

INDUSTRIAL ESTATES IN MYANMAR: 1995 – 2005:

Introduction

This compendium focuses on recent articles related to the development of industrial estates in the major urban centres of Myanmar. Although the clustering of traditional craft industries was common in towns and cities throughout Burma in the colonial era, it was not until the 1950s that modern industrial complexes such as those in the Pyay district of central Burma and in several parts of Rangoon began to take shape. The displacement of urban core residents and small enterprises that took place in the late fifties also led to the development of industrial sites in satellite towns on the east side of the capital. But it was only in the 1990s, following the opening to privately owned industries by Burma's military government, that the push to develop industrial zones throughout the country began in earnest.

Today there are more than fifty industrial parks scattered throughout the country, about half of them in the area around the national capital. Some, like the new complexes at Indagaw near Bago and the two near Kyaukse in Upper Myanmar are exclusively reserved for state-owned factories. Others are being developed with foreign capital for foreign-owned enterprises or foreign companies that have entered into joint-venture agreements with holding companies of the military government. Most of the new industrial estates are being developed by the Department of Human Settlement and Housing Development of the Ministry of Construction specifically for privately owned industries. Over 6,000 of the 50,000 privately owned manufacturing enterprises in the country are now accommodated in these zones. Recently, several privately owned land development companies have begun their own industrial parks in the Yangon area in collaboration with the DHSHD.

The articles in the compendium are arranged in chronological order with the most recently published at the top of the list.

The articles have been selected on the basis that they are representative of initiatives and challenges faced in the rapidly developing industrial zones of Myanmar. Internet search engines such as Google will yield many more references on any one of the many zones named here. Researchers should bear in mind that place names in Myanmar are frequently spelled in a variety of ways in English. Thus, the use of different spellings as search words may result in a considerable increase in the amount of information generated.

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Bibliography

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LABOUR SURVEY TO FOCUS ON INDUSTRIAL ZONES [\(Content\)](#)

Yangon: Ye Lwin: Myanmar Times: 21-02-05

The Department of Labour in April will conduct the country's first-ever survey focusing on the employment situation and workers' skills in Myanmar's industrial zones. "The government is encouraging the country to promote human resource development, and statistics concerning the employment situation play a vital role in this," said U Soe Nyunt, the director general of the department. "In conducting the labour survey, we need to put an emphasis on the quality and skill of workers rather than on the quantity of workers in industrial zones, in order to measure human resource development," he said.

U Soe Nyunt was speaking on February 8 at the opening ceremony of a training session for the survey at the Labour Skill Training Centre in Yangon's Yankin township. The three-day training was attended by officials from industrial zones in lower Myanmar. A similar session will be conducted in Mandalay in the near future. The trainees had the opportunity to conduct labour surveys in several factories in Yangon's industrial zones.

U Soe Nyunt said wide-ranging labour surveys have already been carried out throughout the country by the Department of Planning under the Ministry of National Planning and Economic Development, and by the United Nations Development Program, but none have focused only on industrial zones. The Ministry of Labour conducted a labour-force survey of the entire country in 1990. In the 2002-2003 fiscal year, the total labour force in Myanmar was 25.6 million, of which 19 million were male.

Since 1989 when the market-oriented economy was introduced to Myanmar, 19 industrial zones have been established in the country, which employ a total of more than 150,000 workers, according to official figures.

CNG KITS TO BE INSTALLED IN VEHICLES PRODUCED IN INDUSTRIAL ZONES [\(Content\)](#)

Yangon: The New Light of Myanmar: 17, September, 2004

The Coordination Meeting No 4/2004 on Industrial Development took place at the training hall of the Ministry of Industry-1 on Kaba Aye Pagoda Road here this afternoon. Industrial Development Committee Chairman and State Peace and Development Council Secretary-1 Lt-Gen Soe Win addressed the meeting. Present on the occasion were ministers, who are members of the IDC, the Yangon mayor, deputy ministers, members of sub-committees, the vice- mayor, responsible personnel of the State Peace and Development Council Office, departmental heads, chairmen of supervisory committees for the industrial zone, chairmen of the management committees, the president of the Union of Myanmar Federation of Chambers of Commerce and Industry, officials and guests.

In his speech, Secretary-1 Lt-Gen Soe Win said there are two points concerning the industrial zones, the first point is the participation of the industrialists at the zone in efforts to turn to Compressed Natural Gas (CNG) vehicles. The world's oil price is now soaring incredibly. At a time like this, there arises a better prospect for our country to exploit cost-effective natural gas on a greater scale. The use of the natural gas in cars in place of petrol and diesel is nothing new. The use of the natural gas in vehicles in Insein, Hmawby, Magway, Minbu, Yenangyoung and Chauk dates back twenty years. In these regions, gas-engine vehicles are in use successfully, and their number stands at 587. By applying the most of such experiences, the State is making arrangements to introduce gas-engine vehicles. In this process, priority is being given to passenger buses and cargo trucks to ensure a smooth and swift flow of commodities and to bring down transport charges.

The Ministry of Energy will be responsible for the sale of natural gas. Therefore, it is necessary for private industrialists to take charge of the replacement of natural gas engines in remaining vehicles. Only when the purchase, installation and production of CNG Kits are handled at the private sector will the drive gain more momentum. And the Ministry of Energy and the Ministry of Industry-2 will provide technical assistance. The State and private industrialists will work together for the replacement of natural gas-engined vehicles.

The second point is that high-tech foundries are being built in Mandalay, Monywa and Ayethaya industrial zones. It is therefore important to make efforts to synchronize the completion time of construction tasks with the arrival of machinery from abroad. Preliminary coordination should also be made to ensure that all the required raw materials are in hand. With the application of modern technologies in moulding, the work quality of private industry will also

improve. Later, the Secretary-1 called upon officials concerned to render necessary assistance for the development of private industry and to give encouragement to promising new industrial products and to import-substitute items.

Next, Secretary of Industrial Development Committee and Minister for Industry-1 U Aung Thuang explained the conditions of the world's soaring oil prices, tasks being taken for the replacement of natural gas engines in vehicles, assistance to be provided by the State, and the drop in prices as a result of using natural gas in place of petrol and diesel. And the minister urged private industrialists to render cooperation in maximizing the number of gas-engine vehicles. Later, the minister gave an account of automobile manufacturing of industrial zones, and the construction of modern foundries at Monywa, Ayethaya and Mandalay industrial zones.

Chairman of Myanmar Industrial Development Work Committee Minister for Industry-2 Maj-Gen Saw Lwin reported on test of vehicles assembled at the industrial zone and arrangements being made for turning vehicles into CNG-used vehicles. Chairman of Automobile Manufacturing Supervisory Sub-committee Deputy Minister for Industry-2 Lt-Col Khin Maung Kyaw submitted reports on installation of CNG engines in buses and trucks. Minister for Transport Maj-Gen Hla Myint Swe presented reports on progress of building the modern foundry plant and the mould shop in Monywa Industrial Zone.

Secretary-1 Lt-Gen Soe Win explained the necessary requirements for successful transformation of diesel and petrol cars into gas-run vehicles, and the raising production efficiency of industrial zones and extension of new types of finished goods, and the harmonious cooperation of entrepreneurs for success of the seven-point future policy programme of the State for democracy transition. At the compound of the Industry-1 Ministry, the Secretary-1 and party viewed a 10-wheel gas-run truck, whose engine was adapted by Shwethaya Car Producers; gas-driven Nibban-UD light truck of Thaketa Industrial Zone Car Production Committee, and a gas-engine MAM Extra Cap Mark 1 of Myanmar Ah-man Car Producers of Shwepyitha Industrial Zone, and met with industrialists who have made the innovations. They also viewed the parts of gas car engines manufactured by No 1 Automobile Factory of the Industry-2 Ministry and the use of gas in running various kinds of engines; and saloon cars, Mazda Jeeps, TE-21 trucks and light trucks that are being transformed into gas-run vehicles by Rail Transportation Ministry, Industry-2 Ministry, Energy Ministry and industrial zones.

NEW INDUSTRIAL PARK IN THILAWA LOOKS TO CHINA [\(Content\)](#)

Yangon: Myanmar Times: 09-08-04

A new industrial park which will be the biggest in Myanmar once construction is finished- aims to attract investment from China. It will be established in Thanlyin Township in Yangon at the beginning of October. "This industrial zone will be the biggest international standard industrial zone in Myanmar. It will be designed to set up foreign investment from China," said U Myint Swe, deputy director of the Department of Human Settlement and Housing Development.

The first phase of the Yangon-Tharlyin Industrial Zone, built on 1000 acres, will be situated close to Thilawa Industrial Zone. The Department of Human Settlement and Housing Development will lease the land to Chinese investors from China at an as yet undetermined fee. The location of the new industrial zone, close to Thilawa Sea Port, will be convenient for international commerce and trade, U Myint Swe told Myanmar Times. There are also plans to build another international port near the new development, he added. Construction of the industrial park will be undertaken by the Department of Human Settlement and Housing Development, and will be completed in 2006.

"The master plan is being drawn up for the zone, after which we are going to build roads and a water supply," said U Myint Swe. The Memorandum of Understanding for the establishment of the Yangon-Tharlyin Industrial Zone was signed in the third week of July during Prime Minister General Khin Nyunt's visit to China.

EMPLOYMENT INCREASES IN HLAINGTHAYA INDUSTRIAL CITY, FALLS IN SHWEPYITHA

Yangon: Ye Lwin: Myanmar Time: 12-07-04 [\(Content\)](#)

Employment rates at Hlaing Tharyar Industrial City have increased by 10 per cent in the past nine months, from 39,000 employees in September 2003 to more than 43,000 in July. U Myat Thin Aung, the chairman of the industrial city's supervisory committee, said the development employed 49,000 workers at the beginning of 2003 but the figure dropped last September. New markets have helped boost employment numbers since then, he said. "Dozens of new import-substitute factories run by both foreign and local business people have recently been established in the industrial city, boosting employment rates," he said.

Most of the businesses are garment factories. About 90 are located in Hlaing Tharyar, employing a total of about 15,000 people. Only about 30 garment factories were able to continue operations, but some have recently resumed production as they have found new export markets, U Myat Thin Aung said. "Another factor is that some private banks have resumed normal operations, and have started offering loans to manufacturers," he said.

U Myat Thin Aung said foreign companies have invested US\$181.8 million in the industrial zone, while more than 100 Myanmar companies have invested a total of K52 billion. Most of the foreign companies are based in China, South Korea and Singapore. The government encourages foreign companies to invest in new factories in the manufacturing sector, said U Myat Thin Aung.

The number of workers at Hlaing Tharyar has grown but Shwe Pyi Thar Industrial Zone, in Shwe Pyi Thar township, has not seen an increase in its workforce since September 2003. "Early last year we had about 15,000 workers, and now about 13,000 people are plying their trades at the zone," said U Khin Sein, the chairman of the Shwe Pyi Thar Industrial Zone Supervisory Committee. There are 162 businesses in the industrial zone, most of them food and beverage, garment and wood-based factories run by private domestic companies. Four foreign firms are based there.

"For now, as general purchasing power is still limited compared to early last year, the productivity of factories is low," said U Khin Sein. "However, about 86 new factories are under construction, and they all are expected to open in the near future, potentially creating thousands of jobs," he said. Myanmar has 19 industrial zones, 10 of which are located in Yangon.

[FOUNDRIES, MACHINE SHOPS, SLATED FOR UPPER MYANMAR ZONES \(Content\)](#)

Yangon: Xinhuanet: 8 July, 2004

Myanmar is making preparations for the establishment of steel plants and machinery equipment factories in three industrial zones to produce equipment as import-substitutes, a local news journal reported Thursday. Situated in Mandalay, Monywa and Taunggyi, these establishments will be supported by the state, which has injected 5 million US dollars for the move, the 7-Day [Weekly News Journal] quoted the Ministry of Industry-2 as saying.

The Mandalay factory will manufacture diesel engines, using imported Chinese technology to produce small-sized 18-horse-power single piston engines, while the Monywa factory will produce gear boxes and the Taunggyi mainly other accessories.

According to the Central Statistical Organization, Myanmar imported over 500 million US dollars' worth of various machinery equipment annually in recent years, accounting for 23 percent of the total imports., Myanmar, an agro-based developing country with relatively weak infrastructure, has to depend for the majority of its different machinery equipment in demand on imports mostly from China, Japan, Germany and South Korea.

Meanwhile, Myanmar has designated the current fiscal year of 2004-05 as the country's Industrial Development Year (IDY), aimed at developing the sector with high momentum. Out of the country's 19 industrial zones, the three said zones are covered by the industrial upgradation program during the IDY. There are 6,830 private industries in the 19 industrial zones with 37,500 outside the zones, according to the sources. Official statistics show that there are more than 100,000 private industries in the whole of Myanmar with over 2 million workers being employed and 90 percent of the industries are small and medium ones categorized into 13 kinds. The figures also reveal that

Myanmar's industrial sector, which contributes about 9.8 percent to the gross domestic product, grew by 22.6 percent in 2003-04 from 21.8 percent in 2001-02 when it started its third five-year economic plan.

GOVERNMENT TO SPEND \$10 MILLION ON INDUSTRIAL ZONE FACTORIES (Content)

Mandalay: Zin Min: Myanmar Times: 06-07-04

The government plans to provide US\$10 million to build factories at three industrial zones in upper Myanmar, the chairman of the Mandalay Industrial Zone Development Committee said last week. U Aung Win Khaing said the factories would be established at the Mandalay, Taunggyi and Monywa industrial zones, all of which are operated by the private sector. "It's the government's intention to help develop the private industrial sector by assisting with the introduction of better facilities and technologies at industrial zones," U Aung Win Khaing told Myanmar Times.

He said that the Mandalay industrial zone would receive about \$4 million while the other two zones would get \$3 million each. Under the project, the factories at Mandalay and Taunggyi zones will make small single-cylinder engines for agricultural purposes. The factory at the Monywa industrial zone will produce gear boxes. Each factory will be operated by a company to be established and financed by entrepreneurs at the respective zones.

While the total cost of the factories was not available last week, entrepreneurs at the zones have been invited to buy shares and invest in the operating companies. Up to last week, 22 private entrepreneurs have given commitments to contribute about K1 billion to establish the factory in the Mandalay industrial zone, of whom 16 have already contributed K200 million. "The entrepreneurs include a real estate developer and six people involved in making vehicles," an industrialist in Mandalay said. The engine-making factory at the Mandalay industrial zone was expected to go into operation early next year, he said.

TALKS BEGIN WITH THAILAND ON INDUSTRIAL ZONES (Content)

Yangon: Thet Hlaing: Myanmar Times: 31-05-04

Myanmar and Thailand have begun discussions on a project to establish industrial zones as part of an economic cooperation strategy agreed at a four-nation summit in Bagan last November. The deputy director general of the Directorate of Industrial Supervision and Inspection Department under the Ministry of Industry (1), U L. Zaw Shan, told Myanmar Times last week that work on developing the three zones would begin soon and take up to two years to be completed.

One of the zones would be developed in a 950 acre area around the Kayin State border town of Myawaddy, U L. Zaw Shan said. The others would be developed on 980 acres near the Kayin State town of Hpa-an, about 100 miles (166 kilometres) from the border and on a 680 acre site near Mawlamyine. The department is cooperating with the Industrial Estate Authority of Thailand in the project, he said.

The project forms part of a wide-ranging strategic cooperation program agreed by Myanmar, Thailand, Laos and Cambodia at the Bagan summit. Known as the Ayayar-waddy-Chao Phraya-Me-khong Economic Cooperation Strategy, it provides for cooperation in five strategic areas, including agriculture and industry. The other sectors are trade and investment, transport links, tourism cooperation and human resources development.

U L Zaw Shan said a delegation from the Industrial Estate Authority of Thailand will visit Myanmar soon to discuss details for developing the industrial zones. U L. Zaw Shan was one of seven members of a delegation led by the Minister for Industry (1), U Aung Thuang, which had travelled to Bangkok on May 3 at the invitation of Thailand's Industry Minister, Mr Phinij Jaru-sombat, to promote investment opportunities in the zones. The delegation had also explained the assistance that the Myanmar government would provide to Thai investors.

As well as holding talks with Mr Phinij, the delegation discussed the project with officials from the Industrial Estate Authority of Thailand, the Thai Board of Investment, and the Federation of Thai Industries, as well as more than 60 Thai entrepreneurs, U L. Zaw Shan said. U L. Zaw Shan said the government planned to establish two hydro-power

facilities to supply electricity to the zones. One was near Hpa-an and the other was about 55 kilometres (35 miles) from Myeik. U L. Zaw Shan said Thai investors were interested in establishing operations in the zones to make products for the Chinese and Indian markets. He said that as well as transferring technology to Myanmar, the zones would also create employment opportunities.

AGRI-MECHANIZATION, INDUSTRIAL, ENERGY SECTORS DESIGNATED FOR PRIORITY

Yangon: New Light of Myanmar: 29 May, 2004 ([Content](#))

The coordination meeting No 2/2004 of the Industrial Development Committee was held at the training hall of the Ministry of Industry-1 on Kaba Aye Pagoda Road here this afternoon, with an address by Chairman of the Industrial Development Committee Secretary-1 of the State Peace and Development Council Lt-Gen Soe Win. Present at the meeting were committee members ministers, the Yangon mayor, chairmen of the work committee and subcommittees, deputy ministers, departmental heads, officials of the State Peace and Development Council Office, chairmen of industrial zone supervisory committees chairmen of district Peace and Development Councils and officials.

Secretary-1 Lt-Gen Soe Win said that the meeting will discuss in detail effective development of industrial zones, progress in the production of farm machinery and auto production. The Head of State has already laid down five guidelines for industrial development. Later, the industrial sector of the nation started to develop in accord with the policy and aim. The number of industrial zones have reached 19 at present. The agricultural, industrial and energy sectors have been regarded as the priority sectors. And duties have been assigned to respective officials for rapid development of the industrial sector in 2004-2005. Thus, efforts are required for industrial development. Although the annual growth of the industrial sector is high, its contribution to the gross domestic product is only 13 per cent. According to the aim of the current third five-year plan, its contribution will increase to 20 per cent. Thus harmonious efforts between the State and the private sectors are needed. With the assistance provided by the Government, building of the advanced steel mills in Mandalay, Monywa and Ayethaya industrial zones will be completed this year. The steel mills will help improve the quality of the products of the industrial zones. The zones will also produce a large number of machinery including power-tillers, winnowers and pumps.

Priority will be given to manufacturing of farm machinery. As most of the industries at the industrial zones are small and medium ones, collective provision of technology and capital is also required. All will have to render assistance for the development of farm machinery production, setting of basic industries and assembling of cars. The task to produce skilled labour and technicians is connected with the institutions of higher learning. Thus there should be mutual and practical connection between industries and institutions of higher learning. Only then can long-term development of the industries be ensured. Thus, discussions should be centred on wider development of mechanized farming system and rapid development of industrial zones.

Next, Secretary of Industrial Development Committee Chairman of Myanma Industrial Development Committee Minister for Industry-1 U Aung Thaung made clarification, saying that efforts are being made with added momentum for industrial development, adding we are all responsible to make relentless efforts for industrial development as the 2004-2005 is designated as the year for industrial development. In accord with the objectives laid down by the Head of State committees for industrial development at different levels have been formed to supervise and implement tasks for development of industrial sector and ministers and deputy ministers are serving as those in charge for development of industrial zones. The government has been placing emphasis on development of farm equipment beginning 1995 and it is required to widely use farm equipment as sown acreage has been on the increase. Accordingly, more investment is required for producing farm equipment. Myanma Industrial Development Bank disbursed loans by over 61 per cent to the industries for development of industrial sector. Therefore, officials of committees for development of industrial sector at different levels, officials of industrial zone supervisory committees and industrial zone management committees and industrialists are to make integrated and well-coordinated efforts.

Next, Chairman of Myanma Industrial Development Committee Minister for Industry-2 Maj-Gen Saw Lwin reported on kinds and number of automobiles produced by the industrial zones and systematic testing of the vehicles and requirement for construction of workshops in No 3 Industrial Zone.

Afterwards, Secretary of MIDC Deputy Minister for Industry-1 Brig-Gen Kyaw Win reported on buses and trucks produced at the industrial zones.

Next, Joint Secretary of MIDC Deputy Minister for Industry-2 Lt-Col Khin Maung Kyaw reported on orders placed for purchase of machines for construction of mechanical workshops in Mandalay Industrial Zone, Ayethaya Industrial Zone and Monywa Industrial Zone, courses conducted for producing skilled service personnel and skilled workers and production of farm equipment. Next, those in charge of the industrial zones Minister for Agriculture and Irrigation Maj-Gen Nyunt Tin, Minister for Energy Brig-Gen Lun Thi, Minister for Transport Maj-Gen Hla Myint Swe and Minister for Commerce Brig-Gen Pyi Sone reported on work being carried out for development of the industrial zones.

After that, the chairmen and secretaries of the respective committees reported on work being carried out sub-committee wise. The chairman and those in charge of Mandalay Industrial Zone, Myingyan Industrial Zone and Monywa Industrial Zone reported on investment of the zones, mills and factories constructed, production of personal goods and household utensils including various kinds of automobiles and farm equipment.

Next, Minister for Science and Technology U Thaug reported on better mutual link between the government technical colleges/institutes and industrial zones and Minister for National Planning and Economic Development U Soe Tha on proposition of farm equipment used in the agricultural sector. The meeting ended with the concluding remarks by Chairman of Industrial Development Committee Secretary-1 of the State Peace and Development Council Lt-Gen Soe Win.

PRODUCTION OF BUSES AND TRUCKS TO BE STEPPED UP (Content)

Yangon: New Light of Myanmar: 04-01-04

Chairman of the Industrial Development Committee Secretary-1 of the State Peace and Development Council Lt-Gen Soe Win held a meeting with industrialists from 18 industrial zones at the training hall of the Ministry of Industry-1 on Kaba Aye Pagoda Road here this morning. Also present were Industrial Development Committee Secretary Myanmar Industrial Development Committee Chairman Minister for Industry-1 U Aung Thaug, Myanmar Industrial Development Work Committee Chairman Minister for Industry-2 Maj-Gen Saw Lwin, ministers in charge of respective industrial zones, the mayor of Yangon, deputy ministers, officials, departmental heads and others.

Chairman of the Work Committee for Making Tours of Factories and Holding Workshops Deputy Minister for Industry-1 Brig-Gen Kyaw Win reported on arrangements systematically made for the tours and requirements for assembling of buses and trucks; Chairman of Subcommittee for Conducting the Industrialists round the Factories Deputy Minister for Industry-2 Lt-Col Khin Maung Kyaw, the tours and plans for drawing designs of buses and trucks; Chairman of Subcommittee for Holding Workshops Deputy Minister for Science and Technology Dr Chan Nyein, on progress in holding workshops, 27 kinds of machines asked by industrialists for enhancing the quality of the products, and needs. Representatives from Shwepyitha, Mandalay, South Dagon and Pyay industrial zones presented benefits gained from the tours and further cooperation of the industrial zones and for manufacturing buses and trucks. Minister U Aung Thaug and Minister Maj-Gen Saw Lwin gave supplementary reports.

In response to the reports, the Secretary-1 said that the tours and workshops will contribute towards development of private industrial zones. The Government is giving encouragement as well as instructions enthusiastically for accelerating the development of private industrial zones, he added. The industrialists, on their part, are thus to ardently make concerted efforts in response to the goodwill and encouragement of the Government. Most of the basic infrastructures have been constructed for building up a modern nation and so it is the opportune time to place greater emphasis on speedy development of the industrial sector. It is incumbent on the industrialists with vast knowledge of production of agricultural implements and assembling automobiles to cooperate with each other to further accelerate the private industrial sector.

The private sector plays an enormous role in the economy of the State as well as in the industrial sector. If the industrialists actively take innovative measures based on the encouragement and directives of the Government, the State's industrial sector will surely make substantial progress. The government staff at all levels are to be correctly convinced of the private economic sector and to render assistance to the private sector which can facilitate the development of the State's economy. Based on the workshops, the State-owned industries and private industrial zones are to make combined endeavours for the development of the State's industrial sector especially for ensuring speedy development of the industrial sector in 2004. The Secretary-1 gave instructions on assembling buses and trucks, installation of modern machines including CNC and DRO machines, and production of machines based on their skills.

The industrialists made tours of the factories under the Ministry of Defence, Ministry of Industry-2, Ministry of Agriculture and Irrigation, Ministry of Industry-1 and Ministry of Transport from 26 to 31 December. They ardently made discussions on the workshops held in Kyaikkasan Ground on 31 December, and 1 and 2 January, at which 19 papers had been submitted. The Secretary-1 cordially met with the industrialists at the workshop held on 31 December and gave necessary instructions.

The Government has designated 2004-2005 as the year in which more effective measures will begin to be taken and is providing necessary assistance for elevating the industrial sector.

POWER TILLER FACTORY, FOUNDRY, BALL BEARING PLANT OPEN IN INDAGAW (Content)

Bago: New Light of Myanmar: 31-12-03

The opening ceremonies of the power tiller engine factory, foundry plant and ball bearing plant of the Ministry of Industry-2 were held in Indagaw Industrial Zone in Bago Township this morning, attended by Chairman of Industrial Development Committee Secretary-1 of the State Peace and Development Council Lt-Gen Soe Win. At the radiator plant, Minister of Industry-2 Maj-Gen Saw Lwin reported on construction of farm machinery factories, vehicular machinery factories, aluminium conductor steel reinforced cable factory and ball bearing plants, installation of machines, production of parts, future projects, strength of personnel and measures taken for greening of the industrial zone.

The Secretary-1 said the ministry's opening of advanced industries has given extra impetus to the nation's industrial sector development. The Government has been giving priority not only to development of the State-owned sector, but also the private sector. Under a special programme of the State, the industrialists are systematically studying the State-owned industries at present. After the end of the programme, workshops will follow to find means to further develop the industrial sector, and to extend cooperation between the State-owned sector and the industrial zones, based on common interest, hoping to achieve meaningful results.

In addition to the efforts of the ministers and the deputy ministers, who are the heads of the respective industrial zones, for zone-wise development, the committees at different levels of the zones concerned will have to make harmonious and greater efforts to contribute towards the progress of the industrial sector. As the key player in building an industrialized nation, the Ministry of Industry-2 has the duty to lead the private industrial sector development drive. The Government now has already built the necessary infrastructures in all sectors almost to the full, and the industrial sector needs rapid development. Officials as well as industrialists will have to make collective and energetic efforts, while keeping in mind the conviction that 2004-2005 is the period during which the industrial sector sees development in leaps and bounds.

Next, the Secretary-1 formally unveiled the inscriptions of power tiller engine factory, foundry plant and ball bearing plant. Director-General of Directorate of Myanma Industrial Planning U Khin Maung and Resident Representative of China National Complete Plant Export and Import Corporation Group (COMPLANT) Mr Liu Xiao Nan formally opened the plants. The Secretary-1 and party inspected the samples of power tiller engines and spare parts, Eya-1 power tillers and mini-tractors. They also inspected production of spare parts, functions of machining centre room and engine assembly line. The Secretary-1 and party inspected test run of the power tiller engines. They inspected functions of the heat treatment shop. The power tiller engine factory will manufacture 3,000 18 hp power tiller engines and power tillers each year.

The opening ceremony of the foundry plant was held in front of the plant. Managing Director of Myanmar Automobile and Diesel Engine Industries U Soe Thein and Vice-President of Angelique International Ltd Mr M.P Gupta formally opened the plant. The Secretary-1 formally unveiled the signboard of the plant. Similarly, Managing Director U Soe Thein and Vice-President Mr M.P Gupta formally opened the ball bearing plant.

The Secretary-1 and party inspected construction of aluminium conductor steel reinforced cable factory and installation of machines. Factories and plants are being constructed in 400-acre Indakaw Industrial Zone established by the Ministry of Industry-2.

NEW INDUSTRIAL ZONE IN SHWEPYITHA OFFERS WATER TRANSPORTATION (Content)

Yangon: Moe Zaw Myint: Myanmar Times: 22-12-03

The Department of Human Settlement and Housing Development is developing a new industrial zone in Yangon's Shwe Pyithar Township, a department spokesman said last week. "We are clearing the land and developing the plots at the new zone – Than Din City of Industry," said U Myint Swe, deputy director of the department under the Ministry of Construction. The development is beside the Hlaing River, about 15 miles from downtown Yangon.

U Myint Swe said the industrial city was approved because of high demand for industrial areas in Yangon. "Most of the industrial zones have no vacant plots and almost all have been bought by manufacturers and business people. I believe there are many potential buyers wanting to establish or extend their businesses," he said. The new industrial zone has 334 plots on 1068 acres.

U Myint Swe said the zone was established near to Than Din village because labourers are available there. He said the development's location will also offer transportation advantages to manufacturers, industrialists and business people trading in upper Myanmar, Ayeyarwaddy Division or overseas. "I think most of the buyers will be those looking to use river transportation on a reasonably priced industrial site – some privately owned industrial zones similar to Than Din City of Industry are higher in price," said U Myint Swe. "Construction has begun and we've already started selling the plots to help finance development."

Basic infrastructure in the new zone will include concrete roads, electricity, drainage systems and administration offices. U Myint Swe said the department would sell to those intending to build a factory within six months. "We opened sales last month for K12 million an acre and have sold 10 acres already," he said of the development, where most of the plots are 1.5 acres. Than Din City of Industry will become the 20th industrial zone in Yangon.

MANDALAY EMERGES AS A MAJOR CENTRE FOR INDUSTRY GROWTH (Content)

Mandalay: Win Kyaw Oo: Myanmar Times: 20-10-03

Mandalay has emerged as a major industrial centre with the number of industries in the city increasing by 100 per cent during the last 12 years, says U Maung Soe, the chairman of the Mandalay Industrial Development Co. Ltd. During the same period the value of industrial developments in Mandalay has grown ten fold to US\$2.25 million, said U Maung Soe, a leading member of Mandalay's business community. He said the figures underlined the historic second city's growing importance as a major centre for industry, as well as trade and investment.

The Mandalay industrial zone is one of the largest of Myanmar's 18 industrial zones in terms of the number of industries, with more than 1300 industries employing about 12,000 workers. Factories in the zone make a range of goods including foodstuffs, apparel and garments, electrical products, vehicles and vehicle spare parts, and building materials. The machinery capacity of the Mandalay industrial zone totals 31,428 horse-power.

The Mandalay industrial zone, which comprises two blocks covering a total of 947 acres, has been earmarked for expansion. A large block is under development and more blocks will also be made available for development in the near future, said U Maung Soe. The developments are expected to result in an increase of up to 400 per cent in the number of industries in the city, he said.

Some new industries are being established in Mandalay, some are relocating from other parts of the country, and others are small-scale enterprises and cottage industries that will relocate from residential areas of the city. There are about 2500 industries of various sizes in residential areas, most of which are involved in making noodles and vermicelli, edible oils, and drinking water. Most will be required to relocate to the industrial zone, but exemptions will be granted to cottage industries using up to three horse-power.

Most of the new industries moving to the industrial zone are wood-based, such as those making furniture and basic building materials such as parquet flooring, and door and window frames. The new industrial zone being developed in the city covers 100 acres and is sandwiched between the two existing zones. There will be about 600 industries in the new block. "About ten per cent of the industries in the new block have been completed," said U Maung Soe. "All building work in the new block is scheduled for completion by 2007," he said.

In the past industries were able to lease land for a minimum of 20 years and up to 40 years. Lessees pay fees to the government to cover basic infrastructure such as access roads and drainage. For example, the fee for 40 feet by 60 feet plot is K240, 000, but until recently there was no obligation to develop the land quickly. Last year new rules were introduced and lessees were notified they have until the end of 2004 to complete all planned projects, including those in the new block. If lessees fail to comply, the land will be reclaimed and there will be no compensation, said U Maung Soe.

The Mandalay Industrial Development Co. Ltd is planning a new land lease scheme, under which future industrial land lessees will have two years to build their factories, after which the leasing permits will be granted. "Those who fail to complete the development of the factories in line with the conditions of the scheme will not be given permits and their land will be reclaimed regardless of the stage of construction or development," U Maung Soe said. The new scheme will take effect next year and will be legally binding on new comers as well as established industries that are expanding their business.

U Maung Soe acknowledged that there are some challenges confronting the existing industrial zones which need to be resolved. One problem in the first block to be established is that some industries are cramped into inefficient small spaces because in the early 1990s industries were able to lease 40 feet by 60 feet plots regardless of the size of the business. "The result is that some industries in Block 1 are facing major difficulties due to the insufficient size of their work space," said U Maung Soe. But plot size is not so much of a problem in Block 2 because industrialists were allowed to acquire land based on the size of their industry.

Other challenges affecting the zones concern the power supply and to a lesser extent, the availability of cheap labour. Compared to the smaller industrial zone 30 miles away at Sagaing, Mandalay is less competitive in terms of power supply and labour supply. However, Mandalay has more technologically advanced industries, such as those in the vehicle sector. Electricity is supplied to blocks one and two on an alternate basis every eight hours. Power failures also interfere with production. However, the electricity supply situation is expected to improve when two large hydro-power plants being developed in the region go on stream. The combined output of both plants will be about 1000 megawatts. Telecommunications facilities to the region are also being improved.

SALES EXCEED EXPECTATION AS NEW INDUSTRIAL ZONES OPENED IN YANGON (Content)

Yangon: Moe Zaw Myint: Myanmar Times: 13-10-03

Four new industrial zones, which are being developed by the government in Yangon suburban areas, are going to be ready for the factories to operate in the end the year. Two industrial zones – Shwe Lin Pan Industrial Zone and City of Industrial Hlaing Tharyar Part 7 are in Hlaing Tharyar township, about 15 miles from downtown Yangon. The others are Shwe Pyi Thar Industrial Zone-4 in Shwe Pyi Thar township next to Hlaing Tharyar and expansion ward of Dagon East Industrial City in Dagon township, 11 miles from downtown Yangon.

"We started developing these zones last year and the plots will be ready when electricity supply is available at the end of the year," said U Myint Swe, deputy director of Department of Human Settlement and Housing Development, which develops the zones. U Myint Swe said the demand had been strong for these new zones due to the good location. "Now almost all the plots have been sold. The demand is so strong that all plots in Hlaing

Tharyar have been sold within a year and also 375 out of 423 plots have reached sales deals in Shwe Lin Pan Industrial Zone within a year,” he said.

The department has changed a sales system for the new zones. “In the previous zones, some people do not build factories and they just want to hold lands,” said U Myint Swe. “So this time, we do not sell to those who do not intend to build a factory (a building) within six months,” he said. The payment has to be made for 25 per cent of the value of plots when the contract is struck. After one month of the contract, the buyer has to finish building at least plinth level while paying another 25 per cent. “If the buyer does not carry on constructing within six months and if we find a new buyer, we will cancel the contract,” said U Myint Swe.

“All four zones are on the bank of rivers – three existed by Hlaing River and Dagon East Industrial City on Bago River,” he said. “So these zones offers transportation advantages to manufacturers, industrialists and businessmen interested in trading in upper Myanmar and Ayeyarwaddy division,” he said. Sites in the four zones are sold for the prices ranging from K12 million and K15 million for one acre. The plots vary from half acre to two acres. Basic infrastructure in the zones includes concrete roads, electricity, drainage systems and administration offices. For the bigger zones such as Shwe Lin Pan, the department provides middle schools and shop-houses.

The department has also been developing three new industrial zones – Shwe Than Lwin Industrial Zone, Anawyahta Industrial Zone and Thardukan Industrial Zone – for two years, jointly with private companies – Shwe Than Lwin, Wah Wah Win, High Rise and Tosta. He said the department had plans to expand the industrial zones and new zones in the future. Yangon has now a total of 19 industrial zones, including ones operated by private companies.

REGIONAL INDUSTRIALIZATION AND, DEVELOPMENT IN MYANMAR (Content)

Business Tank: September, 2003

Table.1
Regional Distribution of Private Industries

Region	Number (%)	Investment (%)	Output (%)
Kachin State	2.05	0.65	0.86
Kayah State	0.65	0.29	0.30
Kayin State	1.27	0.42	0.89
Chin State	1.04	0.13	0.14
Sagaing Division	10.49	6.12	8.65
Tanintharyi Division	2.19	1.43	0.43
Bago Division	12.04	9.87	11.15
Magway Division	5.24	1.99	2.73
Mandalay Division	21.74	25.73	15.67
Mon State	5.40	1.49	5.03
Rakhine State	2.83	1.57	2.32
Yangon Division	14.16	40.30	33.50
Shan State (North)	2.03	1.21	0.86
Shan State (South)	5.53	2.29	2.10
Ayeyarwady Division	14.34	6.51	15.34
Total	100	100	100

Overview

Myanmar’s manufacturing sector accounts for slightly 10 percent of GDP and approximately 9 percent of the country’s labor force. Manufactured goods have as yet not emerged as significant element in the country’s export performance (12% of total export). The principal manufacturing activities are related to the processing of natural, mostly agricultural resources and petroleum

refining with food and beverages production generating about 75 percent of total industrial output. Private industries, though significantly contributing, about 72 percent to industrial production, have in the past been confined to small-scale activities, with a heavy emphasis on agro-processing. The internal structure of the industrial structure has remained unchanged during the past two decades. Diversification into new areas has not taken place to a significant extent. The country is rich in natural resources with a highly literate population, which are obviously a good sign for industrial development prospects.

Measures taken

In terms of sectoral priorities, the Government's objective is to pursue a resource-based industrialization strategy aimed at increasing the domestic value-added derived from the processing of national resources in agriculture, fisheries, forestry and mining which are the mainstay of the country's GDP (accounted for 51 percent). It is in these areas where also the greatest export potential can be assumed to exist in the short to medium run.

A better structural integration of the industrial sector is called for between public and private industries, large-scale and small-scale industries and urban and rural industries to gain momentum in industrial production. Specifically sub-contracting potentials are explored and promoted within an overall strategy of building up small and medium supporting industries for larger enterprises leading to building up of an efficient network for the dynamism and resilience of the entire industrial sector.

The promotion of the transition and traditional agro-based small enterprise from servicing only the local market to servicing the national market and eventually even export markets is also important dimensions of measures taken. Rural industrialization is also an important dimension of industrial policy.

At the same time a thorough re-assessment is being carried out of the role of central and local authorities for planning and implementing regional industrial policies and programmes.

Identification of regional development potentials

Topographically, the country can be divided into seven major regions: the Northern Hills, the Western Hills, the Shan Plateau, the Central Belt, the lower Myanmar Delta, the Rakhine Coastal Region and the Tanintharyi Coastal Strip having their own identities and characteristics.

(a) Prevalence of different agro-ecological tracts has made it possible to grow a multitude of over 60 crops ranging from typical tropical ones to moderate temperate varieties which are cereals such as rice, wheat, maize, millet, beans and oil seeds, and industrial crops such as cotton, jute, rubber, coffee, sugar cane, tobacco, and species in the Central Belt, Lower Myanmar Delta, and Shan Plateau, Western Hills, Northern Hills and Rakhine Coastal Region;

(b) Tanintharyi Coastal Strips is rich in minerals such as tin and wolfram and marine resources having maximum sustainable yield (msy) of about 1.05 million metric tons per year as that of Rakhine Coastal Region;

(c) Northern Hills, the Western Hills and Rakhine Coastal Regions are forest clad mountainous regions where 8570 different plant species grown including 2300 tree species, 850 kinds of orchard, 87 varieties of bamboo and 32 different types of cane;

(d) The Central Belt, the Northern Hills and the Shan Plateau are also endowed with industrial minerals such as gypsum, limestone, beryllite, dolomite, bentonite, chromite, fireclay, fluoride granite, iron ore, coal, etc and precious stones such as ruby, sapphire, jade, etc;

(e) Reserves of crude oil and natural gas are found in the Central Belt, and Myanmar off-shore area; potential for further onshore exploration and development exists in Hukaung Basin (Northern part), Chindwin Basin (Western

and Northern Hills), Shwe-bo-Monywa Plain (Upper Myanmar), Salin Basin, Yoma Region, Pyay Embayment (Central Myanmar Basin), Ayeyarwady Delta Basin (Lower Myanmar Delta), Rakhine Coastal Plain, and the Sittoung Basin (Lower Myanmar Delta).

Taking those regional development potentials in view investment locations are considered in lieu of avoiding the emergence or aggravation of regional disparities: not falling behind in terms of income, technology and productivity levels. To cause avoidance of or reduction of the use of technology which cause environmental pollution is another important consideration in this respect towards cleaner production programme adopted by UNEP.

In the way quite a number of studies of the industrial development potential(s) in selected States and Divisions of the country have been underway and taken up by the own initiatives of local authorities or/and by the central authorities in the following manners:- (a) Analyze the resource base for and prospects and constraints of the industrial development in the specified region; (b) identify the most urgent requirements in terms of infrastructural facilities (Transport, water, energy, communication, etc); (c) identify in particular, the existing capabilities in small and cottage industries, and the type of support measures required to upgrade them with a view to promote industrial linkages; (d) prepare opportunity reports on potential new industries to be set up; (e) present an action programme for the region's future industrial development with special emphasis on environmental friendliness, human resource and skill requirement.

It is evident that the regional industrialization contributes to creating employment, improving the income distribution and reducing rural-urban migration and its unpalatable consequences for both the rural and urban economies of the country. The low level of industrialization highlights the importance of regional-based SMI's and the need to encourage domestic entrepreneurial activities for strengthening of regional economy.

It was found that private industrial development tended to concentrate on central areas of the country: like Mandalay Division 8006 in number (20.74%), Ayeyarwady Division 5535 in number (14.34%), Yangon Division 5466 in number (14.16%), Bago Division 4648 in number (12.04%) and Sagaing Division 4048 in number (10.49%). These Areas enable enterprises to reap the benefits of economics of scale, complementarities, efficient networking of industrial activities. Regional Distribution of various industries is shown in Table-1. The table 1 indicates that regional development potentials remain underutilized in Kachin State, Kayah State, Kayin State, Chin State, Tanintharyi Division, Rakhine State and Shan State because they have remained unrecognized or crucial infrastructure and other supporting services are not available.

It could be observed that private industries in Yangon are of a significant size (its large-scale establishments is 42.6 percent of total large scale unit of 2064) with a modern technology. Yangon has larger than that in any other areas of the country with average 23.58 employees, paid-in capital of Kyat 0.99 million and output of Kyat 2.312 million which covers a wide range of products. As a result, although Yangon Division accounts for only 14.16 percent of total number of factories in Myanmar, it accounts for 33.5 percent of total output and 40.3 percent of total investment (see Table 1).

Industrial Estate Development

Industrial development in the country faces such as well-known internal obstacles as inadequate infrastructure and communication, scarce and unreliable power supply and insufficient industrial services: Compounding the already precarious situation of development is a tendency for FDI flows to concentrate more than before on the most advanced developing countries. There is danger that developing countries may become further marginalized unless a

good pond is established to attract and protect the migrating birds: creating "Economic Sanctuary".

Table.2

The Number of industrial Enterprises Operation in Industrial Zones in Myanmar

ZONE	LOCATION	As of September 2002			
		Large	Medium	Small	Total
(a) Yangon East	Yangon Div				
South Dagon		116	324	106	546
Dagon Seikkan		22	2	-	24
North Okkalapa		19	22	32	73
Shwepaukkan		14	13	14	41
(b) Yangon North	Yangon Div				
Shwepyithar		82	32	16	130
Hlaingtharyar		189	6	4	199
Mingalardon		41	13	42	96
(c) Yangon West	Yangon Div	-	-	-	-
(d) Yangon South	Yangon Div	-	-	-	-
(e) Mandalay	Mandalay Div				
Mandalay (1)		99	49	582	730
Mandalay (2)		41	82	228	350
(f) Meikhtila	Mandalay Div	5	45	56	146
(g) Myingyan	Mandalay Div	8	84	93	185
(h) Monywa	Sagaing Div	20	95	322	437
(i) Yenangyaung	Magway Div	1	12	46	59
(j) Pakokku	Magway Div	7	67	70	144
(k) Bago	Bago Div	-	-	-	-
(l) Pyay	Bago Div	7	18	57	82
(m) Patheingyi	Ayeyarwady Div	16	37	218	271
(n) Myaungmya	Ayeyarwady Div	22	62	301	385
(o) Hinthada	Ayeyarwady Div	18	32	343	293
(p) Mawlamyine	Mon State	32	27	329	388
(q) Taunggyi	Shan State	6	25	463	494
(r) Myeik	Tanintharyi Div	7	-	-	7
		772	1047	3362	5181

A key feature of the development of manufacturing industries in the country is its industrial estates/zones. To meet strong infrastructural requirements, industrial zones have been established since 1995 and adding new zones. At present there are 18 industrial zones established at growth poles of the country. They all are general industrial zones (GIZs). Among them Hlaing Tha Yar Zones, 9 miles from Yangon, had the best infrastructure and most of industries are large-scale equipped with modern equipment and technology. Many are export oriented ones. As of September 2002, 5181 enterprises were operating in those zones. (Table 5). Although they are in a wide spectrum of industries, most of them were in such a low added-value sectors. By the criteria of scale used in the country, out of enterprises operating in industrial zones, 772 enterprises (14.9 percent) are classified as large enterprises, 1047 (20.2 percent) as medium-sized enterprises and the rest 3362 (64.9 percent) as small enterprise.

The Myanmar Industrial Development Committee (MIDC) which is the high level of inter-ministerial committee responsible for giving a greater impetus to the industrialization process, overseeing those 18 industrial zones through Industrial Zone Supervision Committees with the assistance of respective State and Division Peace and Development Councils. Those zone committee's are to implement plans and programmes laid down by MIDC and to carry out such tasks as they deem fit to develop the private industries in their respective zones.

Industrial zones have also been built by joint ventures between the Ministry of Construction and foreign companies. They are for foreign capital-affiliated companies and have good infrastructure. Japan's Mitsui & Co. Ltd has already built Mingalardon in the outskirts of Yangon. The construction of Thanlyin, a joint venture with a Singaporean interest, near the Thilawa port in Yangon and Hlaing-thar-yar (a joint venture with a Thai enterprise had been under appreciation.

Under the circumstances in Myanmar it is good to improve some aspect of investment environment step by step rather to improve every aspect in short time. Due consideration for time needed to implement supporting legal and business services be thought out which are to be competitive in globally.

Improving of the existing industrial zones to internationally competitive level are crucial and building more high quality Industrial Estates is envisaged in the first step.

PRIVATE INDUSTRIAL ESTATES IN YANGON AREA (Content)

Business Tank: September 2003

The Human Settlement and Housing Development Department (DHSHD) in co-operation with local private enterprises embarked on development of new industrial zones in order to create new job opportunities. Currently, there are a number of new projects which are being implemented by individual private enterprises. Among them are, 'Shwe Thanlwin industrial zone' which occupies 460 acres, 'Anawrahta industrial zone' which occupies 760 acres and 'Mya Sein Yaung industrial zone (Olympic Co Ltd) which occupies 60.239 acres respectively, all of which are situated in Hlaing Thar Yar Township on the opposite bank of Yangon.

At the same time, Thar Du Kan industrial zone project in Shwe Pyi Thar township is being implement by Tosta and High Rise Co, and also the Industrial zone 4 project implementation work is being established, it is learnt. In South Dagon, December industrial zone project (December Company) occupies 55.79 acres. Moreover, Mingalardon industrial zone occupies 220.66 acres and it is jointly implemented by Japan's Mitsui Company Ltd., and the government with the aim to construct seven factories. Than Lwin- Kyauktan industrial zone occupies 3039.33 acres and it is jointly implemented by the government and Singapore's Sinmadev International Pte-Ltd. It is learnt. Kyauktan industrial zone occupies 3039.33 acres and it is jointly implement by Singapore's Sinmadev International Pte-Ltd, and the government.

MYINGYAN INDUSTRIAL ZONE (Content)

Myingyan: Kunbalai: The New Light of Myanmar: 18 July, 2003

Out of the 18 industrial zones, Monywa, Mandalay, Pakokku, Meiktila and Taunggyi industrial zones are able to assemble automobiles. Like these zones, Myingyan Industrial Zone has the capacity to manufacture automobiles. Therefore, facts about Myingyan Industrial Zones are compiled and presented for the enthusiasts.

Myingyan Industrial Zone is located in the southern part of Myingyan municipal area east of Myingyan-Meiktila motor road, south of Thazi-Myingyan railroad and west of Sunlun Creek. Firstly, measures were taken for ensuring water and electricity supply that was essential for the zone. There are 1134 workers in 275 workshops and factories of the zone. The workshops are one textile and garment factory, 16 engineering workshops, 10 tin workshops, 87 foodstuff factories such as purified drinking water factory, ice factory, oil mill, flour mill and rice mill, one printing house, one timber and ceramic ware factory and four weaving machines and the rest 145 are lathe, welding, crushing, dynamo, battery, pump, wiring, plastic, thanaka, and automobile workshops.

One telephone was installed for the industrialists in the zone for the time being. Shops and restaurants were built and sold on instalment, at a price of K 350,000.

In edible oil production, four entrepreneurs are engaged in large-scale production, ten in medium and 58 in small-scale production. An oil mill in heavy production has a capacity to produce 3.59 tons of edible oil (10 barrels) a day

and the small ones a capacity to produce 0.716 tons (four barrels) a day. They produce groundnut, sesame and cotton oil daily and thereby contributing to edible oil sufficiency.

In the sector of farm implements production, entrepreneurs of lathe and welding workshops manufacture four-inch pipes, two-inch pumps and two-inch compressors and sell them at a price of K 30,000, K 17,000 and K 20,000 respectively. The workshops also manufacture grinders for rice and maize. The entrepreneurs are also manufacturing oil-press in various sizes ordered by customers.

The glory of Myingyan Industrial Zone is the assembling of Myay Latt jeeps. Design for the left-hand drive jeep with Truro engine/4WD and flat bonnet is transformed from the type of Mazda jeep. The front part of the jeep is four feet, the body, 8 feet with 5.5 feet in width. The assembling line is built on plot Nos 9, 10 and 11 with 300 feet in length and 100 feet in width. Myay Latt jeeps will be on the run throughout the country in the near future.

For the development of Myingyan Industrial Zone, two experts from the zone attended the Second UNIDOTQM meeting on industrial development. Moreover, 70 students from technological college made their field study tour of Myingyan Industrial Zone from 4 December 2000 to 3 March 2001 and another 28 students from 1 April to 30 June 2001.

To catch up with the development of other industrial zones, industrialists of Myingyan Industrial Zones are needed to follow the guidance given by Head of State Senior General Than Shwe at the Myanmar Industrial Exhibition-2003 held at Hsinpyukan Grounds in Mandalay. The Senior General said that measures are to be taken for ensuring upgrading of the factories to modern equipment-installed level from forge level, then to highly mechanized factories and to factories that are computerized. In so doing, Myingyan Industrial Zone will become the one which can realize the aims of Myanmar Industrial Development Committee.

MYANMAR INDUSTRIAL EXHIBITION 2003 OPENS IN MANDALAY (Content)

Mandalay: Myanmar Information Committee: Info Sheet C- 2569 (I) 21, March, 2003

The Myanmar Industrial Exhibition 2003 was opened on a grand scale at the Sinbyukan Grounds in Mandalay on 19 March, with an opening address by Industrial Development Committee Chairman State Peace and Development Council Secretary-2 Lt-Gen Soe Win. The Secretary-2 pointed out the fact that it is a national level exhibition in which ministries, industrial zones and private industrialists open booths representing all the sectors of the State including the economic and social sectors in addition to the industrial sector. From October 2002 to January 2003; industrial development seminars were held for 21 times -- 13 in Yangon and eight at the industrial zones. Programmes are under way to hold research paper reading sessions and meetings during the exhibition.

Myanmar Industrial Development Committee was founded in 1995. There are nearly 40,000 private industries scattering in the whole nation. These industries have been regrouped into industrial zones at the suitable places in the states and divisions, and there are now 18 industrial zones all over the country. Over 5,600 private industries are running successfully at the zones. The Myanmar Industrial Development Bank (MIDB) was also set up to provide loans to the industrialists at low interest rates. The MIDB was also set up to provide loans to the industrialists at low interest rates. Industrial courses have been conducted, and the private entrepreneurs are encouraged to visit the State-owned industries and abroad to study the advanced techniques. The Upper Myanmar Industrial Exhibition was also held in Mandalay on 4 January 1996 and the Lower Myanmar Industrial Exhibition in Bago in March 1996. The Myanmar Industrial Expo-96 was held in Yangon from 24 May 1996 to 2 June 1996, at which entrepreneurs including those from abroad opened over 280 booths. Technology Myanmar Expo-97 was held in Yangon in 1997.

Because of the establishment of the zones and encouragement given to them, the private industries have reached the stage of using machinery from the level of blacksmiths. The agricultural sector is entering the mechanized farming on an extensive scale from the conventional method. The industrial sector saw about 9.0 percent annual average growths in the first four-year short-term national economic plan. In the second five-year short-term plan, it achieved 10.7 per cent increase in the annual average output. The figure was about 15 per cent in fiscal 2001-2002 of the third five-year plan and 18 per cent up to December in fiscal 2002-2003. The industrial sector is the second largest contributor to the nation's production sector after the agricultural sector.

Chairman of the Leading Committee for Holding Myanmar Industrial Exhibition 2003 Minister for Industry-1 also explained arrangements made for holding the exhibition. The 30-year project had been drawn and was under implementation for development of Myanmar's industrial sector. In this process aims had been drawn and designated for building up an industrial nation. Minister stressed that if Myanmar industrialists carried out innovative tasks with might and main, the 30-year project could be successfully implemented. Technologies on production of automobiles had improved more and more. It was heartening to see that the industrial zones could produce pickup, light trucks, dump trucks, farm trucks, double cab wagons and jeeps. The government sold altogether 553 engines, 260 engines with accessories, and 16,193 accessories to the industrial zones at reasonable prices.

Furthermore, the Government had sold 1,388 tons of iron, 17,750 viss of bronze and metal, 544 tons of iron, engines and electrical devices, 94.818 tons of copper, 5,000.89 kilo of tin, 260 tons of cast iron, 170.85 tons of graphite powder, 100 tons of limestone, cement and salt to the industrial zones. Myanma Industrial Development Bank lent K 2.84 billion to 562 industrialists up to 31 January 2003. Respective committees and nine subcommittees formed to ensure industrial development were disseminating technologies and methods to industrial zones and industrialists, exhorting them for development of private industrial sector and rendering assistance for the development of human resources.

Altogether 14 kinds of industrial products are being displayed at 86 booths of 21 ministries, 182 of 18 industrial zones and 44 of industrialists. Seminar on industrial development will be held at the exhibition and 34 papers will be presented at the seminar. The exhibition will go on till 25 March.

GENERAL THAN SHWE ON INDUSTRIZATION OF MYANMAR (Content)

The New light of Myanmar: 29 December, 2002

During his trip to upper Myanmar, Head of State Senior General Than Shwe visited Pakokku, Monywa and Mandalay industrial zones, and looked into the requirements of the entrepreneurs, with the aim of giving extra impetus to the drive towards strengthening, modernizing and developing the private industries. It has now been ten years since the private industrial zones were set up in the whole nation to nurture and develop the private industries from blacksmith level to modern ones and to pave the way for the cottage industries to become medium-scale industries and then to reach the level of heavy industries.

The Head of State has visited the industrial zones frequently, and laid down the policies for progress of the nation's industrial sector. On 2 August 1999, he met with industrialists and explained the goodwill and attitude of the State, saying, "I see the national entrepreneurs as the foundation for the nation to stand on her own feet. Firmness and development of industries, agro-businesses and trade run by the national entrepreneurs will lead to cementing the national economic foundation."

During the recent inspection tour, he visited Pakokku Industrial Zone, that is gathering strength to achieve progress. Concerning the task to produce marketable goods, he said, "The zone will achieve progress only if it produces goods that are necessary for the nation and that are marketable. Entrepreneurs should not be satisfied only with Pakokku market, but must try to penetrate the national market also."

At Monywa Industrial Zone that is gaining momentum in its development drive, he gave guidance and encouragement to the entrepreneurs to manufacture not only the existing products, but also the new items to meet the international level. In this regard, he said, "The industrial zone should not be complacent with its conventional products. The entrepreneurs will have to apply innovative means to always improve the quality of the products. No country in this world is standing still, but always trying to achieve more and more progress. Moreover, efforts will have to be made to produce new types of products. The conventional manufacturing machines will have to be gradually substituted with advanced ones including auto-run machinery and computer-controlled machines to produce goods of international level. Only then will the Myanmar industries meet the international level, winning sub-contracts from abroad, and becoming export-oriented enterprises."

During inspection of Mandalay Industrial Zone, which is also gaining momentum, the Senior General said, 'The State and the private sectors required to collectively strive for industrial development and emergence of an industrialized nation. We will have to modernize our industries to be on a par with other nations. The automated machines and Computerized Numerical Control (CNC) machines will be substituted for the conventional machinery. Only then, will our industries apply the advanced methods in manufacturing goods that meet the international standard, and become export-oriented enterprises. Market research is a requirement to know the products that are necessary for the nation. In addition to the farm machinery, the industries will have to produce essential machines for the public. The industrialists will have to cooperate with the State as well as among themselves to acquire advanced techniques and capital.'

The farsighted guidance made by the Senior General indicates the national requirement, and the need to set up world-class industries. During his inspection of the State-owned industries, the Head of State concentrated his guidance on standardization, import substitution and market penetration. The objective of the Head of State is to strengthen the nation's industrial sector before turning to national industrialization. The country will become a modern and developed nation only through national industrialization drive. As the know-how and experience of the private sector are much important in the national industrialization drive, the sector's development has become a requisite. Thus, encouragement has been given through both means theoretical and practical methods to develop the 18 industrial zones.

SWIFT EXPANSION IN HLAINGTHAYA INDUSTRIAL CITY (Content)

Moe Zaw Myint and Jasmin Saw in Myanmar Times: 23-12-02

The biggest industrial zone in Yangon, Hlaing Tharyar Industrial City has seen a rapid expansion in the number of factories established this year, according to a senior industrialist from the City. Seventy new factories began production in the City in 2002, said U Myat Thin Aung, president of Hlaing Tharyar Industrial City Management Committee. "Now we have 366 factories, up from 296 factories last year," said U Myat Thin Aung, who is also chairman of Aung Aung Company Group. "All the new factories are owned by local entrepreneurs and most of them produce import-substitutes such as foodstuffs and plastics," he said.

Employing more than 40,000 workers, Hlaing Tharyar Industrial City is the largest of nine industrial zones in Yangon. "This is because of government's incentives to promote growth within the industrial zones," said U Myat Thin Aung. "For example, commercial tax for manufactured goods in the zones has been reduced by 20 per cent since 1999," he said.

But U Myat Thin Aung said the commercial tax was only reduced for a limited period from 1999 to October 2002 and now the tax is 10 per cent to 20 per cent for local products. He also said import-substitute products should get preferential treatment over imports. "If we import plastic products, the commercial tax is only one per cent, but the industrialists here have to pay 10 per cent for their value-added plastic products, which is also the case with steel, electric wire and corrugated iron," he said. Hlaing Tharyar Industrial City Management Committee also submitted a proposal to the government to promulgate an industrial zone law which would help make procedures between industrialists and the government departments effective and convenient.

"And the government has also improved water supply in our zone and provides a dependable power supply for us," he said. Hlaing Tharyar Industrial City used to use underground water from artesian wells which was not suitable for producing foodstuffs. Now the City is linked to the Phugyi water pipeline. "Also our City has become more active since the government began providing fuel oil at a special rate of K650 a gallon and reliable electricity to operating factories."

He also said import-substitute products should get preferential treatment over imports. "If we import plastic products, the commercial tax is only one per cent, but the industrialists here have to pay 10 per cent for their value-added plastic products, which is also the case with steel, electric wire and corrugated iron," he said.

Hlaing Tharyar Industrial City Management Committee also submitted a proposal to the government to promulgate an industrial zone law which would help make procedures between industrialists and the government departments effective and convenient.

At the same time, another leading industrialist has welcomed the seminars on industrial development in all 18 industrial zones in Myanmar, organised by Myama Industrial Development Committee headed by the government. "These seminars held weekly since October have shown the local industrialists ways to enhance their current technology and industrial know-how," said U Khin Sein, the president of Shwe Pyi Thar Industrial City Management Committee. He said some factories could only operate for a few hours a day due to limited power supply, whereas now they had electricity from 7am to 5pm. "As the operating time is now longer, production has also increased by about 50 per cent," said U Khin Sein, adding that there were more employment opportunities for workers.

Shwe Pyi Thar Industrial City has 152 factories, most of which manufacture garments, foodstuffs and wood products. "Now if the manufacturers need imported raw materials, they must balance that with export earnings. Previously, manufacturers established business arrangements with an exporter to import their raw materials," he said. "On the other hand, if we buy imported raw materials from the local market, the price is higher than when we were importing directly from our overseas sources," he added.

IMPORT-SUBSTITUTE FACTORIES SET UP IN KYAUKSE (Content)

Kyaukse: New Light of Myanmar: 06-09-02

Vice-Chairman of the State Peace and Development Council General Maung Aye ... and party went to Hsinmin Cement Plant Construction Project site, eight miles east of Kyaukse, where they were welcomed by Commander of No 99 LID Col Aung Khin Soe, Director of the Myanmar Economic Holdings Ltd Col Aung San, Chairman of Kyaukse District Peace and Development Council Lt-Col Aung Kyi Shein, Project Director Lt-Col Shwe Moe and officials. At the briefing hall, Maj-Gen Tin Aye reported to General Maung Aye on points of the project, saying that the project being implemented by Union of Myanmar Economic Holdings Limited is located near Nwalekauk limestone hill, eight miles east of Kyaukse. Of the two cement plants covered by the project, the No 1 plant will produce 400 tons of cement daily through wet process. Test run will begin in the coming October. The No 2 plant will produce 700 tons of cement daily through dry process. Efforts are being made for completion of the plant in December this year. He also explained raw material requirements, water and power supply, staff training programmes and greening of the compounds of the plants. General Maung Aye spoke of the need to strive for completion of the factories in accord with the schedule and taking environmental conservation and cleaning measures. The General and party then inspected samples of the raw materials and progress in building the No 1 plant.

On arrival at Kyaukse Cement Plant Project of the Ministry of Industry-1, the General and party were welcomed by Deputy Minister Brig-Gen Thein Tun and officials. Minister for Industry-1 U Aung Thaung briefed the General and party on points of the ministry's project to build factories in Kyaukse Industrial Zone, saying that the aims of the project are to fulfill local requirements, to produce import-substitute goods, to create job opportunities and to produce new kinds of quality finished goods. He said out of the industries covered by the project, three factories were commissioned into service on 11 April 2002. The first one is the candy factory which is producing various kinds of soft candies. A chocolate factory will also be built. The second one is a slipper factory which is producing 2,400 various kinds of slippers daily. The third one is a bicycle factory, producing Maung Bamar brand bicycles including the 28-inch bicycles for man, 26-inch bicycles for woman and 28-inch bicycles to carry loads. The project also covers other six industries under construction a cement factory, a fire-brick factory, a plastic factory, a sewing machine factory, a vest factory and a blanket factory. The cement factory will produce 500 tons of cement daily through dry process. It is under test run at present. The ministry plans to build an enamelware factory, a household items factory, a cosmetics factory and a grinding ball factory.

General Maung Aye said the industries under construction at present are import-substitute industries. Efforts should be made to produce quality products to ensure consumer satisfaction. Systematic supervision will have to be made to prevent waste of materials and labour and reduce production cost to the most possible degree. Afterwards,

General Maung Aye and party inspected progress of construction of the cement plant of the Ministry of Industry-1. They then proceeded to the sewing machine factory and looked into samples of machine parts to be produced in the forging workshop, and production process at the respective sections of the factory. Next, General Maung Aye and party inspected production of sewing machines at the workshop (2). They also saw over the paint spraying section and the finishing section.

AYETHAYA INDUSTRIAL ZONE IN TAUNGGYI [\(Content\)](#)

Taunggyi: New Light of Myanmar: 17-10-02

Vice-Senior General Maung Aye and party met with entrepreneurs of Ayethaya Industrial Zone in Taunggyi Township yesterday morning. Minister Brig-Gen Lun Thi reported to the Vice-Senior General on points of the zones, saying that chairman of the Central Committee for Industrial Development Vice-Senior General Maung Aye gave instructions to officials during his visit to the zone in May this year. The Industrial Zone Supervisory Committee and the industrialists are collectively striving work in accord with the instructions. The zone has projected to produce 50 12-hp power-tillers in the current fiscal year, and has almost completed assembling 30 power-tillers. It has also assembled 94 Shan State Jeeps against the target of 100. In accord with the instruction given by the Vice-Senior General to produce Double Cab Shan State Jeep cars, the industrialists are making efforts and now a double cab Jeep car has been successfully produced and assistance is being closely rendered for development of the industrial zone.

Then, Secretary of the Supervisory Committee for Development of the Industrial Zone Director of Shan State Industrial Coordination and Inspection Department of the Ministry of Industry-1 U Myint Thein reported on production of the double cab Jeep cars; Leader of the Committee for Production of Farm Equipment U Soe Oo, on production of Taungpawkywe power-tillers; Member of the Committee for Production of Farm Equipment U Ko Latt, on construction of edible Thitseint (*Terminalia Belerica*) oil mill; and U Kyaw Soe Win of the Water Pumping Project, on production of turbine pumps.

Vice-Senior General Maung Aye said Ayethaya Industrial Zone was one of the successful industrial zones the State has established for national industrial development. The zones has already assembled 94 Shan Star Jeep cars this year, and also made a Double Cab brand car under its test project. The zone is worthy of honour, for, it is the first zone that produces the Double Cab. Moreover, the zone is manufacturing more and more machines including farm machinery, rural-used pumps, oil millers. It is required to accelerate its momentum of success. The industrial zones have been established at proper places to systematically regroup the factories spreading in the wards for progress of the private industries. The government will continue to render necessary assistance for further development of the industrial zones. The industrial zones will have to strive in competition and emulate each others' success and innovations.

The Vice-Senior General and party inspected the Shan Star double cab Jeep car, which was produced at a cost of K 16.3 million. It uses a gallon of petrol for 40 miles and it can move 60 or 70 miles per hour. Next, the Vice-Senior General and party inspected Taungpawkywe power-tillers and 75 to 150 kilo watts turbine pumps. Minister Brig-Gen Lun Thi and officials reported on spare parts of farm equipment and cars and presented a demonstration on production machines. The Vice-Senior General and party then inspected different kinds of lather wares, production of packing materials, plastic wares, fertilizers and traditional medicines.

BOOST PRODUCTION OF IMPORT-SUBSTITUTE FARM IMPLEMENTS THROUGH INNOVATION
Editorial: New Light of Myanmar: 1 September, 2002 [\(Content\)](#)

The State Peace and Development Council has been striving for progress of national economy to ensure development of agriculture as the base and all-round development of other sectors of the economy as well. The industrial sector plays a critical role in striving for the emergence of a modern and developed nation. Thus, the State has been placing emphasis on development of the industrial sector.

Nowadays, the Government is establishing the industrial zones in the states and divisions nationwide, and there are altogether 18 industrial zones with about 4,500 mills and factories. Automobile production work committee, farm machinery production work committee and others have been formed in those industrial zones, and measures are being taken for boosting production. Automobile production work committee is producing vehicles while farm machinery production work committee is producing various kinds of farm implements.

Others are producing wire mesh, small edible oil mills, various kinds of plastic bags and others. Technicians are to exert sustained efforts to produce implements of high standard and import-substitute farm machinery in boosting agricultural production. Only then, will the private industries develop and standardized import-substitute industries emerge. The entrepreneurs are urged to strive together with the Government for increased production of advanced farm implements and import-substitute machinery in building a modern and developed nation.

SECRETARY-1 MEETS INDUSTRIALISTS IN MANDALAY INDUSTRIAL ZONE (Content)

Mandalay: New Light of Myanmar: 25-08-02

Secretary-1 of the State Peace and Development Council Lt-Gen Khin Nyunt ... arrived at Mandalay International Airport at 5 pm. ... The Secretary-1 and party went to Mandalay Industrial Zone. The Secretary-1 met members of Mandalay Industrial Zone Supervisory Committee and industrialists at Kanaung Sethmu Hall in the zone. First, Commander Brig-Gen Ye Myint reported on background history of the zone, allotments for the industrialists, running of the factories, supply of industrial raw materials such as copper, tin and zinc, production of farm equipment, assembling of 40 Super Mandalay Jeeps in 2000-2001, targets for assembling of 100 Jeeps in 2002-2003, measures undertaken for power supply and communications, sending of trainees to the Ministry of Industry-1, Ministry of Industry-2 and the Ministry of Science and Technology for work efficiency and conducting quality control courses in the zone and holding of seminars.

Next, Production in-charge of Super Mandalay Jeep Assembling Supervisory Committee Major Maung Soe Retd reported on arrangements for installation of four wheel drive system, stability and endurance, cooperation of 65 workshops in production of 72 parts, targets for assembling of 100 jeeps in 2002-2003 and arrangements for assembling of Super Mandalay Wagon Jeep and Super Mandalay pick-ups. Next, the industrialist reported on supply of more industrial raw materials and supply of machines and spare parts. Afterwards, Minister for Industry-1 Maj-Gen Saw Lwin, Minister at the State Peace and Development Council Chairman's Office Lt-Gen Min Thein and Minister for Mines Brig-Gen Ohn Myint reported on requirements of the industrialists and fulfilments.

The Secretary-1 then fulfilled the requirements. The purpose of his visit to Mandalay industrial zone is to provide necessary assistance so that industries can develop very swiftly. As the development of the industrial sector of the State plays a pivotal role in building a peaceful, modern and developed nation, Head of State Senior General Than Shwe has given guidance on the speedy development of industrial zones and provided financial assistance including foreign currency. Moreover, Myanma Industrial Development Committee and Working Committees have been formed, and individual ministers have been assigned duty to provide assistance for industrial zones.

As the State is striving for the development of agriculture as the base and all-round development of other economic sectors, it is necessary for the industrial zones to manufacture agricultural machinery which contribute to the development of the agriculture sector. In addition, it is required to produce machinery to be used in industries, import-substitute machinery and spare parts. The industrial zones need to coordinate work with the ministries concerned to manufacture parts of machinery which have to be imported for the State-owned factories and plants. The industrial zones established not only in Mandalay Division but also in other states and divisions need to take innovative measures in producing vehicles, power tillers, paddy-thrashing machines, water pumps, stone-grinding machines and generators.

The vehicles from the industrial zones have become more and more popular. To ensure the stable market for them, it is necessary to manufacture vehicles of high quality and use modern designs. All need to attend training courses at State-owned factories and in other industrial zones, and to make sustained efforts for the qualitative improvement of products. The ministers who have been assigned duty concerning the industrial zones need to have discussions

with industrialists and provide advice and assistance. The government will provide assistance for the development of the industrial sector which plays a crucial role in building a peaceful, modern and developed nation.

The industrialists are also required to take innovative measures in using high-tech and manufacturing products of high quality, and to exert concerted efforts for the improvement of the industrial sector. After the ceremony, the Secretary-1 and party viewed the consumer goods booth of the Ministry of Industry-1 and consumer goods, foodstuff, wires of various sizes, pumps and wood-based products manufactured by the industries in Mandalay industrial zone. The Secretary-1 and party viewed 20-kilowatt sound-proof generators manufactured by UD Group Genset Factory and super Mandalay jeeps manufactured by Super Mandalay Jeep Manufacturing Supervisory Committee.

Later, the Secretary-1 and party went to the Super Mandalay jeep factory at Mandalay industrial zone-1 and inspected production of parts of the jeep. The officials reported on facts about super Mandalay Wagon jeep and pick-up to be manufactured.

INDUSTRIAL LAND SALES UNDER SCRUTINY (Content)

Yangon: Kyaw Zaw Oo: Myanmar Times: 19-08-02

Sales of land at Yangon industrial zones are being closely monitored to ensure they are bought by industrialists and not real estate speculators, said an official from the Department of Human Settlement and Housing Development. U Myint Swe, a deputy director at the department, said it had fixed the price of its two-acre sites at K18 million since 1996, though the few plots which had been sold by their owners had fetched much higher prices. The department has established industrial zones at nine locations around Yangon. One of the biggest, at Hlaing Tharyar, involves five different estates.

U Myint Swe said to avoid speculation, industrialists had to lodge a K1 million guarantee when they bought a site. The guarantee was returned once they had built a factory on the land and it had gone into operation. Buyers also had to pay the K18 million in stages while the factory was being built. Once the payments were completed and the factory built, they were granted a 60-year lease. In a further bid to deter speculators, the land cannot be sold for three years after the factory is completed.

Apart from Hlaing Tharyar, the department's other main industrial zones are at Shwe Linpan, Shwe Pyi thar, Dagon Seikkan, Dagon (East) and Thilawar. There were also seven privately-owned industrial zones on the outskirts of Yangon.

SOUTH DAGON INDUSTRIAL AREA (Content)

Yangon: New Light of Myanmar: 25 January 2002

Dagon Industrial Zone is the second one built in Yangon Division. It is situated in Dagon Myothit (South). As of 20 February 1992, the Department for Human Settlement and Housing Development built Dagon Industrial Zone, which comprises three sections: Industrial Zone No 1, Industrial Zone No 2 and Industrial Zone No 3. There are heavy and medium-scale industries in Industrial Zone No 1, medium- and small-scale industries in Industrial Zone No 2 and shops which deal in parts of used machines (they were moved from Kyettan in Yangon) in Industrial Zone No 3.

To the east of Dagon Industrial Zone No 1 lies Yangon-Thanyin Railway; to the west, Ngamoeyeik Creek; to the south, Theinchaung Village and Myanmar Timber Enterprise; to the north, Ngamoeyeik Creek and Ward No 26. To establish Dagon Industrial Zone No 1, designation of a plot of land for the zone, land preparation work, construction of roads, the digging of drains, the putting up of lamp posts, power and water supply work were carried out in cooperation with departments concerned. The factories and workshops scattered in various townships of Yangon Division were shifted there, and in 1996, factories started to operate. The opening ceremony of Dagon Industrial Zone No 1 was held on a grand scale on 8 September 1996. Secretary-1 of the State Peace and Development Council Lt-Gen Khin Nyunt attended the ceremony and formally opened Dagon Industrial Zone No 1. Dagon

Industrial Zone No 1 occupies 475.354 acres of land, and the roads in the industrial zone take up about 37.8 acres. There are altogether 133 factories in Dagon Industrial Zone No 1.

They are nine garment factories, 12 plastic factories, 17 foodstuff factories, eight wood product and cane ware factories, 10 iron filigree factories, nine grinding mills, six paper and printing factories, four distilleries, three ice factories, eight soap and shampoo factories, three scented stick and mosquito repellent coil factories, three polyethylene bag factories, two PVC pipe factories, two aluminium ware factories, five bean reprocessing plants, five machinery factories, four electrical appliance factories, three construction material factories, one dyeing factory, one woollens factory, three coconut oil and varnish factories, three melamine factories, five consumer goods factories and seven footwear and rubber sole factories. The majority of the factories are owned by national entrepreneurs. There are also factories owned by foreigners and joint-venture factories. There are about 30,000 employees.

The total investment of Dagon Industrial Zone No 1 amounts to K 5,242 million including foreign exchange. To work for the development and security of the industrial zone and to attend to other matters, the proprietors of the factories formed a management committee. The chairman of the committee is Proprietor of Soe Electronic Factory U Soe Tint, a gold medallist for production of transformers which can compete with those from abroad. The committee has collected money from the factories in the industrial zone to raise funds. The committee has repaired roads, taken fire prevention measures, made arrangements for the security of the industrial zone and conducted natural disaster preventive courses with the assistance of departments. In Dagon Industrial Zone No 1, there is no need to worry about power supply as generators are being used, and there is no labour problem whatsoever.

As telephone lines have been installed, communication is smooth and easy. As production work is developing gradually, the entire industrial zone will surely make rapid progress. Dagon Industrial Zone No 2 is adjacent to Dagon Industrial Zone No 1, and the two industrial zones were built at the same time. Dagon Industrial Zone No 2 has been established on the plots of Ward No 63 and Ward No 64 and occupies 203.784 acres of land. In Dagon Industrial Zone No 2, there are 1,741 plots of land and 74 roads. The total length of roads is 68,618 feet. There are altogether 1,079 factories, and 450 factories are operating. There are still 434 vacant plots of land where three earth lakes can be dug for fire prevention and four parks can be built. With religious buildings, sports grounds, police outposts, markets and modern housing estates, the industrial zone is thriving. The ceremony to open Dagon Industrial Zone No 2 was held on 18 September 1996, and Secretary-1 of the State Peace and Development Council Lt-Gen Khin Nyunt formally opened it.

The Department for Human Settlement and Housing Development formed Dagon Industrial Zone No 2 Management Committee comprising 15 members on 26-7-96, and Lt-Gen Tin Oo formally opened the office of the management committee on 8-9-97. The factories in Dagon Industrial Zone No 2 include three agricultural implement factories, 11 construction material factories, 29 consumer goods factories, 13 electrical appliance factories, 64 foodstuff factories, 14 garment factories, 23 grinding mills, 172 ironware factories, seven Myanmar traditional medicine factories, seven packaging factories, 28 paper mills, 97 plastic factories, 41 printing and book-binding factories, 19 rubber factories and 42 wood-based factories. The investment of Dagon Industrial Zone No 2 amounts to K 5,367.9 million. Products manufactured every month value at K 596.2189 million. There are over 8,000 workers. Although there are only medium- and small-scale industries in Dagon Industrial Zone No 2, there are also import-substitute factories which are of great benefit to the nation.

For example, medicine tablet making machines and dryers manufactured by Tun Industry located at 64/317-318 on Panhlaing Street can compete in quality with those manufactured in China and Thailand. The price of local-made machines is one-third cheaper than foreign-made machines. At a time when the government is encouraging production of Myanmar traditional medicines, local-made medicine tablet making machines and dryers are of great benefit to medicine producers and consumers. Now well-known traditional medicine producers are using these machines. Virtually raw materials for machines are available in the country, and spare parts can also be produced at the factory.

These machines were put on display at the First Traditional Medicine and Medical Equipment Exhibition, and Secretary-1 of the State Peace and Development Council Lt-Gen Khin Nyunt spoke in praise of U Hla Tun, producer of the machines and owner of Tun Industry. The machines manufactured by Tun Industry vary in size, quality and price. They are in fact import-substitute products. Therefore, production of these machines contributes

to the economic development of the nation. Although there are only middle- and small-scale industries in Dagon Industrial Zone No 2, they are beneficial to the State. Therefore, the proprietors of the factories are urged to upgrade small-scale industries through medium-scale industries up to heavy industries for the industrial development of Myanmar.

INDUSTRIAL ZONES HELP NATION MOVE FORWARD [\(Content\)](#)

Ahtet Minhla Nyunt Aung: New Light of Myanmar: 24 December, 2001

Strong economy is a sine qua non for the emergence of a peaceful, modern and developed nation. In the economic sector, the State has laid down economic objectives and given assistance and encouragement to private national entrepreneurs so that they can participate in various fields. Obviously, due to the assistance and encouragement of the State, privately-run businesses are thriving. In fact, only when private businesses are successful together with State-owned businesses, will the economy of the State be strong. Today privately-run businesses are part of the economy of the State. It is heartening to see that they are capable of operating in the industrial field on which the State has to rely.

The first of the economic objectives of the State calls for "Development of agriculture as the base and all-round development of other sectors of the economy as well." Myanmar is an agricultural country. It has a large area of cultivable land. Therefore, the economy based on agriculture is to be built. In this regard, efforts are to be made to switch from manual farming to mechanized farming with the aim of promoting the development of agriculture. Only then will large and strong economy emerge. To build a new, peaceful, modern and developed nation, reliance cannot be put on small cottage industries. Only when efforts are speeded up with industrial might, will a new, peaceful, modern and developed nation which we are aiming for emerge. Therefore, to promote the development of industries, the State laid down the motto "to leap-frog the era with industrial might".

In the industrial sector, the Ministry of Industry-1 and the Ministry of Industry-2 are building and running factories necessary for the State and making arrangements for the improvement of quality of products. The State constituted Myanma Industrial Development Committee with the aim of promoting the development of industries. Myanma Industrial Development Committee is providing necessary assistance and has built industrial zones by bringing together industries scattered all over the nation. The State is building industrial zones to develop privately-run and joint-venture industries.

In new satellite townships in Yangon such as Dagon Myothit, Shwe Pyitha Myothit, Hlinethaya Myothit and Shwepaukkan, and North Okkalapa and Mingalardon, industrial zones have been established. Now there are factories of international standard. Industrial zones have been built not only in Yangon but also in Myingyan, Monywa, Miektila, Mandalay, Yenangyoung, Taunggyi, Pakokku, Pyay, Bago, Myaungmya, Hinthada, Myeik, Mawlamyine and Patheingyi. Now there are altogether 18 industrial zones. Industrial zones are industrial forces on which the future nation has to rely. When products from industrial zones are of high quality, they will be able to penetrate in the international market. Therefore, modern technologies are to be studied to promote the quality of industrial products.

As industries play a crucial role in striving for the development of the State, the Head of State, keeping an eye on the condition of industries, gives necessary guidance. Chairman of the State Peace and Development Council Commander-in-Chief of Defence Services Senior General Than Shwe laid down five objectives for industrial development. They are: 1) to develop agro-based industries; 2) to promote the quantity and quality of industrial products; 3) to manufacture new machinery items; 4) to manufacture machinery and equipment for industries; 5) to build good foundations on the basis of the above-mentioned four objectives so that the nation can be transformed into an industrialized one.

In accord with the guidance of the Head of State, Myanma Industrial Development Committee is giving encouragement and assistance and holding industrial seminars so that machinery items of high quality can be produced at the industrial zones, that technology can be disseminated, that research can be conducted and that modern machinery can be installed and used. Now due to the assistance and encouragement, guidance and supervision of the State, industries all over Myanmar are developing. The rate of development is to be further

accelerated with the national outlook and awareness. Only then will the goal of emergence of a peaceful, modern and developed nation be achieved in so short a time. Therefore, Our motto is to leap-frog the era with industrial might. Our aim is to transform the nation into an industrialized one. Our goal is to march towards a new, peaceful, modern and developed nation.

HLAINGTHAYA INDUSTRIAL ZONE (Content)

Yangon; The New Light of Myanmar: 12 December, 2001

Hlinethaya Industrial Zone is the third of its kind established in Yangon Division. As it has been set up given the weaknesses of the previous industrial zones, it is developing very rapidly and now stands as a model industrial zone. As the economic system of Myanmar has been changed into the market-oriented economic system, it is necessary to establish industrial zones. As it is believed that grouping scattered industries in a place can promote industrial development all the more, the Department for Human Settlement and Housing Development under the Ministry of Construction built Hlinethaya Industrial Zone in 1995.

To the east of Hlinethaya Industrial Zone lies the Hline River; to the north, Yangon-Pathein Highway; to the south, the Panhline River; to the west, May Nursery Garden. Previously at the very site of the industrial zone existed villages. Out of the acres, 986.54 acres have been used for the industrial zone; the remaining areas, for building the villages of high standard. The plots of and have been sold to entrepreneurs who wish to build factories. Factories can now be seen there, and local people have got employed. The region can now see economic and social development.

When the factories have been built and have started to operate in Hlinethaya Industrial Zone, a management committee comprising the proprietors of the factories has been constituted in accord with international practices on 24-07-96. The committee is now nearing the end of its second term. The main function of the management committee is to carry out maintenance work so that Hlinethaya Industrial Zone can be kept as it is for long. Furthermore, the management committee meets every two weeks, discusses matters related to long-term existence and development of the Industrial zone and helps iron out problems cropping up among the factories. To raise a fund for maintenance cost, the committee collects money from the factories owned by national and foreign entrepreneurs in proportion to the dimensions of the plots on which their factories have been built. The committee is carrying out maintenance work repairing roads and power lines, digging drains and taking measures against the disposal of industrial waste.

The factories which are now operating in Hlinethaya Industrial Zone number 296. Eighty-nine factories, though already built, haven't yet operated. Altogether 222 factories are in course of construction. When all the factories are completed, the number of the factories totals 607. There are still ninety-seven vacant plots of land, and factories will soon emerge on these plots.

The factories in Hlinethaya Industrial Zone include 72 garment factories, 40 foodstuff factories, 60 consumer goods factories, 15 construction material factories, three electrical goods factories eight forest product factories, nine chemical factories; one paper and stationery factory, five machinery factories and 83 warehouses. Out of them, ten factories are owned by foreigners.

Altogether 36,543 employees are working in Hlinethaya Industrial Zone, and the investment of the industrial zone amounts to K 15,814.33 million and US \$ 105.55 million. The majority of the factories in Hlinethaya Industrial Zone are new medium-size factories. They have been built in accord with the modern standard. It is found that on their visit to the factories, foreign guests remarked on them with satisfaction. A factory has been taking measures to get internationally-recognized certificate S.A (Social Account ability) 8000. If the factory gets the certificate, it will become the first to get S.A 8000 in Myanmar.

The industries in Hlinethaya Industrial Zone are of international standard. Under the arrangement of the Japanese government, two factories have been chosen and inspections of quality control are being carried out. And necessary measures are being taken for Total Quality Management (TQM). After the results of the measures are assessed,; TQM system will be put into practice. The human resources development subcommittee under the Industrial

Development Committee chaired by Minister for Industry-1 U Aung Thaung organizing courses on the boosting commodity production. Moreover, the World Health Organization and the Health Department have jointly conducted worksite safety courses for factory employees with a view to preventing occupational hazards.

When the factories in Hlinethaya Industrial Zone operates at full capacity, there will be more industrial waste, which will in turn engender water pollution and air pollution, The factories are now making arrangements for industrial waste treatment individually. and they will cooperate together in treating and disposing industrial waste in future. In view of the above-mentioned reasons, Hlinethaya Industrial Zone stands as industrial zone. In future, it is possible that more advanced industries will be set up in the industrial zone. Moreover, as it is easily reachable and not far from Yangon entrepreneurs are keen on establishing industries of their own in the industrial zone.

SHWEPYITHA INDUSTRIAL ZONE (Content)

Yangon: The New Light of Myanmar: 7 December, 2001

The State is making efforts to build an industrial nation step by step. According to the guidance of Head of State Senior General Than Shwe, industrial zones are being set up in the entire nation with the aim of regrouping the industries which were scattering in the country; developing the private industries; establishing the import-substitute industries; and developing the nation's technological sector to reach the international level. I have already written in the article "Industrial development - 4" that 18 industrial zones have already been set up in the whole nation; the committees at different levels have already been formed to supervise the industrial zones.

I have also explained in detail the principles and policies laid down by the committees. Of the 18 industrial zones in Myanmar, the Shwepyitha Industrial Zone in Yangon Division is the first industrial zone to be set up in the nation. The Department of Human Settlement and Housing Development of the Ministry of Construction began its work to implement the Shwepyitha Industrial Zone on a 306.967-acre stretch of land in 1990. The project has four sections. In the east of the Section 1 lies the No 4 Highway, in the west is the Yangon-Pyay Railroad, in the south is the Takuchan Creek and in the north is Won-dan-gyi-mya Ward.

The Section 1 has 160 79-foot by 135-foot plots and 234 one-acre plots totalling 394. The Section 1 has 126 industries under nine different categories. There are 35 garment factories, 37 foodstuff factories, 22 household goods factories, one electrical apparatus factory, 14 wood-based and finished goods factories, two chemical products factories, five paper and stationery mills, six machinery plants and four cold storage facilities and ice factories. Of the 126 factories, eight are owned by the cooperatives, 117 by the local entrepreneurs and one by the foreign entrepreneur. Sixty-nine of them are heavy industries, 30-size medium industries and 23 cottage industries.

The total investment value of the industries in the Section 1 of the Shwepyitha Industrial Zone was K 6,209.69 million and US \$ 8.1747 million. The Section 1 employs 3,744 Myanmar men, 91 foreigners (men), 10,048 Myanmar women and 48 foreigners (women) totalling 13,931. About 65 per cent of the employees are from Shwepyitha town. Secretary-1 of the State Peace and Development Council Lt-Gen Khin Nyunt inspected the Shwepyitha Industrial Zone on 21 April 1996 and gave directives to form the Management Committee with the participation of the entrepreneurs. The committee was formed with the participation of 10 entrepreneurs from the zone on 21 June 1996 to give long-term management to the zone. The committee is now taking all the responsibilities for progress of the zone.

Of the factories of the Section 1 of the Shwepyitha Industrial Zone, the factory of the Mineralogy and General Industries Cooperative Syndicate Ltd is manufacturing import-substitute machinery and parts for the State-owned and private-owned industries. Thus, it is a reliable factory for the nation. The cooperative syndicate was reorganized in 1993 under the Cooperative Law No 9/92. It is located at the plot No 92. The factory which is situated on the 3.002-acre plot is manufacturing machinery and parts. At present, the factory of the Mineralogy and General Industries Cooperative Syndicate Ltd is manufacturing pumps, gate bars, grinding steel balls used at the cement plants and mining factories, steel sheets and machine parts such as steel, iron, zinc and aluminium alloyed items, which are of the international quality, for the State-owned and private-owned industries.

The syndicate is helping the State to save its foreign exchange expenditures. The investment value of the syndicate is K 34 million. It employs 110 staff. Although the syndicate is not able to set up its own laboratory, it is conducting experiments at the laboratories of the Ministry of Science and Technology, the Geological Survey and Mineral Exploration Department and the Ywama Steel Plant in Insein. The price of the machinery and machine parts manufactured by the factory are about 33.33 percent cheaper than the price of the imported items of the same kind. The factory is distributing goods valued at nearly K 25 million per year.

Other than the factory of the syndicate, there are many factories such as Toyo battery factory in the Section 1 of the Shwepyitha Industrial Zone which are serving the interests of the nation. I see it as an industrial zone which has much potential for progress. However, as it is the first industrial zone of the nation, it has some weaknesses. If the motor roads and drainage, communication and electrical supply systems can be further upgraded, the industrial zone will develop with greater acceleration.

INDUSTRIAL ZONES IN YANGON (Content)

http://www.e-application.com.mm/MyanmarBiz/industrial_zone.html

Posted in September – October, 2001

The Department of Human Settlement and Housing Development (DHSHD) is developing industrial zones in Yangon Division for the local investors as well as the foreign investors with the objective of creating more employment opportunities, promoting of urban development, promoting of technical know-how and expertise. Most of the industrial zones were developed by the DHSHD. Foreign investors are also allowed to invest at the local industrial zone by permitting them a long term lease with the permission of the Myanmar Investment Commission (MIC).

With regard to the development of industrial zones, leasing of the industrial lands based on the B.O.T system and Joint Venture system can be negotiated with DHSHD. International standard zones with infrastructure such as Mingaladon Industrial Park (Japan), Thanlyin Kyauktan Industrial Zone (Singapore) and Hlaing Thayar Industrial Zone (Thailand) are also established on joint venture basis with foreign investors. Yangon Industrial Zone was jointly developed by the Government with the local entrepreneur, Zay Kabar Co., Ltd.

In Yangon, 19 industrial zones are scattered in 8 townships and there are 4 industrial zones in Shwe Pyi Thar township, 3 in South-Dagon township, 5 in Hlaing Tha Yar township, 1 in Shwe Pauk Kan township, 2 in Mingaladon township (Mingaladon garden park and Yangon industrial zone), 2 in Thanlyin Kyauktan township, 1 in East Dagon Township and 1 in Dagon Port township. Local entrepreneurs can purchase an industrial plot at the price of Kyat-9 million per acre in all industrial zones except Yangon Industrial zone. In Yangon Industrial zone, price for one acre is Kyat 15 million. Foreign investors can lease an industrial plot at the price of USD - 3 per square metre per annum.

Every factory can apply to the Township Office of Myanmar Electric Power Enterprise for electricity with work-load. Deposit Fees has to be paid to the Head Office of Myanmar Electric Power Enterprise according to KV. For example, deposit amount for 100 KV is about US\$ 2000. Power charges is US\$ 0.08 per kilo-watt per hour & US\$ 0.008 per 1 unit using transformer.

With the recommendation letter from Housing Department, every factory can apply telephones to the Ministry of Communications, Post and Telegraphs. In every industrial zone, CDMA telephones and Radio telephones are available. Digital telephone lines are available in Hlaing Tharyar Industrial Zone 1- 4, Shwe Pyi Thar Industrial Zone - 1, Dagon Port Industrial Zone , Yangon Industrial Zone and Mingaladon Industrial Park. Lease fees for every types of telephone is around US\$ 2000.

In all other Industrial Zones except Hlaing Tharyar Zone, water from tube-well is good for both drinking and use. Most of the factories in Hlaing Tharyar need to buy mineral water for drinking, but some use filters for tube well water. In Thanlyin Kyauktan Industrial Zone, Housing Department arranged for water supply and provide to the factories in that zone. Price is US\$ 0.8 per metric ton.

Industrial Zones in Yangon Division [circa Sept, 2001]

Shwe Pyi Tha Industrial Zone-1 (1990); Zone-2 (1999); Zone-3 (1999)

Shwe Pauk Kan Industrial Zone (1990-91)

South-Dagon Industrial Zone-1 (1992); Zone-2 (1992) Zone-3 (1997)

Hlaing Tha Yar Industrial Zone - 1, Phase - 1 (Feb.,1995) Zone-2; Zone -3; Zone-4; Zone - 5 Phase-2 (2000);

Dagon Port Industrial Zone Phase-1 (1997) Phase - 2

Thanlyin - Kyauktan Industrial Development Zone (1997);

Mingalardon Industrial Park (1998)

Dagon East Industrial Zone (Aug., 2001)

Thilawa Industrial Development Zone (Aug, 2001)

Yangon Industrial Zone (Feb., 2000)

Shwe Pyi Thar Industrial Zones

Industrial zone - 1 in Shwe Pyi Thar township was developed in 1990. That zone is the first industrial zone developed by the government. Total 100% of (306.967) acres in that zone was already sold out. The number of factories running in the zone are 114 and 45 factories are under construction. Only one 100% foreign company is running in there. It takes about 30 minutes drive from Down town to Shwe Pyi Thar Industrial Zone. Industrial zone - 2 in Shwe Pyi Thar township was developed in 1992. 35% of total (158.7) acres was sold out. But, only 4 number of factories are still under construction. Industrial zone - 3 was developed in 1999. 100% of total 194.25 acres was already sold out. Only five companies are operating business. Industrial zone - 4 is in the development stage of infrastructure and not yet sold out.

Shwe Pauk Kan Industrial Zone

Shwe Pauk Kan Industrial Zone, the smallest one among the zones, was developed for the cottage industries in Noth-Okkalapa township which were doing their small business before 1990-91 in this township. Therefore only a few foreign companies are also established in this zone. It takes about 45 minutes drive from Down town.

Dagon Industrial Zones

In South-Dagon township, industrial zones 1-2 were developed especially for the local small industries which were doing business in downtown before 1992. Therefore, a few foreign companies are doing business in these zones. Over 800 factories are running and about 700 factories are under construction. Garment, Wood-base, Paper, Plastic and Rubber factories are now operating.

Hlaing Thar Yar Industrial Zone

Hlaing Thar Yar Industrial Zone is the second biggest one in industrial zones in Yangon. It takes about one hour drive from down town to Hlaing Tharyar Industrial Zone (Zone 1-5) It is over (1,300) acres for Zone 1 to 4 in Phase - 1 and over (1000) acres for Zone 5 in phase - 2. In Phase -1, all were sold out and total (270) factories are running business in Yangon out of which (9) factories are 100% foreign owned. About (160) factories are under construction. In Phase - 2, 75% of the area were already sold out. Garment, Foodstuff and Household goods factories are operating.

Dagon port (Seikken) Industrial Zone

Dagon port (Seikken) industrial zone phase - 1 was developed in 1997. Total areas were already sold out. (11) factories are running. In phase - 2, 8.23% of the total (170) plots were already sold out. (3) factories are under construction. It takes about 30 minutes drive from down town. Nearly 30 factories are running and over 40 factories are under construction. Most of the factories are producing wood-base, freezer, garment, oxygen and household goods.

Yangon Industrial Zone

Yangon Industrial Zone was developed by the DHSHD and Zay Kabar company in Feb., 2000. Area of this zone is (500) acres for phase -1. About 50% of the area was already sold out to over 30 investors. Five of them are 100% foreign companies. Only 4 factories are in operation. The types of business are garment, wood-base and foodstuff. Manufactures can do the business except cold storage for fishery products, serfuric acid and air pollution. It takes about 45 minutes drive from Down town.

Mingalardon Industrial Park

Mingalardon Industrial Park was developed by the DHSHD, Mitsui Group, Hong Leong Group (S'pore) and Keppel Group (S'pore) in February, 1998. Total Area for 39 plots is 744650 square metre. Land use premium is USD 50 per square metre. Lease period is up to 7 February, 2048. Only four 100% foreign companies are operating.

Thanlyin - Kyauktan Industrial Zone

Thanlyin - Kyauktan Industrial Zone was developed by the DHSHD and Simmardev International Pte Ltd in 1997. Total Area is (3039.33) acres. Land use premium is USD 50 - 100. Lease period is up to 50 years. Only one factory is operating business. Three companies signed the contracts for land lease. As It is situated at the other bank of Yangon and takes about one and half hour drive from Yangon down town.

Thilawa Industrial Zone

Thilawa Industrial Zone was developed by the DHSHD in August, 2001. Total Area is (125) acres.(25) plots out of 69 were sold out to Myanmar citizen at the end of Sept. 2001. Infrastructure has not yet finished as it is situated at the other bank of Yangon and takes about one and half hour drive from Yangon down town.

Dagon East Industrial Zone

Dagon East Industrial Zone was developed by the DHSHD in August, 2001. Total Area is (500) acres. (58) plots out of (149) plots were already sold out to citizen at the end of Sept. 2001. This zone is divided into 7 parts such as Plastic and Household goods, Chemical products, Electronic goods, foodstuff, wood - base, warehouse and garment. It is situated one hour drive from Yangon down town.

INDUSTRIAL ESTATES UNDER THE MINISTRY OF INDUSTRY -1 [\(Content\)](#)

http://www.e-application.com.mm/MyanmarBiz/industrial_zone.html

Posted in September – October, 2001

Thanlyin Industrial Estate located just across the Bago River and half an hour drive from Yangon has (3) garment factories, shoe, packaging, glass and plastic packaging material factories. **Hmawbi Industrial Estate** is about (35) miles from Yangon. There are the brick, plastic, noodles, biscuit, asbestos, cement roofing and ceiling sheets and pharmaceutical raw material factories. **Daik-U Industrial Estate** is (25) miles north of Bago and about (77) miles from Yangon. This Estate is meant for food industries because tapioca starch plant, monosodium glutamate factory and meat canning factory are set up there. **Bago Industrial Estate** is 4 miles from Bago and (46) miles north of Yangon. Infrastructure is already established in this estate where a garment factory has already been leased out and a towel factory is established. **Sagaing Industrial Estate** is situated in upper Myanmar, (17) miles north of Mandalay. A wheat flour mill and garment factory have been established in this estate.

[MYANMAR INDUSTRIAL ENTERPRISES BECKONING FOREIGN INVESTORS \(Content\)](#)

Business Tank 15-09-01

In the total Gross Domestic Product (GDP) of Myanmar, industrial sector contributes only 10% which shows that there is ample room to expand industries in this country. It means that there are vast opportunities for investors to set up factories here. "In developing countries, the contribution of industrial sector is at least (20) percent which is the norm. It is evident that we need to industrialize as much as possible to catch up with the rest of developing countries," said U Htain Win, Chairman of Myanmar Industries Association. During the Socialist era, only the State and cooperative sectors are allowed to work on large and medium-scale enterprises whereas the private sector can only set up small-scale and cottage industries. After 1988, when the country opened up its economy to market forces, the role of private sector participation in the industrialization process increased.

According to statistics, only 24,117 private industrial enterprises existed in 1992 whereas by 31st January, 2000, the figure has increased to 35,941. Of that figure, the highest proportion of (49.3) percent or 17,733 concerns are engaged in food processing. The second biggest is the timber industry and the third largest is the garment and textile sector. Production of electronic components is the smallest of all processes. The State enterprises made up (26.78) percent of the total whilst the proportion of private sector participation increased to (72.22) percent. The

cooperatives sector was able to contribute only (1) percent of the total. Small and Medium Industries (SMI) is dominant in the Myanmar industrial scene at (99) percent. Almost all large-scale industrial enterprises are in the hands of the government.

Eighteen industrial zones have been established by the government for the proper development of factories and mills in the states and divisions. Of these establishments, Hlaing Tharyar Industrial Zone is the most successful. "The Hlaing Tharyar Industrial Zone is located near Yangon and transportation is convenient, the infrastructure is better and more systematic than others, " said an entrepreneur working in the zone. Although it was the third industrial zone to be set up after Shwepyithar and South Dagon, it was able to rectify the mistakes faced by its predecessors. Of the 190 factories and mills that existed in Hlaing Tharyar, 32 are engaged in food processing, 31 are garment factories and 31 are manufacturing consumer products. It is estimated that a total of US\$ 800 million and over 4700 million kyats are invested in various factory projects of the Zone.

"Previously, in the Socialist era, local people were unable or unwilling to set up mills and factories. Now, they are permitted to establish factories. But the main difficulty, in my view, is seeking financial resources for the enterprises ", noted U Htain Win, commenting on some difficulties faced by present day entrepreneurs. Therefore, local businessmen are eager to coordinate closely with foreign industrialists keen in investing here in Myanmar. The country is inviting foreign investors willing to work jointly in cooperation with local entrepreneurs or make 100 percent direct investment in setting up industrial entities.

According to data provided by statistical organizations, Foreign Direct Investment by 31st January 2001 amounted to US\$ 7357.319 million. The biggest sector being invested is in the energy sector while manufacturing accounted for the second largest at (21.25) percent or US\$ 1563.426 million. Foreign funded enterprises running factories and mills at various industrial zones under the permission of Myanmar Investment Commission numbered at 233. The number of establishments at Hlaing Tharyar Industrial Zone amounted to 103 while Mingaladon Industrial Park is able to attract 43 foreign funded enterprises.

"When we looked at ASEAN countries, labour intensive and low-tech industries are being relocated to least developed member states. There are vast opportunities for such industries to relocate in Myanmar," stated U Zaw Min Win, who is the General Secretary of Myanmar Industries Association.

If we analyse the industries which are appropriate for foreign investors, we observe two, which are Export-Oriented Industries and Domestic Market-Oriented Enterprises. As for export-oriented resource-based enterprises, food processing, wood-based industries, leather and rubber goods production, copper fabrication, cold storage and marine fish processing factories and mills can be set up. In the non-resource based sector, garment and textiles, electrical and electronic goods manufacturing as well as footwear industries have great potential for foreign investors. If the industrialists want to target domestic consumers, vast opportunities exist for engaging in food and beverages sector, agroindustrial processes, machinery production, plastics and steel based consumer products and packaging etc which will greatly benefit the industrialists and local workers.

"The main problems faced by industrialists are payment of commercial taxes to the government. It seems that importing a finished product from abroad is cheaper than manufacturing it here. The entrepreneurs have appealed to the government authorities to reduce or abolish the tax. Now, the government imposes only one-tenth of what we used to pay. But the stipulation is effective only upon enterprises located in the industrial zones. Those outside the zones are not included in the scheme and we hope that they will also be included in the new tax structure" said an entrepreneur who has a factory in the zone. The scheme is meant to attract more industrial entities into the zones. It is known that the government is considering further concessions to enhance more investments in this sector.

Local industrialists are also eager to work on sub-contracting and spare parts production that caters to foreign manufacturers. "Sub-contracting is most appropriate for a country like ours. We have negotiated with the Japanese to provide us with machinery and know-how, then train us and conduct sub-manufacturing for them. This is the most effective means for industrialization and all the NIEs have gone through this stage," said MIA Chairman U Htain Win. The industrialists are willing to carry out sub-contracting work or form joint ventures with foreign investors to obtain new technologies.

Dr Kyaw Htin, who is the Vice-Chairman of MIA and acting as advisor to the Ministry of Industry-2, has submitted a paper on the need for transfer of technology in the following fields: 1) Automation Technology; 2) Electrical Technology; 3) Electronics Technology; 3) Computer Integrated - Manufacturing Technology; 4) Advanced Materials Technology; 5) Biotechnology 6) Environmental Technology; 6) Plastics and Rubber Technology; 7) Instrumentation Technology and 8) Renewable Energy Technology

Another factor in dire needs is to train enough qualified experts and technicians. High technology industries require highly qualified human resources which at the present is lacking in this country. U Zaw Min Win highlighted the problem by saying, " SMIs are searching for people who are capable of and competent in the managerial level as well as in technical fields. MIA and UMFCFI are requesting management and technical training programmes from abroad. Only when such problems are resolved can we move further ahead towards full industrialization."

The government at present is cooperating with ASEAN industrial associations to further develop the industrial sector. MIA, for example, is involved in ASEAN Industrial Cooperation Scheme under the tutelage of AICO. " We are welcoming our ASEAN partners with open arms " noted a government official. Myanmar industrialists believe that if the country can resolve the present hindrances such as energy insufficiency, weak infrastructure and chaos in the telecommunication sector, it will be able to draw up a " National Master Plan " for progress and development of the industrialization process. Industrial zones being set up in Myanmar: 1) Yangon East District; 2) Yangon West District; 3) Yangon North District; 4) Yangon South District; 5) Mandalay; 6) Myingyan; 7) Meiktila; 8) Monywa; 9) Yenangyaung; 10) Pakokku; 11) Bago; 12) Pyay; 13) Patheingyi; 14) Myaungmya 15. Hinthada 16. Mawlamyaing 17. Taunggyi 18. Myeik 19. Kyaukse (New zone to be established in future)

DUDS 'N' DRUGS: BURMA'S BOOMING GARMENT INDUSTRY COVERS FOR DRUG EXPORTS

Maung Maung Oo: Irrawaddy: March-April, 2001 ([Content](#))

It is about 7:30 a.m., and a crowded bus stops in front of the Hlaing Thar Yar Industrial Zone on the outskirts of Rangoon. Thin Thin, 15, gets off the bus with other girls her age and together they merge with a crowd that is moving into the industrial zone, where many big garment factories are running noisily 24 hours a day. She has been working at one of these companies for six months now, and she has begun to notice how much weight she has lost after working three or four hours of overtime every day for the past half-year. Most garment workers in Burma are asked before they begin employment if they are willing to work overtime every day. Thousands of girls like Thin Thin reluctantly agree, knowing there are no other jobs available for them. Thin Thin has to work at least 80 hours a week, including overtime, to earn just 4,500 kyat (about nine dollars) per month. There are no holidays.

"Labor rights": This term has been banned in military-ruled Burma for decades. If an employee asks an employer about labor rights, the Burmese authorities assume that he or she is a communist trying to disturb political stability. Over a decade after Burma's rulers opened the country's economy to foreign investment, the Burmese garment business has become one of the junta's major success stories. Investment in this sector from Korea, Taiwan, Hong Kong and Malaysia has increased year by year. "The price of land in government industrial zones, especially the Hlaing Thar Yar industrial zone, is getting high, as most of the lots have already been occupied by foreign companies setting up garment factories here," said Aye Myint, a real estate broker in Rangoon. "About 40 garment factories are already running in this industrial zone alone," he added.

"We have rich human resources" is a common refrain of the Burmese generals, who have built many industrial zones along the outskirts of Rangoon to help investors take full advantage of this abundance. While there is little doubt that these companies create thousand of jobs for people in Rangoon's poor suburbs, it is also undeniable that the workers are being exploited for extremely low wages. "There was a labor demonstration at Daewoo a few years ago, but all of the leaders were arrested by Military Intelligence and sentenced to long prison terms," said a worker from the Daewoo garment factory. The factory owners are not worried that the small salaries they pay their workers will lead to labor unrest, as most garment factories, such as Seagye, Unimex and Daewoo, are joint ventures with the Union of Myanmar Economic Holdings, a holding company of the military government.

Reports of abysmal conditions at the factories have had some impact, however. "After (workers started complaining), it became very hard to recruit new garment workers in Rangoon," said one employment broker. "The

girls from Rangoon understood that the wages offered by these garment companies were exploitative, so we had to start finding girls from outside of Rangoon who are very simple and never complain about money," she added. But low wages are not the only concern of employees. "Most of the girls working in the garment factories suffer from poor eyesight because they have to strain their eyes at least eleven hours a day," said one of Thin Thin's friends working at the same factory. "We don't have any right to free medical treatment," she added.

At present, there are over four hundred garment factories running at high capacity in so-called government industry zones throughout Burma, employing around 300,000 people. "It is an improvement on the state economy," said Aung Htun, a supervisor from a garment factory in the Shwe Pyi Thar Industrial Zone in Rangoon. "As a result of this, our people get not only jobs but also skills and experience."

But others disagree about the merits of the industry. "This garment boom is not evidence of economic development, because these companies are always chasing the cheapest labor," said one industrialist in Rangoon. "At the moment, Burma is a suitable country to invest in because our country can supply cheap labor. But that's nothing to be proud of. If one day they can find another country where labor is even cheaper than in Burma, they will immediately move to that country and leave a huge number of jobless people behind," he added.

Recently, the Weng Hong Hung Corporation of Malaysia became the latest garment company to set up shop in Burma, with a direct investment of US\$ 2.8 million. "The Malaysian government has been trying to increase business with Myanmar (Burma) since Malaysian Prime Minister Dr Mahathir Mohamed visited earlier this year," noted one industry observer in Rangoon. Malaysia is currently the fourth largest investor in Burma. "We are determined to engage Myanmar constructively, no matter how the international community regards the country," commented S. Arokiadass, a Malaysian Trade Ministry official in a recent interview with the Myanmar Times, a Rangoon-based weekly closely connected to the Defense Ministry's Office of Strategic Studies.

"All garment companies are export based, and all of their products go to the markets of America, Europe and India. The majority of Burmese people have never even seen some of the brand names of those export clothes," said Zaw Zaw, a former customs clearing agent for the garment industry. Last year, garment companies in Burma exported \$ 403 million worth of their product to the American market alone. Recently, the European Union included Burma in a group of 48 least developed nations that would receive duty-free access to the EU market. The greatest benefit of this inclusion would go to the country's garment industry, which already exports 60 percent of its total output to Europe.

Now, however, it appears that the products of Burma's garment industry are being sent to Europe and America with "value added". US authorities recently seized 126 pounds of heroin hidden in bales of cotton towels aboard a container ship from Rangoon. Six suspects, including a mistress of Khun Sa, the former drug warlord and owner of a textile factory in Mandalay, were arrested on Jan 19 in Bangkok in connection with the case.

This incident highlighted the growing involvement of so-called former drug lords in the garment industry, especially in Mandalay. While many of these figures have become major domestic investors in legitimate industries, some are suspected of working behind the scenes with their old drug-running cronies. Increasingly, the garment industry has become the investment of choice for distributors of narcotic substances, as it provides not only a profitable industry for laundering ill-gotten gains, but also the ideal cover for large shipments of drugs. Large quantities of heroin can easily be concealed among huge shipments of clothing bound for the West, especially if customs agents in Rangoon are either too corrupt or too ill equipped to detect anything.

Recently, there have been reports from Myawaddy, a border town opposite Mae Sot, Thailand, that block 3 of the town has been demolished by the authorities to make way for a new garment factory, which, according to local sources, is to be operated by former drug lord Khun Sa. While countless young lives are worn down by long hours in Burma's sweatshops, the country's richest men continue to reap enormous profits by investing drug money in new businesses. And with more than a hint of suspicion that Burmese garment exports are being used as a conduit for drugs, the rest of the world can count on seeing more of Burma's dirty laundry dumped on its shores.

ZONES UNDER MYANMAR INDUSTRIAL DEVELOPMENT COMMITTEE (Content)

The State Peace and Development Council (SPDC) had formed the Myanmar Industrial Development Committee (MIDC) in 1995 with 15 Ministers as members and 2 Deputy Ministers as Secretary and Joint Secretary. The Committee then organized a Working Committee (MIDWC) with the Minister of Ministry of Industry (2) as Chairman and the Director General and a Director of the Directorate of Myanmar Industrial Planning as Secretary and Joint Secretary respectively. The Working Committee implements all the tasks laid down by the MIDC with the assistance of 9 Sub-Committees.

The objectives of the MIDC as approved by the SPDC are given as follows:-

- Development of industries with agriculture as the base.
- Enhancement of quantity and quality of industrial products
- Increased production of new types of machinery and equipment
- Production of machinery and equipment for industrial use.
- Creation of suitable conditions for changing over to an Industrialized state.

The MIDC had designated (18) industrial zones in those areas where there exist substantial numbers of private industries. Previously almost all private industries were operating in towns and cities creating pollution, causing electricity shortages in the neighbourhood and other problems such as health hazard, and danger of fire. Yangon city faced many difficulties with the rise in population and modern buildings. The Department of Human Settlement and Housing Development therefore established industrial zones or parks round about Yangon city to mitigate these problems. Each industrial zone is managed by a Zone Management Committee whose members are appointed by the Regional Industrial Supervision Committee. The industrial zones now in existence or about to be established in the near future are as follows:-

Industrial Zones Under MIDC

Established by Department of Human Settlement Housing Development (DHSHD)

Sr. No.	MIDC Industrial Zone	State/Division	Name of Zone	Year of Establishment	Area (acre)	No. of Industries
1	Yangon East District	Yangon Division	(a) South Dagon Industrial zone-1	1992	475.354	128
			(b) South Dagon Industrial Zone-2	1992	203.784	525
			(c) South Dagon Industrial Zone-3	1995	35.280	371
			(d) North Okkalapa	1999	109.789	115
			(e) South Okkalapa	1999	25.000	98

			(f) Shwe Paukkan	1992	94.640	72
			(g) Thakayta	1999	200.000	82
			(h) Dagon Seikkan	2000	1208.695	24
2	Yangon West District	Yangon Division	Yangon West District Industrial Zone			
3	Yangon North District	Yangon Division	(a)Hlaing Thayar	1995	986.540	219
			(b)Shwe Pyithar	1990	306.976	101
4	Yangon South District	Yangon Division	Yangon South District Industrial Zone			1075
5	Mandalay	Mandalay Division	(a)Industrial Zone-1	1990	809.510	661
			(b)Industrial Zone-2	1997	137.000	333
6	Myingyan	Mandalay Division	Myingyan Industrial Zone		163.590	306
7	Meiktila	Mandalay Division	Meiktila Industrial Zone	1997	385.450	81
8	Monywa	Sagaing Division	Monywa Industrial Zone	1992	296.700	490
9	Yenangyaung	Magwe Division	Yenangyaung Industrial Zone	1998	98.810	137
10	Pakokku	Magwe Division	Pakokku Industrial Zone		321.000	448

11	Bago	Bago Division	Bago Industrial Zone			35
12	Pyay	Bago Division	Pyay Industrial Zone			124
13	Patheingyi	Patheingyi Division	Patheingyi Industrial Zone	1993		326
14	Myaungmya	Patheingyi Division	Myaungmya Industrial Zone		101.650	58
15	Hinthada	Patheingyi Division	Hinthada Industrial Zone			482
16	Myeik		Myeik Industrial Zone			153
17	Taunggyi	Southern Shan State	AyeTharyar Industrial Zone	1999	287.000	342
18	Mawlamyine		Mawlamyine Industrial Zone		162.400	326

CLEANER TECHNOLOGY CLEARINGHOUSE/NETWORK NEEDED FOR SMEs (Content)

Kyaw Htin: Advisor, Union of Myanmar Federation of Chambers of Commerce and Industry, Myanmar

www.gmsarn.org/publications/envi_pro/24-Annex_3.pdf

[undated]

Myanmar has abundant natural resources and its environment is largely unspoiled. However, the negative impacts of burgeoning economic development are becoming more evident, calling for immediate action by the government. The National Commission for Environmental Affairs (NCEA), established in 1990 by the government as a policy-making body on environmental matters, has initiated the formulation of Myanmar Agenda 21, providing a framework for programs and actions to achieve sustainable development in the 21st Century. Up to 99% of all industries, including some 50% of state-owned enterprises, are small and medium size operations.

Most of the modern industries are in industrial zones in Yangon, which were established to house industries that were relocated from residential areas in towns and cities. Some of the new industries in the industrial zones and in other areas have caused severe pollution problems, e.g. foul-smelling wastes from distilleries, leather factories, sugar mills, and car battery production plants. A recent survey of SMEs confirmed the need to introduce cleaner production technologies and efficient machinery and equipment. Education and training of top management, as well as public awareness of the benefits of pollution control and environmental consciousness, hold the key to the

successful adoption of cleaner production technologies. The NCEA is an ideal focal point for the promotion of cleaner production technologies in Myanmar. Cooperation from the Myanmar Industrial Development Committee, Ministry of Industry, Myanmar Industries Association, and other groups would be vital. Yangon University and research centers engaged in forestry, agricultural, scientific and technology research can be tapped in collecting data and statistics on cleaner production.

SEMINAR ON PRODUCTION OF MOTOR VEHICLE PARTS HELD (Content)

Mandalay: New Light of Myanmar : 30-10-00

A seminar on production of parts of motor vehicles and others, which was attended by industrialists from industrial zones of Upper Myanmar, was held under the sponsorship of Myanmar Industrial Development Committee at Kanaung Industrial Hall in Industrial Zone-1 in Mandalay yesterday and today.

Patron of Myanmar Industrial Development Committee Secretary-2 of the State Peace and Development Council Lt-Gen Tin Oo delivered a speech. He said the seminar was held with the aim of giving encouragement to innovation work for production of motor vehicle parts at industrial zones and development of industrial zones. He said that during his inspection tour of Mandalay Industrial Zone, Senior General Than Shwe gave guidance on development of private industries and the upgrading of light industries to heavy ones. He said encouragement is being given to the growth of industries at industrial zones in accord with the guidance of the Senior General, and industrial zone-wise coordination meetings have been held. Matters related to production of motor vehicle parts are to be discussed separately. Chairman of Central Industrial Development Committee General Maung Aye inspected Ayethaya Industrial Zone in Taunggyi on 16 October and he said priorities for development of industries were farm equipment, machine tools and import-substitute factories.

The Secretary-2 said production of motor vehicles parts as well as farm equipment was important and industrialists was had been to produce pumps, threshers, transplanting machines and harvesters. He spoke of the need to do research work for development of production. In production of farm equipment, necessary assistance for technology transfer, research work, supply of raw materials and installation of modern machines in industrial zones was provided, he added.

National private industry would develop in cooperation with accelerated momentum of the State sector and the private sector and the government would fulfil actual requirements for development of private industries. He said based on the guidance of the Head of State arrangements have been made for overcoming difficulties of private industries and some have been implemented practically. He also stressed the importance of production of high quality parts of vehicles and farm equipment.

The government would welcome the innovations of private industrialists and provide assistance to them till they gained achievement, he said. Maj-Gen Ye Myint said that there are about 8,000 private industries in Mandalay Division; Mandalay Sanpya Sethmu Myothit is the first industrial zone of its kind; Mann Star Jeep, assembled in Mandalay, has earned popularity at industrial exhibitions. Motor vehicle manufacturers who are going to take part in the seminar, are experienced persons interested in manufacturing motor vehicles. The purpose of holding the seminar is to encourage the growth of industries.

Secretary-2 and party inspected consumer goods and parts of machinery manufactured from Mandalay Industrial Zone and parts of motor vehicles by factories under the Ministry of Industry-2. Then, they inspected motor vehicles, machines used for sinking artisan wells, mowers, cranes and fire engines assembled at Mandalay Industrial Zone-1, Ayethaya Industrial Zone and Pakokku Industrial Zone. Adviser to the Ministry of Industry-2 Dr Kyaw Htin submitted a paper on the assessment of the manufacturing of motor vehicles in Myanmar and in the world.

U Thein Zaw of Mandalay Industrial Zone, U Win Maung of Pakokku Industrial Zone, U Ko Lay of Ayethaya Industrial Zone, U Han Nwe of Monywa Industrial Zone, U Nyunt Maung of Meiktila Industrial Zone, U Kyaw Nyunt of Myingyan Industrial Zone and U Maung Maung of Yenangaung Industrial Zone discussed matters pertaining to the manufacturing of parts of motor vehicles. General Manager of No 1 Automobile Factory under the

Ministry of Industry-2 U Hlaing Thein discussed manufacturing of heavy vehicles, General Manager of No 1 Automobile Factory (Htonbo) U Kyaw Myo Win manufacturing of light vehicles, Director of Directorate of Myanmar Industrial Planning U Aung Soe Win the inspection of performance and quality of motor vehicles. Head of Mandalay Division Road Transport Administration Department U Khin Maung Htwe dealt with inspection of motor vehicles and the issuing of licenses.

The seminar continued for the second day this morning. The delegates of Mandalay Industrial Zone, Pakokku Industrial Zone, Ayethaya Industrial Zone and Monywa Industrial Zone presented requirements for the manufacturing of parts of motor vehicles and other vehicles. Deputy Minister for Science and Technology U Nyi Hla Nge explained technical matters to be taken into account in manufacturing parts of motor vehicles and other vehicles, and Deputy Minister for Commerce Brig-Gen Kyaw Hsan arrangements to make it easy to import necessary machinery for the manufacturing of motor vehicles and other vehicles.

Minister for Industry-2 Maj-Gen Saw Lwin spoke of measures to be taken to fulfil requirements of industrialists. Commanders Maj-Gen Ye Myint and Maj-Gen Soe Win explained matters related to assistance to be provided for the growth of industries.

REDUCTION OF COMMERCIAL TAX IN INDUSTRIAL ZONES (Content)

Yangon; Myanmar Times: 10-07-00

The Ministry of Finance and Revenue has, by a recent Notification, offered a relief on the commercial tax on goods manufactured by enterprises located in “industrial zones”. The commercial tax now payable on goods produced by enterprises within “industrial zones” has been reduced to 20 per cent of the rate applicable pursuant to Schedules 2 to 6 of the Commercial Tax Law. For example, goods which would normally attract a commercial tax rate of 2.5pc will now attract a rate of 0.5pc. This relief is applicable until September, 2002. Zones which fall under the ruling for this commercial tax relief are: 1. Hlaing Thayar Industrial Zone 2. Shwe Pyi Tha Industrial Zone 3. South Dagon Industrial Zone I 4. South Dagon Industrial Zone II 5. Port Township Industrial Zone 6. Thilawa Port Industrial Zone 7. Mitsui Industrial Zone 8. Mingalardon City Industrial Zone.

The industrial zones listed in numbers 1 to 5 above are controlled by a zone administration committee under the Department of Human Settlement and Housing Development. The remaining three industrial zones are operated by private entrepreneurs under Foreign Investment Law permits approved by the Myanmar Investment Commission.

ENTERPRISES IN INDUSTRIAL ZONES (circa 2000) (Content)

Excerpted from a Table ‘Enterprises in 18 Industrial Zones by Product’ in an article: “The Emerging Myanmar Entrepreneurs in the 1990s” in *Industrial Development in Myanmar: Prospects and Challenges*, edited by Toshihiro Kudo, published by the Institute of Developing Economies, Japan External Trade Organization, p. 134

F & B = Food and Beverages; HG = Household Goods; PG = Personal Goods; P & P = Printing & Publishing; Ind RM = Industrial Raw Materials; M & PP = Mineral & Petroleum Products; AgEq = Agricultural Equipment; Mch & Eq = Machinery & Equipment; Veh = Transport Vehicles; Wshp & Dckyd = Workshops and Dockyards; FP & WP = Furniture & Woodproducts; S & D: Sales and Distribution; Wrhse = Warehouses; UC = Under Construction; Misc = Miscellaneous

The map reference numbers refer to the Map of Yangon published by the Yangon City Development Committee, 3rd edition.

No of Enterprises **South Dagon Industrial Zone-1** (circa 2000), Map 55: A 1,2 & 3; Map 67: A 3; F&B 17, Apparel 7, HG 6, PG 34, P&P 4, Ind RM 3, M&PP 0, AgEq 0, Mch&Eq 3, Veh 0, Wshp&Dckyd 2, FP&WP 8, S & D 8, Wrhse 0, UC 0, Misc 15. Total 107;

No of Enterprises **South Dagon Industrial Zone-2** (circa 2000) Map 55: B 1 & 2; Map 67 B 3; F&B 29, Apparel 6, HG 9, PG 130, P&P 61, Ind RM 1, M&PP 0, AgEq 4, Mch&Eq 48, Veh 0, Wshp&Dckyd 57, FP&WP 32, S&D 0, Wrhse 1, UC 0, Misc 63. Total 441;

No of Enterprises **Shwepaukkan Industrial Zone** (circa 2000) Map 119: B 1; Map 120 A 1; F&B 11, Apparel 3, HG 1, PG 10, P&P 2, Ind RM 1, M&PP 0, AgEq 1, Mch&Eq 5, Veh 0, Wshp&Dckyd 4, FP&WP 8, S&D 0, Wrhse 0, UndrCon 28, Misc 13. Total 87;

No of Enterprises **Okkalapa North Industrial Zone** (circa 2000) Map 96: A 1; Map 107 A 3; F&B 47, Apparel 6, HG 4, PG 10, P&P 0, Ind RM 3, M&PP 0, AgEq 5, Mch&Eq 8, Veh 0, Wshp&Dckyd 3, FP&WP 6, S&D 3, Wrhse 4, UndrCon 0, Misc 20. Total 119;

No of Enterprises **Thaketa Industrial Zone** (circa 2000) Map 30: B 3? Map 31 A 3? F&B 26, Apparel 10, HG 2, PG 10, P&P 3, Ind RM 1, M&PP 0, AgEq 0, Mch&Eq 3, Veh 0, Wshp&Dckyd 7, FP&WP 11, S&D 1, Wrhse 21, UndrCon 0, Misc 9. Total 104;

No of Enterprises **Yangon West Industrial Zone** (circa 2000) Township location not indicated F&B 29, Apparel 6, HG 2, PG 60, P&P 26, Ind RM 2, M&PP 0, AgEq 0, Mch&Eq 10, Veh 0, Wshp&Dckyd 51, FP&WP 11, S&D 1, Wrhse 0, UndrCon 0, Misc 21. Total 238;

No of Enterprises **Yangon South Industrial Zone** (circa 2000) near Thilawa port? F&B 78, Apparel 5, HG 1, PG 66, P&P 13, Ind RM 651, M&PP 0 AgEq 0, Mch&Eq 10, Veh 0, Wshp&Dckyd 111, FP&WP 53, S&D 0, Wrhse 0, UndrCon 0, Misc 56. Total 1075;

No of Enterprises **Shwepyitha Industrial Zone** (circa 2000) Map 124 A1, B1; 125 A1; 135; F&B 23, Apparel 15, HG 0, PG 13, P&P 3, Ind RM 3, M&PP 0 AgEq 1, Mch&Eq 1, Veh 0, Wshp&Dckyd 4, FP&WP 9, S&D 0, Wrhse 0, UndrCon 8, Misc 19. Total 101;

No of Enterprises **Hlaingthaya Industrial Zone** (circa 2000) Maps 71, 72, 73, 154, 155 F&B 29, Apparel 35, HG 17, PG 40, P&P 3, Ind RM 24, M&PP 0, AgEq 2, Mch&Eq 1, Veh 0, Wshp&Dckyd 111, FP&WP 7, S&D 0, Wrhse 51, UndrCon 0, Misc 15. Total 224;

No of Enterprises **Mandalay San Pya Industrial Zone** (circa 2000) F&B 29, Apparel 3, HG 11, PG 21, P&P 8, Ind RM 30, M&PP 0, AgEq 8, Mch&Eq 207, Veh 0, Wshp&Dckyd 235, FP&WP 31, S&D 0, Wrhse 0, UndrCon 0, Misc 78. Total 661;

No of Enterprises **Mandalay Sein Pan Industrial Zone** (circa 2000) F&B 59, Apparel 0, HG 6, PG 12, P&P 3, Ind RM 19, M&PP 0, AgEq 3, Mch&Eq 3, Veh 0, Wshp&Dckyd 13, FP&WP 6, S&D 0, Wrhse 0, UndrCon 0, Misc 41. Total 333;

No of Enterprises **Meikhtila Industrial Zone** (circa 2000) F&B 25, Apparel 31, HG 0, PG 1, P&P 0, Ind RM 3, M&PP 0, AgEq 0, Mch&Eq 3, Veh 0, Wshp&Dckyd 1, FP&WP 3, S&D 0, Wrhse 0, UndrCon 0, Misc 2. Total 90;

No of Enterprises **Myingyan Industrial Zone** (circa 2000) F&B 69, Apparel 3, HG 0, PG 8, P&P 2, Ind RM 51, M&PP 0, AgEq 14, Mch&Eq 46, Veh 0, Wshp&Dckyd 87, FP&WP 0, S&D 0, Wrhse 0, UndrCon 0, Misc 17. Total 297;

No of Enterprises **Monywa Industrial Zone** (circa 2000) F&B 93, Apparel 148, HG 0, PG 30, P&P 1, Ind RM 71, M&PP 0, AgEq 1, Mch&Eq 61, Veh 0, Wshp&Dckyd 15, FP&WP 39, S&D 0, Wrhse 0, UndrCon 0, Misc 24. Total 483;

No of Enterprises **Bago Industrial Zone** (circa 2000) F&B 1, Apparel 1, HG 0, PG 0, P&P 0, Ind RM 0, M&PP 0, AgEq 0, Mch&Eq 61, Veh 0, Wshp&Dckyd 23, FP&WP 6, S&D 0, Wrhse 0, UndrCon 0, Misc 1. Total 35;

No of Enterprises **Pyay Industrial Zone** (circa 2000)

F&B 44, Apparel 5, HG 1, PG 3, P&P 2, Ind RM 7, M&PP 0, AgEq 0, Mch&Eq 1, Veh 0, Wshp&Dckyd 47, FP&WP 8, S&D 0, Wrhse 0, UndrCon 0, Misc 6. Total 124;

No of Enterprises **Yenangyaung Industrial Zone** (circa 2000)

F&B 46, Apparel 0, HG 0, PG 4, P&P 0, Ind RM 1, M&PP 0, AgEq 2, Mch&Eq 28, Veh 0, Wshp&Dckyd 35, FP&WP 7, S&D 1, Wrhse 0, UndrCon 60, Misc 14. Total 124;

No of Enterprises **Pakhokku Industrial Zone** (circa 2000)

F&B 49, Apparel 3, HG 1, PG 5, P&P 2, Ind RM 22, M&PP 0, AgEq 1, Mch&Eq 2, Veh 0, Wshp&Dckyd 9, FP&WP 0, S&D 0, Wrhse 0, UndrCon 0, Misc 5. Total 99;

No of Enterprises **Patheingyi Industrial Zone** (circa 2000)

F&B 69, Apparel 0, HG 0, PG 8, P&P 5, Ind RM 69, M&PP 0, AgEq 8, Mch&Eq 26, Veh 0, Wshp&Dckyd 26, FP&WP 27, S&D 0, Wrhse 0, UndrCon 0, Misc 27. Total 267;

No of Enterprises **Myaungmya Industrial Zone** (circa 2000)

F&B 11, Apparel 0, HG 0, PG 2, P&P 0, Ind RM 291, M&PP 0, AgEq 22, Mch&Eq 0, Veh 0, Wshp&Dckyd 63, FP&WP 8, S&D 0, Wrhse 0, UndrCon 0, Misc 17. Total 414;

No of Enterprises **Hinthada Industrial Zone** (circa 2000)

F&B 108, Apparel 0, HG 1, PG 10, P&P 5, Ind RM 143, M&PP 0, AgEq 40, Mch&Eq 27, Veh 0, Wshp&Dckyd 46, FP&WP 32, S&D 0, Wrhse 0, UndrCon 0, Misc 70. Total 482;

No of Enterprises **Taung-gyi Industrial Zone** (circa 2000)

F&B 77, Apparel 3, HG 12, PG 21, P&P 14, Ind RM 36, M&PP 0, AgEq 1, Mch&Eq 49, Veh 0, Wshp&Dckyd 47, FP&WP 32, S&D 0, Wrhse 0, UndrCon 0, Misc 50. Total 342;

No of Enterprises **Mawlamyaing Industrial Zone** (circa 2000)

F&B 82, Apparel 0, HG 0, PG 30, P&P 8, Ind RM 14, M&PP 0, AgEq 3, Mch&Eq 47, Veh 0, Wshp&Dckyd 32, FP&WP 63, S&D 0, Wrhse 0, UndrCon 0, Misc 47. Total 326;

No of Enterprises **Myeik Industrial Zone** (circa 2000)

F&B 44, Apparel 0, HG 0, PG 4, P&P 5, Ind RM 5, M&PP 0, AgEq 0, Mch&Eq 0, Veh 0, Wshp&Dckyd 56, FP&WP 29, S&D 0, Wrhse 0, UndrCon 0, Misc 10. Total 153;

TYPE AND MAGNITUDE OF CONSTRAINTS IN INDUSTRIAL ZONES (Content)

From *Industrial Development in Myanmar: Prospects and Challenges*, p. 288

In spite of the fact that many industries are in full operation, some constraints are encountered which has a tendency of hindering them to function at maximum efficiency. The following Table shows the magnitude of constraints of different industrial Zones. The severest constraint is allocated a magnitude of 10 points with the least a magnitude of 1.

SR No.	Type of Constraints	Total Points	Shwe-pyi-Thar points	Hlaing-thar Yar points	S.Dagon (1) points	S.Dagon (2) points
1.	Electricity Supply	40	10	10	10	10
2.	Raw material	32	6	9	9	8
3.	Labour	28	9	5	7	7
4.	Transport	25	8	4	8	5
5.	Financial assistance	21	3	8	1	9
6.	Technology	20	5	6	5	4
7.	Communication	18	7	2	6	3
8.	Market	17	4	3	4	6

9.	Sanitation & Water Supply	12	1	7	3	1
10.	Revenue	7	2	1	2	2

Source: Saw Christopher Maung and U Tun Than Tun, 1999

In all the surveys of industrial zones, not only in Yangon but also in Mandalay, Monywa and Pakokku, shortage of electricity was invariably found to be the biggest constraint hindering small and medium industries. Shortage of electricity, unstable voltage and frequent blackouts often damaged the production process, thereby unnecessarily increasing the costs of manufactured products. For small and medium-sized industries in Myanmar, increased supply of electricity is definitely the single most important key for unlocking their dynamism. In Myanmar, the State is sole supplier of electricity

SEMINAR ON DEVELOPMENT OF INDUSTRIES IN INDUSTRIAL ZONES (Content)

Yangon: Myanmar Information Committee: Info sheets between 3 - 10, September 1999

Senior General Gives Guidance on National Industrial Development

Chairman of the State Peace and Development Council Commander-in-Chief of Defence Services Senior General Than Shwe met with the representatives of the 18 industrial zones of states and divisions, who are to attend the seminar on industrial development, in the hall of the Ministry of Defence on 2 August. In his address, Senior General

Than Shwe said the purpose of meeting with the industrialists was to discuss the tasks to build infrastructure essential for building an industrialized nation, and encouraged them to coordinate the plans openly for industrial development at the seminar that would follow.

As the local industries were scattered in various parts of the country, they were organized to establish at possible locations, and industrial zones were set up beginning 1995. He cited the objectives for national industrial development. The major aim was to establish import substitute industries and the industries primarily essential for the country. Plans are underway to provide basic needs for development of the industrial zones such as land, water and power supply, as well as financial and technological assistance, supply of raw materials and other material assistance as much as possible. In giving financial assistance, it has been planned to provide it not only in kyats but also in foreign currency, and to scrutinize the taxes, which have been a burden to the industrialists, and give exemption. The government would provide actual requirements for development of private industries. Industrial Development Central Committee led by Vice-Chairman of the State Peace and Development Council, General Maung Aye was formed and arrangements are to be made for development of the State's industrial sector with added momentum.

Seminar on Development of Industries of Industrial Zones

Myanmar Industrial Development Committee held a seminar on development of industries of the industrial zones in the meeting hall of the Ministry of Industry-2 on 2 August. The Central Committee for Industrial Development laid down five fundamental principles for the establishment of an industrialized nation based on agriculture and mechanized farming, namely, to extensively adopt mechanized farming system, to establish new factories and plants, to run existing factories and plants at full capacity, to ensure effective and rapid development of industrial zones, to establish new industrial zones and to develop private industrial sector all the more. Myanmar Industrial Development Committee was formed with the Minister for Science and Technology as chairman and Myanmar Industrial Development Working Committee with the Minister for Industry-2 as chairman. Nine subcommittees were formed and assigned duties, and ministers were also assigned duties to supervise industrial zones. The representatives of industrial zones reported on conditions of their works, investment, labour, water and power supply, transport and communication and tax. The ministers in charge of industrial zones fulfilled their requirements. The seminar will continue till 6 August.

The seminar on development of industries of the industrial zones sponsored by Myanmar Industrial Development Committee (MIDC) continued for the second day today at the Ministry of Industry-2. Patron of MIDC Secretary-2

of the State Peace and Development Council Lt-Gen Tin Oo attended the seminar. In the morning session, Deputy Director of Directorate of Investment and Companies Administration U Kyaw Zaw gave talks on foreign and local investment and General Manager of Myanmar Industrial Development Bank U Kyaw on disbursement of loans to industries. Officials replied to queries raised by representative of industrial zones.

In the afternoon session, representatives of Meiktila, Mandalay, Yenagyong, Yangon West, Bago, Taungyi, Pakokku, Pyay an Patheingyi industrial zones and Dagon Industrial Zone 2 presented accomplishments and requirements sector wise. The Secretary-2, ministers and officials looked into the requirements. The seminar continues on 4 August.

The seminar on development of industries of the industrial zones sponsored by Myanmar Industrial Development Committee (MIDC) continued for the fifth day at the Ministry of Industry-2 this morning. Deputy Minister for Labour Brig-Gen Win Sein extended greetings. Chairman of Social Security Board U Aung Ba Kyi explained the functions of

Social Security Board Then, Director of Labour Department U Kyaw Win, Deputy Director of Myanmar Science and Technology Research Department U Myo Myint and Director of Directorate of Myanmar Industrial Planning U Aung Soe Win presented their papers in the morning session. In the evening session, Adviser at the Ministry of Industry-2 Dr Kyaw Htin, Director of Customs Department U Than Nyunt, Director of Internal Revenue Department U Zaw Oo and Managing Director of Myanmar Industrial Development Bank U Aung Chit presented their papers. The seminar continues on 9 August.

The seminar on development of industries of industrial zones sponsored by the Myanmar Industrial Development Committee (MIDC) concluded at the Ministry of Industry-2 on Kaba Aye Pagoda Road, Yangon on 9 August. First, the representatives of Shwepyithar, Dagon (South), North Okkalapa and Shwepaukkan of Yangon Division, Myingyan of Mandalay Division and Monywa of Sagaing Division industrial zones presented the matters that remained to be submitted to the session. Afterwards, Adviser to the Ministry of Industry-2 gave talks on "One Stop Service". It is planned to establish the national industrial sector through three-pillar system, the state sector, the local private sector and foreign investment; after emergence of the industrial zones, the private industrial sector of national entrepreneurs has not developed as much as expected though MIDC and private entrepreneurs are making efforts; only when the State sector and the private sector can cooperate effectively, will the national private industrial sector make progress; the government is ready to provide all assistance such as land, water and power supply as well as financial assistance and technology; arrangements are under way to provide financial assistance even in foreign currency and to exempt taxes. The government would provide assistance as much as it could to accelerate momentum of progress in the industry sector.

MYANMAR ATTRACTS FOREIGN INVESTMENT TO INDUSTRY PARK IN MINGALADON

Yangon: Xinhua: 30--06-98 ([Content](#))

Myanmar has been carrying out an extensive marketing drive to attract foreign investments to its first foreign-invested industrial zone, the Mingaladon Industrial Park, to obtain technology for tapping the country's rich natural resources. The 89-hectare industrial park in Yangon, whose infrastructure facilities were established by the Mitsui Co. Ltd. of Japan under a joint venture contract with the state-run Myanmar Department of Human Settlement and Housing Development, has drawn investors from Japan, South Korea, Singapore and China's Hong Kong Special Administrative Region. According to official sources, these investors have taken 15 percent of the total industrial land available for long-term lease for at least 50 years.

Following the completion of the construction of the industrial park (phase one) in two years' time since March 1996, detailed design and feasibility study for phase-two development are under way. It is expected that when all phases of the project are completed, investment from not only Japan but also the Southeast Asian region and other parts of the world would be obtained to set up enterprises there, according to a Myanmar official.

The 20-million-dollar Mingaladon Industrial Park project, located in the north of Yangon, is one of the five planned industrial zones in the capital. Three of them are foreign-invested and the Mingaladon is the forerunner. The other two are being developed mainly by Singaporean, Malaysian and Thai companies. Altogether 17 industrial zones

have been established in Myanmar including those in Yangon, Mandalay, Bago, Hinthada, Myaungmya, Myeik, Yenangyaung, Pyay, Mingyan and Meiktila.

According to official statistics, foreign investment in the industrial sector (processing and manufacturing) amounted to 1.43 billion U.S. dollars in 113 projects by March, the end of the 1997-98 fiscal year, ranking second after oil and gas out of a total foreign investment of 7 billion dollars. The sector also stood as the second largest contributor to Myanmar's gross domestic product after agriculture, sharing 9.2 percent of the GDP in the 1997-98 fiscal year, a 4.6-percent growth.

INDUSTRIAL BELT TAKES SHAPE AROUND CAPITAL (Content)

Yangon: B.J. Lee: The Nation: January 17, 1997

"We are going to be surrounded by smoke stacks," say a Rangoon resident. On a map of the greater Rangoon area, the source draws circles around five industrial zones being set up in a ring around the outskirts of Rangoon. "I've seen foreign news about a place called Death Valley, where people are choked by the factories surrounding their city. Maybe this is what Rangoon will become in the future.

Government official often herald the five industrial parks as being the foundation of Burma's drive to become the next economic tiger of Asia. But critics, such as the Rangoon resident who is involved in joint ventures and has visited all five sites, warn of impending problems of population and over Asian boomtowns. And sources say that villagers are already being forcibly relocated off prize farmland to make way for bulldozers and engineers.

The largest of the five zones is the Sinmardev industrial zone, 18 kilometers outside of Rangoon. Sinmardev is short for Singapore-Myanmar-development. In an agreement last year, the Burmese government leased the 12-sq-kilometers land site wholesale to Sinmardev for a period of 50 years. Sources say construction managers are currently registering local inhabitants in order to move them off the site. The other zone reserved exclusively for foreign investors has been leased to Mitsui corporation of Japan. The government reportedly agreed to lease the land to Mitsui without demanding any percentage of income from the site.

The government says the zones will bring hundreds of thousands of jobs to Burma. But critics say the companies sweet-talked the government into selling them land around Rangoon for industrial parks. "They tell the government that they will bring jobs and money into Myanmar," says one critic who has visited the sites. "Of course, what the companies really want is cheap labour and relaxed environmental controls. But the government believes them, and money helps do the talking."

Three other zones are set aside for locally-owned factories. Factories at the 1,700-hectare Hlaing Thar Yar industrial zone, 11 kilometers northwest of Rangoon, are already producing plastic sacks, paper, paint, foam rubbers, as well as cleaning beans for export. The Shwepyitha industrial zone, 18 kilometers north of Rangoon, is expected to have 200 factories upon completion making such products as wood, drinking water and liquor. One factory, which kicked into gear last year, takes raw materials imported from firms in Europe, Hong Kong, Thailand and Malaysia, and then produces garments for export to The Netherlands. "Factories like this aren't using local raw materials or even selling to the local market. The only reason they set up here to use cheap local labour," says the critic. Factories at a third zone, in South Dagon, a kilometers northeast of downtown, use raw materials from Japan and Malaysia to make plastic sacks for export.

Sources say the industrial zones are creating another headache: forced relocations of villagers. The source says that farmers have been forced to give up their prized land in Mingaladon north of Rangoon to make way for Mitsui's industrial park. "There is no negotiation between the farmers and the government. The government simply puts up a sign saying, 'Everybody must move by this date.' Everybody must obey it or else. Villages are silently angry but they don't dare protest." Adds another local resident, explaining the public mentality about reallocations, "We have to obey the king. When the king says move, we have to move."

"They are losing a paradise," says the source who says she had spoken with many relocated villagers. "Having farmland close to the markets of Rangoon, they were among the luckiest people in the country. Now their luck has

changed." But the source says that in some cases, farmers don't move. "I've seen cases where farmers will stand in front of their homes while bulldozers start moving in on them. When they see the bulldozers, they quickly pack up their things and go, stunned that they actually have to move."

Villagers don't really understand what an industrial park is," explains the source. "Many of them only know farming, so they are losing not only their land but their way of life. Others take money from the government and smaller plots of land to build new homes in other parts of the city. They have to find new jobs. Where? At the industrial park."

Other Rangoon residents say that the industrial parks are increasing the influx of villagers coming into Rangoon. The relocations are also creating public resentment against the foreign investors. "Employees of foreign investors such as Mitsui don't even realise this. Because news can't be reported in the local press, the officials seem unaware of the relocations and the public distrust it's causing toward them," said the source.

Foreign investors, afraid of losing their deals and their status inside the country, are reluctant to discuss politically sensitive matters on the record. Privately, many investors say they hold firm to the belief that industrial zones are good for the economic future of the country. They also argue that building industrial parks outside the capital is a better alternative to allowing factories to set up downtown and in residential areas.

FORMATION OF THE MYANMAR INDUSTRIAL DEVELOPMENT COMMITTEE (Content)

Yangon: The New Light of Myanmar: 20, November 1995

The State Law and Order Restoration Council formed the Myanmar Industrial Development Committee under Notification No. 37/95 dated 18 July 1995 since all-round development of a nation depends on the establishment of industries.

The Myanmar Industrial Development Committee has laid down the following tasks and has been undertaking them:

- (a) development of agriculture-based industries,
- (b) ensuring quantitative and qualitative improvement of industrial goods,
- (c) manufacturing new types of machinery and equipment,
- (d) manufacturing machinery and equipment for industries,
- (e) manufacturing machinery and equipment for national defence,
- (f) creating favourable conditions to change over to an industrial nation.

Myanmar Industrial Development Committee, after consulting with the technicians, has been taking measures in all aspects to realize the six objectives above. The Myanmar Industrial Development Work Committee and eleven subcommittees have been formed and 13 industrial zones established up to now. The entire public is urged to make concerted efforts for the establishment of a modern and developed nation.

CONSTRUCTION OF INDUSTRIAL ZONES UNDER STUDY (Content)

Yangon: New Light of Myanmar, 16 October, 1995

A 31-member delegation headed by Director-General U Arnt Kyaw of the Department of Human Settlement and Housing Development left to "study rural development services, construction of industrial zones and management of housing complexes in Malaysia (Oct. 15-20) and Singapore (Oct. 21-25). It includes 3 officials from the Department, 2 from Public Works, 2 from Yangon City Development Committee, 2 from Mandalay City Development Committee, 1 from the Attorney-General's office, 31 entrepreneurs, architects, and engineers, and an Executive Committee member from the Mandalay USDA.