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## Myanmar Fertilizer Market Update

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Myanma Awba Group, Myanmar



### Myanmar is the final frontier in South East Asia

5<sup>th</sup> largest population in ASEAN and 2<sup>nd</sup> largest land mass

Recently opened up country post many years of military and Junta rule. Currently embracing democracy

Located between India, Thailand, China and has access to major Indian shipping routes

70% of people are rural and most engaged in farming; used to be the "rice basket of SEA"

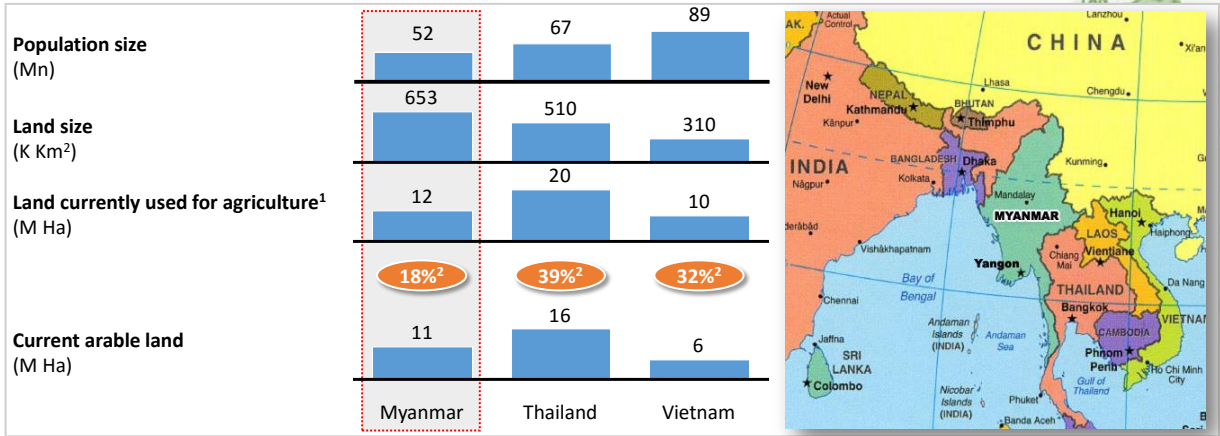
It is the right time to invest in Myanmar Agriculture



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# Myanmar could become a larger farming economy than Vietnam rivaling Thailand



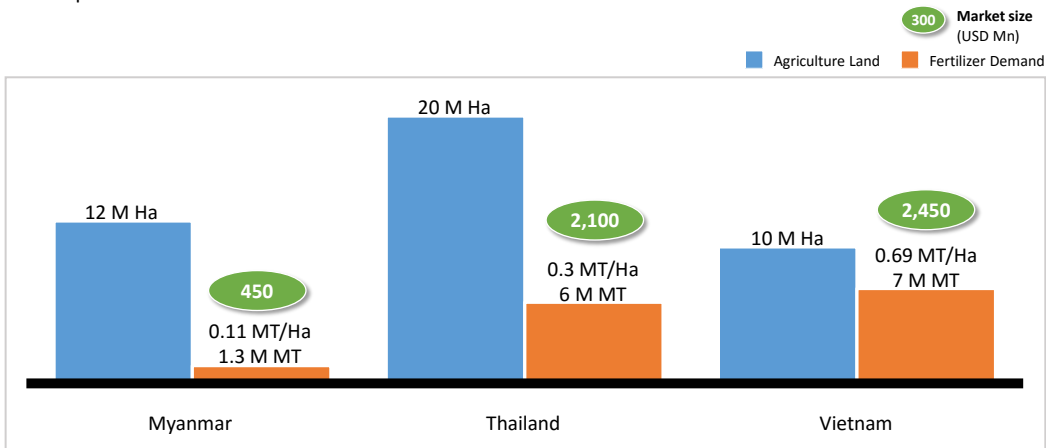
1. Due to logistics and historical reasons  
2. Percent of land size



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# There are significant growth opportunities in Myanmar Example: Fertilizers

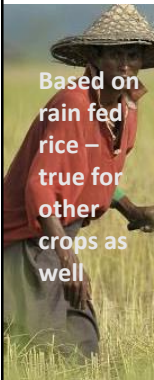


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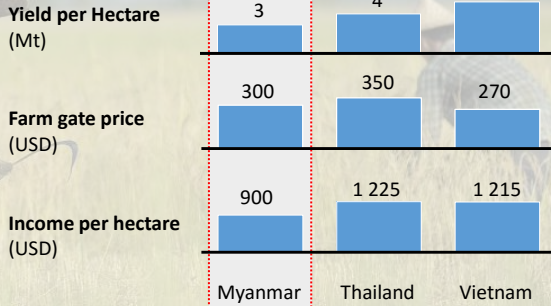
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And significant opportunity to increase farmer's yields and improve their livelihoods through selling the right products



Based on rain fed rice – true for other crops as well



Two main reasons for Myanmar farmers lower yields and livelihoods

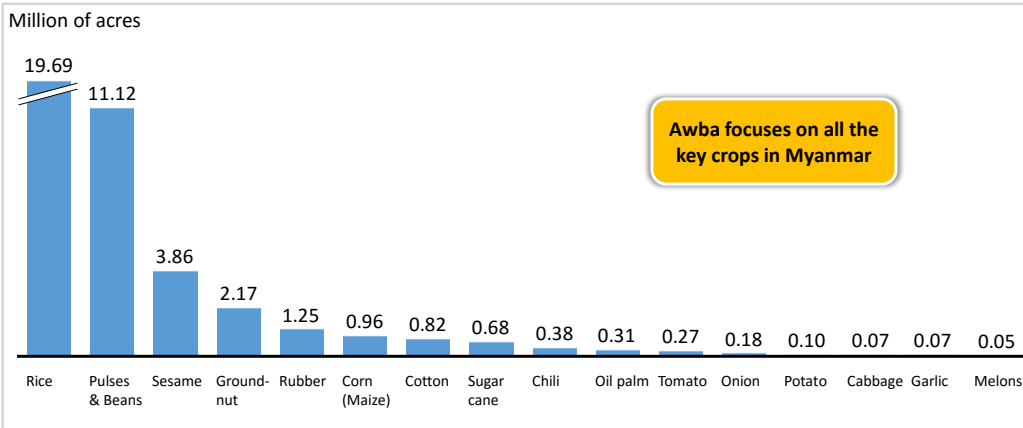
- **Lack of infrastructure**
  - Lack of irrigation
  - Lack of access to quality seeds
  - Lack access to markets
  - Lack of post harvest infrastructure
- **Lack of information**
  - Lack of understanding of best practices
  - Lack of knowing the right inputs to use
  - Lack of ability to differentiate between pests and diseases



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While focused on rice production Myanmar grows a varied set of crops



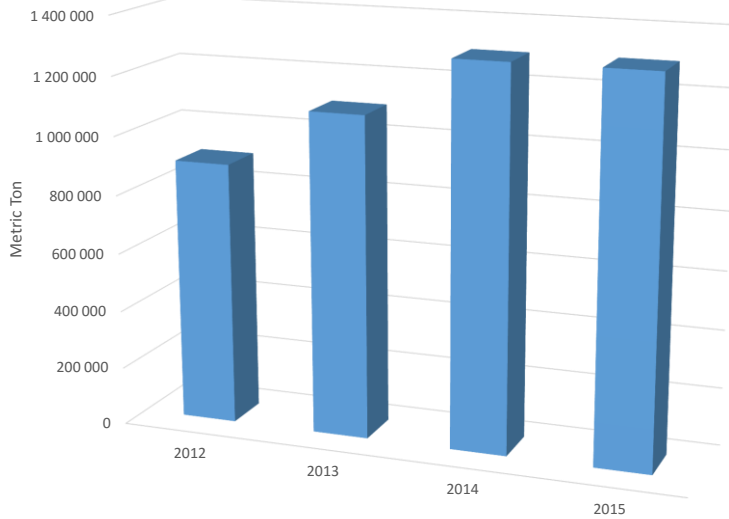
Awba focuses on all the key crops in Myanmar



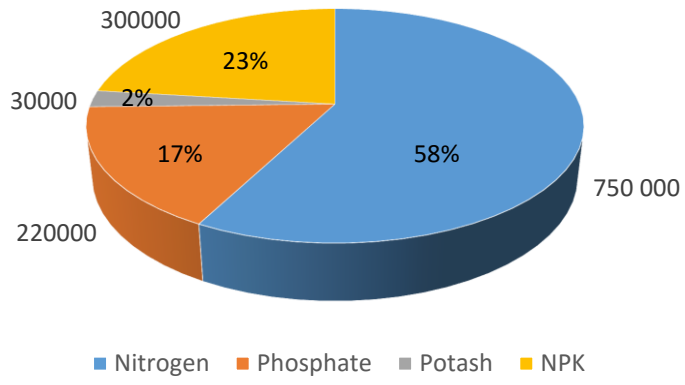
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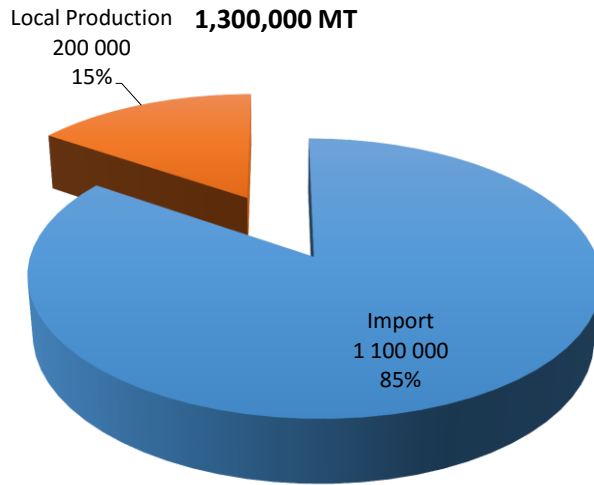
### Fertilizer Market Trend



### Volume by Nutrient



## Myanmar Fertilizer Market – Import Vs. Local Production

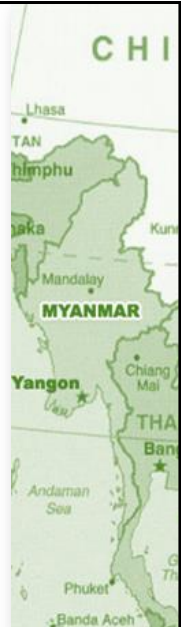


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## Fertilizer Local Production

- Only urea is produced locally
- 150,000~200,000 MT Annual production
- Five government own urea plants
- Only three plants are in working condition
- Producing less than optimal production capacity due to the efficiency of the equipment and shortage of suitable gas for urea production



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## Investment in Fertilizer Sector

- Wilmar will start construction of port to handle fertilizers and commodities
- CP (Thailand) is constructing bulk blending facilities in Mandalay
- Mitsui together with local partner MAPCO is investing in bulk blending facilities in Ayeyarwaddy delta
- Awba recently established 300,000 MT bulk blending plant in Yangon



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## Government Urea Plant (No.3) on offer

- Government made announcement inviting bid for Urea Plant No. 3
- Capacity of 150,000 MT per year
- Only joint venture will be considered
- Gas price is question mark



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## Floods hit Myanmar

- Myanmar experienced unprecedented flood due to heavy monsoon rain
- 1.5 Million Crop Acreage were submerged
- 1 Million people displaced
- Significant setback for fertilizer demand



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Thank you



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