

Q3 2026 – Asia Investment Research Global

Myanmar

Executive Summary

For the past couple of years, our firm has been keen to include Myanmar to our list of Asian countries where we track near term projects in a country's transition to renewable energy.

Before undertaking this research report we were certainly aware that Myanmar's economy had encountered numerous challenges over the past few years; a 2021 political turmoil (which is still adversely affecting major infrastructure projects), a major earthquake in March 2025 (which led to a 2%+ contraction in GDP 2025), followed by the 2026 by the Middle East crisis.

That said, we wanted to set out the economic progress being seen in manufacturing (away from agricultural dependence), very positive FDI growth and specific 2025/2026 projects to date, long term Government energy plans by segment as well as specific hydro/renewable projects. However, we did not anticipate the eruption in global energy markets which continued throughout 2026, and Myanmar's dependence on these import markets, which shifted our focus to more near term needs, rather than longer term renewables shifts.

These needs have been met with Myanmar's long term and growing partnerships with China, Russia, Thailand and other ASEAN countries.

Overview

Myanmar, the Republic of the Union of Myanmar (formerly known as Burma), is the largest country by area in mainland Southeast Asia. It is bordered by India and Bangladesh to the northwest, China to the northeast, Laos and Thailand to the east and southeast, and the Andaman Sea and the Bay of Bengal to the south and southwest. Myanmar has high mountains in the north and east, with a flat central valley around the Irrawaddy River.

Myanmar gained independence from Britain in 1948 after a history of colonial rule. In 2025, Myanmar had a population of 56 million. The largest city is its former capital, Yangon, with a population of circa 5 million; the current capital of Naypyidaw has circa 1 million.

Burmese is the official language and the language of the largest ethnic group, the Bamar, although minority groups also have their own languages, such as Shan and Rakhine/Arakanese. The population is predominantly Buddhist (88%), with small Christian (6%), Muslim (4%) and Animist minorities. Most people practice Buddhism, building famous golden temples like the Shwedagon Pagoda.

Economy

Myanmar's economy is primarily agrarian, with agriculture forming the core of its financial activity and workforce. Agriculture, forestry, and fishing together constitute the largest contributor to Myanmar's economy. Circa 50% of all agricultural land in Myanmar is devoted to rice, and to increase production the government has promoted multiple cropping (sequential cultivation of two or more crops on a single piece of land in a single year), a system that is easily supported by the country's climate.

In 2025 Myanmar's economy remained primarily agrarian, with the agricultural sector serving as the key support underlying its economy and trade. Approximately 70% of Myanmar's population resides in rural areas, and over half of that rural workforce is directly involved in agriculture, livestock, or forestry. In 2025, the agrifood sector contributed approximately 23% to 27% of Myanmar's GDP⁽¹⁾.

Footnote:

(1) <https://www.moi.gov.mm/moi%3Aeng/article/18634>

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Manufacturing

All that said, manufacturing output has demonstrated annual growth over the past few years:

- **2022** – \$15.91 billion
- **2023** – \$17.30 billion
- **2024** – \$18.60 billion
- **2025** – \$20.50 billion

This represents a CAGR of 8.8%.

Inbound FDI

Despite all the obstacles noted above, inbound FDI, in particular in the manufacturing sector is increasing. Over \$245 million FDI flowed into Myanmar's manufacturing sector in the previous financial year 2025-2026 (1 April-31 March), a 34.2% increase from the \$182.6 million recorded in the FY 2024-2025⁽²⁾.

The Myanmar Investment Commission (MIC) approved 85 projects from China, Hong Kong SAR, India, Taiwan Province of China, Japan, Thailand, the Republic of Korea, Samoa, Singapore and the UK to invest over \$472.6 million in the past FY, including expansions of capital by existing enterprises.

MIC approved investments by 80 enterprises (led by Chinese) in the manufacturing sector for \$245 million last FY 2025-2026. The manufacturing enterprises that need a large labour force are prioritized to create job opportunities for the locals. The Oil and Gas sector saw 1 investment for \$21 million while the services sector attracted \$3.7 million from three enterprises. Livestock and fisheries, manufacturing, power, and transport and communication sectors saw capital expansion by the existing enterprises.

Myanmar's garment enterprises operate under the Cutting, Making, and Packaging model. EU member countries, Japan, the Republic of Korea, the US and China place garment orders from Myanmar. Myanmar's garment sector plays a pivotal role in the economic development of the country, contributing to the country's GDP to a certain extent. In addition to garments, the manufacturing of electrical devices, footwear, bags, wigs, lenses, and cameras is also running under a CMP system.⁽³⁾

In August 2026, MIC approved 14 new projects, which involve investments of \$140 million and are expected to create 3,336 jobs. The new investment projects include two foreign investment projects in the industrial sector, six Myanmar citizen investment projects in the industrial sector, two in services, three in electricity and one in housing development.

As of the end of July 2026, Singapore, China and Hong Kong were the largest sources of investment among 48 countries and regions investing in Myanmar.

The electricity sector accounted for the largest share of total investment at 28.1%, followed by oil and natural gas at 20.4% and manufacturing at 15.5%. The MIC continues to review investment proposals and provide investment-related services to domestic and foreign investors in accordance with the Myanmar Investment Law.⁽⁴⁾ (While FDI has shown recent signs of growth, it fell annually through to 2024 from the peak period of 2015-2017).

GDP Growth

Despite the solid growth in manufacturing output and the strong growth in inbound FDI, Myanmar's GDP growth rate has been declining annually since 2022:

- **2022** – 4.04%, a 16.05% increase in GDP growth rate from 2021
- **2023** – 0.96%, a 3.08 percentage point decline from 2022
- **2024** – 0.97%, a 1.93 percentage point decline from 2023
- **2025** – -2.01%, a 1.04 percentage point decline from 2024

Footnotes:

(2) Source: Directorate of Investment and Company Administration (DICA).

(3) <https://www.gnlm.com.mm/manufacturing-sector-fdis-soar-in-fy-2025-2026/>.

(4) <https://www.myanmaritv.com/news/investment-approval-mic-approves-14-new-projects>.

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Exogenous events have adversely affected GDP growth over the past two years: the 2025 earthquake and the 2026 global energy crisis.

In June 2025, a World Bank report noted that Myanmar had been severely impacted by the March earthquake, and the economic aftershocks are compounding ongoing challenges faced by firms and households. The World Bank's Myanmar Economic Monitor (MEM) projected a 2.5% contraction in GDP in the Myanmar fiscal year 2025/26, mostly due to earthquake impacts. Direct damages to physical assets were estimated at \$11 billion, equivalent to 14% of GDP. The disaster affected over 17 million people in Mandalay, Sagaing, Bago, Nay Pyi Taw Union Territory, and Magway, with nine million severely impacted.⁽⁵⁾

Economic activity improved modestly through late 2025 and early 2026, supported by partial normalization after the March 2025 earthquake, some easing of power supply constraints, and pockets of resilience in manufacturing, construction, and services. However, output, sales, and profits remained well below pre-2021 and pre-earthquake benchmarks, reflecting continued constraints from power supply, weak demand, and limited policy space. Real GDP is estimated to have contracted by 2.0% in FY2025/26, despite modest improvement in activity toward the end of the fiscal year.

An energy shock driven by Middle East tensions in early 2026 amplified existing economic pressures. Higher fuel prices raised transport and logistics costs, increased production and distribution costs, and intensified foreign exchange demand for fuel imports. After easing through late 2025, inflation rose sharply from March 2026, reaching 24.6% y-o-y in April.⁽⁶⁾

In July 2026, S&P reported June PMI[®] survey data indicated a stronger deterioration in the health of Myanmar's manufacturing sector. The downturn was fuelled by sharper declines in output and new orders. Lower production requirements led firms to once again reduce their purchasing activity and stocks of inputs. Suppliers' delivery times continued to lengthen markedly.

The headline S&P Global Myanmar Manufacturing PMI fell from 49.3 in May to 47.4 in June, indicating a second successive month of deterioration across Myanmar's manufacturing sector. Moreover, the downturn was solid and the most pronounced since April 2025.⁽⁷⁾

Energy

Around 70% of Myanmar's 56 million residents have basic access to grid-electricity. However, the grid is extremely unreliable and every factory that depends on electricity needs diesel backup generators which are expensive and difficult to operate

The national electric grid depends heavily on hydropower stations that under produce during the four-month dry season. Even when those generators operate at full capacity, they cannot fully address demand in the country's commercial centre of Yangon. Despite Myanmar's current recession, and the grid's focus on Yangon, the city still has an estimated electricity generation shortfall of some 200MW. In smaller cities and rural areas, the power shortages are far worse.⁽⁸⁾

Myanmar's electricity supply has deteriorated since the 2021 political turmoil and ensuing civil war, exposing millions to chronic blackouts. The World Bank estimated the country's operating power capacity plunged to 2015 levels in 2024, describing electricity supply in conflict-affected areas as "catastrophic".⁽⁹⁾

By January 2025, according to the Electricity Ministry, average daily electricity demand across Myanmar is 4,400MW, but only half—an average of 2,200MW—can currently be generated.

The country relies on thermal power plants, but a decrease in the availability of natural gas has led to a loss of approximately 300MW of capacity, according to Myanmar's Leadership. The ministry also cited damaged power lines and natural disasters as contributing factors.

In September 2024, the Administration increased electricity tariffs significantly. The new rates impose a minimum charge of 50 kyats per unit for the first 50 units, escalating to 300 kyats per unit for consumption exceeding 201 units. This marks a drastic increase from the previous maximum charge of 125 kyats per unit, resulting in household electricity bills roughly doubling.

Footnotes:

(5) <https://www.worldbank.org/en/news/press-release/2025/06/12/earthquake-compounds-myanmar-s-economic-challenges>.

(6) <https://www.worldbank.org/en/news/press-release/2026/06/16/myanmar-s-economy-shows-tentative-stabilization-but-fuel-shock-intensifies-pressures>.

(7) <https://www.pmi.spiglobal.com/Public/Home/PressRelease/26e0ec0490ac4207ad5f2f13dac6b27b>.

(8) <https://energyalliance.org/project/solar-to-power-up-myanmars-agricultural-economy/>.

(9) <https://www.reuters.com/sustainability/climate-energy/war-torn-myanmar-embraces-solar-tackle-power-crisis-2025-11-14/>.

Meanwhile, power cuts have become more severe, with electricity being supplied in shorter intervals. In Yangon, residents reportedly receive an average of eight hours of electricity per day in intermittent four-hour blocks followed by eight-hour outages. In other regions and states, the average daily power supply is even lower, often less than four hours, with reliability remaining a significant issue.⁽¹⁰⁾

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Current Situation of Power Sector in Myanmar

As shown below in Table 1, the combination of gas/coal/diesel represent 49% of the total, while Hydro represents 47%. Solar was tiny with only 4%.

Table 1

Installed Capacity of Existing Power as of March – 2026⁽¹¹⁾

Installed Capacity (MW)

Type of Energy Sources	Grid System	Isolated	Total	%
Hydro	3,243.200	29.174	3,272.374	46.7
Gas	3,166.942	19.300	3,186.242	46.0
Coal Fire		—	138.000	2.0
Diesel	—	92.126	92.126	1.0
Solar	301.800	1.169	302.969	4.3
Total	6,849.942	141.769	6,991.711	100.0

Forecasting of Electricity Demand in Myanmar

The National Electricity Master Plan is drawn up by taking account of forecasting the GDP growth rate with social economic and industrial development and the power demand forecast for the entire country according to 2014 Master Plan (provided to AIRG by Myanmar) is as follows;⁽¹²⁾

Table 2

National Electricity Master Plan

Year	Power Demand MW	Power Demand
	(Low Case)	(High Case)
2026	6,461	9,125
2027	7,039	10,253
2028	7,668	11,520
2029	8,353	12,944
2030	9,100	14,542

These forecasts represent 8.9% CAGR in the low case, and 12.4% CAGR in the High case

Footnotes:

(10) <https://thegulfofobserver.com/rosatom-and-myanmars-zeva-partner-on-200-mw-wind-power-project-near-mount-popa/>.

(11) Source: Information on Renewable Energy of Myanmar received from the Ministry of Electric Power and Energy of the Republic of the Union of Myanmar).

(12) Provided to AIRG by Myanmar.

Energy Resources for Power Generation in Myanmar

Hydropower

Myanmar possesses significant hydropower potential, estimated at 108 GW across its major river systems including the Ayeyarwady, Chindwin, Thanlwin, and Sittaung basins. These rivers and their tributaries feature numerous sites suitable for both large-scale and median-scale projects, with exploitable capacity around 37,182.6MW from identified 40 sites and 4,299.1MW from the 20 preliminary sites.

- **List of Investigating Hydropower Power Projects (Contracted Projects):** 37,182.6MW
- **List of Preliminary Projects:** 4,299.1MW
- **List of On-going Projects:** 1,930MW

Key Projects

- **July 2026** – following a June Chinese state visit which included project resumption talks, Myanmar's new government announced it plans to complete the \$3.6 billion Myitsone dam project in northern Kachin State before 2034. Once completed, Myitsone could provide more than 50% of 10 GW of power and will rank among Southeast Asia's largest hydropower projects. China has long supported the Myitsone project as it plans to be a substantial export recipient.⁽¹³⁾
- **August 2026** – reconstruction and repair work is underway at the 280MW Upper Yeywa Hydropower Project, in northern Shan State, which suffered extensive damage as a result of attacks by armed groups during June 2024. Repair and upgrading works for access roads, the project office and staff housing, water and electricity supply systems, and construction power lines have been underway since the 2026-2027 financial year (funding from the Union budget). The project, launched in the 2010-2011 financial year, has now reached 54% complete and is scheduled for completion during the 2029-2030 financial year. Upon completion, the project is expected to generate an average of 1,409 million KWh of electricity annually, supplying power through the national grid to approximately 3.7 million people across Shan State and other parts of Myanmar.⁽¹⁴⁾
- **July 2026** – during the State Visit of the President to Laos, a joint agreement on a feasibility study was signed to explore the implementation of a hydropower project along the Mekong River on the Myanmar-Laos border. Primus Sapphire Power Co Ltd assigned by Myanmar, and Phongsupthavy Group Sole Co Ltd assigned by Laos are scheduled to complete the study within 34months. The hydropower project is expected to have an installed capacity of up to 2,790MW.⁽¹⁵⁾

Solar Power

Myanmar boasts abundant solar energy resources. It receives average annual solar radiation with daily availability of about 7 hours and 2,500–2,800 sunshine hours/year. Nationwide Global Horizontal Irradiance (GHI) ranges from 1,800–2,000 kWh/m²/year (or 4.5–5.1 kWh/m²/day), available total resource of 51,974 TWh annually – it is the best resourced country in Southeast Asia.

- **Central Dry Region (Magway, Mandalay, Sagaing)** – This region features high average solar radiation exceeding 5 kWh/m²/day across vast lowlands, with remarkably consistent levels even during the rainy season. These conditions make it ideal for large-scale solar power projects, such as utility-scale PV plants.
- **Bago and Parts of Yangon** – These areas offer strong solar exposure while sitting close to Yangon's main power consumption centres across its townships. This will minimize transmission losses and substation connection costs.
- **NAY Pyi Taw Union Territory and Surroundings** – Low-lying, wide-open terrains near Nay Pyi Taw, solar radiation exceeding 5 kWh/m²/day, create ideal conditions for constructing solar power plants.

Myanmar's installed solar capacity reached 216MW by the end of 2024, up 19.3% from 181MW in 2023, according to the International Renewable Energy Agency (IRENA).⁽¹⁶⁾

Footnotes:

(13) <https://stratnewsglobal.com/india/myanmar-plans-to-revive-3-6-billion-china-backed-dam-project/>.

(14) <https://www.gnlm.com.mm/repair-and-reconstruction-underway-at-upper-yeywa-hydropower-project/>.

(15) <https://www.gnlm.com.mm/myanmar-laos-sign-joint-agreement-on-feasibility-study-for-mekong-hydropower-project/>.

(16) <https://www.pv-magazine.com/2025/06/23/myanmars-prime-minister-calls-for-increased-local-solar-panel-production/>.

Key 2025 Solar Projects

As shown below, there was considerable activity across G2G with China but much more at the household and small industrial levels.

- **February 2025** – a MoU was signed between the Ministry of Investment and Foreign Economic Relations (MIFER) and the Chinese International Development and Cooperation Agency regarding the construction of four solar power projects in Yangon, Naypyidaw and Mandalay Regions with a total capacity of 190MW with a total investment of \$1 billion from China.⁽¹⁷⁾
- **February 2025** – the Administration announced that China would help fund four solar projects, with a total capacity of 190MW, worth approximately \$140.5 million. No further details were provided on the projects.
- **April 2025** – Myanmar was facing a severe power shortage problem, with the daily power supply across the country only lasting for 4 hours, and in rural areas, even less than 2 hours. To alleviate the crisis, the Myanmar government has mandated that all buildings install solar panels and plans to achieve a 30% renewable energy supply target by 2030.⁽¹⁸⁾
- **May 2025** – the MIC approved an additional \$35 million worth of foreign investments in the industry sector, including projects pertaining to solar and electricity production. Again, no additional details were provided.⁽¹⁹⁾
- **November 2025** – household solar installations surged from a few hundred in 2019 to roughly 300,000 in 2025, as users switch from diesel generators to solar. When Thailand cut power supply to Myanmar across its western border, it intended to curb online scam centres linked to regional networks trafficking hundreds of thousands of people. However, the move also hit the wider community, pushing hospitals and some offices to install solar panels. Homes, too, made the switch.⁽²⁰⁾

As of 2025, the solar power system had achieved an installed capacity of 3,861 kWp, with an estimated annual generation of 5,157,450 kWh. This marks a significant step forward in enhancing the Zone's energy efficiency and environmental performance.

2026

Due to severe electricity shortages the Government has reached out for assistance from China and Japan to grow solar capacity as shown below.⁽²¹⁾

- **May 2026** – Myanmar opened two 40-MW solar power plants in Mandalay, set to generate 202 million kWh annually. The 40-MW Thazi and 40-MW Tha Pyaywa solar power plants in Mandalay Region, which can generate 202 million kWh/yr, were inaugurated.⁽²²⁾
- **June 2026** – Sungrow announced the successful commercial operation of Hanzar Solar and Leader Power Energy's 110MW PV + 20MW/40MWh integrated PV and BESS project in Myanmar. As the largest PV power base in Myanmar, the project is expected to improve local power supply reliability and support the transition toward a more diversified energy mix.⁽²³⁾
- **July 2026** – Myanmar Japan Thilawa Development Limited (MJTD) introduced a PV initiative within the Thilawa Special Economic Zone (TSEZ). MJTD is preparing for a further expansion of 3.5MW, reinforcing its long-term objective to reach a total installed capacity of 15MW.⁽²⁴⁾

Footnotes:

(17) <https://www.npnewsmm.com/news/67b9f4f06e62ed740955caea>.

(18) <https://www.jcnsolar.com/news/2025-04-30-myanmar-exhibition.html>.

(19) <https://www.csis.org/analysis/chinese-energy-investments-southeast-asia#h2-myanmar>.

(20) <https://www.reuters.com/sustainability/climate-energy/war-torn-myanmar-embraces-solar-tackle-power-crisis-2025-11-14/>.

(21) #WhatsHappeningInMyanmar.

(22) <https://elevenmyanmar.com/.../myanmar-opens-two-40-mw>.

(23) <https://www.sungrowpower.com/en/sungrow-accelerates-time-to-grid-for-myanmar-s-largest-pv-bess-power-base-with-7-day-commissioning>

(24) <https://www.mtshmyanmar.com/what-we-do/projects-and-pipeline/>

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Wind Power

Myanmar holds significant wind energy potential, particularly along coastal areas and central highlands. Targeted regions include Ayeyarwaddy, Yangon, Tanintharyi, Mandalay, Magway, Bago and Rakhine State, where wind power densities reach 261 W/m² in high-potential zones

In 2023, the administration began collaborating with both Russia and China in growing wind power. During a visit to Russia in 2023, the Minister for Electric Power of Myanmar said that it is planned to develop 18 wind power projects nationwide with the potential to generate 2,260MW of electricity.

- **2023** – Rosatom began working with a Myanmar developer on plans to build a 200MW wind farm near Mount Popa, which the administration claimed it fast tracked in 2025. The energy ministry also signed a MoU for 8 wind-power projects; Rosatom is involved in three of them.
- **Also in 2023** – Myanmar agreed to work with China on three wind power projects in Ann, Gwa and Thandwe, all in Rakhine state, for projects ranging from 100-150MW. However, reports in 2024 said the Ann and Thandwe projects had been taken over by the Rakhine people's Arakan army.⁽²⁵⁾

2025/2026 – Key Projects

- **Mid-January 2025** – the Mandalay Region Electricity Ministry signed a MoU for eight wind-power projects, with Rosatom involved in three; 200MW project near Mount Popa, a 116MW project in Minhla, and a 56MW project in Mindon, both located in Magway Region. The Popa Wind Power Project will be jointly implemented by Zeya & Associates of Myanmar and Rosatom Renewable Energy.⁽²⁶⁾
- **October 2025** – a high-level Myanmar delegation led by the Union Minister for Electric Power, travelled to China to attend the International Forum on Energy Transition. During this trip, the delegation conducted field studies of large-scale offshore wind farms and control centres. The insights gained regarding multi-energy grid stability and wind technology were utilized to refine technical frameworks for Myanmar's expanding domestic pipeline, including the Mindon infrastructure.
- **December 2025** – China Energy Engineering Corporation (CEEC) secured a landmark technical service contract for a 500MW offshore wind power project in Myanmar. The EPC contract, for Technical service and engineering design, was won by CEEC's subsidiary, China Electric Power Engineering Yunnan Institute (Yunnan Institute), marking their official "zero breakthrough" entry into the international offshore wind market.⁽²⁷⁾

However, there has been very little progress to date the prior deals. Mindon (onshore) was reported as "shelved" in July 2025⁽²⁸⁾ while in February 2026, Minhla Wind Farm, a 116MW onshore wind power project planned in Magway, sat at the announced stage only.⁽²⁹⁾

Oil & Gas Development – 2026 – External Partners

Despite possessing significant reserves, over 22 trillion cubic feet of natural gas and around 139 million barrels of oil, Myanmar remains heavily dependent on imported petroleum due to limited domestic production, which stands at roughly 6,000 bpd against demand of about 120,000-140,000 bpd. Demand growth, under stable conditions, is projected at 3-5% annually. Yet over 90% of refined petroleum products are imported, due to minimal domestic refining capacity. LPG consumption exceeds 1 million tpy, primarily for household use. LNG demand, previously stable at around 2-3 million tpy, has become volatile due to price spikes. Electricity demand, as noted, far exceeds supply.

One of Myanmar's most critical weaknesses is its lack of refining capacity. Current facilities operate far below national demand, forcing reliance on imported diesel, gasoline, and jet fuel. The administration has taken a number of moves in 2026 to address this vital issue.

Footnotes:

(25) <https://www.eco-business.com/news/explainer-how-mainland-southeast-asia-is-incorporating-wind-power/>

(26) <https://onenewstvchannel.com/en/politic-en/government-en/government-to-provide-necessary-support-in-implementing-popa-wind-power-project/>

(27) <https://thegulfobserver.com/rosatom-and-myanmars-zeva-partner-on-200-mw-wind-power-project-near-mount-popa/>

(28) https://www.gem.wiki/Mindon_wind_farm

(29) <https://www.power-technology.com/marketdata/power-plant-profile-minhla-wind-farm-myanmar/?cf-view>

- **January 2026** – Myanmar’s leadership and Sino-Pipeline International (China) advanced the Thanpayarkan refinery project in northern Minhla Township, Magwe Region. It aims to process crude oil from the existing China-Myanmar oil and gas bilateral pipeline to yield up to 2 million tons of refined fuel annually.⁽³⁰⁾
- **April** – Myanmar’s Ministry of Energy and China North Petroleum & Chemical Corporation, a subsidiary of North Petroleum & Chemical Group (NPCC), signed a formal agreement to enhance oil production at the HtaukshapinKanni Oilfield onshore. At the signing, the Minister explained that Myanmar’s oil fields have existed for about 100 years. The Htaukshapin-Kanni oil field, for which the contract has been signed, is also about 50 years old. Thus, modern technologies are urgently needed to increase production.⁽³¹⁾
- **August** – During Myanmar President’s visit to Thailand, the Minister for Electricity and Energy (MoEE), held a separate meeting with the Thai Energy Minister. The discussions included potential Thai investment in offshore Block A-6, also known as the Pyitharyar Integrated Project (PIP). Unlike most of Myanmar’s other offshore projects, which operate in shallow waters, the Pyitharyar project is an ultra-deepwater development (from 2,000-2,500 metres), making it technically challenging. The first natural gas discovery was made in 2012, international players entered in 2013-2015 then exited following the 2021 political turmoil. MPRL A-6 Limited, a Thailand-based subsidiary of MPRL E&P Pte Ltd., currently holds a 100% interest in the project and has invested more than \$400 million as of March 2026. The PIP project is estimated to contain 2.4 trillion cubic feet of recoverable natural gas. With an initial production rate of 400 million cubic feet of natural gas p/d, the project is planned to operate for 13 to 17 years.

A portion of the natural gas will go to the Myanma Oil and Gas Enterprise (MOGE), while the remainder will be exported to Thailand through pipelines operated by the Moattama Gas Transportation Company (MGTC); Myanmar currently has four offshore gas projects: Yetagun, Yadana, Shwe and Zawtika. With the exception of the Shwe offshore project, the other three are located offshore in the Gulf of Moattama and are operated by Thai companies PTTEP and Northern Gulf Petroleum.⁽³²⁾

Russia – Elevated Partnership in 2026

Energy Disruption – Near Terms Solutions

During 2026, Myanmar is facing one of the most severe energy crises in Southeast Asia. Domestic electrification rates are among the lowest in ASEAN. While official figures suggest national access around 65%, rural electrification drops closer to 50%. In major cities such as Yangon, rolling blackouts now extend up to 8-12 hours per day during peak demand months. Electricity demand peaks at approximately 4-5 GWs, yet effective generation capacity has fallen below 3GWs, creating a structural deficit of up to 40%.

Hydropower, historically accounting for nearly 60% of electricity generation, collapses seasonally. During the pre-monsoon months of April and May, when temperatures exceed 40°C, hydropower output drops to annual lows. At precisely the moment demand surges, supply contracts.

At the same time, global LNG prices surged by more than 50% between late 2025 and early 2026 due to geopolitical disruptions. For Myanmar, which depends heavily on imported refined fuels, this price shock has been devastating. Fuel shortages have forced flight cancellations, tripled ticket prices in some cases, and led to fuel rationing systems where vehicles are allowed refuelling only twice per week.

In agriculture, over 80% of farmers now rely on mechanized equipment, up from 40% in 2013, making diesel shortages a direct threat to food production. Industrial zones, particularly in garment manufacturing, rely on diesel generators for up to 70% of their electricity supply. Thus, energy remains the most strategic pillar of bilateral economic ties in 2026.

Footnotes:

(30) #WhatsHappeningInMyanmar #TheIrrawaddy #TheIrrawaddy_media.

(31) https://www.linkedin.com/posts/oil-gas-lang-perdana-37b42039_htaukshapinkannioilfield-mepe-npcc-activity-7456562298363600897-hw51.

(32) <https://english.dvb.no/thailand-myanmar-discuss-thai-investment-in-offshore-block-a-6-during-bangkok-meeting/>.

Russia – Partnership Post the 2021 Political Turmoil

Following the 2021 Myanmar political turmoil, Myanmar experienced severe fuel shortages, rising energy prices, and widespread electricity disruptions, further exacerbated by the withdrawal of Western energy companies. In response, Myanmar turned to Russia for support. Russian deliveries, including fuel oil and refined petroleum products, increased rapidly in 2023 and have remained at consistently high levels, helping stabilize the domestic market. At the same time, major Russian companies such as Rosatom and Bashneft began expanding their presence in Myanmar through oil and gas exploration, infrastructure development, and advanced energy projects. Russia has since become its primary supplier, accounting for more than 90% of oil imports by 2024. (Source: Vivekananda International Foundation).

Through all of these efforts, Russia firmly established itself as a key and reliable energy partner for Myanmar, supporting the country in overcoming a deepening energy crisis and ensuring stable fuel supplies.

2026 Increasing Russian Partnership

As a result of the combination of domestic energy supply strain supply chain complications arising from the Middle East conflict, in April 2026, Myanmar's Ministry of Electricity and Energy signed a Memorandum of Cooperation (MoC) with Russia's Investment Development Fund, RC Investments, to secure long-term crude oil and petroleum supplies, alongside discussions for energy infrastructure projects with Inter RAO.

The agreement, which is in effect, a long term energy system, had a number of key components:

- Establishes a framework for the long-term supply of crude oil, refined petroleum products, liquefied natural gas (LNG), liquefied petroleum gas (LPG), and fertilizers to Myanmar. The cooperation is expected to help ensure stable domestic supplies while supporting national energy security and agricultural production.
- **Strategic Infrastructure Development** – which includes refineries, LNG terminals, and power plants designed to strengthen Myanmar's electricity sector and industrial capacity. Among the priority initiatives is the development of the Dawei Deep Seaport and Special Economic Zone (SEZ), including construction of a power plant, an oil refinery and LNG terminal facilities. Inter RAO is expected to play a role in infrastructure while Rosneft, Gazprom (both currently sanctioned) can be expected to play roles in upstream supply and refining.
- **Adoption of Russian Digital Grid Management System** – which operates with real-time balancing of supply and demand, minimizing losses and optimizing efficiency thus increasing existing output. Upgrading turbines, improving maintenance cycles, and training local engineers further strengthen the system.
- **Science and Technology** – the Nuclear Technology Information Centre in Yangon (with Rosatom) serves as a platform for scientific cooperation and human capital development. Discussions have included joint development of develop hydro, wind, and SMRs as well as a prior MoU with Zeya Thura Mon focusing on processing products using ionizing radiation.

Increased focus on Bilateral Trade

In early June, the co-chairs' convened the third meeting of the Joint Working Group on Cooperation between Myanmar and the Eurasian Economic Commission (EEC), the executive body of the Eurasian Economic Union (EAEU), whose member states are Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan. During the meeting, the two sides discussed the development of cooperation to promote investment, industrial cooperation, manufacturing and digital trade as well as greater opportunities for Myanmar's agricultural, fisheries and garment exports.⁽³³⁾

August Meetings with Presidents

In August, Myanmar's President Min Aung Hlaing concluded an official visit to Moscow, signing twelve bilateral agreements with Russia covering defense, security, economic cooperation, and technology.

Footnote:

(33) <https://www.gnlm.com.mm/co-chairs-meeting-of-myanmar-eurasian-economic-commission-joint-working-group-held/>

Russian Prime Minister Mishustin also met with President Hlaing on the same day to discuss strengthening bilateral relations and expanding economic cooperation.⁽³⁴⁾ Several agreements between the governments and relevant departments of Russia and Myanmar were signed, with economic cooperation to remain a key focus:

- “Russia is willing to cooperate in natural resource exploration and oil and gas extraction in Myanmar, including offshore areas. There is considerable potential for Russia to export LNG to Myanmar. The LNG could be used domestically and also exported to other countries,” President Putin said.
- He added that Russia and Myanmar signed an agreement last year (March 2025) to build a nuclear power plant (SMR) in Myanmar, describing it as a key project for both countries.⁽³⁵⁾
- “There is also potential for many projects in the industrial and transportation sectors. For example, a steel plant and a fertilizer plant are being built in Myanmar. We are also discussing a deep-sea port construction project in southern Myanmar. We are discussing cooperation in high-tech fields as well.
- Russian companies have many proposals and plans in Myanmar’s digital sector, cybersecurity and other high-tech fields,” he said.
- Regarding space cooperation, President Putin said the two countries signed an agreement on mutual cooperation in 2025 and are implementing projects in the field. He also described human-resource development as an important area of bilateral cooperation.⁽³⁶⁾

Separate from the Putin meeting, on the same day Russia’s Minister of Economic Development Reshetnikov announced plans to increase supplies of mineral fertilizers, petroleum products, machine-building products and agricultural products to Myanmar. “Cooperation between Russia and Myanmar has a very powerful foundation — it is the trade turnover, our trade relations, which are developing. In particular, this year we began to supply large volumes of mineral fertilizers there, before that there were supplies of petroleum products,” said Reshetnikov.

Myanmar’s fertilizer demand exceeds 2 million tons annually. Currently dependent on imports, 78% from China according to UN Comtrade, domestic production would significantly reduce vulnerability. Myanmar’s fertilizer requirements will continue to grow between 2030 and 2050 as it expands its agricultural export market. Russia can make a significant contribution using its leadership in fertilizer export which leaders such as PhosAgro, EuroChem, Uralkali, Uralchem, and Acron Group as well as smaller players:

- He added that Moscow is also ready to increase exports of engineering and agricultural products for Naypyidaw. In turn, Moscow is interested in increasing the supply of light industry and agricultural products from Myanmar.
- Reshetnikov noted that cooperation between the two countries is moving to the investment stage. According to him, an investment protection agreement was signed last year (June 2025).⁽³⁷⁾

On the same day, Russian Prime Minister Mishustin noted that Russia and Myanmar have solid potential to further strengthen their bilateral trade, economic and investment partnership. He added that Moscow offers to step up cooperation in the field of high technologies and is ready to transfer advanced solutions in the fields of the digital economy, autonomous electronic systems and AI to partners.⁽³⁸⁾

A key focus was thus on securing reliable supplies of energy and fertilizer, delivered on a timely basis (shortened delivery times from Russia’s Far East ports), as Myanmar not only lacks domestic production, it also lacks strategic reserves. These measures are designed to underpin economic stabilization, which in turn stabilises the Leadership’s governance.⁽³⁹⁾

Footnotes:

(34) <https://storychase.co/news/myanmar-leader-signs-12-agreements-with-russia-during-moscow-visit/>

(35) <https://www.world-nuclear-news.org/articles/myanmar-and-russia-sign-smr-cooperation-agreement>

(36) <https://asianews.network/president-putin-says-russia-ready-to-cooperate-in-oil-and-gas-exploration-including-in-offshore-myanmar/>

(37) <https://interfax.com/newsroom/top-stories/112172/>

(38) <https://iz.ru/en/node/2151001>

(39) <https://russiaspivottoasia.com/russia-and-myanmar-sign-energy-cooperation-agreement-analysis/>

Conclusion

While our standard AIRG quarterly research focusses on tracking near term tangible projects which accelerate renewables transition, Myanmar represents a special case in that it has had to make substantial changes to its economy and energy transition over the past two years, which we have set out above.

Major exogenous factors (the 2025 earthquake and the 2026 Middle East energy crisis), combined with the loss of Singapore and other western countries from pre-2022 FDI leadership and political turbulence has led Myanmar to focus on developing external economic and trade flows— as part of increasingly important strategic relationships with other countries. These include global leaders in oil & gas/nuclear energy (Russia), renewables/technology (China) as well as with regional ASEAN friends (led by Thailand and Laos). These new partnerships are already bringing incremental energy flows, rebuilding/accelerating delivery in supply chains and technology/training. Ultimately, these can also assist Myanmar develop its own domestic oil production, increase grid efficiency, and strengthen important industries, such as fertilizer, which will further aid agricultural development.

These are all vital to meet Myanmar's near term energy needs as well as to bridge its implementation of its renewables plans.