

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

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**Economic Report – October 2022**

**INTERNAL**

**18 types of imported medicines exempted from Customs tariff**

Eighteen types of imported pharmaceuticals are granted Customs tariff exemption, according to the notification (19/2022) of the Myanmar Automated Cargo Clearance System (MACCS) division under the Customs Department, dated 19 October. The Customs Department shifted the Customs tariff rate on 18 October 2022. Those pharmaceutical importers of 18 types of medicines can enjoy tax exemption according to a notification (85/2022). They are Aspirin, Paracetamol, Chlorpheniramine maleate, Diazepam, Mebendazole, Gentamicin, Metronidazole, Propranolol, Oral Rehydration Salt, Chlorpromazine, Salbutamol, Intravenous Glucose, Rifampicin, Ethambutol, Isoniazid, Frusemide, Digoxin and Prednisolone.

**Ministry of Commerce to issue Certificate of Origin forms for RCEP for free tariffs for Myanmar products to China in next month**

The Department of Trade of the Ministry of Commerce announced to issue Certificate of Origin (CO) forms for the Regional Comprehensive Economic Partnership (RCEP) in November to the products that are originated and produced by Myanmar and headed to China for free customs charges. The enforcement of the RCEP agreements between ASEAN nations, Australia, China, Korea, Japan and New Zealand has already commenced since 1st January 2022. “Myanmar’s agreement with China started into force first. There are more than 5,000 cargo lines between Myanmar and China. Tariffs will be free either import or export. There will be more lawful trade,” said the deputy minister of the Ministry of Investment and Foreign Economic Relations Dr. Wah Wah Maung.

**CBM announced that importing of fuel may use Chinese currency**

Central Bank of Myanmar (CBM) announced on September 30 that importing of fuel may use Chinese currency. It said, according to the decision made by the foreign exchange supervisory committee meeting No-53/2022, on repaying the trade financing in foreign currency by companies that imported fuel, fuel importers may use Chinese currency “Yuan” to return some portion of SWAP facility they obtained and pay fuel cost in the future. The authorized dealer banks to provide service for retailing foreign currency proceeds of individuals and companies earned from overseas, money obtained from work payments and U.S dollars purchased from 35 percent of export earnings and arrange repayment of SWAP and acquisition of trade financing depending on the amount repaid.

### **Kyat stronger against foreign currencies in market; Kyat-dollar exchange rate slides to K2,800**

Kyat has strengthened against foreign currencies in the forex market. A dollar is exchanged for around K2,800. The hard currency US dollar hit a high of over K4,500 in the forex market in August-end. The current exchange rate is around K2,800 on 29 September.

### **Myanmar goods exports surpass larger than imports as of 23 Sept**

The value of Myanmar's goods exports was relatively higher than those of imports between 1 April and 23 September in the current financial year 2022-2023, according to statistics provided by the Ministry of Commerce. Myanmar's trade gap significantly shrank to US\$0.024 million this FY from \$234 million registered in the corresponding period of the 2021-2022 FY. In the nearly a half of the FY, the value of Myanmar's external trade soared to \$16.3 billion from \$13.45 billion recorded in the year-ago period. While exports were estimated at \$8.159.057 billion, imports were valued relatively low at \$8.159.033 billion during April-Sept period. Compared to the FY 2021-2022, exports showed an increase of over \$1.3 billion, while import value was up by \$1.55 billion.

### **Myanmar imports over 10,000 tonnes of fertilizer worth US\$6.491 mln by sea in past two weeks**

Myanmar imported over 10,000 tonnes of fertilizer worth US\$6.491 million through maritime trade in the second and third weeks of September 2022. During two weeks, Myanmar imported about 6,000 tonnes of fertilizer from China, over 350 from the Republic of Korea, over 800 from China (Taipei), over 1,000 from Thailand and over 2,100 from Viet Nam. The country's fertilizer import is primarily from neighbouring country China. The volume of fertilizer import is, however, down by over 13,000 tonnes compared with the corresponding period of the year ago period. Meanwhile, the country imported over 6,200 tonnes of fertilizer worth \$3.023 million this week through land borders with about 2,500 tonnes from Thailand, over 1,800 from India and about 2,000 from China.

### **New company registration takes at least more than one week**

It takes at least over one week to register a company. Earlier, a company could be incorporated in one day, according to the Business and Finance Consulting Team of Myanmar Enterprise Solutions. Shareholders and directors of the new companies are also parts of other entities. If those entities are suspended or struck off from the register, the registration process takes longer. The founders of the companies are no longer granted to set up a new one if they have not dealt with the old ones first which have been suspended as they are blacklisted. At present, a total of 3,700 companies have been struck off the register in the past nine months as they failed to submit annual returns (AR) on the online registry system, MyCO under 430 (F) of Myanmar Companies Law, according to the Directorate of Investment and Company Administration (DICA).

### **Operators notified of licence extension for storage of petroleum and petroleum products**

Renewing a licence for the storage of petroleum and petroleum product can be done between 1 November and 31 December 2022, according to the Ministry of Natural Resources and Environmental Conservation. The licence has been issued in line with the rules and regulations. The licence will expire on 31 December this year. According to

Petroleum and Petroleum Product bylaw 119, the extension of licence must be done two months before the expiry. The ministry released the advance notifications so that the operators of the petrol station, tank and tank farms can renew the licence for the coming years.

## **EXTERNAL**

### **China-Myanmar power cooperation achieves new milestone**

The opening ceremony of the gas-fired combined cycle power station in Kyaukpyu Township of Rakhine State took place on 10 October 2022. Chinese Ambassador to Myanmar Mr Chen Hai said the China-Myanmar economy and trade cooperation receives the proper compatibility and it supports the Belt and Road Initiative and building the China-Myanmar Economic Corridor. He then talked about the key role of that power plant in supporting the economy and social status of locals as Kyaukpyu is located in a major place for the China-Myanmar Economic Corridor and further cooperation in all sectors of Myanmar. Then, Deputy Minister for Electric Power Dr Aung Zeya said the government implemented 135-MW Kyaukpyu Gas-fired Combined Cycle Power Station project that generates 1,000 million kW hours of power per year by using 22 million cubic feet of natural gas per day to meet the country's power need.

### **MoEP, MoE Union Ministers attended Russian Energy Week International Forum**

Union Minister for Electric Power U Thaung Han and Union Minister for Energy U Myo Myint Oo attended Russian Energy Week International Forum held in Moscow on 12-14 October, 2022 accompanied by Myanmar Ambassador to Russia U Lwin Oo, held an informal meeting with Mr Alexander Shulginov, Secretary of the Chairman of the Forum Organizing Committee in Moscow on Monday. During the meeting, Mr Alexander talked about the energy production of Russia, his appreciation to Myanmar for attending the forum, Forum Chairman's visit to Myanmar soon and discussed the weekly report to the Russian Federation President regarding progress in Russia-Myanmar cooperation. Then, Union Minister U Thaung Han said they join the forum under the assignment of the Head of State and they will discuss the energy sector in addition to the electricity sector with the Russian organizations at the forum. He negotiated the visit of the Forum Chairman to Myanmar.

### **Japanese automaker Toyota opens new Myanmar plant put on hold following coup**

Toyota Motor said on 12 October it has begun assembling cars at a new plant in Myanmar whose start was put on hold for more than 19 months after a military coup and during the coronavirus pandemic. The Japanese automaker said the plant, which is opening even as other companies have pulled out of the country, has begun to assemble one or two vehicles a day, working from parts kits shipped to Myanmar in September. Japanese companies and other multinationals have faced pressure to pull out of investments in Myanmar that have been seen to benefit the military.

### **Myanmar logs over US\$1.24 bln of FDI from 10 foreign countries in H1**

Myanmar attracted over US\$1.24 billion of foreign direct investments from ten countries in the first half (April-September) of the current financial year 2022-2023, according to the Directorate of Investment and Company Administration (DICA). Among them, Singapore topped the FDI line-up. Between April and September of the current FY, the country received a capital of \$1.24 billion this FY from ten countries, including expansion of capital by the existing enterprises.

### **Myanmar's Main Supplier of Aviation Fuel Withdraws from Country**

Puma Energy, the midstream and retail arm of Switzerland's Trafigura and the main supplier of aviation fuel in Myanmar, announced on Wednesday that it has sold its operations in the country to a locally owned company, becoming the latest multinational to withdraw from military-ruled Myanmar. The company has signed an agreement to sell its stake in Puma Energy Asia Sun (PEAS) and its minority share in National Energy Puma Aviation Services (NEPAS) to a locally owned private company, the statement said, without naming the buyer. NEPAS is a joint venture between Puma Energy and the state-owned Myanmar Petrochemical Enterprise under the junta's Ministry of Energy, and engages in import and distribution of aviation fuel.

### **Telenor looking to support Myanmar customers at risk**

Norway's Telenor said on Friday it is exploring ways to provide support to Myanmar telecom users facing digital security risks after its exit from the Southeast Asian nation this year. Following a military coup in Myanmar in 2021, Telenor announced the sale of its business there to avoid European Union sanctions after pressure from the junta to activate intercept surveillance technology. Telenor completed the exit despite criticism from employees and activists who said the handover could put the data of 18 million people within reach of the ruling military.

### **FATF adds Myanmar to a global financial blacklist**

Myanmar has been blacklisted by the international money-laundering watchdog (Financial Action Task Force - FATF) on October 21. After the FATF meeting, which was attended by representatives from more than 200 countries, including the World Bank and the International Criminal Police Organization (Interpol), the Singaporean official who chaired the FATF announced the inclusion of Myanmar in the blacklist.

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