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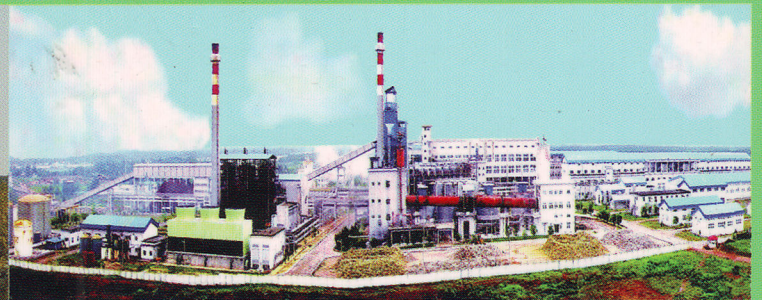
The Government of the Republic of the Union of Myanmar

စက်မှုဝန်ကြီးဌာန

Ministry of Industry

စက်မှုလုပ်ငန်းမူဝါဒ

Industrial Policy



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February, 2016



**The Government of the Republic of the Union of Myanmar**

**Ministry of Industry**

# **Industrial Policy**

**February, 2016**

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# **Industrial Policy**

## **Chapter I**

### **Preamble**

1. Myanmar is the fortieth biggest country and the twenty-fourth densest population country in the world. It is formed seven Regions, seven States and one Union territory. Myanmar is located in the strategic point to be spanned the ASEAN region and East-Asia region according to geography. Because of connecting with the border of Bangladesh, China, India, Laos, Thailand which have 40% of the world population, Myanmar has a wide market, great strength of workers, sea ports, sea coastal which are created the deep sea ports and domestic navigation are the basic qualities of Myanmar.
2. Myanmar is the country which is cooperated with the ASEAN Economic Community and more cooperated with regional countries. Myanmar tries to reach from the agricultural country to the industrial country because of increasing challenges on domestic industries.
3. The more improvement of contribution of industrial sector in the Gross Domestic Product (GDP) shall be aimed. It is aimed and implemented to improve 7% to 9% yearly the rate of the Myanmar GDP improvement , the development of the industrial sector of the country will improve 5% to 6% for a year in 2030.
4. The industrial sector business of the State has over 45,000 industries (large, medium, small) and over 19,000 cottage industries according to the official registered lists. By encouraging the said industries, the industrial sector of the State to be developed will support one way or another.
5. Myanmar has the plentiful of natural resources such as land and water resources. The export of natural gas within the lately years stood on as a



sector to be more supported the State economic sector. Because of Myanmar cannot perform the long term economic development only the natural resources, the production and services based on the industrial sector to be developed shall be encouraged. The following main areas based on the industrial sector to be developed concurrently shall be encouraged:

- (a) electricity power;
- (b) petroleum and natural gas; (oil and gas)
- (c) manufacturing ;
- (d) mining;
- (e) hotel and tourism;
- (f) livestock and fisheries;
- (g) transport and communication;
- (h) industrial zone.

## **Chapter II**

### **Vision, Missions and Strategies of the State**

6. The basic principles of the State mentioned in the Constitution of the Republic of the Union of Myanmar (2008) aim to establish as the democratic country which is practiced genuine, disciplined multi-party democratic system. The fundamental desire of the public is to live peacefully and to improve the socio-economic. Thus, the vision of the State is laid down “to establish the peaceful and modern developed new democratic nation” for providing the State stability and peace, improvement of the public socio-economic.

7. In accomplishing the vision of the State, the transformed strategic plans are being performed for accomplishing the following missions in 2020:

- (a) To restore external peace and all round improvement through country;



- (b) To graduate from the Least Developed Countries (LDCs);
- (c) To become a middle-class-income country.

8. In implementing the vision and missions of the State, the out dated procedures are needed to transform the new condition of politics, economics and social in line with the new modern system. The Union Government laid down the following four reform strategies:

- (a) Political reform;
- (b) Economic and social reform;
- (c) Administrative reform;
- (d) Reforming for Private Sector Development.

#### **Four Economic Policies of the State**

9. In implementing the strategies reform of the State, it is laid down the framework for economic and social reforms-FESR for the economic and social reform. Moreover, 20 years National Comprehensive Development Plan-NCDP also formulate with domestic and abroad experts and the following four economic policies of the State are also laid down for the development of the State economics:

- (a) Sustaining agriculture development towards industrialization and all round development;
- (b) Balanced and proportionate development among States and Regions;
- (c) Inclusive growth for entire population;
- (d) To be accurate statistics and statistical system.



### **Chapter III**

#### **Vision, Missions and Plans of Industrial policy**

##### **Vision**

10. If consideration the economic development events of the world, it is found that the development of industrial sector is the core of economic development. The industries may produce and supply various kinds of accessory related to food, clothes and living which are the basic needs of citizens, necessary parts of machine, spare parts for factories and improving the industries of export, import-substitute products and the new employment opportunities may also be created. Therefore, the establishment of modern industrial country is laid down in the four economic policies of the State.

11. Thus, the State will be established as the modern industrial country for establishing a new modern developed nation and improving the socio-economic of the public in accordance with the vision of the State "to establish a new peaceful and modern developed democractic nation". The vision of industrial policy is "to establish a new modern industrial nation".

##### **Missions**

12. The following missions shall be implemented:

- (a) To utilize modernized and advanced techniques of agriculture as the base and to simultaneously continue the task for the establishment of Heavy Industries to set up an Industrialized Nation;
- (b) To accelerate the Nation's Economy by making unremitting efforts for the development of Micro, Small and Medium Enterprises (SMEs);
- (c) To create job opportunities and improve the GDP per Capital Income by encouraging the development of Human Resources;



- (d) To reduce the level of poverty by producing value-added product in rural areas;
- (e) To create sustainable industrial development by adopting effective utilization of natural resources and raw materials;
- (f) To increase the involvement of the industrial sector (energy, mining, manufacturing and processing, power and construction) to GDP from 33% (2013-2014) to 37% (2030-2031) by the fiscal year of 2030-2031.

### **Plans**

13. The following plans shall be implemented under the missions of the industrial sector development:

- (a) Development of the Micro, Small and Medium Enterprises;
- (b) Improvement of the export-oriented industries;
- (c) Advancement of labour intensive industries, getting a job, training and seeking employment for youths who learned not completely and left middle or high school;
- (d) Implementation of heavy industries and technical intensive industries by attracting local and foreign investment;
- (e) Creation of a suitable environment for supporting financial assistance to the local industrial enterprise;
- (f) Preserving of State-owned industries in accordance with the needs of the Nation;
- (g) Inviting the local and international investors to perform joint cooperation tasks on potential State-Owned Enterprises toward the development of private industrial sector(PPP);
- (h) Strengthening clusters development and industrial cooperative firms forward productivity improvements;
- (i) Development of the wholesale markets and Merchandise to enter into supply chain;



- (j) Fostering the financial services through Public-Private Working Groups;
- (k) Upgrading the existing industrial zones and provision of infrastructure development.

**The Facts to be Considered Mainly in Optioning the Location to be Performed the Industries**

14. In optioning the industrial area, the areas which have the following strong points shall be considered and optioned for emerging the successful industries:

- (a) being places which is easy to contribute to the market;
- (b) being places which is easy to transport the raw material and finished product (port, airport);
- (c) being places which obtain the raw material, water, fuel energy and labour strength adequately;
- (d) being places which save the transport fee;
- (e) being places which are the central point of industrial development;

It is based on Yangon and Mandalay which are the two main growth poles of the State shall be optioned as the central point areas:

**(i) Yangon, Bago and Related Areas**

The related areas including the said areas are optioned as potential areas to be developed in harmony due to near from sea way and the infrastructures have been developed;

**(ii) Mandalay, Sagaing and Related Areas**

Those are optioned for locating closely with economic corridors and locating the centre which are the communicated speedily to the upper and lower Myanmar and coastal area and locating closely the ASEAN highways.

### Optioning the Basic Industries According to the Region or State

15. The Region and State Governments shall consider on manufacturing, servicing and other possible industries which are based on the development of geography, population and infrastructure of the Region or State and encourage based on the result of benefit.

<b>State/ Region</b>	<b>Main Sectors (2012-2013)</b>	<b>Main Sectors (2030)</b>
Ayeyarwaddy	Agriculture	Agriculture and service
Bago	Agriculture	Industry
Chin	Agriculture	Agriculture
Kachin	Service	Industry and Service
Kayah	Agriculture	Service
Kayin	Service and Agriculture	Service
Magwe	Agriculture	Agriculture and Industry
Mandalay	Service	Development Centre
Mon	Service and Agriculture	Service
Rakhine	Service and Agriculture	Agriculture and Industry
Sagaing	Agriculture	Agriculture and Industry
Shan	Agriculture	Agriculture and Service
Tanintharyi	Industry	Industry and Service
Yangon	Development Centre	Development Centre



## **16. Establishment of Rural Industries**

The mechanized agriculture, agricultural product industries shall be encouraged specially for reducing of poverty and improving the Gross Domestic Product (GDP) as follows:

- (a) encouraging the small entrepreneurs to obtain technology and assist money for enabling to produce agriculture value-added product;
- (b) transforming to the industrial system by supporting the modern agricultural technology and modern machineries;
- (c) servicing by supporting the technical consultants to the industrial areas;
- (d) coordinating to obtain the electric power and energy in the rural areas;
- (e) encouraging to obtain the loans;
- (f) upgrading the education, health, social and transport in the rural areas;
- (g) arranging to obtain the job opportunities of the gender equally in industries.

17. The rural industries of the Region or State shall be encouraged and cared after formulating the projects according to the region, collecting the list of potential area product, developing the services within supply chain, cold storage yard and places to be performed trade shall be arranged as may be necessary.

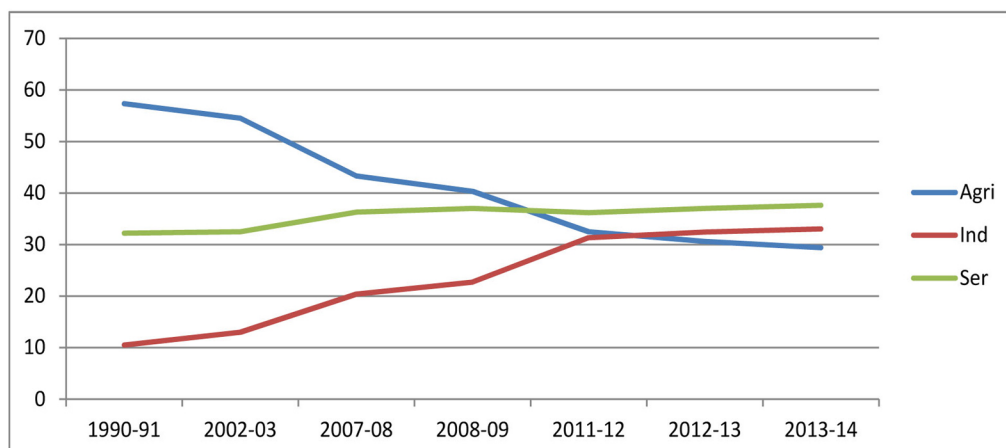
## Chapter IV

### Current Situations and Opportunities of Myanmar Industrial Sector Situation of Changing the Economic Form According to Sector in the Myanmar Gross Domestic Product (GDP)

18. In specifying the Myanmar Gross Domestic Product (GDP), it is stated by three sectors such as agricultural sector (agriculture, flesh and fish, forest), industrial sector (energy, mining, manufacturing and processing, power and construction), service sector (transportation, communications, financial, social, rent and tourism and trade). In 1990-91, the proportion of agricultural sector is 57.3% and the industrial sector is 10.5% because Myanmar is a country which is based on agriculture.

19. The industrial sector has been improved 33% in 2013-14 year for aiming to reform the economic development of the State to the industrial sector development. It shall aim to improve 35% in 2014-15, 35.4% in 2015-16 and 37% in 2030-31. By accomplishing the vision and objectives of the industrial policy, the Myanmar industries enable to contact the global product net work through the local product net work and will develop. It will assist a lot for upgrading the proportion of participation of the industrial sector in the State Gross Domestic Product (GDP).

#### Development of the Proportion of Participation of Industrial Sector in GDP





### Plans to be Considered for Facilitating in Operating the Investment

20. Myanmar is need to reform for the following facts. It is reached 167 out of 189 for 2015 lists according to the report of the World Bank Organization, 2016 according to the specification doing business easily in operating business within Myanmar:

### Current Issues and Major Issues in Industrial Sector

Economy	Ease of Doing Business Rank	Starting a Business	Dealing with construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Resolving Insolvency
Singapore	1	10	1	6	17	19	1	5	41	1	27
Hong Kong SAR, China	5	4	7	9	59	19	1	4	47	22	26
New Zealand	2	1	3	31	1	1	1	22	55	15	31
Malaysia	18	14	15	13	38	28	4	31	49	44	45
Thailand	49	96	39	11	57	97	36	70	56	57	49
Brunei	84	74	21	68	148	79	134	16	121	113	98
Vietnam	90	119	12	108	58	28	122	168	99	74	123
Philippines	103	165	99	19	112	109	155	126	95	140	53
Indonesia	109	173	107	46	131	70	88	148	105	170	77
Cambodia	127	180	181	145	121	15	111	95	98	174	82
Lao PDR	134	153	42	158	66	70	178	127	108	92	189
<b>Myanmar</b>	<b>167</b>	<b>160</b>	<b>74</b>	<b>148</b>	<b>145</b>	<b>174</b>	<b>184</b>	<b>84</b>	<b>140</b>	<b>187</b>	<b>162</b>
Libya	188	158	189	126	189	185	188	160	107	131	189
Central African	185	189	155	186	167	133	150	185	144	177	149
Chad	183	185	133	181	155	133	155	186	168	156	149

21. The Current Issues and Major Issues in Industrial Sector are as follows:

**(a) Current Issues in Industrial Sector**

- (i) high price of raw material and production cost;
- (ii) poor quality and innovation and outdated production technology;
- (iii) no penetration into foreign market;
- (iv) lack of capital for effective investment;
- (v) inadequate electricity and energy supply;
- (vi) poor utilization of energy efficiently;
- (vii) inadequate transportation;
- (viii) insufficient skilled labours;
- (ix) not harmonizing some laws, rules and procedures at present situations;
- (x) increasing disputes between employees and employers;
- (xi) high price of land for industrial purposes.

**(b) Major Issues**

- (i) not entering into the supply chain;
- (ii) inadequate research;
- (iii) weakness in strategic skilled for market penetration;
- (iv) low production of agricultural product and value-added product;
- (v) under developed infrastructure;
- (vi) weakness in human resources development;
- (vii) poor assessment of laws, rules and procedures.



### Strong Points and Weak Points of Some Industry Products

22. The following strong points and weak points are found according to the product in the domestic manufacturing sector:

Type of Industry	Strong Points	Weak Points
Garment (knit lace, coat, shirt, jacket, pant)	Availability of labour force with low cost, being a member of ASEAN	communication, high transport expense, electricity, infrastructure, Rules and Regulations
Processed goods (juice, various kind of snack, instant noodle, tea)	Availability of raw materials	Weakness of supporting raw material consecutively, plenty of workers and Ineffectiveness, disqualification of international market standard in packing system, weakness of GMP, weakness of technology, communication, high transport expense, electricity, infrastructure, Rules and Regulations

Type of Industry	Strong Points	Weak Points
Plastic products (PP bags and PP weaved bags)	High demand of promoting agricultural product, High domestic demand of PP waved bags	having the Limitation of foreign market, fluctuation price of importing raw materials, Quality and Price Competitiveness of imports, infrastructure and Rules and Regulations
Export of fishery/ prawns (frozen foodstuffs & processed production)	Availability of water resources; fish & prawns, Availability of labour force with low cost	infrastructure, quality of electricity, modern boat/ ship, livestock technology, adequate management of market-oriented prawns
Electrical devices(electric cables, battery)	Unskilled labour with low cost. A few competitor in local, potential exports to borders	communication, high transport cost, electricity, weakness in infrastructure of industrial zone, Rules and Regulations
Auto Parts (motor bike, and car)	Potential business to be improved, more developed transport than before	communication, high transport cost, electricity, infrastructure, skilled workers, enter into international market

Type of Industry	Strong Points	Weak Points
Slipper (shoe and sandal)	Abundant of unskilled labour with low cost, simplified manufacturing system, potential to export to Japan under GSP	limitation of foreign market, Fluctuation Price of importing raw materials, Quality and Price Competitiveness of imports, infrastructure and Rules and Regulations, market penetration to the European market, China, India

### Opportunities in Myanmar

23. As for Myanmar Industry Sector, besides being located in strategic place under market economy, being interested by international investors, having strengths to establish modern factories for new production sectors, the following opportunities for global integration can also be used effectively.

- (a) **Economic Corridors for Global Integration:** Industries shall be connected and carried out according to the Region and State depending on the following economic corridors for Global Integration. In doing so, participation of rural areas, acquisition of large market, cooperation and relevant consequences are the benefits for enabling to expand local and international goods, reciprocally.

- (1) **North-South Economic Corridor (Thilawa-Bago-Nay Pyi Taw-Meiktila-Mandalay-Myitkyina):** The communication backbone of the State is specified as North-South corridor. North-South economic corridor passes through five places.



They are Yangon Region, Bago Region, Mandalay Region, Sagaing Region and Kachin State and it supports 55% of GDP. In this corridor, economic parks which may render the strengths for railway express, warehouse and investment will be included. It connects the two main growth poles of the State economic (Yangon and Mandalay). The widespread economics and technology may strengthen (5) places of development web - Bago, Taungoo, Nay Pyi Taw, Meiktila and Myitkyina. The economic buildings which represents 48 % of State population and which are located in the area are Thilawa special economic zone, 24 industrial zones and 7 sub-industrial zones.

- (2) **East-West Economic Corridor (Tamu-Kalay-Monywa-Meiktila-Taunggyi- Kyaing Tong-Mongla (Tachileik):** The East-West Economic corridor connects to Thailand, Laos and northeast Manipura province of India through Shan State, Mandalay Region, Magwe Region and Chin State. The economic corridor is connected with 7 potential development areas (Kyaing Tong, Loilem, Taunggyi, Meiktila, Pakokku, Monywa and Kalay) by passing through southern part of Mandalay and it may connect to Mongla and China, Tachileik and Thailand, and Tamu and India. The important of this economic corridor is that it can be used as a medium area in international trade. 32 % of population resides in the area and it supports 28 % of GDP. Competitive industries in this corridor are industry of foodstuffs, beverages, value-added forest products and construction tools and industries which may be sustainable

development are mining, industrial raw materials and tourism. Kyaing Tong is suitable place to establish industry zone and it may bring benefits from China and Thailand.

- (3) **Northeast-Southwest Economic Corridor (Kyaukphyu-Magwe- Meiktila-Mandalay-Pyin Oo Lwin-Lashio-Muse)**
- There is natural gas pipe-line connected to Kyaukphyu and China. This economic corridor is connected with potential areas - Magwe- Meiktila- Pyin Oo Lwin-Lashio-Muse including Kyaukphyu special economic zone. It is connected with Hunan, China by passing through (4) Regions/States which could support 30 % of GDP in 2012-2013 fiscal year. There are two areas which are important for economic zones located in border area and where different ethnic groups lives in include, and it is surrounded by 37 % of population. Muse is an economic zone where enterprises manufactured cigarette, soap and fertilizer are established. Lashio is a region covered with industry of cement, mining and foodstuffs. Pyin Oo Lwin is a place where domestic telecommunication and electronic products are produced and technology services and production are developing rapidly. Magwe is a core for industrial products including inland oil production and iron industry. Moreover, supports for oil crops production, peanut oil, domestic agro-industry products are also existed in Magwe Region. Kyaukphyu is an entrance to inland for offshore gas (Shwe Gas Project).

- (4) **Economic Corridor from Yangon to Myawaddy (Thilawa - Bago - Hpa An – Myawaddy)** This economic corridor is connected to Thailand by passing through Yangon, Bago and Kayin state. This economic corridor contributed 36 % to the State's GDP in 2012-2013 fiscal year and is a strategic and important trade and commerce route. Most of the imports from Thailand come into Myanmar through Myawaddy and Mae Sot border. This corridor is very important for short-term development and the extension of labour-based production industry together with the establishment of special economic zone in Mae Sot, Thailand. Development will spread to Yangon and Bago Regions through border. It will solve the urban poverty faced in Yangon area where 30.1% of the State's population resides. It is connected to the central point of the State development (Yangon), Thilawa Special Economic Zone and Border Economic Zone (Myawaddy) by providing port services and also connected to three potential growth hubs - Bago, Thahton and Hpapun.
- (b) **International Deep Sea Ports:** Construction of international deep sea ports is encouraged and industries need to be placed closely.
- (1) Kyaukphyu Deep Sea Port, Rakhine which will establish Special Economic Zone where cargo ships from Europe, Africa and West-Asia may dock;
  - (2) Similarly, Patheingyi Deep Sea Port, Ngazun Township, Ayeyarwaddy Region where cargo ship from Europe, Africa and West-Asia may dock;
  - (3) Dawei Deep Sea Port, Tanintharyi Region which is important in the Dawei-Bangkok-Vientiane and Da Nang



Economic Zone and where Special Economic Zone will be established;

- (4) Similarly, Yay Deep Sea Port (Kalakook Island) Mon State through which international goods may be exported to Mawlamyine, Myawaddy, Mae Sot and Thailand;
- (5) Thilawa Port Yangon Region where Special Economic Zone is being established near Yangon, Economic city.

#### **Acquisition of Electricity**

24. Myanmar has tremendous energy resources such as hydro-power and natural gas. The potential generation of hydro-power from rivers and streams is over 100,000 MW and it is estimated that there are 11.8 trillion cube feet of gas treasures. The distribution of electricity in Myanmar increases from 16% in 2006 to 26% in 2011. The Ministry of Electric Power takes measures to install and generate up to 22,720 MW from 2012-2013 fiscal year to 2030-2031 fiscal year.

#### **Generation Plan to fulfill the Demand from year 2016-17 to 2030-31(MW)**

<b>Project Term</b>	<b>Demand Forecasting</b>	<b>Reserve Power</b>	<b>Installed Capacity</b>	<b>To be Implemented during(5) year plan</b>
From Yr. (2012-13) to Yr.(2015-16)	3,236	765	4,001	1,740
From Yr. (2012-13) to Yr.(2015-16)	5,686	1,706	7,392	3,391
From Yr. (2021-22) to Yr. (2025-26)	10,400	3,120	13,520	6,128
From Yr. (2026-27) to Yr. (2030-31)	19,216	5,765	24,981	11,461

## **Chapter V**

### **Industrial Policy**

**The facts which shall be carried out priority in industrial development**

25. The following facts are regarded in priority when formulating industrial policy:

- (a) Reduction of barriers which shall be faced when initiating the new works;
- (b) Acquisition of capital flows and financial resources;
- (c) Educating for the development of human resources and entrepreneurship enterprises development;
- (d) Developing of BDS (Business Development Services) for the development of economic enterprises;
- (e) Acquisition of innovation and technology;
- (f) Having market access;
- (g) Linking of information web and strengthening wide dissemination of information.

26. The industries are defined as follows:

- (a) **Industry** means manufacturing and retrofitting industry by carrying out the change of forms or properties by using energy or technology.
- (b) **Micro Industry** means manufacturing and retrofitting industry carrying out by family members or permanent employees in which the number of employees shall not exceed 15 or the capital shall not exceed 50 million kyat not including value of land.

- (c) **Small Industry** means manufacturing and retrofitting industry in which the permanent number of employees shall not exceed from 15 to 50 or the capital shall not exceed 50 million kyat to 500 million kyat not including value of land.
- (d) **Medium Industry** means manufacturing and retrofitting industry in which the permanent number of employees shall not exceed from 50 to 300 or the capital shall not exceed 500 million kyat to 1,000 million kyat not including value of land.
- (e) **Large Industry** means manufacturing and renovation industry which has 301 of permanent employees and above or more than 1,000 millions kyat of capital not including value of land.

#### **Registration of Industrial Enterprise**

27. Registration of large industry shall be carried out by the Union level and registration of Small and Medium industry shall be carried out the respective Region and State Government level.

28. Online registration or temporary registration as prescribed manners are allowed in order to obtain the rights contained in this policy as quickly as possible.

29. Unregistered enterprise shall be taken into list and put in registration by Mobile Registration Teams in order to be qualified and accurate numbers and lists.

#### **Industries which will be carried out in priority under this policy and priorities**

30. The prioritized industries are defined as follows:

**Short-term:** The prioritized industries to establish industries which are able to compete in AEC by fulfilling infrastructure with the support of the State and development partners are:

- (a) **Labour Intensive Industries**
  - (1) Weaving/ garment industry, shoes making industry, flat-rate pay CMP industry and packaging industry;
  - (2) Wood-based furniture and finished products industry;

**(b) Primary Commodity Industries**

- (1) Primary commodity industries which breed and produce directly such as agricultural products, vegetables, fruits and fishery products;
- (2) Value-added food products such as canning, fruit beverages, fruits jam, sesame oil and high quality fish sauce manufacturing industries.

**(c) Basic Manufacturing Industries without advanced technology**

- (1) Textile & Garment Industry and Weaving Industry;
- (2) Spare parts manufacturing industry which are used in vehicles, motorcycles, agricultural machineries and other related industries;
- (3) Electronic and electrical devices manufacturing industry;
- (4) Plastic and fiber products manufacturing industry.

**Medium-term:** The prioritized industries in order to develop the industry by making local and foreign investments are:

**(d) Medium Technical-based Industries:**

- (1) Textile and garment dyeing and painting industry;
- (2) Equipments and, tyre and rubber products manufacturing industry;
- (3) Automobile parts manufacturing industry;
- (4) Ship building and related industry.

**Long-term:** The prioritized industries in order to be sustainable development of industries are:

**(e) Advanced Technical-based Industries:**

- (1) Pharmaceutical industry by using nanotechnology;



- (2) Advanced chemicals manufacturing industry which has less environmental effects;
- (3) Semi-conductor manufacturing industry;
- (4) Advanced ICT accessories manufacturing industry.

(f) **Infrastructure Industries:**

- (1) Iron, Steel and metal refining and manufacturing industry;
- (2) Cement industry;
- (3) Industries related to land transportation, water transportation and air transportation;
- (4) Electric power industry;
- (5) LNG industry;
- (6) Transport and Tourism industry;
- (7) Construction machineries & equipments manufacturing industry;
- (8) Petro-Chemicals Industry.

31. The Union level will undertake the industries related to State defence and security, and the industries which should undertake under the strategy.

32. **Carrying out in accordance with the AEC Standards when establishing ASEAN Economic Community:** Myanmar has become a member of ASEAN in July, 1997 and it needs to carry out towards ASEAN Vision 2020 in order to create economically developed region with low poverty rate and low gap in socio-economic. The competitive industrial products need to be in line with the International standards or ASEAN standards for enabling to enter ASEAN market. It was agreed to create ASEAN region where goods, services, investment and skilled-labour can transfer freely and investment

capital can flow more freely. It needs to cooperate in order to participate in local market and ASEAN market actively in accordance with the following ASEAN Trade Agreements:

- (a) Reduction of tariffs in accordance with ASEAN framework agreements;
- (b) Reduction of non-tariff barriers as much as possible;
- (c) **Establishing ASEAN Single Window System** : It aims to enhance trade capacity and competitiveness by saving time and costs with the help of advanced ICT, and by establishing Single Window System for (10)ASEAN countries;
- (d) **Implementation of Standards, Technological Procedures and Quality consistency recognition programmes**: It shall be carried out to be the same standardization and technology specifications within ASEAN region in accordance with the ASEAN Framework;
- (e) Protection of the investments in accordance with the ASEAN Agreement on Comprehensive Investment;
- (f) Allowing free movement and employment of the skilled-labour within ASEAN region.

#### **Building Regional Economic Linkages**

33. The following industries which should be carried out by building regional economic linkages will be observed and carried out in order to cooperate based on the strengths of the States:

- (a) **Industries which should be newly started**
  - (1) Myanmar - Industry relating to automobile parts, motorcycle parts, parts of machine and electrical parts;

- (2) Thailand – Automobile manufacturing industry, electrical parts industry and shoes making industry;
- (3) Laos - Industry relating to automobile parts and electrical parts;
- (4) Cambodia - Industries relating to automobile parts, garment and shoes making;
- (5) Vietnam – Value-added products industry, electrical parts industry, textile industry, garment industry and shoes making industry.

**(b) Supply Chain Industries**

- (1) Cambodia - Food industry and clothing & garment industry;
- (2) Laos - Food manufacturing industry;
- (3) Myanmar - Food industry, electronic parts industry;
- (4) Thailand – Consumer products industry and automobile manufacturing industry;
- (5) Vietnam - Electronic devices manufacturing industry.

**(c) Mineral based Industries**

- (1) Cambodia - Hydro-power industry;
- (2) Laos - Hydro-power industry, LNG and mining industry;
- (3) Myanmar - Labour intensive industry, LNG and mining industry, energy, wood based products and gemstones industry;
- (4) Thailand – Quality clothing industry, electronic devices and automobile parts industry;
- (5) Vietnam – Labour intensive industry.

**Basic requirements for the entry of foreign investment**

34. It is to carry out the fulfillment of the following basic requirements in priority in order to emerge Myanmar as an attractive place for foreign investment in ASEAN region and the issues concerned with tax exemptions shall be conducted as per existing foreign investment law:

(a) **Electronics industries**

- (1) Labour wages and technology;
- (2) Port and approaching road for market;
- (3) Political Stability;
- (4) Market;
- (5) Appropriate tax.

(b) **Vehicles and Parts manufacturing and installation industries**

- (1) Size of domestic market;
- (2) Port and approaching road for market;
- (3) Labour wages and technology;
- (4) Tax exemption.

(c) **Labour-based industries and flat-rate pay industries**

- (1) Energy price;
- (2) Reasonable land price (purchase and lease);
- (3) Tax exemption;
- (4) Reasonable wages;
- (5) Political Stability;
- (6) Supporting factories for capacity building.



**Promotion of production capacity and quality**

35. The followings will be carried out to promote production capacity and quality of industries:

- (a) The followings shall be formed for the development of the industries in balance;
  - (1) Industrial Supporting Committee;
  - (2) Working Groups for the development and Consultant Bodies;
  - (3) Technical Service Provider for minimizing environmental impacts in production process.
- (b) To promote cooperation with private for industries which are profitable and unnecessary to handle permanently under State policy among State owned factories;
- (c) To undertake for the micro, small and medium industries in order to enter into the supply chain by producing supporting parts of machines after linking local and foreign industries;
- (d) To create opportunities for foreign industries;
- (e) To cooperate and coordinate in order to support energy sector which will be necessary along with the development of industrial sector;
- (f) To support and assist in order to use Computer Aided Design (CAD), Computer Aided Manufacturing (CAM) and technology widely in the manufacturing industries;
- (g) To support for holding trainings and seminars on the standardizations, technology, productivity and difficulties;

- (h) To carry out in order to issue the certificate for quality of the products;
- (i) To assist and support for the emergence of the Supporting industries.

**Emergence of Information System and Business Development Service (BDS)**

36. The emergence of the following Information System and Business Development Service shall be carried out for the industrial development:

- (a) establishing a web portal which can share the technology, information and market situation of the industrial sector in time and using media;
- (b) interacting between industries and organizations by using online system;
- (c) good internet speed;
- (d) assisting to establish business consultant, advisory body and business development service;
- (e) carrying out with the following stages by forming the consultant groups;
  - (i) first stage – discussing face to face;
  - (ii) second stage – discussing at the work site by sending the consultant;
  - (iii) third stage – preparing the project paper for the benefit;
- (f) laying down the ethics for the Business Development Services organizations and issuing certificates.

### **To survive weak industries**

37. It shall be carried out to reform and provide assistance to the industries which have difficulties to survive but have good potential among large and medium industries.

38. If an industry applies as a weak industry, it shall be published after scrutinizing in accordance with the stipulations and coordinated to get tax relief and exemption.

## **Chapter VI**

### **Establishment of Industries in Industrial Zones and Special Economic Zones**

39. In order to establish the industries successfully in the industrial zones and special economic zones, the following keys shall be carried out by making assessment from various points of view:

- (a) **National Development Strategy** – Businessmen and industrial owners shall be acquainted widely the National Comprehensive Development Plan(NCDP), regional development plans, the Investment Law, Industrial Zone Law and the Special Economic Zone Law as a guide;
- (b) **Location and situation** – The following criterias are needed to be fulfilled for long-term development:
  - (i) a place for regional development;
  - (ii) a place of good water resource;
  - (iii) a place of good electricity supply;
  - (iv) a place of good information and communication (including ICT);

- (v) a place where there is enough labour;
  - (vi) a place where environmental conservation can be arranged;
  - (vii) a place where land, water and air transportation is good.  
(eg; near high ways and airports)
- (c) **Organizing clusters** – It means organizing the industries of the same business, same region and same objective. Clusters can get benefits in short time by working collectively the issue of technology, fund, market, innovation and human resources development. It is needed to carry out to connect, provide and organize clusters to fill the gaps raised by lack of information and knowledge which are encountered frequently in business. It is needed to carry out the improvement of technology through the cooperation of industries by establishing industrial zones and cluster industrial parks. The requirements of each cluster in the industrial zone are coordinated with the relevant departments and fulfilled by obtaining the opinion from businessmen and in the special economic zone;
- (d) **Providing Infrastructure and services** – In order to implement the infrastructure and services needed for the zones adequately, it is necessary to carry out the following process:
- (i) preparing a master plan;
  - (ii) inviting and selecting the developers;
  - (iii) setting up the procedures;
  - (iv) ensuring the master plan and procedures to be effective;
  - (v) coordinating with the government to levy the land revenue, house tax and building tax;



- (vi) expanding local and foreign investments in the zone;
  - (vii) coordinating between the government and stakeholders.
- (e) **Administration** - With the guidance of the Industrial Promotion Supporting Committee, the following administrative body and responsible persons shall be formed and assigned:
- (i) Industrial Supervisory Board (regional level);
  - (ii) Industrial Zone Management Committee (BOD)  
(respective zone level);
  - (iii) Office of Chief Executive Officer of Industrial Zone  
(respective zone level);
  - (iv) Citizen (or) foreigner (or) citizen-foreigner joint industrial zone developer;
  - (v) Monitoring and Evaluation Team;
  - (vi) One stop service center.
- (f) **Marketing and Promotion** – It is to assist the emergence of local and foreign market research and promotion teams for respective zones.
- (g) **Land use in an industrial zone** – In order to carry out the greenness and recycling of industrial wastes in establishing green zone, commercial zone, industrial zones, manufacturing zone and road, electricity, water supply & waste water treatment system in the industrial zone areas shall be placed in a suitable proportion according to EIA, SIA.
- (h) Micro, small and medium industries shall be given supports to become supporting industries.

40. **One Stop Service Center** – One stop service center shall be formed in the zones with the cooperation of the government, relevant Ministries and business organizations and the followings shall be coordinated:

- (a) Sharing information and procedures to start a business;
- (b) Issuing permit, license, recommendation and registration;
- (c) Registering as citizen company or foreigner company;
- (d) Coordinating to get visa;
- (e) Levying commercial tax and customs duty;
- (f) Granting work permit;
- (g) Providing technology, marketing and loan information.

41. In order to reduce the habit of land price manipulation and to increase entrepreneurship in the long term, land acquisition shall be exercised without any compensation if an industry is not established within 3 years.

42. Industrial zones were formed since 1995 and the following industrial zones were established – appendix (d):

- (a) Eastern Yangon District Industrial Zone;
- (b) Western Yangon District Industrial Zone;
- (c) Southern Yangon District Industrial Zone;
- (d) Northern Yangon District Industrial Zone;
- (e) Mawlamyine Industrial Zone;
- (f) Taunggyi (Ayetharyar) Industrial Zone;
- (g) Monywa Industrial Zone;
- (h) Kalay Industrial Zone;
- (i) Pakokku Industrial Zone;

- (j) Yenangaung Industrial Zone;
- (k) Mandalay Industrial Zone;
- (l) Myingyan Industrial Zone;
- (m) Meiktila Industrial Zone;
- (n) Pyay Industrial Zone;
- (o) Myaungmya Industrial Zone;
- (p) Pathein Industrial Zone;
- (q) Hinthada Industrial Zone;
- (r) Myeik Industrial Zone;
- (s) Hpa An Industrial Zone;
- (t) Yadanabon Industrial Zone (Mandalay Region);
- (u) Nay Pyi Taw Industrial Zone.

43. Region and State Governments can propose to establish new industrial zones according to the local requirement for the industrial development creation of more job opportunities and regional development.

#### **Establishment of Agro-Industrial Park**

44. The relevant Region and State Governments carry out feasibility study for the establishment of agro-industrial park in regions in which the agriculture is successful:

- (a) Sagaing Region – There are Sagaing, Monywa and Kalay Industrial Zones. Rice and rice based products, wheat and wheat based products and oil products are produced in Sagaing Zone and local and foreign trade should be carried out in Monywa and Kalay Industrial Zones by connecting India-Tamu-Kalay–

Monywa- Meiktila- Taunggyi- Kyaing Tong- Mongla/ Tachileik- Laos and Thailand;

- (b) Bago Region – Rice, oil crops and pulses are produced in Bago and Pyaw Industrial Zones and these products should be exported through Thilawa - Bago - Nay Pyi Taw - Meiktila - Mandalay - Myitkyina - Kanpiktee to Yunan Province, China;
- (c) Magwe Region –There are Pakokku and Yenangyaung Industrial Zones. Value-added products based on oil crops, pulses and cotton should be established by organizing the scattered micro and small industries around Magwe Region. The products should be exported through Kyaukpheung- Magwe- Meiktila- Mandalay- Pyaw Lwin- Lashio- Muse corridor;
- (d) Ayeyarwaddy Region – There are Hinthada, Patheingyi and Myaungmya Industrial Zones and rice, pulses and cassava are produced and products should be exported from Patheingyi deep sea port;
- (e) Tanintharyi Region – There are Dawei and Myeik Industrial Zones and products from each zone should be exported through Dawei deep sea port.

45. The followings shall be encouraged to develop in the agro-industrial park:

- (a) Primary food industries – Primary food industries should be implemented consecutively. These industries need a small amount of water for processing and produce dry waste. (eg. Oil crops hull and rice mill and pulses mill);

- (b) Value-added food industries – Value-added food industries should be implemented consecutively with primary food industries. These industries need a reasonable amount of water and produce wet waste. (eg. Vegetable oil, seasoning oil and perfume industry);
- (c) Processed food industries – Processed food industries should be implemented in suitable wide areas which have good environmental conservation. These industries need a large amount of water for process and produce wet waste. (eg. Bakery, masala and fruit jam business)

46. It is necessary to measure infrastructure for agro-industrial parks as follows:

- (a) Tissue culture laboratories and seed production facilities;
- (b) Cold storage yards;
- (c) Agricultural products quality testing laboratories;
- (d) Quality control and quarantine facilities;
- (e) Environmental conservation;
- (f) Other commercial facilities.

47. **Establishment of Border Industrial Zones and Economic Zones** – Since border industrial zones and economic zones are closed to the neighbouring countries and economic corridors, potential areas should be selected according to the relevant Regions and States and it should be implemented successfully with the approval of the Union Government. Tourism, health service, CMP and garment, hotel, logistic and utensils industries should be carried out in accordance with the local requirement.



### **Development of Special Economic Zones**

48. In carrying out industries and business in the special economic zone, the following special economic zones are implemented:

- (a) **Dawei Special Economic Zone** – It is situated at the Dawei river mouth and included deep sea port and industrial zone which cover an area of 204.5 km<sup>2</sup>(50531 Acre). It is intended to construct railway and roads to connect with Thailand, Cambodia and Vietnam as the south economic corridor and to construct gas pipeline to Kanchanaburi province, Thailand. It is also aimed to develop as the highest international investment region;
- (b) **Thilawa Special Economic Zone** – It is situated near Thilawa seaport in Thanlyin township, Yangon Region and it is 25 kilometer from Yangon international airport, 30 kilometer from downtown commercial area of Yangon, 24 kilometer from Eastern Dagon industrial zone, 5 kilometer from No. 1 Highway road and 465 kilometer from Mae Sot, Thailand near Myawaddy;
- (c) **Kyaukphyu Special Economic Zone** – It is situated in Kyaukphyu township, Rakhine State and it can be used as a commercial centre of port cities, Sitagaung, Yangon and Kolkata. It is important for the way connected to Kumin, Yunan province, Western China through Mandalay and a road will be constructed to connect Kyaukphyu and Shweli, China. Moreover, 4 Lakhs barrels of petrol will be transported daily by connecting 1,060 kilometer petrol pipe from Kyaukphyu to Kumin.

## **Chapter VII**

### **Fields to be Supported for the Success of the Goals of Industrial Policy**

49. The development of the following fields which are supported for the success of the goals of the industrial policy will be carried out:

- (a) human resources;
- (b) development of technology and innovation;
- (c) financing;
- (d) development of infrastructure;
- (e) market expansion;
- (f) tax and procedure relief.

### **Development of human resources**

50. In order to develop the human resources, the relevant Ministry, non-governmental organizations, business organizations and industrial zones will coordinate and cooperate as follows:

- (a) coordinating to ensure suitable protections and rights to the investors for nurturing programmes the skilled workers;
- (b) The following organizations shall be formed for the development of human resources:
  - (i) Myanmar Industrial Management Institution;
  - (ii) Technology and Capacity Development Training Center;
  - (iii) National Skill Standard Authority (NSSA);
- (c) conducting industrial trainings, workshops, training related to labour law and sending to abroad training in each Region and State;

- (d) co-training with foreign skilled labour to increase proportionately skilled and semi- skilled labour;
- (e) nurturing labour who are skillful and meet the requirement of current and future industrial sector;
- (f) prescribing the curriculum in order to reach the international standards for issuing the certificates from local professional training schools;
- (g) establishing National Productivity Centre with the help of partner countries to upgrade the production technologies;
- (h) prescribing ethics on mutual accountability of employer and employee which are not contrary to the law and orders of the Ministry of Labour;
- (i) arranging to nurture skilled labour from vocational schools and organizations:
  - (i) management, accounting and supervisor training;
  - (ii) electric, electronic and ICT training;
  - (iii) industrial design and engineering technology training;
  - (iv) automobile service training;
  - (v) welding training;
  - (vi) basic English training;
  - (vii) motorcycle and farming machinery service training;
- (j) creation of suitable jobs for women, the disabled and youth;
- (k) conducting basic labour course to low-educated labour and teaching civic culture ethics;
- (l) conducting free vocational training in industrial zones and economic zones.

**Development of technology and innovations**

51. In order to develop technology and innovations, the relevant Ministry, NGOs, business organizations and industrial zones will coordinate and carry out as follows:

- (a) arranging to develop quality control system and production development;
- (b) prioritizing to upgrade agro-based industries by taking technology and improvement through foreign investment;
- (c) conducting training for value-added product technology;
- (d) organizing research department for the production of products which meet the market requirement and mediating by the coordinator;
- (e) exporting the value-added products in the country by using natural resources (eg. Wood, fishery products, mineral, etc.);
- (f) providing reasonable cost to get internationally recognized certificate ISO, HACCP, GMP, etc.;
- (g) providing reasonable cost to keep the record of biotechnology, ICT, energy substituted technology for new machines and agro technology from research and development fund;
- (h) assisting to promote innovations in accordance with the copyright law;
- (i) providing reasonable financial assistance for the development of technology and research;
- (j) taking research and technology transfer by the cooperation of private-university-government department.

**Providing Financial Assistance**

52. The following funds and business funds shall be established to provide financial assistance by the State, industrial zone, cluster industrial park or organization:

- (a) special fund;
- (b) emergency fund;
- (c) human resource development fund;
- (d) technology development fund;
- (e) research and development fund;
- (f) fund for upgrading new technology business and using modern machine;
- (g) fund for trade mark related to legal registration of trademarks which represents the production of Myanmar;
- (h) reserve fund which can support entrepreneurs.

53. Foreign investment shall be invited in technology based industries(Biomedical, Software, Electrical, Electronic, Plastics, Fiber parts, Machine parts, Auto parts, etc.).

54. Loan insurance cooperation shall carry out inter-mediatory insurance with suitable commission for mortgagor who cannot deposit mortgaged property.

55. It shall carry out to get more foreign aids, grants and loans.

56. The Government shall lead to provide financial assistance for industries.



57. It shall cooperate with local and foreign organizations to appear banks which can support industries and to develop credit guarantee system and credit rating system quickly.

58. Financial institutions shall be established with the help of the Government with cooperation of businessmen.

59. In financing the prioritized industries to develop by the State policy, it shall be arranged to support loans for potential industries.

#### **Infrastructural Development**

60. The infrastructural development is the vital role for the development of industrial sector, the followings shall be coordinated with business and industrial organizations or developers:

- (a) the infrastructural development on electricity supply which is mainly for industrial development;
- (b) arranging the development of the industrial technology, policy and regulations to meet the international standards;
- (c) improving the infrastructures in existing industrial zones and establishing new industrial zones with the requirements;
- (d) arranging land, road, electricity, gas, water, communication system and waste water management system to be convenient for industries and maintaining with the cooperation of developers;
- (e) the establishment of new industrial zones should be set up near ports, airports, highway roads;
- (f) arranging the energy resources for using as infrastructures.

61. Types of the Public -Private -Partnership (PPP) for Infrastructural Development \_There are various types of PPP based on the responsibility and

risk of the foreign investments by private partnership in infrastructural sector. The Union Government, the State and Regional Governments need to conclude the various types of PPP agreements with private companies and foreign investors:

- (a) **Build and Transfer (BT)** – A person who is entitled to operate BT shall take the responsibility for finance and construction. It shall be transferred to the relevant organization if the work is completed. The investment and share incurred according to the schedule of the project shall be paid to the operator. This system may be used for the security or strategic matters;
- (b) **Build, Lease and Transfer (BLT)** - A person who is entitled to operate BLT shall construct by incurring the finance and it is transferred to the relevant organization if the work is completed and shall conclude lease agreement. The ownership has been transferred to the relevant organization within the prescribed period;
- (c) **Build, Operate and Transfer (BOT)** - A person who is entitled to operate BOT shall take the responsibility for the finance, construction and maintenance. It is entitled to operate within the prescribed period. It is entitled to collect rental fees and charges not more than the rate negotiated in the agreement from the users. It shall be transferred to the relevant organization at the end of the prescribed period and used for roads, seaports and airports;
- (d) **Build, Own and Operate (BOO)** – A person who is entitled to operate BOO shall take the responsibility for the finance, construction, operation and maintenance. It is owned by the

person who is entitled to operate and collect rental fees or charges from the users;

- (e) **Build, Own, Operate and Transfer (BOOT)** – A person who is entitled to operate BOOT shall take the responsibility for the finance, construction, operation and maintenance. It may be owned and operated within the permitted period and collected taxes from the users. It shall be transferred in fully operational condition to the relevant organization for free of charge;
- (f) **Build, Operate, Share and Transfer (BOST)** - A person who is entitled to operate BOST shall take the responsibility for the finance, construction, operation and maintenance. A part of income shall be allocated to the relevant organization within the prescribed period and it shall be transferred at the end of the prescribed period;
- (g) **Build, Own, Operate, Share and Transfer (BOOST)** - A person who is entitled to operate BOOST shall take the responsibility for the finance, construction, own, operation and maintenance. A part of income shall be allocated to the relevant organization within the prescribed period and it shall be transferred at the end of the prescribed period.

#### **Supporting for the Market Expansion**

62. It shall be negotiated with the relevant departments and organizations or with the assistance of partnerships for the market expansion as follows:

- (a) publishing Industrial Directory;
- (b) assisting to get information regarding the situation of the local, regional and international markets;

- (c) coordinating for facilitation of logistic and custom clearance services;
  - (d) giving awareness related with international trade regulations;
  - (e) assisting for the systematic emergence of transit store and sale services for trade facilitating;
  - (f) assisting to enter the Global Supply Chain by manufacturing standardized products in good relationship with multi-nations companies;
  - (g) encouraging to hold the local and foreign Trade Expos and Business Matching;
  - (h) supporting finance for the advertisement of trade mark and holding the Expos at foreign countries to become the international recognition trade mark of Myanmar;
  - (i) coordinating to reduce the undesirable barriers in trade;
  - (j) connecting business between special economic zones and industrial zones;
  - (k) encouraging to more use waterway that is safe cost for cargo and transportation, construction and maintenance of ship;
  - (l) coordinating in accordance with the international procedures in trade;
  - (m) connecting with trade centre of Regions/ States for sharing trade information.
63. The following facts shall be implemented for market development:
- (a) implementing the trade policies systematically in accordance with the market economy;

- (b) using the modern information and communication technology (ICT) for the promotion of imports and the development of trade;
- (c) trade expansion with the cooperation of regional countries and international;
- (d) progressive of trade environment;
- (e) sufficient of essential goods for local consumption and production and stability of market price.

#### **Reliable Tax and Procedures Reliefs**

64. It shall be coordinated to reduce delay and damages for the suitable tax and procedure reliefs to appear a good economic society with policies and by promulgating laws as follows. The enacted laws related to the industry are mentioned in appendix (a):

- (a) setting up one stop service centre in every region to reduce the cost;
- (b) coordinating to reduce taxes reasonably in the production and trade industries and not to be double taxation;
- (c) coordinating with relevant departments to follow the procedures and regulations equally;
- (d) supporting to get tax exemption and relief within the reasonable prescribed period according to the type of industry under the State policy;
- (e) participating for the promulgation of necessary laws on standardization, copyright and trade related to industries;
- (f) coordinating with relevant departments for the issuance of Inspection Certificates quickly;

- (g) coordinating for getting permission under the existing laws if the exemptions or reliefs of tax for applying industries included in the policy;
- (h) changing in conformity with the advanced system to the company registration and confirmation of the investment.

### **Exemptions and Reliefs**

65. In order to develop industries, the exemptions and reliefs from tax are entitled equally to local and foreign under the Investment Law, exiting Commercial Tax and Income Tax Law and the Union Taxation Law, 2015.

### **Classification of Industries**

66. Industries are classified as follows based on the nature of manufacturing and service. The details are mentioned in appendix (b):

- (a) Food and Beverages;
- (b) Clothing and Apparel;
- (c) Construction Materials;
- (d) Personal Goods;
- (e) Consumer Products;
- (f) Literature and Arts;
- (g) Raw Goods;
- (h) Metal and Mineral Production;
- (i) Agriculture Machinery;
- (j) Industrial Tools and Equipments;
- (k) Automobiles;
- (l) Electrical Equipment;
- (m) General.



67. It is preparing with the International Standard Industrial Classification, ISIC for classification of industries of Myanmar and it shall be classified with these standards after Myanmar Standard Industrial Classification, MSIC had prepared.

## **Chapter VIII**

### **Organizations for Policy Implementation**

#### **Formation of Infrastructural and Industrial Development Committee**

68. It is necessary to supervise the implementation under Industrial Policy, to advise if it is necessary to amend laws and regulations and to negotiate between the Government and operators for the development of infrastructure such as road, electricity, seaport, airport, railway, communication and information to establish industrial zone in the economic zone or outside of the economic zone. It is necessary to organize “Infrastructural and Industrial Development Committee led by the Vice- president” by the notification of the Union Government for coordinating and amending, as may be necessary, the processes to facilitate the business. The Union Ministers should be included as the members to facilitate of the differences between relevant ministries.

#### **Formation of the Industrial Promotion Supporting Committee**

69. It is necessary to lay down the master plan for the industrial development and procedures, by-laws and restrictions followed by the industries, special missions and stipulations for industrial zones. It is necessary to carry out development plans, assistance and relief according to the areas of support. “Industrial Promotion Supporting Committee led by the Union Minister for the Ministry of Industry” should be organized and implemented for the emergence of sustainable industries, the safety of the industrial area, the effective usage of energy and systematic disposal of wastes. Deputy Ministers from the relevant ministries should be included as members.

70. The following working committees led by the Deputy Ministers from relevant ministries should be organized and supported to enhance the capacity of the Industrial Promotion Supporting Committee:

- (a) Heavy Industries Committee;
- (b) Basic goods Industries Committee;
- (c) Resources Based Industries Committee;
- (d) Technical Based Industries Committee;
- (e) Micro, Small and Medium Industries Committee;
- (f) Industrial Zone and Special Economic Zone Committee.

#### **Committees and Organizations for Cooperation**

71. The following committees should be organized for requirements:

- (a) National Standardization Council;
- (b) Committee for Intellectual Property Rights;
- (c) Committee for Skill Development;
- (d) Myanmar Information System;
- (e) Myanmar Industrial Management Institution;
- (f) Regional Industrial Supervision Board.

#### **Formation of Industrial Supervision Board**

72. It is necessary to inspect, recommend and supervise for the development according to the industrial policy in Union Territory, Region and State. It is necessary to monitor the public health, environment and social economic environment and the safety of fire and occupational hazard. Moreover, the Regional Government shall organize the Industrial Supervision Board with suitable persons led by a Minister of the relevant member of the

Government to implement Regional Industrial Zone and to support the Industrial Promotion Supporting Committee.

**Formation of the Industrial Zone Management Committee**

73. The Union Territory, Region and State Governments shall organize the Industrial Zone Management Committee including the members selected by the majority of vote from the investors and companies in coordination with the Industrial Promotion Supporting Committee. The committee shall implement by designing the plan for Industrial development. Prosecuting the intruders in the industrial zone, coordinating the procedures for the operators and one-stop service center, abiding and supervising in accordance with the stipulations of the industrial zone shall be carried out.

74. The Industrial Promotion Supporting Committee shall promulgate in time the notifications, orders and directives of the process of industry to be followed in the industrial zone.

**The Role of the Union of Myanmar Federation of Chamber of Commerce and Industry (UMFCCI)**

75. The Union of Myanmar Federation of Chamber of Commerce and Industry (UMFCCI) shall cooperate with the followings for the development of Industry:

- (a) advising to and cooperating with the State for the emergence of entrepreneurship based on the natural resources;
- (b) coordinating for the requirements to reach the international Standard for the development of industries;
- (c) performing to increase investment of the manufacturing industries owned by the citizens and foreigners;

- (d) advising the State with respect to foreign trade, investment and banking, insurance, servicing and financial business;
- (e) holding local and international workshops, seminars and training, conducting to the members to attend the foreign seminars and workshops;
- (f) arranging for the exchange of experience and ideas between the members, Government departments and organizations and between the members and foreign trade organizations;
- (g) participating in the Industrial Working Committees.

#### **The Role of Myanmar Industries Association**

76. The Myanmar Industries Association shall participate for the industrial development as follows:

- (a) giving advice to the business owners;
- (b) making suggestion in the industrial sector implementing by the State;
- (c) fulfilling the requirement of the industrial sector in cooperation with the business owners from the industrial zones;
- (d) giving recommendation by inspecting the import of raw material and export of finished product in Cutting Making Packaging (CMP) which are labour intensive industries (except garment);
- (e) settlement of employees and employers disputes;
- (f) conducting training by designing HRD Programme;
- (g) providing socio- economic protection sectors and service sectors;
- (h) giving inspection whether or not in conformity with product quality standard and whether or not including microbes which endanger to the people in the manufacturing process;
- (i) participating with the Industrial Supervision Board.

**Control of Standards**

77. The discussion and guidance with the business owners about the quality and standard of products shall be carried out and it shall be coordinated with the Board to be formed under the Standardization Law to issue the internationally recognized quality recommendation.

**Chapter IX****Standing on as the Green Industries**

78. The following processes shall be taken into consideration not effecting the environment in carrying out sustainable development as the green industries:

- (a) disposal of waste water after treating;
- (b) managing to use the suitable methods for solid waste, liquid and vapour to minimize the environmental impact;
- (c) control of emission of toxic gas, vapour and dust;
- (d) obtaining prior permission to operate business or preliminary surveying the environment or assessing the environmental impact and designing the procedure of environmental conservation;
- (e) designing the supporting procedure assessing the social impact, the effect of health and natural disaster impact;
- (f) establishing service companies to be carried out environmental management.

79. The delay will be avoided in obtaining environmental permission designing the suitable framework in coordination with the Ministry of Environmental Conservation and Forestry.

80. The management for environmental conservation shall be carried out by getting information from the relevant local and foreign organizations

which are monitoring and recording the following environmental situations:

- (a) measuring cleanliness of air;
- (b) testing water resource;
- (c) monitoring the ecosystem of aquatic animals;
- (d) surveying the socio-economic development;
- (e) surveying the public health.

## **Chapter X**

### **Implementation, Monitoring and Evaluation of the Policy**

81. The committee and working groups of the Union level, Region and State levels, local level will be formed to implement the industrial policy. If necessary, laws and rules based on this policy shall be issued.

82. The notifications, procedures and directives shall be issued for the necessary measures for sustainable industrial development and the minimum environmental impact or the detailed matters to be followed for the implementation of policy.

83. The delay, difficulty, weakness and strength shall be reviewed and a monitoring and evaluation mechanism shall be established to change in accordance with the requirement in the implementation of the industrial policy.

84. The findings and advice on reviewing of the followings shall be submitted to the Leading Committee in monitoring and surveying:

- (a) condition of industrial development in region and foreign countries;
- (b) condition of the development of local industrial sectors and Gross Domestic Product(GDP) of the State;



- (c) import and export factors;
- (d) challenges actually faced in the sector of local industries;
- (e) effectiveness of industries and impact of environment and socio-economic.

## **Chapter XI**

### **Favourable Conditions for Successful Implementation of Industrial Policy**

85. A modern developed nation will be achieved soonest if the following favourable conditions will be conducted for the development of industrial sector in accordance with the industrial policy simultaneously:

- (a) having stability and tranquility ;
- (b) having good governance;
- (c) managing the rule of law and eradicating the corruption;
- (d) having policy for macro economy;
- (e) emergence of the market economy;
- (f) having infrastructural development;
- (g) having innovation and human resource development;
- (h) having developed the associated policies - mentioned in appendix (c).

## **Chapter XII**

### **Conclusion**

86. This industrial policy is designed with the aim of getting the situation which will lead the interest of the State with proportion of industrial sector has increased in the Gross Domestic Product (GDP) of the State and to enter the Global Supply Chain with right existence and trend.

87. However, a sustainable development of industrial sector may be implemented together with the private sector development by amending, as may be necessary, the objectives and policies according to the modern development of economy and regional requirements in the implementation of policy.

88. If the requirements such as leading the industrial economic system based on the cooperation with multi-nations companies, good formation and management of leading committees, amending the necessary policies upon the data of monitoring and evaluation team and good participation of the relevant government, civil and international organizations throughout the process of implementation of policy for the development of industrial sector of the developing country, there will be regional comprehensive development and it will achieve soonest the modern developed industrialized nation.

**Ministry Of Industry**

**Enacted Industrial Related Laws**

1. Boiler Law (2015)
2. Yangon City Electric Power Supply Law
3. Electricity Law(2014)
4. Social Security Law (2012)
5. Factory Act(1951)
6. The Oil fields (Labour & Welfare Act, 1951)
7. Environmental Conservation Law (2012)
8. Prevention of Hazard from Chemical and Related Substances Law(2013)
9. Myanmar Investment Commission, Notification No.1/2013
10. Myanmar Citizens Investment Law (2013)
11. Foreign Investment Law (2012)
12. The Law on Standardization (28/2008)
13. Employment and Skills Development Law (2013)
14. Transfer of Immovable Property Restriction Law (1987)
15. Company Act
16. The Myanmar Special Economic Zone Law (2014)
17. Employment Restriction Act (1959)
18. Employment Statistics Act (1948)
19. Labour Organization Law (2011)
20. Leave and Holidays Act (1951)
21. Payment of Wages Act (1936)
22. Shops and Establishments Act (1951)
23. Workmen' s Compensation Act (1923)
24. Minimum Wages Law (2013)
25. Settlement of Labour Dispute Law (2012)
26. Foreign Exchange Management Law (2012)
27. Competition Law(2015)

### **Types of Industries**

- 1. Food and Beverages**
  - (a) Food stuff Industries
  - (b) Beverage Industries
  - (c) Tobacco and related products Industries
  - (d) Pharmaceutical, chemical and botanical products for medicinal Products Industries
- 2. Clothing and Apparel**
  - (a) Textiles Industries
  - (b) Clothing Industries
  - (c) Production of textiles, cotton and animal by-products for apparels
- 3. Construction Materials**
  - (a) Furniture Industries
  - (b) Wood-based Industries
  - (c) Iron and Steel Milling
  - (d) Construction Materials Manufacturing Industries
  - (e) Construction and Other Manufacturing
- 4. Personal Goods**
  - (a) Leather and related products Industries
  - (b) Personal and cosmetic Industries
- 5. Consumer Products**
  - (a) Rubber and polymer Industries
  - (b) Toys Production Industries
  - (c) Paints for building and auto Industries
- 6. Literature and Arts**
  - (a) Paper and Paper Products Industries
  - (b) Telecast, broadcast and Printing

7. **Raw Goods**
  - (a) Coke and Refinery Industries
  - (b) Chemical and Chemical Product Industry
  - (c) Production of non-metal mining products
  - (d) Basic Metal Production
  - (e) Advanced Rubber Raw Material Production Industry
8. **Metal and Mineral Production**
  - (a) Innovated metal products industries (except machineries and tools)
  - (b) Metallurgical Products production
9. **Agriculture Machinery**
  - (a) Farm Machineries
  - (b) Pumps
  - (c) Hand tools for farming
10. **Industrial Tools and Equipments**
  - (a) Machineries and Tools (that are not shown in other)
  - (b) Cable and Steel Wire
11. **Automobiles**
  - (a) Vehicles, trailers and semi-trailers
  - (b) Other transportation materials
  - (c) Tire and Tubes
  - (d) Auto-parts Industries
12. **Electrical Equipment**
  - (a) Computer, Electrical, Television and related products
  - (b) Electrical and Electronic Products
  - (c) Electric Power Generator and related machineries
  - (d) Electric Power Transmitting and Distributing and related Items
13. **General**
  - (a) Machine and Machineries assembling and repairing
  - (b) Other Production

**Related Policies**

1. Monetary Policy
2. Fiscal Policy
3. Human Resource Policy
4. Science & Technology Policy
5. Trade Policy
6. Land Policy
7. Competative Policy



## Land Allocation of Industrial Zones and Land Use

Appendix(D)

Zone No.	Region /State	Developed Plot	Alloted Plot			Balance Plot	Free Plot	
			industrial used Plot	Unused Plot	Total		Ware House	Free Plot
	<b>Mandalay</b>	<b>6779</b>	<b>3137</b>	<b>3642</b>	<b>6779</b>	-	<b>364</b>	<b>1381</b>
1	Mandalay Industrial Zone	5336	2351	2985	5336	-	324	1317
2	Meiktila Industrial Zone	1056	502	554	1056	-	33	33
3	Myingyan	387	284	103	387	-	7	31
20	Yadanarbon Industrial Zone							
	<b>Yangon</b>	<b>12756</b>	<b>9113</b>	<b>3643</b>	<b>12756</b>		<b>1299</b>	<b>2345</b>
4	<b>East District</b>							
	South Dagon(1)	649	458	191	649		183	8
	South Dagon(2)	1878	1794	84	1878		54	30
	South Dagon(3)	1549	1534	15	1549			15
	Dagon Seikkan (1+2)	504	325	179	504		39	140
	East Dagon(1+2)	1093	453	640	1093		222	418
	North Dagon	175	175		175			
	North Okkalapa	312	268	44	312		38	6
	Shwe Pauk Kan	690	555	135	690		131	4
	South Okkalapa	132	100	32	132		29	3
	Tharkayta	329	216	113	329		78	35
5	<b>West District</b>							
6	<b>South District</b>							
	Thilawa	181	18	163	181			163
7	<b>North District</b>							
	Hlaingtharyar Zone (1)	225	151	74	225		47	27
	Hlaingtharyar Zone (2)	298	201	97	298		62	35

Zone No.	Region /State	Developed Plot	Alloted Plot			Balance Plot	Free Plot	
			industrial used Plot	Unused Plot	Total		Ware House	Free Plot
	Hlaingtharyar Zone (3)	133	99	34	133		23	11
	Hlaingtharyar Zone (4)	199	144	55	199		44	11
	Hlaingtharyar Zone (5)	526	383	143	526		107	36
	Hlaingtharyar Zone (6)	18	7	11	18		8	3
	Hlaingtharyar Zone (7)	117	76	41	117		34	7
	Shwelinban	551	472	79	551		5	74
	Ngwepinlael	81	56	25	81			25
	Shwethanlwin	156	87	69	156		7	62
	Anoryahtar	209	176	33	209		2	31
	MyaSeinyaung	82	27	55	82			55
	Breeding Zone	163	90	73	163			73
	Mingalardon	41	31	10	41			10
	Yangon	445	223	222	445			222
	Pyinmabin	39	25	14	39			14
	Shwepyithar Zone(1)	406	296	110	406		69	41
	Wartayar Zone	424	144	280	424			281
	Shwepyithar Zone(2)	132	75	57	132		36	21
	Shwepyithar Zone(3)	189	131	58	189		41	17
	Shwepyithar Zone(4)	157	95	62	157		40	22
	Myaungtakar	508	146	362	508			362
	Thardukan	165	82	83	165			83
	Wood Based Zone	290.39 Acres	39.36 Acres	193.03 Acres	290.39 Acres			

Zone No.	Region /State	Developed Plot	Alloted Plot			Balance Plot	Free Plot	
			industrial used Plot	Unused Plot	Total		Ware House	Free Plot
	<b>Ayeyarwaddy</b>	<b>764</b>	<b>173</b>	<b>486</b>	<b>659</b>	<b>105</b>	<b>19</b>	<b>385</b>
8	Myaungmya Industrial Zone	115	23	86	109	6	19	45
9	Hinthada Industrial Zone	169	14	155	169			137
10	Patheingyi Industrial Zone	480	136	245	381	99		203
	<b>Sagaing</b>	<b>2682</b>	<b>1367.5</b>	<b>1314.5</b>	<b>2682</b>		<b>209</b>	<b>678.5</b>
	Sagaing Industrial Zone	200	75.5	124.5	200		27	97.5
11	Monywa Industrial Zone	1388	851	537	1388		58	239
	Shwepyithar Industrial Zone	351	197	154	351		45	102
12	<b>Kalay</b>	<b>743</b>	<b>244</b>	<b>499</b>	<b>743</b>		<b>79</b>	<b>240</b>
	<b>Bago</b>	<b>914</b>	<b>279</b>	<b>613</b>	<b>892</b>	<b>22</b>	<b>13</b>	<b>320</b>
13	Nawaday (Pyaw)	324	49	253	302	22	3	211
	Gandamar(Pyaw)	472	189	283	472		10	32
	Bago Industrial Zone (Local)	61	12	49	61			49
	Bago Industrial Zone(Foreign)	57	29	28	57			28
	<b>Magway</b>	<b>1285</b>	<b>478</b>	<b>566</b>	<b>1044</b>	<b>241</b>		<b>241</b>
14	Yenangyaung	387	154	165	319	68		68
15	Pakokku Industrial Zone	898	323.5	401.5	725	173		173
	<b>Mon</b>	<b>370</b>	<b>154</b>	<b>216</b>	<b>370</b>	<b>-</b>		<b>11</b>
16	Mawlamyine	370	154	216	370	-		11
	<b>Shan</b>	<b>9018</b>	<b>5469</b>	<b>1786</b>	<b>7255</b>	<b>1763</b>	<b>322</b>	<b>1464</b>
17	Ayetharyar Industrial Zone	8674	5300	1625	6925	1749	226	1399
	Muse Industrial estate	187	85	102	187		91	11
	Tachileik Industrial estate	157	84	59	143	14	5	54

Zone No.	Region /State	Developed Plot	Alloted Plot			Balance Plot	Free Plot	
			industrial used Plot	Unused Plot	Total		Ware House	Free Plot
	<b>Kayin</b>	<b>643</b>	<b>17</b>	<b>330</b>	<b>347</b>	<b>296</b>		<b>330</b>
19	Hpa An Industrial Zone	59	3	34	37	22		34
	Hpa An Industrial Zone(1)	191	5	56	61	130		56
	Hpa An Industrial Zone(2)	69	5	20	25	44		20
	Hpa An Industrial Zone(3)	324	4	220	224	100		220
23	<b>Phayarthonesu</b>							
24	<b>Myawaddy</b>							
	<b>Tanintharyi</b>	<b>60</b>	<b>18</b>	<b>42</b>	<b>60</b>			
18	Myeik Industrial	60	18	42	60			
	Htee Khee							
	Mawtaung							
	<b>Kayah</b>	<b>579</b>	<b>190</b>	<b>357</b>	<b>547</b>	<b>32</b>	<b>14</b>	<b>39</b>
	Kayah Industrial Zone	579	190	357	547	32	14	39
	<b>Rakhine</b>	<b>628</b>	<b>37</b>	<b>397</b>	<b>434</b>	<b>194</b>		
22	<b>Ponna Kyon Industrial Zone</b>	<b>169</b>				<b>169</b>		
	Sittwe Satyokya	456	37	397	434	25		
21	<b>Naypyitaw</b>	<b>115</b>	<b>26</b>	<b>6</b>	<b>32</b>	<b>83</b>		
	Dakkhina Thiri Zone	115	26	6	32	83		
	Tatkone Zone							
	<b>Kachin</b>	<b>483</b>	<b>483</b>		<b>483</b>			
	Myitkyina Industrial estate	483	483		483			
	Bhamaw Industrial estate							
	Winemaw Industrial estate							
	<b>Total</b>	<b>37076</b>	<b>20941</b>	<b>13399</b>	<b>34340</b>	<b>2736</b>	<b>2240</b>	<b>7194</b>

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