

**EMBASSY OF INDIA
YANGON
[Commerce Wing]

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INTERNAL

CBM issues notice again to take action against currency manipulators

The Central Bank of Myanmar (CBM) warned of currency manipulators who spread malicious rumours of CBM changing a US dollar reference exchange rate to K2,500, trying to devalue their own currency and interfere with forex market stability to face legal actions, according to a notification dated 31 March. Rumours have been circulating to disrupt the forex market in recent days. Therefore, the CBM issued this notice again. There is no way for the CBM to set the new reference exchange rate. Investigation and Prosecuting of market manipulation to hike the exchange rate in the local forex market with malicious rumours will be undertaken, according to the Central Bank of Myanmar's statement.

Projects of LMC Special Fund completed in Myanmar

An event marking the completion of two projects of the Lancang-Mekong Cooperation Special Fund was held in Nay Pyi Taw on 30 March 2023. The first project, namely the Vegetable Germplasm Collection and Seed Production Project, was conducted in Hlegu Township of Yangon Region, in Htonbo and Pyin Oo Lwin of Mandalay Region and Heho of Shan state. It included various activities covering trainings, record-taking of vegetables and seed selection. The second project, namely the Packaging of Fruits and Vegetables to Maintain the Quality and to extend the Shelf Life Project, included trainings, workshops and education programs on quality maintenance and shelf life extension of fruits and vegetables. The six Lancang-Mekong countries comprise China, Cambodia, Laos, Myanmar, Vietnam and Thailand.

YRIC nods 11 domestic, foreign enterprises on 29 March

The Yangon Region Investment Committee (YRIC) endorsed two domestic and seven foreign enterprises in the manufacturing sector and two foreign enterprises in the service sector, with an estimated capital of over US\$11.606 million at a meeting 3/2023 held on 29 March at YRIC office. Those projects will execute warehousing services and logistics services, hotel service business, rice milling and processing, manufacturing of clothes on a Cutting, Making, and Packing (CMP) basis, electrical wires, and production and exportation of aluminium, tin and copper.

Over 10,000 commodities lines compulsory for export/import licences

The Ministry of Commerce made over 10,000 commodities lines mandatory for export/import licences. The MoC released this directive dated 31 March, in the exercise of the power conferred by Section 4 (C) and Section 13 (B) of the Export and Import Law. According to Notification 84/2022 dated 12 October, under the Customs Tariff of Myanmar 2022, 1,556 commodities lines with 10 digits HS Code for export and 8,774 for import are required to be applied for export/import licences on the Myanmar TradeNet 2.0 portal. Only after traders of those items have received a licence first in line with the export/import regulations through the non-automatic licencing process, the shipment by air, sea and road will be given the green light. This directive came into effect starting on 1 April. It is an amendment of directive 51/2020 dated 8 July 2020.

Myanmar attracts over 1.64 bln USD FDI in 2022-23 fiscal year

Myanmar attracted more than 1.64 billion U.S. dollars in foreign direct investment (FDI) in the 2022-23 fiscal year, according to figures released by the Directorate of Investment and Company Administration (DICA). The country's 2022-23 fiscal year started on April 1 last year and ended on March 31 this year. During the period, the Myanmar Investment Commission (MIC) approved 87 foreign investment enterprises. During the fiscal year, the power sector attracted the most foreign investment, with over 820.27 million dollars, followed by the services sector with over 504.12 million dollars and the manufacturing sector with over 271.8 million dollars. Singapore, China and Thailand are the largest investors in Myanmar.

Myanmar's foreign trade up 11.77 % in 2022-23 FY

Myanmar's total goods imports and exports surged 11.77 percent year-on-year to over 33.92 billion U.S. dollars in the 2022-23 fiscal year. The country's total trade during the same period a year earlier was valued at more than 30.35 billion dollars. From April 1 last year to March 31 this year, the country exported goods worth over 16.57 billion dollars, while it imported products worth more than 17.34 billion dollars, the ministry's data showed.

UMFCCI to loan K70 bln to oil mills, livestock industries

The oil mills and livestock industries will have K70 billion loan from the State economic promotion fund, according to the Union of Myanmar Federation of Chambers of Commerce and Industry-UMFCCI. K50 billion is to be loaned for the development of oil mills and K20 billion for the development of livestock industries. In addition, if agricultural and livestock industries require additional loans, ways to increase the amount of loans will be sought. The loans are provided to develop and expand domestic businesses, agriculture and livestock sectors.

ADB forecasts Myanmar GDP growth rate of 2.5% for 2023

The Asia Development Bank (ADB) forecasts the GDP growth rate for Myanmar in 2023 at 2.5%, a slight rise on 2% in 2022. And the ADB forecasts the inflation rate in Myanmar for 2023 at 10.5%, a decline from 16% in 2022. ADB said that the inflation rate in developing economies in Asia was 4.4% in 2022 and it forecast that this rate would fall to 4.2% this year and further to 3.3% in next year. ADB forecast that the growth in Asia would be higher than expected this year. Asian Development Outlook, the latest report issued by ADB, says that the implications of the global banking crisis would have an impact on the prospects of developing economies in Asia. The growth rate of developing economies in Asia was 4.2% in 2022 so that it will see a higher growth rate in 2023. The economic recovery in China would be stronger than expected and it could lead to brighter prospects for developing economies of Asia.

Border trade tops US\$8 bln in 2022-2023 FY

Myanmar's border trade totalled US\$8.57 billion in the 2022-2023 financial year. Myanmar's exports outperformed imports in border trade, with the exports worth \$6.086 billion and imports valued at \$2.484 billion, according to the Ministry of Commerce. The value of border trade was estimated at \$7.75 billion in the FY 2021-2022, including exports worth \$5.413 billion and imports valued at \$2.338 billion. The figures showed an increase of \$818.268 million in the FY2022-2023 compared to that recorded in the FY 2021-2022. Myanmar conducts cross-border trade with neighbouring countries (China, Thailand, Bangladesh and India). Of them, Thailand was ranked first with exports worth \$3.479 billion and imports worth \$1.876 billion. China was placed second in border trade with exports worth \$2.5 billion and imports worth \$561.938 million. Myanmar exports agricultural products, livestock products, fishery products, minerals, forest products, manufacturing goods and other goods to the neighbouring countries. Myanmar imports capital goods, consumer goods, intermediate goods and raw materials from the CMP enterprises.

Myanmar seaborne trade value swells to US\$25 bln last 2022-2023 FY

Myanmar's seaborne trade with international trade partners amounted to US\$25.35 billion in the previous financial year 2022-2023 (April-March), comprising exports worth \$10.489 billion and imports worth \$14.865 billion, the Ministry of Commerce's statistics indicated. In the FY 2021-2022, maritime trade was estimated at \$22.599 billion, including exports worth \$10 billion and imports worth \$12.5 billion. The figures showed an increase of \$2.755 billion in the FY 2022-2023 compared to that of the year-ago period.

CBM says 65% of export earnings must be exchanged for Kyats

Sixty-five per cent of the amount of export earnings must be exchanged for Myanmar Kyats and the remaining 35 per cent will be allowed to be sold at the market price, the Central Bank of Myanmar announced on 18 April. The announcement was made for the export declarations (ED) that were issued in the period before the issuance of Notification No 36/2022 of the Central Bank of Myanmar dated 5 August 2022, according to the decision of the Foreign Exchange Supervisory Committee (FESC) meeting 27/2023. AD licenced banks dealing in foreign currencies must also comply with the decision of the FESC, said the statement. In addition, starting from April this year, Myanmar-India bilateral trade payments have been allowed to be paid directly in Rupee-Kyat exchange, the statement continued.

Authorities plan to increase electric power generation from various means of investment

As per reports, the government is endeavoring in various investment sectors to meet the gap of electricity demand in Myanmar. The Union Minister for the Ministry of Electricity Thaug Han addressed it during the coordination meeting held at Ye' Ywar Assembly Hall in Naypyidaw on 19th April. It is reported that all the endeavors and efforts are being inserted to fulfill the gap of electricity demand within the country by means of making investment in different sectors, and using all possible and accessible energy sources. The Union Minister said that, the supply of electricity has to be managed to deal with the outweighing electricity demand. The ministry is trying to meet the goal of nationwide electrification in 2025 target. Recently, China-Myanmar Cross Borderling Power Transmission Project is reportedly targeted to be finalized in 2024 so that sufficient electric power will be able to supply for the country.

Myanmar's power sector attracts above US\$820 mln in FY 2022-2023

MYANMAR'S power sector drew foreign direct investments of over US\$820 million in the 2022-2023 financial year, according to the Directorate of Investment and Company Administration (DICA). The power sector topped the FDI line-ups in the financial year 2021-2022. Meanwhile, \$504.123 million was pumped into the service sector, while the manufacturing sector was ranked third with \$271.806 million including the capital expansion by the existing enterprises. Singapore was the top source of FDI with \$1.158 billion, as per the statistics released by the DICA. Myanmar's power sector attracted \$1.026 billion in the 2019-2020 FY, \$3.121 billion in the 2020-2021 FY, \$20.584 million in the sixmonth mini-budget period and \$820.27 million in the 2022-2023 FY respectively. The DICA has planned to call for bids for foreign investment in the power sector.

EXTERNAL

CBM to implement Rupee/Kyat direct payments for India-Myanmar trade

The Central Bank of Myanmar organized a meeting on procedures to implement Rupee/Kyat direct payments for India-Myanmar trade with governmental departments, state-owned banks and private banks in Nay Pyi Taw on 04 April 2023. The meeting was attended by the governor

and vice-governors of the Central Bank of Myanmar, the joint secretary of the Central Committee on Ensuring Smooth Flow of Trade and Goods, the director-general of the Trade Department under the Ministry of Commerce, the deputy director-general of the Customs Department, directors-general, deputy directors-general, officials of state-owned banks and private banks. CBM Governor Daw Than Than Swe said it will take into account the fact of the Rupee/Kyat direct payment system for normal trade in addition to border trade and the importers and exporters will be informed as soon as the instructions and approval of banking system are received.

Exports from manufacturing sector generate US\$10.73 bln as of 24 March

The export value from the manufacturing sector amounted to over US\$10.73 billion as of 24 March in the financial year 2022-2023 beginning 1 April, the Ministry of Commerce's statistics showed. Exports by the private sector were estimated at \$6.81 billion while exports worth 3.91 billion were performed by the public sector. Garment export is ranked first among the top ten export items including natural gas and minerals. Myanmar exports agricultural products, livestock products, fisheries, minerals, forest products, finished industrial goods and other goods. Of them, the manufacturing sector pocked the highest foreign income. The export value from the manufacturing sector is up by \$2.18 billion from the year-ago period, the Commerce Ministry's data indicated.

Myanmar Regime Signs Energy Agreement with China

The signing ceremony for agreements and MoUs between Myanmar and China's Yunnan government on 2 April 2023. With Myanmar suffering an acute energy shortage, a Chinese delegation from Yunnan Province signed a power purchase agreement with the military regime. The Chinese delegation led by Wang Ning, a member of the Communist Party of China (CPC) central committee and secretary of the CPC Yunnan provincial committee, signed a power purchase agreement for the Dapein 1 hydropower plant, as well as agreements on rice, agricultural produce and fertilizer trade, with the junta-appointed ministers for electricity, agriculture, livestock and irrigation, energy and commerce, according to junta media.

Myanmar, Laos ink MoU amendment on power cooperation, Notice to Proceed (NTP) for cross-border power project

The MoU amendment signing ceremony on Myanmar-Laos Power Cooperation between the Ministry of Electric Power of Myanmar and the Ministry of Energy and Mine of Lao People's Democratic Republic and signing ceremony of Notice to Proceed (NTP) to conduct a feasibility study on cross-border power project to hand over to Consortium of PISASAI Energy and Mine Investment Pte Ltd and Primus Sapphire Power Company Limited were held in Nay Pyi Taw on 3 April 2023.

Six agreements made between Myanmar and China during Yunnan CPC Secretary visit

Six bilateral agreements including the memorandum of understanding on the export of agricultural products were signed between Myanmar and China during the working visit of Secretary of CPC Yunnan Provincial Committee of the People's Republic of China, Mr. Wang Ning. The Yunnan Provincial Secretary of the Communist Party of China visited Myanmar on 1st April. According to the press releases announced by the State Administration Council, the MOUs that were signed involves the following sectors: supplies of rice, fertilizers, agricultural export from Myanmar, Tar Paing (1) Hydropower Station, and Kyaukphyu Mobile Clinic Project. The agreements were signed by the relevant ministries and departments from both countries before the Union Minister Ko Ko Hlaing and Mr. Wang Ning at Horizon Lake View in Naypyidaw on 2nd April.

Kengtong and Meiktila may access to cross-border power line between Myanmar and Laos by 2024 and 2026

Residents from Kengtong and Meiktila may have electricity from the cross-border power line project between Myanmar and Laos by 2024 and 2026 respectively, said U Thaug Han, Union Minister for Electric Power. He said during the signing ceremonies of the Memorandum of Understanding between the Ministry of Electric Power and the Ministry of Energy and Mines of the Lao People's Democratic Republic on cooperation in the Myanmar-Lao electricity sector, and the feasibility study of the cross-border power line project Consortium of PISASAI Energy and Mine Investment Pte. Ltd and the notice to proceed which is given to Primus Sapphire Power, on April 3.

Myanmar plans to export more rice from Rakhine State to Bangladesh

Myanmar exported 200,000 tons of rice, including 2,500 tons of rice from Rakhine State, to Bangladesh, and more rice from Rakhine State will be allowed to be exported, said Union Minister for Commerce U Aung Naing Oo. U Aung Naing Oo, Union Minister for Commerce and Chairman of the Regional Socio-Economic Development Work Committee, said at the 1/2023 business coordination meeting of the Rakhine State Socio-Economic Development Work Committee at the meeting hall of the Ministry of Commerce on April 3. The Union Minister said during the State Administration Council Chairman's visit to Rakhine State, he was being instructed, "In the implementation of projects for the development of the state, the economic activities that can suit each region according to the region should be considered from all sides in the short and long term."

Cargo ship carrying 3,000 tons of cement to start trial run from Kolkata to Sittwe

A trial run is about to commence for a cargo ship carrying 3,000 tons of cement from Kolkata port in eastern India to Sittwe in Rakhine State of western Myanmar. The management of Kolkata's Shyama Prasad Mookerjee port recently announced that the trial run will be done in April or May. An official of Indian consulate in Sittwe also confirmed that the initiative has been taken. "It's true that the test run is about to begin. But since it is Thingyan (water festival) period in Myanmar, the initiative may take a few days. It is likely to happen by May,"

MAI to extend Yangon-Chennai-Yangon flights on 6 May

A new Yangon-Chennai (formerly Madras)-Yangon route is opened from 06 May 2023 by MAI Airlines. The flight will run three times a week every Monday, Wednesday and Friday, and will depart from the Yangon International Airport at 8 am and arrive in Chennai at 11:15 am (local time). The Chennai-Yangon flight number 8M 631 will depart from Chennai at 11:15 am and arrives in Yangon at 3:15 pm. The price of the flight ticket is currently set at US\$260. The MAI Airlines currently operates the Yangon-New Delhi-Yangon flight and the Yangon-Bodh Gaya flight three times a week, while the Yangon-Singapore-Yangon route is operated once a week.

Myanmar trade with Bangladesh declines due to US dollar shortage

Traders in Rakhine State claims that the border trade with Bangladesh has declined due to US dollar shortage there as the banks could not sell the required dollars to the traders. Bangladesh pays in US dollars for imports from Myanmar in border trade. Currently, the two banks including Sonali Bank in Bangladesh are not selling dollars to the border traders, giving various excuses, leading to a suspension in trading and problems with exports from Myanmar. Under the new export policy by Myanmar, 65% of export earnings from border trade must be mandatorily exchanged at the rate controlled by the Central Bank of Myanmar (CBM). This has reportedly led to lower trader profits.

Russia moves crude to Chinese refineries via Myanmar pipeline

Since an EU embargo went into effect in December, Russia has sought markets for its petroleum exports elsewhere, including in Asia. Russia is transporting oil to China through Myanmar via a pipeline owned jointly by the Myanmar Oil and Gas Enterprise (MOGE) and a Chinese firm, according to the industry information site Energy Intelligence. The pipeline runs from Kyaukphyu Township, Rakhine State, to a refinery operated by Petrochina in Kunming, Yunnan Province, China. Petrochina's parent company, the China National Petroleum Corporation (CNPC), owns a majority share (50.9 percent) of the pipeline while MOGE, which is controlled by the Myanmar military, owns the rest. The CNPC pays a transit fee to the Myanmar regime for use of the pipeline.

China's Yunnan Tin says Myanmar mining halt could hit global supply

A suspension of mining in Myanmar could lead to further tightening of global supplies of tin, China's Yunnan Tin, the world's top refined tin producer. Myanmar's ethnic minority Wa militia said that from August the Wa region - a key tin producer - would suspend all mining activities to protect the remaining resources after more than a decade of "disruptive and wasteful mining". The news sent tin prices skyrocketing, with the most-traded May contract on the Shanghai Futures Exchange up as much as 17.5 per cent in two sessions and the benchmark three-month contract on the London Metal Exchange hitting a two-and-a-half month high.

Thai PTTEP plans to relaunch Zawtika offshore gas project in Myanmar

Thai PTT's subsidiary PTTEP International (PTTEPI) reportedly plans to relaunch the Zawtika offshore gas project in Mottama (Martaban) bay in Myanmar. Thailand's PTTEP is pushing ahead with the project despite facing criticism, reports Upstream Online in a recent report. The Military Council reported that PTTEP conducted a Aung Thinkha development plan, exploration and test drilling work in M-3 Block in offshore Mottama in February 2022. PTTEP invested an 80% stake in the M-3 Block as an operator and it became 100% stakes holder after the MOECO Mitsui Oil Exploration Company Ltd. which owned a 20% stake, withdrew their investment.

Arakan products account for 30% of Myanmar exports to Bangladesh

Goods produced in Arakan State account for 30 percent of Myanmar's exports to Bangladesh, which shares a border with Arakan State, according to officials from the border trade zone and merchants. "Arakan State mainly exports dried chili, Marian plum and dried fish to Bangladesh. Arakan State also exports rice to Bangladesh. Among the products exported from Myanmar to Bangladesh, only 30 percent of products are from Arakan State. Most products are from mainland Myanmar," said U Aung Aung, general secretary of the Rakhine State Chamber of Commerce and Industry. Myanmar's products are exported to Bangladesh via border trade zones in Sittwe and Maungdaw. As the production of goods from Arakan State is low in some sectors, local merchants have to order and ship goods from mainland Myanmar at a higher cost.

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