

REPORTING PROFORMA FOR COMMERCIAL WINGS

Name of the Mission (Country): Consulate General of India, Mandalay (Myanmar)

MONTHLY REPORT: June 2023

A. Trade in goods

(i) Quantitative Data

a) Total trade in goods during

0 | 6 | 2 | 0 | 2 | 3

US \$ in millions				
	Monthly (April- 23)	Quarterly (April- April 2023)	Annual (Jan- April 2023)	Status P- Provisional F - Final
India's export to Myanmar	34,706.74	34,706.74	149,381.17	F
India's import from Myanmar	50,157.05	50,157.05	229,613.42	F

(Source: Department of Commerce: India & Trade Map Statistics)

* Figures have been uploaded till April 2023)

b) Preferential trade in goods (2021-22): NIL

0 | 6 | 2 | 0 | 2 | 3

S.No.	Preferential/Free Trade Agreement with India (US \$ million)	Preferential Imports from India (US\$ million)	Preferential Imports from World (US\$ million)
1	NiL	88.616	3243.127

(Source: bilateral trade data 2023-2024 Up to May, Ministry of Commerce, The Government of the Republic of the Union of Myanmar)

c) Top 10 items of Export to Myanmar from India during (June 2023)

Note : KG – Kilogram, L-Liter, U-Piece/Item

S.No.	HS Commodity (6 digit HS tariff line)	Unit	Quantity (In thousand)	Value (US \$ million)
1.	300490	KG	768	13.08
2.	230400	KG	5169	2.48

3.	050100	KG	450	1.71
4.	271019	KG	473	1.19
	271019	L	479	0.37
5.	210690	KG	75	0.99
6.	340231	KG	640	0.95
7.	850720	U	6	0.92
8.	281511	KG	1778	0.87
9.	230500	L	1991	0.70
10.	730820	KG	696	0.66

(Source: Custom Department, Ministry of Panning and Finance, The Government of the Republic of the Union of Myanmar)

* ITC HS Code of the Commodity is either dropped or re-allocated and the unit of the commodity may be changed from April 2023.

Note : The trade data of May for export between India and Myanmar has not been uploaded yet by the Ministry of Commerce, India.

d) Top 10 items of Import from Myanmar to India during (June 2023)

Note: KG- Kilogram, M3- Cubic meter

S.No.	HS Commodity (6 digit HS tariff line)	Unit	Quantity (In thousand)	Value (US \$ million)
1.	071360	KG	39740	31.55
2.	071331	KG	31020	24.05
3.	071333	KG	2071	2.70
4.	854442	KG	36	2.15
5.	441239	M3	3	1.57
6.	800110	KG	59	1.45
7.	780199	KG	470	0.68
8.	400121	KG	519.00	0.66
9.	071335	KG	962	0.58
10.	030389	KG	177	0.49

(Source: Custom Department, Ministry of Panning and Finance, The Government of the Republic of the Union of Myanmar)

* ITC HS Code of the Commodity is either dropped or re-allocated and the unit of the commodity may be changed from April 2023.

Note : The trade data of May for import between India and Myanmar has not been uploaded yet by the Ministry of Commerce, India.

e) Potential products of Exports from India to Myanmar

Sr.No	HS Code	Commodity (6 digit HS tariff line)
1.	010190	LIVE HORSES, ASSES, MULES AND HINNIES OTHER
2.	030289	OTHER:
3.	030299	OTHER FISH FINS OTH THN SHARK FINS TAILS MAWS AND OTH EDIBLE FISH OFFAL FRESEH OR CHILLED
4.	020230	BONELESS
5.	030572	SALTED, NOT DRIED OR SMOKED AND IN BRINE FISH HEADS, TAILS AND MAWS

(ii) **Qualitative Feedback**

Month- June 2023

Market Access Alerts (attach copy of notification):

a. Alerts on customs tariff changes: - None during this month

Sr. No	Notification no. and date	HS code	Description	Original customs tariff	Present customs tariff	Effective from	Remarks if any
Nil							

b. Alerts on non-tariff measures (SPS/TBT/import and export procedures/ restrictions. prohibitions, licensing/ STEs etc.)

Sr. No	Notification no: and date	Measure	HS Codes	Effective from	Remarks if any
Nil					

c. Alerts on standards, technical regulations and conformity assessment procedures:

Sr. No	Notification no: and date	Standard/ technical/ regulation/ conformity assessment procedure	HS Codes	Effective from	Remarks if any
NiL					

d. Alert on trade defense Measures taken by respective country: NiL

e. Alert on services, regulatory regime, qualification requirement, licensing procedures, visa regime, barriers etc.

Sr.No	Notification no., and date or other	Service sectors affected	Modes	Effective from	Remarks if any
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references				
Nil				

(iii) Other Feedback

- a. Feedback from major Indian industries/other commercial concerns and Indian trade visitors to that country:

Sr.NO	Name of Business House	Activity sector	Trade barrier issues if any (incl. HS codes)	General Feedback (Max. 200 words)
Due to the prevailing political instability, the exporters and importers from India are facing (a) Frequent changes in visa and entry regulations (b) Difficulty in legal banking transactions and frequent changes in fiscal policy and banking regulations. (c) Restriction in withdrawal or transfer of dollar holdings in the banks (d) High volatility in Dollar vs Kyat valuation which affects all export/import (e) Restrictions in import licenses to Indian business who are operating in Myanmar (f) Local travel restrictions for foreigners (g) General security concern to business and foreigners due to the prevailing politico-social unrest.				

- b. Feedback on major trade activities including logistic events (trade fairs/BSM including Indian participation)

S.No	Activity (trade fair, BSM etc.)	Date and venue	Number of participants from India	Name(s) of large/key participants from India	Feedback received (Max.200 words)
Could not be conducted due to the prevailing political – social unrest.					

- c. Feedback from local commercial visitors to trade fairs in India, including under BSM;

Sr. No	Activity (trade fair)	Date and venue	Number of participants from the relevant country	List of large/key participants from the relevant country	Number of Business Visas issued	Feedback received (Max.200 words)
NiL						

B. Trade and Investment:

- a. Significant trends in trade and investment

S.No	Category	Details of significant trends (Max.200 words)	Analysis (Max.200 words)
NiL			

b. Opportunities for investments/assets on offer/major company divestment:

S.No	Sector Name (List attached)	Particulars of the asset/ Company	Contact details
1.	Agro Industry	Myanmar has a huge potential in agro and agro-processing industry which India can tap into. India can also help to train and develop agriculture extension techniques to boost agriculture yield in the most efficient ways. Government of Myanmar has recently granted exemption in import license for a total of 70 agricultural-related products. Source: Myanmar Trade Portal	
2.	Energy Sector	Due to Myanmar's dependence on imports to meet energy needs, there is a huge potential for India to tap into the market. Power and Oil & Gas Sectors are favorite sector for Foreign Investors.	
3.	IT Sector	India is an acclaimed IT power giant and Myanmar IT sector can be harnessed for mutual benefit. The local demand for IT-related projects is constantly increasing and Indian investors could look to focus its resources to tap into this market and increase their market share.	
4.	Pharmaceuticals	There is a growing demand for pharmaceuticals in Myanmar and it is crucial to health sector. India is a leading powerhouse in producing generic medicines and could increase its market share in Myanmar.	
5.	Consumer Goods	There is a sizeable market for various packaged and consumer goods particularly in the cosmetic , beauty and hygiene segments . The major barriers in these segments is the heavy presence and deep penetration of Thai, Korean and Japanese goods . Indian brands are relatively unknown in Myanmar . A concerted effort in brand building coupled with sustained supply of goods in these segments can create a good market for Indian products . The caveat being that the distributor would have to stay put for some time to get the populace acquainted with the products and compete with the Thai, Korean and Chinese goods.	

c. Information on tender Notices for projects and procurement of interest to Indian project exporters/ suppliers (USD 15 million & above)

S.No	Tender/ procurement notice No and date	Sector	Value of tender/ procurement
	Nil		

d. Trade Queries for Imports/ Exports (if not uploaded on the Indian trade portal)

S.No	Inquiry	Product with	Nature	Value	Action Taken
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	originator	HS Codes	(Import/Export)	(US\$ million)	(Max.200 words)
1	Indian companies	Mixed	Export/ Import (2)	Non known	The Mission has received 12 trade queries from India during May 2023. The queries were mainly on textiles, Oil, Gas, medical, agricultural sectors, garments and spices.

- e. Important India related statements of commercial significance by political leaders, think tanks, chambers, associations etc. Significant stories/ features on Indian related trade, investment, services and logistic sector, published in foreign journals/ dailies, etc.: (Max.500 words)

Nil

C. Tourism

- a) Tourist Visa issued:

S.No	No. of Tourist Visa issued during the month	No. of Tourist Visa issued during the same month last year	No. of Tourist Visa issued cumulatively during the year	No. of Tourist Visa cumulatively during the last year

- b) Details of activities conducted out of Trade Promotion Budget :

S.No	Details of Event	Themes	Avg. No. of Participation
The Post does not have any Trade Promotion Budget			

- c) Use of Social Media/ Print Media/ Electronic Media for promoting Tourism:

Activity	Print	Electronic	Twitter	Facebook	Instagram	Youtube	Any Other
No. of Post	NiL	NiL	26	22	NiL	NiL	NiL
No. of Impressions			-----	---			
			15.4 K	14 K			

likes							
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d) Details of activities conducted out of Trade promotion budget:

BE for current financial year	RE for current financial year	Amount utilized	Details of Activity (Max.200 words)
Nil			

e) Complaints from foreign buyer/supplier on quality and trade disputes:

Name of Foreign Buyer/ supplier	Address & contact details of foreign buyer/ supplier	Name & address of Indian Exporter/ importer	Brief description of complaint	The authority to whom the matter was referred and the date on which the matter was referred.
NiL				

f) Any other information

National Trade situation of Myanmar in 2019-2020 Financial Year to 2023-2024 Financial Year (Up to May Monthly) (Oversea+ Border)

2021-2022 (Mini Budget) in US Dollar			2023-2024 Up to May (Financial Year) in US Dollar		
Export	Import	Trade	Export	Import	Trade
504.641	311.384	816.025	102.973	88.616	191.589

(Source: Ministry of Commerce, The Republic of the Union of Myanmar)

Economy

1) China makes US\$1 million agricultural investment in northern Myanmar

The Kachin State Investment Committee of the Kachin State government has approved a US\$1 million investment as a joint venture between Myanmar and Chinese companies in the state's agricultural sector. The name of the joint venture is Myanmar Sin Kyaing Yone Yaung and the investment will create 117 jobs. The industry has gradually recovered since border gates were reopened last year, according to local residents. Tissue-culture banana is a major export in Myanmar border trade with China, and is grown almost exclusively in Kachin State. Some 400,000 acres of different varieties of bananas are grown across Myanmar, and tissue-culture banana accounts for more than 150,000 acres.

2) Japan halts plans to finance Yangon-Mandalay railway project

The Japanese government has decided against giving multibillion-dollar development loans as agreed before the 2021 coup. The Japanese government has cut official development aid for the

Yangon-Mandalay Railway Development Project, a longstanding representation of cooperation between Japan and Myanmar. The Yangon-Mandalay railway, which stretches a total of 385 miles, was financed with a loan of over US\$2 billion from Japan and a budget allocation of \$468 million. Plans and surveying for the project began in 2013, with construction beginning in 2018. The Japanese government agreed to lend \$1 billion to the project during the civilian administration of the National League for Democracy (NLD). The railway upgrade project is currently less than 25 percent complete.

3) Pigeon pea prices shot up to over K1.2 million per tonne within five months

One tonne of pigeon pea was valued at K1,755,000 at the Yangon market on 2 January 2023, and it has risen to K3,050,000 around five months later, on 3 June. Within these five months, the price increased by K1,295,000 per tonne. Just as the price of domestic pigeon peas rose sharply, the price of a tonne of FOB beans and pulses for export also rose to US\$1,120–\$1,140 on 2 June 2023. In India, which mainly consumes black gram and pigeon peas, the production of these beans is low and not enough for domestic consumption. The price of the half of chickpea consumed in Myanmar also drastically soared up to K5,500–K5,650 per viss on 3 June. Myanmar reportedly exported 1.94 million tonnes of various beans and pulses worth US\$1.4 billion in the 2022–2023 financial year.

4) Imported electric vehicles to Myanmar reportedly lack guarantee

As per information from the car dealer association, there is lack of strong guarantees for the electric vehicles that are imported to Myanmar. It is reported that some EV dealer companies in Myanmar have not applied for the licenses to open EV showroom for sale. Therefore, the EV users won't receive any guarantee from the relevant companies regarding any problems that arise after purchasing the EVs, since they would not have been officially imported. The Ministry of Commerce has announced that the dealers shall submit the contract which was signed with the respective company to sell the respective brand so that the dealers can sell the EVs in Myanmar though they haven't yet received a certificate to open a showroom. However, the EVs that are displayed in the domestic market currently do not meet the requirements and there is no valid guarantee. Currently, in the market, prices of the EVs range from over hundred thousand kyats to million kyats for a car. The Department of Consumers Affairs of the Ministry of Commerce recently announced that the EV users can report problems with regard to the EVs and batteries if the satisfactions are not met.

5) Myanmar ships over 110,000 tonnes of rice in May 2023-2024 FY

Myanmar exported more than 110,000 tonnes of rice and broken rice to foreign markets in May of the current financial year 2023-2024, including 46,786 tonnes of rice and 63,920 tonnes of broken rice. The majority of rice exports are conducted through seaborne trade. Myanmar sent 102,801 tonnes of rice and broken rice by sea, whereas the border saw exports of 7,905 tonnes. Myanmar shipped a total of 87,648 tonnes of rice and broken rice to external markets in April, including 47,888 tonnes of rice and 39,760 tonnes of broken rice. The volume of rice exported in the past two months totalled 198,354 tonnes, with an estimated value of US\$84 million. Myanmar primarily sent rice and broken rice to China (over 775,000 tonnes), followed by Belgium (323,000 tonnes), Bangladesh (239,000 tonnes) and the Philippines (202,000 tonnes). Myanmar has been making concerted efforts to grow 10 per cent yearly in the rice export sector. To raise foreign income, it has been prioritizing the export of high-grade rice and boosting export volume.

Myanmar's export earning swelled to over \$809.135 million from 2,164,681 tonnes of rice export in the 2021-2022 FY.

6) MAI operates 14 international destinations based in Yangon and Mandalay

Myanmar Airways International (MAI) is operating 14 international destinations including South Korea, China and India from Yangon and Mandalay. The airline is flying from Yangon to Suvarnabhumi Airport and Don Mueang Airport in Thailand and from Yangon to Don Mueang Airport in Thailand and Singapore, Malaysia, Delhi, Hanoi, Dubai, Guangzhou, Kolkata, Inchon, Phnom Penh, Ho Chi Minh and Chennai as international destinations. It has been reported that MAI has started a codeshare partners program between Myanmar Airways International (8M) and Srilankan Airlines (UL) for flights from Bangkok and Singapore to Colombo. Currently, the airline has partnered with international airlines such as Air India, Royal Brunei Airlines, Garuda Indonesia, Srilankan Airlines as codeshare partners and 38 international airlines as interline partners. The airline started direct flights between Yangon and Chennai, India on May 6, 2023. It is the first flight to South India and it is the fourth intra-India flight after New Delhi, Kolkata and Gaya.

7) Shwebo Pawsan rice price rockets to K110,000 per bag

Varieties of rice are organized for sale at the rice outlet in Yangon. The price of Shwebo Pawsan rice continued to surge to K110,000 per bag following the rise in paddy price, according to the Wahdan Rice Wholesale Centre. Shwebo Paddy's price climbed to K3 million per 100 baskets. Similarly, the prices of other rice varieties are also moving up in the Yangon market. Pawsan rice prices moved in the range between K86,000 and K93,000 per bag depending on the producing areas (Myaungmya, Dedaye, Pyapon, Pathein). Myanmar Rice Federation will join hands with the rice millers, rice traders and companies to stabilize the rice price and steer the market for the right price and the right product and encourage the mill owners to achieve performance balance between the short-term and long-term, as per the MRF's notification dated 24 April.

8) Myanmar Bans Dollars for Border Trade With China

In a bid to reduce its dependence on US dollars, Myanmar government has made it mandatory for exporters and importers to use yuan in trade transactions with China. The order, issued on June 1 by Myanmar Foreign Exchange Supervisory Committee, requires traders to open yuan accounts in local banks if they want permits for cross-border transactions. Business operators can no longer import goods unless they can show export earnings in their bank accounts, while 65 percent of their export earnings must be converted at the official exchange rate of 2,100 kyats per dollar. And to import goods, they have to buy dollars in the market at a rate of 2,800 to 3,000 kyats. Another trader said: "Importers have to buy yuan from exporters to conduct their trade. If we want to import electronics and foodstuffs from China, we have to buy yuan at the market rate to do so. So, there are problems. Costs will increase." The Central Bank of Myanmar (CBM) has set the reference exchange rate at around 300 kyats per yuan. But the actual market rate is over 400 kyats. The Consumers Affairs Department has also told pharmaceuticals importers to use yuan and Thai baht in place of dollars. The Foreign Exchange Supervisory Committee was formed by the government with the stated aim of stabilizing currency exchange rates and "using foreign currency effectively for national economic growth". The committee is led by Lieutenant-

General Moe Myint Tun, who is under sanctions imposed by the US and European Union over the killing of peaceful protesters.

9) India-Myanmar bilateral trade may rise significantly once rupee trade settlement mechanism is established: EEPC

Reserve Bank of India has authorised Punjab National Bank of India to open a special Rupee Vostro Account for foreign trade with Myanmar. Bilateral trade between India and Myanmar could rise significantly from current level of \$1.76 billion once rupee trade settlement mechanism is established, said P K Shah, Chairman of the Committee on Foreign Trade Policy , WTO and Past Chairman, EEPC India at an interactive session with U Aung Naing Oo, Union Minister, Ministry of Commerce, The Republic of the Union of Myanmar and his Ministerial Delegation in Kolkata today. EEPC India has taken up the issue with the Government of India and we are of the opinion that once this rupee trade arrangement is established, competitiveness of both India and Myanmar would be enhanced and bilateral trade and investments will boost to a significant level as this process will be less complicated in absence of any foreign currency,"said Shah. The RBI has already allowed payments to be received in Indian Rupees and the Myanmar government intends to initiate the currency convertibility for the Indian rupee for trade. Under this settlement mechanism, Myanmar will accept payment for all its exports to India in Indian rupees and the same export earnings can be used to make payments for goods and services imported from India. RBI has appointed and authorised Punjab National Bank of India to open a special Rupee Vostro Account (SRVA) for foreign trade with Myanmar. PNB has already approached CB bank and UAB bank of Myanmar to open a SRVA account for trade arrangement in Indian Rupee and MM Kyats under the special arrangement. All the transactions will be settled with both the local currencies of respective countries.

10) Rosatom to build 372 MW of wind power capacity in Myanmar

Rosatom Group plans to build wind farms in Myanmar with capacity of 172 MW and 200 MW, the Russian state corporation reported after the signing of a memorandum on the start of pre-investment feasibility studies between its wind power subsidiary Novawind, Myanmar's Energy Ministry and Primus Advanced Technologies Ltd. The memorandum is aimed at organizing cooperation for the construction of wind farms near Magway, in central Myanmar, with combined capacity of 172 MW, including wind measurement and preparation of design documentation. This includes 116 MW in Minhla district and 56 MW in Mindon district. The agreement also calls for cooperation on the construction of a 200-MW wind farm in the villages of Kyaukpadaung and Nyaung-U in the Mandalay region in central Myanmar, Rosatom said.

11) MADB to provide maximum loan of K70 mln to individual farmers

The Myanma Agriculture Development Bank (MADB) made an announcement on 14 June stating that it will offer loans of up to K70 million to individual farmers who require financial support for agricultural and rural development purposes. The loan amount has been capped at a maximum of K70 million per farmer, with an additional provision that each group of farmers can receive a maximum loan of K500 million. These two-step loans, issued by MADB, come with an annual interest rate of five per cent and are intended to facilitate plantation activities and rural development.

12) Myanmar's FDI inflow down over 52 pct in April-May

Foreign direct investment (FDI) that flowed into Myanmar went down over 52 percent year on year to more than 10.22 million U.S. dollars during April and May this year, according to the Directorate of Investment and Company Administration (DICA). The Southeast Asian country attracted more than 21.32 million dollars in the April-May period last year, the DICA's figures showed. Myanmar attracted 3.738 million dollars in April and 6.484 million dollars in May this year, as compared to 5.997 million dollars in April and 15.332 million dollars in May last year, the figures showed. The Myanmar Investment Commission approved one foreign investment enterprise in April and four foreign investment enterprises in May this year. The FDI flowed into the country's manufacturing and agriculture sectors, the DICA said. Myanmar attracted more than 1.64 billion dollars in foreign direct investment in the 2022-23 fiscal year. Singapore, China and Thailand were the largest investors in the country during the period, official figures showed.

13) Myanmar earns \$240 mln in export of pulses within two months

According to the Ministry of Commerce, Myanmar has successfully shipped more than 310,000 tonnes of pulses, valued at over \$240 million, to foreign countries during the first two months of the 2023-2024 financial year. Seaborne trade accounted for \$212.505 million (280,816.864 tonnes) of the pulses exports, while an additional 29,756.277 tonnes of pulses, worth \$212.505 million, were sent to neighbouring countries via land borders between 1 April and 2 June 2023. In the previous financial year of 2022-2023, Myanmar's pulses exports surpassed \$1.4 billion, with a total volume of over 1.9 million tonnes, as indicated by the Ministry of Commerce's statistics. The primary pulses exported by Myanmar include black grams, green grams, and pigeon peas. Black grams and pigeon peas are mainly shipped to India, while green grams are sent to China and Europe.

14) Myanmar businessmen allowed to exhibit at 6th China International Import Expo

Businesspersons from Myanmar are allowed to exhibit at the 6th China International Import Expo (CIIE), to be held in Shanghai, the People's Republic of China from 1 to 10 November 2023. Four booths will be provided free of charge at the expo for businessmen from Myanmar in order to export more of Myanmar's high-quality products to China and increase income. Booths will be allocated for companies related with Myanmar Tea Association, Myanmar Aquatic Products Producers and Exporters Association, Myanmar Coffee Association, Myanmar Food Manufacturers and Exporters Association, participating in the Korea TASK Project.

Members of the UMFCCI and its associates, and businessmen who are interested in participating in the exhibition can directly contact Myanmar Trade Promotion Organization at 067-3408622 or Email: event.td.myantrade@gmail.com for detailed information about the exhibition. Those who are interested in exhibiting should fill out the registration form: <https://rb.gy/5vvol> and register as soon as possible.

15) Direct flights between Myanmar and Russia will start by July

The Myanmar Government and the Russian counterpart are not only working in political and military ties, but also joining hands in business affairs. Under the initiative, a direct flight between Myanmar and Russia will start by July this year, reported BETV. Myanmar Airways International's flights will start its operation next month. MAI will fly from Yangon and Mandalay to Russia's capital Moscow and Novosibirsk once a week. The Russian citizens are eagerly waiting for the direct flights to Myanmar, and the Russian hotels and tourism ministry is planning to present the Russian friendship program very soon. This program will arrange travels from Russia to Myanmar. Myanmar is expecting the Russian authorities to reciprocate by exempting visa restrictions for their nationals. Since 2022, the Myanmar authorities have allowed the Russian citizens to enjoy seamless tourist visa facilities. Currently, a memorandum of understanding has been signed between the two governments for initiating various hotel and tourism activities at Ngapali beach of Rakhine State in western Myanmar. However, it has received critical views that this initiative would help Russia to build a naval base on the Rakhine coast in the days to come.

16) US to sanction two of Myanmar's state-owned banks

The US government is increasing pressure on the Myanmar government with additional sanctions on two state-owned banks, which will take effect on June 20th. The source said that the banks are the Myanmar Foreign Trade Bank and the Myanmar Investment and Commercial Bank. The new sanctions are aimed at limiting the financial access of the government.

17) MRF meets Chinese representatives to strengthen cooperation in rice trade

Myanmar Rice Federation discussed matters to ramp up rice production and strengthen cooperation in the rice trade with the Chinese counterparts. The chair of MRF, officials concerned and rice exporting companies negotiated cooperation in agriculture sectors between the two countries, rice export promotion, bilateral trade affairs to benefit both countries, investments in the agriculture production sector and trading of agricultural machinery and fertilizer. Chinese representatives including officials of the Huaihua provincial government also announced the plans to work together in the production of hybrid rice seeds in Myanmar, the dissemination of growing methods, the production of quality rice, providing training to produce agronomists and exports of rice, broken rice and other agricultural products.

18) Myawady, Tachilek border trade tops US\$200 mln in May

The value of trade through the Myawady and Tachilek border points with the neighbouring country Thailand totaled US\$205.13 million in May 2023, the Ministry of Commerce's statistics indicated. Trade via the Myawady border amounted to \$186.751 million with exports worth \$57.691 million and imports worth \$129.06 million. The overall trade figures showed a sharp drop of \$53.395 million compared to that in the corresponding period last year, with a sharp drop of \$59.585 million in exports and an increase of \$6.19 million in imports.

Despite the rise in the mineral export group, the exports in agricultural products, livestock products, manufacturing and other groups declined, while there was a decrease in consumer goods imports, yet there was an increase in imports of intermediate goods and capital goods last month via the Myawady border.

19) Automatic licensing and non-automatic licensing system for importers commences on 22 June

Seeking Import licences through automatic licensing and non-automatic licensing systems on Myanmar Tradenet 2.0 platform is available from 22 June, according to the news bulletin (9/2023) released by the Trade Department under the Ministry of Commerce. Having digitized the licensing system, import licensing for certain lines (1,525 lines) via seaborne trade will be automatically passed on to the system. According to that notification of the Ministry of Commerce, for seaborne trade, commodities lines that did not require import licences before are mandatory for import licences under the non-automatic import licensing process after 60 days from today (22 June). Additionally, for imports via the border, only a non-automatic licensing system will be exercised amid the scrutiny of export earnings and other income documents. Those commodities that did not need import licences before will be allowed to be imported with licences after 30 days from today. According to news bulletin 8/2023 of the Ministry of Commerce, in accordance with the Customs Tariff of Myanmar 2022, 3,075 commodities lines with 10 digits HS Code for imports were notified to be permitted licence automatically on Myanmar trade net 2.0 portal and from 22 June, only 1,525 lines will be granted licences through automatic import licensing system in line with the procedures of the State.

20) 2nd GI (Geographical Indications) Fair India-2023 welcomes Myanmar businessmen for participation

The 2nd GI (Geographical Indications) Fair India-2023 will be organized by the Export Promotion Council for Handicrafts (EPCH) with the support of the Ministry of Commerce and Industry in India. UMFCCI has announced that businessmen from Myanmar have been invited to participate in the exhibition. The exhibition will be held from 20 to 24 July at India Expo Center & Mart, Greater Noida, Delhi NCR. One of the highlights of the exhibition is a special promotional programme for eligible buyers, offering them the benefits of round-trip economy class flight fare with a fixed refund, as well as three nights of free accommodation in New Delhi during the exhibition, subject to the terms and conditions. Associations that wish to attend can contact the Membership Department of the UMFCCI's exhibition section.

21) Dumping the dollar: The Myanmar Government embraces the Chinese yuan

Amid increased isolation and sanctions from the West, the government is trying to reduce Myanmar's reliance on the US dollar by promoting the use of the yuan and other currencies. On June 1 the Government decreed that traders pay for overland imports from China only in Chinese renminbi, as part of efforts to conserve its scarce US currency reserves and make Myanmar less dependent on the dollar. The decree mandated the use of direct bank transfers to pay for these imports. These transfers would be possible from August 1. This follows the enabling last year of direct baht transfers to pay for imports at the Thai border.

The department said that, under the new rules, import licences for Chinese border trade required proof of holdings of renminbi, more commonly known as yuan, which can be obtained through export earnings or bought from a Myanmar bank. The June 1 order was issued by the Foreign Exchange Supervisory Committee, which was established in April last year to ration foreign currency and avert a balance-of-payments crisis.

The central bank has ruled that only 35 percent of export earnings can be re-sold in this way. The remainder must be converted to kyat at Central Bank of Myanmar rates that hugely overvalue the national currency. These are K2,100 to the dollar, compared to a black-market rate of more than K3,100, and K290.20 to the yuan, which trades informally for K440. These rates in theory give importers access to cheap foreign currency needed to pay for goods, but in practice, yuan and dollars are rarely available at those prices, and must instead be bought at the much higher market rates.

22) Thilawa SEZ to commence solar power distribution from 2023-2024 FY

According to the report of Myanmar Thilawa SEZ Holdings Public Co Ltd, the distribution of renewable energy will be started in the Thilawa Special Economic Zone (SEZ) from the 2023-2024 financial year. MTSH holding the largest shares on the Yangon Stock Exchange is normally running in the Thilawa SEZ. To bolster the investments, enquiries for market promotion and land and factory lease for the foreign and domestic investors are being accepted, the report stated.

23) Myanmar-Thailand border trade value surpasses \$1 bln over past two months

The value of Myanmar's bilateral trade with the neighboring country Thailand through the border amounted to US\$1,037.665 million between 1 April and 16 June in the current financial year 2023-2024, the statistics issued by the Ministry of Commerce indicated. The figure is however down by \$82.826 million compared to \$1,120.491 million recorded in a year ago. Myanmar conducts border trade with Thailand via Tachilek, Myawady, Kawthoung, Myeik, Htikhee and Mawtaung border posts. Majority of trade was carried out through Htikhee border among them, with \$572.061 million.
