

## Tanintharyi Region Economic Overview

### Tanintharyi Region Profile:

**Location:** Southern Myanmar

**Shared borders:** Mon State to the north, Andaman Sea to the west, and Thai border to the east and southeast

**Area:** 43,345 sq. km

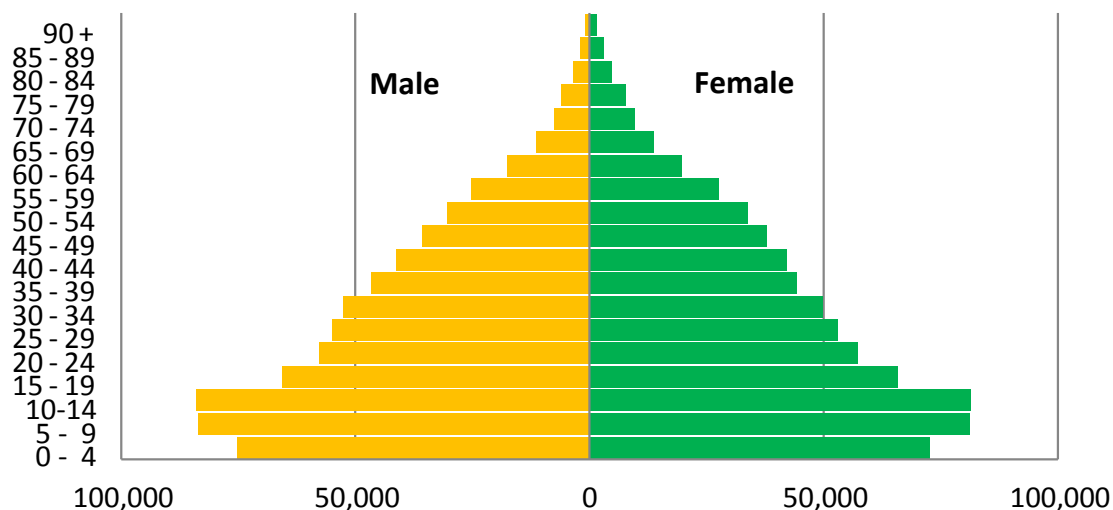
**Ethnicity:** Previously known as Tenasserim Division and later renamed as Tanintharyi Region. Tanintharyi is not home to a dominant minority ethnic group, hence, the basis for its classification as a region. It's inhabited by Bamar, Dawei, Rakhine, Mon, Shan, Burmese-Thai, Kayin, Salone and Malay people. Most of the population in Tanintharyi Region speak the Myanmar language.

**Religions:** Buddhism 87.10%, Christianity 7.20%, Islam 5.10% and Hinduism 0.10%

**Population:** 1,406,434 (Myanmar National Population and Housing Census 2014)

**Population density:** 32 persons per square kilometer. The population in December 2012 was 1,713,447 people.

### The Population Pyramid of Tanintharyi Region,



Source: 2014 Myanmar Population and Housing Census

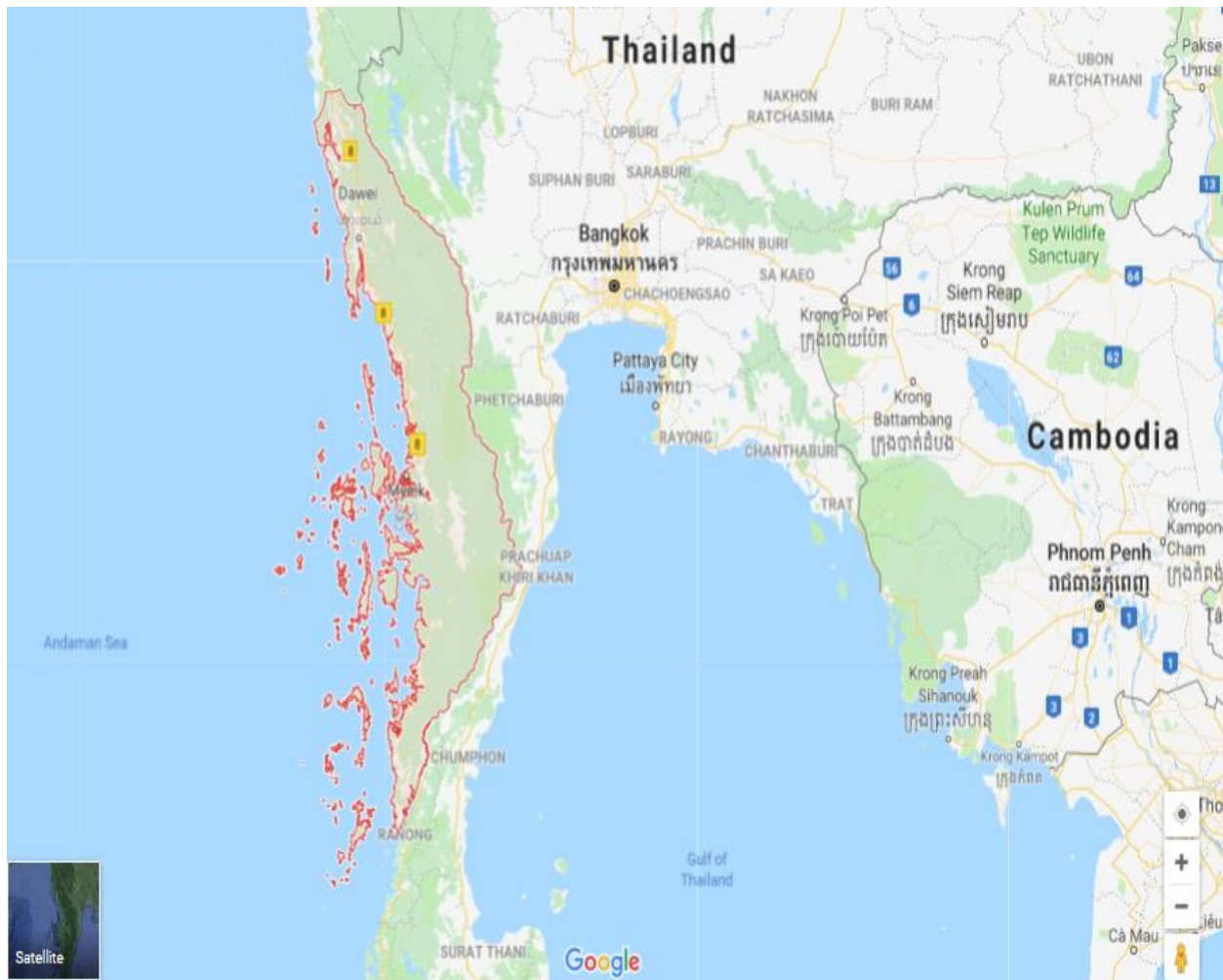
## Geography

Tanintharyi region is formed of 4 districts, 10 townships, 6 sub-townships and 347 villages with 43,345 sq. km area of land. Tanintharyi region lies on the southern bank of the Great Tenasserim River, tucked away into a small peninsula with the Great Tenasserim River to the north and west, and the little Tenasserim River to the east.

## Air and Rail Transport

Tanintharyi rail service runs from Yangon twice a week. A deep-water port is planned in Dawei (Tavoy), which is a project that includes a highway and a railway line between Bangkok and the harbor. The Dawei deep sea port is expected to operate by 2020. At present, there is a small port which consists of one concrete jetty, planned for use by feeder vessels from Dawei.

## Map of Tanintharyi Region



<b>Tanintharyi Region</b>		
Dawei District	Kawthoung District	Myeik District
1) Dawei Township 2) Launglon Township 3) Thayetchaung Township 4) Yebyu Township	1) Bokpyin Township 2) Kawthaung Township	1) Kyunsu Township 2) Myiek Township 3) Palaw Township 4) Tanintharyi Township
1) Kaleinaung Subtownship 2) Myitta Subtownship	1) Karathuri Subtownship 2) Khamaukgyi Subtownship 3) Pyigyimandaing Subtownship	1) Palauk Subtownship

## **Tanintharyi Region Government**

	<b>Name</b>	<b>Position/Ministry</b>
1.	Dr. Le Le Maw	Chief Minister
2.	Colonel Kyaw Zaya	Ministry of Security and Border Affairs
3.	U Phyo Win Tun	Ministry of Planning and Finance
4.	U Ho Pin	Ministry of Social Affairs and Municipal Affairs
5.	U Myint Maung	Ministry of Natural Resources and Environment
6.	U Kyi Hlaing	Ministry of Electricity and Energy
7.	U Myint San	Ministry of Agriculture, Livestock and Irrigation
8.	U Saw Lu Kar	Ministry of Kayin Ethnic Affairs

## **Potential for Investment and Trade**

### **1. Tourism**

Tanintharyi region covers the long narrow southern part of Myanmar on the Kra Isthmus. It borders the Andaman Sea to the west, Thailand to the east, and Mon State to the north. The capital is Dawei and the other main city is Myeik. Myeik Archipelago is inhabited by the Salone tribes and there are festivals and occasions to visit throughout the year. Tanintharyi Development Committee made efforts to boost the tourism business by drawing a master plan for sustainable tourism in the region, especially the Myeik Archipelago. Myeik Archipelago boasts more than 800 islands rich in natural resources, corals and traditional cultures that could be attractive to tourists. Myeik Archipelago could also be a choice destination for luxury cruise passengers. According to the Ministry of Hotels and Tourism, cruise ships carrying 3,201 tourists visited the Myeik Archipelago between January and November 2016.

### **2. Dawei Special Economic Zone**

Dawei Special Economic Zone (SEZ) is located in the south-eastern part of Myanmar and is 630 km south of Yangon, on the northern bank of the Dawei river estuary. It is situated in Dawei, capital of the Tanintharyi Region, approximately 138 km from the Myanmar-Thailand

border at Baan Phu Nam Ron, and 630 km from Yangon. Dawei SEZ is officially delimited by the Republic of the Union of Myanmar under the SEZ Law, enacted in January 2014, covering the total area of 196 sq km. Construction started, but suspended in 2013. Plans to resume construction announced on August 2015. It would be one of the largest industrial complexes and trade zone in Southeast Asia if completed. Likewise, It's aimed to develop local businesses, local employment opportunities and stimulate the construction of infrastructure. Now, the government explored the ways to implement the suspended Dawei Special Economic Zone project, the ways must be sought to hold talks between Myanmar, Thailand and Japan.

### **Dawei Deep Sea Port**

Dawei deep sea port is part of the SEZ development project, which is expected to start operations by 2020. It is currently operating with the small port aforementioned, and once the project is complete, it is expected to generate major investments, and help drive economic growth in Southeast Asia and surrounding regions.

#### **2.1. Myeik Industrial Zone**

Myeik Industrial Zone is located in Myanmar's southeastern Tanintharyi region. The Myeik economic zone master plan was proposed to the regional government. It is estimated to eventually take up 1,000 acres to the east of Myeik airport and will have its own port, as well as residential and commercial areas. Most of the occupants are likely to be SMEs focusing on food processing, food distribution, and other sectors adding value to raw materials and agriculture in the region, such as rubber.

#### **2.2. Innlay Myaing Industrial Zone**

Industrial activity mostly takes place at the Innlay Myaing Industrial Zone to the south of Dawei through existing jetties. The zone was established in 1995 with a total size of 318 acres, and contains 153 factories. Most are fish related, but with very limited cold storage and fish processing activities.

### **Trade statistics in Kawthaung Trade Zone during 2012-2013 fiscal year to 2017-2018 fiscal year**

<b>No</b>	<b>Fiscal Year</b>	<b>Export</b>	<b>Import</b>	<b>Trade</b>
1	2012-13	29.609	49.297	78.906
2	2013-14	39.053	109.171	148.224
3	2014-15	35.851	79.846	115.697
4	2015-16	46.380	86.000	132.380
5	2016-17	69.284	64.637	133.921

6	2017-18 (Up to September 2017)	43.989	35.495	79.484
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*Source: Ministry of Commerce*

### **Trade statistics in Myeik Trade Zone during 2012-2013 fiscal year to 2017-2018 fiscal year**

No	Fiscal Year	Export	Import	Trade
1	2012-13	127.281	27.820	155.101
2	2013-14	113.185	41.237	154.422
3	2014-15	106.425	39.574	145.999
4	2015-16	140.829	30.170	170.999
5	2016-17	157.109	52.419	209.528
6	2017-18 (Up to September 2017)	76.697	35.347	112.044

*Source: Ministry of Commerce*

### **3. Logistics**

The current Dawei deep seaport and SEZ projects are part of a massive industrial plan that aims to capitalize on Tanintharyi's geographic location and untapped potential, with the broader objective of ending Myanmar's status as the weak link in the south-east Asian industrial corridor. The areas of focus are sophisticated cold storage and cold-chain logistics, including a wholesale market. Other value production areas include filleting, canning, vacuum packing, fish feed and fish oil.

One major concern for the fishing industry is the depletion of fish stocks in the area due to overfishing. However, a number of businesses have already embarked on aquaculture production for shrimp and soft-shell crabs. With an abundance of land, this promises to continue being a significant engine for future growth, especially with expected improvements in infrastructure.

### **4. Fisheries**

Fishery is a highly significant industry, owing to the long coastline along the Andaman Sea, making Tanintharyi region one of the largest fish producing areas in Myanmar. The fishery industry is arranged along the Tanintharyi coast, not only for Myanmar consumers, but also for export, mostly to Thailand. Given its long coastline, Tanintharyi Region is home to a significant fishing industry with over 10,000 local inshore fishing vessels, and just over 1,200 local and foreign offshore vessels registered with the Tanintharyi Region Fisheries Federation. In addition, birds' nests are also being gathered from offshore islands. Tanintharyi region is the

main fishery products market of Myanmar, such as dried fish, dried prawn, dried shrimp and shrimp paste, which are popularly derived from this region. The Myanmar government is planning a fish auction market in Dawei, Tanintharyi region, where the SEZ and a deep sea-port project are underway.

## **5. Pearl**

Tanintharyi Region is the main manufacturing centre of high quality pearl, which generates much income from foreign countries at the Myanmar Gems Emporium. In cooperation with the Myanmar government, Japanese technicians began pearl production in Myeik Archipelago since 1954, which has since then spread outside the region. As of now, four international joint ventures and four local companies have invested approximately K1 billion in Tanintharyi's pearl industry.

## **6. Agriculture**

Agriculture is the primary livelihood in the predominantly rural Tanintharyi region. Agricultural products in Tanintharyi region can contribute towards the development of food processing, such as palm oil, coconut products, fruit and cashew nuts. The main crops are rice, betel nut, coconut, rubber and dhani. Tapioca, rambutan, durian, and large mangosteens are also grown on a large scale. Palm oil is also being grown under a special project.

### **6.1 Rubber**

Tanintharyi region was selected as a key focus area for rubber, given that it is a major rubber producing area in Myanmar, and home to 20% of the country's rubber farmers. Its suitable weather enables rubber trees to grow very well. Tanintharyi region has a large rural population, high level of poverty, and one of the largest remaining tracts of primary forest in Southeast Asia. Around 80% of global rubber exports come from Asia, and Myanmar has one of the best conditions for rubber tree cultivation. All of these factors combined make Tanintharyi region vulnerable to unsustainable production, especially if the expansion of rubber plantations continues in the future.

### **6.2 Palm Oil**

Tanintharyi region is the only area in Myanmar where soil and climate conditions are suitable for growing palm oil. To date, over 140,000 hectares of palm oil have been planted, and 400,000 hectares allocated to 44 national companies.

## **7. Hydropower Plants**

Tanintharyi hydropower project is currently suspended due to local concerns. The main issues identified were the impact of the hydropower project on fisheries, loss of

biodiversity, deforestation, and flooding. It was also noted that the technology and knowledge on hydropower in Myanmar is limited.

## **8. Kanchanaburi – Dawei Sister Cities**

As Thailand - Myanmar relations are getting stronger, more people-to-people exchanges are taking place and bringing about cooperation in social, economic, educational, cultural, and environmental aspects. As a result, Kanchanaburi – Dawei Sister Cities was proposed to promote the development of towns in western Thailand and Southern Myanmar along the 160 km Phu Nam Ron-Dawei route. If the proposal is approved, this route would lead to the Dawei deep seaport, which will become the largest port in the region, and also have the potential to become a land bridge between Laem Chabang deep seaport to the east (Gulf of Thailand) and Dawei deep seaport to the west (Andaman Sea).

## **9. Mawtaung – Singkhon: the 4<sup>th</sup> Permanent Border Checkpoint**

Efforts to turn the Singkhon border checkpoint into a permanent border crossing are under way. The border was opened since May 2013 and officials on both sides have since then made efforts to upgrade it to a permanent border crossing point between Thailand and Myanmar. Singkhon Pass in Prachuap Khiri Khan Province is linked to Mawtaung town, Myeik, Tanintharyi Region. According to the Department of Trade under the Ministry of Commerce, the volume of bilateral trade via Mawtaung gate between 2013-2014 fiscal year to 2017-2018 fiscal year (up to October 2017) reached US\$ 11.8 million, including US\$ 5.1 million export and US \$6.7 million import. The majority of exports to Thailand is fishery products, while most of the import is fruit. Both Thai and Myanmar officials estimate that the Mawtaung-Singkhon border checkpoint can be upgraded to a permanent border crossing by the end of 2019.

## **10. Investment Opportunities in Tanintharyi Region**

The Chairman of Tanintharyi Region Chamber of Commerce and Industry stated that there are four main sectors with high potential for investment: **tourism, fisheries, electricity, and rubber business.** However, mining has also emerged as a significant industry due to abundant resources in the region, which supplies up to two thirds of Myanmar's tin and tungsten.

### **10.1 Tourism**

With regard to the tourism sector, there are more than 800 islands in region. However, only 11 of them are allowed to receive local and foreign investment to develop tourism. In order to promote a sustainable path for tourism development, the government formed a Tanintharyi Tourism Development Committee in December 2017. According to statistics from the Ministry of Hotels and Tourism, 360,835 tourists visited Tanintharyi Region in 2016. **There**

**is a huge market for the Thai private sector to invest in hotel equipment and supplies, such as textiles, pool equipment, bathroom supplies, and housekeeping facilities.**

According to the Myanmar Tourism Master Plan 2013 – 2020, the government would like to focus promoting the country's tourism sector in various aspects, including eco-tourism. Thus, there are also **opportunities for Thai businesses to invest in eco-resorts.** However, the Directorate of Investment and Company Administration (DICA) only allows foreign companies to invest on a joint venture basis in tour companies, travel agencies, budget hotels, amusement parks, and tourism-related public infrastructure projects.

The Tanintharyi region government is trying to improve infrastructure on Kadan Island, together with a big investor. This development is greatly needed, as the best beaches and diving spots in the Archipelago are far away from Myeik. Special licensed boats and permits are needed to go for multiple day excursions.

### 10.2 Fisheries

Tanintharyi region has potential for the development of a fish auction market and an economic zone near the mouth of the Dawei River, where the Dawei Special Economic Zone and a deep seaport project are underway. The new economic zone and fish auction market will be implemented in Thayetchaung Township. The economic zone seeks to attract technology related to the fisheries business and the production of finished goods that are up to international standards for domestic and international distribution. Thus, there are abundant opportunities for the Thai private sector to collaborate with local business people in the fisheries sector.

### 10.3 Electricity

Tanintharyi region pays high electricity bills because it is not yet connected to the national grid. As such, residents pay more than 210 Kyats per unit. Business in the area has slowed down due to insufficient electricity supply in the region. Local businesses such as small scale food manufacturing and local residents are eager to welcome investors to boost electricity access in the region. At present, some parts of the region have access to public facilities run by natural gas. However, some remote districts in Myeik and Kawthaung are paying high electricity feeds of more than 200 Kyats per unit.

In terms of electricity sources, Tanintharyi region is rich in water resources, and has potential for the **development of small scale hydropower plants.** In addition, development of **off-grid solar energy** also has potential in the region.

### 10.4 Rubber

Rubber plantations are the key source of employment in Tanintharyi region. The region has the second largest area of rubber plantations (343,052 acres) and is the third largest in terms of volume of rubber produced (32,941 MT). However, only 37% of the planted surfaces



are productive. Thus, there are opportunities for the private sector to support local farmers on **technical training and material in order to improve productivity and yield**. Investors are also able to enter farming contracts to collaborate with local farmers in the region.

### 11. Comparison of Thai-Myanmar Trade at Four Border Stations in Tanintharyi Region

According to the Ministry of Commerce (MOC) data, there are four border stations linking Tanintharyi region to Thailand: Kaw Thaug, Myeik, Nabulea/Htee Khee and Mawtaung border.

Source: Ministry of Commerce

USD in Million																
No	Station	2013 – 2014			2014-2015			2015-2016			2016-2017			2017-2018 (up to October 2017)		
		Export	Import	Trade Volume	Export	Import	Trade Volume	Export	Import	Trade Volume	Export	Import	Trade Volume	Export	Import	Trade Volume
1.	Kaw Thaug	39.053	109.171	148.224	35.851	79.846	115.697	46.380	86.000	132.380	69.284	64.637	133.921	57.858	38.636	96.494
2.	Myeik	113.185	41.237	154.422	106.425	39.574	145.999	140.829	30.170	170.999	157.109	52.419	209.528	86.440	39.262	125.702
3.	Nabulae / Htee Khee	0.151	1.342	1.493	0.306	3.910	4.216	2.010	11.181	13.191	11.190	0.696	11.886	2.765	0.272	3.037
4.	Maw Taung	0.093	1.895	1.988	0.081	0.582	0.663	0.401	2.111	2.512	2.274	0.965	3.239	2.253	1.216	3.469

### 12. Local and Foreign Investment in Tanintharyi Region

The following table lists the permitted enterprises in Tanintharyi Region by the Myanmar Investment Commission (MIC)

No.	Name	Location	Type of Investment	Form of Investment	MIC issue date
1.	United Hotel & Resorts Co., Ltd.	Land Area (20 Acres), Ngakhinnyogyi Island, Myeik Island Region, Tanintharyi Division,	Hotel	Myanmar investment	31-1-2015 (2/2015)
2.	Shwe Kanbawza Company Limited	Tanintharyi Region, Beik District, Tanintharyi Township, Tamotechone Village Track &	Palm oil plantation, production and marketing of CPO and edible oil	Joint Venture	27-2-2015 (3 /2015) Myanmar Investment Commission

		Theinkhun Village Track 2 7,628 acres			
3.	Dawei Development Public Co., Ltd.	Land area (15.53 Acres) on Oo Paing No.(270,271,272,27 3), Extension New Town, Plot No. (Nga), Htainthit Quarter, Dawei District, Tanintharyi Division.	Services	Myanmar investment	27-2-2015 (3/2015) Myanmar Investment Commission
4.	- TRG M15 Pte. Ltd. (Singapore) - CFG Energy Pte. Ltd. (Singapore) - Century Bright Gold Company Limited (Myanmar)	Shallow Water Block M-15 Taninthayi Offshore Area (Tanintharyi Region)	Exploration and production of crude oil & natural gas	Production sharing contract	20-3-2015 (5/2015) Myanmar Investment Commission
5.	-Reliance Industries Limited (India) -United National Resources Development Services Company Limited (Myanmar)	Shallow Water Block M-17 Tanintharyi Offshore Area (Tanintharyi Region)	Exploration and production of crude oil & natural gas	Production sharing contract	20-3-2015 (5/2015) Myanmar Investment Commission
6.	-Reliance Industries Limited (India) -United National Resources	Shallow Water Block M-18 Tanintharyi Offshore Area (Tanintharyi Region)	Exploration and production of crude oil & natural gas	Production sharing contract	20-3-2015 (5/2015) Myanmar Investment Commission

	Development Services Company Limited (Myanmar)				
7.	-Eni Myanmar B.V (The Netherlands) -Petrovietnam Exploration Production Corporation Limited (Vietnam)	Deep Water Block MD-4 Tanintharyi Offshore Area (Tanintharyi Region)	Exploration and production of crude oil & natural gas		20-3-2015 (5/2015) Myanmar Investment Commission
8.	Grand Andaman Co., Ltd.	-Land (1800 Acres), Thu Htay Island (Polorule Island), Kawthaung , Tanintharyi Region	Hotel	Myanmar investment	5-6-2015 (10/2015) Myanmar Investment Commission
9.	T Z K Co., Ltd.	- Block No.(25/OSS), land (100.00 Acres) , Nyaung OO Phee Island, Zardetgyi Village Group, Kauthaung District, Tanintharyi Region.	Hotel services	Myanmar investment	17-7-2015 (13/2015) Myanmar Investment Commission
10.	Annawar Pearl Company Limited	Area related to Nathameeyaetwin Island, Kyunsu Township, Myeik District, Tanintharyi Region	Artificial breeding of oysters, rearing of oysters and pearl culture	Myanmar investment	11-9-2015 (16/2015) Myanmar Investment Commission
11.	Benchmade Asia (Myanmar) Limited	Tanintharyi Region, Bokpyin Township, Wa Ale Island, Lampi Island, Marine National	Operation of Eco Hotel	Foreign investment	28-9-2015 (17/2015) Myanmar Investment Commission

		Park land (100.15 Acres)			
12.	Myanmar Rock Mountain Company Limited	(1) Plot no. (12), Bawar Forest Reserve, Ye Phyu Township, Dawei District and (2) Oo Paing no. (N-570, N-686, N-856), Zar Di Village Group, Ye Phyu Township, Taninthayi Division	Production and distribution of crushed stones	Myanmar investment	13-11-2015 (20/2015) Myanmar Investment Commission
13.	Shwe Pin Le Mining & Industry Co., Ltd.	Tanintharyi Region, Myeik District, Kyun Su Township, Kyae Kha Yan Village, Yamon Area	Production of tin & tungsten under production sharing contract	Myanmar investment	28-12-2015 (23/2015) Myanmar Investment Commission
14.	KMOT Co., Ltd.	Tanintharyi Region, Kawthaung District, Kawthaung Township, Sungebarline Village Group, Hlainggu Island, land (158Acres )	Hotel services	Myanmar investment	(9/2016) 11-3-2016 Myanmar Investment Commission
15.	Longwin Global Petrochemical Co., Ltd.	Launglon Township, Dawei, Taninthayi Region	Oil refinery production and sale of petroleum products and semi-manufactured products related to the refinery plant, establishment of related jetty, storage and logistics facilities	Joint Venture	Myanmar Investment Commission (10/2016) on 18-3-2016
16.	Pongpipat Development Co., Ltd	Htee Khee Village, Myitta Township, Dawei	Hotel resort project	Foreign investment	25-3-2016 (11/2016) Myanmar

		District, Taninthayi Region			Investment Commission
17.	K Future Co., Ltd.	Tanintharyi Region, Kawthaung District Kawthang Township, Bo Net Kyaw island	Hotel services	Myanmar investment	25-3-2016 (11/2016) Myanmar Investment Commission
18.	Yangtze River International Investment Group Company Limited	Holding No.Ka/1/1, Ka/1/2, Ka/1/3, Plot No.30, Yaypone Ward Kannar Road, Myeik Township, Tanintharyi Region	Construction, leasing and management of commercial and residential buildings	Joint Venture	(13/2017) 25-9-2017 Myanmar Investment Commission

Source: Directorate of Investment and Company Administration (DICA)

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