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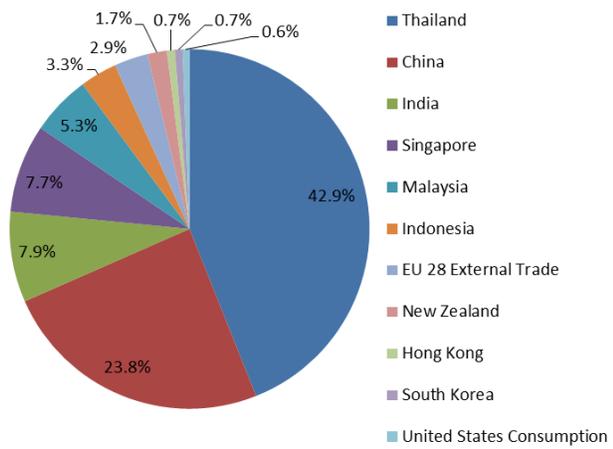
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Report Highlights:

Burma (also called Myanmar) is one of the last untapped markets with one of the fastest growing economies in Asia. U.S. agricultural exports to Burma have grown more than 20-fold since 2012, reaching a record \$174 million in 2019. This report serves as a guide for U.S. companies seeking to do business in Burma and provides practical tips and information on local business practices, consumer preferences and trends, and import requirements. It highlights market trends within the retail food, food service, food processing, and livestock feed sectors and identifies U.S. agricultural product categories with growth potential in the Burmese market.

Market Fact Sheet:



The retail sector has seen a large number of foreign consumer brands enter the country. Retail sales in the packaged food market in Burma are expected to reach over \$3.1 billion in 2021. This reflects approximately 82 percent growth within the past 5 years due to the allowance of 100 percent foreign-owned retailers and wholesalers to distribute many different types of domestically produced and imported commodities.

Data and information sources:
Trade Date Monitor, trading economics, and interviews with local industry experts

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After almost 50 years of military dictatorship, Burma (also called Myanmar) underwent a series of political reforms starting in 2011. In November 2015, national elections ushered in a new era for Burma, as the National League for Democracy (NLD) won a supermajority of seats in the combined National Parliament. Aung San Suu Kyi, who won the Nobel Peace Prize in 1991, became State Counselor (equivalent to Prime Minister and de facto head of government). Economic and political reforms resulted in the lifting of sanctions imposed by numerous Western governments, including the United States and the European Union. The NLD retained its supermajority in the November 2020 national elections.

Burma has a population of 54 million ([World Bank, 2019](#)), 55 percent of which is under the age of 30. Burma is a frontier market with an estimated GDP per capita of \$1,333 in 2020 ([IMF](#)). Burma's GDP is estimated at \$70.89 billion in 2020 and is expected to reach \$77.17 billion in 2021 ([IMF](#)). The growth rate for 2020 is estimated at 2 percent and is forecast to reach 5.7 percent in 2021 ([IMF](#)). Despite being a resource-rich country with a strong agricultural base, Burma is a Least Developed Country and is the poorest country in Southeast Asia with a GDP per capita of \$1,408 according to the World Bank. An estimated 25 percent of its population, particularly in rural areas, live in poverty.

In fiscal year (FY) 2019-2020 (October to September), Burma's total foreign trade amounted to \$36.7 billion, in which trade with the United States had a 4 percent market share ([Ministry of Commerce](#)). Burma's biggest trading partners are China, Thailand, Singapore, and Japan. In 2019, U.S.-Burma trade crossed the \$1 billion mark with a trade surplus in Burma's favor. U.S. investment is relatively low, but the data can be misleading because many U.S. firms invest via Singapore or via joint ventures. Despite the strong growth in the U.S.- Burma relationship, our bilateral economic ties are dwarfed by Chinese-Burma trade and investment.

Burma, bordered by India, China, Thailand, Bangladesh and Laos, is one of the last untapped markets and one of the fastest growing economies in Asia. Recent economic reforms, including allowing foreign investors to receive tax benefits, and the termination of U.S., European Union, and Australian sanctions have encouraged foreign companies to view Burma as an attractive potential market. Burma is a member of the Association of Southeast Asian Nations (ASEAN) free trade area and is therefore party to ASEAN agreements with Australia, New Zealand, China, India, Japan, and South Korea. This presents significant competition for U.S. agricultural exports to Burma. Burma also has bilateral trade agreements with a number of Eastern European countries, is a member of the Bay of Bengal Initiative for Multi-Sectorial Technical and Economic Cooperation (BIMSTEC), and is an observer in the South Asian Association of Regional Cooperation (SAARC). In 2013, the United States signed a Trade and Investment Framework Agreement with Burma and reinstated General System of Preferences (GSP) benefits in 2016 when broad-based sanctions were removed.

Prior to the COVID-19 pandemic, Burma's economy grew steadily, was projected to pick up to 6.3 percent in FY 2019/20 and 6.4 percent in FY 2020/21. The COVID-19 pandemic slashed Burma's growth prospects for 2020 to as low as 2 percent, prompting the government to launch an economic recovery plan and request external financing from IMF and the World Bank. The COVID-19 outbreak hit the natural gas, agricultural, manufacturing, and tourism sectors hard. However, food prices have remained stable, and inflation is projected to moderate at 6.2 percent for 2020.

Rapid economic growth, increasing purchasing power, urbanization, and the expansion of the internet and digital communication use in Burma have all resulted in the exposure of its growing middle-class to international brands. Burma has a young and emerging urban middle class with increasing incomes and a preference for international products. Burmese consumers are experiencing rapid growth in purchasing power parity, resulting in drastic changes in their food and beverage consumption patterns. Consumer spending has the potential to increase to over \$100 billion per year by 2030, which is triple the current \$35 billion.

Advantages and Challenges Facing U.S. Products in Burma

Advantages	Challenges
A dynamic, eager, and young population is willing to try new products and is receptive to trends that fit their increasingly westernized lifestyles.	Stiff competition from neighboring Asian countries such as China, Japan, Singapore, South Korea, and Thailand that have logistical advantages and that entered the market before the United States.
The expansion of retail markets offers new inroads for consumer-oriented products.	Regional tourists that sometimes seek cheaper local food alternatives and food products sourced from their respective countries.
The lifting of sanctions by the United States and other countries allows for greater economic development and foreign investments in Burma.	Free trade agreements with Australia, New Zealand, China, South Korea, Japan, and ASEAN countries make U.S. products less competitive, especially for high-value consumer products.
Experienced food and beverage importers are aware of the good reputation of U.S. products.	Relatively late entry of U.S. products compared to those of other countries, creating brand loyalties that are difficult to overcome, especially in the HRI sector.
Increasing number of tourists and expatriates seeking western food.	Limited awareness and knowledge of U.S. products and major brands among average Burmese customers.
Tariffs that are generally comparable to or lower than that of other countries in the region.	A legal and regulatory system that relies on existing practices and government discretion rather than written laws, which causes additional risks for U.S. companies.

Section II. Exporter Business Tips

Burma has a range of religious communities, although Buddhism is the dominant one. As in many Asian countries, Burmese people place an emphasis on harmony and respect. In business, they expect business associates to be polite, patient, and respectful of their cultural norms. There is a strong tradition of respect for elders throughout society and in business. Burmese people do not have surnames, and they refer to each other by their full names and titles. The handshake is normal in business culture; however, romantic male to female contact should be avoided in public. It is important to build relationships with Burmese counterparts and recognize that business decisions are not made quickly. Often, a first or even second meeting will simply be an

opportunity for parties to get to know each other, as a prelude to more serious or in-depth matters for discussion later. Dining at restaurants and playing golf are established means of networking in business. It is a common practice to give a modest gift of little commercial value, such as company branded items, upon visiting.

It is often best for U.S. exporters to partner with importers, wholesalers, and distributors that are willing to introduce products to major retailers and restaurants. Approximately 60 percent of imports enter via the Yangon port or the nearby bulk terminal in the Thilawa Special Economic Zone, which opened in 2019. Approximately 40 percent of imports arrive across the Thailand and China borders. There are a growing number of direct air links for perishable items, however, they are costly to use. Imported products, including food items, find their way to the market both through formal and informal means. Food and beverages are often imported into Burma via Singapore, Malaysia, and Thailand, which results in sales to Burma being underreported in official statistics. There are several large-scale harbors, deep-sea ports, and waterways being constructed or planned with Chinese and Indian investment, such as the Dawei Port in the south and Kyaukphyu Port in the west. These will be part of the Special Economic Zones, which offer many benefits including tax and customs duty exemptions. Products should be packed and shipped for a tropical climate and have clear storage instructions, keeping in mind the country's limited energy supplies and/or cold storage.

Before doing business in Burma, it is essential to visit the market to conduct market research, including price comparisons, competitor analysis, consumer preferences, and trends. Market data is limited; however, some official import statistics and market information is available in the Statistical Data section of the [Myanmar Central Statistical Organization](#) and the [Ministry of Commerce website](#). FAS Rangoon can provide contact information for potential importers, who are familiar with customer preferences and import requirements (see Section VI).

Burma's market presents U.S. companies with unique opportunities and potentially significant gains but requires patience and persistence. Local knowledge gained by early movers could prove to be an invaluable competitive advantage. Currently, a majority of food and beverage imports are from Thailand and China, with price points that are affordable to the middle-class population. U.S. firms may need to be flexible with their pricing strategy for the Burmese market and to focus on a sector (e.g., retail, wholesale, or restaurants and hotels) to target their price range. As with other markets, U.S. exporters should provide reliable product availability, consistently quality, technical support, and accurately respond to inquiries within 24 hours, since Asian competitors are just a phone call away and in a similar time zone. Exporters should also consider smaller packaging sizes to increase sales to households and small restaurants. Because Burma is still developing in many areas, customers really appreciate any additional assistance suppliers can provide, such as training on product selection, handling, storage, use, recipe development, or other relevant technical information, and/or support for promotions, sampling, etc. This kind of support can also help suppliers gain the interest and partnership of potential customers, particularly for products that are not yet widely known in Burma.

General Customer Tastes and Preferences: Burma's main agricultural products are rice, beans and pulses, sesame, peanuts, corn, sugarcane, hardwoods, fish, and seafood. Burmese people eat rice, usually mix with spicy curries cooked in oil. Locals also like to eat noodle soup, tea, and coffee. Consumer with more access to education and higher incomes, particularly in the urban areas, are increasingly more conscious about what they eat, leading to increased demand for organic and healthy products. As Burma opens up and interaction with foreign cultures increases through business, tourism, and social media, people are learning more about imported products and are eager to try out new cuisines. This is changing the eating habits of consumers and supporting a boom in international restaurants and bistros. The popularity of cooking programs on televisions is also driving

this curiosity to try new foods. Consequently, Burmese consumers are increasingly experimenting with international food at restaurants and at home, including Italian, Indian, Chinese, Thai, Korea, Japanese, and American cuisine. Burma's consumer class is becoming more and more brand-aware, and now foreign brands such as Nestle, Tata, Kellogg's, P&G, Unilever, Kraft, Heineken, Carlsberg, Kirin, Henkel, Heinz, Pfizer, Pepsi, Coca-Cola, Britannia and many others are available. Internet usage, especially Facebook, is a rapidly increasing and is an effective marketing platform to provide information about products and promotions in Burma. Facebook Live streaming sales and delivery services are increasingly popular. Importers and suppliers of foreign ingredients can increase their sales in Burma if they provide more information about how to use the products (e.g., recipes), health benefits, and other information. In response to these trends, FAS Rangoon launched the [Shaloot USA Facebook page](#) in October 2020 for public-facing promotions of U.S. food and beverage products in Burma. "Shaloot" is a slang expression in the Burmese language which means mouthwatering. Through this effort, FAS Rangoon seeks to connect chefs, hotels, restaurants, and importers to help Burmese foodies enjoy high-quality U.S. ingredients that are prepared in cuisines from across the globe. Shaloot USA's activities include a collaboration with MasterChef Myanmar, menu promotions, e-commerce promotions (online supermarkets and takeout services), recipe videos, and partnerships with food bloggers and influencers in collaborations with importers. Shaloot USA is a useful tool to introduce new U.S. products to the Burmese market.

Section III. Import Food Standards & Regulations and Import Procedures

Different ministries and departments in Burma are involved in establishing the requirements for import food standards, regulation and procedures (see Section V). Burma is in the process of updating and drafting many of its laws and regulations, which leads to frequent changes in import requirements. Additional information is available in [FAS Rangoon's FAIRS report](#).

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

- 1) An Import License/Permit ([required for most agricultural products](#))
- 2) Invoice
- 3) Bill of lading, air consignment note, or truck note
- 4) Packing list
- 5) Other certificates, permits or import recommendations, which vary by product category.

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

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

Tariffs and FTAs: Burma has free trade agreements with Australia, New Zealand, China, South Korea, Japan, and ASEAN countries make U.S. products less competitive, especially for high-value consumer products. Burma is a member of the World Trade Organization and U.S. products are subject to Most Favored Nation tariffs.

Trademarks and Patents Market Research: Burma enacted the Trademark Law on January 30, 2019, which established the Intellectual Property Rights Central Committee and the Intellectual Property Rights Agency under the Ministry of Commerce. While the effective date has not yet been announced, additional information about the application process for the registration of trademarks is available in [FAS Rangoon's FAIRS report](#).

Section IV. Market Sector Structure and Trends

Burma's **retail sector** continues to modernize rapidly, with a large influx of foreign consumer brands. Retail sales of packaged foods are expected to reach over \$3.1 billion in 2021, which would reflect an 82 percent increase within the past 5 years. The market share of modern retail outlets grew 60 percent over the past year to reach 25 percent in 2020. Working youth and households now prefer to shop in convenience stores and supermarkets for convenience foods and packaged products and do not cook as regularly as their parents did. With growth potential for both local and international retailers, supermarkets and convenient stores are increasingly being established in the larger cities to cater to these changing consumer behaviors and preferences. General information about Burma's retail foods sector is provided in [Burma's 2018 Retail Foods report](#). In September 2019, German-based METRO Wholesale Myanmar opened its first store in Yangon, followed by Thai-based Makro cash-and-carry in March 2020. The France retail franchise, Carrefour Brand, also entered Burma in 2020. As of December 2020, nine Carrefour Easy Convenience Stores (also called Easy Marts) have been established. In September 2021, Carrefour Myanmar plans to launch MAXI Carrefour Wholesale Cash & Carry, which will sell large volume food, beverage, and other products. The United Kingdom-based Tesco and Japanese-based Aeon mall are also expected to enter Burma in the near future. Online sales within the retail sector also continue to increase, facilitated by inexpensive mobile connections (totaling an equivalent of 126 percent of the total population in January 2020). During the COVID-19 period, online grocery sales of both fresh and processed products have expanded rapidly via Facebook and mobile applications. This business-to-consumer marketing shift is notable since marketing in Burma has historically been business-to-business.

In 2019, Burma's **tourism sector** drew 1.3 million eco- and cultural-minded tourists from China (30 percent), Thailand (16 percent), Japan (7 percent), Korea (5 percent), United States (4 percent), France (4 percent), India (3 percent), and others (33 percent). While the number of western tourist arrivals fell in 2019, Western travelers tend to stay longer in the country and spend more money than Asian visitors. Burma already issues visa-on-arrival to citizens of some countries including Japan, South Korea, China, Hong Kong, and Macau. It is considering establishing direct air links with Western countries, particularly those from Europe. However, it will take time for this sector to recover from COVID-19.

The growing **hotel sector**, reinforced by the tourism sector, offers great sales opportunities for U.S. high-value food products. The number of hotel rooms in Yangon and Mandalay doubled in 2018 and foreign investment, led by Singapore, Thailand, and Vietnam, continues to increase. There are more than 2,000 registered hotels and

guesthouses across the country, with most located in Yangon, Mandalay, Naypyitaw, Bagan, and Nyaungshwe. Food and beverage sales in hotels account for about 35 percent of total revenues.

A wide array of **restaurants**, cafes, and bars are expanding in Burma, specializing in American, Chinese, French, German, Indian, Italian, Japanese, Korea, Latin, Vietnamese, and Thai cuisine. Brunch and buffets at hotels are also spreading and are enjoyed by middle-class and high-end customers. Foreign investors are also entering this sector to provide premium services. Food delivery services play a key role in Burma's restaurant sector, but many restaurants with high investment have closed during the COVID-19 pandemic. To learn more about restaurants and catering services in Burma, visit [Myanmar](#) and [Yangonlife](#). Fast food chains are also capitalizing on the booming food and drink sector. Per capita spending on food consumption continues to grow, with Burma's quickly growing economy creating a welcoming market for international brands. Within the past several years, many international food and beverage franchise chains have entered the market, such as Lotteria, MarryBrown, Manhattan Fish Market, BreadTalk, Pizza Company, and Black Canyon. In 2013, American brands began to enter the market. Current franchises include KFC, Burger King, Pizza Hut, Swensen's ice cream, Miami Grill Victoria, Coffee Bean and Tea Leaf, Yogurt Land, and Auntie Anne's. There are also many trendy franchises from several Asian countries.

In the **food processing sector**, more than 28,000 food and beverages companies are registered, which is more than half of the manufacturing sector. Food and beverage companies are mainly located in the Ayeyarwady, Bago, Sagaing, Yangon, and Mandalay regions. Of these, 16 percent are large firms, according to [the Industrial Registration Data report](#). Many international players entered Burma in recent years, initially importing products to Burma and gradually expanding their operations to food processing and packaging, beverage manufacturing, and quick service restaurant segments. The Burma packaged food and beverage market is estimated to be worth \$5 billion by 2020 compared to approximately \$ 3 billion in 2018, presenting significant growth opportunities for international brands. Foreign companies are now allowed to manufacture food in Burma as a joint venture with Burmese companies. The food processing sector consists mainly of bakery products, instant noodles, coffee, tea, and ready-to-eat traditional foods. Tea is one of the most valuable food and beverage commodities for export. Domestic production of beverages, including spirits (e.g., Grand Royal whisky), beer (e.g., Kirin), energy drinks (e.g., Red Bull), and soft drinks (e.g., Blue Mountain) are growing fast, benefitting from an infusion of foreign direct investment. Popular probiotic drinks, such as Japanese-based Yakult fermented milk drinks and Singapore-based Vitagen, are now produced in Burma.

Burma's livestock and aquaculture sectors are growing rapidly, leading to a 33 percent increase in **livestock feed** demand from 2018 to 2020. While the livestock sector is 100 percent domestic, the feed sector is led by foreign companies, which hold about a 60 percent share of domestic feed sales. Poultry is the largest livestock sector in Burma followed by swine, with both value chains growing rapidly. U.S. soybean meal and distiller's dried grains with solubles are playing an increasing role in the livestock and aquaculture sectors.

Section V. Agricultural and Food Imports

U.S. agricultural exports to Burma have grown more than 20-fold since 2012, when the Burma government started its economic and political reforms, to reach a record \$174 million in 2019. In the first 10 months of 2020, exports were up 15 percent compared to the same period in 2019, continuing the trend even during the COVID-19 pandemic. Feed ingredients, including soybean meal, distiller's dried grains with solubles, and soybeans account for two thirds of U.S. agricultural exports. U.S. wheat exports to Burma have also increased rapidly with increased market share. Although total U.S. consumer-oriented export volumes remain low, the hotel and

restaurant sector's increased demand for several categories of high-value U.S. products drove export growth in 2019. However, COVID-19 hit this sector hard in 2020, resulting in reduced imports.

Top U.S. consumer-oriented agricultural exports to Burma include prepared foods, canned foods, non-alcoholic beverages, snack foods, dairy products, processed vegetables, fresh fruits, beef products, condiments and sauces, and wine. The actual volume of U.S. agricultural products that end up in Burma is much higher than official statistics indicate due to products that are transshipped through Singapore and other countries. In addition, U.S. products, such as tree nuts and processed fruits, are shipped in bulk to other countries, such as Malaysia and Thailand, where they are repackaged and exported to Burma for consumer or commercial distribution. As the market in Burma continues to grow, there will be opportunities to replace some of these indirect exports.

U.S. Exports of Agricultural & Related Products to Burma, 2015 – 2019 in Millions of USD

	2015	2016	2017	2018	2019
Soybean meal	\$26	\$51	\$35	\$67	\$102
Dried distiller grains	\$1	\$5	\$7	\$15	\$16
Other intermediate products	\$3	\$8	\$11	\$16	\$14
Wheat	\$3	\$6	\$4	\$7	\$19
Soybeans	\$1	\$6	\$7	\$11	\$11
Other bulk products	\$1	\$1	\$1	\$1	\$1
Dairy products	-	\$1	\$1	\$2	\$3
Prepared food	\$1	\$1	\$1	\$1	\$2
Other consumer-oriented products	\$2	\$3	\$3	\$7	\$6
Fish products	-	-	-	-	\$1
Other agricultural related products	\$1	\$1	\$1	-	-
Total	\$39	\$83	\$71	\$127	\$175

Source: USDA GATS

Burma's primary foreign suppliers for agricultural and related products in 2019 included Thailand (\$1.1 billion), China (\$697 million), and Indonesia (\$514 million). Thai exports to Burma included food preps, non-alcoholic beverages, sugars/sweeteners, alcoholic beverages, and tree nuts. Chinese exports to Burma included fresh fruit, food preps, beverages, and agricultural inputs. Australia and New Zealand are chief competitors for U.S. cereal, meat, and dairy exports. The United States was the fifth-largest supplier of agricultural products in 2019 at a record \$174 million ([Trade Data Monitor](#)), led by livestock feed ingredients as noted above.

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

- Bulk products: wheat, soybeans
- Intermediate products: soybean meal, distiller's dried grains with solubles, planting seeds
- Consumer-oriented products:
 - Dairy products: cheese, cream cheese, whipped cream, cheese dip, nonfat dry milk, condensed milk
 - Frozen and processed meat products: beef, pork, lamb, turkey, sausage, bacon, and ham
 - Tree nuts: almonds, walnuts, and pecans
 - Fresh fruits: apples, oranges, grapes, cherry, kiwi, lemon, blueberry, berries
 - Dried fruit
 - Confectionary items; jam, candy, chocolate, peanut butter

- Processed food: canned food
- Condiments and sauces: vinegar, tomato sauce
- Breakfast cereals
- Processed vegetables: frozen potatoes, mixed vegetables
- Snack foods; Popcorn, biscuit, chips
- Beverages: Non-alcoholic and wine
- Dog and cat food
- Agricultural Related products: Fish products including lobster, king crab, scallops, and distilled spirits

Section VI. Key Contacts and further Information

As noted above different Ministries within the Burmese government set import requirements for agricultural products. A general breakdown of government oversight is provided below:

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

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

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Attachments:

No Attachments