



Sector Brief | Last updated on August 30, 2014

Mining

Myanmar is extremely abundant in mineral resources due its huge lead, silver, and zinc deposits.

Large investments in Myanmar mining will return the country to a global mineral player it once was. The country was once an important producer and exporter of mineral resources in Asia. Mawchi mine in then British Burma provided around 60% of the world's lead and zinc during the Second World War.

FDI in mining sector is USD 2.3 billion. Eleven existing FDI projects are large-scale projects. Local citizens' Investment (as approved by investment commission) in sector is small, with only around \$13 million USD invested, as local miners are mostly small-scale surface miners.

Mining Sector has largely been privatized to local conglomerates in 2010. The Ministry of Mines, a government authority responsible for implementation of the policy, legislation and enforcement of law, rules and regulations, once controlled all of the country's mines, but currently the ministry has only regulatory oversight, and old processing factories in its portfolio.

Land seizures and pollution have made mining projects largely unpopular among locals. At Letpadaung in 2012, there were local protests; the government crackdown on the protests led to widespread domestic and international condemnation. Pressure led to Myanmar and Chinese company which owns the mine renegotiating contract terms and profit sharing.

MINERAL DEPOSITS IN MYANMAR

COPPER

1.99 billion tons

IRON

492 million tons

COAL

490 million tons

NICKEL

162 million tons

GOLD

66 million tons

LEAD/ZINC

44 million tons

TIN/TUNGSTEN

40 million tons

GYPSUM

24 million tons

Mining Sector Overview

Approved FDI	\$ 2.6 billion
Actual Existing FDI	\$ 2.3 billion
Local Investment	\$ 13 million

Mineral Production (Metric Tons)

Cement	538,000
Coal	300,000
Manganese	234,000
Tin/Tungsten	11,000
Copper	10,000
Lead	8,700
Zinc	7,000

Mineral Deposits (million tons)

Letpadaung Copper	1,478.0
Kathaing Taung Iron	223.0
Mwetaung Nickel	110.0
Kalewa Coal	85.0
Pinpeg Iron	81.0
Kyisintaung Copper	66.5
Tagaung Taung Nickel	40.0
Mawchi Tin/Tungsten	31.0
Sabetaung Copper	27.9
Kanmaw Island Iron	21.2
Bawdwin Lead	12.8
Panwa Lead	12.5
Moedi-Moemi Gold	6.0
Kyaukpahto Gold	6.0

Land Rent (in USD per sq km)

Industrial Minerals/Stones	2,000
Metallic Minerals	3,000
Precious Metallic Minerals	6,000

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For more information, see our monthly reports on Myanmar on [our website](#).

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Mining Sector at a Glance

Our analysis in this report is based on data gathered on ground in interviews and site-visits in Myanmar between March and August 2014. We have interviewed several industry experts, government insiders, and concerned stakeholders. Some data are estimates based on our on-the-ground research.

Myanmar once an important producer and exporter of mineral resources in Asia. The country produced crude petroleum, lead, silver, and zinc. Mawchi mine provided around 60% of the world's lead and zinc during the Second World War.

Minerals production in Myanmar has declined since the 1960's. Mainly the decline was because no new mines were developed while many of the old mines deteriorated without the much needed renovation or investment.

Currently only a small portion of Myanmar's GDP comes from mining sector. For 2014, the total output of the mining sector, in current prices, was valued at USD 708 million or 1.2 % of Myanmar's gross domestic product (valued at USD 59 billion).

With only 57 % of its land geologically mapped, Myanmar has large potential for mineral deposits. This report will focus on minerals which the government of Myanmar has identified as of great importance to be developed: Copper, Gold, Lead/Zinc, Iron and Steel, Coal, Nickel, and Construction minerals (cement and aggregates).

Mineral Deposits in Myanmar

Type	Abundance in Myanmar	Occurrences	Potential Deposits (million tons)
Limestone	Very Rich	452	58,800
Copper	Rich	115	1,990
Lead-Zinc	Rich	291	44
Tin-Tungsten	Rich	480	40
Gold-Platinum	Rich	341	66
Coal	Rich	495	490
Barites	Rich	19	53
Antimony	Fairly Rich	140	1
Nickel	Fairly Rich	14	162
Gypsum	Fairly Rich	13	24
Iron	Fairly Rich	393	495
Manganese	Fairly Rich	52	11
Chromite	Rare	43	0.1

Source: Ministry of Mines estimates

Mining Projects in Myanmar by Location

Location	Large Scale	Small Scale	Exploration	Subsistence	Small Scale Processing	Total
Kachin	3	110	90	-	-	203
Kayar	1	11	11	-	-	23
Kayin	11	29	53	20	-	113
Chin	-	-	11	-	-	11
Sagaing	18	277	18	-	-	313
Tanintharyi	17	74	37	-	-	128
Nay Pyi Taw	2	-	-	-	-	2
Bago	-	11	2	-	-	13
Magway	1	20	25	-	-	46
Mandalay	41	324	50	-	67	482
Mon	7	25	11	-	-	43
RaKhine	1	-	-	-	-	1
Shan(South)	11	133	90	-	-	234
Shan (North)	18	72	56	26	-	172
Shan (East)	1	46	116	-	-	163
Ayeyarwaddy	3	4	2	-	-	9
TOTAL	135	1136	572	46	67	1956

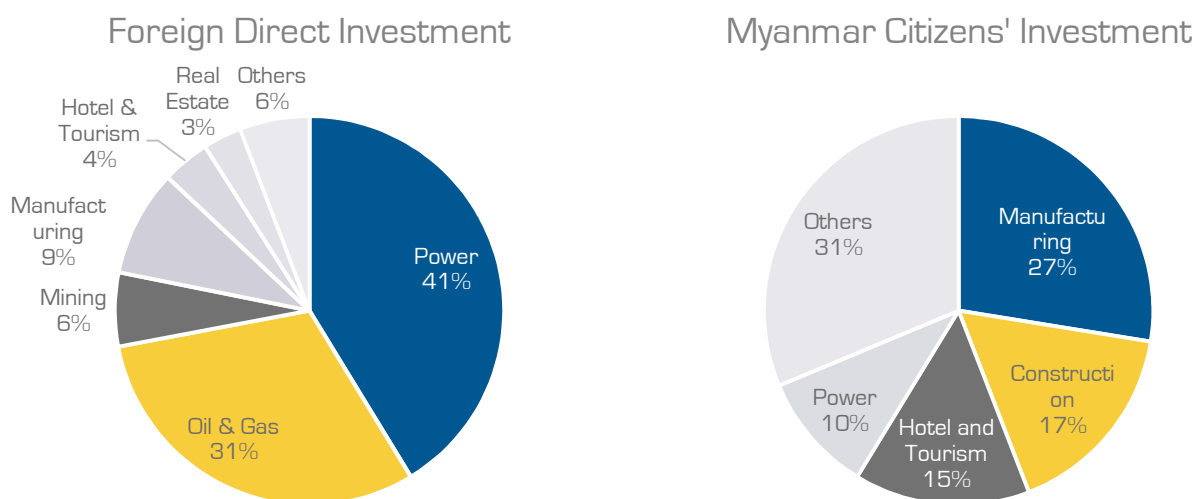
Source: NCRA Research

Investment in Mining Sector

Approved Investment in mining sector is USD 2.6 billion. FDI has been approved for 69 mining projects, but only 11 projects are invested. However, these 11 projects are large-scale projects and USD 2.3 billion is already invested in Myanmar’s mining sector.

Myanmar Citizens Investment (as approved by investment commission) in sector is small, with only around \$13 million USD invested. (Only around 10% of local mining companies are registered under Myanmar Citizens Investment laws, however).

Investment by Sector



Source: DICA

Investment in Mining Sector (by Amount)

Permitted FDI (USD m)	Current FDI (USD m)	Local Investment (Million Kyats)	Local Investment (USD m Equivalent)
2,863	2337	13,008	13

Source: DICA, NCRA Research

Investment in Mining Sector (by Number of Projects)

FDI (Permitted)	FDI (Current)	Local Investment
69	11	52

Source: DICA, NCRA Research

CAPITAL COLLABORATION STRATEGIES

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We are not attorneys at New Crossroads Asia, nor do we market our services in such capacity so it is therefore imperative for any investor to consult their legal counsel as it relates to investing into Myanmar.

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