WHITE PAPER
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MYANMAR'S DIGITAL ECONOMY CHALLENGES, OPPORTUNITIES AND RECOMMENDED POLICY PRIORITIES

By EuroCham Myanmar Digital Economy Working Group

European Chamber of Commerce in Myanmar

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White Paper on Myanmar's Digital Economy
Challenges, Opportunities and Recommended Policy Priorities
European Chamber of Commerce in Myanmar (EuroCham Myanmar)
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Executive Summary

EuroCham Myanmar's January 2026 Digital Economy Challenges and Outlook Survey reveals a digital economy under strain. While Myanmar demonstrates above ASEAN's average adoption of mobile payments, severe infrastructure degradation, regulatory uncertainty, escalating cyber-fraud and a critical skills shortage are collectively threatening the viability of digital trade and investment. For instance, VPN access restrictions, the absence of transparent whitelisting processes and subsequent consequences are forcing over half of companies to absorb significant additional operational costs.

This White Paper presents an evidence-based assessment, drawn from a survey of the direct experience of European companies in Myanmar. It calls on relevant authorities and stakeholders to take urgent, concrete and time-bound action across four priority areas:

1. restoring and stabilising internet connectivity;

2. establishing transparent regulatory frameworks for digital operations;

3. building a coordinated national cybersecurity response; and

4. investing in digital talent development and retention.

These recommendations are not aspirational goals. They are minimum conditions for a functioning digital economy. EuroCham Myanmar urges swift, transparent and coordinated action and stands ready to engage constructively with all relevant stakeholders in support of Myanmar's digital future.

1. Background

EuroCham Myanmar represents more than 160 European companies operating in Myanmar across sectors including consumer goods, logistics, e-commerce, financial services, and technology. The Chamber's mandate includes advocating for a stable, transparent and competitive business environment that supports sustainable economic development.

Myanmar's digital economy has expanded rapidly. Consumer behaviour shifted decisively toward digital platforms from 2020 onwards, driven by the pandemic, banking-sector disruptions, and security constraints. This structural shift is now entrenched: Myanmar's mobile payment app adoption for businesses stands at 99% vs. 86% ASEAN.[1]

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[1] Myanmar's Digital Pulse: Findings from the Business Survey on ASEAN's Digital Economy by World Economic Forum in December 2025.

Crucially, 54% of respondent companies by EuroCham Myanmar now rely on e-commerce, digital tools, or digital trade **for more than half of their business operations**[2] Yet Myanmar's digital economy is operating well below its potential. The gap between digital adoption and the enabling conditions needed to sustain it — reliable connectivity, legal certainty, trust and talent — is widening, with tangible consequences for business viability and investment.

To move beyond anecdotal evidence and provide a data-driven foundation for dialogue for improvements, EuroCham Myanmar conducted the "Digital Economy Challenges and Outlook Survey" in January 2026. This White Paper presents key findings from that survey, enriched with real-time data and insights from our ongoing dialogue with members and partners. Our goal from this White Paper is to outline the current situation, quantify the multifaceted challenges, and present a set of concrete, actionable policy recommendations for Myanmar's authorities and regional stakeholders like ASEAN.

2. Current Situation and Challenges

2.1 Internet Connectivity in Freefall

Myanmar's digital infrastructure has deteriorated dramatically. According to Datareportal,[3] median mobile internet download speeds fell by 78% in just twelve months — from 18.22 Mbps in January 2024 to 5.09 Mbps in January 2025. This was a serious degradation of mobile internet speed when Yangon had the fourth fastest mobile download internet speed in East Asia just behind Seoul, Singapore and Taipei with 27 Mbps in 2018.[4] This is not a temporary fluctuation; it represents a systemic collapse in network reliability that is directly harming business performance.

Over the past six months, this poor connectivity has had a profoundly negative effect on business operations:

- **Operational Inefficiency:** It disrupts internal and external communications, supply chain management, and access to cloud-based services.
- **Revenue Loss:** The impact is directly felt on the bottom line. 43% of European businesses respondents report an estimated **average monthly revenue loss of up to 40% directly** attributable to slow internet connectivity[5] (Figure 1).
- **Barrier to Trade:** This aligns with the World Economic Forum's Myanmar Digital Pulse survey, which found that **51% of Myanmar businesses cite ineffective internet access as a barrier to cross-border digital trade**—more than double the 24% ASEAN average.[6]

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[2] EuroCham Myanmar's 2026 Digital Economy Challenges and Outlook Survey, January 2026.

[3] https://datareportal.com/reports/digital-2025-myanmar. Meanwhile, the download speed of the typical fixed internet connection in Myanmar increased by 5.99 Mbps (+30.2 percent) during the same period.

[4] https://insights.opensignal.com/2018/07/05/seoul-and-singapore-top-opensignals-list-of-east-asias-fastest-4g-cities

[5] EuroCham Myanmar's 2026 Digital Economy Challenges and Outlook Survey, January 2026.

[6] Myanmar's Digital Pulse: Findings from the Business Survey on ASEAN's Digital Economy by World Economic Forum in December 2025.

Average Monthly Revenue Loss Due to Slow Internet Connectivity For the Past Six Months
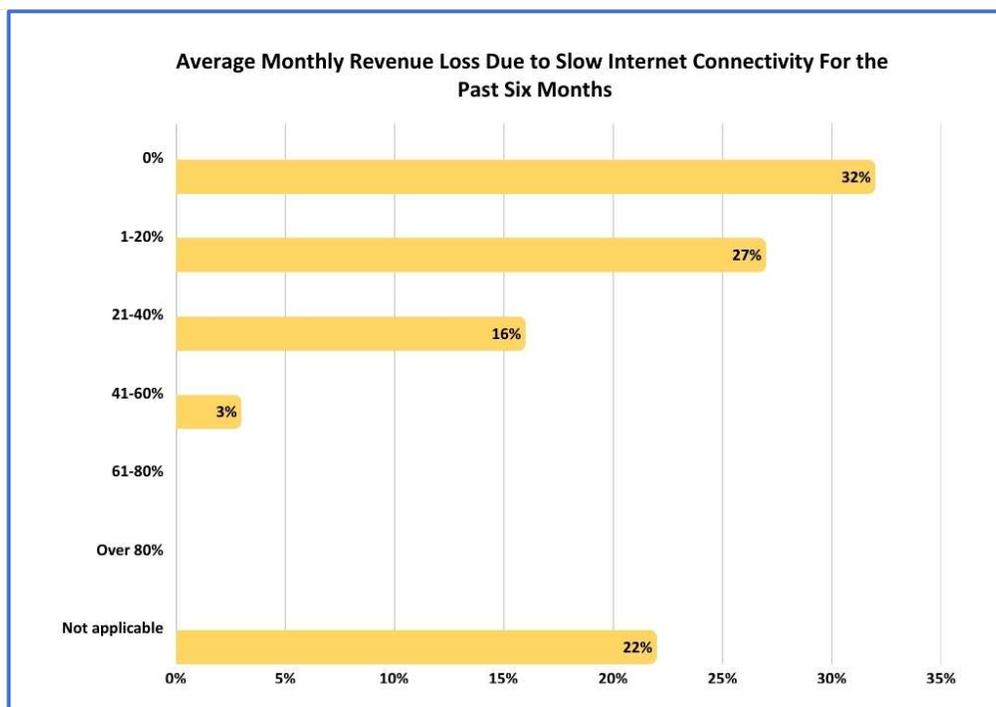
Figure 1: Average Monthly Revenue Loss Due to Slow Internet Connectivity for the Past Six Months (Source: EuroCham Myanmar's 2026 Digital Economy Challenges and Outlook Survey)

2.2 Regulatory Uncertainty: VPNs, Whitelisting and the Investment Chill

Businesses frequently need to request that their legitimate websites and applications to be unblocked ("whitelisted") due to changing network settings. However, there is no clear, standardised procedure and no identifiable central authority responsible for processing such requests. This regulatory uncertainty is impeding further investment decisions, despite the enormous opportunities in Myanmar's e-commerce and digital economy landscape.

An example of unpredictable blockages of legitimate business websites

> Under Myanmar Companies Law, businesses are required to submit Annual Return (AR) every year. In January 2026, a member was trying to pay for the submitted AR to the payment processing website via Directorate of Investment and Company Administration (DICA) and found that the payment website was blocked. The member had to use a VPN to access and pay for the legitimate payment to the authority. This was not an isolated case and EuroCham Myanmar heard multiple similar incidences where legitimate business websites and applications were blocked without any notice.

VPN-related access restrictions impose an additional burden for daily business operations. Businesses utilise VPNs to maintain continuity of cloud-based services, communications platforms, and access to global networks — tools that are standard practice in any modern economy. For international businesses, VPNs are a necessity for secure data transfer and

global integration, and restrictions effectively cut them off from the global economy, undermining trust and complicating compliance.

- **Increased Operating Costs:** To mitigate increasing challenges around internet blocks, companies are forced to incur significant extra costs. 59% of European businesses respondents report an estimated **average monthly operational cost increase of up to 40%** for redundant systems like multiple VPN subscriptions, lost productivity and additional measures for cybersecurity[7] (Figure 2).

Average Monthly Operational Cost Increases Due to VPNs issues, Cybersecurity Efforts and Lost Productivity

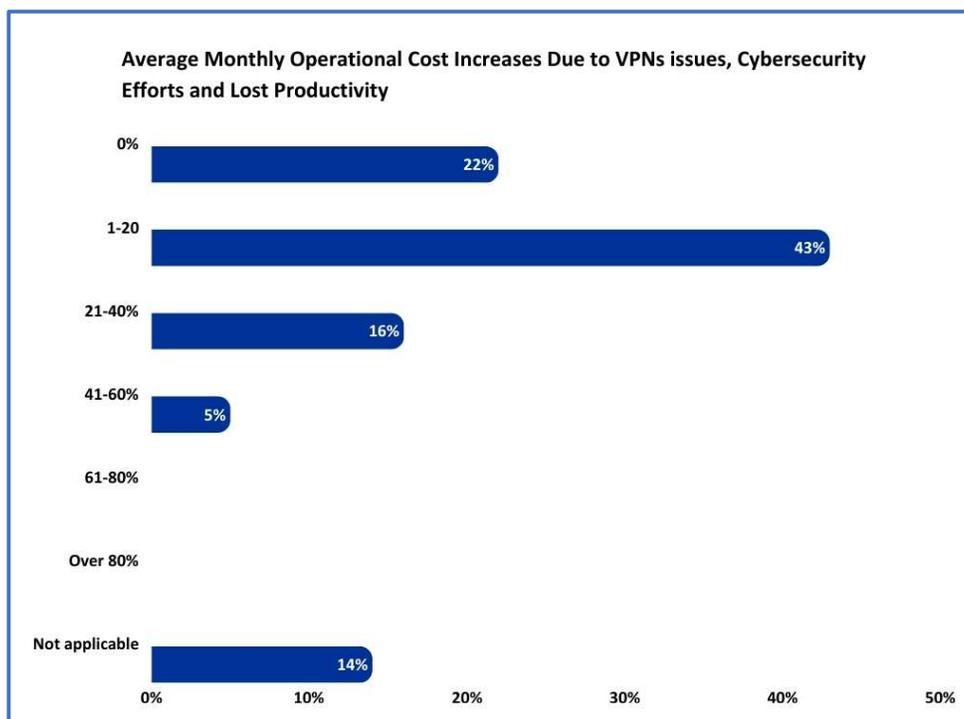| Category	Value
0%	22%
1-20	43%
21-40%	16%
41-60%	5%
61-80%	
Over 80%	
Not applicable	14%

Figure 2: Average Monthly Operational Cost Increases Due to VPNs issues and subsequent additional Cybersecurity Efforts and Lost Productivity (Source: EuroCham Myanmar's 2026 Digital Economy Challenges and Outlook Survey).

A number of the challenges faced by businesses are connected to the ongoing uncertainty concerning implementation of the Cybersecurity Law which came into effect in July 2025 for which regulations and implementing procedures are still absent.

2.3 Cyber Fraud: An Escalating Threat to Trust

EuroCham Myanmar members report a range of digital trust and security concerns that collectively threaten the viability of doing business in Myanmar's digital economy. At the consumer-facing level, there has been a marked increase in fake social media pages impersonating established brands — including European travel, hospitality, and consumer goods companies — to defraud customers.

Beyond individual impersonation, Myanmar's proximity to well-documented transnational scam centre operations has compounded reputational risks, associating the broader regional

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[7] EuroCham Myanmar's 2026 Digital Economy Challenges and Outlook Survey, January 2026.

digital environment with fraud in the eyes of international partners and consumers. At the transactional level, the World Economic Forum survey finds that 67% of Myanmar businesses cite security concerns as a top challenge to cross-border digital payments, reflecting deep uncertainty about payment reliability and financial exposure across borders.[8]

Taken together, these threats — brand impersonation, proximity to organised scam networks, and cross-border payment security concern — corrode trust not just in individual businesses, but in Myanmar's entire digital ecosystem. The reputational and financial damage is regional in scope: Myanmar's standing as a viable digital trade partner is at risk. Cyber fraud is a cross-border phenomenon that requires coordinated responses across platforms, government, and the private sector.

2.4 Digital Skills Deficit: Capability Gaps Constraining Growth

Myanmar faces an acute digital talent shortage. Survey findings show that 94% of businesses lack sufficient understanding of digital authentication, and 90% do not understand digital signatures — foundational capabilities for secure digital economy.[9]

At the same time, qualified professionals with current knowledge of cybersecurity and information systems management seek higher-paying opportunities abroad. This talent drain creates a vicious cycle: businesses cannot implement the digital solutions the market demands, further slowing digitisation and competitiveness.

3. Policy Recommendations

EuroCham Myanmar calls on relevant authorities and stakeholders to take concrete, time-bound action across four priority areas. These recommendations reflect the direct experience of over 160 members of EuroCham Myanmar and align with regional frameworks including ASEAN's Digital Economy Framework Agreement (DEFA).

Recommendation 1: Restore and Stabilise Internet Connectivity

❖ Establish a minimum national internet reliability standard aligned with ASEAN benchmarks, with transparent quarterly public reporting on network performance metrics.

❖ Remove all mechanisms and measures that are impeding the flow of information and affecting the connectivity speed and latency.

❖ Engage international and regional telecoms partners to accelerate infrastructure investment and technical support for network optimization, as required.

Goal: To reverse the decline in connectivity speeds and provide a stable foundation for business operations and cross-border digital trade.

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[8] Myanmar's Digital Pulse: Findings from the Business Survey on ASEAN's Digital Economy by World Economic Forum in December 2025.

[9] Ibid.

Recommendation 2: Establish Transparent Regulatory Frameworks for Digital Operations

❖ Review and revise the Cybersecurity Law to support the free flow of information for legitimate purposes. This exercise should include:

➢ Remove barriers to accessing VPN services, including the legal clarification that individual use of VPN is not deemed as a criminal offence.

➢ Strengthen the protection of individual data privacy

➢ Improve the feasibility for digital platform service providers to comply with cybersecurity obligations and other relevant legal requirements, in a manner that reflects operational and technological realities and internationally accepted norms

❖ Designate a single, publicly identified central authority responsible for processing commercial website and application whitelisting requests, with a published service standard (e.g., a maximum of 2 business-days turnaround), for as long as this remains necessary

❖ Work toward harmonised digital regulations with ASEAN counterparts, leveraging DEFA to promote interoperability in payments, digital identity verification, and cross-border data flows.

Goal: To restore investor confidence, enable secured cross-border data transfers, and allow businesses from Myanmar to operate as integral parts of the regional and global digital economy.

Recommendation 3: Establish a Coordinated National Cybersecurity Response

❖ Establish a multi-stakeholder taskforce — comprising relevant authorities, business chambers (including key local and international chambers), and other relevant stakeholders — to coordinate rapid responses to brand impersonation and online fraud, with a published target response time of 48 hours for takedown requests.

❖ Establish a dedicated, publicly accessible reporting channel for cyber fraud targeting businesses and critical public services, with published statistics on case volumes and resolution rates to build transparency and accountability.

❖ Pursue bilateral and multilateral cybersecurity cooperation frameworks within ASEAN to combat cross-border fraud, consistent with DEFA's cybersecurity and online safety pillar.

Goal: To continuously improve trust in Myanmar's digital economy by aggressively tackling the reputational damage caused by growing online scams.

Recommendation 4: Invest in Digital Talent Development and Retention

❖ Implement retention measures — including tax incentive structures and continuous professional development — to keep talented digital professionals in Myanmar and enable those abroad to return, particularly by establishing clear exemptions for individuals with critical digital skills from recruitment under the People's Military Service Law.

- ❖ Support DEFA's talent mobility provisions — which 75% of Myanmar respondents identify as critical[10] — to enable easier movement of digital professionals across ASEAN, easing acute specialisation gaps.

- ❖ Launch a national digital literacy programme targeting foundational skills — including digital authentication, digital signatures, and cyber hygiene — for individuals and businesses of all sizes, with measurable participation targets.

Goal: To break the vicious cycle of skill shortages, enabling local businesses to implement and manage the digital solutions they need in supporting the digital economy.

A Call for Urgent Action

Myanmar's digital economy is not merely an economic opportunity — it underpins livelihoods, supply chains, and communities across the country. European businesses are committed to Myanmar for the long term and stand ready to contribute capital, expertise, and partnership in building a resilient digital future. However, as the graph shows, persistent digital connectivity challenges are affecting their ability to do so, with 54% of survey respondents in January 2026 reporting an impact on their investment and operational decisions[11].

The four recommendations in this paper are not aspirational — they are minimum conditions for a functioning digital economy. By heeding the evidence and acting on these recommendations—with a focus on transparency, security, and regional cooperation—Myanmar's authorities have a profound opportunity to unlock the immense potential of the digital economy. EuroCham Myanmar urges swift, coordinated and transparent action. We remain ready to work constructively with all relevant stakeholders and partners toward these goals.

For enquiries or to engage with EuroCham Myanmar on digital economy issues, contact:
policy@eurocham-myanmar.org

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[10] Ibid.

[11] EuroCham Myanmar's 2026 Digital Economy Challenges and Outlook Survey, January 2026.

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