National Export Strategy and linking up to Regional and Global Value Chain

Thidar Win Htay (Ms)
Deputy Director
Myanmar Trade Promotion Organization
Ministry of Commerce
22 October 2019
National Export Strategy

Vision

“Sustainable export-led growth and prosperity for an emerging Myanmar”

Strategic Objectives

1. To foster sustainable inclusive and equitable export-led growth
2. To ensure a consistent, predictable and transparent policy, legal and regulatory framework
3. To develop competitive, diversified and branded exports by expanding productive capacities and fostering innovation
4. To build enabled and supportive institutions
5. Build physical trade infrastructures
Overview of the NES

• A part of Myanmar’s efforts to improve socioeconomic conditions through increased and sustainable trade.
• A five-year roadmap detailing the trade development needs and priorities in cooperation with public and private sectors.
• Defines a broad scope of interventions with aspect of supply side, business environment, and market entry.
• An official strategy document of Myanmar endorsed by the Union Cabinet Economic Committee on 04 December 2014.
• To grow export competitiveness and diversification.
National Export Strategy

Priority Sectors

1. Rice
2. Pulses & beans and oil seed crops
3. Fishery
4. Textile and Garments
5. Wood based products
6. Rubber
7. Tourism

Cross-Sector Function

1. Access to finance
2. Trade information and promotion
3. Quality Management
4. Trade facilitation and logistics

Post-NES Priority Sectors

- Agro Processing Industry (Myantrade Master Plan)
- Gems and Jewelry Industry (Myantrade Master Plan)
- Fruits and vegetables
- Handicrafts
- Information and communication Technology

www.myantrade.org
NES implementation progress (2015-19)

The NES is a key trade and investment pillar in line with country’s MSDP, PSD Framework and other trade and industry development plans.

• the results of NES implementation up to date are:
  - 131 trade development projects, including national budget initiatives contribute(d) to the NES implementation;
  - Implementation of activities supported –69%;
  - More than two third of activities are currently under implementation or completed
  - Most of the activities are at the national level.

Yangon, Mandalay, Ayarwaddy and Magway are the Main beneficiaries of support.
### Myanmar export of goods and services

#### Trade volume (uSD Million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Export</td>
<td>8977.015</td>
<td>11203.96</td>
<td>12523.717</td>
<td>11136.878</td>
<td>11904.39</td>
<td>14675.21</td>
</tr>
<tr>
<td>2</td>
<td>Import</td>
<td>9068.914</td>
<td>13759.51</td>
<td>16633.146</td>
<td>16577.948</td>
<td>17198.85</td>
<td>18648.60</td>
</tr>
<tr>
<td>3</td>
<td>Trade Volume</td>
<td>18045.929</td>
<td>24963.46</td>
<td>29156.863</td>
<td>27714.826</td>
<td>29103.25</td>
<td>33323.82</td>
</tr>
<tr>
<td>4</td>
<td>Trade Balance</td>
<td>-91.899</td>
<td>-2555.55</td>
<td>-4109.429</td>
<td>-5441.07</td>
<td>-5294.461</td>
<td>-3973.39</td>
</tr>
</tbody>
</table>
**Rice sector export performance**

- **Value exported** and **Share in Myanmar’s exports (%)**

**Source:** ITC calculations based on UNComtrade data.

---

**Sector strategy progress**

- A surge in exports earnings in 2017, largely driven by higher demand from African countries and facilitated by trade agreements with Sri Lanka and Bangladesh.

- 40 trade development projects contribute(d) to the rice strategy implementation.

- 68% of the strategy’s activities are under implementation or completed.

- Mandalay, Yangon, Ayarwaddy and Sagaing are the main beneficiary regions/states of support.

---

**Myanmar exports of textiles & garments**

- **Value exported** and **Share in Myanmar’s exports (%)**

**2012-2013**

- Total: US$ 1.0 bln

- Japan: 44%
- Korea, Republic of: 20%
- Others: 11%

**2016-2017**

- Total: US$ 2.0 bln

- Japan: 29%
- Korea, Republic of: 12%
- Others: 27%
- Germany: 11%
**Sector strategy progress**

► 36 trade development projects contribute to the pulses, beans and oilseeds strategy implementation.

► 76% of the strategy’s activities are under implementation, or completed.

► Mandalay, Yangon, Ayarwaddy and Magway, are the main beneficiary regions/states of support.

**SUCCESS STORIES**

Since 2016, Myanmar GAP Certificates have been issued for over 15 crops including peanuts, green mung beans, paddy, sesame and winter crops and onsite post-harvest GAP Trainings to project-related growers.

Myanmar Beans and Pulses Market Promotion Forum in China, the first promotional event sponsored abroad to win new markets for Myanmar pulses and beans as well as additional workshops organized by the Myanmar government.

**Year** | **Export Value (million US$)** | **MT (million)**
---|---|---
2013-14 | 946.673 | 1.369
2014-15 | 200.096 | 1.497
2015-16 | 1214.991 | 1.242
2016-17 | 1398.905 | 1.424
2017-18 | 883.753 | 1.313
Sector strategy progress
► 18 trade development projects contribute(d) to the fisheries strategy implementation.
► 71% of the strategy’s activities are under implementation, or completed.
► Ayarwaddy and Yangon are the main beneficiary regions of support.

SUCCESS STORIES
Trade Fair Participation at the Seafood Expo Global 2018, supported by TDP
• Myanmar fishery products were presented and promoted.
• Myanmar seafood companies met with potential buyers and successfully established nearly 260 new business contacts.
## Fishery Export

<table>
<thead>
<tr>
<th>Year</th>
<th>Fish</th>
<th>Prawns</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quantity</td>
<td>Value</td>
<td>Quantity</td>
<td>Value</td>
</tr>
<tr>
<td>2011-2012</td>
<td>320348.838</td>
<td>467.637</td>
<td>26807.587</td>
<td>92.377</td>
</tr>
<tr>
<td>2012-2013</td>
<td>334487.951</td>
<td>409.553</td>
<td>24122.381</td>
<td>80.305</td>
</tr>
<tr>
<td>2013-2014</td>
<td>273559</td>
<td>259.411</td>
<td>38549</td>
<td>43.25</td>
</tr>
<tr>
<td>2014-2015</td>
<td>680576.73</td>
<td>232.763</td>
<td>17679.218</td>
<td>45.093</td>
</tr>
<tr>
<td>2015-2016</td>
<td>731757.887</td>
<td>264.64</td>
<td>89580.436</td>
<td>45.447</td>
</tr>
<tr>
<td>2016-2017</td>
<td>358615.702</td>
<td>325.743</td>
<td>15301.522</td>
<td>57.935</td>
</tr>
<tr>
<td>2017-2018</td>
<td>401153</td>
<td>396.988</td>
<td>18333</td>
<td>71.804</td>
</tr>
</tbody>
</table>

Source: Customs Department
Implemented/implementing projects under the NES (focal point by MoC)

- Inclusive Tourism Focusing on Kayah State and extension in Thaninthyai region (ITC-CBI)
- Improving food safety and compliance with SPS measures to increase export revenues in the oilseeds value chain in Myanmar (ITC-STDF)
- Upgrading Horticulture Supply Capacity and Responsible Tourism to Develop Business Linkages in Inlay lake areas in Shan State (Swiss Government – UN clusters)
- Trade and Investment Project (ITC-DFID)
NES Challenges and Lessons Learnt

-NES is to be considered as a whole of government and private sector effort.

-The tracking of NES implementation remains challenging with regards to data collection, entry, analysis and reporting.

-The NES document action plans need with a more synthetic version.

-Investment needs and policy/regulatory changes need to be further highlighted to streamline implementation.

- NES sectors implementing Committee have to be strong and provide guidance and recommendation.

- More cooperation between Ministries, associations and all inclusive participation in the implementation.

- Need to establish effective monitoring system for NES 2020-2025.
The First NES Symposium (2020-2025) in March 2019

- The Vice-President of the Republic of the Union of Myanmar inaugurated the start of NES 2020-2025 design process.
- An analysis of trade performance and export trends, as well as a presentation of NES 2015-2019 implementation progress completed.
- 180 public-private sector representatives participated in the event.
- Participants discussed key national bottlenecks for export development.
- NES 2020-2025 vision and strategic orientations were identified.
NES 2020-2025: proposed strategic orientation

Vision:

“Sustainable export-led growth and prosperity for Emerging Myanmar”

Strategic objectives:

1. Foster an enabling institutional and regulatory environment for sustainable export growth.
2. Expand existing productive capacities and develop value added exports.
3. Stimulate innovation and technology acquisition to diversify exports.
NES 2020-2025 structure

Recommended sectors and TSFs for NES 2020-2025 are aligned to NES strategic orientation of expanding productive capacities, increasing value addition, introducing innovation and enhancing diversification.

Continuing sectors: Rice, Pules and oilseeds, Rubber, Access to finance, Tourism
Linking up to Regional and Global value chain

Global value chain (GVC) describes the people and activities involved in the production of a goods or services and its supply, distribution and post-sales activities when activities must be coordinated across geographies.

- NES sectors implementation focus on export development and competitiveness with regards to productivity and compliance to international market requirements, market diversification, strengthening of sector organization, improvement of innovation capacity and branding.
- Implementation of NES contribute to the participation in Regional value chain (RVC) and Global value chain (GVC) in terms of policy reform, institutional capacity, productivity and market diversification, logistics capacity, transparency and efficiency, digital services etc.
THANK YOU