



Photo: Albatros Adventure Marathons.(n.d.)

# Myanmar Business Insight Report (2020)

Series II

November 2021

Inya  
Economics



# **Myanmar Business Insight Report (2020)**

**Inya Economics**

**Private Sector Development Programme**

**Series II**

**November 2021**

Copyright © 2021 by Inya Economics LTD GTY. All rights reserved.

---

Any findings, analysis, and considerations in this report are solely those of the author(s) and do not necessarily reflect those of Inya Economics or its Affiliated Organizations. The findings in this study are based on the interviews with the representatives-in-charge and the references. Without any prior permission to Inya Economics, copying or using portions or all materials (facts, images, tables, and data) directly or indirectly in this research is not allowed.

## **Private Sector Development Programme**

Established in 2017, Inya Economics created a business unit intending to conduct research on the businesses across Myanmar and offer them necessary consultancy and research services. Later in 2019, it was modified as the Private Sector Development (PSD) Programme and currently provides (1) Market Research & Advisory Services, (2) Research & Market Assessment Packages, and (3) Monitoring and Evaluation Services to the businesses.

The PSD programme will regularly publish factual analyses such as Industry Analysis, Organization Management, Insights and Blogs on [www.inyaeconomics.com](http://www.inyaeconomics.com).

## Content

|  |    |
|--|----|
| Acknowledgement  | 6  |
| Acronyms   | 7  |
| (i) Sample List for the Researched Businesses sectors across Regions and States          | 8  |
| (ii) Map indicating Surveyed States and Regions  | 9  |
| 5. Yangon Region   | 11 |
| 5.1. Garment Industry  | 11 |
| Figure (5.1.1): Garment Value Chain  | 13 |
| 5.2. Food and Beverage Enterprises   | 15 |
| 5.3. Machinery and Electronics Industry  | 17 |
| 6. Chin State  | 22 |
| 6.1. Konjac business   | 22 |
| Table (6.1.1): Konjac Productivity in Each Region and State (FY 2018-2019)               | 22 |
| Table (6.1.2): Konjac Productivity in Chin State (FY 2018-2019)                          | 23 |
| Table (6.1.3): Foreign Export of Wet Yam, Dry Yam and Power Yam                          | 27 |
| 6.2. Hotel and Tourism Industry  | 30 |
| 7. Kayin State   | 34 |
| 7.1. Rubber Business   | 34 |
| Table (7.1.1): Myanmar Rubber Export Volume and Export Destination Countries (2016-2017) | 34 |
| 8. Mon State   | 39 |
| 8.1. Rubber Business   | 39 |
| 9. Shan State  | 44 |
| 9.1. Coffee industry   | 44 |
| 9.2. Tea Industry  | 48 |
| References   | 52 |

## **Acknowledgement**

Inya Economics (IE) has published Series II of the Myanmar Business Insight Report (2020). With IE funding, the Private Sector Development (PSD) Programme has led this research project. It was delayed due to the organizational resource limitations, time constraints, and the impacts of COVID-19 pandemic and the coup.

Multiple business enterprises from eleven states and regions were researched and analysed for this report. This report on businesses in 9 research-eligible states and regions from the aforementioned eleven states and regions is published in Series I and II. Series I consist of research and analysis on business enterprises in Ayeyarwady region, Bago region, Mandalay Region and Magway region. Series II consists of research on business enterprises in Yangon region, Chin State, Kayin State, Mon State and Shan state. Therefore, Inya Economics would like to acknowledge every businessman in such regions and states who contributed their time and work to make this study possible.

The research team of Series II of the Myanmar Business Insight Report (2020) was led by Thurein Lwin (Program Director) with the contributions of Khin Su Thet (Program Coordinator), May Thu Htet (Project Consultant), and the PSD Programme interns. San Linn Aung, Ye Min Aung, and Aung Kaung Sett provided technical support and guidance for data collection while Aye Chan Phyu Phyu, Hnin Eint Chel, Hsu Thiri San, May Oo Moe, Su Thiri Soe and Theint Thazin Lin conducted key informant interviews with the businesses. Special thanks are accorded to each and every individual of this research team.

This report is mainly authored by Arkar Kyaw (Team Lead), Wai Moe Phyu, Hnin Pwint Lwin, Jali Ngalang, Han Thit Nyi Nyi and Kaung Thant. If it had not been for their rigorous effort, this research would not have been published.

This report and other IE's consultation and research services, and research reports can be found on [www.inyaeconomics.com](http://www.inyaeconomics.com), and any suggestions or complaints can be addressed to [inyaeconomics@gmail.com](mailto:inyaeconomics@gmail.com), and any inquiry on research projects and services regarding PSD Programme can be addressed to [psd.ie.mm@gmail.com](mailto:psd.ie.mm@gmail.com) with ease.

This report is intended to support Inya Economics' ultimate goal of Myanmar's economic development.

Thurein Lwin

Program Director

Private Sector Development Programme

**Acronyms**

|        |  |
|--------|--|
| CMP    | Cut-Make-Pack  |
| CSOs   | Civil Society Organizations                                      |
| FOB    | Free On Board  |
| FY     | Fiscal Year  |
| GDP    | Gross Domestic Product   |
| GIZ    | German Agency for International Cooperation                      |
| GSP    | Generalized System of Preferences                                |
| INGOs  | International Non-Governmental Organizations                     |
| JICA   | Japan International Cooperation Agency                           |
| MADB   | Myanmar Agricultural Development Bank                            |
| MOALI  | Ministry of Agriculture, Livestock and Irrigation                |
| MOC    | Ministry of Commerce   |
| NGOs   | Non-Governmental Organizations                                   |
| RBF    | Responsible Business Fund  |
| SMEs   | Small and Medium Enterprises                                     |
| SWOT   | Strength, Weakness, Opportunity, and Threat                      |
| UMFCCI | Union of Myanmar Federation of Chambers of Commerce and Industry |
| USAID  | United States Agency for International Development               |



**(i) Sample List for the Researched Businesses sectors across Regions and States**

| <b>No</b>        | <b>State/Region</b> | <b>Sector</b>        | <b>Types of Business</b>  | <b>Sample Size</b> |
|------------------|---------------------|----------------------|---|--------------------|
| 1.               | Ayeyarwady Region   | Agriculture          | Rice Mill business  | 5                  |
| 2.               | Bago Region         | Agriculture          | Pulses business   | 3                  |
| 3.               | Magway Region       | Agriculture          | Peanut business, sesame business, Onion business  | 6                  |
| 4.               | Mandalay Region     | Service              | Lacquerware business, Knitting and Embroidery business  | 10                 |
| 5.               | Yangon Region       | Production, Service  | Garment industry, Food and Beverage enterprises, Electronic industry, Agricultural Machinery industry | 10                 |
| 6.               | Chin State          | Agriculture, Service | Konjac business, Hotel and Tourism industry   | 6                  |
| 7.               | Kayin State         | Agriculture          | Rubber business   | 3                  |
| 8.               | Mon State           | Agriculture          | Rubber business   | 3                  |
| 9.               | Shan State          | Agriculture          | Tea leaf business, Coffee Industry  | 7                  |
| 9 States/Regions |                     | 3 Major Sectors      | 18 Businesses Researched  | Sample Size = 53   |

**(ii) Map indicating Surveyed States and Regions**

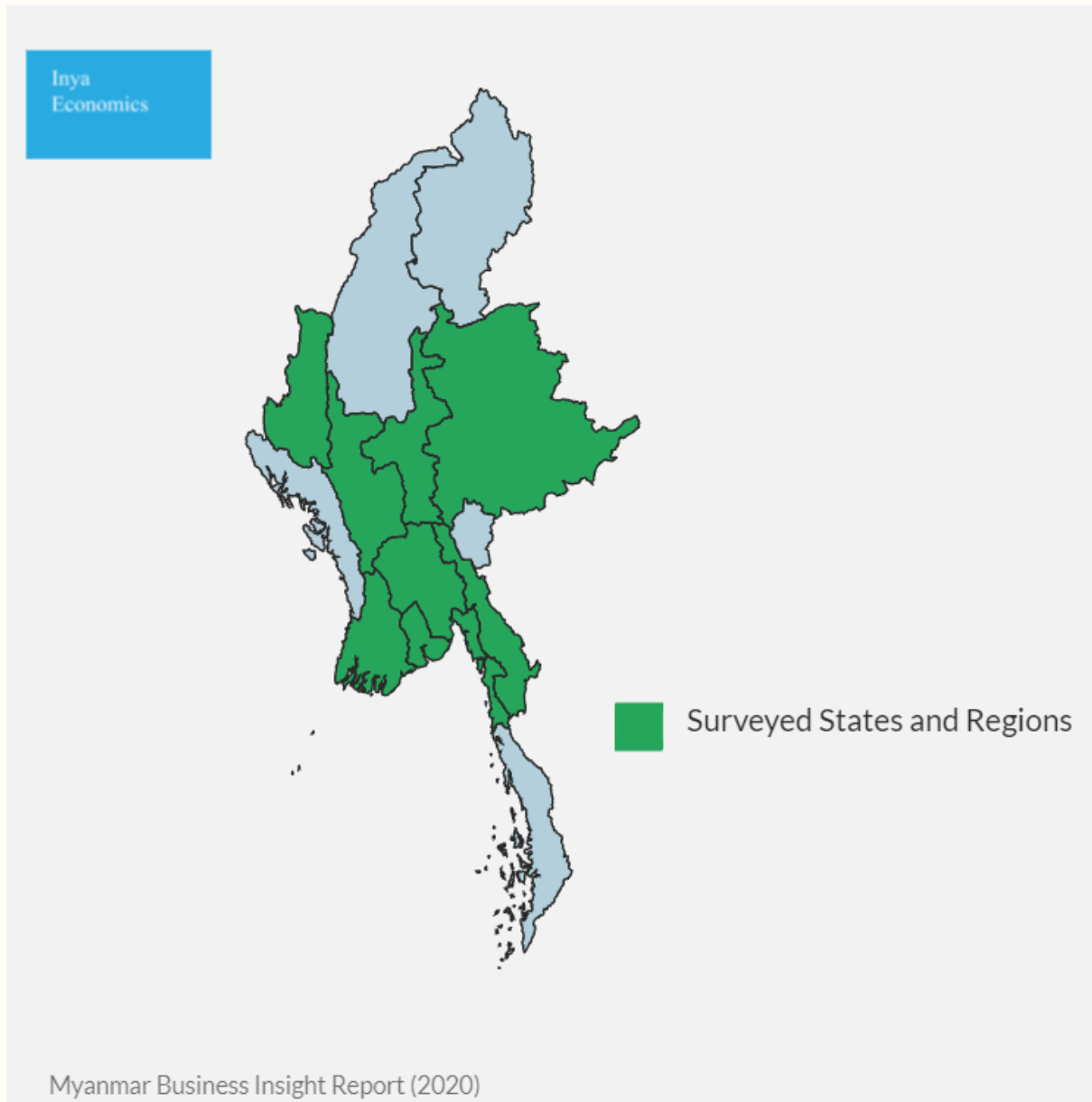




Photo: Inya Economics (2021)

## 5. Yangon Region

**Yangon region is the biggest commercial engine in Myanmar.** Yangon is the economic hub of Myanmar and also hosts ports for international trade. Its economy is thriving with the coverage of 23% of the country's GDP. During 2012-2017, Yangon's GDP increased an average of 9.2% per fiscal year (FY). Among the business sectors operating in the Yangon region, three significant industries: the garment industry, the food and beverage industry, and the machinery and electronics sector will be analyzed with the SWOT analysis method.

### 5.1. Garment Industry

#### Background Information

**The reforming of the political situation after 2010 in Myanmar made reforming of the economics by promoting foreign direct investment, especially in manufacturing and service sectors.** The investment has also led to large investments in the garment sector, which resulted in one of the country's top exports in 2019. Myanmar, a developing country, has been an incentive for the garment and footwear industries due to favorable wages and the Generalized System of Preferences (GSP) which is a preferential tariff system on various products. As a result, the export GDP of Myanmar's garment industry has risen sharply from \$ 472 million to \$ 6.59 billion in 2019, which became one of the three main exporters of the country's GDP (OEC, 2019).

**Foreign investment has not only boosted the productivity of the garment industry but also created employment opportunities for young rural women in Myanmar as the garment industry is a labor-intensive industry.** These investments have been accompanied by on-the-job training and other industrial training, which promoted low-skilled workers to high-skilled workers. In addition, the labor unions which protect labor rights, benefits, and wages have formed. Therefore, the SWOT analysis; the strength, the weakness, the opportunities, and the threats will be studied in this paper to understand the productivity and positive development of the garment industry which can provide employment opportunities for many workers and the potential for the economic development of the country, and to better understand the challenges by the impacts of the COVID-19 pandemic along the value chain.

#### Strengths of the Garment Industry

**Employment opportunities and Wages of the workers become the incentive for foreign direct investments.** The garment industry is a labor-intensive industry that can create a wide range of employment opportunities for young women from rural areas. By 2020, about

700,000 jobs will have been created in Myanmar (ILO, 2020) since lower wages for workers attracted the investment.<sup>1</sup>

**The garment industries are the beneficiary of tax exemption and have the market opportunity in Europe.** The Generalized System of Preferences (GSP) is a tax exemption system that promotes economic growth for developing countries and provides a major exemption for exports to the United States and Europe which is a huge opportunity for foreign investment in Myanmar, especially in the garment sector. Myanmar's garment industry was mainly exported to South Korea and Japan in the early part of 2016, but to Europe after 2016. (OEC, 2019) Therefore, the garments Myanmar has expanded its market to the West and become a country that produces international brands such as Zara, H&M, Primark, and Bestseller (Paton, 2021).

**Most of the garment industry is located in Yangon, Myanmar's main transportation hub and air shipping, shipping, and land transport are easily accessible for export and import.** As more garments are being invested in Myanmar, businesses are expanding beyond Yangon to Bago, Patheingyi, and Mandalay.

**Myanmar being a developing country, its garment industry received numerous foreign assistance.** The international organizations have been providing technical assistance, cash assistance, and training for the garment workers for productivity.

### **Weaknesses of the Garment Industry**

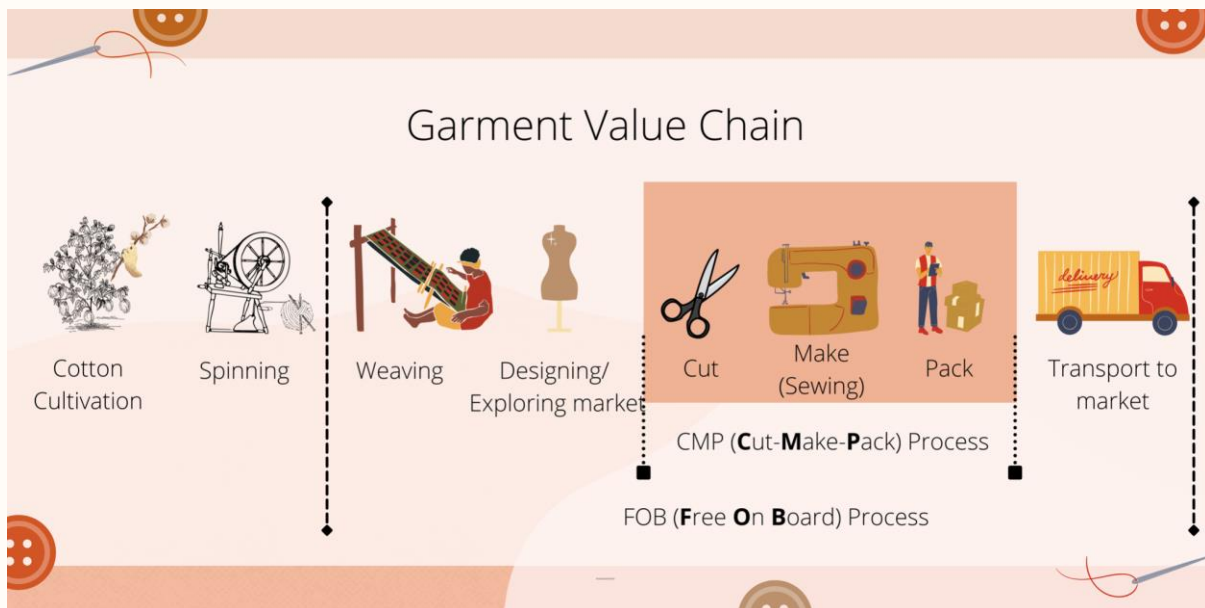
**The raw materials could not be produced in Myanmar.** 82.05% (worth about \$ 1,700 million) from China, 3.9 percent from Thailand, and 3.2 percent from South Korea were imported in order to obtain raw materials such as yarn and fabric for the garment sector in 2019 (World Integrated Trade Solution, 2019). Some other raw materials have to be purchased from foreign owned factories in Myanmar.

---

<sup>1</sup> In Myanmar, the minimum wage law was enacted in 2013, and the minimum wage was set at 3,600 kyats (2.7 USD) per day (\$ 1 = 1,300 kyats, December 2015) in 2015. The wage was set new in every two years, which set the daily wage at 4,800 MMK (\$ 3.1) per day in 2018 (1 USD = 1,558 kyats, December 2018), but Myanmar's minimum wage remains significantly lower than other developing countries in Asia due to the fact that Myanmar still has a low wage.



**Figure (5.1.1): Garment Value Chain**



*Source: Inya Economics (2021)*

**The textile industries in Myanmar have a lack of capacity to upgrade from Cut-Make-Pack (CMP) to Free On Board (FOB).** As mentioned above, being imported raw material, the garment could not transform without being able to produce high-quality raw materials to meet the entire value chain of garments. Despite sourcing with the domestic products, the weaving factories, and spinning factories, these could not produce the quality raw material as those have lack of skilled workers, techniques and machinery to be able to produce the quality fabric and yarns. As a result, importing the required raw materials can lead to import duties and high additional costs.

**Lack of access to infrastructure and electricity blackouts are also challenges. Myanmar promotes many foreign investments, but a weak electricity supply is a major problem.** Factories in Myanmar used the generators due to power cuts for almost four months a year, which led to high production costs. In addition, poor infrastructure for production and high land rents are weaknesses (Myanmar Economic Monitor Report, 2020).

**There is also a lack of experts for productivity management in the factory. Most garment factories in Myanmar have to hire foreign experts for production and floor management.** In this regard, the translators do not have experience in production which can lead to disputes through the language barrier.

### **Opportunities of the Garment Industry**

**The garment is a priority manufacturing sector for Myanmar.** While CMP contributes to Myanmar's GDP growth, government support also focuses on the garment

industry as priorities. For example, the garment industry was a top priority for COVID-19 Relief Loan in the first wave and second wave of the COVID-19 pandemic (Ministry of Planning and Finance, 2020).

**The textile industries are available machinery and factories for the production of raw materials.** The situation could change gradually as the transition from CMP to the Free On Board (FOB) system due to the availability of land in Myanmar to easily cultivate cotton to produce the required raw materials, availability of factories and machines to produce yarns, availability of factories to produce fabric.

### **Threats to the Garment Industry**

**According to the World Bank's Myanmar Economic Monitoring Report (2020), Myanmar's economic growth is likely to be sustainable, but political instability is holding back international investors.** As a result, delays in the import of raw materials and delays in the export of products due to political instability can increase production costs as well as affect production.

### **Suggestions**

- Rising production costs and declining productivity in the garment industry significantly affected the industries. In addition, export-oriented garment factories have been hit hard by rising import costs and declining demand in the export market. Therefore, the government will be able to attract more investment to cities and towns by reducing production costs, reduction of tax, and improving infrastructure to build a sustainable economy.
- Assistance programs that support efforts to adhere to ethical and international business guidelines and training programs to the garment workers will not only boost the international demand for domestic products but also boost industrial production.
- Increasing trade credit for imports of raw materials also increases the liquidity of businesses. Liberalizing the financial law and acts will be easy to access the insurance requirement and boost the export.
- Promoting the domestic textile sector and inviting international investment in the textile sector can not only create more jobs locally but also reduce the raw material costs of the garment industry for more profit margin.

## 5.2. Food and Beverage Enterprises

### Background Information

**Yangon is not only the commercial city of Myanmar but also the trade hub for transport modes including air, water and land.** In accordance with Flanders Investment and Trade, the food and beverage industry is the largest sub-sector with an average of 15% in total consumer spending in recent years. Euromonitor reports that Myanmar is one of the “20 Markets of the Future” that will offer the most opportunities for consumer goods companies. Packaged foods are expected to remain one of the largest categories, while hot drinks and soft drinks are forecasted to be the fastest growing categories. This part of the report will emphasise on strengths, weaknesses, opportunities and threats of Yangon’s blooming food and beverage industry.

### Strengths of the Food and Beverage Enterprises

**Food and beverage enterprises of Yangon possess a domestic market with a stable demand.** The food industry has to rely on the local ward markets for retails, and Danyingone and Thiri Mingalar markets for wholesale. Nowadays, with a significant change in the public lifestyle, people have started depending on supermarkets and shopping malls which offer better customer and hygienic services. Domestic food and beverage market is thriving since local supermarkets and mall chains are expanding their enterprises, and international food and beverage businesses are entering the domestic market.

Along with the higher standard of living, local businesses have upgraded their quality. Their fluent understanding of the customer's food consumption behaviours allows them to meet the demands of the customers. Therefore, local enterprises are able to compete with imported goods and new entrants from foreign countries.

Moreover, local businesses reduce waste by selling lower quality inputs to those from lower-tier markets at bargain prices. Local businesses being able to carry out the methods to cut waste marginises more profit.

### Weaknesses of the Food and Beverage Enterprises

**Technology and ingredient quality play a critical role in food processing and production.** Inputs are needed to meet the international food quality standards when entering international markets. Inability of local SMEs to obtain high quality inputs and production technology are major weaknesses.



**Myanmar has an abundance in raw materials for food processing but rare food hygiene certificates.** In this regard, great quality inputs have to be imported. If the inputs cannot be imported, the goods can be sold only in the local markets.

**To obtain higher quality inputs, capital and technological support are essential.** Though there are foreign investment opportunities through government support, most of the benefits went to major corporations. As a solution, the government should offer loans with lower interest rates.

**Even if SMEs can receive foreign investment, they still face a struggle to compete against the big corporations in the domestic market.** They suffer low productivity due to the lack of production machineries. Therefore, foreign and local conglomerates who can mass produce monopolise the market, which consequently forces SMEs to sell their products cheaper and compete in lower-tier markets.

### **Opportunities of the Food and Beverage Enterprises**

**Most of Yangon's food and beverage businesses are still reliant on the domestic market.** At the moment, the average income of the citizens is around US\$ 120 per month and it is estimated to increase by 48% in 2022. Nowadays, 15% of the citizens' monthly expenses are spent on food, which means that the higher the income, the higher the potential of market growth of the food and beverage enterprises.

**Foreign investments that have entered since 2011 into the local market with surplus demand is still accelerating and the market continues expanding.** According to Eurocharm's Consumer Goods Guide 2020, the market of packaged food alone was worth US\$ 1.7 billion in 2016 and is expected to increase till US\$ 3.1 billion by 2021.

**Metropolitan cities like Yangon have high demand for soft drinks. International brands from such countries as the USA and Japan made joint ventures with the local corporations and started production in Myanmar.** When foreign investments entered Myanmar, they invested approximately USD 200 million to set up a bottling plant and hot fill manufacturing process. Adequate investment in the production process and the technology to produce in vast quantities meet the high domestic demand.

**The inputs available locally do not have Food and Drug Administration (FDA) approval and quality packing materials, therefore they are needed to be imported.** Although imports from ASEAN countries are tariff free for the time being, this opportunity can become a challenge with any particular changes in trade policies and trading challenges.

**When it comes to production technology, machineries are not easily available in the local market.** In order for SMEs to compete with the big corporations they have to rely on the trade expos organized by the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) for better production technology. The connections built at the expos

are a great opportunity for SMEs to access technological and machinery support, and get business consultations.

### **Threats to the Food and Beverage Enterprises**

**Food and beverage market is saturated and competitive.** In order to get brand awareness from the consumers, the budget for marketing is very high. As internationally recognised brands enter the domestic market, the local SMEs have to struggle. Hence, some small enterprises have started producing products using similar brand logos and designs as the international brands but with some alterations. It becomes a challenge for big players as well.

Apart from those, the local sole proprietorship of food and beverage enterprises depend on tourism. As the global pandemic ceased the tourism businesses, income of domestic food and beverage businesses are going downhill.

### **Suggestions**

- Although the raw materials are abundant, the lack of quality inputs requires the government to provide technical support.
- There are products in the market that use hazardous chemicals which are harmful for the consumers. The government should collaborate with civil society organizations (CSOs) to initiate awareness activities to SMEs about health and safety regulations to prevent consumers from danger. Training in accordance with these guidelines for production should be implemented.
- Since the food and beverage market is very competitive, marketing is crucial. As a hand for SMEs to be more inclusive in the market, trade shows are needed to be organized.

## **5.3. Machinery and Electronics Industry**

### **Background Information**

**The machinery and electronics industry remain an important business of the country's commercial hub: Yangon region.** This industry can be roughly differentiated into two categories: local-made electronic equipment and components, and imported heavy agricultural machinery. The COVID-19 pandemic has wreaked havoc on the machinery and electronics industry causing transportation difficulties, component price hike, and demand slump. While the infrastructure for electrical technology is still scarce, the industry seems promising.

## **Strengths of the Machinery and Electronics Industry**

**The strength of the machinery and electronics industry comes from its partnerships with the agricultural sector, and the service sector including the hotel industry, and the food and beverage industry.** The heavy agricultural machinery businesses provide machines, maintenance, and other technical assistance to farmers. They exist in two forms: a dealership focusing on selling one specific brand, and a supplier importing a variety of brands.

The strength of a dealership is that it can provide spare parts and after-sales services to its customers more efficiently and easily at a much more reasonable price. The strength of a supplier selling a variety of brands is that it provides more options. The combined strength of the two types is the extensive network of agricultural machinery distribution around the country. These businesses rely on the farmers, meaning that the higher the crop prices during a year, the higher demand of their machinery. One of the biggest strengths of agricultural machinery businesses is that they are aware that maintaining a good relationship has a positive impact on customer retention.

Meanwhile local manufacturers that produce inverters, and electrical switchboards and control panels primarily offer their services to other businesses such as hotels, factories, and restaurants. Their core strength is that their products are readily available around the country. They have established distribution networks around the country which can supply their products and offer maintenance. The manufacturers are also able to provide warranty which enhances their brand image.

**The biggest strength of the surveyed agricultural machinery businesses and the local manufacturers of electronic equipment is that they understand the habits and preferences of their customers.** They all were well aware of their target market and the kinds of services they are required to provide in order to maintain their market share.

## **Weaknesses of the Machinery and Electronics Industry**

**The machinery and electronics industry faces fundamental weaknesses such as lack of technology infrastructure and government support, supply chain weaknesses, high import tax, bigger market competition, as well as logistical and transportation drawbacks.** The lack of a developing technological infrastructure remains one of the biggest weaknesses of the electrical sector. The government is yet to provide electricity nationwide, accordingly it limits their market and business expansion. Local manufacturers of electronics find their relations with the government aloof as they neither receive support from nor partner up with the government to improve the technicalities of this industry.

**The inability of the government to award certificates prevent local manufacturers from partnering up with international firms.** Import tax on electronic components required to locally produce other components and products remains a weakness for productivity. As local manufacturers are inefficient to produce the whole value chain, they have to import vital elements from overseas. There, import tax imposed on such components just raises the price of the finished products. This dissuades the local companies from becoming more innovative in production processes. Having internationally recognised certificates is essential in business expansion for local manufacturers. International companies investing in Myanmar place a bigger emphasis on collaborating with firms with internationally recognised certificates.

**Since Myanmar farmers modify from labor-intensive agriculture to machine-intensive agriculture, it remains undeniable that the future of agricultural machinery businesses seems promising.** However, the COVID-19 pandemic causes cross-border transportation and the overall export-import businesses more arduous. Most of the agricultural machinery businesses, albeit a dealership or a supplier dealing in a variety of brands, are heavily dependent on the import of machinery from various countries such as China, Thailand, Vietnam, and Singapore. With stricter COVID-19 preventive measures from neighbouring countries, Myanmar agricultural machinery businesses have found themselves vulnerable. The impact of COVID-19 extends not only to the import sector but also to transportation within the country. The supply chains of machinery and spare parts are easily cut down and the rise of prices have rendered transactions to become more difficult.

### **Opportunities of the Machinery and Electronics Industry**

**The machinery and electronics industry in the country has much to gain from shifting consumer preferences and habits.** As Myanmar farmers make their transition from labor-intensive agriculture to machine-intensive agriculture, agricultural machinery businesses have had more demand and many opportunities for business expansion. The businesses have stated that the financial support of farmers by MADB is vital in sustaining the agricultural machinery industry. Farmers utilize those loans to buy machines or pay off credit from their last purchases. Japan International Cooperation Agency (JICA) also plays a vital role in creating opportunities for the agricultural machinery sector. The agency provides loans to farmers in collaboration with MADB. This highlights how the agricultural machinery businesses can benefit from farmers receiving support from the government.

**Local electronics manufacturers have much to gain from working with the government.** If the local manufacturers for switchboards and control panels can work on government tendered projects, there exist many opportunities. As the government exerts effort to provide electricity nationwide and upgrade the national electricity network, the local electronic component market seems promising. The government receives technical assistance from experts and the local manufacturers receive bigger projects and credible track records in return, which results in a win-win situation for both the government and the manufacturers.

## **Threats to the Machinery and Electronics Industry**

**The COVID-19 pandemic remains the biggest threat to the machinery and electronics industry.** Due to the cross-border trade restrictions, farmers suffer declining crop prices, rising input prices, and stagnation of the global supply chain. Then, the agricultural machinery sector which relies on the agricultural sector has to struggle. As the profits from the agricultural sector have dried up, the demands for agricultural machinery have plummeted. Prior considerations for market expansion have also been halted due to the economic crisis.

The demand for locally manufactured electronic parts and equipment have also plummeted as businesses such as hotels and restaurants which the local manufacturers rely upon have been restricted severely due to the COVID-19 pandemic. Nationwide distribution networks barely operate due to rising fuel prices and COVID-19 restrictions. With the impact of COVID-19, this sector which does not receive government support faces bigger hurdles in the meantime.

## **Suggestions**

- The government must work in tandem with the international organizations to financially support the farmers and also help the agricultural machinery sector.
- The government must strive to provide local manufacturers of electronic components and products with internationally recognized certificates.
- The government should ease import tax on agricultural machinery and electronic parts that helps the domestic production after weighing the profits of local businesses of agricultural machinery and electronic components up with the state tax revenues.





Photo: McCrow, E. (2019)



## 6. Chin State

Chin State is the westernmost state in Myanmar. According to the 2014 Myanmar Population and Housing Census, its population is about 478,801 which is the second smallest population compared to other states and regions. Additionally, the whole state is scattered from township to village. It has been the least developed state in Myanmar for a long time with little access to foreign investment. According to a 2015 UNICEF's survey, 80 percent of households in Chin state suffered poverty or face hunger crisis. This has been due to poor transportation with its mountainous terrain, limited agricultural land and harsh climate conditions.

### 6.1. Konjac business

#### Background Information

In the agriculture sector of Chin state, the major cultivated crops are rice, corn, coffee, avocado, grape, konjac (elephant foot yam), tea, beans and sugarcane. Among them, konjac was grown locally in the early days, but has been commercially grown since the 2000s and exported mainly to China and Japan via Chin State. Konjac with foreign demand is entitled an agricultural product which boosts Chin State's subnational economy. Konjac businesses expect and aim to produce not only the wet and dry yam but also the finished goods locally, and then to export to South Korea, Japan, China and others. Therefore, this study will analyse the strengths, weaknesses, opportunities and threats of elephant foot yam cultivation in Chin State, which is the largest producer in Myanmar.

**Table (6.1.1): Konjac Productivity in Each Region and State (FY 2018-2019)**

| No. | Region/State | Acre Planting | Productivity (Viss) | Output (Viss) |           |
|-----|--------------|---------------|---------------------|---------------|-----------|
|     |              |               |                     | Wet Yam       | Dry Yam   |
| 1   | Chin         | 8,848         | 6,199.20            | 54,850,522    | 9,141,754 |
| 2   | Kayin        | 3,033         | 1,374.28            | 4,086,300     | 681,050   |
| 3   | Sagaing      | 31            | 2,500               | 77,500        | 12,917    |
| 4   | Bago         | 27            | 5,600               | 151,200       | 25,200    |
| 5   | Magway       | 571           | 5,000               | 2,855,000     | 475,833   |
| 6   | Rakhine      | 1             | 900                 | 900           | 150       |

|   |               |        |          |            |            |
|---|---------------|--------|----------|------------|------------|
| 7 | Shan (South)  | 600    | 6,200    | 3,720,000  | 620,000    |
| 8 | Shan (East)   | 3      | 1,200    | 3,600      | 600        |
| 9 | Ayeyarwaddy   | 90     | 2,000    | 180,000    | 30,000     |
|   | Union (Total) | 13,204 | 4,992.81 | 65,925,022 | 10,987,504 |

Source - မြန်မာ့ဝဉ္ဇ ဖိုက်ပျိုးထုတ်လုပ်မှု မြှင့်တင်ရေးမှ ဈေးကွက်ခိုင်မာရေးဆီသို့ 19(25). (2019).

### Strengths of Konjac business

**The current geographical position and climate are suitable for growing yam and it is largely grown in Hakha, MinDat, Kanpetlet and Matupi townships.** The northern areas, the farming lands in Mindat, Matupi, Kanpalat, and Rezua of southern parts of Chin State are larger in size and better quality for growing yam. Hence the local climate and nature is a strength of the yam cultivation, and the development of this business is an additional strength for Chin State.

**Table (6.1.2): Konjac Productivity in Chin State (FY 2018-2019)**

| No. | Township/District             | Acre<br>Planting | Acre<br>Harvesting | Productivity    | Output in Visses<br>(Wet Yam) |
|-----|-------------------------------|------------------|--------------------|-----------------|-------------------------------|
| 1   | Hakha                         | 688              | 688                | 1,151           | 791,888                       |
| 2   | Thantlang                     | 98               | 98                 | 1,150.09        | 112,709                       |
|     | <b>Hakha District (Total)</b> | <b>786</b>       | <b>786</b>         | <b>1,150.89</b> | <b>904,597</b>                |
| 3   | Tedim                         | 711              | 410                | 960             | 393,600                       |
| 4   | Tonzang                       | 55               | 55                 | 2,845.4         | 156,497                       |
| 5   | Cikha                         | 1                | 1                  | 721             | 721                           |
| 6   | Falam                         | 181              | 122                | 1,400.69        | 170,884                       |
| 7   | Rihkhawdan                    | 7                | -                  | -               | -                             |
|     | <b>Falam District (Total)</b> | <b>955</b>       | <b>588</b>         | <b>1,227.38</b> | <b>721,702</b>                |
| 8   | Kanpetlet                     | 730              | 480                | 1,216           | 583,680                       |
| 9   | Paletwa                       | 219              | 219                | 3,130.23        | 685,520                       |



|    |                                    |              |              |                 |                   |
|----|------------------------------------|--------------|--------------|-----------------|-------------------|
| 10 | Samee                              | 59           | 59           | 3,280           | 183,680           |
| 11 | Matupi                             | 1,721        | 988          | 3,285           | 3,245,580         |
| 12 | Rezua                              | 1,191        | 573          | 2,153.36        | 1,233,875         |
| 13 | Mindat                             | 3,190        | 2,760        | 1,023.16        | 2,823,913         |
|    | <b>Mindat District<br/>(Total)</b> | <b>7,107</b> | <b>5,076</b> | <b>1,725.03</b> | <b>8,756,248</b>  |
|    | <b>State (Total)</b>               | <b>8,848</b> | <b>6,450</b> | <b>1,609.7</b>  | <b>10,382,547</b> |

Source - မြန်မာ့ဝဠာ စိုက်ပျိုးထုတ်လုပ်မှု မြှင့်တင်ရေးမှ ဈေးကွက်ခိုင်မာရေးဆီသို့ 19(25). (2019).

**In 2013, Konjac was categorized as an agricultural product instead of a forestry product which legalized the domestic and foreign trade routes of the yam market and mutually benefited the farmers and traders.** Therefore, development of the agricultural sector and foreign exports requires government support<sup>2</sup>.

#### Commentary (1)

*“Removing konjac from forest products is the biggest reward for us. It is not easy to do. It is even legislated in the constitution. This is achieved because of the government support. Moreover, MOC largely coordinates the trade, the border trade and organizes the trade shows even to MOU signing. They help with such things. We gain benefits from MOC.” - Konjac Production and Business Owner (Chin State)*

In addition to cooperative activities with foreign organizations for business development in Chin State, the Chin State Investment and Product Fair is co-organized by the Directorate of Investment and Company Administration (DICA), merchants in Chin State, UMFCCL, DaNa Facility and VDB Loi Company Limited. In major agricultural villages of the state, the government, international CSOs and local communities have provided agricultural technical training more than ever.

Konjac is grown within the end of summer till the start of rainfall and harvested in November and December when the topsoil dries out in early winter. In Chin State, it is grown in three colors: red, yellow and white. According to local farmers, they can produce 3,000 to 5,000 visse of yellow yam per acre. The market price of wet yam ranges from 2,000 to 2,500

<sup>2</sup>Especially the Ministry of Commerce (MOC), Ministry of Agriculture, Livestock and Irrigation (MOALI), Ministry of Planning, Finance and Industry, Road Transport Administration Department and their heads.

kyats per viss, and that of dry yam ranges from 10,000 to 15,000 kyats per viss. Consistent foreign and local demand have created strong prices for konjac which has also led to the expansion of the businesses.

#### **Commentary (2)**

*“When we started this in Chin state five or six years ago, the price of wet yam was only about 250, 300 kyats per hundred ticals and 400 kyats maximum, and dry yam price was 2,500 kyats per hundred ticals. But last year, the price of wet yam shot up to 2,000, 2,200 kyats per hundred ticals and dry yam to 15,000 kyats. The price is very different. It increases every year.” - Konjac Production and Business Owner (Chin State)*

#### **Commentary (3)**

*“There are changes. For example, the annual production is around 300,000 or 400,000 visses. Next year, it could be 500,000 or 600,000 visses, something like that. It gradually develops. And our workflow and cultivation methods improve to higher quantity and quality on the market.” - Konjac Production and Business Owner (Chin State)*

**Elephant yam cultivation which acquires both the local and international demand has been expanding in Chin State year by year.** According to the Chin State Department of Agriculture, there were only around 8,800 acres for cultivation in 2018-2019, but in 2019-2020, the farming land increased to 15,000 acres as a result of support from the National Government and Chin State Government and better prices from the rise of market demand.

#### **Weaknesses of of Konjac business**

**The mountainous terrain and climatic conditions pose hindrances.** Chin state residents have the potential to grow konjac and other upland farming. However, there is still room for improvements in human and technical resources which can lead to greater profitability in the whole process of this konjac industry and in the agricultural sector of the whole state. Since the current cultivation methods are traditional, educating farmers on farming techniques, on cultivation to produce finished goods and to market procurement, and on raw materials to produce quality products are important for the development of the agricultural sector in Chin State.

**One problem here is that despite the high productivity of konjac in Chin State, the number of drying factories is low.** As a result, farmers incur additional transportation costs and other general costs when drying wet yam in other states. Although international non-governmental organizations (INGOs) contribute support, technologies, training and research,

the projects, being time-limited, can be considered less sustainable on a regional scale. The market for dry yam, being the finished product, gets better profit than wet yam. Accordingly, farmers are now drying their wet yam at the drying factories and then selling them on the market.

#### **Commentary (4)**

*“To be honest, solar dryers are not enough. Drying is limited. We want to dry many yams. We will expand gradually. We are also planning to set up a large factory here in collaboration with a Japanese company.”* - Konjac Production and Business Owner (Chin State)

### **Opportunities of Konjac business**

**Elephant foot yam is highly consumed and is in high demand both in the domestic and international markets.** There are about 130 species of yam in the world, of which only about twelve are consumed. Yam can be used to produce ready-to-eat meat analogue, various jellies, noodles, yam powder as an alternative for wheat flour, and animal feeds. Elephant foot yam can be used in pharmaceutical manufacturing to treat diseases such as obesity, cholesterol, thyroid, diabetes and high blood pressure. It is also used as an industrial raw material in paper and glue production, cotton, fabrics dyeing and printing and offshore petroleum exploration as well as glue as the facial mask in cosmetics producing.

**Moreover, international organizations like the United States Agency for International Development (USAID) equips the agricultural businesses with funding and the Responsible Business Fund (RBF) with technical assistance.** In 2010, K&L and Myanmar Belle trained local farmers on how to grow and produce large quantities of yam and signed sales contracts with them. Therefore the elephant foot yam from other states and countries cannot compete with those from Chin State in nutrition, taste and quality. Accordingly, Chin state’s yam enjoys product orders not just from the local market but also from the international market. Therefore, this business can export on an equal footing with other foreign countries and generate foreign earnings. Furthermore, it provides many economic and employment opportunities for the residents.

**Table (6.1.3): Foreign Export of Wet Yam, Dry Yam and Power Yam<sup>3</sup>**

| No. | FY                         | Wet Yam |        | Dry Yam   |        | Yam Powder |        | Total    |        |
|-----|----------------------------|---------|--------|-----------|--------|------------|--------|----------|--------|
|     |                            | Ton     | Amount | Ton       | Amount | Ton        | Amount | Ton      | Amount |
| 1   | 2013-2014                  | -       | -      | 5,584.745 | 9.944  | 39         | 0.067  | 5,623.75 | 10.011 |
| 2   | 2014-2015                  | 42.1    | 0.015  | 4,214.85  | 7.813  | 229        | 0.414  | 4,486.35 | 8.242  |
| 3   | 2015-2016                  |         |        | 1,906.505 | 3.498  | 261.02     | 0.515  | 2,167.53 | 4.013  |
| 4   | 2016-2017                  | 173.03  | 0.043  | 1,433.30  | 2.606  | 178        | 0.432  | 1,784.33 | 3.081  |
| 5   | 2017-2018                  | 196     | 0.048  | 1,001.38  | 1.695  | 1,361.25   | 2.135  | 2,558.63 | 3.878  |
| 6   | 2018 (mini Budget)         | -       | -      | 110.30    | 0.204  | -          | -      | 110.30   | 0.204  |
| 7   | 2018-2019 (until 7.6.2019) | -       | -      | 1,240.05  | 2.208  | -          | -      | 1,240.05 | 2.208  |

Source - မြန်မာ့ဝဉ္ဇ ဗိုက်ပျိုးထုတ်လုပ်မှု မြှင့်တင်ရေးမှ ဈေးကွက်ခိုင်မာရေးဆီသို့ 19(25). (2019).

The department of Industry and other related departments, Myanmar Fruit, Flower and Vegetable Producers and Exporters Association, and UKAid cooperated to deliver farming techniques to the business owners in Hakha which include knowledge related to konjac-focused industrial production on konjac washing machines, peeling machines, and dryers. Adventist Development and Relief Agency also distributed seeds for production and introduced yam cutting and washing machines.

**Dried elephant yams are highly exported as they can be easily packed and transported which has led to an increase in the number of manufacturers and exporters.** In Chin State, the first-ever drying factory was launched in 2018 in Kanpetlet of Mindat District. Amico, founded by a group of local youths, built the second one in Rezua which is now in operation. The annual production of elephant foot yam from Chin State was previously traded in bulk to Mandalay and the merchants. The rainy season made it difficult to dry yams because they were dried only in the sun. These days, the solar dryers help farmers save time and costs.

<sup>3</sup> Calculated in terms of USD 1 Million.

### Commentary (5)

*“The konjac market will be more promising. China, Japan, and Korea are countries that eat noodles. Konjac is not just produced as noodles, but also used in cosmetics, which means that the larger the population grows, so will the number of consumers. Therefore, it is required to grow a higher quantity of yams, the government to largely support it, and the INGOs and NGOs to put in more effort. I believe we can resist if we strengthen our focus on the agricultural sector of our country during this COVID-19 pandemic.” - Konjac Production and Business Owner (Chin State)*

### Threats to Konjac business

**In 2020, not only agriculture but also other sectors are inevitably affected by the COVID-19 pandemic.** The konjac farmers were not affected until January as the crop was harvested and sold out already. However in February, the factories, traders and brokers who had bought the yam, faced difficulties as they could not trade them for months. When reselling them, the price had dropped by half and the year 2020 became a year of loss for enterprises, traders and brokers. In the commercial sector, Myanmar products were barred from entering China due to the COVID-19. If this trade route were to stop, the market would be completely shut down.

**The government needs to provide favorable policies for the farmers, business owners and traders.** It is important to powerfully administer the domestic trade routes and foreign trade. The government should effectively work on better trade and continuous increase in purchasing volume with the major exporters countries, such as Japan and China. Frequent policy changes trouble the farmers and traders to operate, and due to such changes in the market, konjac are likely to be wasted locally resulting in losses.

**In other states and regions, rice, oilseeds and pulses can be grown and exported while the konjac business is the only business way out for Chin state due to its lack of natural resources and low productivity of other crops.** As the market for elephant foot yam becomes stronger, it is being grown across Myanmar even in the plains. This not only changes the market, but also affects Chin State which is a major producer of konjac. Large quantities of konjac being grown and sold in other states and regions is a nightmare for Chin state’s farmers, business owners and traders. Moreover, the konjac business will feel pressure on the possibilities of declining demand from the state due to transportation difficulties.

**There is no quality control; growing and selling konjac everywhere leads to intense market competition.** The regular exporters might also reduce or hold back the prices. Therefore, the government should implement a state-by-state zooming system on cultivation

and distribution that restricts the states and regions by their crop types on the basis of their strengths and weaknesses.

#### **Commentary (6)**

*“The whole country is growing konjac. I especially wanted them to have little consideration for the mountain residents. There is no natural resource for them. The one and only resource is konjac. In that case, they have to buy rice, send their children to school and build their houses by selling this elephant yam. Lowland can produce rice, oil or other business. If everywhere grow the elephant foot yam, a business owner in Chin State will not be able to compete with someone who can cultivate for about 500 acres in the lowland. This is for sure. If that happens, Chin residents will be in trouble. This is the view I see.” - Konjac Production and Business Owner (Chin State)*

#### **Commentary (7)**

*“Those in the parliament and government have to implement it. The board does not cover just the government. The government and the private sector together should regulate the development. That kind of thing needs to happen.” - Konjac Production and Business (Chin State)*

As long as the price of konjac in Myanmar improves, artificial and similar seed varieties enter the market. There were also traders who lost hundreds or thousands of lakhs of money from trading artificial goods. These incidents have reduced purchases from Japan, a regular exporter that emphasizes product quality.

#### **Suggestions**

- The government should support Chin State with a consistent demand that produces raw materials to upgrade to the production of finished goods within the state. If konjac can be exported as a value-added product rather than just an agricultural product, it will create more job opportunities for the people and increase the country's income.
- Due to uncommon research on elephant foot yam cultivation in Myanmar, research should emphasize on becoming systematic farms. The government should supervise to provide enough good seeds, and to encourage annual productivity and quality control.

- It is necessary to equip loans for local small businesses to be able to innovate in an environmentally friendly and prosperous manner, on the basis of the long-term benefits of the locals.
- Such objectives as to upgrade the finished goods production and their quality, to enhance market linkages and product supply, and to boost job opportunities should be set as the long-term goals.
- Agricultural farm expansion and agricultural consultancy services, research activities to reduce production losses, guidelines for soil conservation and water management, and market research should be led by the government
- In the agricultural sector of Myanmar, a zooming system of the states and regions by their crop types should be practiced strategically.

## 6.2. Hotel and Tourism Industry

### Background Information

Among the fourteen states and regions of Myanmar, Chin State is the least developed with poor transportation due to its mountainous geography. Following the democratic transition in 2011, it enthusiastically strengthened transportation and community development with international assistance. Because of its mountainous geography and rich cultures and heritages, the tourism sector of Chin State is developing and many locals rely on the hotels and tourism every travel season. Tourist arrival rate has been gradually rising year by year because of its nature and cultural attractions. The highest peak of tourists arrival was in 2019 with 30,017 local tourists, and 3,762 from foreign countries, which doubled that of 2018. Therefore this report will apply SWOT analysis to identify Chin State's hotels and tourism industry.

### Strengths of Hotel and Tourism Industry

**The recent development projects in Chin state have paid off for the hotels and tourism industry.** With the improvements of telecommunication and transportation in Myanmar, it has been more convenient to travel to Chin State. Direct express buses from Yangon to Chin State are now available. These progresses help hotels in Chin State order hotel supplies directly from Yangon. Benefits of the online system, hotels can directly communicate both with domestic travellers and international tourists. Trekking activities, Chin traditional tattoo, and mountain scenery are the key sources of income for Chin State. The hotel industry in Chin State is dominantly run by the residents and thus does not require outsourcing from other states and regions, which has added the benefit of providing local people with job opportunities. Although it is recent that Chin State enjoys a surge of travelers, the hotel and



motel industry remains a lifeline for the Chin State, increasing the state income and creating its job opportunities.

### **Weaknesses of Hotel and Tourism Industry**

**Although transportation has improved, there are still weaknesses. Internet and telecommunication does not cover all of Chin State.** It is more convenient to click bookings from Yangon. Furthermore the development of the tourism industry still has to rely on the local organizations until now in 2020. Government support exists on a national scale, hence exclusive assistance for Chin State is necessary. Therefore, hotel and motel owners are unable to expand their businesses due to financial requirements.

### **Opportunities of Hotel and Tourism Industry**

**Chin hills range is valuable for trekking lovers, biodiversity enthusiasts, and birdwatchers.** Mount Victoria (NatMa Taung), which is ultramafic in nature, is one of the highest peaks in Southeast Asia. The state also has a diverse ethnic culture. If these advantages can be fully achieved with the help of the local government, a big opportunity will be waiting for eco tourism in Chin State. The development of the hotel and tourism industry will benefit the overall development of the community. Developing the hotel and tourism industry will save time of having to do community development separately. It also reduces the poverty rate to a certain degree.

Concerning the development of the tourism industry, two schools of thought on the environment may arise. Tourists may cause damage to the environment or people may become aware of preserving the environment due to the influx of tourists. These two thoughts only depend on the policies and the performance of the local government. One irrefutable fact is that if the hotel and tourism develop, it will benefit the locals with multiple job opportunities.

### **Threats to Hotel and Tourism Industry**

**The COVID-19 pandemic has put Chin's State emerging hotel and tourism industry to a halt.** Even when big corporations are struggling, SMEs have it worse. It is indescribable how difficult it will become for Chin State which has been continuing with the collective endeavors of the locals. The early COVID-19 restrictions which forced the closure of hotels and motels brought a series of havoc. Decline of income linked with the scarcity of jobs. In order to invite tourists, not only must the government ease travel restrictions but also the hotels must practice ways to coexist with the COVID-19. However, a major threat is the uncertainty of having guests even though precautions have been put in place. It must also highlight that getting loans either for business expansion or for business resistance pose a difficult decision as it cannot predict whether or not the loan can be paid back.



## **Suggestions**

- Fair operation policies for the hotel and tourism businesses must be set during the COVID-19 period. Relevant associations should provide service training dedicated towards the pandemic.
- The government must initiate projects intended to boost tourism and better road networks state by state. This fact is directly related to rural development.
- CSOs, scholars, and government officials must work in tandem for marketing in order to develop the hotel and tourism industry. From then on, loans for business expansion must be granted for the hotel and motel owners estimating the number of tourists arriving.



Photo: Myanmar Business Today (2015, April 9)

## 7. Kayin State

### 7.1. Rubber Business

#### Background Information

Kayin state, in Southeastern Myanmar, is occupied by the ethnic Karen people. Its capital is Hpa-an. Agriculture, forestry and fishing are the major sources of commerce in Kayin State. According to the 2014 census data, these industries employ more than 50% of the population in Kawkaik township. Kayin possesses a tropical monsoon climate which is ideal for growing rubber. According to the National Export Strategy (2015-2019), the export of natural rubber in smoked sheets amounted to 1.6% of total export. Thus, rubber plantations, export and other rubber-based products remain an integral part of the Myanmar economy.

**Table (7.1.1): Myanmar Rubber Export Volume and Export Destination Countries (2016-2017)**

| Countries | Rubber Export Volume (Metric Ton) |
|-----------|-----------------------------------|
| Vietnam   | 120.00                            |
| Malaysia  | 24,835.00                         |
| Singapore | 10,969.66                         |
| Japan     | 5,168.06                          |
| Australia | 446.00                            |
| India     | 698.96                            |
| Thailand  | 5,602.45                          |
| Indonesia | 81.08                             |
| Korea     | 1,832.04                          |
| Pakistan  | 60.00                             |
| China     | 88,660.00                         |
| Total     | 138,473.25                        |

*Source: MOC, 2018*

## Strengths of Rubber Business

**The core strength of the rubber business is that it is a globally-traded commodity and remains a basic component necessary for essential products such as aircraft and car tyres, shoes, clothes, and medical devices.** It maintains a steady international demand to some extent which encourages more plantations in Kayin State and more processing plants to produce natural rubber in smoked sheets for export. According to the Department of Agriculture, rubber planting area in Myanmar increased from around 200,000 acres in FY 1987-1988 until FY 1994-1995 to around 1,600,000 acres in FY 2018-2019. From FY 1987-1988 to FY 2006-2007, production was only 50,000 tonnes, but in the FY 2018-2019, it was over 250,000 tonnes, hence it is observed that rubber production in Myanmar has risen significantly over the years. Furthermore, possessing a certain level of international demand means that the price of rubber has been reasonable enough for farmers and processing plants to operate more efficiently.

### Commentary (8)

*“We don’t really have local demand. We only export. Especially, we work with tyre manufacturers. It is the same when a Japanese project came to us. Bridgestone visited Myanmar to see the country’s basics in hopes of buying rubber. They teach us what we lack and provide us with technology. After that, we make preparations for them to buy if the quality meets their criteria.” - Rubber Grower (Kayin State)*

As the prospects of the rubber industry become more promising, the rubber production and export sector in Kayin State have witnessed positive improvements. Thus, rubber plantations, processing plants, and other rubber-related businesses in Kayin State are able to gradually expand and employ more people.

Another strength of the rubber industry is that rubber exporters and processing plants have been successful in encouraging local farmers to be more export-conscious. This enables them to reach a far wider market.

## Weaknesses of Rubber Business

**The most prominent weakness of the rubber business in Kayin State is incapability to localize the entire production process apart from growing rubber and producing natural rubber in smoke sheets.** Rubber businesses remain impotent to produce rubber-based products. Exporting natural rubber in smoked sheets must not be the final stage of the production process. Instead of exporting natural rubber, there exist far greater benefits if it can be locally manufactured into a variety of products. However the government support, technology, and financial assistance are still weak. To produce internationally acceptable

natural rubber, local farmers need good quality crops and up-to-date technology. What is more, scarce investment in Kayin State's human resources limits that opportunity.

**Government loans and support remains scarce for the rubber industry in Kayin State.** As rubber is a globally-traded commodity, it remains vital for the rubber business to maintain a global connection. Possessing a global connection simply translates to having more overseas markets and high demand. However, at this moment, rubber businesses face uncertain demand.

**Another weakness is the dominance of China.** China remains the biggest buyer of Myanmar rubber, and it is one of the very few countries which is willing to buy lower quality natural rubber but at a much lower price. If the rubber business cannot improve the quality, it will undeniably face the problem of being overly dependent on China.

#### **Commentary (9)**

*“The Chinese market is very reliable. We have to rely on China for any products. China lends us money. In the case of konjac businesses, it lends money. It also lends money to rubber businesses.” - Rubber Grower (Kayin State)*

### **Opportunities of Rubber Business**

**If rubber plantations and processing plants in Kayin State can produce high quality rubber, it is a potential cost advantageous product in the long run.** In this regard, non-governmental organizations (NGOs) are delivering vital technological assistance to rubber plantations and processing plants. They also award industry insights on how to develop the rubber sector, how to become more export-oriented, and how to operate sustainably.

#### **Commentary (10)**

*“For example, Japan NIKKEI business experts have hosted workshops to provide technical expertise on how to improve the rubber sector in collaboration with the Department of Trade. They initiate businesses and host workshops. They provide technical assistance in rubber factories. WWF provides help on matters regarding SSR. They do not provide us financial assistance. They are more keen on technical issues.” - Rubber Grower (Kayin State)*

**The opportunities of rubber is that it creates shade and a forest wherever it is planted and has positive effects on the environment and climate.** Rubber farmers can also try additional farming techniques such as growing konjac and Malaysia gum trees amongst rubber trees for better use of the farming land and these crops will provide them an extra source

of income. Promoting ecotourism to the rubber plantations also poses a great opportunity to increase income.

**Being a globally-traded commodity, great opportunities for rubber lie in the export market.** While the rubber businesses in Kayin State remain incapable of producing quality rubber-based products, the industry can still import natural rubber.

### **Threats to Rubber Business**

**Nowadays, low profits due to low rubber quality threatens the rubber businesses in Kayin State.** Its first-ever reason is the average quality of the natural rubber produced in Myanmar. International buyers are hesitant to raise the price of Myanmar rubber due to its mediocre quality. Second is the inability of rubber businesses to convert the natural rubber into rubber-based products. Rubber plantations in Kayin State are only able to grow and produce raw rubber in smoked sheets.

#### **Commentary (11)**

*“The rubber business has gone under for almost five years. The price used to be around 1400-1500 kyats. Now, the rubber price hovers around 500-600-700 kyats. That is why we think that the rubber business cannot be reinvigorated. If there are factories like I said before, we can expect the price to start from 600 and reach around 800-900.” - Rubber Grower (Kayin State)*

**The COVID-19 pandemic is also one of the most potent threats to the rubber sector in Kayin State.** Foreign demand for natural rubber plummets as the global supply chain nearly comes to a halt. Rubber supply had a surplus which subsequently lowered the price. Farms and production plants could not continue employing their workers, which forced skilled workers from rubber businesses to dive into other industries. Transportation routes are also strictly restricted during the pandemic. In this way, the rubber business in Kayin State is becoming more fragile due to the effects of COVID-19.

### **Suggestions**

- The government should actively cooperate with the private sector and create overseas markets to boost rubber export.
- The government must work in tandem with NGOs to provide technical and financial assistance to rubber plantations and processing plants.
- The government must encourage and support loans and technologies to both public and private manufacturers in order to produce rubber-based products locally.





Photo: ဇေယျာဇွန် (2019, December 16)

## 8. Mon State

### 8.1. Rubber Business

#### Background Information

Mon State is located in the south-eastern part of Myanmar and bordered by Kayin State to the east; the Gulf of Mottama to the west; Tanintharyi Region to the south and Bago Region to the north. The prime sources of commerce in the state are agriculture, horticulture, and fisheries. The rubber industry involved in this study is the major agricultural industry in Mon State, growing on about 500,000 acres of state land. As the largest rubber plantation state in Myanmar, more than 100,000 tonnes are grown annually. Therefore, the strengths, weaknesses, opportunities and threats of the rubber business in Mon State are analyzed in this part of the report.

#### Strengths of Rubber Business

**Rubber is a vital industrial raw material not only to the domestic market but also foreign markets.** Eighty percent of Myanmar's rubber is exported to China and the rest to Thailand, Malaysia and Japan. In the domestic market, the shoe industry in Mandalay mostly purchases them as raw materials.

#### Commentary (12)

*“After tapping rubber trees, the private sector comes and buys it, some are exported to Mandalay footwear industries, some are to China and so on.” - Rubber Grower (Mon State)*

Rubber being a useful tree as a whole is its advantage. The resins can be extracted when the plant is young. When it is old, it can be used as wood. It can also be exported to foreign countries in wood, wood chips or furniture such as tables and chairs. In addition, rubber resins are durable, hence can be sold or not until prices are within their liking.

#### Weaknesses of Rubber Business

**Although Myanmar rubber is of good quality, it is not possible to produce international standard rubber sheets due to the tapping methods and technical weaknesses.** Despite exporting to foreign markets, rubber businesses thus face price slashing. As a result, they are relying heavily on the Chinese market who buys low quality goods. Sole dependence on the Chinese market has led to a decrease in rubber prices when the rubber demand drops in from China. At the domestic level, it relies only on the footwear (or) shoe line industries, and the lack of a large number of rubber-related factories is another weakness. Although the Mon State Rubber Planters and Producers Association has brought in foreign rubber purchasing companies, there have been cases of trade allergies because of poor quality.



### **Commentary (13)**

*“They brought in Japanese companies, Malaysian companies; but it does not work here. The rubber quality is also low. We cannot do what they want and the quality of rubber cannot compete with that of Thailand.” - Rubber Grower (Mon State)*

### **Commentary (14)**

*“China does not care about the quality but they pay low prices. On the other hand, Thailand prioritizes quality. Their rubber bands are smooth and clean. We cannot do that.” - Rubber Grower (Mon State)*

**Inability to produce high quality rubber and to hire workers; and low profitability is also a problem for the rubber industry.** The price of rubber sheets was around 1,200 to over 1,500 kyats between 2011 and 2012, and since 2014, the price of rubber sheets has dropped from 700 to 600 kyats. As a result, the small private rubber entrepreneurs are faced with profit loss to hire workers. Skilled workers are rare to obtain and rubber yields are declining to produce rubber gum due to aging.

### **Commentary (15)**

*“The situation is not good. Rubber business is like you know, if we work, we have something left to survive. Hiring workers is not worth it as the profits have to be used for them. At the moment, the rubber prices are also declining, hence, it's not good at all.” - Female Rubber Grower (Mon State) .*

### **Commentary (16)**

*“The rubber resin and pound gradually decline. It falls over the years. Another problem is labor. Not only are the resins not good, but also the labor is hard to find.” - Rubber Grower (Mon State)*

## **Opportunities of Rubber Business**

**CSOs not only distribute technical support for the rubber business in Mon State, but also connect them with foreign companies.** The government is also providing loans to the rubber farmers. The support provided by the government and CSOs to the rubber industry will open up opportunities not only for rubber growers but also for rubber entrepreneurs to produce high quality rubber and enter the international market.

## Threats to of Rubber Business

**The major threat to Myanmar's rubber industry is that high market competition makes it difficult to compete in the international market since Myanmar possesses lower quality of rubber than Thailand, Malaysia, Vietnam, Indonesia, and Laos.** Myanmar rubber was once exported to Singapore but it was later discontinued. Although Japan shows willingness to import Myanmar rubber, the quality issue hinders. Weak technical and rubber tree tapping methods can also be considered as a barrier to the production of quality rubber.

### Commentary (17)

*“Might be because there are not too many buyers. Last year, rubber tar prices opened at 800 kyats. I thought that the price would rise, but instead, it dropped. Since it drops and drops, I suppose they will not compete in purchasing. Rubber is the main production of this area. Because of high productivity, they do not compete to purchase.”* - Rubber Grower (Mon State)

### Commentary (18)

*“Of course there is. The first thing is that, for example, the export market is only to China, I think. At this moment, trucks are not able to get across. So, some did not buy it or even if they do, they want to hold the prices to their liking. Some rubber farms have closed and sold. Some of them become playgrounds on the Mudung-Mawlamyine highway and some become filling stations.”* - Rubber Grower (Mon State)

**The COVID-19 pandemic has become another obstacle to the Myanmar rubber industry.** Transportation has been blocked which hinders the export of rubber. Thus, rubber prices have fallen. Although Grade 3 rubber sheet was previously priced from 650 kyats to 700 kyats and Grade 5 between 500 kyats and 550 kyats per pound, now the price of Grade 3 rubber sheet has dropped to 450 kyats and the Grade 5 rubber sheet to around 350 kyats and 300 kyats per pound. As a result of falling rubber prices, sole proprietors of rubber would suffer losses while hiring workers. Some of the rubber plantation industry even stopped running their work.

Therefore, high market competition, weak technical support and a decline in rubber prices due to the COVID-19 pandemic have been identified as major threats to the rubber business in Mon State.

## **Suggestion**

- CSOs and government agencies are required to provide technical support and production methods which are the top inputs for producing international standard rubber.
- In order to produce quality rubber, the government and CSOs need to build advanced laboratories either around Mon State or throughout the rubber plantation areas of Myanmar.
- It is necessary to upgrade the rubber businesses at home. For example, attracting foreign investment to increase the number of rubber-related factories (like tire manufacturing companies) within the country.
- Locating in areas with optimal weather, the rubber businesses can increase their income by attracting forest tourism in collaboration with domestic and foreign travel companies.





Photo: Sai Nun Khay (n.d.)

## 9. Shan State

Shan state is located in north-eastern Myanmar. The state is mostly occupied by the ethnic Shan people. It is a state which is more than one hundred and fifty thousand square kilometres. It is a mountainous region where crops such as rice, corn, fermented soybean, potatoes, sugarcane, tea, coffee, mango and other vegetables are cultivated. About 60% of the crops consumed within the country are produced in Shan State and they are also exported to neighbouring countries such as China, Thailand and Laos.

### 9.1. Coffee industry

#### Background Information

In the coffee industry, high-quality Arabica coffee is grown primarily in Shan State in areas above 3,000 feet above sea level, and Robusta is grown below 3,000 feet above sea level. The highest quality Arabian coffee is grown with organic farming which is known as green farming in YwarNgan village in the southern Shan State, at 4,000 feet above sea level. Coffee beans can be classified into three quality levels, namely commercial, premium, and speciality. Myanmar produces 8,000 tonnes of coffee per year, particularly in Shan State and Mandalay Region, and harvested in January, February and March. Coffee producers practice coffee plantations on their own farm land and/or contract farming with the farmers. This research examines the coffee industry in Shan State based on an analysis of strengths, weaknesses, barriers and opportunities.

#### Strengths of the Coffee industry

**Shan State possessing the optimum sea level, soil, rainfall and climate conditions to grow coffee makes the coffee industry advantageous.** One of its strengths is having the dry weather and shiny sun during the harvesting season compared to other countries. The quality of coffee seeds can decide its price and the profit of high-quality coffee is five times higher than the normal ones.

**Another strength is the high foreign demand. The coffee industry is the second biggest market in the world and there are strong demands for Myanmar's coffee beans from US and European countries because of its unique taste and quality grown by organic farming.** Coffee is exported to twenty countries including Cambodia, Canada, Japan, Singapore, US, Thailand, Hongkong, Russia, Dubai, Australia and Taiwan. At the same time, the domestic demand is also moderate since the speciality level coffee is distributed to the airports, restaurants, hotels and supermarkets within the country.

**Attempts to bear the coffee drinking culture in Myanmar instead of tea culture also increase the local market demand.** Apart from the benefits of drinking coffee, there are



attractions to drinking high-quality coffee as a tradition. Despite a previous focus on the high-end coffee market, plain coffee, instant coffee, and brewed coffee market are currently popular. The advance of technology, production methods and equipment results in quality coffee and the improvement of business operations. Many businesses in this industry cooperate with the locals through technological support or by employing them for key positions. Some large businesses provide the necessary services in processing finished goods such as packaging for local coffee producers.

There are also changes to systematic contract trading, and online delivery. Although the domestic coffee market used to consume instant coffee from abroad, local sole proprietors now produce and distribute coffee. Coffee shops and coffee-related industries (e.g., coffee scrub soap and face mask business) have also sprung up through coffee production.

**Job opportunities for the local people are being created with the growth of the coffee market and market demand along the production levels.** Having lower risk of loss when compared to tomatoes, mustard and radish, the number of coffee growers is also accelerated. The cooperation of the coffee organizations that consists of the growers and producers, the entrepreneurship and innovation of some local businesses, as well as laboratory experiments and certificates to penetrate into the international market lead to the success of the Myanmar coffee market. Awards and certificates like Fair Trade Certificate, Organic Certificate, Rainforest Certificate, and Sustainable business award have recognized Myanmar as the country which can produce great quality coffee.

As rainforest coffee (coffee can be grown in the forest without no deforestation impact) helps the environment, green consumers pay a higher price. Coffee as a sustainable crop is eco-friendly, even its shell can be used as a natural fertilizer. What is more, inclusion of trees in the coffee plantation is practiced in Ywarngan Village for reforestation.

### **Weaknesses of the Coffee industry**

**The key weaknesses of the coffee industry are the fragile market and lack of market linkages.** Thus the government, the international organizations and the local businesses need to act on market identification. Furthermore, limitations in farming land and market make competition in commercial coffee quality difficult which results in competing only in the speciality and premium coffee market. Moreover, due to high production costs, compared with the major foreign coffee producers, Brazil and Vietnam, market challenges existed.

**Meanwhile, coffee growers encounter drawbacks to cultivate coffee as a result of high capital cost.** The fertilizer suppliers are also required to provide assistance, for example, credit sales. Besides, very few banks support loans to the farmers even with the proof documents. Some coffee businesses, not having export licenses and necessary capital to build their own factories, depend on the bigger ones for exporting and producing coffee.

**Its reliance on imported equipment also demonstrates another weakness of the industry.** As good quality is vital to coffee production, coffee processing equipment, coffee makers, coffee roasters, coffee packaging supplies, and packaging machines are being imported from Brazil, Thailand, Colombia, Taiwan and European countries. In addition, some instant coffee is imported due to insufficient local coffee productivity for the domestic and international market.

### **Opportunities of the Coffee industry**

**The foremost opportunity of the coffee industry comes from the support of the government and the international organizations.** The enterprises in this industry have to maintain relations with the governmental departments such as Myanmar SME Development Agency, MOC, and MOALI. In particular, MOC provides networks in order to implement commodity export and trade expos in other countries. In 2016, the government planned a coffee nia training course to Vietnam in order to study the coffee plantation and production. For business and market connections, a Coffee Expo to Korea was also organized.

INGOs including JICA, USAID, German Agency for International Cooperation (GIZ) and RBF contributed technical and financial assistance. For example, Ywarngan village was selected as the coffee project by GIZ in 2015 where they delivered technical support, financial training and other needs. In collaboration with USAID, Winrock International organization provided technical support and training for coffee production and processing, as well as equipment like wet and dry grinders, market linkages, and connections between farmers and producers. Noted that INGOs provide financial support only through the government administration.

The last but not least opportunity of the coffee industry is that it benefits the environment because coffee plantations, based on organic farming and growing together with other sustainable plants, prevent deforestation and mitigate climate change. Moreover, in some areas in Hopong Township of Shan state, growing coffee as a substitute to opium poppy, with the help of Finland, Germany, and Switzerland governments and the United Nations Office on Drugs and Crime, is not just environmentally-friendly, but also promoting gender equality, education, economic development and community contribution, and reducing deforestation. Coffee enterprises are likely to enjoy higher prices in the overseas markets if they possess fair trade certificates. For instance, Green Gold Cooperative<sup>4</sup> that had been awarded Fairtrade Certification in 2019, the first ever coffee cooperative in Myanmar has partnered with the French coffee company Malongo to sell coffee in Europe. There, it not only receives a fair price for its coffee, but also an additional premium that can be used as direct investment for social benefits, strengthening the cooperative itself or improving the production.

---

<sup>4</sup> The Green Gold Cooperative was founded in 2015 in southern Shan State (United Nations Myanmar, 2019) counting over 900 producers across 55 villages (Embassy of Switzerland in Myanmar, 2020).



In addition, coffee farmers earn money not only during the harvest season from December to March but also from growing such crops as avocado and macadamia which are used as shady trees for the coffee plants. Coffee waste that can be used as a natural fertilizer can also save costs for the farmers.

### **Threats to the Coffee industry**

**The outbreak of the COVID-19 pandemic is the major threat to the development of the coffee market.** The domestic demand for specialty coffee is decreasing and customers are turning towards cheaper coffee. The COVID-affected international coffee market brings a decline in order numbers and breaches of contract. A decreasing number of foreign experts within the country and closure of the airport, restaurants, big coffee shops and hotels during the COVID-19 with the highest sales also led to sales losses. The pandemic also results in changes in leadership, and lowers the sales and operation costs, and the number of workers. The business operation, management and production systems have been transformed to working from home. Online sales and phone sales have been practiced. The low market demand lessens coffee productivity. Furthermore, the country's image of political instability can affect the coffee industry, since the coffee businesses are observed to lose their international buyers as learnt from the Rakhine case.

### **Suggestions**

- The national government desperately needs to develop market links. No matter how great the quality is or how many acres can be grown, farmers will not be able to continue operating their businesses with low income due to the lack of a market to sell. In addition, the government needs to equip certificates required to get higher prices in the overseas markets.
- It is necessary for the government to set favourable policies and encourage the banks in order to provide loans, and for the input providers to sell the fertilizers in credit.
- As the coffee market possesses many potential growths, there are spaces for new coffee businesses, and the farming acres should be increased to meet the demand. To advance the quality, the production methods are required to upgrade.
- The raw material - coffee bean market is very promising and likely to be more if the international marketing cost can be invested. Moreover, it will obtain greater shares in the foreign market when the coffee production and processing methods can be upgraded.
- There could be an extra income and increase in sales if the short trips can be organized to the coffee farms and coffee production factories for the international tourists.

## 9.2. Tea Industry

### Background Information

Tea is an important cultural asset of Myanmar. People around the country drink tea (dried) and eat fermented tea leaves (wet). Fermented tea is a national delicacy which remains an important culinary necessity of various ethnicities. Tea in Myanmar is mainly grown in Namhsan township which is under Pa Laung self-administered zone in northeastern Shan State. It is also grown in the Kengtung region in eastern Shan State. Drinkable dried tea maintains a strong domestic and overseas markets while the edible pickled tea leaves possess only a strong domestic market at home.

### Strengths of Tea Industry

**Tea has a strong domestic market, but a competitive and selective overseas market thus providing farmers and business owners with a chance to become more globally engaged vis-a-vis economic gains.** Tea is a pivotal agricultural product of the Shan State. The surveyed tea leaf farmers and processing plants all agreed that prior to 2016, the tea industry has received mediocre domestic and international demand. However, since 2016, the tea industry has seen overall improvements which brings bigger production capacities.

**Better market conditions and productivity have enabled tea and related businesses to consider expansion of production techniques and product range, as well becoming export-oriented.** Tea leaf farmers and processing plants in Pindaya, Shan State have founded “Pindaya Tea Cluster” which exports organic tea to Germany. Processing plants have shifted from conventional drying and processing techniques to cleaner, natural, and environmentally conscious techniques. What is more, tea and related businesses have become more focused on expanding the market based on the consumer behaviours and experiences.

### Weaknesses of Tea Industry

**While the tea industry looks promising, it also possesses a myriad of interconnected weaknesses.** The industry lacks the technical and financial assistance, and machinery support to produce better quality products, which are accordingly unable to exert marginal productivity. Most tea farms and processing plants are small-sized enterprises which remain incapable of competing within the international market. Most farmers and processing plants lack the capital investment to purchase high quality machines. Therefore, they have to import heavy machinery from China.

**The surveyed tea leaf farmers and processing plants stated that government support was scarce and they had to heavily rely on NGOs for technical assistance and market reach.** NGOs equip local farmers and processing plants with technical support on making natural fertilizers and natural compost, and high quality tea productivity, as well as

bring in international buyers in order to connect to the global supply chain. However, this leaves a demand vacuum when the NGOs leave the country. As a consequence, quality tea that meets the criteria of the international market cannot be achieved. Hence, ordinary tea is exported to China which does not care about quality. This creates an over dependence on China who manipulates the price and the demand. This highlights how vital the government's support is in creating international connections.

#### **Commentary (19)**

*“We couldn’t provide the amount they wanted. They wanted 10,000 tons of green tea and we could only produce a few thousands. So, there was a little gap in production.” - Tea grower and producer (Shan State)*

**Western countries are yet to catch up on the tea trend.** Within Asia, Myanmar’s tea finds itself competing with tea from Vietnam, Indonesia, China, Nepal, and Sri Lanka. Since crops remain the most important part of the production chain, good crops with correct farming techniques and usage of fertilizers ensure good end products. Therefore, government support is vital in acquiring good quality crops.

**Regular access to electricity, transportation costs, and logistical challenges also remain a problem for the tea industry.** According to the Ministry of Electricity and Energy, around 2,914 villages in Shan State do not have access to electricity. This highlights how not having regular access to electricity will continue to hinder the tea farms and processing plants from business expansion. Besides, tea grown and processed in Shan State always incur the transportation costs of sending the finished goods to economic hubs such as Yangon and Mandalay.

#### **Opportunities of Tea Industry**

**While the tea industry has a plethora of weaknesses, it also presents opportunities which farmers and plants can capitalize on.** While the overseas market for tea remains scarce, the domestic market is consistent to a certain degree.

NGOs like GIZ and RBF Netherlands award the tea growers and export owners not only with capital investment but also international buyers and technical assistance. Such association with NGOs prove how the tea industry has much to be gained from working with international organizations.

### **Commentary (20)**

*“I applied for the 2019 Denmark supporting fund and was granted. The fund invested 40% and I invested the remaining 60 percent. It was a pivotal support.” - Tea grower and producer (Shan State)*

### **Commentary (21)**

*“We coordinate with the manufacturers in Germany. Lately, they also provide marketing services and bring German buyer companies to build connections. From production to export quality products, they brought in a legit German company for market connection.” - Tea grower and producer (Shan State)*

The establishment of Myanmar Tea Association and the collaboration between farmers, the association, and exporters will also prove beneficial for the tea industry. The benefits are not just limited to the improvements of the tea industry such as better farming and processing techniques, but also extends to organizational management and rural development.

### **Threats to Tea Industry**

**The COVID-19 pandemic remains one potent threat to the tea industry.** Due to the pandemic and the subsequent economic crisis, the domestic demand for tea plummeted. Also the departure of NGOs means that the international connections which the tea sector desperately needs have also vanished. Not to mention the capital for business expansion, the declining price of tea was inadequate to cover the operation costs for the farmers and exporters. The growth that the tea sector has witnessed since 2016 is cut short by the COVID-19 pandemic. The fact that tea growers and producers do not get as much government support as they require also threatens the tea industry during these times of economic slump. If the government fails to intervene and help struggling farmers and producers, this industry remains weak to control the collateral damage.

### **Suggestions**

- The national government is required to provide the necessary technical and financial assistance to tea farmers to reduce the damage dealt by the COVID-19 pandemic.
- The government should collaborate with the Myanmar Tea Association, grassroots organizations, farmers, and producers to create international connections and overseas markets.

- The government is necessary to provide internationally recognized certificates for tea products which will enhance the product image in overseas markets.
- The government should support the conventional business mechanisms of the farmers and the processing plants in return for a consistent domestic demand and job opportunities.
- The government needs to put efforts to get electricity to better reach agricultural areas in Shan State.

## References

- Albatros Adventure Marathons. (n.d.). Photos of Myanmar. <https://bagan-temple-marathon.com/photos-myanmar>
- Aung Aung Myint. (2019, April 2). ဝဉ္ဇာနှင့် သီးနှံအခြောက်ခံလုပ်ငန်း ချင်းတွင်ဖွင့်လှစ်။ ကွန်ရက်ပေါက်ဖော်. <http://www.paukphaw.com/index.php?m=article&f=view&id=896>
- Aung Nyein Chan. (2018, July 2). Change afoot in southern Shan State's premiere tea town. *Myanmar Now*. <https://www.myanmar-now.org/en/news/change-afoot-in-southern-shan-states-premier-tea-town>
- Chau, T. (2020, January 29). Chin opens yam processing plant in first major investment. *Myanmar Times*. <https://www.mmtimes.com/news/chin-opens-yam-processing-plant-first-major-investment.html>
- Coup continues to disrupt Made in Myanmar garments. (2021, April 12). *Just Style*. <https://www.just-style.com/features/coup-continues-to-disrupt-made-in-myanmar-garments/>
- Cyriac, N. (2019). *Myanmar's F&B is a Promising Market in Southeast Asia*. YCP Solidiance. <https://ycpsolidiance.com/article/myanmars-fb-is-a-promising-market-in-southeast-asia>
- Department of Population. (2015). *The 2014 Myanmar Population and Housing Census: Shan State Report* (Vol.3). Myanmar Government. [https://themimu.info/sites/themimu.info/files/documents/Report\\_Shan\\_State\\_Census\\_Report\\_MOIP\\_May2015.pdf](https://themimu.info/sites/themimu.info/files/documents/Report_Shan_State_Census_Report_MOIP_May2015.pdf)
- Department of Population. (2015). ၂၀၁၄ ခုနှစ် လူဦးရေနှင့် အိမ်အကြောင်းအရာ သန်းခေါင်စာရင်း ချင်းပြည်နယ်၏ လူဦးရေ ကိန်းဂဏန်းအချက်အလက်များ. Myanmar Government. [https://myanmar.unfpa.org/sites/default/files/pub-pdf/3D\\_Chin\\_Figures\\_MYR.pdf](https://myanmar.unfpa.org/sites/default/files/pub-pdf/3D_Chin_Figures_MYR.pdf)
- Department of Trade Promotion Ministry of Commerce. (n.d.). *National Export Strategy of the Republic of the Union of Myanmar: 2015-2019*. Myanmar Government. [https://www.intracen.org/uploadedFiles/intracenorg/Content/Redesign/Audience/policy\\_makers/2015-2019%20Myanmar%20-%20National%20Export%20Strategy.pdf](https://www.intracen.org/uploadedFiles/intracenorg/Content/Redesign/Audience/policy_makers/2015-2019%20Myanmar%20-%20National%20Export%20Strategy.pdf)
- Ei Myat Mon. (2019, February 7). Foreign investors show interest in Chin elephant foot yam processing unit: MVFP. *Myanmar Digital News*. <https://www.mdn.gov.mm/en/foreign-investors-show-interest-chin-elephant-foot-yam-processing-unit-mvfp>
- Embassy of Switzerland in Myanmar. (2020, January 16). *The Swiss Ambassador, Tim Enderlin, visited the coffee production project supported by UNODC in Southern Shan in villages in Hopong* [Facebook Page]. Facebook. Retrieved November 18, 2021 from <https://www.facebook.com/swissembassyyangon/posts/1428300157347435>
- Flanders Investment and Trade. (2020). *Food & Beverage in Myanmar: Discover a sector with potential*. [https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market\\_studies/Food%20%26%20Beverage%20Myanmar.pdf](https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/Food%20%26%20Beverage%20Myanmar.pdf)
- Human Rights Foundation of Monland. (2020, May 1). *Government must save Mon State rubber industry*. <http://rehmonnya.org/archives/5854>



International Labor Organization Liaison Office for Myanmar. (2020). *Covid-19 Impact on Employment and Labor Market in Myanmar*. <https://myanmar.un.org/sites/default/files/2020-07/ILO%20Myanmar%20COVID-19%20Impact%20Assessment%20-%20updated.pdf>

McCrow, E. (2019). *U Ho Ling's Story: Life as an Elephant Foot Yam Farmer in the Chin Hills* [Photograph]. ADRA Myanmar. <https://adramyanmar.org/u-ho-lings-story-life-as-an-elephant-foot-yam-farmer-in-the-chin-hills/>

Ministry of Planning and Finance. (2020, April 28). *Overcoming as One: COVID-19 Economic Relief Plan - CERP*. <https://www.mopfi.gov.mm/my/blog/45/11310>

Myanmar: Beer Market and the Impact of COVID-19 on It in the Medium Term. (2020). Williams & Marshall Strategy. <https://www.marketresearch.com/Williams-Marshall-Strategy-v4196/Myanmar-Beer-Impact-COVID-Medium-13617814/>

Myanmar Business Today (2015, April 9). Myanmar to Work toward Higher Quality Rubber Exports. <https://mmbiztoday.com/myanmar-to-work-toward-higher-quality-rubber-exports/>

Myanmar Information Management Unit. (n.d.). *ချင်းပြည်နယ်*. [https://themimu.info/mm/states\\_regions/chin](https://themimu.info/mm/states_regions/chin)

OECD. (2019). *Myanmar* [Data Set]. Observatory of Economic Complexity <https://oec.world/en/profile/country/mmr>

Paton, E. (2021, April 6). Myanmar's Defiant Garment Workers Demand That Fashion Pay Attention. *The New York Times*. <https://www.nytimes.com/2021/03/12/business/myanmar-garment-workers-protests.html>

*Rising foreign investment in Myanmar's food and beverage segment*. (n.d.). Oxford Business Group. <https://oxfordbusinessgroup.com/analysis/highly-attractive-foreign-investment-food-and-beverage-segment-rising>

Sai Nun Khay. (n.d.). Dallas tea company imports rare leaves from woman-owned estate in Myanmar. *The Dallas Morning News*. <https://www.mmtimes.com/news/small-scale-rubber-farmers-need-govt-help.html>

*Shan State* [Data Set]. Ministry of Electricity and Energy. <https://www.moee.gov.mm/en/ignite/page/376>

Theingi Myint & Kyaw Myo Thu. (2020, October 19). *Myanmar's Natural Rubber Forward Policy: How to do it?*. FFTC Agricultural Policy Platform. <https://ap.fftc.org.tw/article/2606>

The World Bank. (2020). *Myanmar Economic Monitor: Coping with Covid-19*. <https://documents1.worldbank.org/curated/en/906171608086222905/pdf/Myanmar-Economic-Monitor-Coping-with-COVID-19.pdf>

Thiha Ko Ko. (2019, December 12). Agriculture as an economic driver. *Myanmar Times*. <https://www.mmtimes.com/news/agriculture-economic-driver.html>

Thiha Ko Ko. (2019, July 22). Coffee industry expands as overseas demand rises. *Myanmar Times*. <https://www.mmtimes.com/news/coffee-industry-expands-overseas-demand-rises.html>

UNHCR South-east Myanmar Information Management Unit. (2014). *Mon State Profile*. [https://themimu.info/sites/themimu.info/files/documents/Infographic\\_MonStateProfile\\_UNHCR\\_June2014.pdf](https://themimu.info/sites/themimu.info/files/documents/Infographic_MonStateProfile_UNHCR_June2014.pdf)

United Nations Myanmar. (2019, August 27). *Coffee Growers in Myanmar Receive a Fair Deal*. <https://myanmar.un.org/en/14836-coffee-growers-myanmar-receive-fair-deal>

World Integrated Trade Solution. (2019). *Myanmar 2019 Import Partner Share* [Data Set]. [https://wits.worldbank.org/CountryProfile/en/Country/MMR/Year/LTST/TradeFlow/Import/Partner/by-country/Product/50-63\\_TextCloth](https://wits.worldbank.org/CountryProfile/en/Country/MMR/Year/LTST/TradeFlow/Import/Partner/by-country/Product/50-63_TextCloth)

ခိုနှိမ်းသုန်. (2019, March 11). ချင်းပြည်နယ် ရင်းနှီးမြှုပ်နှံမှုနှင့်ကုန်စည်ပြပွဲ ရန်ကုန်မြို့တွင် ကျင်းပမည်. *BNI Multimedia Group*. <https://www.bnionline.net/mm/news-64766>

ဇေယျာငြိမ်း. (2019, December 16). လက်ရှိဘဏ္ဍာနှစ် နှစ်လကျော်တွင် ပြည်ပသို့ ရော်ဘာတန်ချိန် သုံးသောင်းကျော်တင်ပို့မှုမှ ဒေါ်လာသန်း ၄၀ ရရှိထားပြီး ယခင်နှစ်ကာလတူထက် တန်ချိန်လေးထောင်ခန့် လျော့ကျခဲ့သဖြင့် ဝင်ငွေဒေါ်လာ ငါးသန်းလျော့ကျဟု ဆို. *Eleven Media Group*. <https://news-eleven.com/article/149793>

ပြည်ပဝင်ငွေတိုးဖို့ ဝဉ္စီစိုက်ပျိုးနည်း. (2019, December 4). *Htwetttoe*. <https://htwetttoe.com/article-details/education/8093914>

မြန်မာ့ဝဉ္စီ စိုက်ပျိုးထုတ်လုပ်မှု မြှင့်တင်ရေးအဖွဲ့မှ ဈေးကွက်ခိုင်မာရေးဆီသို့ 19(25). (2019). <https://www.commerce.gov.mm/sites/default/files/19-25%20Onl.pdf>

ဟင်္သာနီ. (2017, August 8). မွန်ပြည်နယ်တွင်ရာဘာကြမ်းများ တရုတ်ဈေးကွက်သို့ မှီခိုတင်ပို့နေရ၍ ကျပ်သန်း ၄၀၀ ခန့်ဆုံးရှုံးနေ. *The Irrawaddy*. <https://burma.irrawaddy.com/business/2017/08/08/140125.html>

*“The ultimate goal of businesses is profit. MBIR supports Myanmar businesses in achieving profits. This report provides a better understanding of the Myanmar business environment for various businesspersons seeking to expand investment in various regions and states, young entrepreneurs attempting to step into the business sector, bureaucratic people in the business mechanism, managers, and economic researchers.”*

# Myanmar Business Insight Report (2020)

Series II

November 2021

The logo for Inya Economics is a solid blue square. Inside the square, the words "Inya" and "Economics" are written in a white, sans-serif font, stacked vertically with "Inya" on top and "Economics" below it.

Inya  
Economics

**Private Sector Development Programme**

[www.inyaeconomics.com](http://www.inyaeconomics.com)

[inyaeconomics@gmail.com](mailto:inyaeconomics@gmail.com)

[psd.ie.mm@gmail.com](mailto:psd.ie.mm@gmail.com)