

# **Myanmar Roundtable 2012**

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**“Trade Opportunities of Myanmar”**

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# Part I

## Current Trends and Activities for Future Prospects

## **Basic Principles of Trade in Myanmar**

- Trade activities should be aimed at the interest of the State and the people
- Trade activities should not be a burden to the people
- Trade activities should be aimed at structuring a long-term viable trading system rather than to gain short-term profit

## **Objectives of General Trade Policy**

- To implement trade policies systematically for proper evolution of the market-oriented economic system
- To promote the export of various domestic products for export promotion
- To carry out the promotion of trade not only through overseas trade but also border trade

## **Objectives of Foreign Trade Policy**

- To increase trade volume
- To encourage private sector development in accordance with the market-oriented economic system
- To expand market shares for Myanmar products in the world markets through collaboration with international organizations
- To provide support and necessary assistance for trade facilitation



## **Foreign Trade Relations of Myanmar**

- Member of WTO
- Member of ASEAN, BIMSTEC, GMS, ACMECS
- Bilateral trade agreements with Bangladesh, China (PRC), India, Korea (ROK), Laos, Malaysia, Pakistan, Philippines, Thailand and Vietnam.

## **Trade Patterns**

- Myanmar - an exporter of agricultural and primary products
- Import - consists largely of manufacture goods
- Main export items - agricultural products, fishery products, forest products, metals & minerals inclusive of natural gas, precious stones & pearls and some industrial products
- Major import items - capital goods, industrial raw materials, spare parts and consumer goods.

## **Direction of Trade**

- Foreign Trade - mainly with Asian countries of China (PRC), Thailand, Singapore, India, Japan, Korea (ROK), Indonesia, Malaysia and Hong Kong.



## **Export Policy of Myanmar**

- To extend and explore the foreign markets by utilizing the natural and human resources effectively and efficiently and also to promote the export of traditional and value- added products.

## **Import Policy of Myanmar**

- To allow to import the commodity given priority as capital goods required by the State, raw materials for production, other important essential goods and the goods which support to the public health and export promotion.

## **Trade Promotion Strategies of Myanmar**

- Export all exportable surplus and diversify foreign markets by using natural and human resources.
- Intend to increase and diversify exports and improve the quality of products.
- Trying to lower down the trade barriers and simplified export/import procedures.
- Encourage the private sector participation in the foreign trade.
- Establish the Export Processing Zones and Special Economic Zones at suitable places.
- Organize the training, seminar, workshop, business matching, trade fairs.
- Disseminate the trade related information :
  - (a)Lunched the websites.
  - (b)Issues Journals and bulletins.







## Foreign Trade of Myanmar From 2009-2010 to 2011-2012

A/U - US \$ Million

<b>Sr. No.</b>	<b>Fiscal Year</b>	<b>Export</b>	<b>Import</b>	<b>Volume of Trade</b>	<b>Balance of Trade</b>
1.	2009-2010	7586.94	4181.40	11768.34	(+) 3405.54
2.	2010-2011	8861.01	6412.73	15273.74	(+) 2448.27
3.	2011-2012	9135.60	9035.06	18170.66	(+) 100.54



## Myanmar's Foreign Trade by Commodity

### From 2009-2010 to 2011-2012

*A/U - US \$ Million*

<b>Sr. No.</b>	<b>Description</b>	<b>FY 2009-2010</b>	<b>FY 2010-2011</b>	<b>FY 2011-2012</b>	<b>Remarks</b>
<b>1.</b>	<b>Export</b>	<b>7586.94</b>	<b>8861.01</b>	<b>9135.60</b>	
	(a) Agricultural Products	1678.36	1800.39	2372.98	
	(b) Animal Products	24.15	93.77	92.90	
	(c) Marine Products	466.90	498.61	705.93	
	(d) Mineral Products	1017.75	2274.07	897.06	
	(e) Forest Products	561.52	644.70	643.85	
	(f) Manufacture Goods (inclusive of natural gas)	3238.90	2907.95	4007.81	
	(g) Others	599.54	641.51	4150.08	
<b>2.</b>	<b>Import</b>	<b>4181.40</b>	<b>6412.73</b>	<b>9035.06</b>	
	(a) Capital Goods	1530.53	2480.68	3843.31	
	(b) Industrial Raw Materials	1635.98	2628.97	3451.05	
	(c) Consumer Goods	1014.89	1303.08	1740.70	
<b>3.</b>	<b>Total</b>	<b>11768.34</b>	<b>15273.74</b>	<b>18170.67</b>	

From 2009-2010 to 2011-2012

A/U - US \$ Million

Sr. No.	Country	FY 2009-2010			FY 2010-2011			FY 2011-2012		
		Export	Import	Total	Export	Import	Total	Export	Import	Total
1.	<b>Asian Countries</b>	<b>7059.101</b>	<b>3879.235</b>	<b>10938.336</b>	<b>8411.525</b>	<b>5785.213</b>	<b>14196.738</b>	<b>8584.056</b>	<b>8110.820</b>	<b>16694.876</b>
	<b>(a) ASEAN</b>	<b>4141.030</b>	<b>1922.137</b>	<b>6063.167</b>	<b>3930.840</b>	<b>2840.600</b>	<b>6771.440</b>	<b>4676.692</b>	<b>4020.570</b>	<b>8697.262</b>
	(1) Brunei	0.750	0.030	0.780	0.370	-	0.370	1.330	0.020	1.350
	(2) Cambodia	-	0.180	0.180	0.040	1.360	1.400	0.360	1.110	1.470
	(3) Indonesian	37.430	140.070	177.500	41.110	275.490	316.600	40.940	431.820	472.760
	(4) Laos	-	-	-	0.020	-	0.020	0.030	-	0.030
	(5) Malaysia	152.610	159.520	312.130	437.800	145.320	583.120	152.040	303.410	455.450
	(6) Philippines	27.210	14.160	41.370	22.300	16.970	39.270	34.320	14.640	48.960
	(7) Singapore	670.410	1202.190	1872.600	456.990	1645.320	2102.310	542.750	2516.130	3058.880
	(8) Thailand	3197.870	378.677	3576.547	2905.180	709.090	3614.270	3823.832	691.150	4514.982
	(9) Vietnam	54.750	27.310	82.060	67.030	47.050	114.080	81.090	62.290	143.380
	<b>(b) Other Asian Countries</b>	<b>2918.071</b>	<b>1957.098</b>	<b>4875.169</b>	<b>4480.685</b>	<b>2944.613</b>	<b>7425.298</b>	<b>3907.364</b>	<b>4090.250</b>	<b>7997.614</b>
	(1) Bangladesh	69.336	11.442	80.778	125.024	11.611	136.635	70.585	14.220	84.805
	(2) China (PRC)	634.968	1258.091	1893.059	1203.560	2168.522	3372.082	2214.300	2786.840	5001.138
	(3) Hong Kong	947.700	10.880	958.580	1894.690	8.440	1903.130	41.470	9.710	51.180
	(4) India	1013.137	193.515	1206.652	781.591	195.460	1067.051	1045.989	325.380	1371.369
	(5) Japan	177.350	259.110	436.460	237.430	256.330	493.780	320.200	502.170	822.370
	(6) Korea (ROK)	75.580	224.060	299.640	148.390	304.230	452.620	214.820	451.930	666.750
2.	<b>European Countries</b>	<b>132.050</b>	<b>96.340</b>	<b>228.320</b>	<b>120.880</b>	<b>161.980</b>	<b>282.860</b>	<b>131.520</b>	<b>253.170</b>	<b>384.690</b>
3.	USA	2.560	18.520	21.080	2.210	59.470	61.680	29.450	263.620	293.070
4.	Others	393.230	187.300	580.530	326.390	406.070	732.460	390.580	407.453	798.033
	<b>Total</b>	<b>7586.941</b>	<b>4181.395</b>	<b>11768.336</b>	<b>8861.005</b>	<b>6412.733</b>	<b>15273.738</b>	<b>9135.604</b>	<b>9035.063</b>	<b>18170.667</b>



## Myanmar – Malaysia Bilateral Trade From 2009-2010 to 2011-2012

A/U - US \$ Million

<b>Sr. No.</b>	<b>Fiscal Year</b>	<b>Export</b>	<b>Import</b>	<b>Volume of Trade</b>	<b>Balance of Trade</b>
1.	2009-2010	152.610	159.520	312.130	(-) 6.910
2.	2010-2011	437.800	145.320	583.120	(+) 292.480
3.	2011-2012	152.040	303.410	455.450	(-) 151.370

**Myanmar – Malaysia Trade by Commodity**  
**From 2009-2010 to 2011-2012**

*A/U - US \$ Million*

<b>Sr. No.</b>	<b>Description</b>	<b>FY 2009-2010</b>	<b>FY 2010-2011</b>	<b>FY 2011-2012</b>	<b>Remarks</b>
<b>1.</b>	<b>Export</b>	<b>152.610</b>	<b>437.800</b>	<b>152.040</b>	
	(a) Agricultural Products	111.750	128.637	85.330	
	(b) Forest Products	2.917	3.632	4.317	
	(c) Animal Products	0.093	0.816	0.145	
	(d) Mineral Products	8.396	3.000	0.375	
	(e) Marine Products	20.270	22.173	36.505	
	(f) Manufacture Goods	7.520	7.694	6.638	
	(g) Others	1.664	271.848	18.730	
<b>2.</b>	<b>Import</b>	<b>159.520</b>	<b>145.320</b>	<b>303.410</b>	
	(a) Capital Goods	21.968	25.558	39.632	
	(b) Industrial Raw Materials	57.437	53.154	65.229	
	(c) Consumer Goods	80.115	66.608	198.558	
<b>3.</b>	<b>Total</b>	<b>312.130</b>	<b>583.120</b>	<b>455.450</b>	

## Selected Myanmar Agricultural Products exported to Malaysia

From 2009-2010 to 2011-2012

A/U – US \$ Million

Sr. No.	Commodity	FY 2009-2010	FY 2010-2011	FY 2011-2012	Remarks
1.	Rice	5.585	0.327	2.963	
2.	Broken Rice	-	-	0.122	
3.	Maize	1.106	1.419	2.052	
4.	Pulses & Beans	46.565	21.251	25.124	
5.	Sesame Seed	2.987	2.608	3.566	
6.	Tamarind	1.058	0.448	2.147	
7.	Onion	0.511	-	0.300	
8.	Rubber	51.817	100.161	46.249	
9.	Jaggery	1.345	1.025	1.076	

## Selected imported products from Malaysia to Myanmar

From 2009-2010 to 2011-2012

A/U – US \$ Million

Sr. No.	Commodity	FY 2009-2010	FY 2010-2011	FY 2011-2012	Remarks
1.	Chemicals	10.961	7.115	8.384	
2.	Plastic Raw Materials	16.032	19.035	21.870	
3.	Edible Palm Oil	71.184	54.121	177.698	
4.	Pharmaceuticals	4.307	4.757	5.955	
5.	Soap	0.426	0.838	1.265	



## **Trade Facilitation activities**

-New government - carrying out reformed measures in all sectors including trade sector.

-Making liberalization activities in order to facilitate the trade.

Those activities included:

(i)Some important commodities such as fuel oil, edible palm oil - allowed to import in October 2009 and April 2012 respectively.

(ii)Motor vehicles - also allowed to import in April 2012.

(iii)Some important agricultural products of edible oil seeds, onion and rice - also allowed to export in August 2011, September 2011 and January 2012 respectively.

(iv)Commercial tax on proceed of export earnings - abolished in August 2011.

(v) export/import licenses - issued at both Yangon and Nay Pyi Taw offices since October 2011.

(vi)Reduce required documents to be attached with application for licenses in April 2012.

(vii)Automatic licensing system - started in June 2012.

## Development of agricultural product exports

- Myanmar - an agriculture country.
- Total population about 60 million, more than 70 % - reside in rural areas and engaged in agriculture sector.
- Agriculture sector contributes about 35% to GDP, about 30 % to export earning and 63% of total labor force.
- Some following supporting activities – made in order to generate increasing exports of agricultural products:
  - (i) 81 specialized companies have been formed and provide loans with low interest rate to farmers.
  - (ii) Purchase the output of those crops from farmers.
  - (iii) Sharing market and weather information to farmers.
  - (iv) 40 commodity exchange centres (whole sale markets) - established.
  - ( v ) Unit of measures used in such commodity exchanges - arranging to change to matrix system.
  - (vi) Trade Promotion Information Service(TPIS) Counters - opened.
  - (viii) Supervision Committee for the State Rice Reserve - purchasing paddy from farmers.





## **Activities for future prospects**

- To carry out continuous growth for trade.
- To improve the contribution of trade sector in Gross Domestic Product.
- To support technology and other necessities to develop private sector participation.
- To conduct market research and disseminate market information.
- To encourage and facilitate the value-added products and commodity export.
- Restructuring the departments and organizations.
- Plan to sign more JTC establishment with potential trade partner.
- Laws and procedures - reviewed and arranged to promulgate.
- 13 Border Trade Points between Myanmar and its neighbouring countries - operating.
- New border trade points - planned to open.
- Participate actively in international trade organizations.
- Trade Institute – started to establish.



## Part II

# Challenges and Responses



## Challenges and Responses

- Current Myanmar's economy - mainly based on agriculture sector and agricultural products.
- Prices of agricultural products - going down, production of those products - increasing. Supply > demand.
- Prices of agricultural inputs - relatively high and labour cost - go up, so production costs – raised.
- Farmers and businessmen in Myanmar - suffered.
- To adjust it, to make sharing of knowledge, experiences and information each other; supporting the farmers more on quality seeds, agricultural inputs at reasonable price; providing loans at the possible lowest interest rates; arranging to provide export finance, etc.
- To carry out for the development of Rice Industry.
- Welcome foreign investors to make contract farming.
- Send trade promotion delegations abroad.
- Need to secure the potential market access.
- When open up the market, domestic industry will lose their market shares.
- Can response it by 2 ways:
  - (1) domestic industry should - equipped with modernized and advanced manufacturing facilities
  - (2) inviting foreign investment to do business as joint venture.



## Part III

# Opportunities





## Opportunities

- Myanmar - a virgin land and has abundant natural resources, high literate population and a huge workable labour force, a lot of opportunities to do business.
- More reformed measures will - done continuously in the future.
- Carrying out restructuring the departments and organizations.
- Making trade facilitation activities inclusive of reduction of taxes.
- Implementing a managed floating exchange rate regime.
- Reviews, amends and enacts on existing laws and new laws.
- Enacted the Special Economic Zone law.
- Minimum wage law - also enacted.
- Investment law will - amended.
- To make more privatization tasks.
- International relations of Myanmar has been better improved and promoted with other foreign nations, western countries and international organizations.
- Welcome the businessmen from abroad to observe the opportunities of trade and investment in Myanmar.



## Part IV

# Assistances needed



## **Assistances needed**

- Making continuous reformed measures and trying to build a democratic country.
- Hope to receive all kinds of assistances in all possible ways such as financial assistance (aids, grants, loans), technology transfer and technical assistance & capacity building activities to enable to build for the development of the country.





# Part V

## Outlook and Thoughts



aids, grants, loans and technical assistance & capacity building activities

more knowledge and advanced technology

put efforts in the economic development activities

more cooperation and coordination to do business

support both for the reform process and transparency process.

all round development of the country

Environmental friendly export oriented foreign direct investment

Employment opportunities

Poverty alleviation

**Thank you for your kind attention!**

