

**EMBASSY OF INDIA
YANGON
[Commerce Wing]

Economic Report – March 2023

INTERNAL

Chinese firms shut Primark brand factories in Yangon

Two Chinese-owned garment factories in Yangon's Shwepyithar Industrial Zone are shutting down, leaving more than 2,200 workers without a job, according to a local union. The factories make clothes for the Irish multinational fashion retailer Primark. The Solidarity Trade Union Of Myanmar made the announcement on its Facebook page. The companies did not give a reason for shutting the factories. International fashion brands are coming under increasing pressure from their customers to shun Myanmar due to its human rights record. Primark had not responded to a request for comment on the Yangon factories at time of publishing. Myanmar is facing a major economic crisis following the Feb. 1, 2021 military coup. A quarter of the population of eight Yangon townships, including Shwepyitha and Hlaingtharyar, have struggled to survive without wages for the past year, according to the report released by the United Nations Development Program Yangon Branch on Feb. 16.

55 container ships scheduled to arrive at Yangon Port in March

A total of 55 container ships have been planned to enter Yangon Port in March 2023, according to Myanma Port Authority. This month, 10 ships run by Sealand Maersk Asia, seven by Samudera Shipping Line, four each by Gold Star Line, SITC and MSC Line, three each by New Golden Sea (COSCO), PIL Line, RCL Line and X-Press Feeder, two each by BLPL Shipping Line, CMA CGM Line, Ever Green Line, IAL Line, MTT Shipping Line and TI2 Container Line, and one by Land & Sea and VASI Shipping will enter Yangon Port. Yangon Port saw the entry of 51 container ships in February and 52 in January 2023. Yangon Port handled a total of 620 container ships last year, according to Myanma Port Authority.

Myanmar and China sign MOA to implement three 360-megawatt wind power projects in Rakhine

Myanmar and China have signed a memorandum of agreement (MOA) to implement three 360-megawatt wind power projects in An, Gwa and Thandwe townships in Rakhine State, according to the Ministry of Electric Power. The memorandum of understanding that was signed was three wind power projects, namely the 150-megawatt An wind power project, 100-megawatt Gwa wind power project and 110-megawatt Thandwe wind power project. Primus, owned by Myanmar national, Hong Kong-based AED and YMEC from the China, which will implement the project, have many things to do after signing the MOA. They will need to follow the procedures, existing laws and regulations issued by the Ministry of Natural Resources and Environmental Conservation to prevent environmental and social damage due to the implementation of the project, said U Thaung Han, Union Minister for Electric Power. The Union Minister said that he would like to urge all the companies involved in the projects to be able to produce electricity by 2025 and to start the construction of the first phase of 50-megawatt of the three projects in December 2023.

EU to continue supporting local SMEs

The small- and medium-sized enterprises-SMEs locally will still be provided by the European Union, stated the EU. The European Union (ARISE Plus) programme continues to support sustainable trade and provides international trade opportunities for SMEs, said the EU. Despite the Covid-19 pandemic and political crisis, as well as other related challenges, the income and livelihoods of more than 6,000 farmers in various agricultural sectors have been maintained, and human rights-friendly exports have been supplied. In addition, it was announced on 28 February that the creation and maintenance of suitable jobs for women and youth will be done to help the Myanmar people cope with the current crisis.

USD10 billion earned from export of finished industrial goods during 10 months of 2022-2023 FY

More than USD10.04 billion were earned from the export of finished industrial goods abroad during the ten months of the 2022-2023 fiscal year, according to the statistics of the Ministry of Commerce. These are the rates that were exported according to the lists from 1 April 2022 to 24 February 2023. This year's export earnings was exceeded by over USD2.28 billion, more than over USD7.76 billion of same period in previous year. Agricultural produce, animal products, aquatic products, minerals, forest products, finished industrial goods and other goods from Myanmar are being exported and the maximum export income is obtained from the export of finished industrial goods. Among the main export items of Myanmar, the export of finished garments, which is an industrial product, takes the first position. The list of finished industrial goods comprises sugar, including ready-made cloth, jewellery and natural gas.

Myanmar imports Chinese battery electric vehicles for pilot project

Myanmar has imported the first batch of Chinese-made battery electric vehicles (BEVs) in January in implementing its one-year pilot EV project. "Chinese-made cars are the most-suggested cars for imports. Chinese EVs are largely successful across the globe. Therefore, we are encouraging importing Chinese BEVs," said Myat Mon Thein, a deputy general manager from the Ministry of Industry. To promote the development of its EV sector, Myanmar established the national-level leading committee on development of electric vehicles and related business in June last year. The country then granted a zero-tariff treatment on imported EVs effective from Nov. 2 last year until March 31 this year.

Yangon's Sedona Hotel sold for \$US57 Million

Keppel Corp., a Singapore state-backed conglomerate, will sell the luxury Sedona Hotel Yangon for \$US 57.4 million in cash. The group said that its property arm's divestment is in line with Keppel Corp's asset monetization plans to unlock capital that can be channeled towards new growth opportunities. Keppel will sell its Myanmar hotel business holding company to Spring Blossom Ventures, a company registered in Singapore that describes its primary business as "investment holding and investment in the hospitality industry." The deal is expected to be completed by the first half of 2023.

Myanmar Trademark Law soon to be enforced

For years long with outdated and sub-standard provisions for patent, copyright, and trademark rights in Myanmar, it's getting now close to portraying complete law

enforcement of the Trademark Law – which is one of four legal supplies under Myanmar Intellectual Property Laws. The Pyidaungsu Hluttaw enacted and passed four IP laws in 2019: Trademark Law (enacted on 30th January 2019); Industrial Design Rights Law (enacted on 30th January 2019); Patent Law (enacted on 11th March 2019); and Copyright Law (enacted on 24th May 2019) respectively. None of which has yet come into effect. Notwithstanding, the Myanmar Trademark Law's Phase-two of the Soft Opening period has been confirmed to launch the legal enforcement on 1st April accordingly to the notification signed by the Chairman of the State Administration Council Senior General Min Aung Hlaing on March 10.

Over 90 projects in Myanmar supported by Lancang-Mekong Cooperation

As per information, a total of 92 projects in 34 sectors in Myanmar has been funded and developed by the assistance of Lancang Mekong Cooperation. The Union Minister for the Ministry of Foreign Affairs Than Swe addressed it during the event of 7th Anniversary of Lancang-Mekong Cooperation that was held in Naypyidaw on March 23. The LMC Special Funds have provided funding for over 600 socioeconomic development projects in the region, said the Union Minister continuing that the member states of the LMC are cooperating between each other to strengthen the mutual trust.

30 EVs imported via Muse Trade Zone

Thirty electric vehicles were imported via Muse 105th Mile Trade Zone, according to the Ministry of Commerce. Asia Pacific Automaker Corporation Co. Ltd was allowed to import 30 Dongfeng electric cars via Muse Trade Zone in Shan State (North) in accord with the procedures. With the aim of developing the electric car industry in Myanmar, EV imports are granted without customs duty. In February also, 25 EVs imported Essential Motor Co. Ltd by arrived in Yangon city. More EVs will be arriving in Yangon in March, the Ministry of Industry reported. Those imported were 15 BYD Atto 3 EVs and 10 BYD Dolphin EVs. More BYD EVs that will be used as city taxis will be coming to Yangon this month.

MoC reports arrival of 53 more EVs at Yangon Port

Imported battery electric vehicles are seen in front of the Thabyaygon Market in Nay Pyi Taw. The Ministry of Commerce stated that 53 more Electric Vehicles (EVs) arrived at the Yangon Port. Under the approval of the national-level steering committee on the development of electric vehicles and related businesses, 15 EVs were imported by Essential Motor Co Ltd and 38 by Grand Sirius Co Ltd. They have been picked up from the port in accordance with the rules and regulations on 11 March. The imports of EVs have been relaxed from Customs tariffs as well. On 7 March, ten EV chargers (60 kW) made in China and imported by Asia Pacific Automaker Corporation Co Ltd were also collected at the Myanmar Industrial Port in line with the rules. Myanmar has been bringing in battery electric vehicles (BEVs) under the Customs tariff relaxation by sea and through land borders, according to the MoC.

Myanmar stands largest producer and exporter of beans and pulses

Based on the statistics from the Ministry of Agriculture, Livestock and Irrigation, Myanmar can be said as one of the largest producers and exporters of beans and pulses in the world. It is reported that there are about 3.95 million hectares of pulses cultivated in Myanmar and among the agricultural products, the pluses are mainly exported. In 2020-

21 FY, it was generated 1.57 billion USD from the exportation of various pulses which shares 38 percent from the total foreign export earnings, according to the Ministry's data.

CBM revokes money changer licences of 20 companies

Central Bank of Myanmar has issued a statement on March 16 that according to the decision of the Board of Directors Meeting 1/2023, the money changer licences of 20 companies have been revoked as they did not abide by the orders and directives issued by CBM. The 20 money changers are as follow. They are Oake Khaung Travels & Tours Co.,Ltd, Senjo Royal Myanmar Co.,Ltd, Dawei Popular Co.,Ltd, Zam Myo Co.,Ltd, Phyo Thet (PT) Co.,Ltd, Sky Bound Co.,Ltd, Myanmar MCG Corporation Ltd, Htwe and Htwe Family Co.,Ltd, Won Won Co.,Ltd, United Eleven Co.,Ltd, Tun Yama Co.,Ltd, Myanmar Alinkar Hotel Group Co.,Ltd, Cartel Co.,Ltd, Super Phoneix Co.,Ltd, Golden Falcon Shipping Co.,Ltd, Fairness Travels & Tours Co.,Ltd, Yadanar Bon Travels & Tours Co.,Ltd, Myanmar National Airline Co.,Ltd, Dewant Financial Loan Microfinance Co.,Ltd and Treasure Su Co.,Ltd.

Myanmar's foreign trade up 14.08 % in over 11 months

Myanmar's total goods imports and exports surged 14.08 percent year on year to over 32.01 billion U.S. dollars in over 11 months of the 2022-23 fiscal year beginning in April last year, official data showed Tuesday. The country's total trade during the same period a year earlier was valued at more than 28.06 billion dollars, data from the Ministry of Commerce showed. From April 1 last year to March 10 this year, exports rose 9.52 percent to over 15.65 billion dollars from a year earlier, while imports climbed 18.8 percent to over 16.36 billion dollars, the ministry's data showed. Myanmar's sea trade during the period was valued at over 24 billion dollars, while its border trade amounted to over 8 billion dollars, the ministry's data showed.

CBM to govern export earnings to be deposited into local bank accounts

The Central Bank of Myanmar (CBM) will steer private sectors to ensure that the foreign currency earned from exports will be deposited in the local bank accounts, the CBM's governor Daw Than Than Swe said. On 20 March, the governor made that remark at a meeting held in Nay Pyi Taw with the companies that fail to deposit export earnings. According to Sections 18 (A) and 38 (B) of the Foreign Exchange Management Law and directive 27/2021, exporters to Asian countries must deposit their export income within 45 days from the starting day. Those shipping goods to countries outside Asia must deposit income within 90 days.

Seeking import licences before port arrival of goods mandatory

Seeking import licence for all types of goods including ones stored under customs warehousing before the goods arrive at the port is obligatory, according to the notification released by the Trade Department under the Ministry of Commerce. The department apprised the importers of the rules and regulations for imports that need import licences as per the Export/Import Notification 7/2023 dated 22 March.

Myanmar registers trade deficit of over \$754 mln over past 11 and half months

Myanmar's trade gap widened to over US\$754 million between 1 April and 17 March of the current financial year 2022-2023 compared to the year-ago period. Higher exports and lower imports resulted in a trade surplus of \$524 million in the corresponding period of the 2021-

2022 FY, according to data provided by the Ministry of Commerce. While exports were estimated at \$15.95 billion, imports were valued relatively low at \$16.7 billion over the past 11 and half months. Compared to the FY 2021-2022, exports showed an increase of over \$1.368 billion, while import value was up by \$2.647 billion.

EXTERNAL

Myanmar-China economic, trade promotion meeting held

Myanmar and China hold the economic and trade promotion meeting in Nay Pyi Taw on 21 March 2023. Department of Trade Director-General U Myint Thura of the Ministry of Commerce and Lancang City Mayor of Mr Du Jianhui held a coordination meeting to further promote the economy and trade yesterday at the Ministry of Commerce in Nay Pyi Taw.

China stands No. 1 investment partner in Myanmar's FDIs

The deputy-director general of the Directorate of Investment and Company Administration (DICA) mentioned that China is No. 1 partner for Myanmar in the country's Foreign Direct Investment. The deputy-director general Min Zaw Oo addressed it during China (Chongqing region/Bishan District) – Myanmar Business Cooperation Introduction that was convened yesterday (March 22) at Yangon's Lotte Hotel. There are almost 600 Chinese companies investing in Myanmar; most are industrial production enterprises. "China is the second largest investors for Myanmar in an aspect of direct investment. There are a total of 583 investments from China companies officially allowed to operate.

India provides 24-hour electricity in Rakhine villages through solar plants

The Indian government in New Delhi has constructed a number of solar plants in five villages under five townships of Rakhine State to help the residents get 24-hour electricity, said the residents. The selected villages include Ganggar under Kyauk Phyu township, Phoung Khar under Taungup township, Owe Htin under Maungdaw township, Pyin Ma under Pauk Taw township and Chong Kya under Maebon township. An official from the Indian consulate in Sittwe informed Narinjara News that the project was completed in December 2022. The construction began in 2020 with expenses from New Delhi.

US Adds Three Myanmar Organizations to Trade Blacklist

The United States added three organizations in Myanmar to its trade blacklist for aiding the junta, along with firms from Russia and China. The US Commerce Department's Bureau of Industry and Security put 37 new firms including 28 organizations from China, four from Pakistan, three from Myanmar and one each from Russia, Belarus and Taiwan to its export blacklist. Myanmar's Ministry of Transport and Communications and surveillance firms Fisca Security and Communication Co and Naung Yoe Technologies Co Ltd were targeted. The department said in a statement that the three organizations from Myanmar provided surveillance technology to the regime, enabling it to track and identify citizens and commit rights abuses. The action means the organizations face restrictive license applications, reviews and permission to export.

ONE launches new service between Singapore and Myanmar

Ocean Network Express (ONE) has introduced a new service from Singapore to Yangon, Myanmar (SMM), strengthening the company's network in the region. ONE said this new service SMM will consolidate the existing YGX and TMM services and will provide twice weekly coverages from Singapore to Yangon. In this way, ONE noted it will give its customers connections for Yangon imports and exports via its transshipment hubs in Singapore to face rising demand. The port rotation of the weekly service is Singapore – Yangon (MIP) - Singapore - Yangon (AWPT) – Singapore. The first sailing is expected to commence on 4 April from Singapore.

Keppel Land to divest Myanmar hotel project for \$77 million

Keppel Land and its subsidiary Double Peak Holdings are divesting their 100 per cent stake in Greenfield Development for US\$57.4 million (S\$77.2 million) in cash. Greenfield Development wholly owns Straits Greenfield, which has the right to build and operate a hotel in Myanmar. The consideration of US\$57.4 million exceeds Greenfield Development's net asset value of US\$43.9 million as at end-February 2023, said Keppel Land's parent Keppel Corp on Monday. The group added that its property arm's divestment is in line with Keppel Corp's asset monetisation plans to unlock capital that can be channelled towards new growth opportunities. The divestment is expected to be completed by the first half of 2023, after which both Greenfield Development and Straits Greenfield will no longer be subsidiaries of Keppel Corp. It is not expected to have a material impact on Keppel Corp's net tangible assets per share, nor earnings per share, for the current financial year.

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