

Introduction

Myanmar is divided into 14 States and Regions and 1 Union Territory. Each State and Region has its own potential investment sectors based on the location and connectivity. The 'Top Five Investment Potential Sectors for States and Regions' booklet describes the State and Regional '**Potential Sectors (Potential)**' for investors in Myanmar.

According to the Notification 13/2017 by the Myanmar Investment Commission (MIC), the investments in '**Promoted Sectors (Promoted)**' are qualified to enjoy for tax exemption/relief in accordance with the different development zones, which are identified by the MIC.

This booklet describes the '**Potential Sectors' of the different States and Regions, based on their unique characteristics.** If those 'Potential Sectors' align with the 'Promoted Sectors' listed in Notification 13/2017, the investments shall qualify to enjoy tax exemption/relief.

Kachin State



KEY STATISTICS

Area	89,041.2 km ² (34379 sq mi)
Population (2018)	1,847,000
Capital	Myitkyina
Neighbours	Shan State, Sagaing Region (within Myanmar) China, India
Number of Industrial/Economic zones	2 (will be established)

ABOUT THE AREA

Kachin State is the 3rd largest of Myanmar's states and regions by area. The economy of Kachin State is predominantly agricultural. The state's main products include rice, teak and sugar cane. The government has plans to develop two economic zones – the Myintkyina Economic Zone and the Kan Pike Tee Border Development Zone, as part of China's Belt and Road Initiative. A total of 28 projects were approved by the MIC and Kachin State Investment Committee. Any investment in a promoted sector made in Kachin State qualifies for 7 years or 5 years of tax exemption.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Agriculture and its related services
2	Manufacturing
3	Hotels and Tourism
4	Logistics
5	Real Estate

Kayah State



KEY STATISTICS

Area	11,731.5 km ² (4,529.6 sq mi)
Population (2018)	314,000
Capital	Loikaw
Neighbours	Shan State, Kayin State (within Myanmar) Thailand
Number of Industrial/ Economic zones	-

ABOUT THE AREA

Kayah State is situated in eastern Myanmar, and has a primarily extraction-based economy – focusing on mineral products and timber. The State's main crop is rice, mostly irrigated, with other important crops including millet, maize, sesame, groundnut, garlic, and vegetables. The hydroelectric power plant at Lawpita Falls (outside of Loikaw) is a strategic and important source which supplies over 20% of Myanmar's total electrical power. The state has a large amount of tourist potential – with rugged mountains, rivers, streams, lakes and waterfalls. The MIC and Kayah State Investment Committee have approved 21 investment projects in the state. Any investment made in Kayah State qualifies for 7 years of tax exemption. The Kayah State Investment Opportunities Survey Report is available at <https://www.dica.gov.mm/en/publications>.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Hotels and Tourism
2	Agriculture and its related services
3	Manufacturing
4	Power
5	Mining

Kayin State



KEY STATISTICS

Area	30,382.8 km ² (11,730.9 sq mi)
Population (2018)	1,597,000
Capital	Hpa-An
Neighbours	Mon State, Shan State, Kayah State, Bago Region, Mandalay Region (within Myanmar) Thailand
Number of Industrial/ Economic zones	2

ABOUT THE AREA

Kayin State is strategically located along the East-West Economic Corridor, and has the Myawaddy Trade Zone – which is the main border crossing trade route between Thailand and Myanmar. Tourism is one of the leading sectors of Kayin State, as well as agriculture. The state possesses over 550,000 acres of farmland, and rubber is also a major business – with there being around 280,000 acres of plantations. A total of 28 projects were approved by the MIC and Kayin State Investment Committee. Any investment in a promoted sector made in Kayin State qualifies for 7 years of tax exemption. The Kayin State Investment Opportunities Survey Report is available at <https://www.dica.gov.mm/en/publications>.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Agriculture and its related services
2	Hotels and Tourism
3	Manufacturing
4	Logistics
5	Power

Chin State



KEY STATISTICS

Area	36,018.8 km ² (13,906.9 sq mi)
Population (2018)	511,000
Capital	Hakha
Neighbours	Sagaing Region, Magway Region, Rakhine State (within Myanmar) Bangladesh, India
Number of Industrial/ Economic zones	-

ABOUT THE AREA

Chin State possesses mountain ranges and grazing land, which are good for livestock breeding. The state has plenty of green and under-utilised land for agriculture, especially suitable for growing organic fruits and vegetables. Chin State is famous for its unique backstrap weaving techniques and textile costumes, which could be appealing to domestic and overseas niche designer clothing markets. Chin State has one of the highest mountains in Myanmar, as well as other beautiful mountain ranges and forests which are rich in biodiversity – contributing to strong potential for ecotourism and community based tourism. The two investment projects have permitted in Chin State. Any investment in a promoted sector made in Chin State qualifies for 7 years of tax exemption.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Hotels and Tourism
2	Power
3	Agriculture and its related services
4	Livestock production and breeding
5	Urban development and Industrial zone

Mon State

<u>KEY STATISTICS</u>	
Area	12,296.6 km ² (4,747.7 sq mi)
Population (2018)	2,006,000
Capital	Mawlamyine
Neighbours	Kayin State, Bago Region, Tanintharyi Region (within Myanmar) Thailand
Number of Industrial/Economic zones	2

ABOUT THE AREA

Mon State is located on the western coast of South-East Myanmar. Agriculture, fisheries, and mining are the main sectors for the economy. Mon State is a major producer of rice and rubber. The tourism industry plays a vital role in the state's economic development, and there are many tourism-related businesses constantly emerging. Mawlamyine is the largest city in the state – and acts as the main trading centre and seaport in South-Eastern Myanmar. The city has two industrial zones – including the Kyauktan Industrial Zone, which houses heavy industrial factories focusing on the production of construction materials, and light industries such as food processing and automobile accessories. Currently, there are 79 investment projects in Mon State. Any investment in a promoted sector made in Mon State qualifies for 7 years or 5 years of tax exemption.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Agriculture and its related services (including forest plantation)
2	Livestock and Fisheries
3	Manufacturing
4	Health Care Services
5	Eco-tourism

Rakhine State



KEY STATISTICS

Area	36,778.0 km ² (14,200.1 sq mi)
Population (2018)	3,308,000
Capital	Sittwe
Neighbours	Chin State, Magway Region, Bago Region, Ayeyarwady Region (within Myanmar) Bangladesh
Number of Industrial/Economic zones	2 (including Kyaukphyu SEZ, which is in development)

ABOUT THE AREA

Rakhine State is situated in a geostrategic location –in the Bay of Bengal. Rice is the major product of Rakhine State, while spices and condiments such as areca nut, pepper and ginger are also cultivated. About 85% of total arable land is utilised for rice (paddy) cultivation. In addition, the fisheries sector is one of the major sectors in the state. Rakhine has a range of beautiful sites, including Mrauk U and Ngapali Beach. A total of 57 projects have been approved by the MIC and Rakhine State Investment Committee. Any investment in a promoted sector made in Rakhine State qualifies for 7 years of tax exemption. The Report of the Rakhine State Investment Opportunity Survey is available at <https://www.dica.gov.mm/en/publications>.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Agriculture and its related services
2	Livestock and Fisheries
3	Education Services
4	Infrastructure and Transportation Development
5	Hotels and Tourism

Shan State



KEY STATISTICS

Area	155,801.3 km ² (60,155.2 sq mi)
Population (2018)	6,236,000
Capital	Taunggyi
Neighbours	Kachin State, Kayah State, Kayin State, Sagaing Region, Mandalay Region (within Myanmar) China, Thailand, Lao People's Democratic Republic
Number of Industrial/Economic zones	1 (1 more is planned)

ABOUT THE AREA

Shan State is the largest of Myanmar's states and regions by area, comprising 23 percent of the country's landmass. Shan State has a plateau surrounded by high mountains and diversified land, enabling huge potential for agriculture – especially suitable for growing organic fruits and vegetables. Tourist numbers in Shan State have also been high – with many people visiting locations such as Inle Lake, the Kakku Pagodas and the Pindaya Limestone Cave. A total of 98 projects were approved by the MIC and Shan State Investment Committee. Any investment in a promoted sector made in Shan State qualifies for 7 years or 5 years of tax exemption. The Shan State Investment Opportunity Survey Report is available here <https://www.dica.gov.mm/en/publications>.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Hotels and Tourism
2	Agriculture and its related services
3	Power
4	Manufacturing (especially Ago-based)
5	Information Technology Services

Sagaing Region



KEY STATISTICS

Area	93,704.5 km ² (36,179.5 sq mi)
Population (2018)	5,511,000
Capital	Sagaing
Neighbours	Kachin State, Shan State, Chin State, Mandalay Region, Magway Region (within Myanmar) India
Number of Industrial/ Economic zones	4

ABOUT THE AREA

Sagaing Region, located on the western banks of the Irrawaddy River, is one of Myanmar's largest states/regions in terms of geography. The main economy is agriculture – with the leading crop being rice. Natural resource extraction is an important sector in the region, with gold, coal, salt and small amounts of petroleum being available. It is another of Myanmar's ancient capitals, famous for its many hundreds of white, silver and gold pagodas and monasteries which mark its hilly landscape. A total of 77 projects have been approved by the MIC and Sagaing Region Investment Committee. Any investment in a promoted sector made in Sagaing Region qualifies for 7 years or 5 years of tax exemption.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Agriculture and its related manufacturing (value-added)
2	Livestock
3	Infrastructure Development
4	Hotels and Tourism
5	Mining

Mandalay Region



KEY STATISTICS

Area	37,945.6 km ² (14,650.9 sq mi)
Population (2018)	6,419,000
Capital	Mandalay
Neighbours	Shan State, Kayin State, Sagaing Region, Magway Region, Bago Region (within Myanmar)
Number of Industrial/Economic zones	4

ABOUT THE AREA

Mandalay Region is strategically-located in the heart of the country. It is endowed with rich agricultural and forest resources, as well as minerals. It has vast potential for development and investment – including agriculture, agrifood processing, and manufacturing. The region is one the country’s most popular tourist destinations – due to its connection to Bagan. A total of 257 projects have been approved by the MIC and Mandalay Region Investment Committee. Any investment in a promoted sector made in Mandalay Region qualifies for 7 years, 5 years or 3 years of tax exemption. The Report of Mandalay Region Investment Opportunity Survey is available at <https://www.dica.gov.mm/en/publications>.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Manufacturing (Labour intensive)
2	Hotels and Tourism
3	Agriculture and its related manufacturing (value-added)
4	Livestock
5	Real Estate (Low-cost housing)

Magway Region



KEY STATISTICS

Area	44,820.6 km ² (17,305.3 sq mi)
Population (2018)	3,940,000
Capital	Magway
Neighbours	Rakhine State, Chin State, Sagaing Region, Mandalay Region, Bago Region (within Myanmar)
Number of Industrial/Economic zones	2

ABOUT THE AREA

Magway Region is located in central Myanmar. The principal product of the area is petroleum, with the area producing most of the oil and natural gas in Myanmar. Agriculture is also important for the economy. The major crops are sesame and groundnut. The region also produces a large amount of edible oil, hence gaining the reputation as the 'oil pot of Myanmar'. Magway Mya Thalun Pagoda and Minbu Shwesettaw are famous destinations within the area, and are visited frequently by tourists. A total of 47 projects have been approved by the MIC and Magway Region Investment Committee. Any investment in a promoted sector made in Magway Region qualifies for 7 years or 5 years of tax exemption.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Agriculture and its related services
2	Livestock
3	Power
4	Manufacturing
5	Hotels and Tourism

Nay Pyi Taw Union Territory



KEY STATISTICS

Area	7,054.37 km ² (2,723.71 sq mi)
Population (2018)	1,249,000
Capital	Nay Pyi Taw
Neighbours	Kayin State, Shan State, Bago Region, Mandalay Region, Magway Region (within Myanmar)
Number of Industrial/Economic zones	1 (planned)

ABOUT THE AREA

Nay Pyi Taw Union Territory is an administrative division in central Myanmar. The entire region has developed rapidly over the last decade. It is strategically located along with BRI Corridor and GMS Economic Corridor. It is also home to many SME enterprises, due to the SME zone and affordable land prices. The area is also suitable for agriculture. Nay Pyi Taw has a number of tourist destinations – including museums, pagodas, and gardens – as well as magnificent views of nature. Tourists also like to visit the wide, manicured, multi-lane roads of the town which are free from traffic congestion. A total of 40 projects were approved by the MIC and Nay Pyi Taw Council Investment Committee. Any investment in a promoted sector made in Nay Pyi Taw Union Territory qualifies for 5 years of tax exemption.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Agriculture and its related services
2	Livestock and Fisheries
3	Manufacturing
4	Supply and transport services
5	Education services

Bago Region



KEY STATISTICS

Area	39,402.3 km ² (15,213.3 sq mi)
Population (2018)	4,924,000
Capital	Bago
Neighbours	Rakhine State, Mon State, Kayin State, Mandalay Region, Magway Region, Yangon Region, Ayeyarwady Region (within Myanmar)
Number of Industrial/Economic zones	1 (1 more is planned)

ABOUT THE AREA

Bago Region is located in the southern part of the country, and is strategically located in the centre of the East-West Corridor of the South-North Road. It is an economically strategic region, with a network of motor roads and railways. It has abundant vacant land, uncultivated land and virgin land for various investment projects. The land price is affordable – and is situated very close to the Myanmar’s commercial centre, Yangon. Many well-known CMP businesses are also investing in Bago Industrial Zone. A total of 155 projects have been approved by the MIC and Bago Region Investment Committee. Any investment in a promoted sector made in Bago Region qualifies for 7 years or 5 years of tax exemption.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Power (Solar and Electric Power Generation)
2	Establishing Industrial Estates
3	Establishing and Opening of Natural Resorts
4	Construction of Low-cost housing
5	Livestock

Yangon Region



KEY STATISTICS

Area	10,276.7 km ² (3,967.9 sq mi)
Population (2018)	8,025,000
Capital	Yangon
Neighbours	Bago Region, Ayeyarwady Region (within Myanmar)
Number of Industrial/ Economic zones	29

ABOUT THE AREA

Yangon Region and Yangon City (the former capital) function as Myanmar's urban economic centre, with the country's future being closely linked to that of this area. Around 64% of the population are working age and are able to meet labour demands. Yangon has a total of 29 industrial zones, with a modernised deep seaport facility and an associated Special Economic Zone being developed at Thilawa. Yangon can be understood as the industrial hub and manufacturing workshop of Myanmar. There are many projects for Yangon Region within the government's Project Bank. A total of 1,769 projects have been approved by the MIC and Yangon Region Investment Committee. Any investment in a promoted sector made in Yangon Region qualifies for 5 years or 3 years of tax exemption.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Manufacturing (Value-added, Imported substitute commodities)
2	Infrastructure
3	Information Technology
4	Hotels and Tourism
5	Education Services

Ayeyawady Region



KEY STATISTICS

Area	35,140 km ² (13,570 sq mi)
Population (2018)	6,272,000
Capital	Patheingyi
Neighbours	Bago Region, Rakhine Region, Yangon Region (within Myanmar)
Number of Industrial/ Economic zones	2 (1 more is under construction)

ABOUT THE AREA

Ayeyawady Region has many natural endowments. It is the Delta Region with rich soil and water, and is also commonly dubbed as ‘Rice Granary’ or ‘Rice Bowl’ of the country. The region has a long coastline – and considerable tourist potential with attractions such as Ngwe Saung Beach, Chaungtha Beach and Inye Lake. The Region has a vast potential for development in many other sectors –including agriculture, agro-food processing, hotels and tourism, livestock breeding, fisheries, transport and energy, and manufacturing. A total of 95 projects have been approved by the MIC and Ayeyawady Region Investment Committee. Any investment in a promoted sector made in Ayeyawady Region qualifies for 7 years or 5 years of tax exemption. The Report of Ayeyawady Region Investment Opportunity Survey is available here <https://www.dica.gov.mm/en/publications>.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Agriculture and its related services
2	Livestock and Fisheries
3	Hotels and Tourism
4	Transport and Communication
5	Power

Tanintharyi Region



KEY STATISTICS

Area	43,344.9 km ² (16,735.6 sq mi)
Population (2018)	1,466,000
Capital	Dawei
Neighbours	Mon State (within Myanmar) Thailand
Number of Industrial/ Economic zones	1 (SEZ is planned)

ABOUT THE AREA

Tanintharyi Region is located in the southern part of Myanmar. The region shares borders with Mon State in the north – which is also has good connections to the rest of the country – with Thailand to the east and south, and the Andaman Sea to the west. This strategic location is an advantage for the development of the country. The main industries of Tanintharyi Region are natural pearls and the cultured pearl business, fisheries products, rubber and palm tree plantations, birds’ nests industry, and mining. There are also many beautiful, natural landscapes in the region – including Maungma Kan Beach, the Tanintharyi Mountain Range, and the Myeik Archipelago– which is comprised of more than 800 islands. A total of 116 projects have been approved by the MIC and Tanintharyi Region Investment Committee. Any investment in a promoted sector made in Tanintharyi Region qualifies for 7 years or 5 years of tax exemption.

POTENTIAL INVESTMENT SECTORS

<u>RANK</u>	<u>SECTOR</u>
1	Construction of road and bridge
2	Power
3	Livestock, Breeding and Fisheries
4	Natural resources (production of pearl and mining)
5	Agriculture and its related services