

Social and economic reforms instituted by the government are driving the growth of the wooden flooring and decking industry in Myanmar. Although exports remain low, suppliers generally forecast outbound shipments to surge in the next few years as trade restrictions imposed locally and overseas are lifted.

Foreign sales have been steadily increasing over the past three years because of demand from neighboring countries in South and Southeast Asia. Once completely opened up to markets in the West in the coming years, the sector is expected to enjoy further expansion and rapid development.

Although various difficulties hamper its improvement, the industry benefits from a number of strengths. Myanmar is indigenous to hardwood suitable for flooring and decking. Labor cost is also lower compared with other supply zones in Asia.

Key findings

1. Manufacturers interviewed for this report are almost equally split between those that expect to raise prices and those that intend to keep them stable. Higher quotes are mainly caused by rising expenditure on raw materials. Enterprises that will not adjust prices will do so to ensure competitiveness.
2. The sociopolitical transformation currently underway in the country is seen to have minimal impact on the industry's short-term development. As such, the majority of makers predict exports to remain flat in the coming year. Companies forecast revenue gains to become more pronounced only after two to three years.
3. The most critical challenge facing the sector is insufficient capital, which keeps suppliers from expanding their capacity and enhancing operations. High interest rates are typically imposed by domestic lending institutions on small manufacturers.
4. Makers emphasize models that come in conventional and basic designs. This trend mirrors the financial condition of several overseas markets, which remain budget-conscious. Products are generally aimed at the low end as most enterprises are unable to meet strict quality standards.
5. The capital, Yangon, is home to the majority of companies in the line. The central province of Mandalay is another key sourcing center. Both locations benefit from a deep labor pool.

Objective, methodology & scope

This Myanmar Sourcing Report is part of a series designed to provide buyers with information on new products from export manufacturers in supply markets that specialize in handmade merchandise.

The Developing Country Sourcing Report series is part of Global Sources' corporate social responsibility initiatives. It is offered in conjunction with the Hinrich Foundation, whose mission is promoting sustainable global trade. One of its objectives is to help create jobs in developing Asia through export promotion.

To produce this report, large, midsize and emerging manufacturers, all with substantial export experience, were surveyed. The selection of suppliers is designed to reflect the composition of the industry in Myanmar in terms of geographic location, materials used and range of products offered.

For in-depth profiles, our researchers visited the facilities of each company and interviewed senior executives who discussed their recent performance and provided forecasts for the next 12 months. All other makers in this report were either visited or contacted by phone.

In each case, companies were required to answer specific questions designed to verify their manufacturing and export credentials, including a breakdown of exports by product type and market. Suppliers also participated in a survey designed to provide insight into the industry.

This report covers different classifications of wooden flooring and decking available in Myanmar, including models made of solid hardwood and engineered materials. Each product category has its own price guide that describes features of low-end, midrange and high-end models.

In this report

- 18 in-depth company profiles
- 7 short company profiles
- 148 top-selling export products
- Supplier demographics
- Supplier survey
- Industry statistics and charts

The Industry Overview section discusses key issues affecting export manufacturers. It provides insight on the composition of the industry and elaborates on the important supply centers within Myanmar.

The Products & Prices section details the features and price ranges of wooden flooring and decking. It also examines the design and manufacturing processes, main materials used, and sourcing centers where components are procured.