Trade Promotion and SDGs Implementation in Myanmar

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Sustainable Development Goals

1. No Poverty
   - End poverty in all its forms everywhere
2. Zero Hunger
   - End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3. Good Health and Well-being
   - Ensure healthy lives and promote well-being for all
4. Quality Education
   - Ensure quality education and promote lifelong learning opportunities for all
5. Gender Equality
   - Achieve gender equality and empower all women and girls
6. Clean Water and Sanitation
   - Ensure access to water and sanitation for all
7. Affordable and Clean Energy
   - Ensure access to affordable, reliable, sustainable and modern energy for all
8. Decent Work and Economic Growth
   - Promote inclusive and sustainable economic growth, full and productive employment and decent work for all
9. Industry, Innovation and Infrastructure
   - Build resilient infrastructure, promote sustainable industrialisation and foster innovation
10. Reduced Inequalities
    - Reduce inequality within and among countries
11. Sustainable Cities and Communities
    - Make cities inclusive, safe, resilient and sustainable
12. Responsible Consumption and Production
    - Ensure sustainable consumption and production patterns
13. Climate Action
    - Take urgent action to combat climate change and its impacts
14. Life Below Water
    - Conserve and sustainably use the oceans, seas and marine resources
15. Life on Land
    - Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss
16. Peace and Justice Strong Institutions
    - Promote just, peaceful and inclusive societies
17. Partnerships for theGoals
    - Revitalise the global partnership for sustainable development
Three Pillars of SDGs

1. Economic Growth
2. Social Inclusion
3. Environmental Sustainability

SDGs build on MDGs in three important ways

1. SDGs are holistic
2. SDGs apply to both rich and poor countries
3. SDGs require a significant scale-up of public and private focus and resources to be achieved
SDGs

Require;

➢ Revolution in Economic Planning,
➢ Political Cooperation,
➢ Business Leadership,
➢ Technological Advancement
➢ Regulation of Financial Flows and Taxes
➢ Solving Issues concerning Peace and Conflict
OBOR

• Integrate Asia, Europe and Africa
• Link Political, Social & Cultural
• Development of Land & Maritime Infrastructure;
  – roads,
  – rails,
  – airports,
  – seaports,
  – energy pipelines
  – other core projects for economic development
Include two main routes

The Silk Road Economic Belt:

(1) linking China to Europe through Central Asia and Russia;

(2) connecting China with the Middle East through Central Asia; and

(3) bringing together China and Southeast Asia, South Asia and the Indian Ocean

The twenty-first-century Maritime Silk Road:

(1) link China with Europe through the South China Sea and Indian Ocean; and

(2) connect China with the South Pacific Ocean through the South China Sea
Six main economic corridors

1. New Eurasia Land Bridge,
2. China-Mongolia-Russia,
3. China Central Asia-West Asia,
4. China-Indochina Peninsula,
5. China-Pakistan,
6. Bangladesh-China-India-Myanmar
Both SDGs and OBOR

- Need one another for their mutual success
- Long term planning
- Cooperation between States
- Development of Public-Private Partnership
- New form of multilateralism will be born
- Strengthening international cooperation
Six elements that will help ensure the mutual benefits of the SDGs and OBOR

• Clear coordination structure should be created between the United Nations, the government of China,

• OBOR should drive the need for all countries in the region to develop long term SDG implementation and investment strategies to ensure that proposed OBOR projects are aligned with sustainable development

• OBOR should push for the creation of well-capitalized national development banks throughout Asia, Europe, and Africa
Six elements that will help ensure the mutual benefits of the SDGs and OBOR (Cont.)

• OBOR should push for the creation of well-capitalized national development banks throughout Asia, Europe, and Africa

• Regional universities and think tanks should play a central role in developing the policy frameworks, research agendas, and cross-cultural exchanges, that will be needed for the success of OBOR

• OBOR must keep in mind the social development of the region
BRI Trade

• Total volume of trade between China and the BRI countries reached RMB 6.3 trillion yuan (USD $915 billion) in 2016 (Xinhua, 2017),
• Up 0.6% from 2015
• 36% growth in newly signed foreign contracts, amounting to a total of US $126 billion (MOFCOM, 2017)
• In 2014, the total export and import amount between China and the BRI countries accounted for 25% of the total foreign trade volume in China
BRI Trade

- The countries in Southeast Asia enjoy a similar import and export structure, and a high trade complementarity, with China due to geographical proximity and a long history of trade. China’s demand for mineral and oil and gas resources has increased significantly due to its recent economic development.

- Cooperation in the energy sector covers many areas, including infrastructure construction and environmental governance.
BRI Trade

• trade between China and the BRI countries has increased.
• Each country has its own products and a trade structure with distinct features, largely due to differing national conditions.
• China has high trade complementarity with them, which demonstrates that there is a basis for industrial capacity cooperation and much development space between China and the BRI countries for trade purposes.
• On the policy side, to stimulate trade cooperation, by 2016 China had planned to build 14 free trade zones covering 22 countries; currently, there are eight zones under negotiating and five zones being designed (SCIO, 2016).
Top Belt and Road Initiative exporters to China (based on countries targeted for inclusion by the Chinese government, US$b)

- South Korea: 2018 - 21, 2019 - 16
- Thailand: 2018 - 5, 2019 - 4
- Russia: 2018 - 5, 2019 - 4

Source: Euler Hermes
BRI Investment

• In 2017, the China-led Regional Comprehensive Economic Partnership (RCEP) was poised to accelerate BRI investments in ASEAN countries

• Energy and Utilities and Infrastructure and Construction are the largest sectors for BRI projects, and will continue to increase

• Continue to pour into the power, rail and healthcare sectors in the middle-income BRI countries
BRI Investment

- February, 2017 shows that average project values have been rising - 47% in overseas BRI projects and 14% in China-located projects (PwC, 2017)
- The RMB 4.7 trillion yuan (USD $683 billion) fiscal stimulus announcement in June, 2016 identified infrastructure as a top priority
- China doubled its FDI in BRI countries in 2015
- In 2015, 44% of China’s new engineering projects were in BRI countries; the figure climbed to 52% in 2016
- Gas pipeline linking the Bay of Bengal, Myanmar and Yunnan, and the railway route between Beijing and Duisburg in Germany. These projects will invest cumulatively USD $4 trillion into BRI countries
Infrastructure Development to Promote the Trade in Myanmar

SDGs

OBOR

MSDP
Myanmar Sustainable Development Plan

5 goals, 28 strategies and 238 action plans,
align with the United Nations’ Sustainable Development Goals,
the 12 Point Economic Policy of the Union of Myanmar
and ASEAN Economic Community.
• A Project Bank of Public Investment Programs from the States and Regions has been established under the Myanmar Sustainable Development Plan.

• List of prioritized public infrastructure projects (the flow of development assistance, allocation of the budget and private sector participation)

• Financed through public private partnerships.

• Clear social and economic development impact will be financed by the budget or through the targeted and strategic use of other sources of development finance, including development assistance.

• align the policies and institutions for the purpose of generating implementable solutions to achieve “genuine, inclusive and transformational economic growth.”
Top Foreign Investment of Permitted Enterprises as of (30-9-2019) by Country

- Singapore: 28%
- China: 14%
- Thailand: 10%
- Hong Kong: 6%
- U.K: 5%
- Republic of Korea: 3%
- Viet Nam: 2%
- Malaysia: 2%
- The Netherlands: 1%
- Japan: 1%
- India: 1%
- France: 1%
- U.S.A: 1%
- Others: 6%
Top Ten Trading Partners of Myanmar (2018-2019 as of June)

- CHINA: 17%
- THAILAND: 33%
- SINGAPORE: 3%
- JAPAN: 11%
- INDIA: 16%
- UNITED STATES OF AMERICA: 5%
- INDONESIA: 3%
- MALAYSIA: 3%
- VIET NAM: 4%
- KOREA, REPUBLIC OF: 2%
Trade and Investment of Myanmar

Myanmar is mainly trade with ASEAN around 35% of total trade and Neighbored Countries. The top 5 trading partners are China 36.85%, Thailand 15.13%, Japan 5.73%, India 4.38% and South Korea 2.38% of total trade in 2017-2018 FY and remain unchanged in 2019 trade figure. Trade deficit reduce the rate as 1.8% from 2015-2016 FY to 2016-2017 FY, 6.4% from 2016-2017 to 2017-2018, 5.9% from 2017-2018 to 2018 (mini budget year) respectively.

Most of the foreign investors are invest in Yangon Region around 80% of total inflow amount and Mandalay Region, Mgyaw Region, Sagaing Region and Bago Region are followed. In January 2019, The Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry held Invest Myanmar Submit, 2019 to attract the investors by showing the investment opportunities of States and Regions. Beside in February and March 2019, the government organized Investment Fair in Rakhine State and Chin State.
BRI Project to Monitor in Myanmar

- Kyaukphyu Deep Sea Port
- Muse- Mandalay Railway Project
- New Yangon Development Project
- Three Border Economic Zones
Con; (1) Benefits and risks

Benefits:
✓ Policy coordination, which contributes to a better Sino-Myanmar strategic cooperation,
✓ Bilateral policy coordination in multilateral frameworks,
✓ Boost for infrastructure and connectivity, fewer barriers for trade via bilateral economic and trade cooperation and financial integration, resulting in more foreign direct investment (FDI), and a better standard of living.
Risk:

? Great-power game at a multilateral level, Cognitive differences between China and Myanmar on the definition of a win-win cooperation,

? Myanmar’s internal dilemmas and issues regarding religion, ethnic minorities, devolution and the peace process are all uncertainties which might negatively affect Sino-Myanmar relations, and

? High-level cooperation such as G-to-G coordination is required but it is imperative to strengthen civil and non-governamental interactions between the two countries,
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