

Voluntary Report – Voluntary - Public Distribution

Date: January 03, 2023

Report Number: BM2022-0021

Report Name: Exporter Guide

Country: Burma - Union of

Post: Rangoon

Report Category: Exporter Guide

Prepared By: FAS Rangoon

Approved By: Eric Mullis

Report Highlights:

This guide serves as a resource for U.S. companies seeking to do business in Burma and provides market overviews, practical tips and information on local business practices, consumer preferences, and trends. This report also identifies opportunities and entry approaches for the three major market sectors (food retail, food service, and food processing).

Market Fact Sheet: Burma

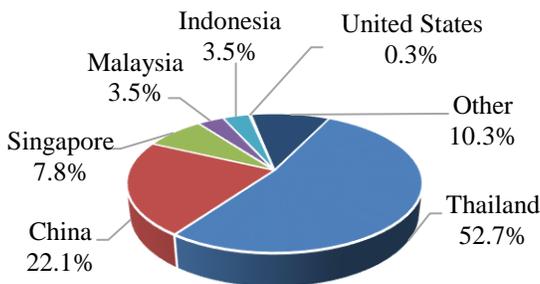
Executive Summary

Burma is a least developed lower middle-income country. In 2021, Burma's GDP dropped 17 percent to \$65 billion, positioning the country as the 90th largest economy in the world. In 2021, Burma's imports of agricultural products from the world reached \$3.7 billion. Bulk imports accounted for \$151 million, followed by intermediate goods at \$1.6 billion, and consumer-oriented goods at \$1.8 billion. Burma's main agricultural products are rice, beans and pulses, sesame, peanuts, corn, sugarcane, hardwoods, fish, and seafood.

Imports of Consumer-Oriented Products

Neighboring countries dominate the market, with the United States holding only a 0.3 percent market share.

Burma's Imports of Consumer-Oriented Products, 2021



Food Processing Industry

Burma's food processing industry is comprised of 24,557 registered businesses. Roughly half of the registered businesses are small businesses and account for 54 percent of the manufacturing industry. Domestic production includes spirits, beer, soft drinks, bakery products, instant noodles, coffee, tea, and ready-to-eat traditional foods. Almost 90 percent of the food produced in Burma is for the domestic market.

Food Retail Industry

The retail sector has seen a large number of foreign consumer brands enter the country. Retail sales in the packaged food market in Burma reached to over \$3 billion in 2022. Burma allows 100 percent foreign-owned retailers and wholesalers to distribute domestically produced and imported commodities.

Quick Facts CY 2021

Imports of Consumer-Oriented Products

\$1.8 billion

List of Top 10 Growth Products in Host Country

- | | |
|----------------------|-----------------------------|
| 1) Soybean meal | 2) Wheat |
| 3) Distillers Grains | 4) Soybeans |
| 5) Other Feeds | 6) Planting seeds |
| 7) Food Preparation | 8) Dextrins, proteins |
| 9) Essential oils | 10) Non-alcoholic beverages |

Food Industry by Channels 2021

Food Industry Output	unavailable
Food Exports	\$3.4 billion
Food Imports	\$3.7 billion
Inventory	unavailable
Domestic Market	unavailable
Retail	unavailable
Food Service	unavailable
Wet Market	unavailable

Top 10 Host Country Retailers

City Mart	Ocean
Marketplace by City Mart	Capital Hyper Market
Makro Wholesale	Pro-Mart
1 Stop Supermarket	Orange
Easy Mart	Sein Gay Har

GDP/Population

Population (*millions*): 53.9

GDP (*billions*): \$59.5

GDP per capita: \$1,100

Strengths/Weaknesses/Opportunities/Challenges

Strengths	Weaknesses
A dynamic and eager younger population and a growing food industry.	Eroding consumer purchasing power and inadequate infrastructure, including ports and cold storage facilities, outside of Yangon.
Opportunities	Threats
Growing demand for imported products as there is limited capacity to produce in Burma.	Unstable political situation and unfavorable business climate.

Data and Information Sources: The International Monetary Fund, Trade Data Monitor, LLC, industry contacts, FAS Rangoon

Section I: Market Overview

Burma, a frontier market, is one of the last untapped markets and had one of the fastest growing economies in Asia in recent years. Though this market is attractive in the long term, the short-term prospect is less certain due to ongoing political turmoil. The ongoing unrest and crackdown on peaceful protests has destabilized the country's security situation and deteriorated in the economic situation in country. The United States, the United Kingdom, and the European Union have imposed [targeted sanctions](#), while the United States also suspended its trade and investment framework agreement (TIFA) with Burma. The military regime has pledged to hold elections on August 1, 2023, exactly two years and six months after the coup, expecting to legitimize its extended rule through the election.

Burma had a gross domestic product (GDP) of \$81.3 billion in 2020. The GDP dropped to \$65.2 billion in 2021 and dropped even more to \$59.5 billion in 2022. An estimated 25 percent of its 53.9 million population, particularly in rural areas, live in poverty. More than 69 percent of population was under the age of 18 before the coup, but about 10 percent of educated and uneducated young people have left the country following the coup to seek better employment opportunities abroad.

Limited economic growth will continue as household incomes continue to decline, prices of imported goods continue to rise, and the exchange rate of the Myanmar kyat remains high against the U.S. dollar. In addition, the [Financial Action Task Force](#) (FATF) announced that Burma has been placed on the blacklist for failing to address a large number of strategic deficiencies in its anti-money laundering and counter terrorist-financing systems. As a result of the financial blacklist, prospects of foreign investment are dwindling and job opportunities will likely remain scarce in 2023. The financial blacklist will not, however, negatively impact the limited remaining humanitarian assistance and nonprofit organizations' that are still active in Burma.

The Myanmar kyat has depreciated against the U.S. dollar since the coup in February 2021. The Central Bank of Myanmar (CBM), however, fixed the exchange rate offered through official channels at 2,100 Myanmar kyat/U.S. dollar, while the market exchange rate hovers around 2,950 Myanmar kyat/U.S. dollar. The volatile exchange rate, restricting financial policies, and global logistical challenges have led to rapid price increases for imported products, some as much as 50 percent, making it harder for importers to source high-end products for Burmese consumers. FAS Rangoon reported on some of these challenges in the report [Burma: Rising Food Prices due to Exchange Rate and Other Challenges](#). Despite these challenges, importers are still looking for high quality U.S. brands either through direct importation or importation via third countries. U.S. exporters should work closely with importers or reach out to FAS Rangoon to get any updates on the market situation as it evolves regularly.

Table 1: Advantages and Challenges Facing U.S. Products in Burma

Advantages	Challenges
<ul style="list-style-type: none">• A dynamic, eager, and young population is willing to try new products and is receptive to trends that fit their increasingly westernized lifestyles.• The extended time at home has created demand for new consumer-oriented products.• U.S. products have a good reputation among experienced food and beverage importers.• Burma generally has tariffs that are comparable or lower than that of other countries in the region.	<ul style="list-style-type: none">• Disruptions in the banking sector and the FATF blacklisting have made transferring money more difficult.• Consumers have reduced purchasing power due to a loss of income among workers.• U.S. goods are more expensive due to the depreciation of the kyat against the U.S. dollar.• Shipping costs are higher.• There are limited direct shipping lines from the United States.• There is a lack of transparency and predictability in Burma’s regulations.• U.S. and EU sanctions made exporters less confident in doing business in Burma.• There is limited communication between the U.S. government and the military regime.

Section II: Exporter Business Tips

U.S. exporters should partner with importers, wholesalers, and distributors that are willing to introduce products to major retailers and restaurants. Before doing business in Burma, it is essential to conduct market research, including price comparisons, competitor analysis, consumer preferences, and trends. Market data is limited; however, some official import statistics and market information are available in the statistical data section of the [Burma Central Statistical Organization](#) and the [Ministry of Commerce](#) websites. FAS Rangoon can provide contact information for potential importers (see Section VI).

Burma’s official language is Burmese; however, many businesspeople can communicate in English as well. Burmese consumers have a good impression of U.S. food products and regard them as premium and high-quality items. The vast majority of imported food and beverage products are from Thailand, Indonesia, and China. Products from these countries have price points that are affordable to the middle-class population. U.S. firms need to be mindful with their pricing strategy as the Burmese market is very price sensitive. Fluctuating exchange rates and an irregular supply of consumer goods are the main factors contributing to retail prices. Real estate prices in urban areas and increasing transportation costs have also impacted retail prices and incomes of importers, retailers, and others in the food sector.

U.S. exporters should provide a reliable product supply, consistent quality, technical support, and respond to inquiries in a timely manner, since Asian competitors are just a phone call away in a similar time zone. Exporters should also consider smaller packaging sizes to increase sales to households and small restaurants while retailing and online businesses are growing. Because Burma is still developing in many areas, customers really appreciate any additional assistance suppliers can provide, such as training on product selection, handling, storage, use, recipe development, or other relevant technical information; and/or support for promotions and sampling.

General Customer Tastes and Preferences

The expansion of the internet and digital communication used in Burma has exposed Burma's young and emerging urban middle-class to international brands in recent years. However, the pandemic and the coup negatively impacted consumer spending power due to high unemployment and less disposable income. The market is highly price-sensitive more than ever before, but consumer demand for high-quality products remains.

Burma's main agricultural products are rice, beans and pulses, sesame, peanuts, corn, sugarcane, hardwoods, fish, and seafood. Burmese people primarily eat rice mixed with spicy curries and cooked in oil. Locals also like to eat noodle soup and drink tea and coffee. Burmese consumers are eager to try new cuisines as Burma started to engage more with foreign businesses, tourists, and social media before the pandemic. Retailers started providing more and more imported products, and there was a boom in international restaurants and bistros. Unfortunately, dine-in restaurants nearly disappeared during the pandemic and the coup; however, the number of online food shops surged as they are much easier to start up than businesses with a physical store. The relaxation of COVID-19 restrictions not only caused an increase in restaurant sales, but online ordering and home cooking also continued to increase helping to bolster retail sales.

Internet usage, especially Facebook, is rapidly increasing and is an effective marketing platform to provide information about products and promotions in Burma. The percentage of social media users is 53 percent of the total population. Facebook is the most used application with 96 percent of social media users having a Facebook account. However, the military regime banned Facebook since February 2021. Burmese citizens continue using Facebook via virtual private networks (VPN). Burmese citizens also increased the use of other applications like Viber, Telegram, and Signal after the coup to stay connected when Facebook was not available. Facebook remains the most powerful information source – much like Google – in Burma. Facebook Live streaming sales and delivery services are increasingly popular since the COVID-19 pandemic. Importers and suppliers of foreign ingredients can increase sales in Burma when they provide additional information about how to use the products (e.g., recipes), health benefits, and other information through their Facebook page.

FAS Rangoon launched its Shaloot USA Facebook page in October 2020 to promote U.S. food and beverage products in Burma. "Shaloot" is a slang expression which means "mouthwatering" in the Burmese language. Through this account, FAS Rangoon connects chefs, hotels, restaurants, and importers to Burmese consumers who identify as "foodies" looking for high-quality U.S. ingredients. Shaloot USA's activities include menu promotions at restaurants, e-commerce promotions with retailers, recipe videos highlighting U.S. ingredients, and partnerships with food bloggers and influencers in collaborations with importers. Shaloot USA is a useful tool to introduce new U.S. products to the Burma market.

Section III: Import Food Standards & Regulations and Import Procedures

Different ministries and departments in Burma are involved in establishing the requirements for import food standards, regulations, and procedures (see Table 3 in Section V). Prior to the coup, Burma was in the process of updating many of its laws and regulations. The military regime's approach to policy development has been changing over time to control the supply of U.S. dollars and reduce its trade deficit. Some of the most recent developments include [Import/Export Newsletter No10/2022](#) that requires importers to use only their earnings from exports to import foreign goods. Additional information about policy changes can be found in the following reports: [Burma: FAIRS Annual Country Report Annual](#) and [Burmese Government Tightens Enforcement of Import License Procedures](#).

Customs Clearance: Burma is utilizing the Burma's Automated Cargo Clearance System ([MACCS](#)) at international ports, the Yangon Airport International Cargo Terminal, and Thilawa Special Economic Zone operations. Importers must submit customs declarations and supporting documents to Customs at the time that the goods arrive. Customs has not yet adopted pre-arrival processing. The customs duty assessed on imported goods is a percentage of their declared value and ranges from 0-15 percent for agricultural products, except wine, which is 30 percent. In order to clear Customs, imports must be accompanied by a customs declaration and the following accompanying documents:

- 1) an import license/permit ([See the required documents for most agricultural products](#));
- 2) invoice;
- 3) bill of lading, air consignment note, or truck note;
- 4) packing list; and
- 5) other certificates, permits, or import recommendations, which vary by product category.

Documents Generally Required by the Country Authority for Imported Food: The Burmese government requires several certificates for imported agricultural products. Most product categories require third-party certificates, such as good manufacturing practices (GMP) plus Hazard Analysis Critical Control Point (HACCP), or ISO 22000 (food safety management) certificates in addition to federal phytosanitary, sanitary, or health certificates. In addition, import licenses are required for [most agricultural products that the United States currently exports to Burma](#). For processed food and beverage products, product testing must also be conducted in the country of origin. Additional information is available in [Burma: FAIRS Annual Country Report Annual](#).

Country Language Labeling Requirements: Burma follows Codex guidelines and the ASEAN Common Principles and Requirements, which includes labeling requirements. Burma's Consumer Protection Law and a notification by its Food and Drug Administration requires specific information to be present on the label in Burmese. Additional information is available in [Burma: Burma Releases Labeling Order for Prepackage Food](#).

Tariffs and Free Trade Agreements: Burma has free trade agreements with Australia, New Zealand, China, South Korea, Japan, and ASEAN countries, which make U.S. products less competitive, especially for high-value consumer products. Burma has border trade agreements with Bangladesh, India, China, Laos, and Thailand. Burma also has Avoidance of Double Taxation Agreements with the United Kingdom, Singapore, India, Malaysia, Vietnam, and South Korea. Burma is a member of the World Trade Organization, and U.S. products are subject to Most Favored Nation tariffs.

Trademarks and Patents Market Research: Burma enacted the Trademark Law on January 30, 2019, which established the Intellectual Property Rights Central Committee and the Intellectual Property Rights Agency under the Ministry of Commerce. Additional information about the application process for the registration of trademarks is available in [Burma: FAIRS Annual Country Report Annual](#).

Section IV: Market Sector Structure and Trends

Retail: Euromonitor reported that retail sales in the packaged food market in Burma reached over \$3 billion in 2022, which dropped from \$3.1 billion in 2021. Burma allows 100 percent foreign-owned retailers and wholesalers to distribute domestically produced and imported commodities. The retail sector has become the biggest opportunity for growth in sales of imported products during the pandemic and coup. Online retail markets, especially through Facebook and mobile applications, are booming with about 70 percent of traditional physical stores now having an online shopping option. The French retail franchise Carrefour Easy Convenience Stores (named “Easy Mart” in Burma) has seen significant growth in the retail sector. Easy Mart opened in 2020 and now has 26 outlets and one Maxi wholesale. The Burmese owned “1 Stop Supermarket” has also recently expanded rapidly to eight supermarket-sized outlets and one hundred smaller-format convenience stores. City Mart group, the biggest retail chain in Myanmar, also opened one new mini City-Mart and one Ocean Supercenter in 2021.

Tourism: The Ministry of Hotels and Tourism reported that only 111,571 international visitors arrived in Myanmar in 2021, which was 5 times less than in 2020 and 24 times less than in 2019. However, the number of domestic tourists tripled in 2021 from 2020. The majority of the international visitors are from China, India, Korea, Thailand, and Japan. The military regime reopened tourism and resumed international flights on April 17, 2022. However, the U.S. government advised U.S. citizens to not travel there and listed it as a [Level 4: Do Not Travel](#). The number of foreign tourists arriving in Burma has increased in 2022 but is still far below the number of foreign tourists that arrived in 2019 before the pandemic.

HRI: There are more than 2,000 registered hotels and guesthouses across the country, with most located in Yangon, Mandalay, Naypyitaw, Bagan, and Nyaungshwe. Singapore, Thailand, and Vietnam are the source of most foreign investment in the hotel sector. Burma’s annual tourism revenue reached \$2.8 billion in 2019 and then plummeted by 99 percent to \$30 million in 2021. There are more than 8,000 restaurants in Yangon and 4,800 restaurants in Mandalay according to the Health Department of the Yangon City Development Committee (YCDC). Roughly 20 percent of restaurants closed during the COVID-19 pandemic; however, the number of restaurants that opened after the coup was the same as the number of restaurants that closed during the pandemic. Restaurants continue to struggle with higher food cost, electricity shortages, and inconsistent availability of supply of food. Menu prices are 30-40 percent higher as the value of the Myanmar kyat continues to depreciate against the dollar. The HRI industry now focuses more on local consumers than foreign customers. Even though the situation is still far from normal, hotel visits increased in late 2022 as domestic upper-income people started taking more trips and there were more corporate business events and wedding receptions. Hotel managers are expecting more foreign tourists in near future.

Food Processing: The Industrial Registration Data report showed the number of registered food and beverages companies dropped seven percent from 26,500 to 24,557 in 2022. Food and beverage

companies are mainly located in the Ayeyarwaddy, Bago, Sagaing, Yangon, and Mandalay regions, and of these, 18 percent are large firms. Domestic production includes cooking oil, spirits, beer, soft drinks, bakery products, instant noodles, confections, coffee, tea, and ready-to-eat traditional foods and processed meats. Almost 90 percent of food produced in Burma enters the domestic market. The military regime has encouraged more food exports, but higher prices of raw materials and power outages that last between 4 and 8 hours each time have prevented food manufactures from increasing production. Many small and medium-sized enterprises are facing the prospect of shutting down as they must use generators to stay operating even as fuel prices increase.

Livestock: Burma's livestock and aquaculture sectors are growing rapidly, leading to a 33 percent increase in livestock feed demand from 2018 to 2020. While the livestock sector is 100 percent domestic, foreign companies dominate the feed sector, which hold about a 60 percent share of domestic feed sales. Poultry is the largest livestock sector in Burma followed by swine, with both value chains growing rapidly. U.S. soybean meal and distiller's dried grains with solubles are playing an increasing role in the livestock and aquaculture sectors. More information about the livestock industry post-COVID-19 can be found in [Burma: Impact of COVID-19 on the Livestock Industry](#).

Section V: Agricultural and Food Imports

U.S. agricultural exports to Burma reached a record \$175 million in 2019. U.S. agricultural exports remained high in 2020 even during the COVID-19 pandemic. The political unrest following the coup, another COVID wave, and logistical challenges in 2021 severely hurt the Burmese economy, and U.S. agricultural exports plummeted to \$90.5 million in 2021. Feed ingredients, including soybean meal, distiller's dried grains with solubles, and soybeans, account for two thirds of U.S. agricultural exports. U.S. wheat exports to Burma also make up a large share of U.S. agricultural exports to Burma. Exports of U.S. consumer-oriented goods remains low, especially with the unstable political and economic situation (see Table 2).

Logistical challenges and no direct shipping routes from the United States to Burma have led some importers to purchase products from other sources, such as soybean meal from Brazil, Thailand, Paraguay, Malaysia, India, and some from China while prices are competitive. China and Thailand have an advantage as they share a land border with Burma. Many importers prefer to import via third countries or over land borders to reduce supply uncertainties and delays and avoid complicated import procedures.

Top U.S. consumer-oriented agricultural exports to Burma include prepared foods, canned foods, dairy products, processed vegetables, fresh fruits and vegetables, chocolate and coca products, condiments and sauces, eggs products and wines. The actual volume of U.S. agricultural products that end up in Burma is higher than official statistics indicate due to transshipped products through Singapore and other countries, as well as from border trading. U.S. products, such as tree nuts and processed fruits, are shipped in bulk to other countries, such as Malaysia and Thailand, where they are repackaged and exported to Burma for consumer or commercial distribution. There will be opportunities to replace some of these indirect exports when the country's political situation improves.

Table 2: U.S. Exports of Agricultural & Related Products to Burma (in millions of USD)

Products	2017	2018	2019	2020	2021
Soybean Meal	35.3	66.7	99.6	87.4	56.4
Wheat	3.8	6.9	19.3	28.0	15.8
Distillers Grains	6.6	15.1	15.7	14.5	6.3
Food Preparations	1.2	1.4	2.2	1.8	2.1
Other Feed and Fodders	1.2	1.4	2.2	1.8	2.1
Soybeans	6.7	11.1	13.4	14.8	2.1
Essential Oils	0.4	1.3	1.5	1.5	1.4
Non-Alcoholic Beverages	0.1	2.2	1.0	1.3	1.1
Dairy Products	1.0	2.3	2.6	1.2	0.7
Processed Vegetables	0.5	0.7	1.0	0.7	0.3
Fresh Fruit	1.0	1.0	1.0	0.6	0.1
Bakery Goods, Cereals & Pasta	0.1	0.2	0.1	0.1	0.1
Other	11.8	16.4	14.5	13.2	1.9
Agricultural Products	69.6	126.7	174.0	166.8	90.5
Seafood and Forestry Products	1.5	0.5	1.0	0.2	0.0
Agricultural & Related Products	71.1	127.2	175.0	167.0	90.5

Source: Trade Data Monitor, LLC

Burma's primary foreign suppliers for agricultural and related products in 2021 included Thailand (\$1.3 billion), Indonesia (\$904 million), and China (\$528 million), and. Thai exports to Burma included palm oil, food preps, non-alcoholic beverages, beer made from malt, sauces and preparations, tree nuts, spirits, seafood, and cane or beet sugar. Indonesian exports to Burma included palm oil, waffles and wafers, dried and fresh nuts, cookies, vegetable oils, food preps and non-alcoholic beverages. Chinese exports to Burma included fresh fruit, feathers, sausages, animal feed preps, tea, food preps, proceed vegetables, beverages, and agricultural inputs. Australia and New Zealand are the main competitors for U.S. wheat, meat, and dairy exports. The United States was the eighth-largest supplier of agricultural and related products in 2021.

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

- Bulk: wheat, soybeans
- Intermediate: soybean meal, distiller's dried grains with solubles, other feeds, planting seeds
- Consumer-oriented products:
 - Dairy Products: cheese, cream cheese, whipped cream, cheese dip, nonfat dry milk, condensed milk
 - Frozen and Processed Meat Products: beef, pork, lamb, turkey, sausage, bacon, and ham
 - Tree Nuts: almonds, walnuts, and pecans
 - Fresh Fruits: apples, oranges, grapes, cherry, kiwi, lemon, blueberry, berries
 - Dried Fruit
 - Confectionary Items: jam, candy, chocolate, peanut butter
 - Processed Food: canned food
 - Condiments and Sauces: vinegar, tomato sauce, chili sauce

- Breakfast cereals
- Processed Vegetables: frozen potatoes, mixed vegetables
- Snack Foods: popcorn, biscuit, chips
- Beverages: Non-alcoholic and wine
- Dog and cat food
- Food Preparations: canned, frozen, sweeteners, coffee whiteners
- Agricultural Related: fish products including lobster, king crab, scallops, and distilled spirits

Section VI: Key Contacts and further Information

Different ministries within the Burmese government set import requirements for agricultural products. A general breakdown of government oversight is provided in Table 3.

Table 3: Responsibilities of Different Ministries and Departments

Plants and plant products, plant-based feed ingredients, seeds, pesticides, fertilizers	Department of Agriculture (DOA), Ministry of Agriculture Livestock and Irrigation (MOALI)
Live animals, meat and poultry products, animal-based feed ingredients, veterinary medicine/pharmaceuticals	Livestock Breeding and Veterinary Department (LBVD), Ministry of Agriculture Livestock and Irrigation (MOALI)
Seafood and seafood products, feed ingredients for aquaculture	Department of Fisheries (DOF), Ministry of Agriculture Livestock and Irrigation (MOALI)
Packaged food and beverage products, including distilled spirits and wine	Department of Food and Drug Administration (FDA), Ministry of Health and Sports (MOHS)
Import licenses	Ministry of Commerce
Customs	Burma Customs Department

The Foreign Agricultural Service office in Rangoon, Burma maintains current information about import requirements and food and agricultural import opportunities. The office can provide lists of potential importers, distributors, associations, and other key contacts. Please contact our office with questions or comments at:

U.S. Department of Agriculture Foreign Agricultural Service
 U.S. Embassy
 110 University Avenue, Kamayut Township 11041, Yangon, Burma
 Tel: +95-1-536509, Fax: +95-1-511069
 E-mail: agrangoon@fas.usda.gov

Attachments:

No Attachments.