

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

MYANMAR

Asia East

Dialogue | Trust | Partnership

office@lordwaverley.com

www.lordwaverley.com

WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Yangon (commercial capital)	Myanmar's largest city and principal remaining commercial hub, though foreign business presence has shrunk sharply since 2021	Trade, limited remaining services and light manufacturing
Naypyidaw (capital)	Administrative seat of the State Administration Council / post-election junta government installed via the widely rejected December 2025-January 2026 election	Government administration
Thilawa Special Economic Zone (near Yangon)	One of the few still-functioning foreign-investment zones, retaining a reduced base of mostly Japanese-linked manufacturers	Light manufacturing, logistics
Kachin State rare-earth mining belt (China border)	Major source of heavy rare-earth elements feeding Chinese supply chains, located in an active conflict zone contested between the junta and the Kachin Independence Army	Rare-earth mining, cross-border mineral export to China
Mandalay / Sagaing region	Epicenter of the March 2025 magnitude-7.7 earthquake; reconstruction continues more than a year later amid an ongoing civil war that has hampered recovery	Earthquake reconstruction, humanitarian-linked infrastructure
Myawaddy / Kayin State (Thailand border)	Epicenter of Southeast Asia's cyberscam-compound crisis, subject to recurring crackdowns and mass detentions of foreign nationals	Formerly scam-compound real estate; now subject to enforcement and demolition
Offshore gas fields (Shwe, Zawtika, Yadana, Bay of Bengal/Andaman Sea)	Myanmar's largest legacy foreign-investment assets, though major international operators including Total and Chevron have fully exited since 2021	Offshore natural gas production (increasingly state- and regional-operator run)

INVESTOR ENTRY ROUTES

- None recommended at conventional risk tolerances; any engagement should be treated as a narrow, specialist exception rather than a standard market-entry route
- Humanitarian and reconstruction-linked engagement in earthquake-affected Mandalay and Sagaing, typically channeled through UN or NGO frameworks rather than direct commercial investment
- Existing Thilawa SEZ operators maintaining already-established manufacturing lines under reduced scale
- Rare-earth and mineral supply-chain engagement, almost exclusively structured through Chinese intermediaries given conflict-zone access constraints
- Offshore gas production, now dominated by state and regional (non-Western) operators following the exit of Total and Chevron
- Monitoring-only engagement pending resolution of the civil war, sanctions regime, and the legitimacy of the post-election government

MARKET-ENTRY OBSERVATION

Myanmar enters this Gateway Guide as one of the most severe-risk markets in the Waverley series, and Waverley's assessment is that it does not currently warrant conventional capital deployment. Five years after the February 2021 coup, the country remains fragmented by active civil war: independent mapping as of mid-2026 puts the junta's firm territorial control at roughly 21-33% of the country, resistance forces and ethnic armed organizations at 38-42% and rising, and the remainder genuinely contested, with neither side able to deliver a decisive blow. Roughly 4.5 million people are internally displaced and the UN projects up to 16 million will need humanitarian aid in 2026. The junta staged a multi-phase election in December 2025-January 2026 that was boycotted by major opposition forces, dismissed internationally as a sham, and held amid the ongoing conflict; junta chief Min Aung Hlaing was subsequently installed as president by the resulting pro-military parliament in April 2026, a outcome not recognized by the National Unity Government, most Western governments, or much of the international community.

The economic consequences of this are stark and measurable. Foreign direct investment collapsed from roughly \$28.7 billion during the 2016-2020 civilian-government term to about \$7.4 billion in 2021-2025 a 74% decline and official regime data shows FY2025-26 foreign investment of just \$472.6 million, itself down further from the prior year. At least 25 major foreign companies, including Total, Chevron and Telenor, have fully exited since 2021. Min Aung Hlaing has publicly blamed international sanctions for the investment collapse, but independent analysts note that rebuilding investor confidence would take considerable time even if a genuine political resolution were reached, which it has not been. Compounding this, the March 2025 magnitude-7.7 earthquake centered on Mandalay and Sagaing continues to burden reconstruction efforts more than a year later, hampered by the ongoing conflict, while the country's border regions remain the epicenter of Southeast Asia's cyberscam-compound crisis.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Active, fragmented civil war	The junta firmly controls only an estimated 21-33% of the country, with resistance forces and ethnic armed organizations holding 38-42% and the remainder contested; roughly 4.5 million people are internally displaced	Treat the country as a conflict zone for operational-risk purposes regardless of any single location's current calm
Illegitimate post-election government	The December 2025-January 2026 election was boycotted by major opposition forces and dismissed internationally as a sham; Min Aung Hlaing's installation as president by the resulting parliament is not recognized by the National Unity Government or most Western governments	Treat any government counterparty relationship as carrying significant legitimacy and sanctions-exposure risk
International sanctions regime	US, EU and UK sanctions targeting the junta and military-linked enterprises remain in force and are cited by Min Aung Hlaing himself as a primary barrier to foreign investment	Conduct exhaustive sanctions-compliance review before any engagement; assume continued or expanded sanctions exposure
Collapsed foreign investment base	FDI fell roughly 74% from 2016-2020 levels to 2021-2025 levels, with official FY2025-26 figures showing further decline to \$472.6 million and at least 25 major foreign firms having fully exited since 2021	Treat current investment flows as a lagging indicator of a still-deteriorating climate rather than a stabilizing base
Earthquake reconstruction burden	The March 2025 magnitude-7.7 earthquake centered on Mandalay and Sagaing continues to require reconstruction more than a year later, complicated by the ongoing civil war	Any reconstruction-linked engagement should proceed through established UN or NGO humanitarian channels rather than direct commercial structures
Scam-compound and trafficking crisis	Border regions, particularly Kayin State facing Thailand, remain the epicenter of Southeast Asia's cyberscam-compound crisis, with recurring mass detentions of foreign nationals	Avoid any real-estate, telecommunications or financial-services engagement in affected border regions pending resolution
Currency and capital controls	The kyat and Myanmar's foreign-exchange regime remain severely constrained amid the broader economic and political crisis	Assume limited to no reliable capital repatriation under current conditions

INVESTOR RISK NOTE

Waverley's assessment is that Myanmar does not currently meet the threshold for conventional capital deployment. An active, fragmented civil war leaves the internationally non-recognized post-election government in firm control of only a fraction of the country, foreign direct investment has collapsed by roughly three-quarters from its pre-coup level, and sanctions, currency controls and

an unresolved earthquake-reconstruction burden compound the risk. Any engagement should be treated as a narrow, specialist exception most plausibly humanitarian or reconstruction-linked work channeled through UN or NGO frameworks rather than a standard market-entry opportunity, pending a genuine and internationally recognized political resolution.

MARKET ACCESS

Myanmar's nominal foreign-investment law and the Thilawa, Dawei and Kyaukphyu special economic zones remain formally in place, but capital repatriation is severely constrained by currency controls, international sanctions limit banking-channel access for Western investors, and the Directorate of Investment and Company Administration's own data shows foreign investment at a multi-year low.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
State Administration Council / Office of "President" Min Aung Hlaing	Installed via the internationally unrecognized December 2025-January 2026 election and subsequent April 2026 parliamentary vote; controls an estimated 21-33% of national territory	Any engagement carries significant legitimacy and sanctions-exposure risk
Directorate of Investment and Company Administration (DICA)	Reports official foreign-investment approvals, now at \$472.6 million for FY2025-26, down from the prior year	Nominal first point of contact for foreign investment, though approval does not address underlying conflict and sanctions risk
Central Bank of Myanmar	Manages a severely constrained foreign-exchange and capital-control regime amid the economic crisis	Monitor for any changes to currency and repatriation rules, though reliability remains low
Ministry of Planning and Finance	Administers nominal fiscal and investment policy under the post-election government	Relevant primarily for compliance documentation rather than genuine policy engagement
Thilawa SEZ Management Committee	Oversees one of the few still-functioning special economic zones, retaining a reduced base of mostly Japanese-linked manufacturers	Relevant only for investors maintaining pre-existing operations in the zone
Ethnic armed organizations and parallel administrations (e.g., Kachin Independence Organization, National Unity Government)	Control an estimated 38-42% of national territory and administer parallel governance structures in those areas	Relevant to understanding genuine on-the-ground control in any specific location, though not a conventional investment counterparty
United Nations and international humanitarian agencies	Coordinate the response to a humanitarian crisis affecting up to 16 million people projected to need aid in 2026, including earthquake recovery	Primary channel for any genuine humanitarian or reconstruction-linked engagement

CURRENT INTERNATIONAL BUSINESS CHANNELS

Conventional business channels are severely degraded. What limited activity continues runs through DICA for formal approvals, the Thilawa SEZ for existing manufacturing operations, and UN or NGO frameworks for humanitarian and reconstruction work; mainstream international banking and investment-promotion channels are largely inoperative given sanctions and the collapse in foreign investment.

INVESTOR PROFILE BEST SUITED

Not recommended for conventional investors under current conditions. Any engagement is suited only to specialist humanitarian, reconstruction or existing-operator contexts with extensive sanctions and conflict-risk expertise. Unsuitable to any investor seeking standard capital repatriation, legal certainty, or physical security guarantees.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm whether engagement is appropriate at all

Given the severity of conditions, the first step is determining whether any form of engagement is advisable rather than which sector to enter.

STEP 2: If proceeding, confirm humanitarian or reconstruction framing

Structure any engagement through UN or NGO humanitarian channels rather than conventional commercial investment.

STEP 3: Conduct exhaustive sanctions and legitimacy review

Verify no exposure to military-linked enterprises or sanctioned individuals before any transaction.

STEP 4: Assess genuine territorial control

Verify actual on-the-ground control of any specific location given the fragmented civil-war map, rather than relying on nominal jurisdiction.

STEP 5: Monitor for a genuine political resolution

Treat any future engagement as contingent on a credible, internationally recognized resolution to the civil war and political crisis.

WAVERLEY'S ROLE

- Monitor the civil-war territorial map, the post-election government's legitimacy status, and sanctions developments
- Advise against conventional capital deployment under current conditions
- Where appropriate, facilitate connections to UN or NGO humanitarian and earthquake-reconstruction frameworks
- Flag any genuine political resolution that would warrant reassessment of Myanmar's investment classification

INVESTOR CALL TO ACTION

Waverley Gateway's assessment is that Myanmar does not currently warrant conventional capital deployment given active civil war, an internationally unrecognized post-election government, collapsed foreign investment, and an unresolved earthquake-reconstruction burden investors with genuine humanitarian or reconstruction interests should engage through UN or NGO channels rather than direct commercial structures.

Monitor political resolution -> Reassess classification -> Humanitarian/reconstruction engagement only -> Conventional entry only after genuine resolution

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

No conventional near-term opportunity pipeline is identified. Limited activity continues in existing Thilawa SEZ manufacturing operations and in rare-earth and offshore-gas extraction, both increasingly dominated by Chinese and regional rather than Western operators.

POSITIONING

Myanmar sits at the most severe end of the risk spectrum in this series: an active, fragmented civil war with the government controlling only a fraction of national territory, an internationally unrecognized post-election leadership, and foreign direct investment that has collapsed by roughly three-quarters from pre-coup levels.

Waverley's positioning is explicit: this is not a market for conventional capital deployment. Where genuine investor interest exists, it should be directed toward humanitarian and earthquake-reconstruction engagement through UN or NGO channels, with any reassessment of Myanmar's classification contingent on a credible, internationally recognized resolution to the political and security crisis.

SELECTED SOURCES

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