

**EMBASSY OF INDIA  
YANGON  
[Commerce Wing]**

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**Economic Report – November 2022**

**INTERNAL**

**Ayeyarwady Bank Ltd to change into public company**

Ayeyarwady Bank Ltd has applied to MyCo (Myanmar Companies Online) for changing to a public company, according to the Directorate of Investment and Company Registration (DICA). Next, the indicators must to be submitted to the Securities and Exchange Commission of Myanmar. Then, DICA will give approval within 60 days as per the law. After approval, the offer must be presented to the company registrar. Then, share offers can be made. The public members can buy shares. Only then, will a public company be able to expand its business.

**26 companies apply for electric vehicle import permits**

A total of 26 companies apply for electric vehicle import permits and the government has not approved them yet. On 11 November, the Ministry of Commerce released a statement regarding the import rules for electric vehicles (EVs) in the pilot project. The ministry said that the companies must register with the Directorate of Investment and Company Administration whether it is a joint venture or wholly citizen-owned business. They must show sales contracts with export companies for each brand. They have to be sought approval from the national-level leading committee on the development of electric vehicles and related business. There must be an EV warranty, spare parts availability, and service and maintenance of those vehicles. The companies must seek permission from the Ministry of Commerce to register with the Road Transport Administration Department.

**Myanmar Central Bank wants Hundi money changers to be licensed**

The chairperson of the junta-controlled Myanmar Central Bank, Daw Than Than Swe, put pressure on operators of Hundi money transfers to stop making illegal transfers and get official licences for their businesses. The comments were made in meetings she had with Hundi operators in the town of Muse on the border of China and the town of Tachileik on the border with Thailand. Daw Than Than Swe also warned the Hundi operators that if they continued to make unofficial money exchanges they may lose their money, as the Central Bank is stepping up its measures against money laundering and the funding of terrorism.

### **Investment in Myanmar's oil and gas sector till October 2022**

Myanmar received a foreign investment of US\$22.77 billion in its oil and gas sector until October 2022, accounting for 24.64% of the total foreign investment, according to data from the Directorate of Investment and Company Administration. Myanmar Investment Commission allowed 249 new businesses to invest US\$4.235 billion and approved further investment of US\$1.291 billion by existing businesses in the 2019-2020 fiscal year, reaching a total foreign investment of US\$5.526 billion.

### **Government to allow exemption for income tax for investment in Naypyidaw**

Investors will be allowed exemptions in the income tax for five years if invested in Naypyidaw, the Union Territory, the Spokesperson of the State Administration Council Major General Zaw Min Tun said. The government is conducting for getting more domestic and foreign investments within Naypyidaw which will enhance the State's economic growth, he said. Major General Zaw Min Tun underlined it during the press conference held on 18 November in Naypyidaw.

### **Myanmar registers trade deficit of \$678.226 million**

Myanmar's trade gap widened to US\$678.226 million between 1 April and 11 November of the current financial year 2022-2023 compared to the year-ago period. Higher exports and lower imports resulted in a trade surplus of \$315.991 million in the corresponding period of the 2021-2022FY, according to data provided by the Ministry of Commerce. While exports were estimated at \$10.072 billion, imports were valued relatively low at \$10.751 billion over the past seven months. Compared to the FY2021-2022, exports showed an increase of over \$1.376 billion, while import value was up by \$2.37 billion.

### **Myanmar imports pharmaceuticals worth over US\$13 million in Oct 2nd week**

A total of 1,480 tonnes of pharmaceuticals, with an estimated value of over US\$13 million, were imported from foreign countries in the second week of October, according to the trade data released by the Ministry of Commerce. Myanmar brought in 980 tonnes of medicines worth \$12.706 million by sea and 500 tonnes of medicine worth \$1.003 via the border posts between 8 and 14 October. They are primarily imported from China and Thailand. Myanmar imported medicines from China, India, Pakistan, Indonesia, the Republic of Korea, Bangladesh, Germany, Singapore, Slovakia and Spain through maritime trade.

### **Foreigners' visa extension from the companies**

The Directorate of Investment and Company Administration (DICA) released an amendment for Recommendation of Foreigners' Visa Extension on 1st November. The foreigners who wish to apply recommendation for visa extension from the company shall submit the application at least 60 days in advance before the expiration of their visa, the DICA's recent amendment expresses. The company that will apply recommendation to extend

foreigners' visa must possess a registration period of at least one year complement.

### **Planning/Finance Ministry exempts zero tariffs on electric cars**

The Ministry of Planning and Finance (MOPF) reduces tariff exemptions to zero percent on imported electric vehicles. The electric automobiles that will be imported with Completely Built Up system, Completely Knocked Down system and Semi-knocked Down system are involved in zero tariff exemption by the MOPF. The newly developed tariff scheme started enforcement on 2nd November 2022 until 31st March 2023. The State Administration Council is scheming to construct five charging stations along the Yangon-Mandalay express way. Each charging station is expected to host around 50 vehicles.

### **SAC forms committee to establish NSWS as per WTO agreement**

The State Administration Council (SAC) has organized a steering committee to establish the National Single Window System (NSWS) in accordance with the agreement of the World Trade Organization (WTO). The committee will be chaired by the Union Minister of the Ministry of Planning and Finance U Win Shein, according to the information released by the SAC. By installing the NSWS in the interdepartmental functions, time and cost can be reduced in the customs clearance procedures for the investors, exporters and importers; and transit requirements for the transport process, the SAC stated.

## **EXTERNAL**

### **Union Commerce Minister attends ICC Annual General Meeting in Kolkata**

At the invitation of the Indian Chamber of Commerce, Union Minister for Commerce U Aung Naing Oo, as an honorary guest, attended the ICC Annual General Meeting at ITC Sonar Hotel in Kolkata of India on 11 November. On the occasion, the Union minister delivered an address at the Special Session on India-Myanmar Trade Relations. He clarified prospects for further promotion of bilateral trade and investment between Myanmar and India, insertion of green gram and other beans in the agreement on trading pigeon and black bean, holding expos between the two countries and projects invested by India in Myanmar. The Union minister at the invitation of Engineering Export Promotion Council–EEPC attended the trade meeting at JW Marriot Hotel. The Union minister explained prospect of trade promotion, kyat/rupee payment and use of Asian Clearing Union (ACU).

### **Myanmar-Thailand border trade surges by \$365.7 million**

The value of Myanmar's bilateral trade with the neighbouring country Thailand through land borders registered a significant increase of US\$365.7 million between 1 April and 21 October of the current financial year 2022-2023 as against a year-ago period, the statistics issued by the Ministry of Commerce indicated. The ministry reported that exports surpassed imports in trade with Thailand in nearly seven months, with exports reaching over \$1.98 billion and imports valued at over

\$934.33 million, totalling \$2.9 billion. During the corresponding period last year, Myanmar-Thailand border trade amounted to \$2.55 billion.

### **Myanmar's bilateral trade with regional countries tops \$5.59 billion in five months (Apr-Aug)**

The value of Myanmar's regional trade with ASEAN member states by sea and land border amounted to US\$5.59 billion during the April-August of the 2022-2023 financial year, according to the Ministry of Commerce. Myanmar trade deficit in goods with ASEAN trade partners was worth US\$1.74 billion in the first five months this FY, with exports reaching over \$1.927 billion and imports valued at over \$3.667 billion, the statistics issued by the Ministry of Commerce indicated. Since April, Thailand has been Myanmar's largest trade partner in ASEAN, with trade valued at over \$2.427 billion, followed by Singapore (\$1.795 billion), Indonesia (\$535 million) and Malaysia (over \$493.65 million).

### **China's RCEP regional new waterway to run through Yangon Port**

China has opened the Beibu Gulf Port-RCEP regional waterway which will make a brief stopover at the Yangon Port, and four cargo ships will run weekly, according to the announcement of the Chinese Embassy in Myanmar. It was mentioned in the announcement that the successful arrival of the "SITC Venus" cargo ship at the Qinzhou port zone in Beibu Gulf Port, Guangxi Province, on 28 October was the successful opening of the Beibu Gulf Port-Myanmar direct waterway. Many reviews were released after the opening of the new waterway that another proper waterway was supposedly introduced between the Beibu Gulf Port and the RCEP region. The waterway will run with four cargo ships weekly.

### **Myanmar-Russia sign MoU on cooperation in trade routes**

Myanmar's Investment and Foreign Economic Relations Ministry (MIFER) and Russian Roscongress Investments Fund signed the Memorandum of Understanding on cooperation in investments and trading matters on 8th November, the State Administration Council released a statement. The Union Minister of the MIFER Dr. Kan Zaw received the delegation led by Mr. Alexander Sergeevich Shatirov, Director of Fund RC-Investments from the Russian Federation in Nay Pyi Taw.

### **IndiGo to resume flights to Myanmar from March 2023**

After three years of Covid-induced break, IndiGo will resume daily flights from India to Yangon from March 2023, Business Standard has learnt. IndiGo's decision to restart these flights has come at a time when Air India, under the Tata Group, is leasing 30 planes to boost its domestic and international operations significantly. Meanwhile, 12 flights currently operate every week on the India-Myanmar routes. Ten of these are operated by Myanmar Airways and two by Air India. Also, **SpiceJet** proposed to commence daily passenger flight on the sector Imphal-Mandalay-Imphal w.e.f. 20 December 2022

### **Myanmar economy will stagnate in 2022 – World Bank forecast**

According to a World Bank forecast Myanmar GDP shrank by 20 per cent in 2021 after the 2021 military coup and the economy will remain sluggish and stagnate in 2022. The International Labour Organization (ILO) also reported that 1.6 million jobs were lost in the year 2021, adding to the economic problems. On 21 October 2022 the Financial Action Task Force (FATF) put Myanmar on its blacklist, which will further affect its ability to maintain and attract foreign investment, which has already been limited under the military regime.

### **Opening of new shipping route to Myanmar from South China Sea**

In the latest sign of its growing ties with Myanmar's military regime, China has opened a direct shipping route linking its international port in the South China Sea to Myanmar's business hub, Yangon. Named after the Beibu Gulf Port Complex in Guangxi Province, the new Beibu Gulf Port-Myanmar Shipping route was opened on 28 October, 2022.

### **Ayeyawady International Industrial Port ships export rice to Bangladesh**

Myanmar exports rice to Bangladesh from Yangon port and the Ayeyawady International Industrial Port (AIIP) in Patheingyi Industrial City in the Region under a G-to-G agreement for 200,000 tonnes of rice. The Ayeyawady Region, which is described as a rice bowl of Myanmar, possesses about 5.1 million acres of monsoon and summer paddy and produces over 330 million baskets of paddy and about 3.3 tonnes of rice per year.

### **Myanmar ships over 177,000 tonnes of corn in Oct**

Myanmar's corn exports to foreign countries generated revenue of more than US\$53 million from over 177,000 tonnes in October, according to the Ministry of Commerce. Myanmar delivered 174,970 tonnes of corn worth \$52.377 million to foreign countries by sea, while 2,870 tonnes of corn worth \$0.855 million were sent to neighbouring countries via the cross-border routes. Myanmar produces 2.5-3 million tonnes of corn every year.

### **Foreign investment in Myanmar exceeded US\$ 1.4 bn from Apr to Oct in this FY**

Foreign investment into Myanmar was over US\$ 1,451 million, with Singapore accounting for the most with over US\$ 1,154 million, according to the Directorate of Investments and Company Administration (DICA). In the seven months from April to the end of October of the 2022-2023 FY, the amount of foreign investment by country is as per following: US\$ 1,154.286 million from Singapore, US\$ 1.5 million from Belize, US\$ 1 million from Bangladesh, US\$ 90.028 million from China, US\$ 3 million from Taipei, US\$ 163.019 million from Hong Kong, US\$ 1.545 million from India, US\$ 21.4 million from Japan, US\$ 4.8 million from South Korea, US\$ 6 million from Thailand, US\$ 4.677 million from Switzerland, US\$ 0.300 million from the United Kingdom, and US\$ 0.338 million from Seychelles, according to the DICA.

### **Myanmar invites RusHydro Group for uplifting hydropower sector**

Expertise from Russia's RusHydro Group is reportedly to be arriving in Myanmar in January and February 2023 to study water resources and provide technical assistance. Union Minister for Electric Power Thaung Han is currently in Russia Federation to attend the research exploratory journey and 12th ATOMEXPO 2022. He invited new investments to make in Myanmar's hydropower sector. There are 27 hydropower plants in Myanmar as of 2018. Another 16 projects are in process.

### **Myanmar, Russia sign covenant on emergence of Nuclear Technology Information Center in Yangon**

Myanmar and Russia signed an agreement on the establishment of the Nuclear Technology Information Center in Yangon to raise public awareness of the safe and peaceful use of atomic energy in Myanmar. The agreement was signed between Russia's State-run Nuclear Corporation ROSATOM and Myanmar's Ministry of Science and Technology, according to the announcement released by the State Administration Council. The Myanmar delegation led by Union Minister for Science and Technology Dr. Myo Thein Kyaw paid a visit to the Nuclear Technology Information Centre in St. Petersburg on 18 November. The Spokesperson of SAC Major General Zaw Min Tun once said they are going to strive for the peaceful utilization of atomic energy for the socio-economic and all-around development of the country. Implementation of the small modular reactors project will be prioritized and it will be developed within a short time.

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**06.12.2022**