

Mon State Economic Overview

Mon State Profile:

Location: Southern Myanmar

Shared borders: Kayin State to the east, Andaman sea to the west, Bago Region to the north, Tanintharyi Region to the south, and also a short border with Thailand's Kanchanaburi Province at its south-eastern tip.

Area: 12,297 sq. km

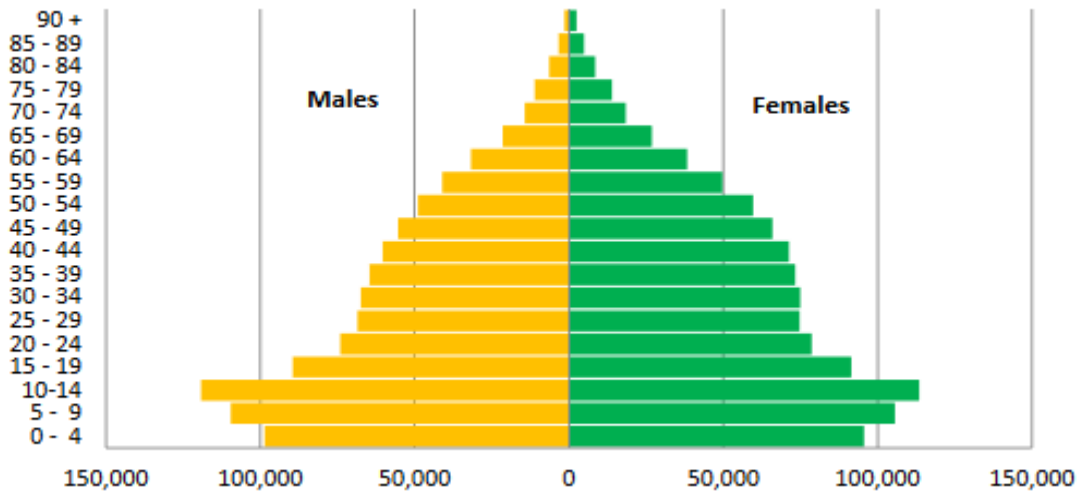
Ethnicity: This area was previously known as Moulmein and the majority of the population is Mon. However, there is a large number of ethnic Bamar, as well as members of the Kayin and Pa-O ethnic groups, and other ethnicities, such as Chin, Kachin, Rakhine, Shan and Burmese-Thai. In addition, there is also a small Anglo-Burmese community.

Religions: Buddhism 92.6%, Islam 5.8%, Hinduism 1.0%, Christianity 0.5% and other religions 0.1%

Population: 2,054,393 (Myanmar National Population and Housing Census 2014). The total population of Mon State represents 4 percent of the total population of Myanmar.

Population density: 167 persons per square kilometer. This is more than double the density at the union level, which is 76 persons per square kilometer. With regard to the population in urban and rural areas, the census result showed that for every 100 persons living in Mon State, 72 persons live in rural areas while 28 persons live in urban areas. It is the fourth most densely populated State/Region, only surpassed by Yangon Region, Mandalay Region, and Ayeyawady Region. The population density of Mon State has increased from 107 persons per square kilometer in 1973 to 137 persons per square kilometer in 1983, to 167 persons per square kilometer in 2014.

The Population Pyramid of Mon State



Source: 2014 Myanmar Population and Housing Census

Geography

Mon State is formed of 2 districts and 10 townships, with 12,297 sq. km area of land. Mon state is the fourth largest city of Myanmar, 300 km south east of Yangon and 70 km south of Thaton at the mouth of Thanlwin (Salween) River. Mawlamyine is the capital city of Mon State and is the main trading centre and seaport in south eastern Myanmar. Bordering with Bago Division in the south of the Sittaung River mouth, Kayin State to the east, Thailand and Tanintharyi Division to the south, and the Andaman Sea and Gulf of Mottama to the west. Mon State is situated between latitudes 14°52' north and 17°32' north, and longitude 96°51' east and 98°13' east.

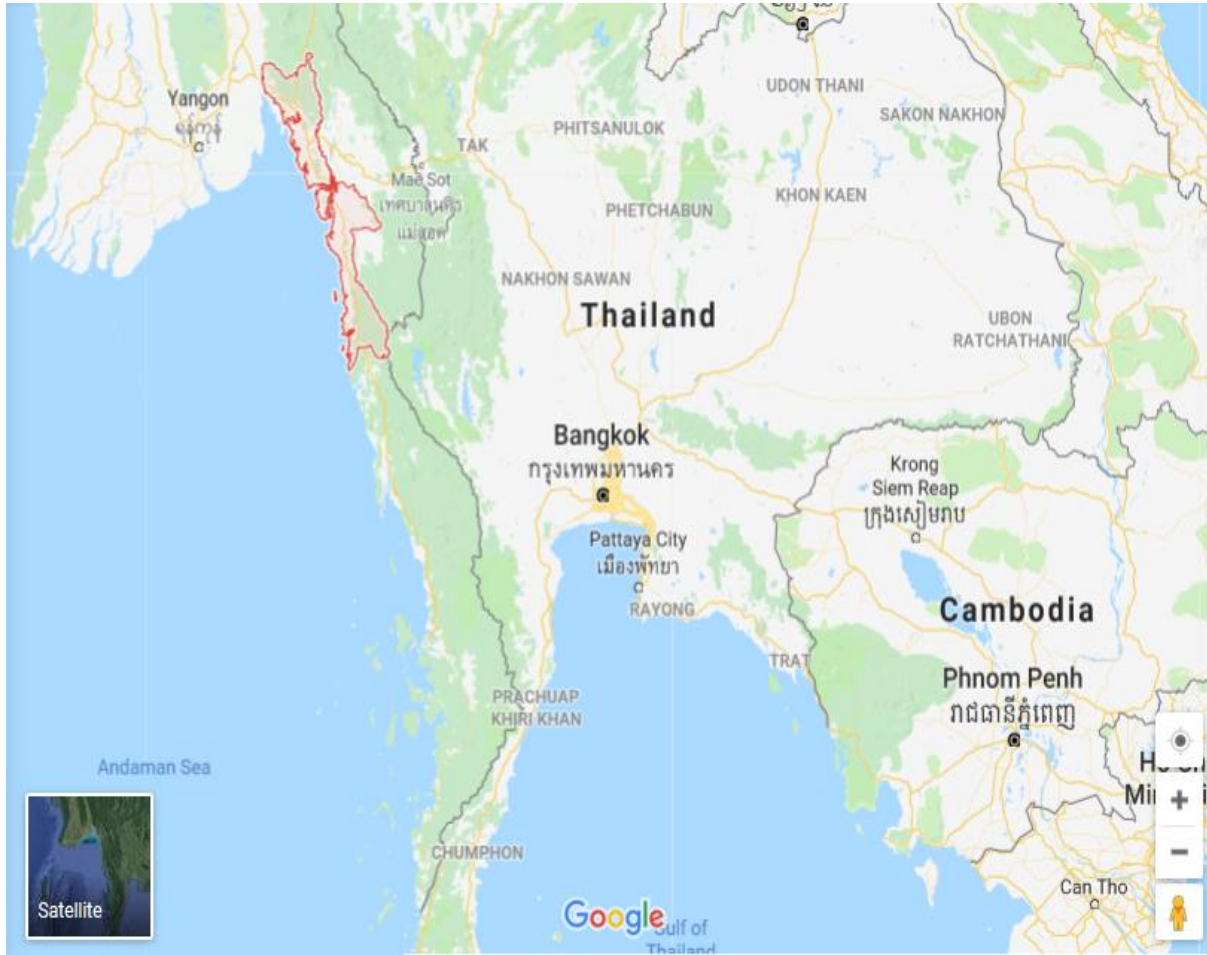
Air and Rail Transport

Mawlamyine is the main gateway to southern Myanmar. Thanlwin Bridge, the longest road and rail bridge in Myanmar, is the most prominent landmark in the area. It stretches 11,000 feet (3,400 metres) over the Thanlwin River, connecting the country's south eastern region with Yangon. Mawlamyine is connected to Hpa-an in Kayin State to the north-east, and Dawei and Myeik in Tanintharyi division to the south by road. It is also connected to the Thai- Myanmar border town Myawaddy via Kawkareik. Most recently, the Bogyoke Aung San bridge (Bilu Kyun) was opened in 2017, connecting Mawlamyine with nearby Bilu Island, which is about 500 metres west offshore of Mawlamyine.

Mon State has one airport in Mawlamyine, which is serviced by weekly flights to Yangon and daily flights to Mae Sot, Thailand. In Mawlamyine, motorcycles and motorized tricycles are registered for use as taxis. Mawlamyine also has a bus network, which mostly runs from the north to the south of Mawlamyine. It also has a railway service, which heads to Ye and is linked

to Yangon by rail from Mottama (Maartaban) by the Thanlwin Bridge (Mawlamyine). Lastly, there is the Mawlamyine Railway Station, which was reportedly built to the standard of an ASEAN railway station and is the terminus of the Yangon-Bago-Mawlamyine-Dawei railway line.

Map of Mon State



| Mon State | | |
|--------------------------|---------------------|-------------------|
| Mawlamyine District | Thaton District | Islands |
| 1) Mawlamyine Township | 1) Thaton Township | Belu-Kyun island |
| 2) Kyaikmaraw Township | 2) Paung Township | Kalar-goke island |
| 3) Chaungzon Township | 3) Kyaikto Township | |
| 4) Thanbyuzayat Township | 4) Bilin Township | |
| 5) Mudon Township | | |
| 6) Ye Township | | |

Mon State Government

| | Name | Position/Ministry |
|-----|-----------------------------------|---|
| 1. | Dr. Aye Zan | Chief Minister |
| 2. | Col. Win Naing Oo | Minister of Security and Border Affairs |
| 3. | U Min Kyaw Lwin | Minister of Municipal Affairs and Construction |
| 4. | U Min Htin Aung Han | Minister of Electricity, Energy and Industry |
| 5. | Dr. Htein Lin | Minister of Social Affairs |
| 6. | U Tun Htay | Minister of Agriculture, Livestock and Transportation |
| 7. | Dr. Min Kyi Win aka Naing Kyi Win | Minister of Natural Resources and Environment |
| 8. | U Wunna Kyaw | Minister of Planning, Finance, Immigration and Population |
| 9. | U Shwe Myint | Minister of Barmar Ethnic Affairs |
| 10. | Daw San Wint Khaing | Minister of Pa-O Ethnic Affairs |
| 11. | U Aung Myint Khaing | Minister of Kayin Ethnic Affairs |
| 12. | Daw Aye Aye Moh | State Advocate |
| 13. | DawTheinTheinOo | State Auditor |

Potential for Trade and Investment

1. Hotels and Tourism

Many ethnic minority areas have considerable tourism potential, such as areas of historical and cultural significance (war cemeteries, the Burma Railway, pagodas and ethnic heritage buildings, great scenic beauty and ecological significance). Poor infrastructure will hamper tourism development and any unequal distribution of revenue could potentially lead to conflict in the area.

Leaders of some ethnic communities, such as Mon, appear more positive about tourism development than the Karen, and may face challenges in relation to progress. Golden Rock Pagoda in Kyaikhteeyo is a major attraction for both locals and foreigners, especially Thai pilgrims. The Ministry of Hotels and Tourism is planning to develop five new tourist destinations in Mon state to attract more tourists.

Mon State already has established local businesses and eco-tourism projects, with some locals viewing tourism as a way to promote recognition of Mon State and to preserve local heritage sites. However, in Mon state, as elsewhere, there are concerns that the tourism sector is currently dominated by businesses with connections to the government. Nevertheless, the government has recently given the green light to a local company to build a hotel and beach resort zone in Ye township.

Tourism in Mon state started booming in 2012, and the state has received an increasing number of international travelers each year. According to the Mon State Hotel and Tourism Department (Mawlamyine Branch), Mon state attracted 109,560 foreign tourists from January to July 2016. Investment in the hotel business of Mon state, especially in the capital city of Mawlamyine, has also been increasing.

Mon State has 49 hotels with 1,577 rooms, according to the “Distribution of Available Capacity of Hotels, Motels, Inns/Guesthouses Report” in the 2016-2017 fiscal year. Mon State has high potential for development, as it is part of the East-West Economic Corridor (EWEC), and is thus considered as an important focal point for border trade and tourism between Thailand and Myanmar.

Tourism development will significantly benefit Mon state, as it has excellent transportation with connections to the capital Yangon. Transportation includes trains, buses, and airlines, as well as access to the sea. The newly opened Mawlamyine bridge provides quick access from the south of Ye Township to the north of Bago and Yangon as a day journey. Three Pagoda Pass is an alternative route, which connects Mon state with neighbouring Kanchanaburi Province of Thailand.

2. Mon State Industrial Zones

2.1 Kyauktan Industrial Zone

Kyauktan Industrial Zone is located in Kyaikmaraw Township in Mon State and was officially opened on 26 March 2018. A total of 59 investors from various parts of Myanmar have purchased land in the industrial zone, which covers 254 acres.

The previous industrial zone had many problems and was unsuccessful. It was far from Mawlamyine. There were two suspension bridges that needed to be crossed to reach it, making it difficult to access, and also limiting the tonnage of vehicles. Container vehicles were not able to cross the Attaran Bridge. Water was scarce, electricity supply was unstable, and phone connections were bad. Thus, there was the need to relocate the industrial zone to Mawlamyine.

Kyauktan Industrial Zone features a variety of different business enterprises, including zinc, barbed wire, ready-mixed cement, food and drink production, textiles, gold purification, ice factories, shoe production facilities, furniture enterprise, plastic enterprise, cold seafood storage and car accessories business.

2.2 Thaton Industrial Zone

Thaton Industrial zone is located in northern Mon state. According to the Ministry of Industry, local and foreign industrialists were invited to transform the 678 acres factory into an industrial zone (Thaton) and 7 companies submitted proposals. These proposals include producing medicine from plants, soft drink manufacturing from fruits and roots, manufacturing of dried

fruits, high quality processing of local rubber, garment factory, manufacturing of rubber and related products.

A group of experts from the Ministry of Industry has been assessing these proposals and industries which will benefit the country, develop regions and create job opportunities for local people. In the meantime, Energeia Asset Management AS of Norway has entered a joint venture with Myanmar Eco Solutions and Pyi Phyo Tun of Myanmar to build a solar power plant at Thaton Industrial Zone in Mon State.

3. Logistics

The Mon State Government has preliminarily given the green light for projects related to the state's development, which includes a deep-sea port, an electric power station and an industrial zone. Before construction can get underway, the projects must be approved by the Union Government.

For example, the Mon State Government and a Myanmar company, Bedok Construction & Engineering Co., Ltd., signed a Memorandum of Understanding (MoU) to cooperate on development projects on 9 March 2017. This includes a 560 MW power plant and a deep-sea port. However, the project proposals required approval from the Myanmar Investment Commission (MIC) and also had to be forwarded to the union level government.

4. Agriculture

People in Mon state have traditionally relied extensively on agriculture for their livelihoods, with large areas of flat arable land throughout the state. Mon State has approximately three million acres of cultivatable land. Most land is used for rice paddies and rubber. Other major crops in Mon State include corn, groundnuts, sunflowers, cashew nuts, sugar cane, coconut, palm oil, cocoa, and various types of fruit, including mangosteen, pomelo, and durian. Some of these fruit are considered the best in Myanmar.

4.1 Rubber

Mon State has around 500,000 acres of rubber plantation of which 300,000 acres are producing rubber. Mon state products about half of Myanmar's total rubber output. Rubber factories are currently developed in Kyaikmaraw and Paung townships with facilities planned for Thaton, Mudon, Thanbyuzayat, and Ye townships. Some factories have already submitted environmental management plans which were lacking in some areas, like construction of waste tanks, waste management and storage of raw material. According to Mon state's Ministry of Natural Resources and Environment, the state has 31 rubber factories, including rubber grinding factories, rubber plywood factories and rubber sheet factories. Mon state produced more than 100,000 tons rubber per year and possesses 30 percent of the total rubber plantation acreage in Myanmar and 49 percent of the total output.

Rubber is one of the five sectors prioritized for development by the Mon state government to help improve the state's economic performance

4.2 Rice paddy

Mon state has a cultivated area of nearly 4.5 million acres (18,000 km) are mostly rice plantations. According to a Special Report by the Food and Agriculture Organization of the United Nations World Food Programme, during their crop and food security assessment mission to Myanmar in 2015, the paddy planted areas of Mon State amounted to 288,000 hectares, and the total production was 994,000 tonnes.

5. Fisheries

Fishing along the state's western coast has historically supplemented income and diet, both from wholesale markets, as well as the processing of dried fish and production of fish sauce, paste, and spices. Mon State's first fishery joint management was established in the coastal fishing village of Aung KanThar in Thaton Township, in order to protect the environment and support both fish stocks and fishermen, as well as to create a strong ecosystem.

According to data on fisheries zone management, fish catches in the Gulf of Mottama have declined between 50 and 990 percent over the past 10 years. Mon State's Department of Fisheries has attempted to rectify this problem by allocating 500 acres of the fishery zone as a joint management crab zone to reduce risks in management, and a fishing zone that will protect the crustacean's natural environment.

6. Mining

Mining is another emerging industry in Mon state, with antimony, granite and gold mined in various places. There are 88 mining companies producing gravel for road paving permitted by the Union Government to operate in Mon State. Of those 88 quarry companies, 44 are operating in Kyaikhto Township, 22 in Paung Township, 13 in Ye Township, four in Kyaikmayaw Township, and five in Thaton Township.

There are still many companies that have not obtained permission from the MIC, and some companies have also encountered problems as their mining practices do not follow regulations.

7. Coal Power Projects

With regard to power, the main power plant is located in Mawlamyine. However, the planned upgrade of a facility in Thaton and of a natural gas turbine plant in Mawlamyine provide reasons for optimism on increased power supply.

The power plant in Thaton Township has a capacity of 120 megawatts and is 85 percent complete. The plant would increase the energy supply in Mon and Kayin State. In addition, a coal power plant project is also being constructed in Ye Township, which will generate 1,280 megawatts of power for the local area. However, it has been suspended due to the local residents' protests against the project since January 2016.

MIC has granted permission for joint ventures with foreign partners to supply power to areas not connected to the national grid. The Southern Myanmar Development Co. and a Singapore-Thailand-Myanmar joint venture won a contract to supply electricity to a village in Ye Township. According to DICA, the 26 billion Kyat project will generate 10 megawatts of electricity daily with a diesel generator.

8. Economic connectivity between Myanmar and Thailand (East West Economic Corridor)

The East West Economic Corridor (EWEC) covers Mae Sot in Tak Province of Thailand, Myawaddy, Hpa-An, and Mawlamyine in Myanmar. The Economic Corridor consists of a 1,450 km road, with the west end at the port city of Mawlamyine, crossing Kayin State. The Myanmar government approved Thailand's 1.8 billion Baht project to improve the Thaton-Ein Du Highway, a section of EWEC, and also requested Thailand to improve other roads along EWEC.

The 68 km long Thaton-Ein Du section of EWEC is part of the 450 km Myanmar-Thailand trade link between Mae Sot district, Tak Province of Thailand, and Yangon. The EWEC will benefit the private sector of both countries by strengthening infrastructure and connectivity, and thereby facilitating trade and investment.

9. Investment opportunities in Mon State

Mon state is one of the fast growing states in Myanmar and has great potential for economic development. The State has highlighted potential sectors for investment and sectors that different foreign investors are interested in. For example, Chinese investors are interested in the manufacturing of rubber products, fruit cultivation, and tourism sector.

At present, Thailand is the biggest investor in Mon State, with the Thai petroleum firm PTTEP investing US\$2.146 billion in an offshore gas field in the Gulf of Martaban, which is the largest investment among 18 international investors in Myanmar's energy sector, as well as the largest foreign investment in Mon State. In addition, Thailand's US\$414 million Mawlamyine Cement Limited (MCL) cement plant is also the largest investment in Mon State's industrial sector.

In early 2017, the Myanmar Investment Commission (MIC) announced the establishment of investment commissions at the region and state level. According to this announcement, region and state governments are authorized to consider investment proposals of less than US\$ 5 million in their areas, but have to seek MIC permission for investments of more than US\$ 5 million. According to the Mon State Directorate of Investment and Company's record, Mon State received more than \$5.433 billion in foreign investment from 1994 to the end of 2016.

Local and Foreign Investment in Mon State (2015-2018)

The following table lists the permitted enterprises in Mon State by the Myanmar Investment Commission (MIC).

| No. | Name | Location | Type of Investment | Form of Investment | MIC issue date |
|-----|---------------------------|--|-------------------------------------|----------------------------|---------------------------------|
| 1. | Forever Thanlwin Co., Ltd | Plot No. 1/1, 3/1, N-1, N-36, N-39, N-58, N- | Develop and Operate Offshore Supply | Myanmar Citizen Investment | (2/2018) 2-2-2018 Myanmar |

| | | | | | |
|----|--|--|--|----------------------------------|--|
| | | 42 , DaminnSeikKwin, Kwin No. 1249, Andin Village Tract, Ye Township, Mon State | Base | | Investment Commission |
| 2. | ShweMyint Mo TunStone Manufacturing Co., Ltd. | Mon State, Thaton District, Paung Township, Ka la ma Taung forest Reserve, Plot. No.59 (50 Acres) | Production and Distribution of Crushed Stones | Myanmar Citizen Investment | (2/2018) 2-2-2018 Myanmar Investment Commission |
| 3. | Myanmar Tap Water Co., Ltd (Thailand) | U Paing No.1326, No.11, HlaingZay Street, Tharyar Aye Ward, U Paing No.16, No.19, MyoShaung Road, Hlaing Ward and U Paing No. 21 (Ka), 22,23, (Ka),24,25,26,27,28, No.46, TaungYoe Tan Road, ShweTaungTard, Ma wlamyine Township, Mon State | Tap Water Treatment and Supply System | Joint Venture | 10-11-2017 (15/2017) Myanmar Investment Commission |
| 4. | Myanmar-Korea Cement Group Company Limited (Korea) | Mon State, Kyaikemayaw Township | Manufacturing and Marketing of Cement | Joint Venture | (10/2017) 11-7-2017 Myanmar Investment Commission |
| 5. | MOSB LIMITED | Plot No. 902, KawkhtawKwin, Weikali Village Tract, Mudon Township, Mawlamyaing District, Mon State | Develop and Operate Offshore Supply Base | Joint Venture Investment | (10/2017) 11-7-2017 Myanmar Investment Commission |

| | | | | | |
|-----|---|---|---|-----------------------------|--|
| 6. | Asia Rising Star Travels & Tours Company Limited. | Mon State, KyaikHtoo Township, Marlaphoo Village Tract, MarlaphooAhyink win, Fiald No. (OSS-25), 5.64 acre. | Hotel Services | Myanmar Investment | (9/2017) 16-6-2017 Myanmar Investment Commission |
| 7. | Golden Flagmast International Company Limited | Plot No-(301,302, 303, 304, 305, 306,313,314, 315,316, 317,318) , Kwin No - (386) KayoneKayouatKwin, MawlamyineIndustrial Zone , Nyaun Pin SateVillage Tract, Mawlamyine Township, Mawlamyine District , Mon State. | Marketing and Servicing Business of Electrolysis Purification of Antimony Ore into Purified Metal. | Myanmar Citizen Investment | (5/2017) 13-3-2017 Myanmar Investment Commission |
| 8. | Kaung Hein Zabu Company Limited | Mon State, Paung Township , Paung-KyoneKa Rubber Yard. | Extraction of rubber milk, Marinating and re-cultivating of rubber and Manufacturing and Marketing of rubbed smoked sheet | Myanmar Citizens Investment | (13/2016) 8-7-2016 Myanmar Investment Commission |
| 9. | June Cement Industry Limited | Mon State, Mawlamyine District, Kyaikmaraw Township | Manufacturing and Marketing of Cement | Myanmar Citizens Investment | 25-3-2016 (11/2016) Myanmar Investment Commission |
| 10. | AungOo Wood Industry Co., Ltd. | Holding No. 6/1, Kwin No. 147/ SamateKwin, | Manufacturing and Marketing of Rubber S4S | Myanmar Citizens Investment | 11-3-2016 (9/2016) Myanmar |

| | | | | | |
|-----|---|--|---|-------------------------------|--|
| | | Kawbane group of village, KyaikHto Township , Tha Hton District, Mon State | | | Investment Commission |
| 11. | ABM Co., Ltd. | Mon State, yikehgo Township, KyikeHteeYoe, Forest Wild Animals Free, Natural Land (1.9 Acres) | Hotel Services | Myanmar Citizens Investment | 11-12-2015 (22/2015) Myanmar Investment Commission |
| 12. | Long Life Aggregate Mining Company Limited | (1)Plot No.(47), KalarmaTaung Forest Reserve, Paung Township, ThaHtone District And(2)OoPaing No.(7/5+ 20/1+355+352+379) ,OakTadar Middle Block, Plot No. (802/ka), Oak Tadar Village Group, Paung Township, ThaHtone District, Mon State. | Production and Distribution of Crushed Stones | Myanmar Investment | 23-10-2015 (18/2015) Myanmar Investment Commission |
| 13. | NC &MaGaCo.,Ltd. | Mon State, Mawlamyine Township, Kyauktan Industrial Area | Manufacturing and Marketing of Concrete Pole and Pile | Joint Venture | 6/2015) 3-4-2015 Myanmar Investment Commission |
| 14. | ROC Oil (Myanmar) Pte. Ltd.(Singapore) -Tap Energy (M-7) Pte. Ltd. (Singapore) -Smart E&P International | Shallow Water BlockM-7 Motama Offshore Area (Mon State) | Exploration and Production of Crude Oil & Natural Gas | (Production Sharing Contract) | 20-3-2015 (5/2015) Myanmar Investment Commission |

| | | | | | |
|-----|---|---|---|-----------------------------|---|
| | Company Limited (Myanmar) | | | | |
| 15. | Eni Myanmar B.V (The Netherland) -Petrovietnam Exploration Production Corporation Limited (Vietnam) | Deep Water Block MD-2 Motama Offshore Area (Mon State) | Exploration and Production of Crude Oil & Natural Gas | | 20-3-2015 (5/2015) Myanmar Investment Commission |
| 16. | Mandalay Golden Friends Mining Company Limited | No. 18, Zinyaw Street, Kwinyat Ward and Nat KyunYat, Mupon Ward, Wawlamyaing Township, Mon State 11.468 acres | High Qualified Alcoholic Beverage Local Distribution | Myanmar Citizens Investment | 27-2-2015 (3 /2015) Myanmar Investment Commission |

Source: Directorate of Investment and Company Administration (DICA)

Directorate of Investment and Company Administration (DICA)

Mawlamyine Branch, Mon State

Address: No.401, Expand Strand Road, Mayangone Township, Mawlamyine

Contact: 057 233

Mon State Chamber of Commerce and Industry

Address: No. (D-6), Yadanar Road, Yadanar Tun Warhouse, Zaye Cho Quarter, Mawlamyine Township, Mon State

Chairman: U Win Htein (09-428727553)

Phone: 057-25722, 24814

Email: mssci1720@gmail.com

Reference:

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<http://monnews.org/2016/08/24/over-100000-tourists-visit-mon-state-this-year/>