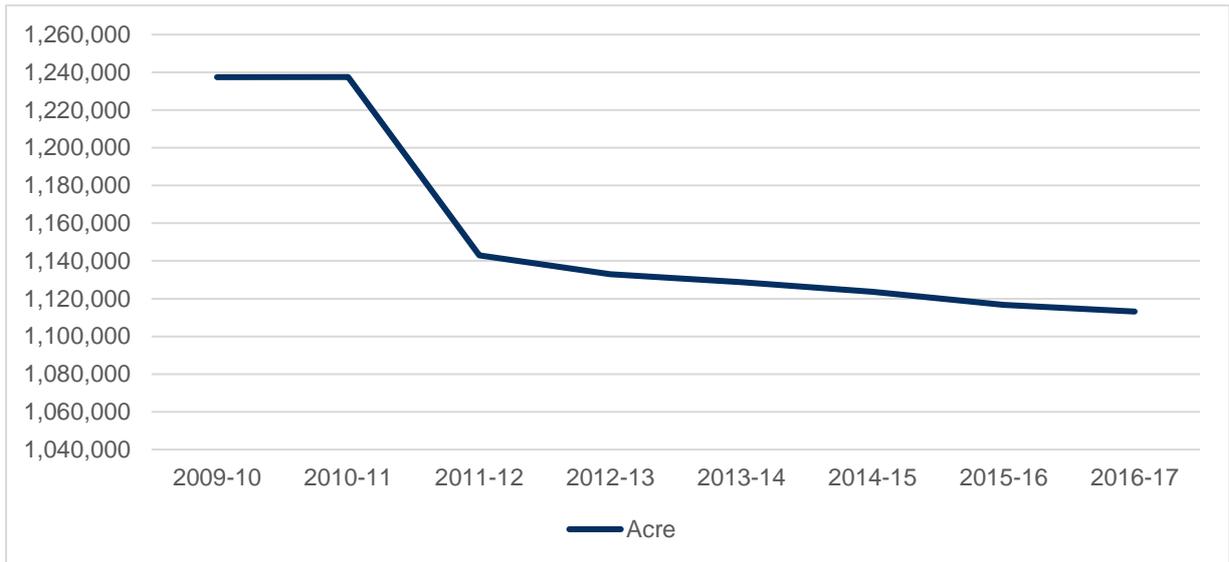


FIGURE 18: Trend of maize cultivation (2009-2010 – 2016-2017)

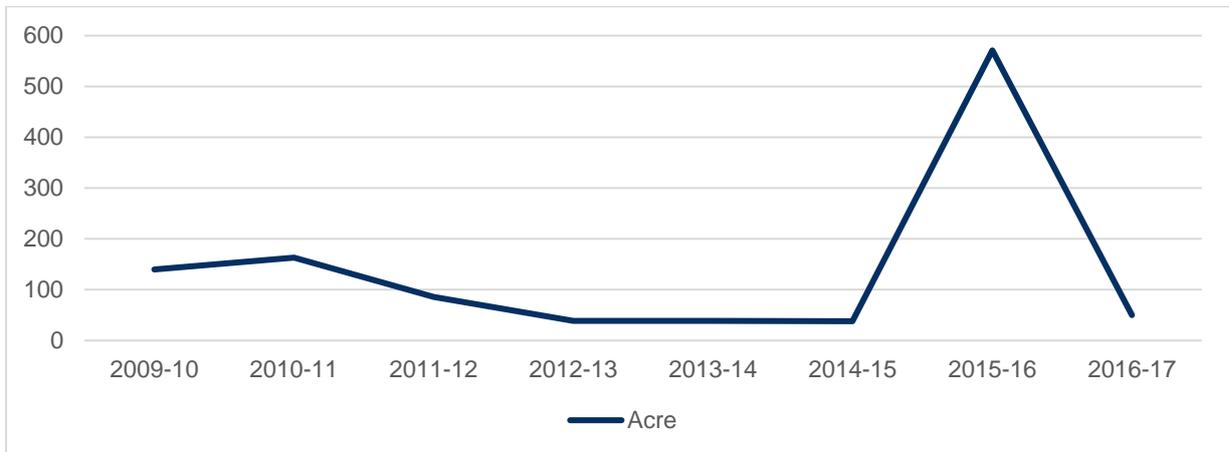
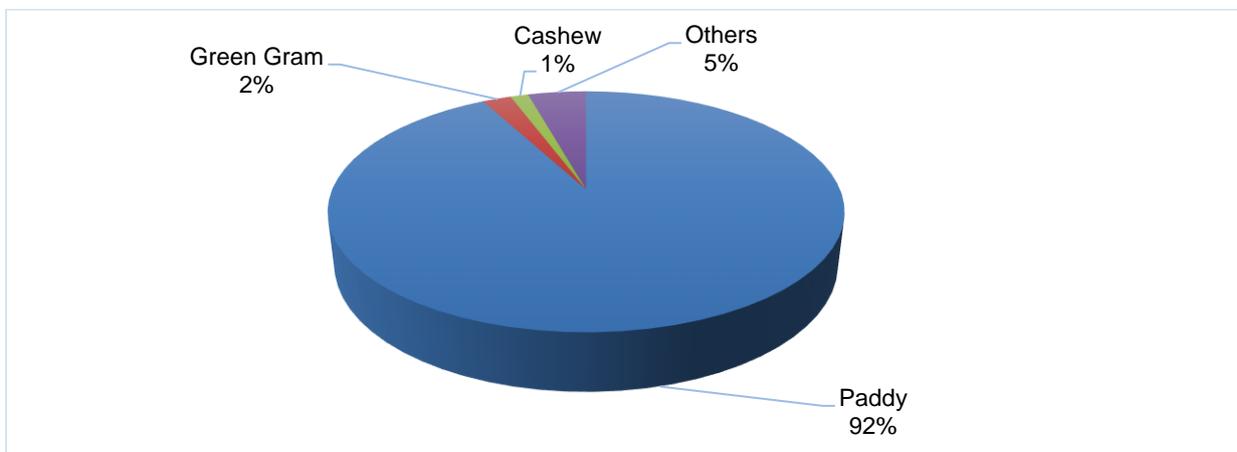
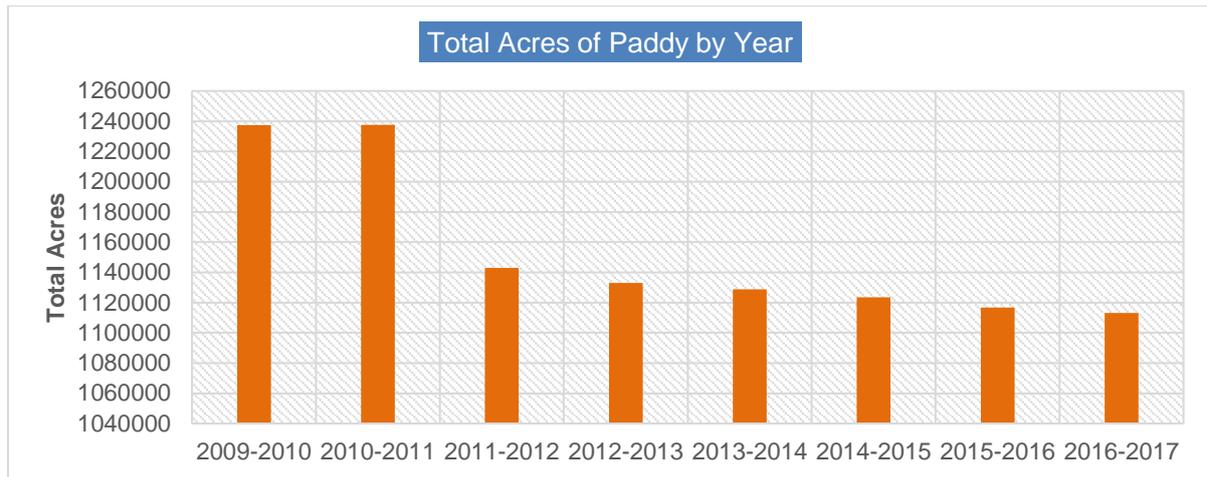


FIGURE 19: Percentage share of main crops under cultivation in Rakhine State⁸⁰



⁸⁰ Central Statistic Organization (2016-2017)

FIGURE 20: Total acreage of paddy – by year (2009-2010 – 2016-2017)



Primary information on production and processing industry in agriculture⁸¹

Diesel-powered Rice Mill (Thandwe)

Type of business:	Diesel powered Rice Mill
Place:	Thandwe Township
Availability of raw materials:	Over 100,000 tons annually
Type of raw materials:	Rice, groundnut, land
Labor cost:	MMK 5,000 -10,000 kyats per head per day
Type of rice product:	Sinn Thwe Latt, Roe Gyi, Ma Naw Thukha, Zee Wa, Kauk Kyee
Annual production rate:	80,000 - 90,000 tons annually
Export market:	Domestic markets
Mode of transport	By road
Average transport cost	MMK 500,000 per 12-wheel truck

OILSEED CROPS

Groundnut (peanut) cultivation

Groundnut and sesame are widely cultivated in Mrauk-U, Kyauk Taw, Minbya Townships where there are wide freshwater and alluvial lands. Mostly these crops are cultivated in winter season. The harvested crops are sold to domestic market like Magwe Groundnut Market in Magwe Region⁸². Export markets such as Bangladesh and India are close to Rakhine State, Groundnut and sesame cultivation is seen as the prospective sector to invest as It can be directly exported to India market after completion of Kaladan Multi Modal Transit Transport Project.

TABLE 29: Yearly sown acres of groundnut and sesame in Rakhine State (2009-2017)⁸³

Year	Groundnut	Groundnut (Winter)	Sesame (Early)	Sesame (Late)
2009-10	2,545	95,247	3,828	1,036
2010-11	2,573	97,839	3,894	1,056
2011-12	2,261	88,437	3,897	802
2012-13	2,122	85,558	3,751	311
2013-14	2,092	86,662	3,702	334

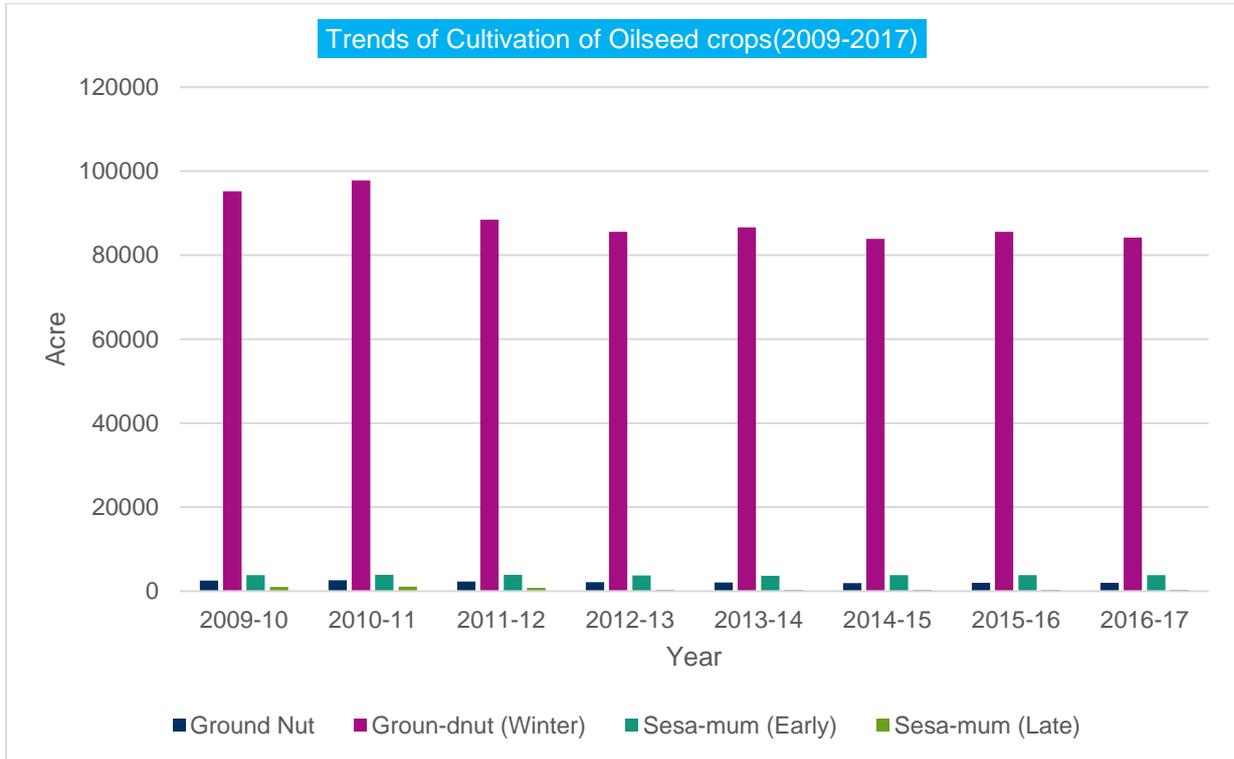
⁸¹ U Myo Win, the Chairperson, Rice Mills Association (Thandwe), Ph: 09 421756978

⁸² U Mg Win Soe, Groundnut Farming and Oil mill. No.136, Saw Pyi Nyo Street, Kyauktaw

⁸³ Ibid

2014-15	1,944	83,867	3,794	300
2015-16	1,963	85,552	3,818	342
2016-17	1,987	84,171	3,807	325

FIGURE 21: Trends of cultivation of oil seed crops



PULSES

Matpe (Black gram)

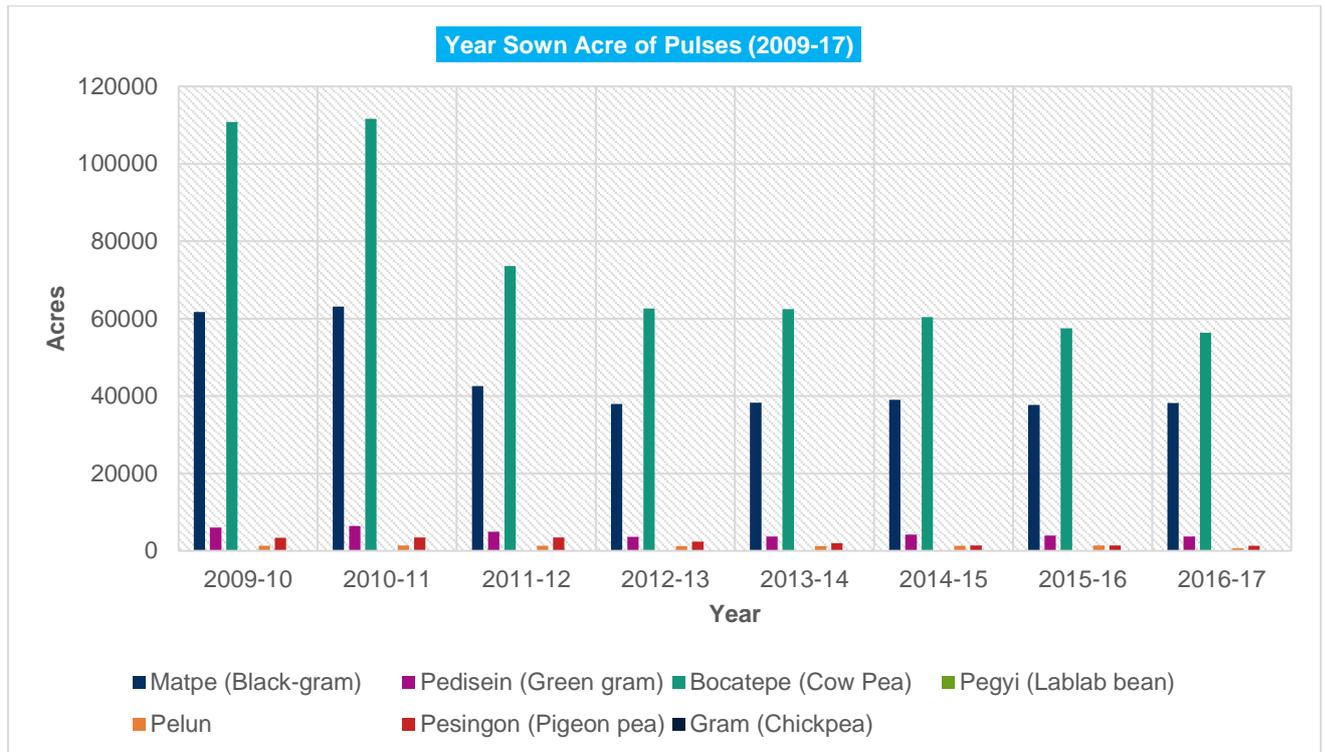
Widely cultivated pulses include Matpe (Black gram), Pedisein (Green gram), Bocatepe (Cow pea), Pegyi (Lablab bean), Pelun, Pesigon (Pigeon pea) and Gram (Chick pea). Of them, Bocapepe (Cow pea) and Matpe (Black-gram) are widely cultivated in Mrauk U, Kyauktaw and Minbya township.

TABLE 30: Yearly sown acreage of pulses in Rakhine State (2009-2017)⁸⁴

Year	Matpe (Black-gram)	Pedisein (Green gram)	Bocatepe (Cow pea)	Pegyi (Lablab bean)	Pelun	Pesigon (Pigeon pea)	Gram (Chickpea)
2009-2010	61,719	5,979	110,784	17	1,327	3,367	5
2010-2011	63,082	6,456	111,603	21	1,404	3,502	5
2011-2012	42,583	4,925	73,587	25	1,307	3,471	6
2012-2013	37,972	3,642	62,613	20	1,268	2,386	6
2013-2014	38,307	3,714	62,490	26	1,208	1,951	6
2014-2015	39,033	4,211	60,373	26	1,300	1,402	6
2015-2016	37,662	3,952	57,519	29	1,407	1,416	6
2016-2017	38,229	3,717	56,354	29	645	1,295	6

⁸⁴ Ibid

FIGURE 22: Acres of pulses sown in 2009-10 to 2016-17



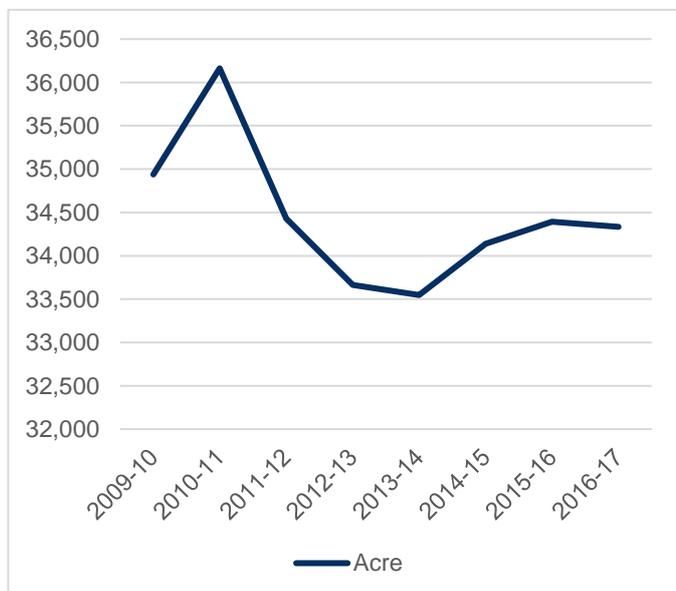
SPICES & CONDIMENTS – CHILLY, ONIONS AND GARLIC

Spices and condiments, which are mainly cultivated in Rakhine State, include chilly, onion, garlic for domestic consumption⁸⁵. However, some were exported to domestic markets and foreign market like Bangladesh in the recent years.

TABLE 31: Yearly sown acreage of spices and condiments in Rakhine State (2009-2017)⁸⁶

Year	Chilies	Onion	Garlic
2009-10	34,939	3,437	1,219
2010-11	36,163	3,503	1,392
2011-12	34,430	1,897	772
2012-13	33,662	1,755	704
2013-14	33,547	1,753	735
2014-15	34,139	1,756	760
2015-16	34,394	1,752	760
2016-17	34,333	1,775	803

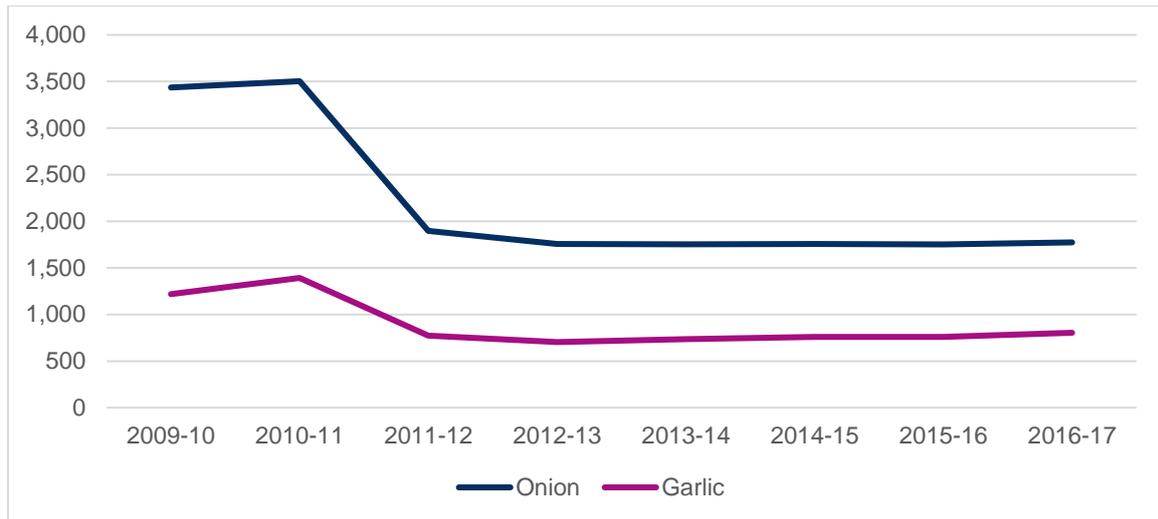
Trend of chilly cultivation (2009 – 2017)



⁸⁵ U Aung San Thar, the Deputy Director, the Department of Agriculture, Rakhine State

⁸⁶ Ibid

FIGURE 23: Trend of onion and garlic cultivation (2009-10 – 2016-17)

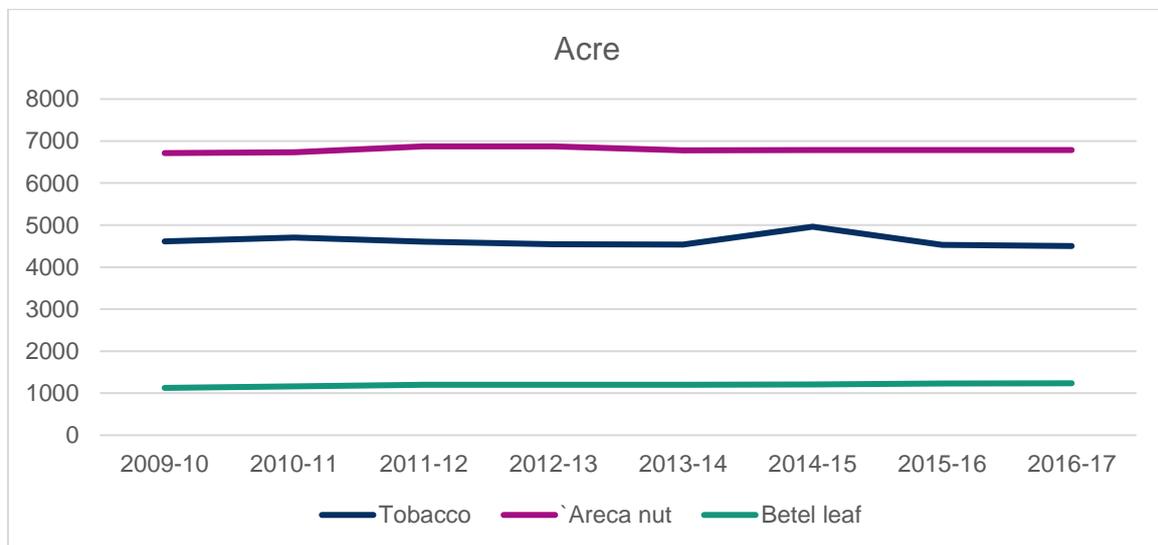


TOBACCO, ARECA NUT AND BETEL LEAF

TABLE 32: Yearly sown acres of tobacco, areca nut and betel leaf in Rakhine State (2009-2017)⁸⁷

Year	Tobacco (Myanmar)	Areca nut	Betel leaf
	(Acre)		
2009-10	4,613	6,714	1,126
2010-11	4,707	6,736	1,166
2011-12	4,605	6,874	1,204
2012-13	4,546	6,874	1,202
2013-14	4,534	6,781	1,203
2014-15	4,962	6,785	1,208
2015-16	4,526	6,785	1,228
2016-17	4,502	6,788	1,236

FIGURE 24: Trends of cultivation of tobacco, areca and betel in Rakhine State (2009 – 2017)



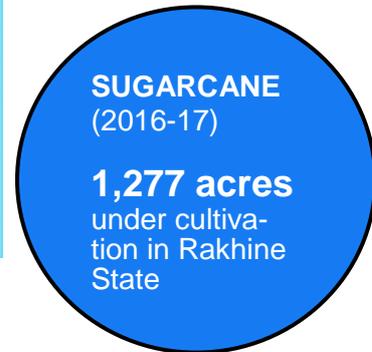
⁸⁷ Ibid

Areca nut

Areca nut is a palm tree, widely cultivated in Mrauk-U, Minbya and Kyauktaw Townships. The farmers sold the nut in both local, domestic market. Areca nut is also exported to India and Bangladesh. In the recent years, local nut farmers earned huge income from the nut farming. Although annual production rate of areca nuts is about 10,000 tones, Myanmar exported over 40,000 tonnes of the nuts in 2018⁸⁸. Farmers expect to reap more income from exporting areca nuts to foreign market after the completion of Kaladan Multi-Modal Transit Transport Project in 2020.

Primary information on areca nut cultivation⁸⁹

Total area of areca nut farming:	15 Acres
Location:	Mrauk-U and Minbya
Nut bearing period:	7 - 10 years of Planting
Frequency of harvest:	3 to 6 times a year
Annual production rate	100,000 – 150,000 nuts per acre
Market price:	MMK 60,000 – 100,000 per mong (1 mong = 25 viss)
Market	Domestic market, Bangladesh



SUGARCANE

Sugarcane is one of the important industrial crops in Myanmar. As domestic consumption of sugar has been rising in the recent year, plantation of sugarcane is gaining a momentum. Sugarcane is mainly cultivated in Mandalay Region, Bago Region and Mon State. It is also cultivated in Rakhine, Kachin and Shan States to meet the demand for local consumption.

Mainly, sugarcane is cultivated in Kyauktaw and Mrauk-U Townships in Rakhine State. The harvested crop is primarily used for producing sugar. There is one sugar mill with a crushing capacity of 300 metric tons per day at Kyauktaw township. Sugarcane cultivation is a prospective business because of high demand of sugar in domestic market in Rakhine State⁹⁰. Also, the sugar produced in Kyauktaw sugar mill can be exported to Bangladesh and India.

TABLE 33: Yearly sown acres of sugarcane in Rakhine State (2009-2017)⁹¹

Year	Sugarcane (Acres)
2009-10	2,679
2010-11	2,461
2011-12	2,206
2012-13	1,987
2013-14	1,585
2014-15	1,805
2015-16	1,868
2016-17	1,277



⁸⁸ Myanmar Times, "India bans betel nut imports as illegal trade rises", 25 May 2018. URL: <https://www.mmtimes.com/news/india-bans-betel-nut-imports-illegal-trade-rises.html>

⁸⁹ U Hla Shwe, Farmer of Betel Nut Farming, Nga Mae Pyin Village, Mrauk-U Township. Ph: 09 261195995

⁹⁰ U Thar Sein, Sugarcane Farmer, Kyauktaw Sugar Mill. Ph: 09 264 984486

⁹¹ Ibid

VEGETABLES AND FRUITS

TABLE 34: Yearly sown acres of vegetables and fruits in Rakhine State (2009-2017)⁹²

Year	Potato	Plantain	Vegetables	Fruits
	Acre			
2009-10	9,304	6,962	96,547	58,237
2010-11	9,392	7,009	101,152	59,414
2011-12	8,700	7,102	98,571	60,758
2012-13	7,853	7,147	94,408	60,901
2013-14	8,016	7,216	96,565	60,850
2014-15	8,074	7,230	98,959	61,631
2015-16	8,237	7,360	97,269	66,989
2016-17	8,252	7,575	96,990	67,217

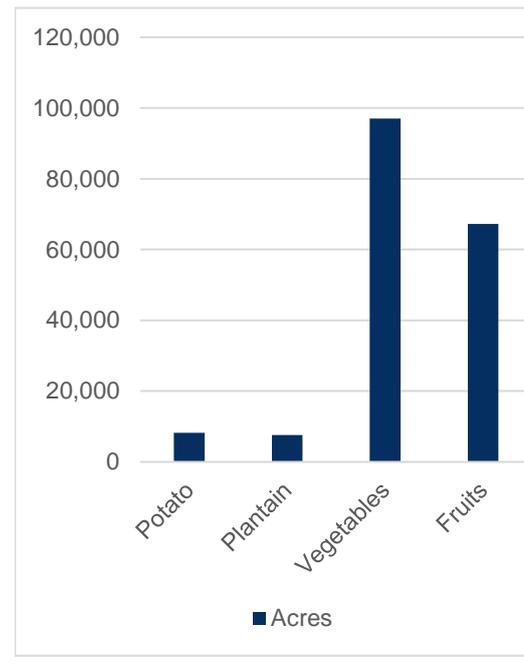
CASHEW

Cashew growing is a prospective business with strong demand from foreign market. Myanmar earned USD 10.1 million from cashew nut exports in 2018⁹³. In Rakhine State, cashew farming is mainly carried out in Ann township in Kyaukphyu District. Although there are strong export markets for Cashew nut, annual yielding rate is lower because of different factors including lack of farming technology, packaging and financial constraints. However, there is a good investment opportunity in cashew farming which includes the production of cashew wine and cashew wood.⁹⁴

Primary Information of cashew farming in Ann Township, Kyaukphyu District⁹⁵

Total cultivated acreage:	80 acres
Production rate per acre:	4,000 viss
Yielding age:	6 years
Harvesting season:	During February – May
Storage:	In granary
Export markets:	Viet Nam, China, Singapore, Thailand

Acres of crops under cultivation in 2016-2017



6.2.2 Investment opportunities in Agriculture Sector

Input industries:	<ul style="list-style-type: none"> Seed distribution Fertilizer, crop protection and distribution of pesticides and fungicides Distribution of agricultural machinery and tools
Production and processing industries:	<ul style="list-style-type: none"> Agricultural production industries Processing and value-added agri-products Storage, packaging and canning Logistics
Key agents in the supply chain:	<ul style="list-style-type: none"> Credit and insurance services Agricultural cooperatives Research & Development Marketing bodies

⁹² Ibid

⁹³ The Global New Light of Myanmar, "Myanmar earned \$ 10.1 million from cashew nut exports", January 16, 2018. Website: <http://www.globalnewlightofmyanmar.com/myanmar-earned-10-1-million-cashew-nut-exports/>

⁹⁴ U Kyaw Kyaw Linn, Cashew Farmer, Ann township. Kyauk Phyu district.

⁹⁵ Ibid.

6.2.3 SWOT Analysis of the Agriculture Sector

SWOT ANALYSIS		IEWS OF RESPONDENTS
STRENGTHS		<p>“There are vast of fertile lands in Kyauk Taw and Palatwa townships.⁹⁶ Especially, crops can be cultivated widely along Lay Myo and Kaladan rivers”⁹⁷</p> <p>“As the numbers of hotels in along Ngapali Beach, the demand for vegetables, fruits seafoods are increasing. Cultivation of different kinds of vegetables are prospective business to do investment for both local and international investors”⁹⁸.</p>
	<ul style="list-style-type: none"> Abundance in arable land Concentration of Labor force in rural area Availability of freshwater in winter and summer season for irrigation Proximity to foreign markets 	
WEAKNESSES		
	<ul style="list-style-type: none"> Scarcity of skilled workers Financial constraints for agricultural inputs Lack of agricultural knowledge, modern technologies in production, processing, refinery plants and packaging and canning system⁹⁹ 	
OPPORTUNITIES		
	<ul style="list-style-type: none"> Contract farming Distribution of agricultural machinery Distribution of fertilizer Production of quality agricultural products such as seed¹⁰⁰ Distribution of high yield seeds Building of Fresh Water Reservoirs Rice husk briquette production¹⁰¹ Production of feeds for Livestock and Fisheries¹⁰² Production of Rice vermicelli ¹⁰³ 	
THREATS		
	<ul style="list-style-type: none"> Climate Change, seasonal storm Communal conflict¹⁰⁴ 	

⁹⁶ U Ba Maung (Managing Director), U Khin Maung Win Soe (Director), U Aung Myint (Director), Kyauk Taw Public Company Ltd.

⁹⁷ U Than Hlaing, Former Chairperson, Mrauk U Hotel, Ann Pauk Wa Company Co Ltd. Ph. 09 783331111

⁹⁸ U Ali Ko, Resident Manager (Amazing Ngapali Resort Hotel, Ph.09 402773606

⁹⁹ U Myo Win, the Chairman of Rice Mills Association (Thandwe), Ph: 09 421756978

¹⁰⁰ U Shwe Tun Aung, the Chairman, the Rakhine Rice Company

¹⁰¹ Ibid

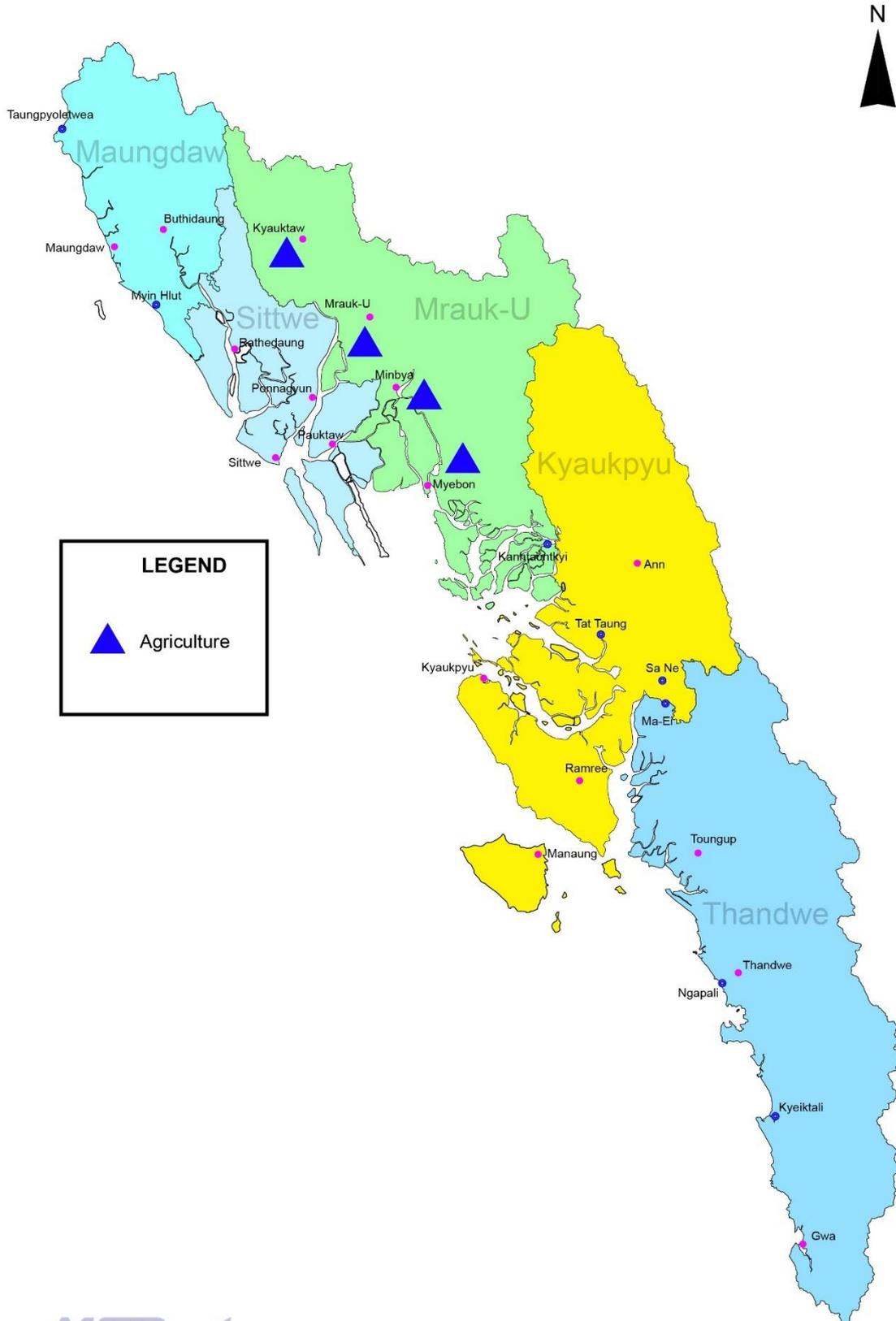
¹⁰² Ibid

¹⁰³ Ibid

¹⁰⁴ U Toe Wai, the State Official, the Department of Agriculture, Rakhine State

AGRICULTURE SECTOR

Existing and potential places for doing business in Agriculture Sector



6.3 HOTELS AND TOURISM SECTOR

6.3.1 Overview of Hotels and Tourism Sector

Hotels and Tourism sector is emerging as the most prospective sector in Rakhine State since Myanmar has started its political and economic transition since 2010. Richness in natural resources, abundance in historical and cultural heritages and unique characteristic of different ethnic groups in Rakhine State are alluring factors for domestic and international tourists.

The major tourist destinations in Rakhine State include Mrauk-U, the ancient capital city of Rakhine Kingdom and Ngapali Beach, the pristine and one of the most beautiful beaches in Asia. However, there are many untapped beaches and tourist attraction spots to develop along Rakhine Coast. Recently, there are 53 hotels operating in Rakhine State. The majority of hotels are located in Thandwe District, especially in Ngapali Township.

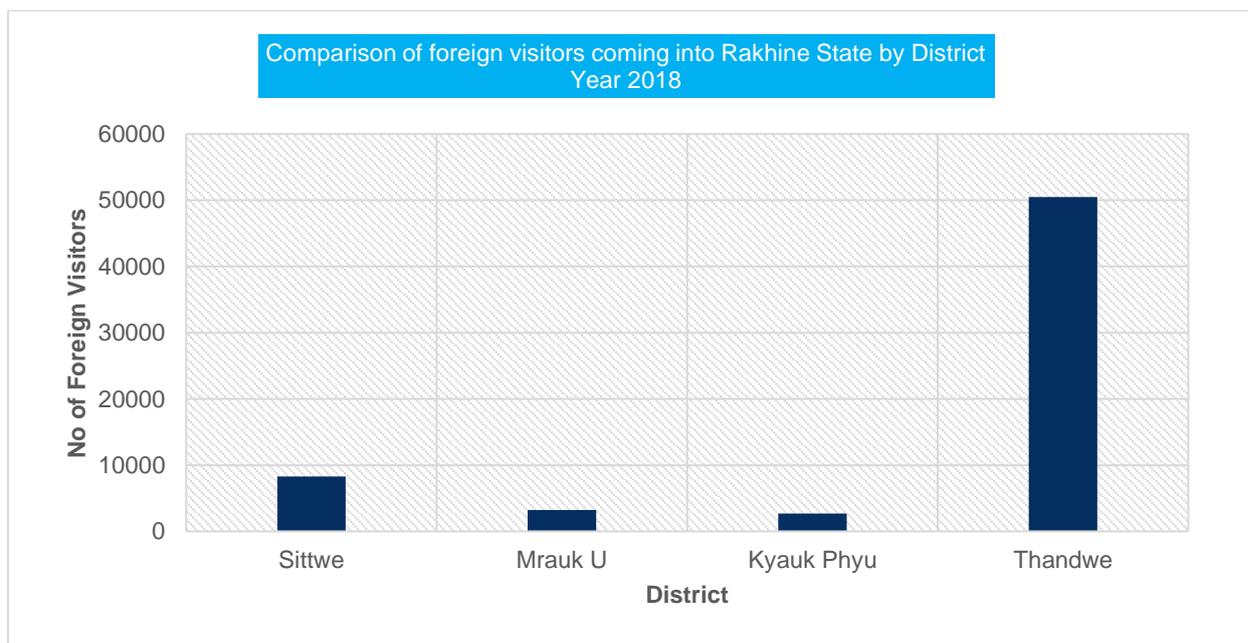
There are 39 hotels along Ngapali beach, 5 hotels in Sittwe and Mrauk-U, 4 hotels in Kyauk Phyu. According to the Department of Hotel and Tourism, 64,727 international tourists visited to Rakhine in 2017 -18.

TABLE 35: Total number of hotels and visitors – by district in 2018¹⁰⁵

Sr	District	Foreign visitors	Number of hotels
1	Sittwe	8,297	5
2	Mrauk-U	3,238	5
3	Kyaukphyu	2,696	4
4	Thandwe	50,496	39
	Total ▶	64,727	53

The major tourist destinations in Rakhine State include Mrauk-U, the ancient capital city of Rakhine Kingdom, and Ngapali Beach. However, there are many untapped beaches and tourist attraction spots to develop along Rakhine Coast.

FIGURE 25: Foreign visitors coming into Rakhine State – by district



¹⁰⁵ Department of Hotel and Tourism (2017-2018)

Key stakeholders in Rakhine State

The following are the key stakeholders of Hotel and Tourism in Rakhine:

- 1 Rakhine State Government
- 2 Department of Hotel and Tourism, Ministry of Hotels and Tourism
- 3 Hoteliers Association (Rakhine Zone)¹⁰⁶

6.3.2 Relevant laws and directives in Hotels and Tourism Sector

- 1 Myanmar Tourism Law (2018)
- 2 Order for Licensing of Hotel and Lodging-house business (2011)
- 3 Order of Licensing of Tour Operation Enterprise (2011)
- 4 Order relating of Licensing of Tourist Transport Business (2011)
- 5 Directives for Coastal Beach Areas

SOME SCENES IN RAKHINE STATE

MRAUK-U, the ancient capital city of Arakan Kingdom, is one of well-known archeological sites in Myanmar. With century-old Buddhist temples, pagodas, city walls and some parts of remnants of Royal Palace, Mrauk-U is still lagging behind that of its Angkor in Cambodia or Ayutthaya in Thailand in terms of arrival of international tourists. However, this figure



MRAUK-U HISTORICAL SITES

is starting to change as the modes of transport and infrastructure have improved. With a plan to develop Mrauk-U Airport, this ancient city is a very prospective place for investors to do investment in hotels and tourism sector.



NGAPALI BEACH & RECREATION AREAS

NGAPALI BEACH is one of the most beautiful beaches in Asia. One of the most popular tourist attraction sites in Rakhine State. There are 39 high-end hotels in Ngapali Beach. In the recent years, Rakhine State Government is planning to develop two Hotel Development Zones in Thandwe District. One zone is Kan Thaya-Set Thwar- Mawshwe Chai Beach which

is close to Ngapali Beach, and is a prospective area for interested investors to make investment in hotel and recreational resorts. Another zone is Gite Taw- Lone Thar Chai – Shwe

¹⁰⁶ Myanmar Hoteliers Association, No.3A, Conner of Waizayandar Rd & Thanthumar Rd, Thuwanna Ward, Thingangyun Tsp, Yangon. Ph: +95 1 8551014

Thar Chai Hotel development zone area.

LAY MRO RIVER is one of the important rivers for Rakhine State. Lay Mro in Rakhine language means “four cities” which refers to the four ancient cities of Arakanese dynasties that flourished by the side of the river. It is 162 miles long and originates in Matupi Township of Mindat District in Chin State. It is not only important for water transportation but also the main river with fresh water for irrigation, cultivation of different types of vegetables and seasonal crops. More importantly, it is home to



LAY MRO RIVER REGION ECO-TOURISM

many ethnic groups live along this river. Chin, Mro, Khu Mee and Thet, which are sub-ethnic groups of Arakanese Ethnicity. There is a high prospective in doing investments in eco-tourism plus irrigation sector in this region.



MAN AUNG ISLAND is the second largest island in Myanmar. It was also known as Cheduba Island. It is situated in the Bay of Bengal close to Ramree Island in Rakhine State. It is about 55 miles in circumference and the total area of island is about 202.05 square miles. Having a unique landscape and its clean and long white sand beaches are essential features for the devel-

MAN AUNG ISLAND ECO-TOURISM

opment of Eco-tourism. In addition, this land is suitable for the development of bio-safety zone for cattle breeding.

The expansion of airport on the island is in progress so that investment opportunities are in the making in Eco-tourism.

6.3.3 Investment opportunities in Hotels & Tourism Sector

Location	Project
Gwa	• Kan Thaya-Setthwar-Mawshwe Chai Hotel Development Zone ¹⁰⁷
Thandwe	• Gyite Taw – Lone Thar Chai-Shwe Thar Chai Hotel Development Zone
Man Aung	• Man Aung Island Ecotourism Development Project
Mrauk U	• Lay Mro River Eco-Tourism Development

6.3.4 SWOT Analysis of the Hotels & Tourism Sector

SWOT ANALYSIS	VIEWS OF RESPONDENTS
<p>STRENGTHS</p> <ul style="list-style-type: none"> Richness in untapped beaches and Cultural Spots Abundance in land for hotel development Closeness to major cities in Myanmar and neighbor countries 	<p>“Not like other states and Regions, Hotels and tourism sector has partially developed in Rakhine state because of the popularity of Ngapali and Mrauk U.”</p> <p>“There are many untapped beaches in Thandwe District, so that interested investors can get land enough for the construction of hotels and resorts.”</p> <p>“The main issue here is that the price of land is expensive. The current price of land is between Ks.15000 Lakhs and Ks.35000 Lakhs so that it will be difficult for potential investor to spend huge amount of money to buy land.”¹⁰⁸</p> <p>“Handicraft business in Rakhine State, especially in Thandwe and Mrauk U area are prospective businesses because Raw Materials are widely available, and the potential customers are rapidly increasing because of the development of tourism sectors”¹⁰⁹.</p> <p>“The most prospective sector to invest here in Rakhine state is Hotels and tourism because there are many pristine beaches. As hotels and tourism sector is developing, these beaches will be developing in the near future”¹¹⁰.</p>
<p>WEAKNESSES</p> <ul style="list-style-type: none"> High in Land prices Poor Infrastructure and transportation¹¹¹ Lack of business network and technical skills 	
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> Investment in hotels, resorts and recreational areas Development of Bay View Housing Cultural Tourism along Mrauk U and Palatwa region¹¹² Development of Handicraft Business 	
<p>THREATS</p> <ul style="list-style-type: none"> Storm and Bad Weather 	

¹⁰⁷ U Soe Moe Aung, the Head of Sat Thwar Village, Gwa township. Ph. 09.264098180

¹⁰⁸ Daw Myit Myit Zaw, Deputy Staff-Officer, The Department of Fishery, Thandwe District. Ph.09 250331805

¹⁰⁹ Daw Theint Theint Htwe, Manager (River Top Hotel), The Chairperson, Hotel Manager Association (Thandwe). Ph. 09 428138982

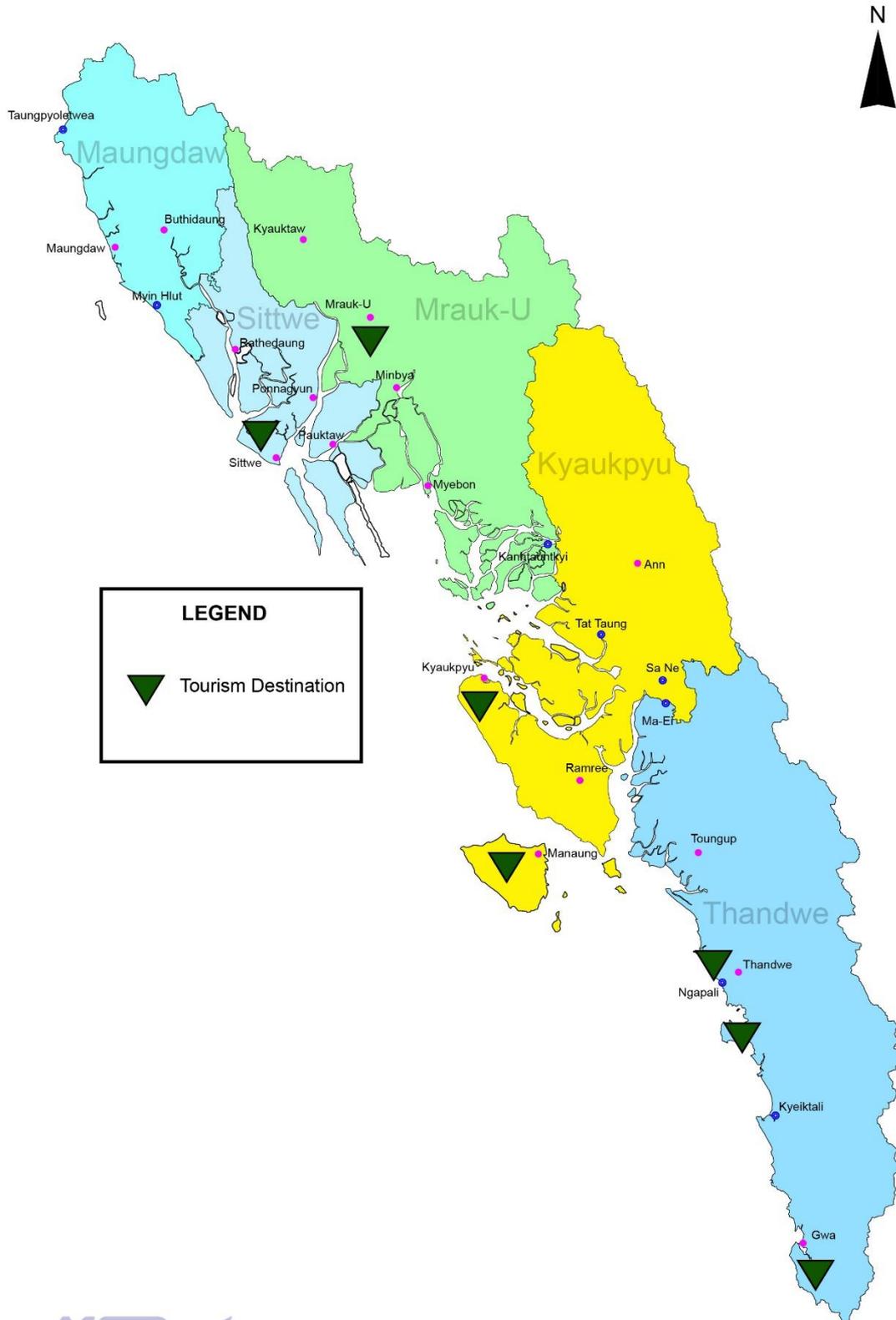
¹¹⁰ U Ali Ko, Resident Manager, Amazing Ngapali Hotel. Ph.09 402773606

¹¹¹ U Thaw Zin Maung, Staff Officer, Department of Agriculture, Thandwe District, Ph: 09 250332745

¹¹² U Lin Lin, Former Chairperson, Tourism Business Association, Mrauk U. Ph. 09 773282353

HOTELS & TOURISM SECTOR

Existing and potential places for doing business in Hotels & Tourism Sector



6.4 FORESTRY SECTOR

6.4.1 Overview of Forestry Sector

Rakhine State is rich in natural forest. There are 13 Reserved Forests with areas of 520,525.92 acres, 23 Protected Public Forests with areas of 1,570,727.71 acres, One natural conservation area with areas of 433,843 acres. The total area of Permanent Forest Estate (PFE) is 2,108,802.63 acres¹¹³.

The majority of households in rural areas have to rely on forests on daily basis. According to the 2014 Census, over 88% of total households in Rakhine State use firewood as the source of energy. However, this figure is changing rapidly in recent years because households are getting access to electricity distributed from the national electric grid.

The major products of the Forestry Sector in Rakhine State include hardwoods, bamboo, rubbers and cane products and forest-related products like honey and wax. Forestry sector in Rakhine State has a potential for investment in producing bamboo, rubbers and production of hardwoods.

There are 4 saw mills, 60 re-cutting mills and 6 domestic industrial mills in the forestry sector of Rakhine State in fiscal 2016-2017.

The major products of the Forestry Sector in Rakhine State include hardwood, bamboo, rubber and cane products and forest-related products like honey and wax.

Key stakeholders in Forestry Sector in Rakhine State

The key stakeholders in the forestry sector of Rakhine State include the followings:

- 1 Rakhine State Government
- 2 Department of Forestry, Ministry of Natural Resources and Environmental Conservation

6.4.2 Relevant laws

The followings are the essential legal frameworks for forestry sector in Myanmar.

- 1 Forest Law (2018)
- 2 The Environmental Conservation Law

6.4.3 Reserved forests¹¹⁴

TABLE 36: Reserved forests in Rakhine State

Sr No	Name of Reserved Forest	Township	Area (Acres)
1	Mayyu Reserved Forest	Maungdaw	55,623.01
2	Mayyu Reserved Forest	Buthidaung	10,862.85
3	Mayyu Reserved Forest	Rathaedaung	9,780
4	Kaladan Reserved Forest	Kyauktaw	2,880
5	Sin Taung Reserved Forest	Kyauktaw	33,962.50
6	Sin Taung Reserved Forest	Mrauk U	28,547.69
7	Bandula Reserved Forest	Minbya	8,439
8	Kwan Chaung Reserved Forest	Myebon	15,866

¹¹³ Ministry of Natural Resources and Forestry (2018) URL: <https://www.forestdepartment.gov.mm/eng/news/10017>

¹¹⁴ U Myint Win, Deputy Director, the Department of Forestry, Rakhine State

9	Wun Beik Reserved Forest	Yanbye	56,633
10	Thandwe Reserved Forest	Thandwe	75,052
11	ThaHtay Reserved Forest	Thandwe	78,283
12	YanKhwar Reserved Forest	Taungup	32,849
13	La Rue Reserved Forest	Taungup	11,004
14	Sarr Pyin Reserved Forest	Taungup	44,696
15	Rar Hu Reserved Forest	Taungup	10,544
16	KweYa Reserved Forest	Taungup	45,503
Total ▶			520,525

Established forest plantations (2017-18)¹¹⁵

TABLE 37: Established forest plantations

Sr No	Types of ownership	Type of forest	Area (Acres)
1	State	Ironwood trees (<i>Xylia dolabriformis</i>)	300
2	State	Mangrove forests	230
3	State	Firewood Plantation	160
4	State	Natural High valued Forest	300
5	Private	Teak Plantation	300
6	State + Public	Fruits + Forest Plantation	60
7	State + Public	Local forest plantation	1,246.75
Total ▶			2,597

Established forest plantations on government's lands (2018)¹¹⁶

TABLE 38: Established forest plantations on government's lands

Sr No	Type of Plantation	Area (Acres)
1	Teak	44,272
2	Ironwood	26,439
3	Firewood plantation	9,010
4	Mangrove Forest Plantation	2,565
5	Watershed or Catchment protection forest	250

Private-owned commercial forest plantations¹¹⁷

TABLE 39: Forest plantations by private sector

Sr No	District	Township	Year	Person	Type of plantations	Area (Acres)
1	Maungdaw	Maungdaw	2007-2018	19	Teak and hardwood	499
2	Maungdaw	Buthidaung	2007-2018		Teak and hardwood	44
3	Kyauk Phyu	KyaukPhyu	2009-2018	15	Hardwood	530
4	Thandwe	Gwa	2008-2018	65	Ironwood	956.5
5	Thandwe	Taunggoke	2008-2015	15	Teak and ironwood	158
6	Kyaukphyu	Ann	1981-2018	-	Hardwood	500
7	MraukU	Minbya	2016-2018	-	Teak	1,000
Total ▶						3,688

¹¹⁵ Ibid

¹¹⁶ Ibid

¹¹⁷ Ibid

Volume of forest produce¹¹⁸

TABLE 40: Volume of forest produce (2017 -2018)

Sr No	Type	Unit	Total volume of produce
1	Woods	ton	938.2187
2	Rattan	stake	316,000
3	Bamboo	pole	15,220,000
4	Stitched nipa	shingle	5,285,792

Total number of sawmills in States and Regions¹¹⁹

TABLE 41: The total number of saw mills in Forestry Sector

Sr	States and Regions	2016-2017			
		Saw mills	Re-cutting mills	Domestic industrial mills ¹²⁰	Total
1	Yangon	28	300	119	447
2	Mandalay	119	213	28	360
3	Bago	45	108	91	244
4	Sagaing	88	104	36	228
5	Magway	17	85	26	128
6	Kachin	3	123	0	126
7	Tanintharyi	9	69	26	104
8	Mon State	6	69	22	97
9	Shan State	27	58	8	93
10	Kayin	1	44	35	80
11	Ayeyarwady	9	45	21	75
12	Rakhine	4	60	6	70
13	Nay Pyi Taw	14	25	7	46
14	Kayah	7	27	8	42
15	Chin	0	2	0	2

BAMBOO PRODUCTS

Bamboo forests are widely found along the Arakan Yoma Ranges which stretches from the North to South along Arakan Coast. Bamboo can be used in making different products. Although there are international markets for bamboo, bamboo farming is still small in Rakhine State and other regions in Myanmar. Mainly, bamboo is exported to Pakistan, India, South Korea, Singapore and Bangladesh¹²¹. Bangladesh is a major importer of bamboo from Myanmar¹²².

Main bamboo products locally used in Rakhine State include bamboo chairs, beds, cups, combs and clips, bamboo maps.

Mainly, bamboo is exported to Pakistan, India, South Korea, Singapore and Bangladesh.

¹¹⁸ Ibid

¹¹⁹ Ibid

¹²⁰ Domestic Industrial Mills refer to those mills used in producing furniture and other semi-finished products.

¹²¹ Myanmar Business Today, "Bamboo Exporters Seek Foreign Support", Website <https://www.mmbiztoday.com/articles/bamboo-exporters-seek-foreign-support>

¹²² The Global New Light of Myanmar, "Myanmar plans to bamboo production with foreign technology", September 25, 2017. Website: <http://www.globalnewlightofmyanmar.com/myanmar-plans-boost-bamboo-production-for-foreign-technology/>

Bamboo is also used as a construction material for scaffolding, bridges and houses. Hotels in Ngapali Beach and other places in Rakhine State use bamboo-based products as decorated items. In the recent years, both domestic and foreign demands for locally made bamboo-base products, including handicrafts, personal and household goods have increased.

RUBBER

Rubber plantations mainly exist in Kyaukphyu and Mrauk U district. Although, the plantation is at the early stage, there is a good opportunity for interested investors to invest in both plantation and production sectors.

TABLE 43: Rubber acreage – by year¹²³

Year	Rubber (Acre)
2009-10	31,380
2010-11	32,891
2011-12	34,320
2012-13	35,400
2013-14	36,719
2014-15	36,523
2015-16	35,522
2016-17	35,529

COCONUT

Naturally, coconut palm trees grow in Rakhine State. Most of coconuts are mainly harvested in Man Aung Island. Coconut is exported to Yangon Market. It is a prospective sector to invest in making coconut products like coconut milk, coconut flour and coconut cream.

TEAK

The commercial plantation of teak, hardwood and ironwood is a prospective sector for the interested investors.

The commercial plantation of teak and ironwood tree are carried out in Maungdaw, Buthidaung, Minbya, Taungup, Ann and Thandwe Townships.

As the Government of Rakhine State encourages and provides necessary supports for land acquisition and technical assistance for plantation, the commercial plantation of teak, hardwood and ironwood trees is a prospective sector for the interested investors.

TABLE 42: Saw mills in each district in Rakhine State

Township	Size of sawmills			Total
	Large	Medium	Small	
SITTWE DISTRICT				
Sittwe	-	4	4	8
Ponnagyun	-	-	-	-
Pauktaw	-	-	-	-
Rathedaung	-	-	-	-
MRAUK-U DISTRICT				
Myauk-U	-	-	3	3
Kyauktaw	-	-	-	-
Minbya	-	-	4	4
Myebon	-	1	-	1
MAUNGDAW DISTRICT				
Maungdaw	-	-	-	-
Buthidaung	-	-	2	2
KYAUKPHYU DISTRICT				
Kyaukphyu	-	4	3	7
Man Aung	-	-	-	-
Yanbye	-	-	-	-
Ann	-	-	1	1
THANDWE DISTRICT				
Thandwe	-	3	15	18
Taungup	-	13	-	13
Gwa	-	-	1	1

TABLE 44: Coconut acreage – by year¹²⁴

Year	Coconut palm (Acre)
2009-10	13,399
2010-11	13,409
2011-12	13,413
2012-13	13,415
2013-14	12,638
2014-15	12,646
2015-16	12,650
2016-17	12,651

¹²³ Central Statistic Organization, 2017

¹²⁴ Central Statistic Organization, 2017

Primary Information on commercial teak plantation¹²⁵

Supplier of teak seedlings:	Department of Forestry (Thandwe town)
Total acreage of teak plantation:	30 acres
Number of teak trees per acre:	260 -270
Total number of teak trees cultivated:	8,000
Total period of nurturing:	5-6 years
Technical assistance provider:	Department of Forestry
Salary of worker:	MMK 150,000 – 250,000
Market price per ton of teak	MMK 1,000,000 – 1,200,000

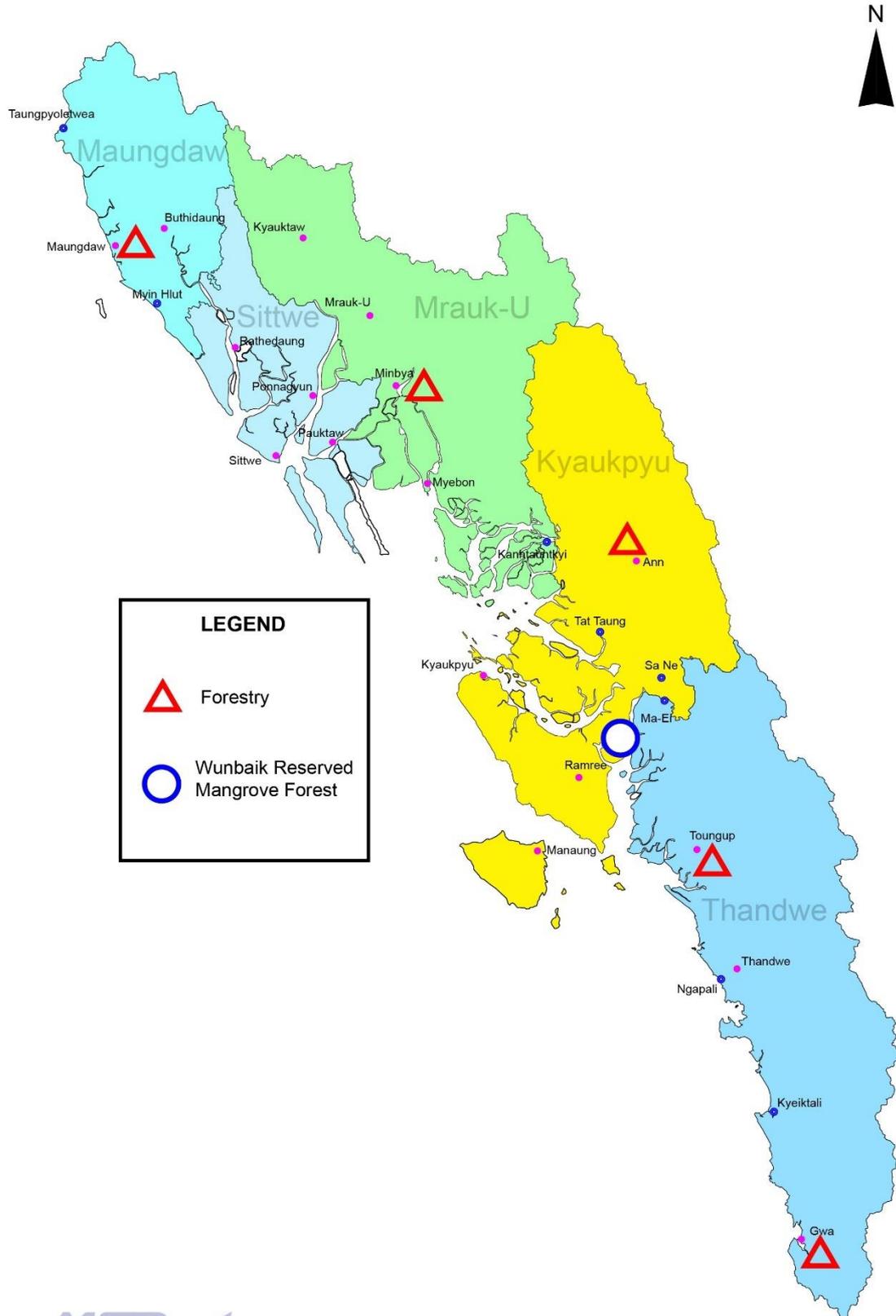
6.4.4 SWOT Analysis of the Forestry Sector

SWOT ANALYSIS		VIEWS OF RESPONDENTS
STRENGTHS		<p>“There is an investment opportunity in plantation of hardwoods such as teak, ironwood because of land can be easily available and weather is favorable for the plantation”</p> <p>_____</p> <p>“Bamboo is widely available in Rakhine State.”</p>
	<ul style="list-style-type: none"> • Abundance in bamboo • Availability of land area for plantation 	
WEAKNESSES		
	<ul style="list-style-type: none"> • Financial constraints • Lack of modern technology 	
OPPORTUNITIES		
	<ul style="list-style-type: none"> • Bamboo handicraft business • Plantation of teak, ironwood and hardwood tree 	
THREATS		
	<ul style="list-style-type: none"> • Gradual depletion of forests 	

¹²⁵ U Than Tun, Commercial Teak Plantation, Thandwe township. Ph: 09.444403055

FORESTRY SECTOR

Existing and potential places for doing business in Forestry Sector



6.5 MANUFACTURING / PROCESSING SECTOR

6.5.1 Overview of Manufacturing / Processing Sector

Manufacturing sector contributes a significant portion into the Rakhine State GDP. Rakhine State Government's recent statistics show that manufacturing sector represents as a largest sub-sector with 11.22% in industrial-wise sector of Rakhine state GDP in 2016-2017. Although the growth of manufacturing sector is lagging behind, compared to its neighboring regions such as Ayeyarwaddy, Bago and Magwe Regions, there is a strong potential to grow and better opportunity for investors.

There are several factors for development of manufacturing sector in Rakhine State. One significant factor is that Rakhine State is situated at the competitive manufacturing location and a geographical position which can get the direct access to strategic markets of South-East Asia as well as to China, India and Bangladesh. Access to the electricity in main cities in the recent year is also a reinforcing factor for development of manufacturing sector. In addition, two deep seaports and development of Special Economic Zones (Kyauk Phyu SEZ and Ponnarkyun industrial zone) will create sizable opportunities to do investment in Manufacturing sector of Rakhine state.

6.5.2 Key stakeholders in Manufacturing Sector

The followings are the key stakeholders in manufacturing sector in Rakhine state:

- 1 Rakhine State Government
- 2 State Industrial Supervision and Inspection Directorate
- 3 SMEs
- 4 Private industries

6.5.3 Relevant laws

The followings are the relevant laws for investors who are interested in doing investment in manufacturing sectors in Rakhine state.

- Private Industrial Enterprise Law (1990)
- The Boiler Law (2015)
- The Electricity Law (2014)
- The Small and Medium Enterprise Development Law (2015)

6.5.4 Types of manufacturing businesses and sizes¹²⁶

TABLE 45

Sr	Types of manufacturing business	Size of business			Total
		Large	Medium	Small	
1	Food, drink and beverage Manufacturing	72	101	2,130	2,303
2	Dressmaking and garment textiles	1	2	0	3
3	Housewares manufacturing	2	30	54	86
4	Consumer goods industry	1	3	5	9
5	Printing and paper manufacturing	0	0	1	1
6	Raw material industry	0	0	2	2
7	Mineral Products Industry	2	8	13	23
8	Others	0	5	230	235

¹²⁶ Directorate of Industrial Supervision and Inspection (2018), Rakhine State

The following is a list of businesses which are among the businesses still non-existent in Rakhine State:

1	Household appliances manufacturing	4	Transportation vehicles manufacturing
2	Agricultural equipment manufacturing	5	Electrical Equipment Manufacturing
3	Installation and setting machines and machinery equipment		

6.5.5 Types of manufacturing businesses in the five districts

TABLE 46: Large, medium and small businesses in Rakhine State

Townships	Size of business			Total
	Large	Medium	Small	
SITTWE DISTRICT				
Sittwe	25	30	119	174
Ponnagyun	4	10	128	142
Pauktaw	2	0	168	170
Rathaedaung	0	0	179	179
Total ■	31	40	594	665
MRAUK-U DISTRICT				
Myauk-U	5	21	156	182
Kyauktaw	8	25	240	273
Minbya	4	3	176	183
Myebon	2	6	93	101
Total ■	19	55	665	739
MAUNGDAW DISTRICT				
Maungdaw	1	0	24	25
Buthidaung	0	3	31	34
Total ■	1	3	55	59
KYAUKPHYU DISTRICT				
Kyaukphyu	10	13	205	228
Man Aung	1	0	34	35
Yanbye	0	0	122	122
Ann	0	2	252	254
Total ■	11	15	613	639
THANDWE DISTRICT				
Thandwe	9	10	210	229
Taungup	5	25	176	206
Gwa	2	1	122	125
Total ■	16	36	508	560
All total: 2,662				

RICE MILLS

Most of rice mills are operating in Sittwe and Mrauk-U district where rice cultivation is widely carried out. Of 2,097 rice mills across the state, the majority of rice mills are small in terms of sizes. There are only 23 large scale rice mills and 46 medium rice mills, mostly operating in Sittwe and Mrauk districts.

TABLE 47: Rice mills in Rakhine State

Townships	Size of rice mill			Total
	Large	Medium	Small	
SITTWE DISTRICT				
Sittwe	3	2	28	33
Ponnagyun	3	9	124	136
Pauktaw	0	0	166	166
Rathaedaung	0	0	171	171
Total ■	6	11	489	506
KYAUKPHYU DISTRICT				
Kyaukphyu	0	0	127	127
Man Aung	0	0	18	18
Yanbye	0	0	118	118
Ann	0	1	236	237
Total ■	0	1	499	500

MRAUK-U DISTRICT				
Myauk-U	4	19	145	168
Kyauktaw	8	13	215	236
Minbya	3	0	152	155
Myebon	0	0	83	83
Total ■	15	32	595	642
MAUNGDAW DISTRICT				
Maungdaw	0	0	5	5
Buthidaung	0	0	22	22
Total ■	0	0	27	27

THANDWE DISTRICT				
Thandwe	0	0	152	152
Taungup	2	2	165	169
Gwa	0	0	101	101
Total ■	2	2	418	422
All total: 2,097				

EDIBLE OIL MILLS

There are 48 edible oil mills operating in Rakhine state. The majority of mills are small-scale in terms of production capacity. There is only one larger edible oil mill in the whole region whereas 16 medium size mills. 8 out of 16 medium size edible oil mills are operation in Kyauk Taw township alone.

TABLE 48: **Edible oil mills in Rakhine State**¹²⁷

Townships	Size of edible oil mill			Total
	Large	Medium	Small	

Townships	Size of edible oil mill			Total
	Large	Medium	Small	

SITTWE DISTRICT				
Sittwe	1	3	2	6
Ponnagyun	0	0	0	0
Pauktaw	0	0	0	0
Rathaedaung	0	0	0	0
Total ■	1	3	2	6

KYAUKPHYU DISTRICT				
Kyaukphhyu	0	0	4	4
Man Aung	0	0	1	1
Yanbye	0	0	1	1
Ann	0	0	2	2
Total ■	0	0	8	8

MRAUK-U DISTRICT				
Myauk-U	0	0	0	0
Kyauktaw	0	8	3	11
Minbya	0	0	2	2
Myebon	0	0	0	0
Total ■	0	8	5	13

THANDWE DISTRICT				
Thandwe	0	3	7	10
Taungup	0	2	5	7
Gwa	0	0	4	4
Total ■	0	5	16	21
All total: 48				

MAUNGDAW DISTRICT				
Maungdaw	0	0	0	0
Buthidaung	0	0	0	0
Total ■	0	0	0	0

ICE FACTORY

Currently there are 39 ice factories in operation across the Rakhine State. Large-size ice factories exist in main district cities such as Sittwe, Kyaukphhyu and Thandwe where fishery produce processing is widely carried out.

¹²⁷ Directorate of Industrial Supervision and Inspection (2018)

TABLE 49: Ice factories in Rakhine State¹²⁸

Townships	Size of ice factory			Total
	Large	Medium	Small	
SITTWE DISTRICT				
Sittwe	6	0	0	6
Ponnagyun	0	0	0	-
Pauktaw	1	0	0	1
Rathaedaung	0	0	0	0
Total ■	7	0	0	7
MRAUK-U DISTRICT				
Myauk-U	1	1	1	3
Kyauktaw	0	1	2	3
Minbya	1	2	0	3
Myebon	2	2	1	5
Total ■	4	6	4	14
MAUNGDAW DISTRICT				
Maungdaw	1	0	0	1
Buthidaung	0	1	0	1
Total ■	1	1	0	2
KYAUKPHYU DISTRICT				
Kyaukphhyu	5	0	0	5
Man Aung	1	0	0	1
Yanbye	0	0	1	1
Ann	0	1	0	1
Total ■	6	1	1	8
THANDWE DISTRICT				
Thandwe	4	0	0	4
Taungup	2	1	0	3
Gwa	0	1	0	1
Total ■	6	2	0	8
All total: 39				

SALT MILLS

Rakhine State is the third biggest salt producer state after Mon State and Ayeyarwaddy Region¹²⁹. Salt farming was widely carried out a couple of years ago. The market is emerging as Kyauktaw-Palatwa-Mezorum road, which is developed by India Government as Kaladan River Multimodal Development Project, is now nearly at operational stage. Therefore, there are strong markets for salt and rice in Chin State and Mezzorum State of India. This business now is a prospective business for investors. Salt farming is mainly carried out in Sittwe, Pauktaw, Myebon and Kyaukphyu.

TABLE 50: Salt mills in Rakhine State¹³⁰

District	Township	Type of Salt Mill			Total
		Large	Medium	Small	
Sittwe	Sittwe	0	0	5	5
Myauk-U	Kyauktaw	0	1	0	1
Kyaukphyu	Kyaukpyu	0	6	1	7

¹²⁸ Ibid

¹²⁹ Myanmar Business Today, "Rakhine Salt Profits Up Fourfold Through New Technology", October 23,2014. Website: <https://www.mmbiztoday.com/articles/rakhine-salt-profits-fourfold-through-new-technology>

¹³⁰ Directorate of Industrial Supervision and Inspection, 2018

Primary information on Salt Mill at Kyaukphyu¹³¹

Type of mill:	Salt Mill
Amount of investment:	MMK 1,000,000,000
Material:	Raw Salt
Annual available amount of raw salt:	700,000 – 800,000 viss (1 viss = 1.63 kg)
Market for product:	Local and domestic market
Daily wage for a head:	MMK 5,000 – 10,000
Market price of treated salt:	MMK 200 – 300 per 1 viss (1 viss=1.63 kg)

6.5.6 SWOT Analysis of the Manufacturing / Processing Sector

SWOT ANALYSIS	VIEWS OF RESPONDENTS
<p>STRENGTHS</p> <ul style="list-style-type: none"> Existence of ports for larger ship to transport to foreign market Availability of raw materials 	<p>“There are some potential ports for larger ships to dock to transport the products to foreign markets”¹³²</p> <p>“There are many villages where there are sizable agricultural businesses. However, these villages do not produce any value-added agriproducts because of poor transportation link and lack of reliable market”¹³³</p> <p>“Investment in building cold storage factory in this region will be very lucrative business investment because there is no such cold storage and processing factory although fisheries products are abundant in the region”¹³⁴</p>
<p>WEAKNESSES</p> <ul style="list-style-type: none"> Financial constraints Scarcity of skilled labors Poor transportation network among villages Lack of modern technology 	
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> Labor intensive manufacturing Capital intensive manufacturing (Agri-processing, fish-processing, ice-making, drying/ chilling) 	
<p>THREATS</p> <ul style="list-style-type: none"> — 	

¹³¹ U Saw Tun, Owner of Kyan Dine Aung Salt Mill. Kyauk Phu town. Ph: 09-250139355

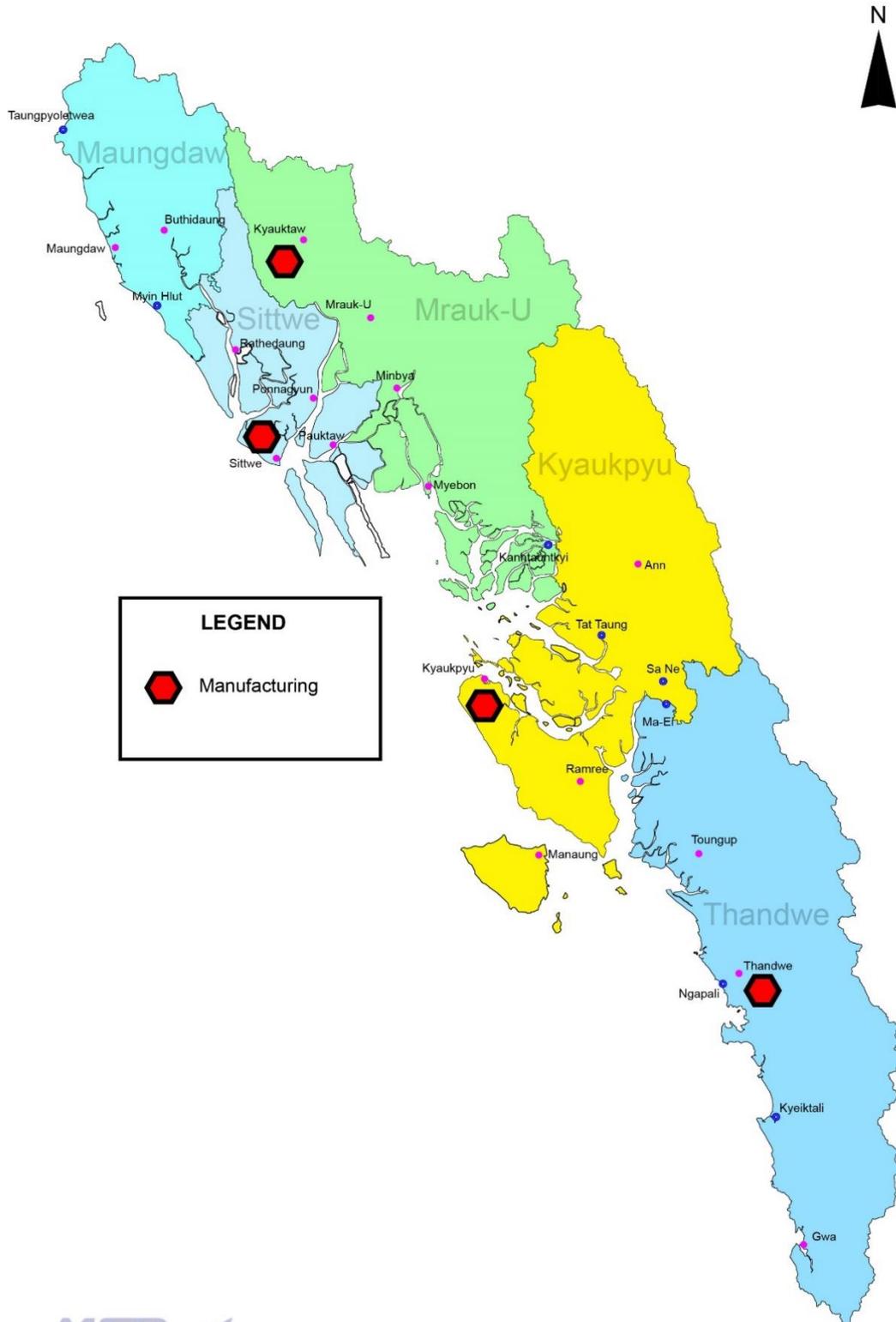
¹³² U Kyaw Kyaw Nyunt, The Director, the Department of Industrial Supervision, Rakhine State.

¹³³ U Kyaw Kyaw Nyunt, The Director, the Department of Industrial Supervision, Rakhine State.

¹³⁴ U Saw Tun, Owner of Kyaun Dine Aung Salt mill. Kyauk Phyu town. Ph: 09-250139355

MANUFACTURING / PROCESSING SECTOR

Existing and potential places for doing business in Manufacturing / Processing Sector



6.6 TRANSPORTATION SECTOR

6.6.1 Overview of Transportation Sector

There are three modes of transport links in Rakhine state. They include:

- Water transport
- Road transport
- Air transport.

There is also a rail transport service project between the chief city, Sittwe, and Minbu Township in Magwe Region.

WATER TRANSPORT

As a majority of towns and villages are situated on the bank of rivers and brooks, inland water transport is crucial for transportation. There are three major ports for inter-state transportation, which include Sittwe, Kyaukphyu and Thandwe Ports. There are three private companies providing transport service with 12 express ferries for passengers and cargos. Inland Water Transport (IWT), a government transport agency, also operate transportation service for passengers and cargos.

TABLE 51: **Vessels berthed at Sittwe Port (Quantity/capacity) (2016/2017-2017/2018)**

Port	Year	Numbers		
		Vessels	Schooners	Total
ARRIVALS				
Sittwe	2016-17	459	-	459
	2017-18	401		401
DEPARTURES				
Sittwe	2017-18	428	-	428

TABLE 52: **Volume of export and import from Sittwe Port (2018)¹³⁵**

Port	Export (tons)		Import (tons)	
	Market			
Sittwe	Domestic	Foreign	Domestic	Foreign
		16,223	17,050	158,737

ROAD TRANSPORT

In terms of road transport, there are different types of roads such as concrete road, asphalt road and dirt road depending on linkage between district and district, township and township and village and village. There are three inter-state highways that connect with other main regions. These highways include:

- Sittway-Ann-Yangon Highway,
- Kyaukphyu-Taungup-Yangon Highway and
- Thandwe-Gwa-Ngathaingchaung- Yangon Highway.

¹³⁵ Myanmar Port Authority, Sittwe 2018

Private companies provide transportation services for passengers and cargos.

TABLE 53: **Registered cargo trucks in Transportation Sector**¹³⁶

Sr No	Range of tonnage	Total no of vehicles
1	Below 2 tons	18
2	Between 2 – 3 tons	138
3	Between 3-5 tons	80
4	Between 5 – 7 tons	8
5	Between 7 – 9 toons	8
Total ►		252

TABLE 54: **Types of registered vehicles in Transportation Sector**

Sr No	Type of vehicles	Total No of vehicles	Frequency of transport per month
1	Motor vehicles	412	15
2	3-wheel tricycle	1,263	27
Total ►		1,675	42

TABLE 55: **Major destinations in road transport**

Sr No	Destination	Frequency per month	Passengers per vehicle	Total No of passengers per month
1	Taungup – Yangon	403	45	18,135
2	Sittwe – Yangon	403	45	18,585
3	Sittwe – Mandalay	141	33	4,653
4	Sittwe – Magwe	20	20	400
5	Thandwe – Taungup	35	30	1,050
6	Thandwe-Yangon	146	46	61,716

Primary information on passenger express transport ¹³⁷

Aung Thitsar Express

Company:	Aung Thitsar Express		
Destinations:	Taungup	From	To
			1 Yangon
			2 Kyaukphyu
			3 Sittwe
			4 Thandwe
			5 Ann
			6 Ma Eii
			7 Tat Taung
			8 Pyay
No of express buses in operation:	20		

¹³⁶ Road Transport Administration Department, Rakhine State

¹³⁷ U Myint Htay, the Chairman, Aung Thitsar Express. Ph: 09 428 530084

TABLE 56: **Goods transported (per month)**

Sr No	Type of goods	Destination	Frequency per month	Volume of goods transported per month
1	Foods and Beverage	Within township	565	2,260
		Within State	47	893
		Inter State	50	1,050
		Total ▶	662	4,203
2	Consumer goods	Within township	492	1,968
		Within State	58	1,102
		Inter State	48	1,008
		Total ▶	598	4,078
3	Construction materials	Within township	606	2,424
		Within State	54	1,026
		Inter State	48	1,008
		Total ▶	708	4,458
4	Grocery goods	Within township	606	2,424
		Within State	42	796
		Inter State	56	1,176
		Total ▶	704	4,396
5	Others	Within township	561	2,244
		Within State	64	1,216
		Inter State	63	1,323
		Total ▶	688	4,783
Grand Total ▶			3,360	21,918

Primary information on Cargo Transportation Association at Taungup Township¹³⁸

Type of business:	Cargo transportation	
Total No of cargo trucks in operation	1	5 (Six-wheel trucks)
	2	5 (Twelve-wheel trucks)
Main destinations:	1	Pyay
	2	Gyobingauk
	3	Yangon
	4	Mandalay
Type of goods mainly transported:	1	Chicken feed
	2	Dried fish/fish paste
	3	Rice
	4	Peanut
Transport charge:	MMK 60 – 70 per a viss	

AIR TRANSPORT

Regarding air transport, airports exist at main cities such as Sittwe, Kyaukphyu, Thandwe and Ann and Mann Aung. The government of Rakhine State has project plans to develop Mrauk-U Airport and Gwa Airport for better air transportation.

¹³⁸ U Ba Thein, The Chairman, Cargo Transport Association, Taunggoke town. Rakhine. Ph: 09 260594755

TABLE 57: Embarkation/disembarkation of passengers/freight in 2018 (January – October)¹³⁹

Sr No	Airport name	Domestic			
		Pax (Nos)		Freight (Tons)	
		In	Out	In	Out
1	Sittwe Airport	93,840	95,187	-	-
2	Kyauk Phyu Airport	16,834	18,438	20.79	83.557
3	Thandwe Airport	57,620	63,433	641.641	714.247
4	Ann Airport	4,468	4,730	1.024	.0491
5	Mann Aung Airport	1,517	1,587	7.006	8.684

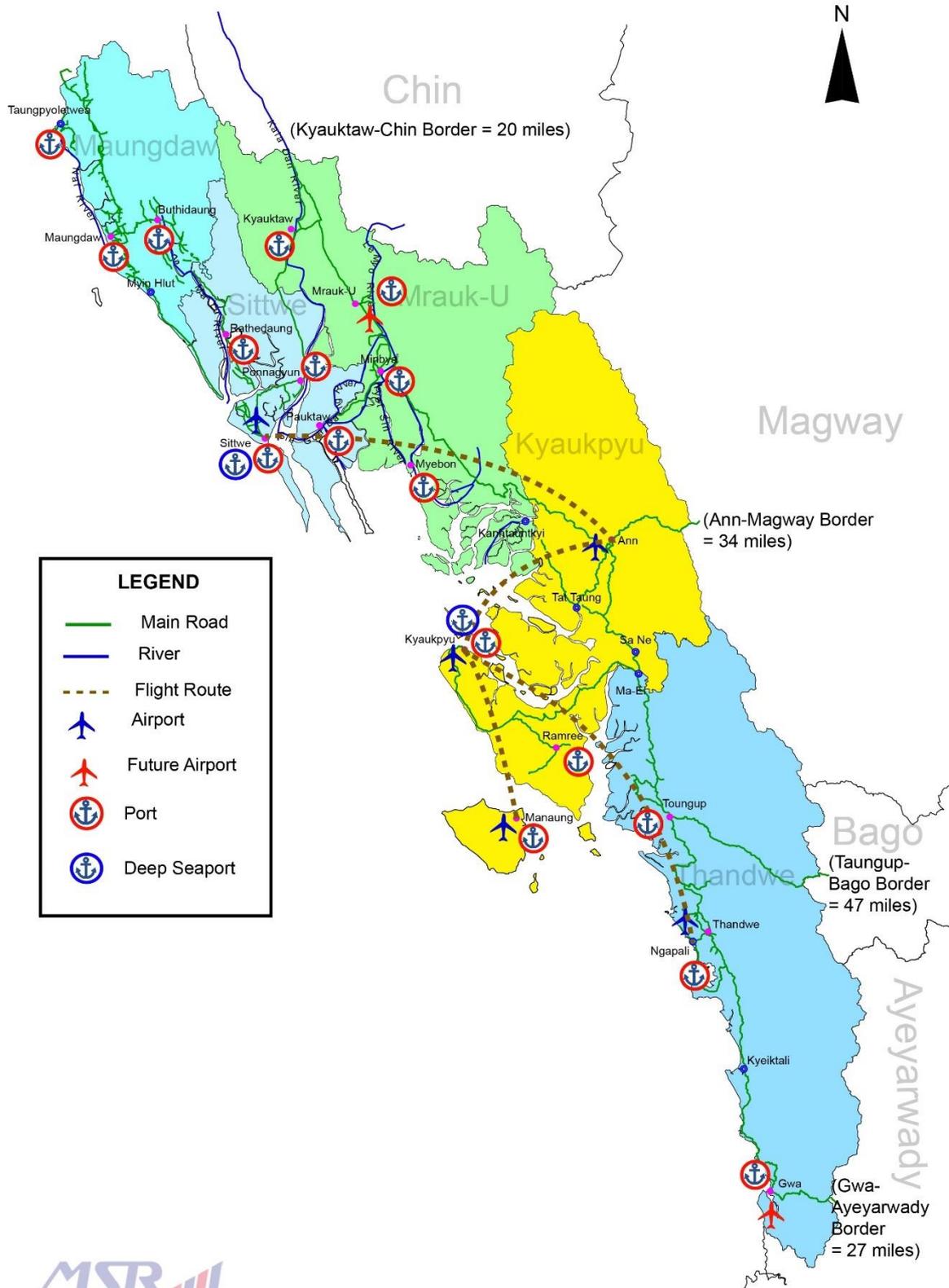
6.6.2 SWOT Analysis of the Transport Sector

SWOT ANALYSIS	
STRENGTHS	
	<ul style="list-style-type: none"> • Most of rivers are navigable • Existence of interlinking river network • Main cities are located on riverbanks
WEAKNESSES	
	<ul style="list-style-type: none"> • Financial constraints
OPPORTUNITIES	
	<ul style="list-style-type: none"> • Establishment of deep seaports • River port establishments • City truck terminals at Sittway, Thandwe, Kyaukphyu, Maungdaw • Development of New Airports • Upgrading existing Airports
THREATS	
	<ul style="list-style-type: none"> • Severe weather

¹³⁹ Department of Civil Aviation, 2018

TRANSPORT SECTOR

Existing and potential places for doing business in Transport Sector



6.7 HUMAN RESOURCES & HEALTH SECTOR

6.7.1 Overview of Education Sector

Rakhine State offers many investment opportunities in development of human resources sector such as opening educational and vocational training centers and health service centers. Over 83% of population in Rakhine state live in rural area. Most of them engages in agriculture and fishery sector which demand less educational level and trainings. In the recent year, as the market demand for skilled labor has increased, there are many business opportunities for private education service providers to open training centers to deliver professional and vocational skills.

According to Myanmar Investment Law (2016), the education sector is one of eight promoted sectors. The private school is highly endorsed to be established as primary, secondary schools as well as private institutions for providing technical, vocational training programs in order to build more educated and highly skilled workforce.

Likewise, the health care service sector is also an endorsed sector by the government for improving human capital and social development.

EDUCATION

TABLE 58: **Universities and technical institutes in Rakhine State**

Sr No	Place		University		Institute
1	Sittwe	1	Computer University	5	Government Technical Institute
		2	Sittwe University		
2	Kyaukphyu	3	Education Collage		—
3	Thandwe		—	6	Government Technical Institute
4	Taungup	4	College		—
5	Kyauktaw		—	7	State Agricultural Institute

TABLE 59: **Student enrollment at the Government Technical Institute in Sittwe**

Sr No	Academic Year	Total number of students
1	2010 -11	70
2	2011- 12	86
3	2012-13	82
4	2013-14	69
5	2014-15	51
6	2015-16	160
7	2016-17	—
8	2017-18	198

In the recent year, as the market demand for skilled labor has increased, there have been many opportunities for private service providers to meet the demand for quality education.

TABLE 60: **Major subjects taught at Governmental Technical Institute in Sittwe**

Sr No	Major	Type of jobs	
		Government sector	Private sector
1	Civil Engineering	30 %	70%
2	Electronic Engineering	27%	63%
3	Electrical Power Engineering	35%	65%
4	Mechanical Engineering	40%	60%

TABLE 61: Total number of private schools in States and Regions¹⁴⁰

States/Region		Primary	Middle	High
Kachin	State	2	1	16
Kayah	State	1	—	-
Kayin	State	1	—	5
Chin	State	1	2	1
Mon	State	—	—	9
Rakhine	State	—	2	12
Shan	State	2	9	46
Sagaing	Region	4	5	48
Tanintharyi	Region	2	1	2
Bago	Region	1	1	43
Magway	Region	2	1	40
Mandalay	Region	14	14	100
Yangon	Region	28	9	123
Ayeyarwady	Region	—	3	15
Nay Pyi Taw	Region	3	2	14

HEALTH

There is only one private specialist clinic at Sittwe. Therefore, there is an opportunity to do investment in opening private specialist clinics in different cities including Sittwe in Rakhine State.

TABLE 62: Private hospitals/clinics in Rakhine and other States and Regions¹⁴¹

States and Regions		Private hospitals				
		2013	2014	2015	2016	2017
Kachin	State	10	10	10	13	13
Kayah	State	—	—	—	—	—
Kayin	State	3	3	3	3	3
Chin	State	—	—	—	—	—
Mon	State	7	7	7	10	10
Rakhine	State	1	1	1	1	1
Shan	State	19	19	19	22	22
Sagaing	Region	16	22	22	26	26
Tanintharyi	Region	6	6	6	9	9
Bago	Region	14	14	14	16	16
Magway	Region	4	4	4	5	5
Mandalay	Region	29	31	35	39	38
Yangon	Region	42	46	48	52	53
Ayeyarwady	Region	5	5	5	7	9
Nay Pyi Taw	Region	8	7	8	9	10

¹⁴⁰ The Statistical Year Book (2017), Central Statistical Organization

¹⁴¹ Ibid

6.7.2 SWOT Analysis of the Human Resources Sector

SWOT ANALYSIS	
STRENGTHS	
	<ul style="list-style-type: none"> • Existence of a large pool of workforce
WEAKNESSES	
	<ul style="list-style-type: none"> • Financial constraints • Lack of qualified vocational training centers
OPPORTUNITIES	
	<ul style="list-style-type: none"> • Establishment of Technology and Vocational Institutes • Opening of Private Schools • Establishment of Private Hospital and Clinic • Establishment of Laboratory
THREATS	
	<ul style="list-style-type: none"> • Intense competition in job market

6.8 TELECOMMUNICATION SECTOR

6.8.1 Overview of Telecommunication Sector

Currently there are four operators – MPT, Ooredoo, Telenor and Mytel – providing telecommunication services in Rakhine State. There is one postal service operating and providing delivery services by Myanmar Post.

Although mobile penetration rate in Rakhine state and tele-density in Rakhine was lower compared with other regions in Myanmar before, this figure is rapidly changing in the recent years. Significant level of investment in upgrading internet infrastructure is still needed to provide better connectivity and internet services throughout Rakhine State.

6.8.2 SWOT Analysis of the Telecommunication Sector

SWOT ANALYSIS	
STRENGTHS	
	<ul style="list-style-type: none"> • Network coverage and tele-density is moderate
WEAKNESSES	
	<ul style="list-style-type: none"> • Geographical and technical constraint • Financial constraint
OPPORTUNITIES	
	<ul style="list-style-type: none"> • Installation of wireless network • Postal and telecommunication services • Distribution of radio communication items in fishing boats • Operation of postal and delivery services
THREATS	
	<ul style="list-style-type: none"> • Communication infrastructures are prone to extreme weather

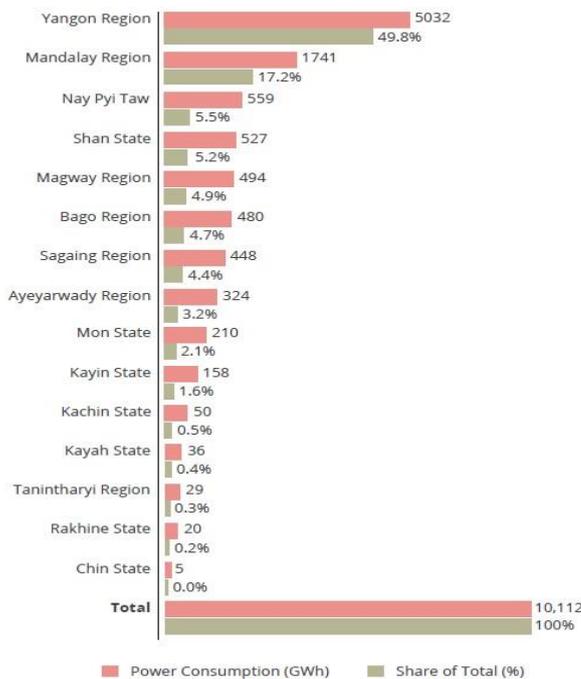
6.9 ENERGY SECTOR

6.9.1 Overview of Energy Sector

Rakhine state is abundant with natural gas deposits, unexplored solar and wind power and suitable places for hydropower generation for electrification of households. To reach the objectives of Universal National Electrification Plan in 2030 set up in the Myanmar Energy Master Plan by National Energy Management Committee (NEMC), with help of the Union Government, the Government of Rakhine state is collaborating with international and domestic investors for improvement of power sector and utilization of available energy sources in Rakhine State.

In terms of power consumption, Rakhine State is the second least power-consumed state after Chin State. In 2018 -2019, the government has planned to electrify about 121,063 households which is 26.33 % of total households in the five districts. In addition, the government has set up a five-year plan within which periods, it is planned to electrify about 208,824 households, which is 45.42 % of total households in Rakhine State. Although all 17 towns have already accessed the electricity from the national grid, there are many villages which are remotely situated from the national grid. To electrify the households in these remote villages, utilization of different energy sources such as solar and wind power is essential option for universal access to electricity in 2030. Therefore, power sector is full of investment opportunities for the interested investors.

FIGURE 26: Power consumptions of States and Regions and their shares among States and Regions¹⁴²



Rakhine State is the second least power-consumed state after Chin State.

To electrify the households in these remote villages, utilization of different energy sources such as solar and wind power is essential option for universal access to electricity in 2030.

6.9.2 Key stakeholders in Energy Sectors

At the Union level, the Ministry of Electricity and Energy (MOEE) is the main body for administration, regulation and coordination for all types of energy sector. There are four departments, five enterprises and two corporations under the ministry. The two corporations are

¹⁴² Eurocham Myanmar, "Energy Guide 2018", URL: https://www.ccifrance-myanmar.org/sites/ccifrance-myanmar.org/files/resources-documents/energy_guide_2018.pdf

Yangon Electricity Supply Corporation and Mandalay Electricity Supply Corporation. The departments are as follows.

- 1 Department of Electric Power Planning
- 2 Oil and Gas Planning Department
- 3 Department of Power Transmission and System Control
- 4 Department of Hydropower Implementation.

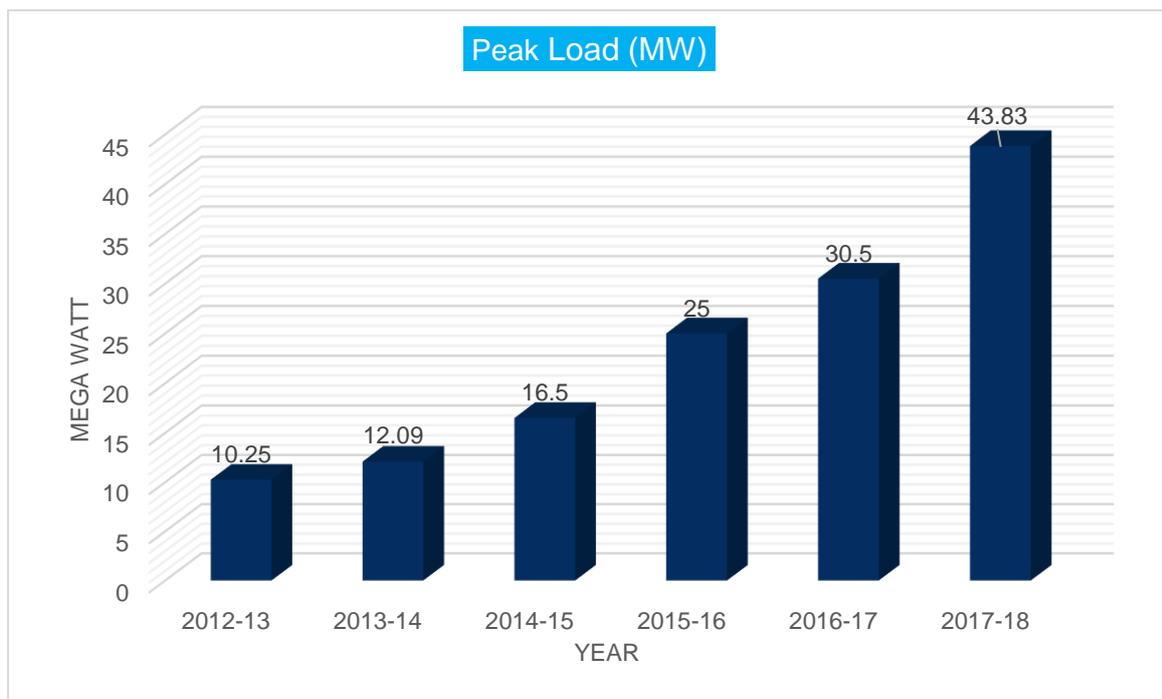
The five enterprises are as follows.

- 1 Electric Power Generation Enterprise
- 2 Electric Supply Enterprise
- 3 Myanmar Oil and Gas Enterprise
- 4 Myanmar Petrochemical Enterprise
- 5 Myanmar Petroleum Product Enterprise

TABLE 63: **Total number of households to be electrified in Rakhine State in 2018-2019**¹⁴³

Sr No	District	No of households	No of electrified households	No of non-electrified households	Electrified house (%)
1	Sittwe	109,256	32,978	76,278	30.18%
2	Mrauk U	145,987	25,825	120,162	17.69%
3	Kyauk Phyu	101,776	24,231	77,545	23.81%
4	Thandwe	83,593	28,788	54,805	34.44%
5	Maungdaw	101,160	9,241	9,919	48.23%
Total ▶		459,772	121,063	338,709	26.33%

FIGURE 27: **Annually increased peak load (2012 – 2018)**¹⁴⁴



¹⁴³ Ministry of Electricity and Energy, 2018

¹⁴⁴ Ibid.

TABLE 64: Total numbers of households to be electrified under NEP plan during the next 5 year¹⁴⁵

Sr No	District	No of households	No of electrified households	No of non-electrified households	Electrified house (%)
1	Sittwe	109,256	44,530	64,726	40.75 %
2	Mrauk U	145,987	75,820	70,167	51.94%
3	Kyauk Phyu	101,776	37,928	63,848	37.27%
4	Thandwe	83,593	40,553	43,040	48.51%
5	Maungdaw	101,160	9,993	9,167	52.16%
Total ►		459,772	208,824	250,948	45.42%

OIL AND GAS PRODUCTION

The offshore of Rakhine State has hosted a vast amount of oil and gas. There are 23 offshore oil and gas fields and 2 onshore oil and gas fields. As the Myanmar Investment Commission (MIC) has approved the establishment of offshore supply bases (OSB), there are many investment opportunities in Oil and Gas Sector.

TABLE 65: Total number of offshore oil and gas blocks in Rakhine offshore¹⁴⁶

N.A. = Not available

Block code	Block location (Rakhine)	Area (sq-km)	Year of award	Lead company	Origin
BLOCK TYPE: 23 OFFSHORE DEEP WATER O&G FIELDS					
A-1	Offshore	2,839	2000	Daewoo International Corp	Korea
A-2	Offshore	2,521	2014	N.A.	N.A.
A-3	Offshore	7,208	2004	Daewoo International Corp.	Korea
A-4	Offshore	8,376	2014	BG Asia Pacific Pte Ltd	UK
A-5	Offshore	10,872	2014	Chevron	USA
A-6	Offshore	10,761	2007	MPRL E & P Pte Ltd	Myanmar
A -7	Offshore	8,127	2014	Woodside Energy (Myanmar) Pte Ltd	Australia
AD -1	Offshore	2,706	2007	CNPC International Ltd	China
AD-2	Offshore	8,444	2014	BG	UK
AD-3	Offshore	10,577	2014	Ophir	UK
AD-4	Offshore	11,365	2014	BG	UK
AD-5	Offshore	11,009	2014	BG	UK
AD-6	Offshore	1,190	2007	CNPC International Ltd	PRC
AD -7	Offshore	1,731	2007	Daewoo International Ltd.	Korea
AD – 8	Offshore	5,612	2007	CNPC International Ltd.	China
AD-9	Offshore	8,061	2014	Shell	Netherlands
AD-10	Offshore	9,304	2014	Statoil	Norway
AD-11	Offshore	6,751	2014	Shell	Netherlands
AD-12	Offshore	7,190	2014	No bids	No bids
AD-13	Offshore	11,321	2014	No bids	No bids
AD-14	Offshore	12,605	2014	No bids	No bids
AD-15	Offshore	10,065	2014	No bids	No bids
AD-16	Offshore	7,250	2014	No bids	No bids

¹⁴⁵ Ibid

¹⁴⁶ Eurocham Myanmar, "Energy Guide 2018", Website: https://www.ccifrance-myanmar.org/sites/ccifrance-myanmar.org/files/resources-documents/energy_guide_2018.pdf

BLOCK TYPE: 2 ONSHORE O&G FIELDS

PSC-M	Kyaukphyu	10,448	2013	ENI	Italy
PSC-L	Sittwe	11,735	2013	N.A.	N.A.

ELECTRICITY GENERATION

Rakhine state has a technical potential for the development of solar and wind energy as like other Regions and States in Myanmar. According to the Ministry of Electricity and Energy, the following wind power projects are planned for electricity generation.

TABLE 66: **Total number of wind power projects in Rakhine States and other regions**¹⁴⁷

State / Region	Number of projects	Capacity (MW)
Rakhine	10	1,484
Chin	10	1,472
Ayeyarwady	5	478
Yangon	2	274

HYDROPOWER

There are seven potential places for development of hydropower project in Rakhine State. Currently only two projects – Thahtay Hydro-power Project and Kyeintali Hydro-power Project are in progress. According to Myanmar Investment Law, the joint venture agreement allows the investor to build and operate the hydropower plants for up to 40 years before the project is transferred to the government.



Thahtay Hydropower Project in Thandwe District

TABLE 67: **Hydropower projects in Rakhine State**¹⁴⁸

Sr No	Project Name	Place	Capacity	Remark
1	Laymro -1	Mrauk U District	600 MW	In delay
2	Laymro – 2	Mrauk U District	90 MW	In delay
3	Sai Din	Maungdaw District	76.5 MW	In delay
4	Ann	Kyauk Phyu District	11 MW	In delay
5	Thahtay	Thandwe	111 MW	In progress
6	Thandwe	Thandwe	30 MW	In delay
7	Kyeintali	Thandwe	28 MW	In progress

¹⁴⁷ Eurocham Myanmar, “Energy Guide 2018”, Website: https://www.ccifrance-myanmar.org/sites/ccifrance-myanmar.org/files/resources-documents/energy_guide_2018.pdf

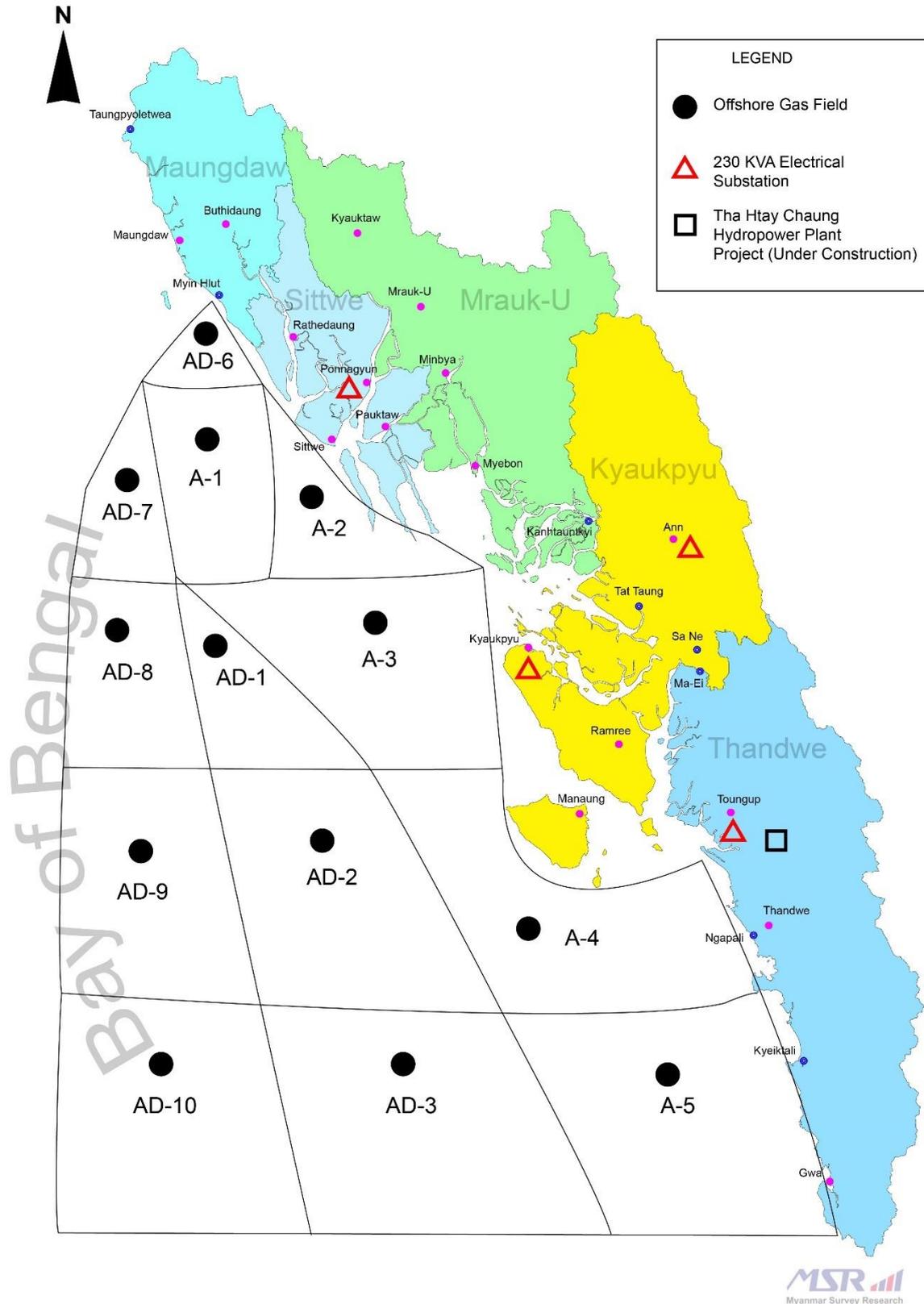
¹⁴⁸ Ministry of Electrical Power, 2019

6.9.3 SWOT Analysis of the Energy Sector

SWOT ANALYSIS	
STRENGTHS	
	<ul style="list-style-type: none"> • Untapped offshore oil and gas fields • Favourable government's policy
WEAKNESSES	
	<ul style="list-style-type: none"> • Lack of technology • Financial constraints
OPPORTUNITIES	
	<ul style="list-style-type: none"> • Investment in transmission system • Establishment of small-scale hydropower generation • Development of clean energy such as solar power, wind power for vil-lages which are remote from national power grid • Natural gas extraction • Petrochemical production • Establishment of marine supply base
THREATS	
	<ul style="list-style-type: none"> • Environmental impacts

ENERGY SECTOR

Existing and potential places for doing business in Energy Sector



6.10 SPECIAL ECONOMIC ZONE & OTHER DEVELOPMENT PROJECTS

6.10.1 Overview SEZs and other development projects in Rakhine State

Currently there are two major international projects: Kyaukphyu Special Economic Zone Project and Kaladan Multimodal Transit Transport Project—which are essential investments for economic development of Myanmar. These projects can create an enormous investment opportunity for domestic and international investors in each stage of the development of projects.

In addition to these large projects, there are other projects with potential investment opportunities, for example, Ponnagyun industrial zone project and Ka Nyin Chaung Trading Zone project.

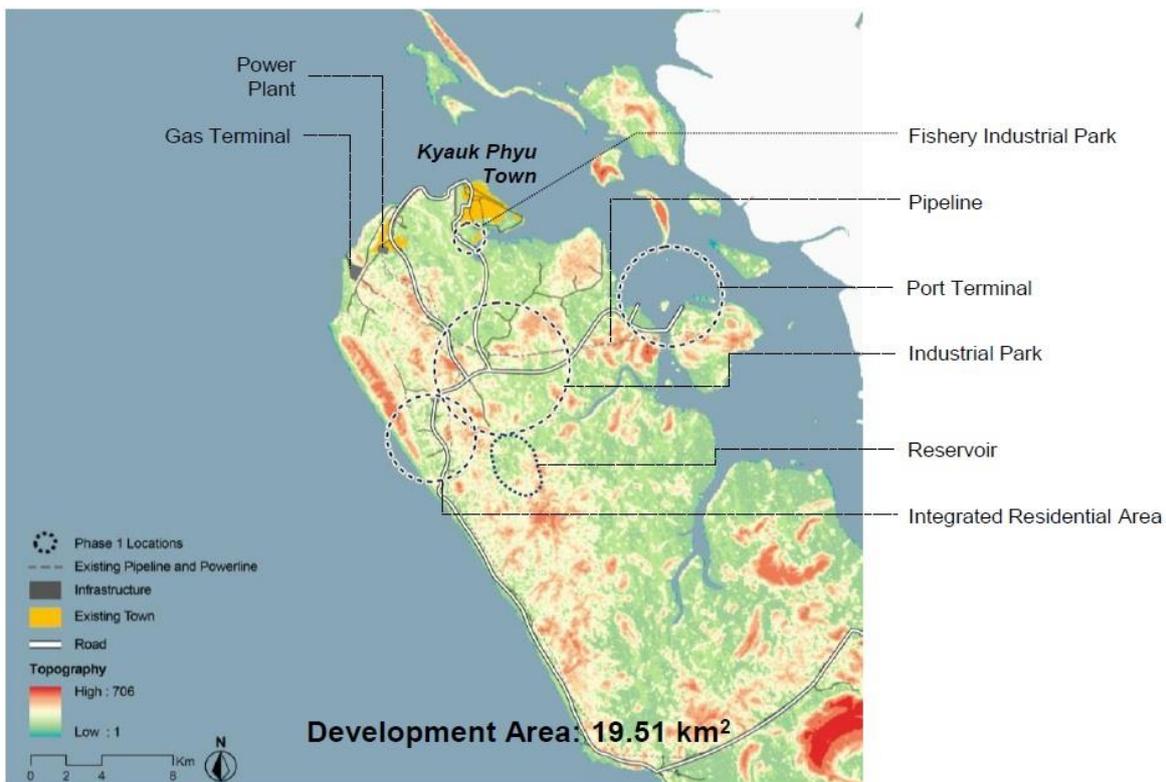


6.10.2 Kyaukphyu Special Economic Zone and Deep Sea Port Project

Kyaukphyu SEZ is sited on the Ramree Island of Rakhine State. The SEZ is located at the South of Kyauk Phyu town. The first phase of this project includes:

- 1 The development of 100 hectares of industrial park
- 2 A deep-sea port – Multipurpose/ Container Handling Terminal
- 3 An integrated residential area

FIGURE 28: **Kyaukphyu SEZ Development Plan** ¹⁴⁹



¹⁴⁹ BEAC Office, Kyauk Phyu SEZ Management Committee, Ministry of Rail Transportation, Building No.(29), Nay Pyi Taw, Myanmar. Ph: +95 67 405032. Email: beac@kpsez.org, info@kpsez.org

The Master Plan of Kyaukphyu SEZ and Deep-Sea Port¹⁵⁰

Sr No	Projects	Area	Proposed Location
1	Industrial Park (Hospitals, schools, commercial establishment, Sport complex, public transport system)	1,000 hectares for Phase-1	Located at the South of Kyaukphyu and North-east of Integrated Residential Area
2	Fishery Industrial Park		Located at Kyauk Phyu town
3	Integrated Residential Area	500 hectares for Phase-1	Closely located to the North-western shore of Ramree Island and
4	Port Terminal Phase – 1 (with capacity to accommodate 6,000 - 8,000 TEU vessels)	SITE 1	At Made Island
		Area: 150 ha	
		Berth length: 2,500 m	
		Water depth: 16 m	At Ramree Island
SITE 2			
Area: 96 ha			
Berth length: 1,600 m			
Water depth: 16 m			
5	Port Terminal – 2 (Marine Supply Base)	20 ha	Close to Kyaukphyu town

Proposed Industries at Kyaukphyu SEZ¹⁵¹

Sr No	Industries	
1	Construction Material Industries	
2	Textile and Clothing Industries	
3	Manufacturing and Food Processing Industries	
4	Tourism	
5	Supply Base	(1) Marine Bunker (2) LNG Regasification Terminal Marine Supply Bae

6.10.3 Ponnagyun Industrial Zone

In Rakhine State, Ponnagyun Industrial Zone is the second industrial zone project which was earmarked to be constructed on 1,963.74 acres of land along the eastern part of Yangon-Sittwe Highway in Ponnagyun Township in Sittwe District. It was designated and permitted as Industry Zone No. 22.¹⁵²

¹⁵⁰ Kyauk Phyu Special Economic Zone Development Road Show Presentation Slide, July 3, 2014. URL: <http://kpsez.org/wp-content/uploads/2014/07/KPSEZ-Road-Show1.pdf>

¹⁵¹ Ibid.

¹⁵² The Global New Light of Myanmar, "Amyotha Hluttaw discusses Ponnagyun Industrial Zone", February 6, 2018. URL: <http://www.globalnewlightofmyanmar.com/amyotha-hluttaw-discusses-ponnagyun-industrial-zone/>

Project description of Ponnagyun Industrial Zone

1	Location	Located at the Eastern part of Yangon-Sittwe Highway, Ponnagyun Township.	
2	Total Area	1,833.15 acres	
3	Components of Industrial Zone	Administrative zone Servicing Zone Governmental Department Offices Market Place Hospital Sewage Refinery plant Heavy and Medium Industries Sport field Garden Training Schools	
Location of Ponnagyun Industrial Zone 		<p>FIGURE 29: Land allocated for development of Ponnagyun Industrial Zone</p>	
4	Land Utilization	Area (acres)	Percentage (%)
	Industrial zones	542.05	29.57
	Governmental Department Offices	24.58	1.34
	Greenery	118.29	6.45
	Hospital	10	0.55
	Market	2	0.11
	Servicing Zone	13.18	0.72
	Residential zone (Kinchaung village)	200.2	10.92
	Residential zone (Tant Zwe village)	160.42	8.75
	Development zone in future	589.26	32.14
5	Type of Land and Area	Area	No. of Plots
	Heavy Industries	5	117
	Plastic Production Industry	200 x 200	12
	Medium Industries	150 x 150	28
	Small Industries	100 x 100	28
	Total		185

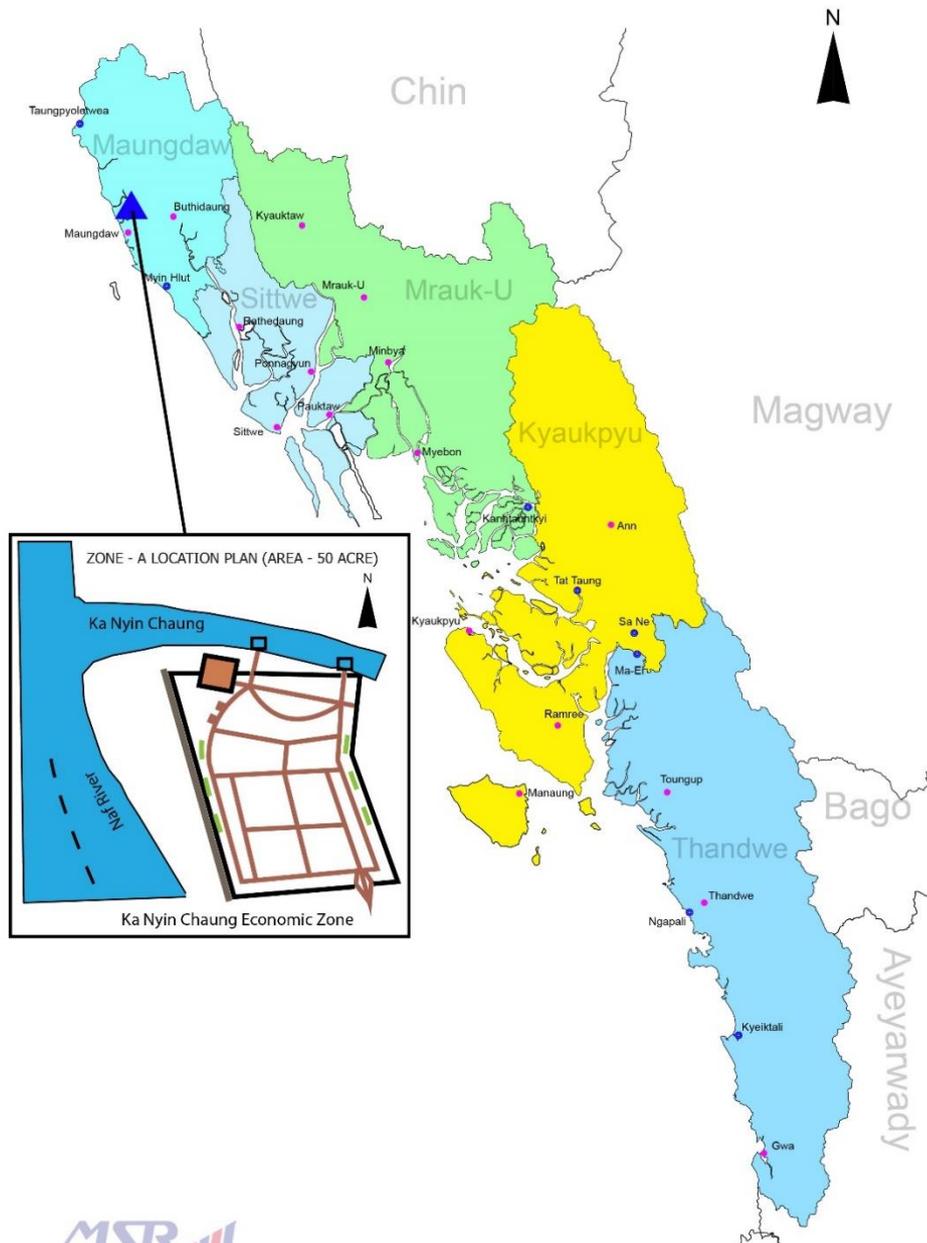
6.10.4 Ka Nyin Chaung Trading Zone

Ka Nyin Chaung Economic Zone is being developed by the Maungdaw Border Merchants Association together with the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI).

The total area of the Zone is about 100 acres of land, which is about 2 miles away from Maungdaw town and located on the bank of Naf River, the bordering river between Myanmar and Bangladesh. The zone has its own port with capacity to handle 300 tons of seaborne cargo.

This trading zone is planned to be the main trading zone between two countries to boost up their economies. Investment Opportunities in this zone include the construction of warehouses, cold storage facilities and textile factories.

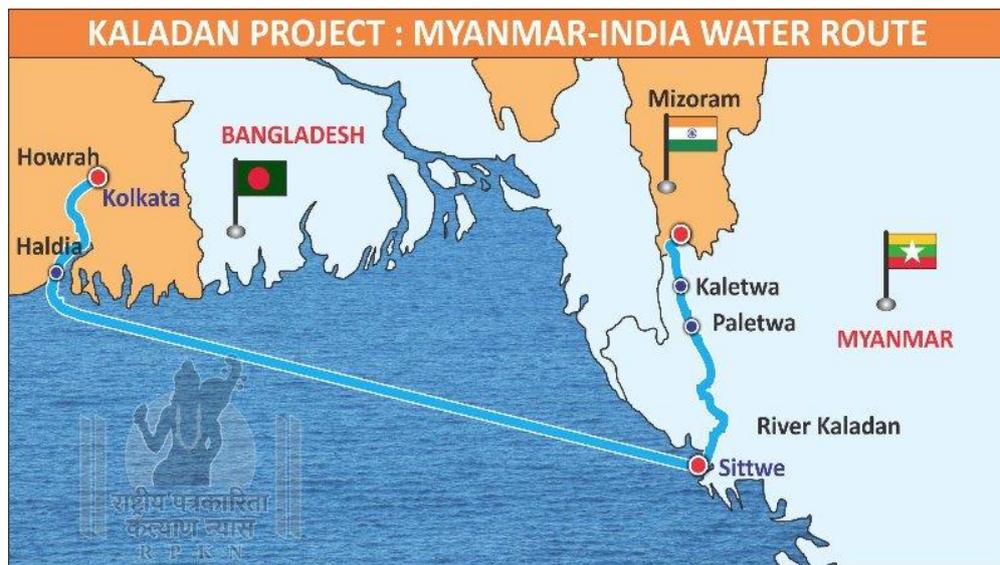
FIGURE 30: Ka Nyin Chaung Trading Zone Project



6.10.5 Kaladan Multi Modal Transit Transport Project

Kaladan Multi Modal Transit Transport project is a strategic project for both Myanmar and India. It is aimed to connect Seaport of Kolkata (India) with Sittwe by sea. It will then link the Sittwe seaport to Paletwa and Mizoram in India. The project comprises three stretches which include shipping, Inland water and road transport. The longest among these stretches is shipping segment from Kolkata to Sittwe port in Myanmar. This project will boost connectivity, contributing to job creation and development in whole region including in Rakhine and Chin State.

FIGURE 31: Kaladan Multimodal Transit Transport Project



Details of Kaladan Multimodal Transit Transport Project

1	Project Funder	India Government	
2	Project Segment	Mode	Distance
	Kolkata to Sittwe port	Shipping	540 km
	Sittwe to Paletwa along Kaladan River	Inland water transport	110 km
	Paletwa to Indo-Myanmar Border	Road	110 km
	Indo-Myanmar Border to NH-54 (Lawngtlai) in India	Road	100 km
3	Expected Operational Date		

6.10.6 Kyaetaw-Mingan Development Project

Project details

Project name and location:	<ul style="list-style-type: none"> ■ Kyaetaw-Mingan Development Project ■ Near Kyaetaw and Mingan Villages ■ Sittwe Township
Sector:	Infrastructure
Project information:	<ul style="list-style-type: none"> ■ Total area: 180 acres ■ To develop the Port, Trade Zone, Apartments, Supermarkets and MSME Zone
Investment:	Investor needs to have Feasibility Study conducted.

FIGURE 32: Location of Kyaetaw-Mingan Development Project

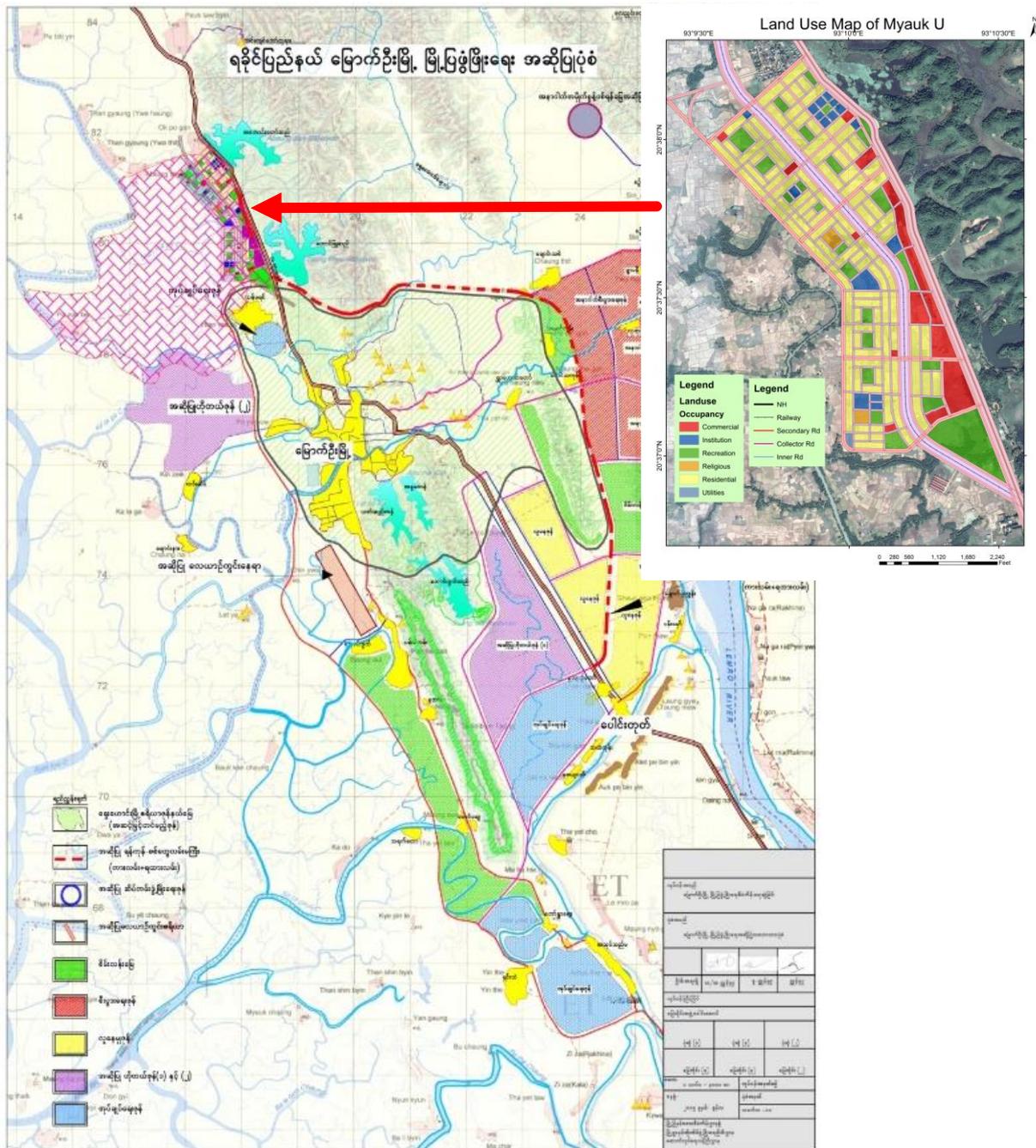


6.10.7 Mrauk-U New City Project

Project details

Project name and location:	<ul style="list-style-type: none"> ■ Mrauk-U New City Project ■ Mrauk-U Township ■ Mrauk-U District
Sector:	Infrastructure
Project information:	<ul style="list-style-type: none"> ■ Total area: 400 acres ■ To develop a New City
Investment:	Investor needs to have Feasibility Study conducted.

FIGURE 33: Location of Mrauk-U New City Project

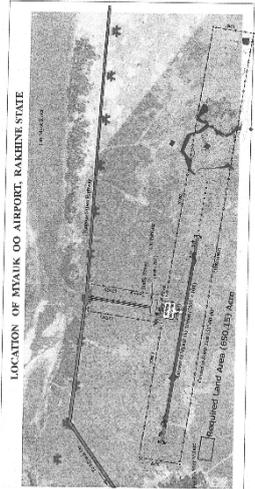
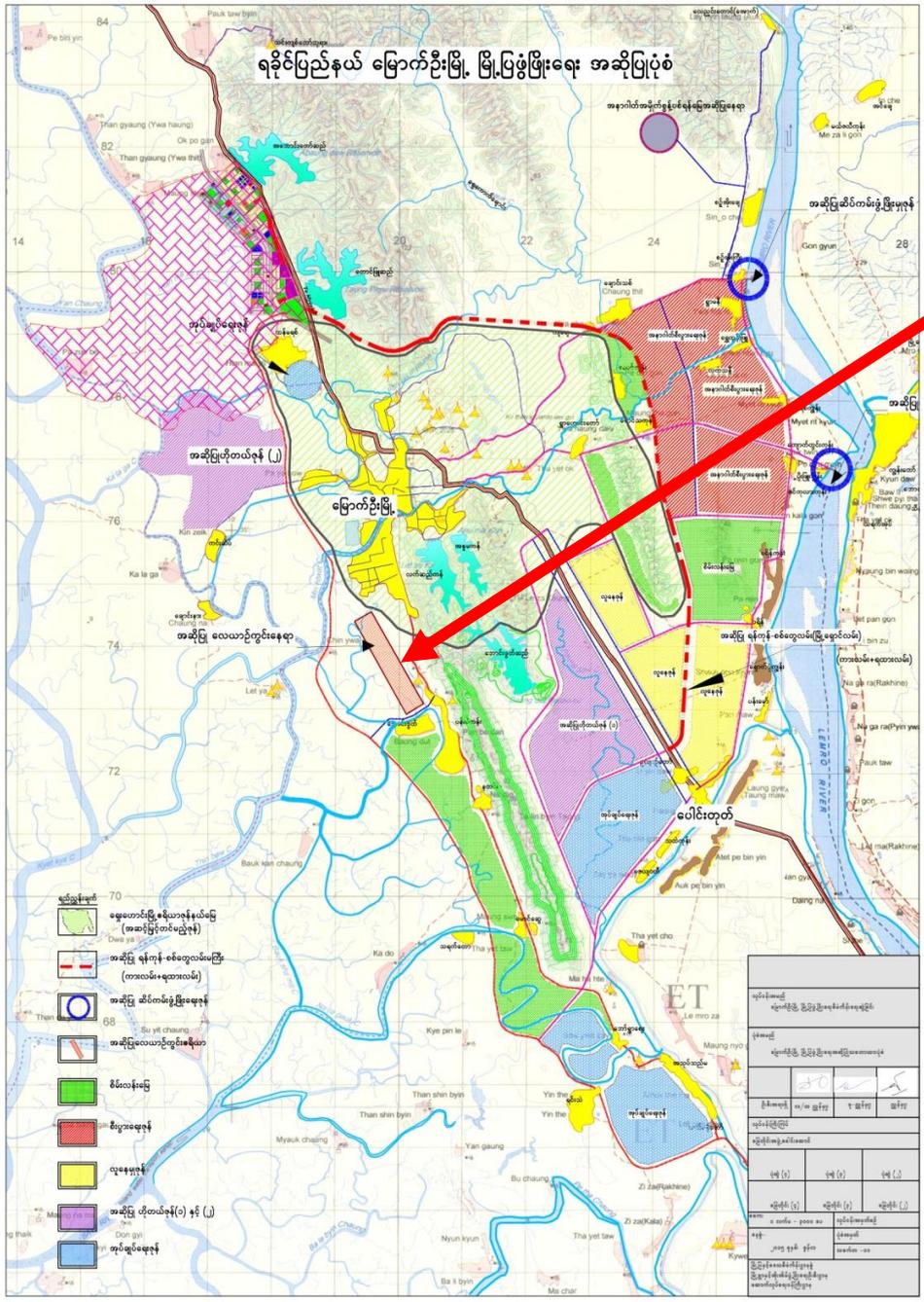


6.10.8 Mrauk-U Airport Project

Project details

Project name and location:	<ul style="list-style-type: none"> ■ Mrauk-U Airport Project ■ Near Yangon-Sittwe Highway ■ Near Kyar Village, Mrauk-U Township
Sector:	Infrastructure
Project information:	<ul style="list-style-type: none"> ■ Total area: 638.66 acres ■ To develop a New Airport
Investment:	Investor needs to have Feasibility Study conducted.

FIGURE 34: Location of Mrauk-U Airport Project



6.10.9 Upgrading Ngapali Airport Project

Project details

Project name and location:	<ul style="list-style-type: none"> ■ Upgrading Ngapali Airport Project ■ Mazin Village, Ngapali Beach ■ Thandwe Township
Sector:	Infrastructure
Project information:	<ul style="list-style-type: none"> ■ Total area: 100 acres ■ To upgrade Ngapali Airport (Thandwe)
Investment:	Investor needs to have Feasibility Study conducted.

FIGURE 35: Location of Upgrading Ngapali Airport Project



6.10.10 Man Aung Island – Eco Tourism Development Project

Project details

Project name and location:	<ul style="list-style-type: none"> Man Aung Island – Eco Tourism Development Project Man Aung Township
Sector:	Tourism
Project information:	<ul style="list-style-type: none"> Total area: 47.89 acres (Phase 1: 2019 – 2023) Zone area: 26,237 acres To develop an eco-tourism zone on Man Aung Island

FIGURE 36: Location of Man Aung Island – Eco Tourism Development Project

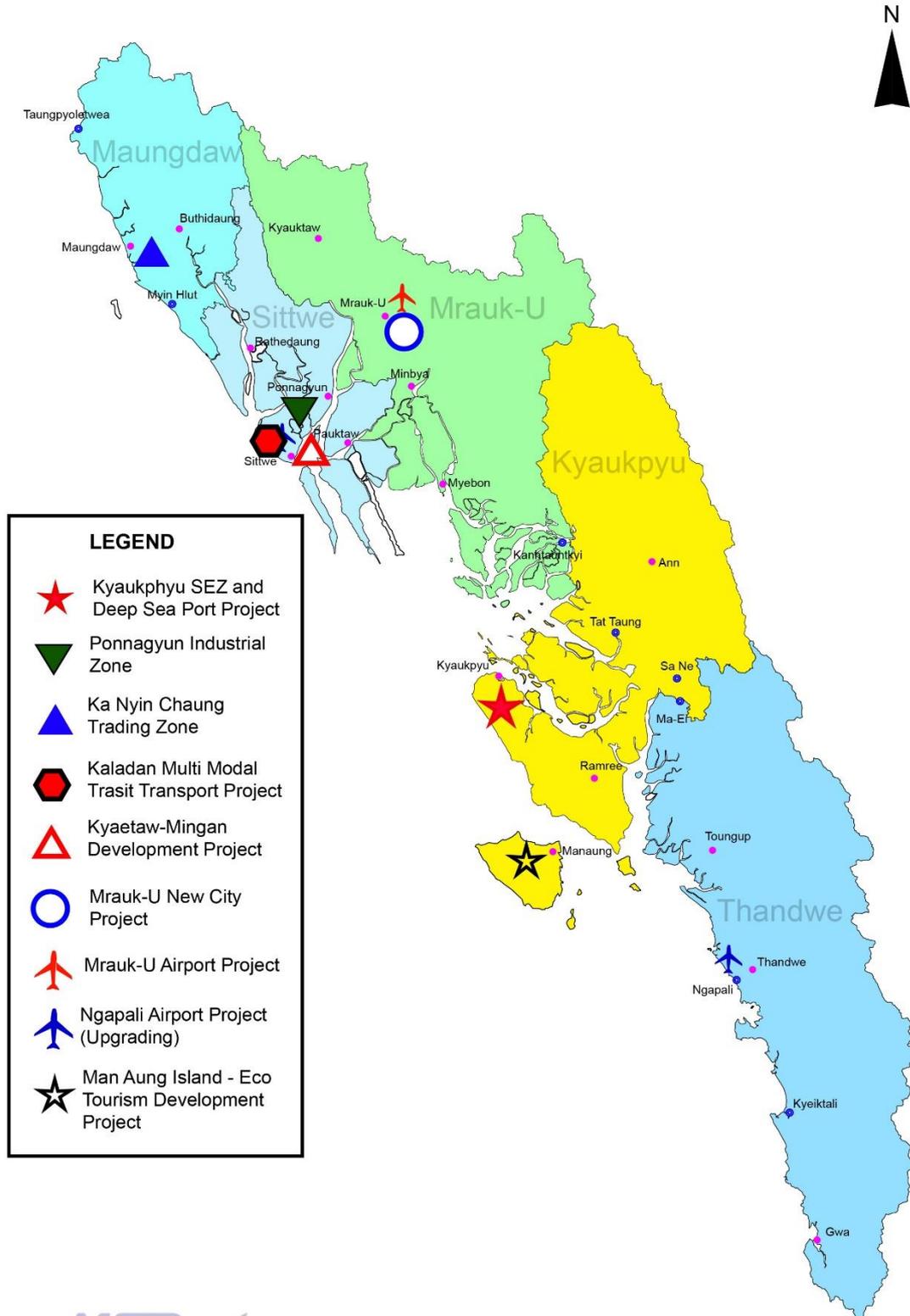


6.10.11 Investment opportunities in Kyaukphyu SEZ and other projects

Infrastructure development	<ul style="list-style-type: none"> • Port construction • Electricity generation • Telecommunication and infrastructure development • Water supply system • Environmental conservation • Waste control system
Production-based industries	<ul style="list-style-type: none"> • Goods processing • Hi-tech goods manufacturing • Agri-business • Livestock breeding and fisheries • Mineral extraction • Forestry produce
Service-based industries	<ul style="list-style-type: none"> • Trade • Logistics and transport services • Storage and warehousing • Hotels and tourism • Education and health • Residential facilities • Infrastructure supply and support centers • Green space • Recreation centers and resorts

KYAUKPHYU SEZ & OTHR DEVELOPMENT PROJECTS

Existing/potential places for Kyaukphyu SEZ & other development projects



7

INTERESTED SECTORS OF POTENTIAL INVESTORS

MSR invited registrations of potential investors for attendance to the **Rakhine State Investment Fair 2019** to be held in February 2019. At the same time, the business sectors in which they are interested in Rakhine State were asked on the registration form. Altogether 108 potential investors mentioned the business sectors in which they are interested, and these sectors are analyzed and mentioned as follows:

Analysis by sector			Analysis by country		
Sr	Interested sector	No of investors	Sr	Country	No of investors
1	Agriculture	17	1	Myanmar	44
2	Livestock and Fishery	15	2	Japan	25
3	Manufacturing & Food Processing	15	3	China	14
4	Energy	10	4	Italy	5
5	Hotel & Tourism	37	5	Korea	4
6	Infrastructure	21	6	Singapore	3
7	Real Estate	14	7	United States	3
8	Transport & Logistics	5	8	Laos	2
9	Forestry	2	9	Australia	1
10	Banking & Microfinance	5	10	France	1
11	Construction	3	11	Germany	1
12	ICT and Telecommunication	3	12	Ireland	1
13	Trading	4	13	Kazakhstan	1
14	Others:	8	14	Malaysia	1
	▪ Tin refinery		15	South Africa	1
	▪ Engineering		16	United Kingdom	1
	▪ Water desalination				
	▪ Bakery				
	▪ Cold storage				
	▪ Services				
	▪ SMEs				
	▪ Education and health				
	Total ►	159		Total ►	108

Interested subsectors

Agriculture:	Rice mill	
	Provision of rice-mill-related accessories/crushing stones	
	Planation: Provision of good-quality seeds (export-oriented)	
Fisheries:	Fisheries and aquaculture	
Livestock:	Dairy farms	
Manufacturing and Processing:	Marine produce processing	
Hotels and tourism:	Hotels and resorts	
	Cultural tourism	Natural beaches
	Ecotourism	
Infrastructure:	Airport, roads and ports	
	Industrial zones	
Energy:	Oil and gas exploration	
	Electricity generation	

8

CONCLUSIONS AND RECOMMENDATIONS

8.1 Conclusions

In this survey report, the investment opportunities in essential business sectors of Rakhine state are presented. Although Rakhine State is relatively less developed state compared with other states and regions, there are enormous opportunities for domestic and international investors to invest in different business sectors. Situated at the geostrategic location at Bay of Bengal, Rakhine possesses unique features which are crucial factors for making investment.

With richness in cultural and historical sites, it is also endowed with natural resources and untapped beaches along its vast coastal areas. In addition, Rakhine State shares borderline with key regions in Myanmar so that it is an exit point to access the international trade network. Proximity to India and Bangladesh is also the best opportunity to access the most populated market in the world. Furthermore, the existing two international projects—Kyauk Phyu SEZ and Kaladan Multimodal Transit Transport projects—are best elements to be considered by investors to do investment in Rakhine State.

The Union Government has laid out supportive investment policy for both domestic and foreign investors to enable them to grasp these opportunities. Besides, the Myanmar Investment Law has conferred attractive rights, incentives and guarantee for investors concerning investment businesses made in specific states and regions. In the recent years, the government of Rakhine State has exerted efforts for improvements in basic infrastructures which are fundamental elements for attracting investors to do investments in Rakhine state. It is found that there is a considerable improvement in transport, electricity and communication sectors.

On the other hand, it is also found out that the local businessmen, under the current situation, are encountering a number of challenges such as lack of access to modern technologies, lack of access to market and financial constraints.

8.2 Recommendations

In the recent years, the government of Rakhine State has exerted efforts for improvements in basic infrastructures which are fundamental elements for attracting investors to do investments in Rakhine state. It is found that there is a considerable improvement in transport, electricity and communication.

- ❖ Based on the key stakeholders' suggestions, investors are encouraged to grasp investment opportunities in the following business sectors:
 - Fishery & Livestock sectors
 - Agriculture sector
 - Manufacturing / processing sector
 - Hotels and Tourism sector
 - Forestry sector
 - Trading sector
 - Energy sector
 - Construction sector
 - Health Care sector
 - Transportation sector
- ❖ It is important for the Government of Rakhine State to put more efforts for improvement of infrastructures such as road networks, electricity supply, communication.
- ❖ Financial support should be provided to Small and Medium Enterprises.

In an overview, it is to be noted that the Rakhine State is a proper territory for both local and foreign businessmen to make new investments. On the vast stretches of land of Rakhine State, local businessmen are currently doing their businesses in multiple sectors which will invariably develop with the assistance of the local and technology-rich foreign businessmen for the benefits of the local populace and for themselves. It will be of great benefit if the potential investors work hand in hand with their local counterparts who know well about the local context.

9

APPENDICES

9.1 Contact information of key organizations in Rakhine State

RSG:	Rakhine State Government: Corner of May Yu Street and Min Bar Gyi Street, Bawlonekwin Ward, Sittwe Township Tel: 043-23638
RSCCI:	Rakhine State Chamber of Commerce and Industry: Room No 1-2, Myoma Market, 1st Floor, Kyay Bin Gyi Ward, Sittwe Township Tel: 043-21278, 043-23653, 09-250332849 Email: rsccl.rakhine@gmail.com
DICA (Rakhine State):	Directorate of Investment and Company Administration (Rakhine State Office): May Yu Street, Bawlonekwin Ward, Sittwe Township Tel: 043-2024528 Email: dicarakhinestate@gmail.com

9.2 Addresses of Myanmar companies that have invested in Rakhine State

1	Eden Hotel & Resort Co Ltd	Hotel services (5-star) (BOT) 100-F Inya Road, Kamayut Township, Yangon. Tel: 01 860 3327
2	Inn Pauk Wa Co Ltd	Hotel services 145 Yay-dwin Road, Kyee-bin-gyi War, Sittwe Township, Rakhine State. Tel: 09 7833 3110
3	Adventure Myanmar Tours & Incentives Co Ltd	Hotel services (4-star) (BOT) 99-O Thanlwin Road, Ward 10, Kamayut Township, Yangon. Tel: 09 7833 3110
4	Fortune International Limited	Hotel services 65-D Pyay Road, Ward 2, Kamayut Township, Yangon. Tel: 09 4004 41897
5	Golden Han Tha Waddy Co Ltd	Hotel services (4-star) (BOT) 172 Upper Pansodan Street, Kandawlay (North) Ward, Mingala Taungnyunt Township, Yangon. Tel: 09 511 9592
6	Jade Marina Resort Hotel Co Ltd	Hotel services 39-A Pyay Road, 7-1/2 Mile, Mayangon Township, Yangon. Tel: 09 4211 14469
7	Minor Myanmar Co Ltd	Hotel services (BOT) 99-O Thanlwin Road, Ward 10, Kamayut Township, Yangon. Tel: 09 519 9150
8	Myanmar Treasure Hotel & Resort Group Co Ltd	Hotel services 29 Yay-set Street, Mayangon Township, Yangon. Tel: 09 4217 38115
9	Ngapali Bay Villas & Spa Co Ltd	Hotel services 7 Kokkine Yeiktha Street, Shwe Taunggyar Ward 2, Bahan Township, Yangon. Tel: 09 4217 69887
10	Bagan Thandwe Hotel Group Co Ltd	Hotel services (BOT) 12-Zagwe Kaba Aye Pagoda Road, Mayangon Township, Yangon. Tel: 09 204 2189
11	Pristine Lotus Group Co Ltd	Hotel services (BOT) 7-B Tawwin Road, Ward 4, Mayangon Township, Yangon. Tel: 09 9506 67696
12	Nawarat Marine Myanmar Co Ltd	Marine produce manufacturing 19 Maykha Street, Mayangon Township, Yangon. Tel: —
13	Lin Aung Industrial & Production Co Ltd	25-ton ice factory, 100-ton cold storage — Tel: 043 42344
14	Shwe Tharawun Shesaung Fisheries Co Ltd	Ice factory and cold storage 93 U-yin Street, Kyimyindine Township, Yangon. Tel: 01 722 489

15	Padamya Consultancy and Trading Ltd	Ice factory and cold storage 39, 11 th Street, Lanmadaw Township, Yangon. Tel: 01 22435
16	Lin Aung Industrial & Production Co Ltd	25-ton ice factory, 100-ton cold storage A/2 Pyay Road, Anawrahta Road, Kamayut Township, Yangon. Tel: 01 22435
17	Nayla Thitsar Construction Group Co Ltd	Road paving (BOT) and toll collection 131 Nyaungdon Street, Taungup Township, Rakhine State. Tel: 043 60056
18	Amazing Holdings & Resort Co Ltd	9-hole golf course, 40-room hotel, serviced apartments 99-O Thanlwin Road, Ward 10, Kamayut Township, Yangon. Tel: 043 42371 Golf Course: 09 206 2632
19	Myanmar Chemical & Machinery Co Ltd	Offshore supply base 120/1121 Thumingala Street, 16/4 Ward, Thingangyun Township, Yangon. Tel: 09 9772 42355
20	Seven Sunrays Co Ltd	Fish powder factory, ice factory 6-A Wingaba Lane, Bahan Township, Yangon. Tel: 09 4500 40797

9.3 Detailed list of samples

Sr. No.	Sector	Potential Respondent	Districts					Total
			Sittwe	Kyaukpnyu	Thandwe	Mrauk U	Maungdaw	
1	Agriculture	Department of Agriculture	2	0	1	0	0	3
		Department of Agricultural Mechanization	1	0	0	0	0	1
		Rakhine Rice Federation	1	0	0	0	0	1
		Kyauk Taw Agri and Livestock Association	0	0	0	1	0	1
		Kyauk Taw Public Co Ltd	0	0	0	1	0	1
		Peanut farmer	0	0	0	1	0	1
		Sugercane farmer	0	0	0	1	0	1
		Paddy farmer	0	0	0	1	0	1
		Watermelon farm	0	0	0	1	0	1
		Chilli farm	0	0	0	1	0	1
		Areca nut farm	0	0	0	1	0	1
		Cashew nut farm	0	1	0	0	0	1
		Sub Total	4	1	1	8	0	14
2	Livestock	Department of Livestock	1	0	0	0	0	1
		Cow Farm	1	0	0	1	0	2
		Chicken (Egg) Farm	1	0	0	0	0	1
		Livestock Farm (Dairy Cattle)	1	0	0	0	0	1
		CP Livestock Company	0	0	1	0	0	1
		Sub Total	4	0	1	1	0	6
3	Fisheries	Department of Fisheries	1	0	0	0	0	1
		Fisheries Association	1	0	0	0	0	1
		Fish breeding farm	0	0	0	1	0	1
		Fishery farm	0	0	0	1	0	1
		Dried fish business	0	1	0	0	0	1
		Fishery Federation	0	0	1	0	0	1
		Fishery Products Processors and Exporters Association	0	0	1	0	0	1
		Prawn breeding farm	0	1	0	0	0	1
		Prawn farm	0	0	0	1	0	1
Soft shell crab farm	1	1	0	0	0	2		
		Sub Total	3	3	2	3	0	11
4	Manufacturing	Rice Miller Association	0	0	1	0	0	1
		Rice Mill	0	0	0	1	0	1

		Edible Oil Mill	0	0	0	1	0	1
		Timber Mill	1	0	0	0	0	1
		Ice Factory	0	0	1	0	0	1
		Cold Storage	0	0	1	0	0	1
		Salt Mill	0	1	0	0	0	1
		Directorate of Industrial Supervision and Inspection	1	0	0	0	0	1
		Bakery	1	0	0	0	0	1
		Sub Total	3	1	3	2	0	9
5	Forestry	Department of Forestry	1	0	0	0	0	1
		Teak Plantation	0	0	1	0	0	1
		Sub Total	1	0	1	0	0	2
6	Hotel & tourism	Department of Hotel & Tourism	1	0	0	0	0	1
		Hotel Manager Association	0	0	1	0	0	1
		Travels and Tour Company	0	0	0	1	0	1
		Travel and Tour Business Owner	0	0	1	0	0	1
		Hotel	0	0	1	0	0	1
		Kan Thar Yar Beach (Village Administration)	0	0	1	0	0	1
		Maw Shwe Chaing/ Satt Thwar Beach (Village Administration)	0	0	1	0	0	1
		Sub Total	1	0	5	1	0	7
7	Transport & logistics	Department of Transport	1	0	1	0	0	2
		Department of Water Transport	0	0	0	0	0	0
		Department of Road Transport	1	0	0	0	0	1
		Port Authority	1	1	1	0	0	3
		Civil Aviation	1	1	1	0	0	3
		Association of Passenger Transport	0	0	1	0	0	1
		Association of Cargo Transport	0	0	1	0	0	1
		Inland Water Transport	0	1	1	0	0	2
		Daung Nwe Dockyard	0	0	1	0	0	1
		Sub Total	4	3	7	0	0	14
8	Human resources	Winner Pre School	1	0	0	0	0	1
		Sub Total	1	0	0	0	0	1
9	Border trade and trading	Trading company	1	0	0	0	0	1
		Fish export	1	0	0	0	0	1
		Rice, beans, edible oil, vegetables	1	0	0	0	0	1
		Sub Total	3	0	0	0	0	3
10	Construction	Construction Company	0	0	0	1	0	1
		Hotel	1	0	0	0	0	1
		Sub Total	1	0	0	1	0	2
11	Investment projects	District Administration Department	0	1	0	0	0	1
		BXT International	1	0	0	0	0	1
		Sub Total	1	1	0	0	0	2
12	Other related sectors	Department of Consumer Affairs	1	0	0	0	0	1
		Department of Housing Development	1	0	0	0	0	1
		Rakhine State Chamber of Commerce and Industry	2	0	0	0	0	2
		Rakhine State Young Entrepreneurship Association	1	0	0	0	0	1
		Sub Total	5	0	0	0	0	5
		Grand Total	31	9	20	16	0	76

10

REFERENCES

❖ Primary sources

10.1 Government enterprises/departments

-----, Road Transport Administration Department, Rakhine State

Daw Myint Myint Zaw, Deputy Staff Officer, Department of Fishery, Thandwe District. Ph.09 250331805

Dr Than Naing, Director, Livestock Breeding and Veterinary Department, Sittwe. Ph: 09 85023083

U Aung San Thar, Deputy Director, Department of Agriculture, Rakhine State

U Kyaw Kyaw Nyunt, The Director, the Department of Industrial Supervision, Rakhine State.

U Myint Win, Deputy Director, Department of Forestry, Rakhine State

U Soe Naing, Director, Department of Fisheries, Sittwe. Rakhine State

U Thaw Zin Maung, Staff Officer, Department of Agriculture, Thandwe District, Ph: 09 250332745

U Toe Wai, State Official, the Department of Agriculture, Rakhine State

10.2 Private businesses

-----, Rakhine Rice Public Company Limited. Address: Kone Tan Ward, Sittwe, Ph: + 95 9 25 1132605

Dr Nay Naing Htoo, Myanmar Livestock Development Co Ltd. Ph. 09 250290261

U Ali Ko, Resident Manager (Amazing Ngapali Resort Hotel, Ph.09 402773606

U Ba Maung (Managing Director), U Khin Maung Win Soe (Director), U Aung Myint (Director), Kyauktaw Public Company Ltd.

U Hla Shwe, Farmer of Betel Nut Farming, Nga Mae Pyin Village, Mrauk-U Township. Ph: 09 261195995

U Hla Tun Kyaw, Padaethar Farming, Ponnagyun Township. Ph: 09 767950933

U Kyaw Ko Ko Latt, Manager. C.P Poultry Farming. Address: Bogyoke Road, Sittwe. Ph:09 255704399

U Kyaw Kyaw Linn, Cashew Farmer, Ann Township. Kyaukphyu District.

U Kyi Win, owner of dry rack-fishery business, Kyaukphyu. Ph: 09 425 65012

U Mg Win Soe, Groundnut Farming and Oil mill. No.136, Saw Pyi Nyo Street, Kyauktaw

U Min Oo, Nay Chi Thwe Thit Chicken Farming, West Sanpya Ward, Sittwe. Ph: 09 - 896908968

U Min Than Hteik, the Owner, Yin Min Htike -Travel & Tour Company, Thandwe Township. Ph. 090421730810

U Myint Htay, the Chairman, Aung Thitsar Express. Ph: 09 428 530084

U Saw Tun, Owner of Kyan Dine Aung Salt Mill. Kyauk Phu town. Ph: 09-250139355

U Shwe Tun Aung, the Chairman, the Rakhine Rice Company

U Than Hlaing, Former Chairperson of Mrauk U Hotel, Inn Pauk Wa Co Ltd. Ph: 09 783331110

U Than Tun, Commercial Teak Plantation, Thandwe Township. Ph: 09.444403055

U Thar Sein, Sugarcane Farmer, Kyauktaw Sugar Mill. Ph: 09 264 984486

U Tun Aye Thar, Owner of Cattle Breeding Farm Address: Thinbwa Kwe Village, Kyauk Taw Township, Mrauk U District

U Tun Tun Naing, Manager, Linn Aung Cold Storage Factory, Thandwe Township. Ph: 09 421730122

10.3 Associations/committees/local administration

BEAC Office, Kyauak Phyu SEZ Management Committee, Ministry of Rail Transportation, Building No.(29), Nay Pyi Taw, Myanmar. Ph: +95 67 405032. Email: beac@kpsez.org, info@kpsez.org

Daw Theint Theint Htwe, Manager, River Top Hotel, Chairperson, Hotel Managers Association (Thandwe). Ph. 09 428138982

Myanmar Hoteliers Association, No.3A, Conner of Waizayandar Rd & Thanthumar Rd, Thuwanna Ward, Thingangyun Tsp, Yangon. Ph: +95 1 8551014

Rakhine State Chamber of Commerce and Industry, Room No 1-2, Myoma Bazaar, Sittwe. Ph: +95 43 212 78

U Ba Thein, The Chairman, Cargo Transport Association, Taunggoke town. Rakhine. Ph: 09 260594755

U Lin Lin, Former Chairperson, Tourism Business Association, Mrauk U. Ph. 09 773282353

U Myo Win, the Chairman of Rice Mills Association (Thandwe), Ph: 09 421756978

U Soe Moe Aung, Administrator of Village, Sat Thwar Village, Gwa Township. Ph. 09 264098180

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