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For more information on the NES, please visit: www.trade.gov.mm and facebook.com/National-Export-Strategy-of-Myanmar

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MYANMAR NATIONAL EXPORT STRATEGY





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Overview of the NES

Vision and objectives

The National Export Strategy (NES) provides Myanmar with a detailed framework and decision-making instrument to guide the country's trade development and boost its export competitiveness. It outlines concrete, market-based solutions to address competitiveness constraints affecting Myanmar's competitiveness in global markets. It is the NES's vision to create "sustainable export-led growth and prosperity for an emerging Myanmar."

The NES provides a targeted plan for Myanmar to effectively allocate resources (financial, technical and institutional) to specific trade development priorities. In doing so, the NES aims to stimulate the country's trade and export sector, creating jobs and contributing to the overall socio-economic development of the country. The NES goals of export competitiveness and diversification are guided by the following strategic objectives:

- › Fostering sustainable, inclusive and equitable export-led growth
- › Ensuring a consistent, predictable and transparent policy, legal and regulatory framework
- › Developing competitive, diversified and branded exports
- › Building modern, enabled and supportive institutions to respond to exporters' diverse needs
- › Building physical trade infrastructure

Priority sectors

The Myanmar public and private stakeholders involved in the design of the NES selected 7 priority sectors for export development. These sectors are considered to hold the most potential to contribute to Myanmar's economic and social development.



Source: GIZ, photographer: Andreas Hub



Source: Ministry of Commerce

Textiles and garments

The textile and garment sector is one of Myanmar's most dynamic export sectors and is widely regarded with great anticipation as a future driver of growth in manufacturing. It is estimated by the Myanmar Garment Manufacturers Association (MGMA) that the sector employs approximately 260,000 people or 1% of the labour force. The main challenge for the garment sector in Myanmar is to expand its value chain from Cut Make and Pack (CMP) to Free On Board (FOB) mode, in order to create more value addition for the sector in Myanmar. To achieve this, the strategy focuses on ensuring that the industry can meet international quality standards, have easier access to finance, ensure the protection of workers and build clusters.

Forestry products

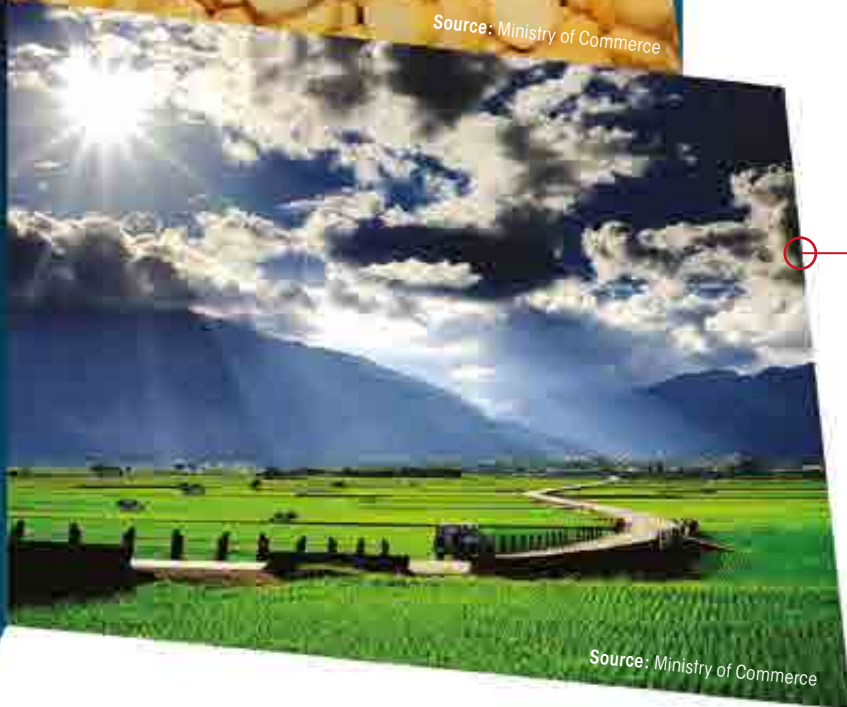
The forestry products sector is important to rural communities (from planters to consumers) and forms a primary energy source in the country. The main issue faced by Myanmar's forestry sector in the international market is its inability to comply with international standards and certifications. By ensuring sustainable and community based forest management, streamlining administrative rules, assuring reliable supplies, improving production skills and promoting investment, the NES strives to increase the international market share of Myanmar forestry products, while at the same time ensuring the sector's sustainability.



Source: Ministry of Commerce

Beans, pulses and oilseeds

Myanmar's pulses, beans and oilseeds sector is important because of its contribution to job creation, gross domestic product (GDP) and export generation. Myanmar is the world's largest producer of sesame seeds and the second largest global producer of pulses, making the sector of strategic importance for the country. The NES is aiming to increase this sector's productivity through enhancing the quality of seeds, advancing farming techniques, improving logistics and trade infrastructure, as well as improving branding and marketing techniques to boost the export.



Source: Ministry of Commerce

Rice

Rice is the country's most important agricultural product, accounting for roughly half of all cultivated land and an estimated 13% of gross domestic product (GDP). In the rice sector, the NES is focused on increasing production capacities through better seeds and technologies, reducing post-harvest losses, improving branding as well as diversifying export products and markets.



Source: Ministry of Commerce



Source: Ministry of Commerce

Fisheries

As an important source of protein in the national diet, and supporting an estimated 3.5 million jobs nationwide, the fisheries sector has a significant impact on socioeconomic welfare and domestic food security. It has great potential for export development and job creation. Through the introduction of modern stock management techniques, modernization of production methods, compliance with food safety and SPS measures, as well as building up supporting infrastructures, the strategy aims to contribute to sustainable sector growth.



Source: Ministry of Commerce

Rubber

It is estimated that the rubber sector currently employs between 350,000 and 400,000 workers, making it a real job-creator nationwide. The aim of the rubber sector strategy is to create an attractive climate for investors. In doing so, structural issues such as the use of outdated technologies, limited technical skills of labour, difficulty to comply with the highest quality standards, and the lack of a specialized rubber institute will be addressed.



Source: Ministry of Commerce

Tourism

As Myanmar's sixth largest exporting sector and the only service sector to boast a trade surplus, tourism currently accounts for 1.02% of GDP and 2.8% of total employment. Myanmar's diverse landscape, rich cultural heritage and strategic position in the heart of South East Asia are quite unique. The strategy aims to build a better understanding of the target markets and clients requirements, diversify the tourism offer, improve the skills of the sector operators and well as to enhance the overall service level for visitors.

Priority focus across the sectors

Priority focus across the sectors

Myanmar's private sector is generally constrained by limited financial intermediation, policy fragmentation and weak trade support infrastructure. The cross-sector strategies of the NES focus on improving the overall business environment for Myanmar enterprises. These strategies are critical for the economic future of Myanmar. These include:

Access to finance

Myanmar's financial sector is one of the least developed in South East Asia. Less than 10% of the population holds a bank account. The strategy focused on resolving some of the key constraints such as an outdated legal and institutional framework, challenging regulations governing transactions, the limited outreach and capacity of the banking sector and the creditworthiness of Myanmar enterprises. Finance being a key engine for trade development, it is a priority to implement quick and efficient changes to the finance sector. On the long run, Myanmar's finance sector will need to introduce more advanced skills, technology and infrastructure to successfully compete internationally.

Quality management

Adherence to modern assurance systems such as sanitary and phytosanitary (SPS) measures, HACCP and others is a key determinant in competing on global markets. The strategy aims to enable compliance of goods with technical and voluntary standards, as well as ensuring food safety and animal and plant health. The revision of policies, regulations, standards and SPS measures in line with international regulations and their effective implementation by competent institutions, will enable Myanmar consumers to buy better quality products and will give Myanmar enterprises easier access to global markets.



Source: Ministry of Commerce

Trade facilitation and logistics

Myanmar's geographic position in South East Asia puts the country at the crossroads of trade flows in the region. Myanmar faces numerous challenges with regards to the quality of its transport infrastructure, leading to late deliveries and an inability to efficiently track and trace consignments. To speed up the development of trade facilitation and logistic services, the NES aims to stimulate the development of skills and best practices within the industry. Furthermore, it plans to encourage the development of physical and non-physical infrastructure. In order to ensure the physical infrastructure operates properly it is also essential to update the trade-facilitation framework to streamline trade operations.

Trade information and promotion

Until recently, explicit focus on trade information has been missing from Myanmar Government plans, legislation, studies and development programmes. Nonetheless, this trend is now changing with a growing attention for the relevance of trade information. By improving both the quality and the scope of trade information, using more innovative channels of media, more detailed country information regarding export destinations and leveraging existing sources, trade information and promotion can play a key role in the export value chain.



Source: Ministry of Commerce



Source: Ministry of Commerce

High-level support for the NES

The Myanmar Government, the private sector representatives and development partners joined together at the official NES launch in March 2015 to work in partnership towards a successful NES implementation. The high-level championship from the Myanmar Government starting from Vice-President U Nyan Tun, the Minister of Commerce, U Win Myint, and more than 19 Ministers, clearly confirms a strong engagement to implementing this 5-year strategic trade development program.

"I am convinced that the implementation of the NES will effectively support the key objectives of the nation, such as poverty reduction, rural development and broad-based income growth, leading to sustainable growth for Myanmar." U Nyan Tun, Vice-President of Myanmar.

"The NES reinforces Myanmar's leadership in engaging with international partners, bilateral donors and multilateral institutions to ensure the cohesion and alignment of donor interventions with national needs and priorities." U Win Myint, Minister of Commerce.

"Trade is the engine of growth. The successful implementation of NES will contribute to the national economic development and create a competitive economy." Dr. Pwint San, Deputy Minister of Commerce.

Myanmar's private sector has also been fully involved through the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and the various private sector associations. The private sector is also heavily involved in guiding and implementing of the priorities of the NES.

The NES has laid the foundation for public-private partnership in enhancing, diversifying and developing Myanmar's Export Trade. Its successful implementation will contribute towards our nation's overall development and prosperity. The strategic direction laid out in the NES will help clarify the measures needed to be undertaken to develop our Agro-based industries as well as our manufacturing sector." U Win Aung, President of UMFCCI.

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Implementing the NES for the benefit of Myanmar

No strategy is effective without solid implementation. Since trade development involves multiple stakeholders from the public and private sectors, specific attention is now given to building strong communications, coordination and collaboration for successful NES implementation. The broad range of NES priorities at the policy, institutional and sector levels requires careful implementation that directs resources effectively and monitors results. Of particular focus is the need to ensure that trade development efforts do not occur in isolation and are aligned with the trade development needs of Myanmar.

Implementation infrastructure

In order to implement the NES effectively, a solid coordination and management framework has been established. As part of that framework, a high-level committee of public and private sector representatives, the Myanmar Trade Development Committee (MTDC), has been established to advise the government on matters of trade development. The committee's mandate is to coordinate and manage the implementation of national trade development plans, including the National Export Strategy, and to provide recommendations for the allocation of resources. Sector Implementation Committees (SICs) are specialised sub-committees for the 11 priority sectors and cross-sectors of the NES. Their mandate is to coordinate and manage interventions in their specific sector in order to provide advice on progress, prioritisation and the allocation of resources for effective sector development.

As part of the overall trade development efforts in Myanmar, the Ministry of Commerce has recently established an Aid for Trade Coordination Unit, tasked with the operational coordination, planning and implementation management of all Myanmar's trade development plans. This unit coordinates collaboration between key partners, monitors progress of all trade strategies in order to guide the work of the SICs (Sector Implementation Committees) and the MTDC.

"This is the first ever National Export Strategy of Myanmar that will transform the structure of export from primary products to more diversified and value added products and services, creating an opportunity for Myanmar to participate in global value chains. This is the time for Myanmar to make crucial efforts and to collaborate with the public and private sector for national development through export-led growth, by utilizing the abundant natural resources, human capital and the country's strategic location in South East Asia." U Aung Soe, Deputy Director General, Department of Trade Promotion and Consumer Affairs, and NES Navigator, Ministry of Commerce.



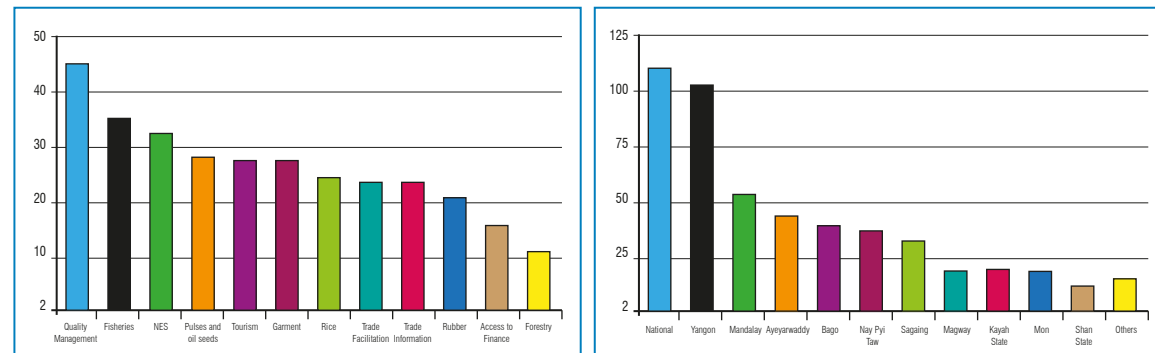
Managing for success

In order to effectively manage the NES implementation in close coordination with key public and private partners, an online information system is being developed for the Ministry of Commerce and key partners to collect information on projects contributing to the NES implementation. The Strategy Implementation Management System (SIMS) increases visibility of NES implementation progress by identifying linkages between trade development projects and strategic priorities defined in the NES. The SIMS builds on and expands on the data collected in the <http://mohinga.info> (Aid Management System) and other data sources from relevant Ministries and development partners. According to the data collected until 31 December 2015, there were more than 75 projects contributing to the NES implementation throughout the Myanmar.

"Myanmar is at an interesting junction in history, where strategizing resources of development partners is crucial, especially in the field of trade where many Ministries, private parties and donor organizations are involved. A lot of progress has been made already through the elaboration and implementation of the NES."

Alberto Menghini, Programme Manager at Delegation of the European Union to Myanmar.

Number of projects and activities by region supporting NES implementation



Source: SIMS (ITC)

"The National Export Strategy is imperative for the growth of the private business sector since it is built on a public- private coordination platform, drafted and crafted by sector driven interests, aiming at individual and sector-wide growth, which also is integrated into national growth and the development strategy." Daw Khine Khine Nwe, Deputy Managing Director, Best Industrial Company limited.



Source: Co-Laboratory

Source: GIZ, photographer: Andreas Hub

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Overview of a few projects contributing to NES implementation

Strengthening Quality Infrastructure in Myanmar

The project aims to increase the local availability and usage of Quality Infrastructure (QI) services that are based on international good practices. It focuses in particular on the QI service needs of the agricultural and food sector accounting for the majority of small and medium enterprises in Myanmar.

The main stakeholders are the Department of Research and Innovation (DRI) under the Ministry of Science and Technology (MoST) which is the designated focal point in Myanmar for the development of the national quality infrastructure. Further, related institutions such as laboratories (National Analytical Laboratory NAL, FDA and FIDSL) as well as the business sector organizations, such as the UMFCCI and their member institutions. Ultimately, the final beneficiaries are the SME's with a focus on food and the agricultural sector.

The desired outcome is to develop a properly functioning basic quality infrastructure system that will lead to increased competitiveness of SMEs, improved private sector development and better consumer protection. The project is fully funded by the German Ministry for economic cooperation and development (BMZ). The budget is Euro 800,000. The timeline for the project is from January 2015 until December 2018. The project is in line with the implementation of the NES in several areas that are marked in the NES implementation plan.



Source: GIZ, photographer: Andreas Hub

Project funded by:



Project implemented by:



website: <https://www.ptb.de/lac/index.php?id=myanmar>



Inclusive Tourism Focusing on Kayah State

This unique program is focused on the inclusive development of tourism in one of the poorest states in Myanmar. By taking a broad approach to tourism development, this project ensures local small and medium enterprises and communities to benefit directly from tourism revenues flowing into the country. The ITC Inclusive Tourism project involves local producers (e.g. food, handicrafts) and service providers (e.g. hotels, restaurants and guides) as well as national service providers (e.g. tour operators). Furthermore, this project aims to support Myanmar tour operators to develop inclusive tours in Kayah State and to promote the wonderful Kayah state to international travelers. As part of this project, many activities aligned to the NES recommendations have already taken place:

- » Development of Cultural Tourism Tours programmes in Pan Pet and Htaa Nee La Leh villages, Kayah State
- » Training and coaching of 16 Myanmar Tour Operators to develop and implement Export Marketing Plans (EMPs)
- » Development of national branding guidelines, including standard templates and instructions on how to use them to enable a strong, culturally significant, yet simple and dynamic brand
- » Design of a leaflet (with attractions in and around Loikaw and a map of Loikaw City) and a brochure (People, Places, Traditions) of Kayah state
- » Training and advisory services in Hygiene Practices and Food Safety Systems in the tourism sector for public and private sector stakeholders
- » Strengthening of Kayah Hotel, Restaurant, Guides and Travel & Tours associations

Mr. Pascal Khoo Thwe, the famous author of bestseller "From the land of the green ghosts" is optimistic about Kayah State's tourism plans: "By working closely together with ITC and local tourism SME's, such as souvenir shops, restaurants, tour operators and guides, we can upgrade both the service level for tourists, as well as diversify the offer. Instead of just taking pictures of the Padaung Ladies, we can offer a much more complete tourist program, including cultural highlights of Kayah as well as hiking in nature. By linking Kayah State to nearby tourism hotspots as Inle Lake and soon Thailand, Kayah can take a unique position within tourism in Myanmar".

Mr. Nay Moe Aung from local tour operator 9 Generations, mentions the steps that he thinks are important for tourism in Kayah: "Together with ITC we've developed an ambitious but straightforward approach to improving tourism in Kayah State. We focus on the 3S's: Safety, Story and Service. Naturally, Safety comes first. By focusing on the right Story, we can tell our tourists about the unique and intriguing culture heritage of Kayah State, from the Padaung longnecks, to animistic totems and fascinating local legends. If we can do all this with the right level of Service, we truly have something special to offer the tourists".

Source: GLZ, photographer: Andreas Hub

Project funded by:



Project implemented by:



Strengthening Competitiveness of Smallholder Rubber Farmers

Generating Rubber Opportunities (GRO) Myanmar is a project that aims to "Strengthen the rubber market system to improve the incomes and livelihoods of smallholder farmers (WMSHF) and tappers in southern Myanmar". The project will address the root causes of the rubber market under performance.

Surveys revealed that smallholder farmers are not quality-conscious, and they often "plant blind" with little knowledge of the correct seed varieties and cultivation practices. Smallholder farmers were also found to have an unhelpful "tap-what-you-can" mindset, believing that rubber is natural and free and so does not require effort to produce. GRO is trying to overcome these issues by promoting market systems where services and raw materials can reach a potentially much larger number of SMEs and farmers. GRO focuses on:

- » Provide information on market potential
- » Help stimulate demand
- » Build capacity of partner (training)
- » Broker relationship between actors
- » Improve market access, management & technical skills

The project will also focus explicitly on assisting smallholder rubber farmers to have more secure access to and control over their land. Through its facilitation approach the project will make market actors increasingly aware of promoting decent work, transforming gender relations, and addressing gender-based violence on rubber plantations. Ultimately, the GRO Myanmar project will increase the competitiveness of the smallholder rubber farmers enabling them to produce better quality rubber, increased competitiveness of the farmers and thus help Myanmar attain its National Export Strategy goals for rubber.

Project funded by:



Project implemented by:



website: <http://mohinga.info/en/profiles/activity/MM-FERD-ID8700/>





Rubber Clone Trial Project

Together with the Ministry of Agriculture and Irrigation, the Department of Industrial Crops development aims to develop new rubber clones. Current rubber varieties do not make use of the full potential of modern cloning techniques. By close collaboration of the Ministry of Agriculture & Irrigation and the Department of Industrial Crops, the technical capabilities with regards to cloning can be upgraded, opening up the possibility to develop rubber clones that are more suitable for different regional ecological conditions throughout Myanmar.

In doing so, it aims to generate additional income and reduce poverty of farmers through the cultivation of high yielding rubber clones. Through the sustainable development of rubber production throughout the country, the overall export figures of rubber products can be increased, enhancing the national economy.

Project funded by:

Myanmar National Budget



Project implemented by:



Improving Food Safety and Compliance with SPS Measures to Increase Export Revenues in the Oilseeds Value Chain

The STDF funded project on Improving Food Safety and Compliance with SPS Measures to Increase Export Revenues in the Oilseeds Value Chain, is implemented by ITC in partnership with the Ministry of Commerce (MoC), Myanmar. In line with the NES recommendations, this project aims to increase export revenues of farmers, processors and exporters along the oilseed value chain through improved food safety and compliance with SPS (sanitary and phytosanitary) measures for market access in the sector. The project beneficiaries include at least 200 farmers in Mandalay, Sagaing, and Magway, 20 oilseed collectors and storage facilities, 10 oilseed processors, 50 exporters, and 10 experts, including agricultural extension officers and inspectors on food safety.

One of the main outputs is to strengthen the capacity of farmers to comply with GAP (good agricultural practices) and SPS measures, including pest control, harvest, and post-harvest practices and pesticide use. In addition, the project aims to improve storage facilities through increased capacity for quality segregation of seeds and enhanced oilseeds processing by introducing food safety control systems based on GHP, GMP, HACCP-certification schemes. All contribute to a stronger oilseed value chain and better linkages with potential export markets.

A substantial spill-over effect on other agricultural sector beyond the oilseeds sector is to be expected, creating border awareness and compliance with SPS and food safety standards for other agriculture products.

website: <https://www.facebook.com/itcoilseedsmyanmar/?fref=ts>

Project funded by:



Project implemented by:



Trade Development Programme

The Trade Development Programme for Myanmar (TDP) is funded by the EU and co-funded by the German Federal Government through its Ministry for Economic Cooperation and Development. The TDP is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The overall objective of the Trade Development Programme is to contribute to the enhancement of inclusive economic growth of Myanmar by enabling the country to take advantage of its re-integration into the world trading system, including ASEAN, and the opportunities for trade and investment. The budget made available by both financing partners is EUR 10.5 million for the implementation period that runs from January 2015 to December 2017. The TDP consists of 4 components with the following expected results:

- **Trade reform** – The capacities of private and public actors in trade policy analysis, formulation and implementation are enhanced.
- **Trade facilitation** – Rapid movement of legitimate import and export of goods is facilitated.
- **Food safety** – Myanmar's sanitary and phytosanitary standards (SPS) comply with international agreements and meet EU requirements in selected sectors.
- **National quality infrastructure** – The national quality infrastructure is developed to reduce barriers in international trade.

This major trade development program contributes in various ways to the implementation of the NES.

Project funded by:



Project implemented by:



website: <https://www.giz.de/en/worldwide/27714.html>



Source: Co-Laboratory