

**EMBASSY OF INDIA
YANGON
(Commerce Wing)**

Economic Report – September 2023

INTERNAL

YRIC greenlights 12 domestic, foreign enterprises

The Yangon Region Investment Committee (YRIC) endorsed one domestic and 11 foreign enterprises in the manufacturing sector, with an estimated capital of over US\$14.775 million and K2.054 billion at a meeting 8/2023 held on 30 August at the YRIC office, creating 9,216 jobs for residents. Myanmar Investment Commission prioritizes labour-intensive businesses for investments.

Myawady border trade tops US\$55 mln in August

The Myawady border between Myanmar and Thailand bagged more than US\$55 million from cross-border trade in August. The rain-triggered landslides cut off Myawady road section near Dawna mountain and Tawnaw Waterfall on 7 August and disrupted trade process. Under the continuous efforts of the Department of Highways and the supervision of the Kayin State government, a bailey bridge was constructed on the landslide-hit road section. Myawady-Kawkareik segment of Asian Highway reopened to a single lane from 15 August, allowing the six-wheel trucks to drive in the lane. Myawady road plays a pivotal role in Myanmar-Thailand border trade. It is also crucial for the goods flow for Kayin and Mon States.

Trade Dept allows exports of only agricultural produce, fisheries at Sittwe border

Only Agricultural produce and fisheries will be allowed for export via Sittwe border, the Trade Department under the Ministry of Commerce. This action is to ensure systematic border trade with Bangladesh and promote trade, according to the news bulletin 15/2023 released on 1 September. It came into effect starting from 4 September, the Trade Department notified. The agro produce and fisheries include rice and broken rice, various pulses, sesame, peanut, onion and freshwater and saltwater fish.

Myanmar earns over 1.28 bln USD from agricultural exports in nearly 5 months

Myanmar earned over 1.28 billion U.S. dollars from agricultural exports in the first nearly five months (from April 1 to Aug. 25) of the 2023-24 fiscal year, according to data released by the Ministry of Commerce on Tuesday. The figure marks a decline from over 1.45 billion dollars recorded in the same period a year ago, showed the ministry data. Myanmar mainly exports agricultural, animal and marine products, minerals, forest products and manufactured goods to its foreign trade partners including China, Thailand, Bangladesh and India, according to the commerce ministry. From April 1 to Aug. 25 this year, Myanmar yielded over 6.16 billion dollars from the total exports, the ministry's figures said.

Myanmar exports over 26,420 tonnes of rice in Sept 2nd week

The data from the Ministry of Commerce reveals that over 26,420 tonnes of rice and broken rice were exported during the second week of September. From 9 to 15 September, Myanmar exported more than 14,610 tonnes of rice valued at US\$8.08 million

via the maritime route and 2,009 tonnes of rice worth \$0.898 million through the Myanmar-China border trade. This adds up to about 16,620 tonnes of rice shipped via the two routes, with a total value of \$8.978 million.

Myanmar attracts less foreign direct investment in 5 months

Foreign direct investment that flowed into Myanmar plunged over 60.66 percent year on year to more than 484 million U.S. dollars in the first five months of the 2023-24 fiscal year, according to the Directorate of Investment and Company Administration (DICA) on Tuesday. The Southeast Asian country attracted more than 1.23 billion dollars in the same period of the previous fiscal year 2022-23, the DICA's figures showed.

Myanmar earns over 544 mln USD from beans, pulses export in April-August

Myanmar earned over 544.375 million U.S. dollars from the export of over 673,211 tons of beans and pulses in nearly five months of the 2023-24 fiscal year, showed the Ministry of Commerce data on Tuesday. From April 1 to Aug. 25 this year, Myanmar shipped over 563,230 tons of beans and pulses via sea routes, while it exported over 109,980 tons via land borders, the ministry's figures showed. The Southeast Asian country earned over 215 million dollars from the export of over 251,269 tons of mug bean and over 146 million dollars from the export of over 217,105 tons of green grams, its figures showed. According to the ministry of commerce, beans and pulses are Myanmar's second-most cultivated crops after rice and account for over 30 percent of the country's total agricultural production. Myanmar exports beans and pulses to China, India and European countries.

Foreign currencies to be sold to importers of construction, agriculture, transport, energy-related materials

The foreign currencies will be sold to importers of construction materials, agriculture, transport and energy-related materials via land borders, according to the Ministry of Commerce. The imports include steel, iron, polymer, insecticide, fertilizer, solar and machinery. The current plan to sell foreign currencies online to importers is intended for seven products imported through border camps under the permission of Foreign Exchange Supervisory Committee-FESC. Moreover, the ministry will review the remaining imports and sell the currency to importers. Currently, there are border trade routes such as Myanmar-China, Myanmar-Thailand, Myanmar-Bangladesh, Myanmar-India and Myanmar-Laos. Most of the products are imported via the Myanmar-China border, and so the foreign currency especially yuan will be sold for these products. Currently, only yuan is allowed for border trade between Myanmar and China. It must submit the bank statement for buying yuan whether it is from export earnings or local banks when applying for the import licences.

Myanmar's foreign trade soars past US\$13 bln in last five months

Myanmar's external trade totalled over US\$13 billion in the past five months (Apr-Aug) of the current Financial Year 2023-2024, according to the Ministry of Commerce. Myanmar's export was worth over \$6.484 billion whereas the country's import was valued at \$7.213 billion in the past five months. Myanmar's seaborne trade value crossed over \$9.587 billion this FY, while border trade was valued at \$4.1 billion. The trade figure in the past five months shrank from \$14.388 billion recorded in the corresponding period last FY, indicating a sharp drop of over \$690.175 million. Myanmar exports agricultural produce, animal products, minerals, forest products, and finished industrial goods, while

it imports capital goods, intermediate goods, raw materials imported by the CMP enterprises and consumer goods.

Myanmar's exports to regional countries cross US\$1.77 bln in 4 months: MoC reports

Myanmar's exports to regional countries topped over K1.77 billion as of July in the current financial year 2023-2024 beginning 1 April, the Ministry of Commerce's statistics indicated. The value of Myanmar's regional trade with ASEAN through the sea route and land border crossed over \$4.9 billion in the first four months of this FY. The ministry reported that imports surpassed exports in regional trade, with exports reaching over \$1.77 billion and imports valued at over \$3.13 billion. Thailand has been Myanmar's largest trade partner among regional countries, with trade valued at over \$2.38 billion, followed by Singapore (\$1.35 billion), Malaysia (over \$495.889 million) and Indonesia (\$457.866 million). Viet Nam has emerged as the nation's fifth largest trade partner, with bilateral trade estimated at \$175 million.

SAC appoints General Mya Tun Oo as the Chairman of the Foreign Exchange Supervisory Committee

The Deputy Prime Minister and Union Minister for Transport and Communications, General Mya Tun Oo, has been appointed to replace Lt. Gen. Moe Myint Tun, who was the Chairman of the Foreign Exchange Supervision Committee, according to an order issued by the State Administration Council (SAC) on September 18. The newly formed Foreign Exchange Supervisory Committee will be chaired by General Mya Tun Oo, and Minister for Investment and Foreign Trade, Dr. Kan Zaw as Secretary of the committee. Deputy Prime Minister and Union Minister for Planning and Finance U Win Shein, Adviser to the SAC Lt. Gen. Nyo Saw, Union Minister for Commerce U Aung Naing Oo, and Daw Than Than Swe, Governor of the Central Bank of Myanmar, are assigned as members.

EXTERNAL

Hong Kong company VPower halts 4 Myanmar power projects including that in Kyauk Phyu

The Hong Kong-based energy company VPower has stopped four of its five power projects in Myanmar, including one in Kyauk Phyu of Rakhine State, said its 2023 interim report. Among those projects, VPower had halted the Thanlyin, Thakata and Kyauk Phyu projects between July and October last year. According to BETV business reports, there is only one power project in Myint Kran that is generating electricity (109.7 megawatts). However the company report asserts that operations were only suspended due to the contracts got expired Myanmar's domestic economic situation seems to have stabilized in the second half of 2023.

Refrain from transacting with US sanctioned Burmese banks: BB

Bangladesh Bank has instructed local banks to refrain from doing financial transactions with Myanmar Foreign Trade Bank (MFTB) and Myanmar Investment and Commercial Bank (MICB) as the USA has recently imposed sanctions on these two Burmese banks. The banking regulator through letters to all scheduled banks on August 20 said the two are now under sanctions issued by the Office of Foreign Assets Control, a financial intelligence and enforcement agency of the US Treasury Department. The banking

watchdog issued the letter months after the US embassy in Dhaka informed Bangladesh's foreign ministry about the sanction on the banks in Myanmar.

MAI launches maiden flight of Yangon-Mandalay-Novosibirsk route to create aviation network between Myanmar and Russia

Union Minister for Hotels and Tourism Dr Thet Thet Khine attended the launching of the maiden flight of Myanmar Airways International (MAI)'s Yangon-Mandalay-Novosibirsk route at Yangon International Airport yesterday morning. At the opening ceremony, the deputy minister for Transport and Communications said that Myanmar and the Russian Federation signed an aviation transport agreement in 1970 in order to build a mutual aviation network. According to the agreement, Aeroflot Airlines from the Russian Federation operated direct flights between Yangon and Moscow from 1979 to 1992.

Chinese rare earth prices hit 20-month high on Myanmar supply worry

Chinese rare earth prices jumped to their highest in 20 months, as mining suspension in major producer Myanmar sparked stockpiling ahead of the peak consumption season, analysts said on Thursday. Prices of dysprosium oxide leapt to 2,610 yuan (\$356) per kilogramme on Wednesday, the highest since May 2022, latest data provided by Shanghai Metals Market (SMM) on LSEG Eikon showed. Terbium oxide prices rose to 8,600 yuan a kilogramme, a level unseen since July 3.

Myanmar, Philippines sign MoU for promoting agricultural MSMEs

According to the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI), Myanmar and Philippines signed Memorandum of Understanding on collaboration for uplifting the agriculture and MSME sectors. The signing ceremony was conducted on 5th September at the Sultan Hotel, Jakarta, Indonesia. It was signed by the chairman of the ASEAN-BAC Myanmar Aye Win and chairman of the ASEAN-BAC Philippines Mr. Jose Ma. A Conception III, according to the UMFCCI statement. The MoU involves terms and conditions on the matters related to MSMEs farmers and entrepreneurs, potential agriculture, agricultural technologies, food security and food safety.

New visa policy welcomes Chinese, Indian tourists to Myanmar

It is reported that Chinese tourists and Indian tourists can visit Myanmar with visa-on-arrival. The Ministry of Immigration and Population under the SAC (State Administration Council) has declared that, commencing from the first day of a one-year probationary period, Chinese and Indian tourists arriving by air will be granted Tourist Visas on Arrival in accordance with COVID-19 prevention measures. "Yes, that is correct. From August 30th, 2023, until August 2024, Chinese and Indian tourists will be eligible for Tourist Visas on Arrival. We have already issued the announcement," stated one of the senior officers closely associated with the Ministry to NP News.

Myanmar receives foreign investment worth over US\$484 m till Aug in 2023-2024 FY

More than US\$484 million of foreign investment entered from April to the end of August of the 2023-2024 FY, achieving more than US\$16 million of foreign investment in one month, according to the Directorate of Investment and Company Administration (DICA). According to the foreign investment inflow by sector from April to the end of August in

2023-2024 FY, Myanmar received US\$2.578 million including increasing investment in the agricultural sector, US\$23.050 million including increased investment in the livestock and fisheries sector, US\$63.529 million, including increased investment in the manufacturing sector, US\$317.178 million in the energy sector, and US\$77.820 million, including increased investment in the transportation and communication sector, totaling US\$484.155 million. In the 2023-2024 FY, from April to the end of July, US\$467.793 million of foreign investment came in, and up to the end of August, US\$484.155 million of foreign investment entered.

Myanmar entrepreneurs invited to World Food India 2023

Businesspeople in Myanmar have been invited to participate in World Food India 2023, scheduled to be held in New Delhi from 3 to 5 November, as announced by the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI). The event will feature participation from food manufacturers, equipment manufacturers, logistics companies, cold storage operators, entrepreneurs, and retailers from various countries. The exhibition will offer opportunities for mutually beneficial partnerships, with discussions focused on various topics and countries.

MAI plans to fly Yangon-Bodh Gaya route every week from Oct 14

Myanmar Airways International (MAI) will fly the Yangon-Bodh Gaya route every week starting from October 14, sources said. In addition, the airline is flying to India up to 7 times a week and sells flight tickets starting from US\$112. The airline is flying from Yangon to New Delhi three times a week and twice weekly flights to Kolkata and Chennai. The airline is planning to use a Boeing 737 cargo plane in cooperation with My Indo Airlines to carry out air cargo transportation, it said. A Boeing 737 cargo plane from the MAI arrived at Yangon International Airport on September 13 to carry out air cargo operations. The airline has entered into a joint venture with My Indo Airlines (2Y) based on the ACMI system and will operate the cargo aircraft.

Sittwe Port included in Kaladan Multi-Modal Transit Transport Project start allows coastal ships to dock

The Rakhine State Chamber of Commerce and Industry (RSCCI) has announced that domestic coastal ships can now dock at Sittwe Port under the India-Myanmar Friendship Kaladan Multi-Modal Transit Transport Project. The statement said that the RSCCI can get the necessary advice to dock the ship. The RSCCI announced in 2022 that the new Sittwe Port, which is a part of the Kaladan Multi-Modal Transit Transport Project (KMTT), will be able to accept ships with 5,000 or 6,000 deadweight tons.

Panko Corporation to ramp up investment in Myanmar's apparel manufacturing sector

Union of Myanmar Federation of Chambers of Commerce and Industry President U Aye Win meets businesspersons from ROK's Panko Corporation at the UMFCCI office on 22 September. Panko Corporation from the Republic of Korea will expand its investment in the manufacturing of cotton, woven garments and fabric painting, beyond apparel manufacturing, according to the Union of Myanmar Federation of Chambers of Commerce and Industry. The businesspersons from Panko Corporation met with UMFCCI's President U Aye Win and officials concerned at the UMFCCI office on 22 September. U Aye Win expressed his appreciation for capital expansion in the meeting.

Cargo ship initiates direct trade link between Sittwe, Rakhine State, and Kolkata, India

Sittwe, Rakhine State, is set to establish direct trade relations with Kolkata, India, through the deployment of a cargo ship, according to U Aung Aung, General Secretary of the Rakhine State Chambers of Commerce and Industry. A recent development permits cargo vessels traversing local coastlines to dock at the Sittway Jetty, a significant component of the Kaladan Multi-Modal Transit Transport Project located in Sittway Township. U Aung Aung elaborated on the current trading scenario in Rakhine State, highlighting that products from various regions within Myanmar are presently exported to Bangladesh via the Maungdaw Kanyinchaung zone and Sittway Shwemingan Port. However, there has been no avenue for exports from Rakhine State to India until now. Consequently, efforts are underway to facilitate the transportation of goods from Sittway to Paletwa via maritime routes as part of the Kaladan Multi-Modal Transit Transport Project. Subsequently, goods will be transported from Paletwa to Mizoram, situated on the Myanmar-India border, via land routes.

Chinese bank promotes Yuan-Kyat direct payment system

A Chinese bank is promoting a direct payment system between the Myanmar Kyat and the Chinese Yuan it was announced on 25 September. The “2023 Yangon Branch Golden Autumn RMB Forum” organised by the Bank of China (Hong Kong) in Yangon was aiming to accelerate trade and commodity flows, and facilitate bilateral payments and account clearing between China and Myanmar. The state-owned Global New Light of Myanmar reported that the forum discussed various aspects of its global and Southeast Asia operations as a Chinese Yuan Clearing Bank, including the capital markets and transactions denominated in the Chinese yuan in the financial market.

Myanmar invited to participate in International Jewellery Show to be held in Mumbai, India

Myanmar has received an invitation to establish gem galleries at the International Jewellery Show scheduled for 5 to 8 January 2024 in Mumbai, India. This event will be organized by the Gem and Jewellery Export Promotion Council (GJEPC) under the Ministry of Commerce and Industry in India. The allocation of space for Myanmar’s showcase will depend on the number of entrepreneurs from Myanmar who intend to participate.

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