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National Mid-term Review Report on the Progress made in Myanmar during the first 5 years of implementation of the Istanbul Plan of Action (IPoA)

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The Republic of The Union of Myanmar

• Located between 9° 58′ and 28° 31′ North latitude
• Population: 51.49 Million (2014)
• 92° 9′ and 101° 1′ East longitude
• total land mass of 261,228 square miles (676,577 sq km).
• 582 miles (936 km) from east to west
• 1,275 miles (2,051 km) from north to south.
• shares border 1,370 mile (2,204 km) border with China
• 832 mile (1,338 km) border with India.
• Other bordering countries include Lao PDR, Thailand and Bangladesh.
• Myanmar’s extensive coastline stretches 1,739 miles (2,800 km) long
• Access to sea routes to facilitate increased regional trade gives it the potential to become a trading bridge between China, South Asia and Southeast Asia.
Myanmar as a LDC country since 1987

• Myanmar has been a LDC country since 1987.

• Twenty-six years after it was listed as a Least Developed Country (LDC) Myanmar, it started to begin initiatives to become a graduate from the UN’s LDC status.

• As a first step, a seminar on “Myanmar’s LDC Graduation Process” was organized on 2 May 2013 in Nay Pyi Taw.

• Myanmar has been in the list for 28 years, alongside 47 other countries.
Objectives of IPoA

• Achieve sustained, equitable and inclusive economic growth by strengthening the LDCs productive capacity

• Build human capacities by fostering sustained, equitable and inclusive human and social development, gender equality and the empowerment of women

• Reduce the vulnerability of LDCs to economic, natural and environmental shocks and disasters through strengthening their resilience

• Ensure enhanced financial resources

• Enhance good governance at all levels, by strengthening democratic processes, institutions and the rule of law
Eight interlinked Priority Areas of IPoA

- Productive capacity
- Agriculture, food security and rural development
- Trade
- Commodities
- Human and social development
- Multiple crises and other emerging challenges
- Mobilizing financial resources for development and capacity-building
- Good governance at all levels
New Chapters with International Community
Our vision for the twenty-first century is to become a modern developed nation that meets the aspirations of its people for a better life; and to achieve greater integration with the international community by 2020.
Our Mission

• actively engaged in building a new, modern, peaceful, developed and democratic nation

• Focusing on People Centered Development by reducing poverty and developing rural areas

• necessary to strengthen systematic market economic system and to accelerate the pace of economic development

• Strengthening Rule of Law and improving people service delivery

• Promoting efficiency and effectiveness
The theme for 2014 ASEAN Chair: “Moving Forward in Unity to a Peaceful and Prosperous Community”.
Introducing Myanmar’s Reforms Measures
First Stage of Reform Process

Focus more on political reforms: Peace Talk, Bi election, Release of prisoners

Focusing on good governance, Clean government

Institutional reforms
Second Stage of Economic and Social Reform

- Framework on Economic and Social Reform (FESR)
- Quick Wins, Long term development

Economic

- People Centered Development
- People Centered Government

Reform

- Closer cooperation, coordination and collaboration among the ministries, regional and local governments
Third stage of Reform: Public administrative reforms

As part of efforts for the emergence of a **good governance** and **clean government**, an Action Committee against Corruption is formed to fight against corruption and bribery in government organizations on January 8, 2013.
Fourth stage of Reform: Private Sector Development reform

- Entering into Global Market Access
- Necessary Economic Laws
- Macroeconomic Stability
- Infrastructure

- Technology Transfer
- Credit Access
- Standardization

- Business Ethics
- International Trading Laws
- Management
Myanmar in Triple Transitions

Peace

Internal Conflict to peace: Post-conflict reconstruction

Economy

Planned to market economy: Economic reforms

Democracy

State/guided to inclusive democracy: Political reforms
Our economic policies

- Sustaining Agriculture towards Industrialization and All round Development
- Balance and proportionate development among States and Regions
- Inclusive growth for entire population
- Quality of statistics and statistical systems
The major instruments

- Framework for Economic and Social Reform (FESR)
- National Comprehensive Development Plan (NCDP)
- Regular five-year plans (4 FIVE Year Plan: 2011-12 to 2015-16, 2016-17 to 2020-21, 2021-22 to 2025-26, 2026-27 to 2030-31)
NCDP Strategy Map

Myanmar 2030

A Prosperous Nation Integrated into the Global Community

**Myanmar’s Vision**

**Strategic Goals**

**Long Term Goal 1**
Build a growing, diversified and sustainable economy

**Long Term Goal 2**
Ensure that inclusive growth and development is people centered

**Strategic Thrusts**

Create enabling business environment and strong enterprise base
Expand domestic and global connectivity and economic integration
Foster internationally competitive sectors
Strengthen Governance and Public Institutions
Develop local economic potential
Promote human development & reduce poverty
Conserve and protect the resource base

**Principles**

Nation Building
Peace and Stability, National Unity, Security, Independence and Sovereignty
Quick wins for inclusive growth

- Macroeconomic stability and take-off
  - Fiscal and Tax Reforms
  - Monetary and Financial Sector Reforms
  - Liberalization of Trade and Investment
  - Private Sector Development
  - Mobile Phones and Internet
  - Health and Education
  - Food Security / Agricultural growth
  - Governance & Transparency
  - Infrastructure
  - Effective and efficient Government
Formulating National Plan: From Top Down to Bottom Up

- **Sectoral Plans**
  (Plans and projects proposed by Ministries)

- **Regional Plans**
  (Plans and projects proposed by Regional Governments)

**National Planning**
Stage 1: Five Year Plan (2011 - 2016)
Focusing on Rural Development and Poverty Reduction
E.g. includes quick win" implementation

Stage 2: Five Year Plan (2017- 2021)
Eg. Strengthen economic and investment base; key steps to reduce poverty and inequality

Stage 3: Five Year Plan (2021 - 2025)
E.g. strengthening domestic and international connectivity

NCDP Vision (2030):
Developed Nation Integrated into the Global Community

Long Term Vision and Policy Process
Addressing Poverty

- poverty rate of Myanmar has decreased from **32% in 2004-2005 to 26% in 2009-2010.**

- **Eight tasks** for the poverty reduction strategy are as follows;
  - Development of agricultural production sector
  - Development of livestock breeding and fishery
  - Development of rural productivity and cottage industries
  - Development of micro saving and credit enterprises
  - Development of rural cooperative tasks
  - Development of rural socio-economy
  - Development of rural energy
  - Environmental conservation.
FESR in the Context of Reforms

- Political
- Economic
- Administration
- Private Sector

FESR Framework for Economic and Social Reforms

NCDP National Comprehensive Development Plan

Vision
- 2015 MDGs, AEC
- 2021 LDC Graduate
- 2030 Catch-up

Short Term

Long Game

Goals Objectives
Seven Priority Areas

- Electricity
- Water Supply
- Agriculture development
- Employment Creation
- Tourism Development
- Financial Services
- Trade and Investment
Sources of Finance: Consideration for the best allocation of the sources of finance

- Own Budget
- Loan
- Foreign Direct Investment
- Aid
- Grant
Aid Management Institutions

- Formed Central Committee on Aid effectiveness chaired by the President, Working committee works with Ministries/ Local and Regional Govts as well as consultation with donors community
- MNPED serve as Secretariat (Information System for Aid Effectiveness)
Value for Money

- Value for Money
- Cost effectiveness
- Aid Effectiveness and Development Effectiveness
Monitoring and Evaluation (M&E) for Aid Effectiveness

- Checking relevance
- Effectiveness & efficiency
- Impact & sustainability
Public Finance Management

6 critical dimensions of PFM system performance:

- **Budget credibility:** Is the budget realistic, & implemented as intended?
- **Comprehensiveness and transparency:** Are the budget & fiscal risk oversight comprehensive, & is fiscal & budget information accessible to the public?
- **Policy-based budgeting:** Is the budget prepared with due regard to government policy?
- **Predictability & control in budget execution:** Is the budget implemented in a predictable manner & is control & stewardship exercised in the collection & use of public funds?
- **Accounting, recording & reporting:** Are adequate records & information produced, maintained & disseminated to meet decision-making, control, management & reporting purposes?
- **External scrutiny & audit:** Are there effective arrangements for scrutiny of public finances & follow up by the executive?
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<tr>
<th>Sr.</th>
<th>Year</th>
<th>Target (Growth Rate)</th>
<th>Implementation (Growth Rate)</th>
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<td>1.</td>
<td>2011-12</td>
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<td>2012-13</td>
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<td>2013-14</td>
<td>8.9</td>
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<td>2014-15</td>
<td>9.1</td>
<td>8.7</td>
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<td>2015-16</td>
<td>9.3</td>
<td>7-7.5 ( Estimate)</td>
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<td>Avg. Growth Rate</td>
<td>8.0</td>
<td>7.5 ( Avg. for the last 4 years)</td>
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- GDP in 2014-15 about USD 69.69 Billion
- Per Capita Income round about USD 1000-1100 (depends on the exchange rate fluctuation)
- Agriculture sector 29.4% of GDP
- Most FDI in Power and Oil and Gas up to 2015
Trade and Investment as the engine of growth

• Business laws, rules and regulations for the company registration are being amended and improve for the faster processes.
• Some laws, rules and regulations are to be amended and some laws will be enacted
• Foreign Direct investment Law amended
• Revised Foreign Investment Law and it will create more economic opportunities and business friendly environment.
• Special Economic Zone Law, Dawei SEZ Law
• Necessary law such as Competition Law, Consumers Protection Law are also under process.
Investment Sector

- According to the Foreign Investment Law, a total of 1001 foreign enterprises in 12 sectors from 41 countries were permitted with the total pledge amount of US$ 58034.37 million up to the end of Oct, 2015.

- Among the investment in 12 sectors of the economy from 41 countries,
  - the first leading sector is Oil & Gas accounted for 33.85%,
  - the second leading sector is Power accounted for 33.30 %,
  - the third leading sector is Manufacturing counted for 10.56 %

the total permitted amount of foreign investment.
2.1.2 Establishment Of Agro-Based Industries

The policy of the Government is to promote development of agro-based industries together with the view to increase the production of value added agricultural commodities.

Although the various agricultural related industries such as jute, sugar, cotton, sericulture, pesticide, rubber, farm machineries and implements and canning factory are being operated under the related Ministries, it is encouraging private investors to establish plantation and suitable agro-based industries.
Investment Opportunities in Myanmar
Forestry Sector

About 85 species are recognized as being able to produce timber of good quality. Development of wood-based industry is a crucial aspect of the forestry sector. Besides timber, the natural forests of Myanmar also contain a wide range of non-wood forest products.

Forest products are classified into two types: major and minor. Major forest products comprise teak and hardwoods like pyinkadoe, padauk, ingyin, in, kanyin, thitya, thingan, tamalan, yinmar, taungtheyet, pyinma, dedu, letpan, myautchaw and others.

Production is recorded at the time when the measurement is taken by the Revenue Markers for royalty assessment. Minor products include bamboo, charcoal, cutch, indwe-pwenyet, rattan, kanyin resin, honey, beeswax, bat guano and edible bird’s nests.
Investment Opportunities in Myanmar
Hotel and Tourism Sector

One of the World’s Wonders “SHWE DAGON PAGODA”

Hotel and tourism sector is booming for recent years and attracted by country’s scenic and historic places to the tourist all over the world.
Pioneer SEZs: Special Economic Zones in Myanmar

3 Pioneer SEZs namely;

1st- Dawei SEZ
2nd- Kyauk Phyu SEZ
3rd- Thilawa SEZ
Closed up links
Special Economic Zones in Myanmar

3 Special Economic Zones (SEZ) are being developed in Myanmar namely:

(i) Dawei Special Economic Zone
Located at Southern part of the country in the Tanintharyi Region.
(ii) **Kyauk Phyu Special Economic Zone**

Located at Western part of the country in the Rakhine State.
(iii) Thilawa Special Economic Zone

It covers about 2,400 hectares of land and is located approximately 20 km south of Yangon.

This SEZ will serve as an entry point for Japanese and other foreign companies seeking to invest in Myanmar, thereby contributing to the country's industrialization and economic development.
Major roads linked to neighbouring countries are:

(1) Asian Highways

Asian Highway in Myanmar

- AH1 1,650km
  (Myawadi-Yangon-Mandalay-Tamu)
- AH2 807km
  (Tachilek-Meiktila-Tamu)
- AH3 93km
  (Mongla-Kyaing Tong)
- AH14 453km
  (Muse-Mandalay)
- Total 3,003km
7 Industrial Zones to be Established

3.1.3 Principle Industries in Myanmar

- Agro-based industry
- Wood-based industry
- Textiles & garment industry
- Food stuff industry
- Pharmaceutical industry
- Machine – tools & spare parts industry
- Porcelain & chemical industry
Cooperation with regional economy as well as international economy

- We are ready to cooperate with any country.
- Now closely working with ADB, IMF, World Bank, WTO and other international organization such as UN System organizations and its affiliates, NGOs, INGOs and Civil Society Organizations for the rural development and poverty reduction in Myanmar.
- Working with private sector for the B4D.
Opportunities and Challenges

Opportunities

- Myanmar as a last frontier of East Asia,
- Benefits for manufacturing SMEs joining the production networks in East Asia, especially in the manufacturing and machinery industries
- Job creation, technology transfer and collaborations between MNCs and local companies (to participate in global supply chain)
- Expansion of Markets
- Transfer and collaborations between MNCs and local companies
- Latecomer’s advantages
Opportunities and Challenges

Challenges

- To reduce the cost of energy, limited access for finance
- Strengthening education, science and Technology, Technical and Vocational Training to overcome shortage of technical and professional expertise, and distortions resulting from past policies.
- Ease of doing business in Myanmar
- To develop infrastructure (Deep Sea Ports, Transports and Roads, Power Plants, Industrial Estates)
- Strengthening the lows of technology (technology transfer) to overcome the limited utilization of ICT, low production technology and less involvement in R&D activities
Our Expectation

• **Rural Development and Poverty Reduction** (Rural infrastructure, education and health)
• Sharing knowledge, Learning good practices from other countries and **reaping late comer advantages**
• Technology transfer, Risks Mitigation Strategies
• **SMEs Development** and entering into international market access and participating in global supply chain
• Strengthening sustainable growth by growing **Private sector development (Strengthening PPP)**
• Need technical and financial assistance from Donors Community (Technological Transfer)
• Market Access, Aid for Trade,
• **To be beneficial from the full operationalization of the Green Climate Fund**
Development Potential: Strengths and Risks

Growth Targets and Aspirations

Low growth Scenario: 5-6% to 2030; Per Capita GDP USD 2000 in 2030

Middle Growth Scenario: 7.5-8.5% to 2030; GDP at USD 3000

High Growth Scenario: 10-11% to 2030; Possible given Myanmar Advantages; Per capita GDP in 2030 at about USD 4800 (6 times current level)

Double digit growth not exceeded year on year
Graduation to Middle Income Country by 2030
Dare to do!

• *Vision* without *action* is merely a dream.
• *Action* without *vision* just passes the time.
• *Vision* with *action* can change the world.

Joel Barker
Looking forward closer cooperation.

Cooperation Intention

Thank You!

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