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# EUROPEAN CHAMBER OF COMMERCE IN MYANMAR

EuroCham serves as the voice of European business in Myanmar. Its main mission is to significantly increase the presence of European companies in the country and to facilitate market access particularly for European SMEs – by advocating for member interests with the government and organisations in Myanmar, the ASEAN region and the EU.

With a strong, growing network of partners, EuroCham offers on-the- ground assistance for European businesses interested in commercial endeavours in Myanmar, whether in the form of advocacy, business services, research or networking.

This sector guide provides entry-level information for European companies planning to enter this fascinating frontier market. Please contact us for further information and support.

Yangon, December 2017





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## ACRONYMS

<i>ASEAN</i>	<i>Association of Southeast Asian Nations</i>
<i>BPI</i>	<i>Burma Pharmaceuticals Industry</i>
<i>DICA</i>	<i>Directorate of Investment and Company Administration</i>
<i>FDA</i>	<i>Department of Food and Drug Administration</i>
<i>FDI</i>	<i>Foreign Direct Investment</i>
<i>FIL</i>	<i>Foreign Investment Law</i>
<i>GE</i>	<i>General Electric</i>
<i>MDOMC</i>	<i>Myanmar Dental and Oral Medical Council</i>
<i>MFDBA</i>	<i>Myanmar Food and Drug Board of Authority</i>
<i>MIC</i>	<i>Myanmar Investment Commission</i>
<i>MMA</i>	<i>Myanmar Medical Association</i>
<i>MMC</i>	<i>Myanmar Medical Council</i>
<i>MNCs</i>	<i>Multinational Companies</i>
<i>MNWC</i>	<i>Myanmar Nurse and Midwife Council</i>
<i>MPMEEA</i>	<i>Myanmar Pharmaceuticals and Medical Equipment Entrepreneur Association</i>
<i>NCDP</i>	<i>National Comprehensive Development Plan</i>
<i>OPP</i>	<i>Out-of-Pocket Payment</i>
<i>TMC</i>	<i>Traditional Medical Council</i>
<i>UHC</i>	<i>Universal Health Coverage</i>
<i>WHO</i>	<i>World Health Organization</i>





# 1 SECTOR OVERVIEW



With a population of over 53 million people, Myanmar's underdeveloped healthcare sector represents an area of considerable opportunity.

According to the World Health Organization (WHO), Myanmar's healthcare expenditure relative to GDP is one of the lowest in the world<sup>i</sup>. In 2016, the figure rested at just over 1% of the country's USD 64.37 billion GDP<sup>ii</sup>, significantly below the 5% the WHO recommends for all countries<sup>iii</sup>. Relative to other ASEAN member states, Myanmar's healthcare system is poor, and life expectancy at birth is one of the lowest among the ASEAN countries at 68.2 years<sup>iv</sup>.

In recent years, the military-backed civilian government and the new administration have both prioritised the healthcare sector with increased budget allocations, promotion of healthcare-related investments, and the release of the National Healthcare Plan (2017–2021) in December 2016<sup>v</sup>, which describes plans to achieve universal health coverage by 2030<sup>vi</sup>.

The current government has indicated that one of its first priorities will be improving and expanding basic healthcare provision, reducing out-of-pocket payment (OPP) spending on medical treatment (over 93% of health care spending in 2012), and permitting the opening of more private healthcare centres to reduce the strain on public hospitals.

## 1.1 CURRENT MARKET SITUATION/UPDATES

Myanmar's healthcare sector is serviced by both the private and public sectors. The Ministry of Health & Sports (MOHS) is responsible for implementing the National Comprehensive Development Plan (NCDP), and the Department of Health – a department of the Ministry of Health & Sports – serves as the main regulatory body for healthcare providers as well as stakeholders in the fields of pharmaceuticals, medical devices and capital investment.

The Myanmar Medical Association (MMA) is the facilitator between different healthcare providers, ensuring that private practitioners are integrated into public healthcare activities. Several supporting government agencies are also authorized for registering and licensing doctors, dentists, nurses, midwives and traditional medical practitioners.

- MDOMC (Myanmar Dental and Oral Medical Council);
- MNWC (Myanmar Nurse and Midwife Council);
- TMC (Traditional Medical Council);
- MFDBA[FDA] (Myanmar Food and Drug Board of Authority).

### 1.1.1 Increased Government Spending

Since 2011, the government has been gradually increasing public budget allocation for both the healthcare and education sectors. Government health expenditure increased from USD 279 million in 2012-2013 to USD 789 million in 2017-2018<sup>vii, viii</sup>, but this still represents just over 1% of Myanmar GDP. These funds are earmarked

for activities such as: the purchase of advanced medical equipment, including electro-surgical technology; the provision of free medical treatment for government employees; and the training of medical professionals.

**Government Expenditure on Healthcare (2012-2018), USD Millions**

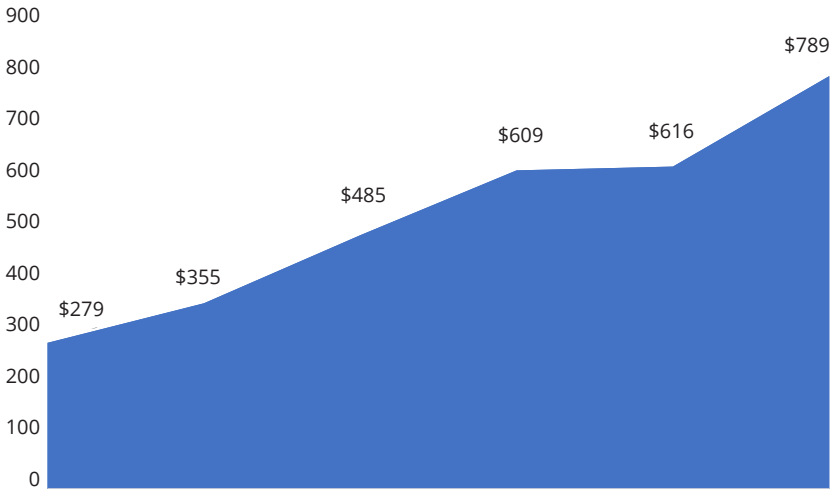


Figure 1: Government Expenditure on Healthcare (2012-2018).

(Source: Myanmar Times, 2017)

Note: USD values converted from Myanmar Kyat at exchange rate as of November 27th, 2017. (Source: XE.com)

**Healthcare Personnel Per 10,000 People Across ASEAN (2015)**

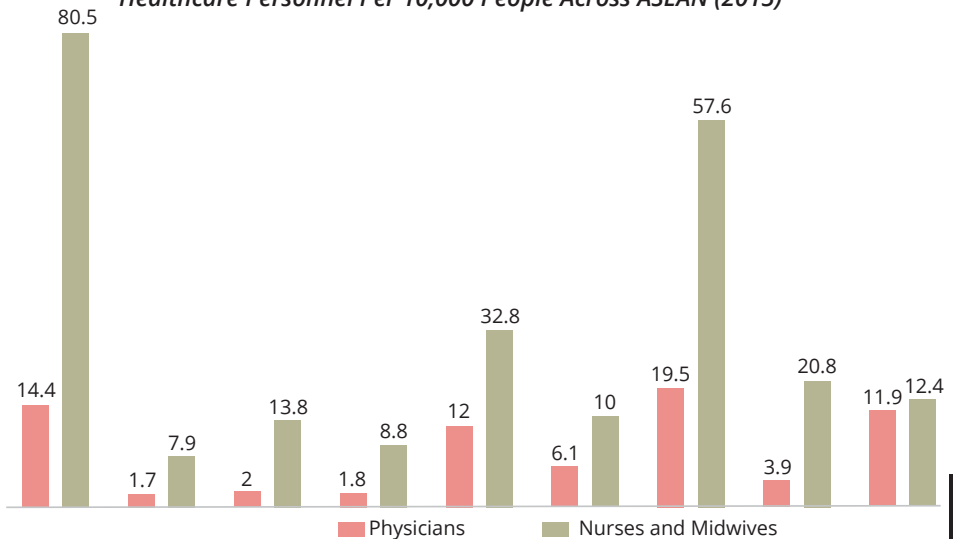


Figure 2: Healthcare Personnel Per 10,000 People Across ASEAN (2015).

(Source: WHO, World Health Statistics 2015)

Note: No data available for the Philippines

Note: USD values converted from Myanmar Kyat at exchange rate as of November 27th, 2017 (Source: XE.com)

## 1.1.2 Healthcare Manpower

Currently, Myanmar has fewer doctors per capita than many countries in the region. According to the WHO, in 2015, there were 6.1 doctors per 10,000 people compared with 11.9 in Vietnam, 19.5 in Singapore, and 12 in Malaysia.

## 1.1.3 Universal Healthcare Coverage

The Ministry of Health & Sports plans to implement the Universal Health Coverage program nationwide by 2030<sup>x</sup>. There are three components of Universal Healthcare Coverage (UHC):

- Population coverage
- Service delivery
- Financial protection

The government's priorities are first to improve access to healthcare via a more efficient referral system, especially for primary care at township levels; and second, to build an essential medicine program, ensuring generic-quality medicines are available at all levels of the public healthcare system. The successful implementation of the program faces numerous challenges, including: shortage of medical staff, lack of proper medical equipment, weak healthcare infrastructure, and insufficient government funding.

## 1.1.4 Health Insurance Scheme

A new health insurance scheme was introduced in mid-2015 but take-up has been low with fewer than 2,000 applications after 6 months of operation<sup>x</sup>. Until 2013, the state-owned Myanma Insurance held a monopoly on the insurance industry and did not offer health coverage. There are now 12 private insurers, of which 9 offer health insurance<sup>xi</sup>. These 9 private insurers offer health insurance to individuals between the ages of 6 and 65 at a rate of MMK 50,000 (USD 45) per unit (see table below). The policies offer up to five units with each unit entitling the policy holder up to MMK 15,000 (USD 13.5) a day in hospital charges for up to 30 days. According to the insurance policies, a person can only buy up to five units.

The amounts that can be claimed for different types of units are described as follows:

	1 UNIT	2 UNITS	3 UNITS	4 UNITS	5 UNITS
<b>1-year premium price</b>	50,000 kyats	100,000 kyats	150,000 kyats	200,000 kyats	250,000 kyats
<b>Claim for 1-day hospitalization (up to 30 days)</b>	15,000 kyats	30,000 kyats	45,000 kyats	60,000 kyats	75,000 kyats
<b>Claim for accidental death</b>	1,000,000 kyats	2,000,000 kyats	3,000,000 kyats	4,000,000 kyats	5,000,000 kyats

Table 1: Health Insurance Policy Prices

The payment and application process for insurance was designed by the Insurance Business Regulatory Board and is the same for all 12 insurers, excluding Myanmar Insurance. Insurance providers are required to pay out MMK 1,000,000 (USD 900) in cases of accidental death.

### 1.1.5 Healthcare Financing

According to the WHO, Myanmar has the highest out-of-pocket-payment (OPP) rates of healthcare spending in ASEAN - 92.7% as of 2012<sup>xii</sup>. Although more recent OPP data is not yet available, the situation is believed to have improved slightly, with public hospitals providing a proportion of treatment free-of-charge. Public hospitals provide healthcare subsidies, which have made them very popular; at the same time, this has led to overcrowding in the hospitals, with many patients unable to stay in hospital rooms. The middle and upper classes tend to choose private hospitals for better services.

### 1.1.6 Influx of FDI

Ambitious government plans for the healthcare sector, coupled with the general opening up of Myanmar to foreign companies, has led to an inflow of foreign direct investment (FDI). Multinational companies like General Electric (GE)<sup>xiii</sup>, as well as regional companies across ASEAN, have invested in Myanmar's healthcare sector, especially in provision of medical equipment, and hospital operation. Notable examples include Malaysia-based hospital operator KPJ Healthcare, Singapore-based AsiaMedic Ltd, as well as the Thai private hospital group Bangkok Dusit Medical Services Pcl .

## 1.2 CHALLENGES

Aside from lack of adequate healthcare labour, weak infrastructure and limited finance, Myanmar's healthcare sector also struggles with a weak domestic capacity to produce pharmaceuticals. Pharmaceuticals are smuggled across the Chinese, Thai and Indian borders, which impact the domestic pharmaceutical market<sup>t,v</sup>. The quality of these drugs is often questionable, resulting in serious health effects for the users, who are often poor and/or from rural areas. This challenge is further compounded by the fact that Myanmar's Food and Drug Administration is understaffed, lacks basic equipment, and has limited access to laboratory and cold storage facilities, which all have an impact on its ability to keep new drugs for testing and approval before release.

## 1.3 HEALTHCARE SECTOR STATISTICS

The following table shows some general indicators of the country's healthcare sector:

<b>TOTAL POPULATION (2015)</b>	53 million
<b>LIFE EXPECTANCY AT BIRTH M/F (YEARS, 2015)</b>	66/70
<b>TOTAL EXPENDITURE ON HEALTH PER CAPITA (2014)</b>	USD 103
<b>TOTAL EXPENDITURE ON HEALTH AS % OF GDP (2014)</b>	1.2

*Table 2: Indicators of Healthcare Sector  
(Source: WHO, Myanmar Times, CIA World Facebook)*

The following table shows the manpower available to the healthcare sector in Myanmar over the last few years, according to the Ministry of Health and Sports.

	2005-2006	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>Doctors</b>	18,584	26,435	28,077	29,832	31,542	32,861
<i>(i) State Service</i>	6,941	10,450	11,675	12,800	13,099	14,050
<i>(ii) Private Practice</i>	11,643	15,985	16,402	17,032	18,443	18,811
<b>Dental Surgeon</b>	1,594	2,562	2,770	3,011	3,219	3,413
<b>Health Assistant</b>	1,771	1,883	1,893	2,013	2,026	2,074
<b>Nurse</b>	19,776	25,644	26,928	28,254	29,532	32,609
<b>Midwife</b>	16,745	19,556	20,044	20,617	21,435	22,258
<b>Lady Health Visitor</b>	3,025	3,344	3,371	3,397	3,467	3,578
<b>Public Health Supervisor (I)</b>	529	541	612	677	652	657
<b>Public Health Supervisor (II)</b>	1,359	2,080	1,718	1,850	4,998	4,871
<b>Indigenous Medical</b>	819	890	885	875	1,048	1,033
<b>Veterinarian</b>						
<i>(i) Veterinary Doctor</i>	3,872	4,267	4,417	4,588	4,758	4,980
<i>(ii) Certified Veterinarian</i>	812	766	817	732	1,181	1,181

Table 3: Healthcare Sector Workers in Myanmar  
(Source: Ministry of Health and Science)

The following table shows the development of healthcare facilities in Myanmar, according to the Ministry of Health and Sports.

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
<i>Hospitals under the Ministry of Health and Sports</i>	884	897	921	944	988
<i>Hospitals under other Ministries</i>	27	27	66	66	66
<i>Total No. of Hospital Beds</i>	39,060	43,789	54,503	55,305	56,748
<i>No. of Primary and Secondary Health Centres</i>	86	86	87	87	87
<i>No. of Maternal and Child Health Centres</i>	348	348	348	348	348
<i>No. of Rural Health Centres</i>	1,504	1,558	1,565	1,635	1,684
<i>No. of School Health Teams</i>	80	80	80	80	80
<i>No. of Traditional Medicine Hospitals</i>	14	14	14	14	16
<i>No. of Traditional Medicine Clinics</i>	237	237	237	237	237

*Table 4: Development of healthcare facilities  
(Source: Ministry of Health and Science)*

Outside of city hospitals, health centres are often limited to providing basic services. Most of these centres are in rural areas. They typically suffer from a shortage of doctors, and are often headed by poorly-trained health supervisors who can only perform basic treatments. These centres also lack adequate medical devices and equipment, and often refer patients to nearby hospitals for more advanced treatment.



## 1.4 GOVERNMENT INITIATIVES

To achieve the government's "Health for All Goal", a series of National Health Plans targeted at improving primary health care services have been systematically developed and implemented. In particular, a long-term health development plan, the 'Myanmar Health Vision 2030'<sup>xvi</sup> (from 2000/2001 to 2030/2031), has been drawn up to address future health challenges by prioritising the following areas:

- Health policy and law
- Health promotion
- Health service provision
- Development of human resources for health
- Promotion of traditional medicine
- Development of health research
- Role of co-operatives, joint ventures, the private sector and NGOs
- Partnership for health system development
- International collaboration
- Role of co-operatives, joint ventures, the private sector and NGOs
- Partnership for health system development
- International collaboration





## **2 INVESTMENT OPPORTUNITIES**

The Ministry of Health and Sports regularly advertises open tenders, providing opportunities to both local and foreign healthcare providers.



## 2.1 INFORMATION ON TENDERS

The three recent tenders below are representative of many released in the last few years by the Ministry of Health and Sports. Details are provided purely as examples of investment opportunities.

### *Department of Human Resources for health, Ministry of Health & Sports: Open Tender*

Tender opening date: 7 July 2017  
Tender closing date: 4 August 2017

The Department of Human Resource for Health, under the Ministry of Health & Sports, has invited an open tender to purchase the following items in Myanmar Kyats.

NO	DESCRIPTION
1	Office Equipment, Electrical apparels, Office furniture, Office car and e-Government system providers for the department of human resources for health.



### *Head Department of Public Health, Yangon Region, Ministry of Health & Sports: Open Tender*

Tender opening date: 15 September 2017  
Tender closing date: 16 October 2017

The Department of Public Health & Department of Medical Services, Ministry of Health and Sports, has invited an open tender to purchase the following items in Myanmar Kyats.

NO	DESCRIPTION
1	Non-Control Items, Transportation Equipment, Office Equipment, Furniture, Machinery & Equipment

**Department of Medical Services, Yangon Region, Ministry of Health & Sports: Open Tender<sup>xviii</sup>**

Tender opening date: 7 October 2016

Tender closing date: 4 October 2016

The Department of Medical Services, Yangon Region, under the Ministry of Health & Sports, has invited an open tender to purchase the following items in Myanmar Kyats.

**NO DESCRIPTION**

- 1 Central Medical Stores Depot for the supply of Cancer Drugs

## **2.2 POTENTIAL OPPORTUNITIES FOR FOREIGN COMPANIES**

The healthcare sector provides numerous opportunities for foreign companies. Before entering the market, it is important to analyse the competence of the existing competition: the local companies. The strengths and weaknesses of local companies are listed below.

### ***Strengths***

Major hospitals in cities such as Yangon and Mandalay already have a large pool of middle-class consumers. Yet, as the consumer class grows, they will look for more sophisticated healthcare services. The recent relaxation of laws governing foreign investment in healthcare, coupled with current lack of high-quality government healthcare facilities, may provide opportunities for foreign healthcare providers. However, European firms will face competition from established entities within Myanmar and from other ASEAN member states.

Compared with international companies, local healthcare providers tend to have a better understanding of local culture, and are often perceived by Myanmar citizens as better at providing bedside manners and understanding of patient requirements.

### ***Weaknesses***

Most of Myanmar's private and public hospitals run at full capacity to meet client demand, especially in cities such as Yangon and Mandalay. The limited number of healthcare professionals and the large number of patients mean that, at times, the level of service and care provided is below international standards. Private hospitals tend to perform better than public hospitals in this respect. However, even in these institutions, disputes occur and there have been several cases of medical negligence. In addition, the number of doctors, specialists, nurses and dentists is limited, with

just 6.1 doctors per 10,000 people<sup>xx</sup>. New entrants may find that acquiring skilled, local medical professionals is challenging. There is also a limited number of specialist medical service providers, such as psychiatrist clinics and dermatologists.

Due to financial constraints, public hospitals (other than those in Yangon and Mandalay) are not equipped with modern healthcare devices and equipment. Although the government is increasing spending to address this issue, it is a major challenge and will require a significant amount of time to resolve.

Domestic production of pharmaceuticals and medical devices is limited. Although there are a few companies who produce pharmaceuticals – such as Burma Pharmaceuticals Industry (BPI) and FAME Pharmaceuticals – doctors often only assign prescriptions for foreign medicines. In terms of medical devices and equipment, foreign brands still dominate the market.

#### **NO INVESTMENT AREA**

#### **DESCRIPTION**

- |   |                                      |   |
|---|--------------------------------------|---|
| 1 | Healthcare equipment                 | Myanmar's healthcare sector lacks modern medical equipment and devices, which were previously unavailable due to economic sanctions. With the easing of sanctions, many foreign companies have entered Myanmar to provide medical devices and equipment to both the private and public sectors. However, hospitals in many parts of the country remain in need. Some hospitals use out-dated devices and equipment while some lack them entirely. |
| 2 | Healthcare & Pharmaceutical Supplies | High demand with very small domestic production create an opportunity for foreign pharmaceutical companies. However, the pharmaceutical industry is dominated by illegal imports. Although the FDA has attempted to tackle this issue, no effective measures have been implemented yet.   |

### 3 Healthcare Services

No foreign investor has entered the healthcare services sector yet, which presents an opportunity to provide services of an international standard for the first time in Myanmar. The need for improved healthcare services is not just limited to hospitals and clinics, but also includes diagnostic centres and laboratories.

### 4 Healthcare Training

The future of Myanmar's healthcare relies heavily on the quality and service of healthcare professionals in the region. Understanding the importance of this, the government has been collaborating with companies like GE in launching training programs to produce healthcare service professionals who are well versed in up-to-date medical practices and technology.

Due to the lack of international quality healthcare services currently available in Myanmar, many affluent Myanmar citizens and foreign expatriates prefer to fly to neighbouring countries, such as Thailand, Malaysia, India and Singapore, to receive medical treatment. Thailand is the preferred choice due to its proximity, similar culture, low costs, and the fact that it offers visa exemption to Myanmar nationals.

Many Myanmar citizens are interested in foreign healthcare treatments; however, lack of information on foreign companies and concern over language barriers limit their ability to access these foreign treatments. To attract this customer group, many foreign hospitals have now established subsidiary offices in Myanmar.

Some foreign-partnered hospitals in Myanmar, mostly from Thailand, are as follows:

- Bangkok Hospital (Thailand)
- Bumrungrad Hospital (Thailand)
- Chaophya Hospital (Thailand)
- Praram 9 Hospital (Thailand)
- Samitivej Hospital (Thailand)
- Vejthani Hospital (Thailand)
- Vibhavedi Hospital (Thailand)
- Yanhee Hospital (Thailand)
- Parkway Hospital (Singapore)
- Raffles Hospital (Singapore)
- Singapore General Hospital (Singapore)
- Tan Tock Seng Hospital (Singapore)
- Amri Hospital (India)
- Apollo Hospital (India)
- Mahkola Hospital (Malaysia)



# 3

**3 GOVERNMENT RULES  
AND REGULATIONS ON  
FOREIGN INVESTMENTS**

## GENERAL LEGAL/INVESTMENT STRUCTURE

The new Myanmar Investment Law (MIL) was signed in October 2016 and has been effective since April 1, 2017; the MIL combines the Foreign Investment Law (FIL) 2012 and the Citizens Investment Law 2013. The new investment law was created to attract both foreign and local investors by simplifying the application process and offering tax breaks, incentives, rights and protections for businesses.

The key points of MIL are:

Key Change	Description
Ease of Foreign Investment	Foreign Investors are permitted to own 100% of businesses which are not on restricted or prohibited lists.
Investment Screening	<p>An investor may submit an investment screening application to the Myanmar Investment Commission (MIC) for non-bidding guidance on whether a proposal investment:</p> <ul style="list-style-type: none"> <li>• Requires an MIC Permit application;</li> <li>• Requires Pyidaungsu Hluttaw (Union Parliament) approval prior to Permit issuance;</li> <li>• Is prohibited or restricted under the MIL and related notifications;</li> <li>• In a Promoted Sector under the MIL and related notifications.</li> </ul>
Devolvement of Authority for Endorsement Application	Application with investments less than USD 5 million in non-strategic and non-restricted sectors will be handled at the State / Regional level, with close involvement of the State / Regional DICA officials.
Removal of Blanket Incentives	<p>Business may be granted tax exemptions if investments are in promoted sectors – the duration of tax exemption is contingent upon the areas in which business set up operations.</p> <ul style="list-style-type: none"> <li>• Less developed regions (Zone 1) granted 7 years of tax exemption;</li> <li>• Moderately developed regions (Zone 2) granted 5 years of tax exemption;</li> <li>• Adequately developed regions (Zone 3) granted 3 years of tax exemption.</li> </ul>



Key Change	Description
Long-term Land Lease possible beyond MIC Permit	Foreign investors may lease land for their business for up to 50 years (+ 10 years + 10 years with approval from MIC) with private landlords or government entities.
Compensation for Expropriation	<p>Expropriation of investments is allowed under the following conditions:</p> <ul style="list-style-type: none"> <li>(a) necessary for the public interest;</li> <li>(b) carried out in a non-discriminatory manner;</li> <li>(c) carried out in accordance due to process of law;</li> <li>(d) on payment of prompt, fair and adequate compensation.</li> </ul>
Grievance Mechanism	MIC will establish and manage a grievance mechanism to inquire and resolve issues before escalation to legal disputes, and to prevent the occurrence of disputes.

Under the MIL, a foreign investor is allowed to conduct business in Myanmar as a:

- 100% foreign-owned entity in permitted sectors;
- Joint venture with foreign, local, or government entities.

### 3.1 MYANMAR INVESTMENT COMMISSION (MIC)

Investors must submit a proposal to the MIC only if the investments are:

- Activities essential to the national strategy
- Large capital-intensive investment projects
- Likely to cause a large impact on the environment and local community
- Use state-owned land and buildings
- Designated by the government as necessary to submit the proposal the committee

## **3.2 UPCOMING LAWS**

A new piece of legislation called the Myanmar Companies Act was submitted to the upper house of Parliament in July 2017 and will replace an older version of the Act drafted in 1914. The act will improve corporate governance by allowing:

- More flexible capital structures and changes to capital share
- Foreign investors will be able to purchase shares in the Yangon Stock Exchange
- Eliminate the requirement for foreign firms to obtain a permit to trade from DICA
- Possibility to incorporate a one-person company with a unique director Foreign investors will be able to obtain ownership interest up to a threshold of 35% in a Myanmar company before the company is considered a foreign company

## **3.3 HEALTHCARE-RELATED RULES AND REGULATIONS**

### **3.3.1 Healthcare-Related Laws**

Other healthcare related laws include the Organ Donation Law, the Myanmar Red Cross Law, the Blood and Blood Products Law and the Myanmar Medical Council Law, which address a wide range of healthcare regulatory issues.

### **3.3.2 Activities Permitted for 100% Foreign Ownership**

MIC Notification No. 15 /2017 sets out the business activities based on their permitted forms of ownership, and further relaxed laws relating to healthcare investment. Economic activities which are not included in the notification can be carried out with 100% foreign investment, although many of these activities require the approval of the relevant ministry.

### 3.3.3 Activities Not Permitted by Foreigners

#### Sector

#### DESCRIPTION

Healthcare Establishment of quarantine station for exportation and importation of animals (Livestock Breeding and Veterinary Department shall undertake to inspect animals and to issue

Myanmar's healthcare sector lacks modern medical equipment and devices, which were previously unavailable due to economic sanctions. With the easing of sanctions, many foreign companies have entered Myanmar to provide medical devices and equipment to both the private and public sectors. However, hospitals in many parts of the country remain in need. Some hospitals use out-dated devices and equipment while some lack them entirely.

Manufacturing of forest products from forest area and government administered natural forest

High demand with very small domestic production create an opportunity for foreign pharmaceutical companies. However, the pharmaceutical industry is dominated by illegal imports. Although the FDA has attempted to tackle this issue, no effective measures have been implemented yet.

### 3.3.4 Activities Permitted for Joint Venture

#### Sector

#### DESCRIPTION

Healthcare Manufacturing and domestic distribution of chemicals based on available natural resources.

These Investment activities are allowed only in the form of a joint venture with any citizen owned entity or any Myanmar citizen.

Manufacturing and domestic wholesale of all kinds of cosmetic products

### 3.3.5 Investment Activities to be Carried Out with the Approval of the Relevant Ministries

Sector		DESCRIPTION
Healthcare	Manufacturing and distribution of medicines which are produced by using narcotic drugs and psychotropic substances.	Investment activities to obtain the approval of the Ministry of Home Affairs.
	Manufacturing of vaccine.	Investment activities to obtain the approval of Ministry of Industry
	Private hospital services	Investment activities to obtain the approval of Ministry of Health and Sports
	Private general health services	
	Private mobile health services	
	Private care shelter services	
	Private traditional hospital	
	Private traditional clinic	
	Manufacturing private traditional medicine and medical product	
	Manufacturing of traditional drugs	
	Trading of traditional pharmaceutical raw materials (herbal items)	

## Sector

## DESCRIPTION

Traditional herbal cultivation and production

Traditional medicine research and laboratory

This business shall be carried out together with the Research and Development Division of the Traditional Medicine Department or experts from the Department of Medical Research

Research on vaccine and diagnostic test kit production

This business shall be carried out together with the Vaccine Research Division of the Department of Medical Research.

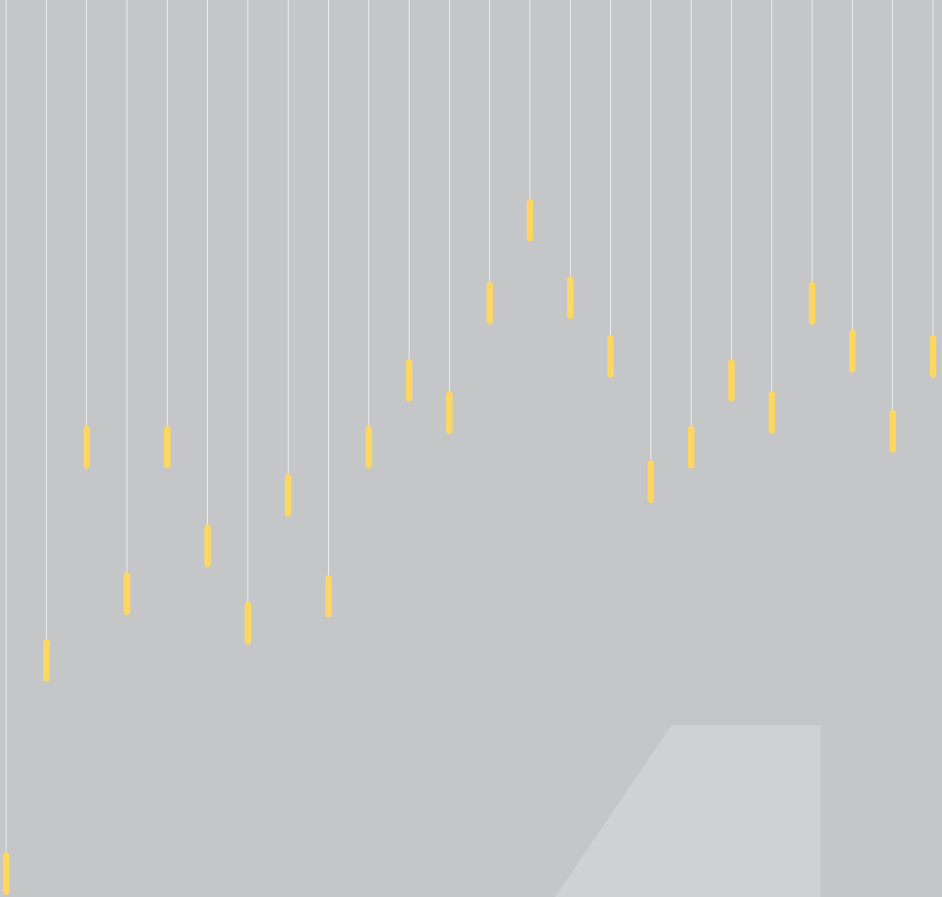
Laboratory services for the animal diseases diagnosis

Investment activities to obtain the approval of the Ministry of Agriculture, Livestock and Irrigation

### 3.3.6 Activities Promoted by Myanmar

MIC Notification 13/2017 lists several promoted sectors. Investors in these sectors may benefit from tax discounts including exemption from corporate income tax, customs duties and the right to deduct depreciation / expenses from assessable income. Sectors relevant to healthcare include<sup>xxi</sup>:

- Production of medicine, chemical products for medicine and botanical products
- Production of chemical items
- Production of traditional medicine
- Production of medical equipment and supply
- Hospital service
- Medical laboratory service
- Traditional hospital service
- Private clinic service
- Manufacturing of Veterinary Medicine
- Science research and development projects for agriculture and breeding
- Research for medical education and medicine
- Research for Industrial development, engineering and technology
- Research on traditional medicine and laboratory service



# 4

**4 CHALLENGES AND  
OUTLOOK**

The government's ambition to introduce UHC creates a positive atmosphere for European investors. Nevertheless, lack of finance, underqualified staff, and limited capacity to meet consumer needs could hinder the successful implementation of UHC. To counter this challenge, the government has received substantial international aid in the form of grants and loans, but further support will be needed.

## **4.1 CHALLENGES**

With 66% of the population residing in rural areas (according to 2017 World Bank Indicators)<sup>xxii</sup>, rolling out UHC will take a significant amount of time.

The low level of domestic production of pharmaceuticals and medical devices presents an opportunity for foreign investors. On the other hand, challenges such, as illegal, low quality pharmaceutical imports, pose a threat. Effective measures by the government to tackle these illegal imports would increase the attractiveness of the market.

The government is actively encouraging foreign investment. Recent notifications have removed many of the foreign ownership restrictions that previously prevented foreign investment.

So far, rising disposable income, a growing middle class and opportunities to target a market that currently relies on overseas medical care are all factors that have enticed foreign companies to Myanmar. According to Nielsen, healthcare expenditure constituted 9% of the typical Myanmar consumer's monthly household expenses in 2014 – it was the second largest category of consumer spending, behind only food & groceries. Although this may seem low compared to other regional benchmarks, rising incomes driven by strong economic growth are expected to increase spending power on healthcare.

## **4.2 OUTLOOK**

Despite several challenges in the sector, the outlook for healthcare provision in Myanmar is positive. The government's ambition towards implementing UHC, the relaxation of laws related to healthcare investment, expected increases in consumer spending power, along with the positive changes to the insurance industry, are all factors that create opportunity for foreign investors in providing healthcare services and products.



# 5 INDUSTRY CONTACT INFORMATION



## 5.1 GOVERNMENT OFFICES

The Ministry of Health & Sports is the focal Ministry for the healthcare sector.

### Ministry of Health & Sports

**MAILING ADDRESS** 4 Zeya Htani Rd, Nay Pyi Taw

**CONTACT** +95 67 411 298  
[www.moh.gov.mm](http://www.moh.gov.mm)

The Department of Food and Drug Administration (FDA) is responsible primarily for ensuring the safety and quality of drugs and medical devices.

### Department of Food and Drug Administration

**MAILING ADDRESS** Pyigy Zayyar Road (In front of Sabei Housing),  
Zayyar Thiri Ward, Zabu Thiri Township,  
Nay Pyi Taw

**CONTACT** + (95) 67- 403 609  
[www.fdamyanmar.gov.mm](http://www.fdamyanmar.gov.mm)  
[www.moh.gov.mm](http://www.moh.gov.mm)

The trading of pharmaceuticals and medical equipment can only be conducted with an export/import license issued by the Ministry of Commerce. Licenses for most items are issued in Yangon, while some are issued only in Nay Pyi Taw.

## Ministry of Commerce

<b>MAILING ADDRESS</b>	Director General Department of Trade Ministry of Commerce Building No. 3, Office Compound, Nay Pyi Taw
<b>DIRECTEUR GENERAL</b>	+ (95) 67- 408 002, 408 265, 408 485
<b>YANGON OFFICE</b>	Address: 228- 240, Strand Road, Yangon Ph: (95) 1- 251 197

The Customs Department is an arm of the Ministry of Commerce.

## Customs Department

<b>MAILING ADDRESS</b>	No.(132), Strand Road, Kyauktada Township, Yangon
<b>CONTACT</b>	+ (95) 1 - 379 423, 379 426 to 9

## Ministry of Planning and Finance

DICA and MIC are the lead government bodies for foreign business incorporation in Myanmar. Both fall under the authority of the Ministry of Planning and Finance. Companies need to be aware of procedural updates issued by the MIC in order to successfully navigate the legal aspect of investment.

**MAILING ADDRESS**

Director General  
Directorate of Investment  
and Company Administration  
Ministry of National Planning  
and Economic Development  
Building No. 32, Office Compound, Nay Pyi Taw

**DIRECTORATE OF  
INVESTMENT  
AND COMPANY  
ADMINISTRATION**

Address: No.1, Thitsar Road, Yankin Township,  
Yangon  
  
+ (95) 1- 658 143, 657 891, +(95) 67- 406 471

**MYANMAR  
INVESTMENT  
COMMISSION**

Address: No.1, Thit Saw Road, Yankin Township,  
Yangon

**CONTACT**

+ (95) 1- 657 891, 658 127 to 30

**5.2 OTHER RELEVANT ASSOCIATIONS**

**Myanmar Medical Council (MMC)**

Myanmar Medical Council (MMC) is responsible for the recognition of medical degrees offered by local and foreign medical institutions. MMC compiles, keeps and sometimes publishes lists of registered medical practitioners and licensed medical practitioners.

**MAILING ADDRESS**

No. 123, Nat Mauk Road, Bahan Township, Yangon,  
Myanmar

**CONTACT**

(+95-9) 45684 4445, +951 546709

**FAX**

+951 546709

**EMAIL**

myanmarmedicalcouncil@gmail.com  
www.myanmarmedicalcouncil.org

## Myanmar Pharmaceuticals and Medical Equipment Entrepreneur Association (MPMEEA)

Myanmar Pharmaceuticals and Medical Equipment Entrepreneur Association (MPMEEA) is the association of all entrepreneurs who are actively involved with pharmaceuticals, medical instruments, hospital equipment, and health-care consultancy. They are the manufacturers, traders, exporters, importers, wholesalers, retailers etc. in the healthcare business fields. Importing pharmaceutical and medical equipment requires price recommendations from the MPMEEA.

<b>MAILING ADDRESS</b>	UMFCCI Office Tower (Level - 6) No.29, Min Ye' Kyaw Swar Street, Lanmadaw Township, Yangon, Myanmar.
<b>CONTACT</b>	(+95-1) 2316205, 2314834
<b>FAX</b>	+951 546709
<b>EMAIL</b>	mpmeea@myanmar.com.mm, mpmeea@gmail.com www.mpmeea.org

## Myanmar Medical Association (MMA)

The Myanmar Medical Association (MMA) is a longstanding institution in Myanmar formed by medical doctors as an association representing medical doctors, giving them a unified voice when it comes to the medical profession. It does not really engage in business activities, but rather arranges medical conferences and other networking activities for the doctors' community.

<b>MAILING ADDRESS</b>	No. 249, Thein Phyu Road, Mingalar Taung Nyunt Township, Yangon, Myanmar.
<b>FAX</b>	951- 378863
<b>EMAIL</b>	skystar.green@gmail.com www.mmacentral.com

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