

Empirical Investigations in Trade and Investment of Myanmar

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Abstract

This study investigates how Myanmar receives direct investment from other countries, and how Myanmar trades with other countries during the period of 2005/06 and 2016/17. Regarding FDI inflow, it is found that the influx of foreign direct investment into Myanmar is fluctuating. It is clearly seen that the only one sector is not the main recipient of FDI all over the period. It is also found that the number of Myanmar company increase all over the period; however, the number of foreign company/branch are not stable. After the removal of sanction, it can be said that the number of Myanmar company and foreign company increase noticeably. Regarding trade with ASEAN countries, it is found that trade relationship between Myanmar and Singapore is the largest among ASEAN countries. Trade connectivity with Malaysia takes the second place. The volume of trade between Myanmar and Lao PDR is relatively very small. Myanmar's trade with Lao PDR, the Philippines, Vietnam and Brunei are favorable. However, Myanmar's trade with Singapore, Malaysia, Cambodia and Indonesia are unfavorable. Regarding trade with neighboring countries, it is found that trade volume between Myanmar and Thailand is the largest amount from 2005/06 to 2010/11. However, trade flow between Myanmar and China becomes the largest among four trading countries during the period of 2011/12 and 2016/17. India can take the third place among four trading countries because of the insurgent area in India border side. Myanmar's trade with Thailand, India and Bangladesh are favorable. However, it is found that Myanmar's trade with China is unfavorable.

I. Introduction

1.1 Background

In the globalization era, trade has become an important instrument for contributing to national income due to foreign capital inflows among countries. Accordingly, international trade has been expanded recently. Therefore, it can be said that countries in the world cannot be possible to gain economic growth without trade because countries cannot produce everything their societies need. As the countries open up their economies, they need to consider trade policy as the major concern. On the other hand, Foreign Direct Investment which is regarded as the contributing

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factor to economic growth has also grown significantly. It became the major source of external finance for developing countries during the 1990s.

After Myanmar has changed its economic system from a centrally planned economic system to a market oriented one in late 1988, a series of structural reforms including investment environment and trade sector reforms has been introduced. The objectives of economic reforms are to allow private sector participation in various sectors, to reduce the degree of government intervention, to allow trading with the rest of the world, and to invite investments from foreign countries. In order to encourage the investment environment, institutional changes which are appropriate for economic system of the country has been undertaken. Foreign investment law in 1988, Myanmar citizen investment law in 1994, special economic zone law in 2014 and Myanmar investment law in 2016 were enacted, aiming at facilitating the investment promotion. In order to facilitate trade promotion, export/import policy and procedures are based on the principle of liberalization in line with the economic system of Myanmar. This study examines the inflows of direct foreign investment into Myanmar and trade flows of the country in the period from 2005/06 to 2016/17.

1.2 Objectives of the Study

This study aims to analyze:

- (1) the influx of foreign direct investment into Myanmar,
- (2) the trade flows between Myanmar and other ASEAN countries, and
- (3) the export and import situation between Myanmar and its neighboring countries.

1.3 Method of Study

This study uses descriptive analysis to describe the yearly inflows of foreign direct investment and the yearly volume of direct foreign investment by sector, and export and import situations between Myanmar and its trading countries, namely neighboring countries and other ASEAN countries.

II. Myanmar Investment Environment

After changing from centrally planned economic system to a market oriented economic system in late 1988, the government promulgated the Union of Myanmar Foreign Investment Law (FIL) on 30th November, 1988. The major objectives of foreign investment law² are as follows:

- promotion and expansion of exports
- exploitation of natural resources, which require heavy investment
- acquisition of high technology
- supporting and assisting production and services involving large capital
- opening up of more employment opportunities
- development of works which would save energy consumption, and
- regional development

According to Notification No (7/94), moreover, the Government of the Union of Myanmar formed the Myanmar Investment Commission (MIC) on 3 August 1994 to supervise and administer the Foreign Investment Law (FIL) and Myanmar Citizen's Investment Law (MCIL). In line with the Notification No. (59/99), the government reformed the commission on 3 December 1999. There are five full time and five part time members in this commission, and all are ministers. The commission undertakes the obligation to Trade Council and Cabinet (Ministry of Commerce 2006, p.6 and 7).

According to FIL, foreign investment activities can be made in any form of the followings:

- (1) the wholly foreign – owned investment
- (2) a joint venture with Myanmar citizen
- (3) an individual, a private company and a co-operative society
- (4) a State-owned enterprise.

In order to flow more foreign capital into the country, the FIL provides investment incentives and guarantees to potential foreign entrepreneurs. These incentives³ are as follows:

- (a) exemption or relief from income-tax on reinvested profits within one year,
- (b) accelerated depreciation rates approved by the Commission,
- (c) fifty percent relief from income-tax on profits accrues from exports,

²Ministry of Commerce 2006, p.6

³ Ibid

- (d) the right to pay income-tax on behalf of foreign experts and technicians employed in the business, and the right to deduct such payment from assessable income,
- (e) right to pay income-tax on the income of foreign employees at the rate applicable to Myanmar nationals,
- (f) right to deduct Research and Development expenditures from the assessable income,
- (g) the right to carry forward and set off losses up to three consecutive years from the year the loss is sustained,
- (h) exemption or relief from customs duty or other internal taxes or both on import of machinery, equipment, instruments machinery components spare parts and materials used in the business during the period of construction, and
- (i) exemption or relief on customs duty or other internal taxes or both on imported raw materials for the first three years of commercial operation after completion of construction.

In 2014, the Special Economic Zone Law was enacted in order to create a center of attention of investors. At present, there are three SEZs in the country; namely, Kyauk Phyu in Rakhine State, Dawei in the Thanintharyi Region and the Thilawa in Yangon Region. Free zones, promotion zones and other zones are established in the SEZs, aiming at realizing benefits for investors.

According to special economic zone law, business related manufacturing, housing, departmental store, banking, insurance, school, hospital and recreational places are allowed to invest. The possible benefits for investors⁴ are made known as follows.

FREE ZONES	PROMOTION ZONES
Income tax exemption for the first seven years	Income tax exemption for the first five years
After seven years, 50% relief of current legal income tax rates for five years	After five years, 50% relief of current legal income tax rates for the second five years
After 12 years, 50% relief of current legal income tax for profit that is reinvested within one year as	After 10 years, 50% relief of current legal income tax for profit that is reinvested within

⁴ Ministry of Planning and Finance

FREE ZONES	PROMOTION ZONES
a reserve fund for the next five years	one year as a reserve fund for the next five years.
Exemption from commercial tax or valued-added tax	For the first five years, exemptions from customs duties and other relevant taxation on production machinery and replacement parts; and construction materials for building the business's own facilities, such as factories, warehouses and offices.
Exemptions from customs duties and other relevant taxation on imports of raw materials for production machinery instrument and necessary spare parts for production; construction material for building such as factories, warehouses and own offices and motor vehicles	For the resources listed above, 50% relief of the custom duties and other taxation the next five years.
	The customs and other taxation shall be paid for the importation of raw materials and other goods for production.
The exemptions of customs duties and other relevant taxation on the import of trading goods, consignment goods, motor vehicles and other materials which are essential for a business's free-tax wholesale trading, export trading and services of provision and transportation.	For the resources listed above for, the option to apply for a refund of customs duties and other taxation paid on importing them, if the goods they help produce are exported abroad or into a Free Zone.
The option to apply for exemption on import tax or value-added tax for goods imported from a local or Promotion Zone to a Free Zone for the investor of Free Zone.	Exemption of commercial tax and value added tax during the relevant relief period provided in the Special Economic Zone Law.
	In all other cases, businesses shall regularly

FREE ZONES	PROMOTION ZONES
	pay the customs and other taxes upon importing raw materials and other goods for production

In 2016, Myanmar investment law was enacted to be smooth the progress of investment environment. The objectives of Myanmar Investment Law⁵ are as follow:

- (a) to develop responsible investments which do not cause harm to the natural environment and the social environment for the interest of the Union and its citizens;
- (b) to protect the investors and their investments in accordance with the law;
- (c) to create job opportunities for the people;
- (d) to develop human resources;
- (e) to develop highly efficient productivity, service, and trading sectors;
- (f) to develop technology, agriculture, livestock and industrial sectors;
- (g) to develop various professional fields including infrastructure around the Union;
- (h) to enable the citizens to be able to work alongside with the international community; and
- (i) to develop businesses and investments that meet international standards.

2.1 The Situation of Foreign Direct Investment in Myanmar

In late 1988, the Union of Myanmar transformed centrally planned economic system into a market oriented economic system. Since then, the government introduced a foreign investment law in in 1988, Myanmar citizen investment law in 1994, special economic zone law in 2014 and Myanmar investment law in 2016, which provides potential foreign entrepreneurs with several attractive investment inducements. After introducing Myanmar foreign investment law, the influx of foreign direct investment started in Myanmar from 1989 onwards. The influx of direct investment into the country from 2005/06 to 2016/17 is shown in Table (1).

⁵ Ministry of Planning and Finance

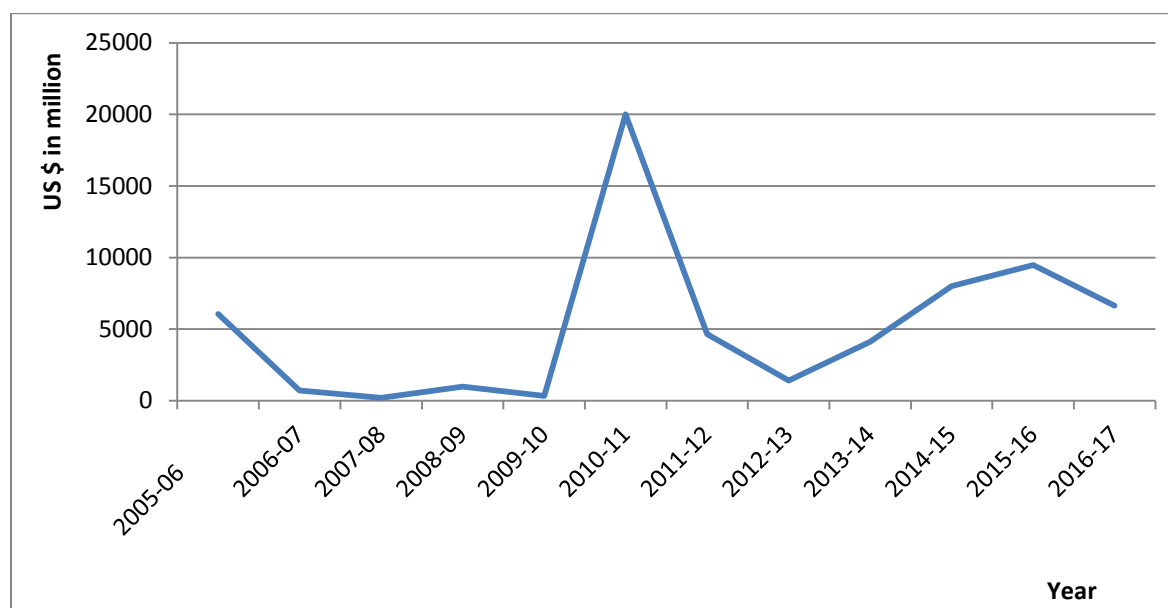
Table (1) The Influx of Foreign Direct Investment into Myanmar
During the period of 2005/06 to 2016/17

Year	FDI flows (US \$ million)
2005-06	6065.675
2006-07	719.702
2007-08	205.72
2008-09	984.764
2009-10	329.58
2010-11	19998.965
2011-12	4644.46
2012-13	1419.467
2013-14	4107.055
2014-15	8010.533
2015-16	9485.623
2016-17	6649.812

Source: Ministry of Planning and Finance

In order to see easily the increasing and decreasing inflows of FDI into the country, the pattern of the changes of the influx of foreign direct investment into Myanmar during the research time span is illustrated in Figure 1.

Figure 1. The Pattern of the Changes of the Influx of Foreign Direct Investment into Myanmar during the period of 2005/06 and 2016/17



Source: Table (1)

As can be seen in Figure 1, it can be said that the situation of the influx of foreign direct investment into Myanmar was fluctuating. The volume of FDI inflow into Myanmar has dropped significantly from 2005/06 to 2009/10. However, the volume of FDI into Myanmar enormously increased in 2010/11; the reason may be the removal of economic sanctions at that time. Then, the amount of FDI into the country decline again. After special economic zone law in 2014, the volume of FDI inflow into Myanmar increase significantly again in 2015/16. Therefore, it can be said that the influx of FDI depends considerably on investment policy, law, rules and regulations. Looking at the volume of foreign direct investment by sector during the research time span, it is clearly seen that the only one sector is not the main recipient of FDI all over the period. However, the oil and gas sector has been the leading recipient of FDI over the period of ten years. Then, the power sector and the manufacturing sector take the second place among recipients of FDI. The mining sector mainly received FDI from the world only in 2008/09. In 2016/17, the transportation and communication sector become the leading recipient of FDI. The pattern of the influx of foreign direct investment by sector shows at Table 2 as follows.

Table (2) The Influx of Foreign Direct Investment by Sector

US \$ in million

S.N.	Sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Agriculture						138.8		9.65	20.27	39.67	7.18	
2	Livestock & Fishiries			12					5.6	96.02	26.86	8.25	96.68
3	Mining	0.7		5	856	2.5	1396	19.9	15.33	32.73	6.259	28.92	
4	Manufacturing			18.72	(-) 0.232	33.23	66.32	32.25	400.7	1827	1502	1069	1180
5	Power	6030	281.2	0			8219	4344	364.2	46.51	40.11	360.1	909.9
6	Oil and Gas	34.98	438.5	170	114	278.6	10179	247.7	309.2		3220	4818	
7	Construction												
8	Transport & Communication							0.634		1190	1679	1931	3081
9	Hotel and Tourism				15	15.25			300	435.2	357.9	288.4	403.6
10	Real Estate									440.6	780.7	728.7	747.6
11	Industrial Estate											10	
12	Other Services								14.77	18.53	357.3	236	231.3

Source: Ministry of Planning and Finance

From the view of existing yearly enterprises during the period of 2005/06 and 2016/17, it can be seen that the number of Myanmar company increase all over the period; however, the number of foreign company/branch are not stable. After the removal of sanction, it can be said that the number of Myanmar company and foreign company increase noticeably. According to the number of enterprises mentioned in the following table, it can be said that special economic zone law in 2014 supports the influx of FDI into the country.

Table (3) Existing Yearly Enterprises from 2005/06 to 2016-2017(Up to November)

S.N	Year	Myanmar Company	Foreign Company/Branch	Partnership	Association	Joint Venture	Total
1	2005-2006	1261	8	-	-	-	1269
2	2006-2007	1367	5	-	-	-	1372
3	2007-2008	1933	10	-	-	2	1945
4	2008-2009	1568	8	-	1	2	1579
5	2009-2010	1968	3	-	-	-	1971
6	2010-2011	2693	18	-	-	3	2714
7	2011-2012	4569	26	-	2	1	4598
8	2012-2013	5550	502	-	13	-	6065
9	2013-2014	6101	1012	-	28	3	7144
10	2014-2015	6321	1250	-	12	4	7587
11	2015-2016	6728	1171	-	24	8	7931
12	2016-2017(Up to November)	6298	881	-	17	1	7197

Source: Ministry of Planning and Finance

III. Trade Regime

Trade is an economic activity closely related to production, transportation, marketing and money circulation. In almost every country in the world, internal and external trade plays a vital role in striving to achieve their economic growth. Thus, classical economists contend that trade is a mechanism for economic growth. It is recognized that international trade largely contribute to economic growth based on classical and neo-classical trade theories.

Generally, nations trade with each other through particular harbor and airport under the control of respective governments. Neighboring countries, however, trade with each other via border areas based on market conditions, political situation, foreign exchange policy, transportation and border relation between neighbors.

After Myanmar introduced market oriented economic system, in order to encourage private sector participation in foreign trade and support fully from every perspective, trade liberalization measures⁶ were introduced as follows:

- ❖ To be in line with the changing economic system, the private individuals or enterprises are allowed to carry out the export import business which was previously monopolized by the state.
- ❖ Border Trade was regulated in order to develop and strengthen the bilateral trade relations with the five neighboring countries. Department of Border Trade was established and its 11 branch offices providing one-stop service for border trade matters in collaboration with various departments concerned.
- ❖ Export and Import procedure was realigned.
- ❖ Lowered the technical barriers to trade and simplified export/import procedures geared towards trade facilitation and promotion.
- ❖ Incentives are being given to exporters by allowing 100% retention of export earnings for importation of goods.
- ❖ Trade notifications are being issued by specifying necessary rules in conformity to the changing internal and external business environment.

⁶ Ministry of Commerce, 2006

- ❖ Exemption of commercial tax and customs duty on the imported items like fertilizers, agricultural machineries and implements, insecticides and pesticides, medicines and raw materials.
- ❖ The role of Chambers of Commerce and Industry had reactivated and recognized the Union of Myanmar Federation of Chambers of Commerce and Industry – UMFCCI for the promotion of trade and industry of the private sector.

3.1 Trade Flow between Myanmar and ASEAN Countries

At this moment in time, the trading countries of Myanmar are ASEAN countries, rest of Asia, Middle East, America, North West Europe, Southern Europe, Eastern Europe, Africa, Oceania and others. The export commodities are agricultural products, marine products, animal products, forest products, metal, finished products and others. The import commodities are capital goods, intermediate goods and consumer goods. Trade flow with ASEAN countries excluding Thailand is analyzed in this part.

Table (4) Trade Flow between Myanmar and ASEAN Countries

US \$ million

S.N	Year	Cambodia		Singapore		the Philippines		Vietnam	
		Trade	%	Trade	%	Trade	%	Trade	%
1	2005-06	0.016	0.001	823.758	66.153	18.132	1.456	48.321	3.880
2	2006-07	0.093	0.006	1217.12	71.994	20.058	1.186	71.105	4.206
3	2007-08	0.032	0.002	1222.31	64.892	19.913	1.057	97.707	5.187
4	2008-09	0.397	0.014	1881	65.582	25.434	0.887	59.204	2.064
5	2009- 2010	0.263	0.011	1873.17	75.341	41.356	1.663	81.033	3.259
6	2010-11	1.398	0.044	2102.31	66.588	39.272	1.244	114.078	3.613
7	2011-12	1.477	0.035	3058.88	73.139	48.959	1.171	143.38	3.428
8	2012-13	0.389	0.010	2826.77	76.110	44.012	1.185	155.959	4.199
9	2013-14	0.946	0.018	3604.25	67.097	33.353	0.621	281.014	5.231
10	2014-15	1.22	0.018	4895.9	71.020	28.2	0.409	321.334	4.661

11	2015-16	0.898	0.016	3696.33	66.404	28.998	0.521	346.858	6.231
12	2016-17	2.968	0.056	2967.08	55.673	56.483	1.060	494.036	9.270

Source: Custom + DOBT

US \$ million

S. N	Year	Brunei		Malaysia		Lao PDR		Indonesia		Total
		Trade	%	Trade	%	Trade	%	Trade	%	
1	2005-06	0.852	0.06842	231.303	18.5752	0.016	0.00128	122.829	9.86398	1245.23
2	2006-07	1.04	0.06152	198.85	11.7623	0.006	0.00035	182.301	10.7834	1690.57
3	2007-08	1.216	0.06456	234.571	12.4533	0.068	0.00361	307.792	16.3406	1883.6
4	2008-09	0.987	0.03441	662.124	23.0852	0.44	0.01534	238.587	8.31844	2868.17
5	2009-2010	0.779	0.03133	312.145	12.5548	0	0	177.504	7.13942	2486.25
6	2010-11	0.375	0.01188	583.118	18.4697	0.019	0.0006	316.599	10.0279	3157.17
7	2011-12	1.343	0.03211	455.448	10.89	0.027	0.00065	472.756	11.3038	4182.27
8	2012-13	0.903	0.02431	458.879	12.3552	0.372	0.01002	226.767	6.10564	3714.06
9	2013-14	4.284	0.07975	948.56	17.6586	0.401	0.00747	498.856	9.28681	5371.66
10	2014-15	0.749	0.01087	1008.98	14.6363	0.709	0.01028	636.558	9.23398	6893.65
11	2015-16	1.046	0.01879	750.042	13.4743	0.496	0.00891	741.795	13.3261	5566.47
12	2016-17	0.857	0.01608	980.378	18.3955	0.45	0.00844	827.206	15.5214	5329.46

Source: Custom + DOBT

As shown in the above table, trade relationship between Myanmar and Singapore is the largest among ASEAN countries. Trade connectivity with Malaysia takes the second place. It can be seen that volume of trade between Myanmar and Lao PDR is relatively very small. Trade flow between Myanmar and each trading country is also focused on the subsequent section.

Trade Flow between Myanmar and Cambodia

Myanmar trades with Cambodia very thinly. Trade balance is negative, meaning that Myanmar's export to Cambodia is less than import from Cambodia. As shown in Table, the main export items are agricultural products, finished products and others. The main import item is intermediate goods.

Table (5) Trade Flow between Myanmar and Cambodia

US \$ million

S.N	Year	Export	Import	T/B	Trade
1	2005-06		0.016	-0.016	0.016
2	2006-07	0.032	0.061	-0.029	0.093
3	2007-08	0.032	0	0.032	0.032
4	2008-09	0.334	0.063	0.271	0.397
5	2009-2010	0.081	0.182	-0.101	0.263
6	2010-11	0.043	1.355	-1.312	1.398
7	2011-12	0.361	1.116	-0.755	1.477
8	2012-13	0.02	0.369	-0.349	0.389
9	2013-14	0.234	0.712	-0.478	0.946
10	2014-15	0.462	0.758	-0.296	1.22
11	2015-16	0.015	0.883	-0.868	0.898
12	2016-17	2.653	0.315	2.338	2.968

Source: Custom + DOBT

Table (6) Export Commodities to Cambodia

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Agricultural Products	0	0	0	0.3	0	0	0	0	0	0.312	0	0.537
2	Marine Products	0	0	0	0	0	0	0	0	0	0	0	0
3	Animal Products			0	0	0	0	0	0	0	0	0	0
4	Forest Products	0	0	0	0	0	0	0	0	0	0.006	0	0.023
5	Metal			0	0	0	0	0	0	0	0	0.007	0
6	Finished Products	0	0.022	0	0.001	0.062	0.043	0	0	0.21	0.065	0.002	0.051
7	Others	0	0.01	0.032	0.033	0.019	0	0.361	0.02	0.024	0.079	0.006	2.042

Source: Custom + DOBT

Table (7) Import Commodities from Cambodia

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Capital goods	0.002	0.052	0	0.041	0.079	1.309	0.673	0.057	0.501	0.105	0.513	0.053
2	Intermediate goods	0.013	0.009	0	0.021	0.079	0.045	0.414	0.249	0.205	0.575	0.273	0.223
3	Consumer goods	0.001	0	0	0.001	0.024	0.001	0.029	0.063	0.006	0.078	0.097	0.039

Source: Custom + DOBT

Trade Flow between Myanmar and Singapore

Trade connectivity between Myanmar and Singapore is relatively strong. Trade balance is negative. It can be said that Myanmar's export to Singapore is unfavorable. As shown in Table, the main export items are agricultural products, finished products, marine products and others. Intermediate goods are the main import item, following consumer goods and capital goods.

Table (8) Trade Flow between Myanmar and Singapore

US \$ million

S.N	Year	Export	Import	T/B	Trade
1	2005-06	262.852	560.906	-298.054	823.758
2	2006-07	182.592	1034.524	-851.932	1217.116
3	2007-08	400.561	821.744	-421.183	1222.305
4	2008-09	830.793	1050.205	-219.412	1880.998
5	2009-2010	670.569	1202.602	-532.033	1873.171
6	2010-11	456.988	1645.32	-1188.332	2102.308
7	2011-12	542.751	2516.133	-1973.382	3058.884
8	2012-13	291.35	2535.424	-2244.074	2826.774
9	2013-14	694.027	2910.222	-2216.195	3604.249
10	2014-15	758.5351	4137.368	-3378.8329	4895.9031
11	2015-16	725.434	2970.898	-2245.464	3696.332
12	2016-17	472.764	2494.315	-2021.551	2967.079

Source: Custom + DOBT

Table (9) Export Commodities to Singapore

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Agricultural Products	28.58	40.58	67.86	105.5	148.9	156.4	251.7	167	145.5	101.1	83.45	73.45
2	Marine Products	21.68	32.47	70.88	110.3	75.69	49.27	33.01	44.95	28.31	28.93	39.98	35.87
3	Animal Products	0.515	0.145	0.544	0.305	1.282	1.496	0.688	2.482	2.113	1.434	0.368	0.44
4	Forest Products	35.42	31.52	33.68	35.49	29.23	40.87	51.99	31.75	54.23	19.07	23.64	14.78
5	Metal	0.762	2.144	4.7	1.895	0.145	9.062	0.188	0.403	1.317	10.32	2.297	7.741
6	Finished Products	71.52	14.62	56.28	35.63	24.77	2.736	4.404	9.969	132.4	145.4	65.1	82.48
7	Others	104.4	61.11	166.6	541.7	390.6	197.2	200.8	34.76	330.1	452.3	510.6	258

Source: Custom + DOBT

Table (10) Import Commodities from Singapore

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Capital goods	66.41	110.9	242.8	141.2	321.3	82.24	353.9	614.3	466.6	1229	902.7	208.1
2	Intermediate goods	422.5	762.2	499.5	709.6	749.9	1464	2031	1702	2108	2504	1600	2019
3	Consumer goods	71.99	161.5	79.46	199.4	131.5	98.6	131.3	219.6	335.4	404.7	468.2	267.3

Source: Custom + DOBT

Trade Flow between Myanmar and the Philippines

Trade relationship between Myanmar and the Philippines is notable. Trade balance is positive although there is negative in some years. It can be said that Myanmar's export to the Philippines is favorable. As shown in Table, agricultural products and others are the main export items. Consumer goods are the main import item, following intermediate goods and capital goods.

Table (11) Trade Flow between Myanmar and the Philippines

US \$ million

S.N	Year	Export	Import	T/B	Trade
1	2005-06	12.582	5.55	7.032	18.132
2	2006-07	10.278	9.78	0.498	20.058
3	2007-08	7.664	12.249	-4.585	19.913
4	2008-09	8.993	16.441	-7.448	25.434
5	2009-2010	27.211	14.145	13.066	41.356
6	2010-11	22.3	16.972	5.328	39.272
7	2011-12	34.323	14.636	19.687	48.959
8	2012-13	26.017	17.995	8.022	44.012
9	2013-14	12.25	21.103	-8.853	33.353
10	2014-15	12.778	15.422	-2.644	28.2
11	2015-16	8.232	20.766	-12.534	28.998
12	2016-17	40.985	15.498	25.487	56.483

Source: Custom + DOBT

Table (12) Export Commodities to the Philippines

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Agricultural Products	4.202	6.773	5.42	6.056	26.3	21.41	33.68	20.33	10.4	10.47	7.049	8.35
2	Marine Products	0.054	0.064	0.034	0	0.002	0	0.018	0.049	0.045	0.084	0.009	0.166
3	Animal Products	0	0	0	0	0	0	0	0	0	0	0	0
4	Forest Products	0.031	0.078	0.464	0.025	0.007	0	0.036	0	0.348	0.008	0	0.013
5	Metal	0	0	0	0	0	0	0	3.225	0.727	0.826	0	0
6	Finished Products	0.017	0.007	0.008	0.011	0	0.04	0.549	1.501	0.507	1.064	1.037	2.662
7	Others	8.278	3.356	1.738	2.901	0.905	0.852	0.044	0.912	0.224	0.326	0.137	29.79

Source: Custom + DOBT

Table (13) Import Commodities from the Philippines

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Capital goods	0.281	0.529	1.553	2.906	1.234	0.986	0.907	2.147	6.619	1.748	5.116	2.458
2	Intermediate goods	0.632	2.675	1.082	4.037	2.895	2.385	2.008	2.281	3.062	2.027	7.676	3.167
3	Consumer goods	4.637	6.576	9.614	9.498	10.02	13.6	11.72	13.57	11.42	11.65	7.974	9.873

Source: Custom + DOBT

Trade Flow between Myanmar and Vietnam

Myanmar trade with Vietnam is sizeable. Trade balance is positive although it is negative from 2014/15 to 2016/17. It indicates that Myanmar's export to Vietnam is constructive. As shown in Table, the main export items are agricultural products. The main import item is capital goods, following intermediate goods and consumer goods.

Table (14) Trade Flow between Myanmar and Vietnam

US \$ million

S.N	Year	Export	Import	T/B	Trade
1	2005-06	38.455	9.866	28.589	48.321
2	2006-07	58.226	12.879	45.347	71.105
3	2007-08	80.192	17.515	62.677	97.707
4	2008-09	39.556	19.648	19.908	59.204
5	2009-2010	54.752	26.281	28.471	81.033
6	2010-11	67.031	47.047	19.984	114.078
7	2011-12	81.09	62.29	18.8	143.38
8	2012-13	81.243	74.716	6.527	155.959
9	2013-14	111.155	169.859	-58.704	281.014
10	2014-15	80.181	241.153	-160.972	321.334
11	2015-16	56.669	290.189	-233.52	346.858
12	2016-17	88.253	405.783	-317.53	494.036

Source: Custom + DOBT

Table (15) Export Commodities to Vietnam

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Agricultural Products	7.747	5.725	14.47	10.42	13.22	31.81	52.43	52.99	58.8	53.4	31.86	48.54
2	Marine Products	4.634	3.073	4.449	3.606	5.02	2.878	4.113	3.687	3.517	2.204	3.512	7.054
3	Animal Products	0.086	0.051	0.168	0.141	0.852	0.686	0.439	1.384	1.919	0.828	1.973	1.941
4	Forest Products	19.53	35.68	55.09	23.87	33.35	27.62	14.05	16.47	34.18	0.367	1.156	0.352
5	Metal	5.845	13.11	5.77	0.908	0.984	1.362	7.351	3.027	3.189	10.32	8.004	17.37
6	Finished Products	0.013	0	0.232	0.097	1.18	2.303	2.329	2.394	2.264	2.678	3.261	4.737
7	Others	0.596	0.588	0.011	0.519	0.15	0.366	0.373	1.291	7.292	10.39	6.904	8.262

Source: Custom + DOBT

Table (16) Import Commodities from Vietnam

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Capital goods	1.272	1.454	6.477	6.231	9.989	18.92	24.08	25.52	69.16	98.57	125.1	166.3
2	Intermediate goods	6.831	5.199	7.683	10.09	11.76	19.6	28.42	33.19	72.87	89.53	91.35	132.1
3	Consumer goods	1.763	6.226	3.355	3.329	4.533	8.519	9.795	16	27.83	53.06	73.72	107.3

Source: Custom + DOBT

Trade Flow between Myanmar and Brunei

Trade relationship between Myanmar and Brunei is thin. Trade balance is positive, meaning that Myanmar's export to Brunei is favourable. As shown in Table, the main export item is marine products. Intermediate goods are main import item.

Table (17) Trade Flow between Myanmar and Brunei

US \$ million

S.N	Year	Export	Import	T/B	Trade
1	2005-06	0.852	0	0.852	0.852
2	2006-07	1.04	0	1.04	1.04
3	2007-08	1.216	0	1.216	1.216
4	2008-09	0.987	0	0.987	0.987
5	2009-2010	0.751	0.028	0.723	0.779
6	2010-11	0.374	0.001	0.373	0.375
7	2011-12	1.326	0.017	1.309	1.343
8	2012-13	0.903	0	0.903	0.903
9	2013-14	4.284	0	4.284	4.284
10	2014-15	0.726	0.023	0.703	0.749
11	2015-16	0.318	0.728	-0.41	1.046
12	2016-17	0.58	0.277	0.303	0.857

Source: Custom + DOBT

Table (18) Export Commodities to Brunei

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Agricultural Products	0	0.015	0	0	0	0	0	0.655	0.233	0.514	0.133	0.164
2	Marine Products	0.763	0.925	1.208	0.722	0.134	0.035	0.151	0.064	0.563	0.162	0.155	0.368
3	Animal Products	0	0	0	0	0	0	0	0	0	0	0	0
4	Forest Products	0.035	0.061	0	0	0	0.015	0	0	0.078	0.05	0.03	0.022
5	Metal	0	0	0	0	0	0	0	0	3.371	0	0	0
6	Finished Products	0.014	0.019	0	0.232	0.585	0.296	1.13	0.183	0	0	0	0.026
7	Others	0.04	0.02	0.008	0.033	0.032	0.028	0.045	0.001	0.039	0	0	0

Source: Custom + DOBT

Table (19) Import Commodities from Brunei

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Capital goods	0	0	0	0	0	0	0.004	0	0	0	0.724	0.051
2	Intermediate goods	0	0	0	0	0	0	0	0	0	0.023	0	0.201
3	Consumer goods	0	0	0	0	0.028	0.001	0.013	0	0	0	0.004	0.025

Source: Custom + DOBT

Trade Flow between Myanmar and Malaysia

Myanmar trades with Malaysia very considerably. Trade balance is negative, meaning that Myanmar's export to Malaysia is less than import from Malaysia. As shown in Table, the main export items are agricultural products, finished products, marine products and metal. The main import item is intermediate goods, following consumer goods and capital goods.

Table (20) Trade Flow between Myanmar and Malaysia

US \$ million

S.N	Year	Export	Import	T/B	Trade
1	2005-06	92.897	138.406	-45.509	231.303
2	2006-07	88.474	110.376	-21.902	198.85
3	2007-08	119.027	115.544	3.483	234.571
4	2008-09	311.507	350.617	-39.11	662.124
5	2009-2010	152.615	159.53	-6.915	312.145
6	2010-11	437.801	145.317	292.484	583.118
7	2011-12	152.038	303.41	-151.372	455.448
8	2012-13	97.977	360.902	-262.925	458.879
9	2013-14	108.868	839.692	-730.824	948.56
10	2014-15	264.999	743.978	-478.979	1008.977
11	2015-16	161.32	588.722	-427.402	750.042
12	2016-17	159.009	821.369	-662.36	980.378

Source: Custom + DOBT

Table (21) Export Commodities to Malaysia

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Agricultural Products	43.03	39.34	65.4	60.26	111.8	128.6	85.33	56.52	68.65	56.14	65.56	79.68
2	Marine Products	20.81	21.79	26.16	20.75	20.27	22.17	36.51	22.89	14.27	9.628	11.85	14.47
3	Animal Products	0.091	0	0.327	0.215	0.093	0.816	0.143	0.038	0.897	0.576	0.007	0.005
4	Forest Products	13.83	8.216	9.133	10.37	2.917	3.632	4.317	3.902	3.085	3.633	9.059	11.25
5	Metal	3.232	1.671	6.806	0.557	8.396	3	0.375	0.548	0.571	1.498	16.66	13.91
6	Finished Products	5.134	9.585	9.531	8.44	7.525	7.694	6.638	10.86	14.04	37.7	28.29	27
7	Others	6.773	7.867	1.675	210.9	1.664	271.8	18.73	3.223	7.36	155.8	29.89	12.68

Source: Custom + DOBT

Table (22) Import Commodities from Malaysia

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Capital goods	7.508	13.27	19.58	228.5	21.97	25.56	39.62	43.03	54.38	79.68	74.01	102.3
2	Intermediate goods	70.15	53.6	56.14	68.26	57.45	53.15	65.23	136.1	536.6	353.3	318.1	497.8
3	Consumer goods	60.75	43.51	39.83	53.88	80.12	66.61	198.6	181.8	248.7	311	196.6	221.3

Source: Custom + DOBT

Trade Flow between Myanmar and Lao PDR

Myanmar trades with Lao PDR very lightly. Trade balance is positive, meaning that Myanmar's export to Lao PDR is greater than import from Lao PDR. As shown in Table, agricultural products are main export items. The main import items are intermediate goods, following capital goods and consumer goods.

Table (23) Trade Flow between Myanmar and Lao PDR

US \$ million

S.N	Year	Export	Import	T/B	Trade
1	2005-06	0.015	0.001	0.014	0.016
2	2006-07	0.006		0.006	0.006
3	2007-08	0.068	0	0.068	0.068
4	2008-09	0.036	0.404	-0.368	0.44
5	2009-2010	0	0	0	0
6	2010-11	0.019	0	0.019	0.019
7	2011-12	0.027	0	0.027	0.027
8	2012-13	0.148	0.224	-0.076	0.372
9	2013-14	0.394	0.007	0.387	0.401
10	2014-15	0.685	0.024	0.661	0.709
11	2015-16	0.395	0.101	0.294	0.496
12	2016-17	0.041	0.409	-0.368	0.45

Source: Custom + DOBT

Table (24) Export Commodities to Lao PDR

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Agricultural Products	0.012	0	0.067	0	0	0.014	0.026	0.105	0.252	0.607	0.075	0.027
2	Marine Products	0	0	0	0	0	0	0	0	0	0	0	0
3	Animal Products	0	0	0	0	0	0	0	0	0	0	0	0
4	Forest Products	0	0.002	0	0	0	0	0	0	0	0.066	0.308	0
5	Metal	0	0	0	0	0	0	0	0	0	0	0	0
6	Finished Products	0.002	0.003	0	0.034	0	0.005	0.001	0.037	0.008	0	0.012	0.001
7	Others	0.001	0.001	0.001	0.002	7E-05	0	0	0.006	0.134	0.012	0	0.013

Source: Custom + DOBT

Table (25) Import Commodities from Lao PDR

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Capital goods	0	0	0	0.025	0	0	0	0.224	0	0	0.101	0.032
2	Intermediate goods	0.001	0	0	0.104	0	0	0	0	0.007	0.024	0	0.376
3	Consumer goods	0	0	0	0.275	0	0	0	0	0	0	0	0.001

Source: Custom + DOBT

Trade Flow between Myanmar and Indonesia

Trade connectivity between Myanmar and Indonesia is noticeably large. Trade balance is negative, meaning that Myanmar's export to Indonesia is unfavorable. As shown in Table, the main export items are metal, agricultural products and finished products. Consumer goods are main import item, following intermediate goods and capital goods.

Table (26) Trade Flow between Myanmar and Indonesia

US \$ million

S.N	Year	Export	Import	T/B	Trade
1	2005-06	65.358	57.471	7.887	122.829
2	2006-07	88.227	94.074	-5.847	182.301
3	2007-08	86.576	221.216	-134.64	307.792
4	2008-09	28.248	210.339	-182.091	238.587
5	2009-2010	37.43	140.074	-102.644	177.504
6	2010-11	41.113	275.486	-234.373	316.599
7	2011-12	40.936	431.82	-390.884	472.756
8	2012-13	31.538	195.229	-163.691	226.767
9	2013-14	60.04	438.816	-378.776	498.856
10	2014-15	86.045	550.513	-464.468	636.558
11	2015-16	139.836	601.959	-462.123	741.795
12	2016-17	125.046	702.16	-577.114	827.206

Source: Custom + DOBT

Table (27) Export Commodities to Indonesia

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Agricultural Products	14.82	26.21	26.03	22.91	21.47	32.31	34.95	28.31	34.38	35.41	26.6	43.69
2	Marine Products	0.738	2.404	3.154	3.143	5.377	3.093	0.082	0.318	0.554	0.606	0.546	0.764
3	Animal Products	0	0	0.721	0	0	0	0.043	0.026	0.023	0	0.06	0.1
4	Forest Products	1.188	2.315	1.798	0.525	0.942	0.179	0.049	0.238	0.584	0.579	0.495	0.711
5	Metal	22.53	33.13	29.37	1.36	9.095	1.461	0	1.513	23.21	45.49	105.8	62
6	Finished Products	0.459	0.097	0.212	0.075	0.221	0.037	0.036	0.357	0.499	3.436	5.275	16.62
7	Others	25.63	24.07	25.3	0.232	0.324	4.029	5.777	0.779	0.798	0.524	1.024	1.15

Source: Custom + DOBT

Table (28) Import Commodities from Indonesia

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Capital goods	4.352	6.633	13.51	15.69	19.36	21.79	83.69	14.67	25.42	49.94	59.58	46.95
2	Intermediate goods	33.19	36.48	43.9	44.38	53.25	115.3	150.9	69.05	137.1	124.6	142.7	174.6
3	Consumer goods	19.93	50.97	163.8	150.3	67.46	138.4	197.3	111.5	276.3	376	399.7	480.6

Source: Custom + DOBT

3.2 Trade Flow between Myanmar and Neighboring Countries

Generally, nations trade with each other through particular harbor and airport under the control of respective governments. Neighboring countries, however, trade with each other via border areas based on market conditions, political situation, foreign exchange policy, transportation and border relation between neighbors.

Trade between Myanmar and its neighbors has started since the very beginning of Myanmar's history, and it is observed that Myanmar trades with Southeast Asian countries according to historical records. Looking at trade relationship between Myanmar and its neighbors such as India and China, Myanmar exported cotton, salt, feather, best nest and ivory to China, and imported silk, velvet, gold bars, pepper, various types of fruits jam and kitchen utensils from China. Total value of Myanmar's cotton and China's silk was nearly half of the value of total trade. At the same time, Myanmar imported spices from India, and exported rice to India. According to 1852 historical records, the value of total import was sterling pounds 50865, and the value of total export was about sterling pounds 55106.

Under British colony during the period of 1885 and 1948, border trade between Myanmar and China developed. According to 1924-25 data, total trade value with China and India was 34.14 million Rupees. After independence in 1948, it is observed that Myanmar's foreign trade significantly developed due to the permission of import and export licenses. Therefore, companies owned by national people, and industries largely developed, and improved significantly rice export at that time. In addition, Myanmar substantially exported Maung Bamar vset and Mya Hlwar Yone shawls to Malaysia, and Myanmar nylons and tetron to Thailand. After the Revolutionary council took the power in 1962, Myanmar adopted the centrally planned economic system. Therefore, the economy was closed economy, and only the government took the monopoly power in trade sector under the centralized planned economic system during the period of 1962 and 1988. The centrally planned economic system, usually, could not satisfy the target of export and import plans. Informal border trade, then, was revealed in order to meet domestic needs. The country loses revenue from tax, and the valuable commodities due to informal border trade.

In accordance with economic system of the country, the governments of two neighboring countries had implemented formal trade in order to eliminate informal trade, systematically develop trade and achieve strong friendship between two neighboring countries.

Myanmar started to implement formal trade with China in December, 1988. Border trade among Myanmar – Thailand, Myanmar – India, and Myanmar – Bangladesh actually implemented in 1991.

In addition, in accordance with the guidance of the Ministry of Commerce, the Department of Border Trade was established in 1996 in order to closely provide trade activities among neighboring countries. The main tasks of Department of Border Trade are as follows:

- To boost bilateral trade with neighbors through formal border trade channels
- To issue export and import licenses in accordance with Border Trade Services
- To raise strong friendship with neighboring countries
- To give assistance to private entrepreneurs to support border trade
- To facilitate border trade by smoothening commodities flows.

Border trade offices have been opened are Muse (105 mile), Lwejel, Chinshwehaw along Myanmar – China border, Tachileik, Kawthaung, Myawaddy, Myeik (FOB)¹ along Myanmar – Thailand border, Tamu, Rhi along Myanmar – India border, and Maungdaw, Sittway (FOB)¹ along Myanmar – Bangladesh border. Border Trade Posts⁷ which are existed in border areas are as follows:

(a) Myanmar - China Border Area

- | | |
|---------------------|----------|
| (i) Muse (105 mile) | 21.1.98 |
| (ii) Lwejel | 23.8.98 |
| (iii) Chinshwehaw | 19.10.03 |

(b) Myanmar - Thailand Border Area

- | | |
|-----------------|---------|
| (i) Tachileik | 16.3.96 |
| (ii) Myawaddy | 16.9.98 |
| (iii) Kawthaung | 1.6.96 |
| (iv) Myeik(FOB) | 1.7.99 |

(c) Myanmar-India Border Area

- | | |
|----------|----------|
| (i) Tamu | 12.4.05 |
| (ii) Rhi | 10.12.03 |

(d) Myanmar-Bangladesh Border Area

- | | |
|---------------|----------|
| (i) Sittwe | 11.12.98 |
| (ii) Maungdaw | 5.9.95 |

⁷ Ministry of Commerce

Myanmar trades with its neighboring countries by using not only sea-borne trade but also border trade. The trade situation between Myanmar and its neighboring countries is shown in the following table.

Table (29) Trade Flow between Myanmar and Its Neighboring Countries

S.N	Year	Thailand		India		China		Bangladesh		Total
		Trade	%	Trade	%	Trade	%	Trade	%	
1	2005-06	1593.542	52.12	569.258	18.62	833.627	27.27	60.9664	1.99	3057.393
2	2006-07	2712.256	54.59	893.848	17.99	1302.073	26.20	60.631	1.22	4968.808
3	2007-08	3193.684	54.12	886.241	15.02	1693.359	28.69	128.034	2.17	5901.318
4	2008-09	3024.649	51.13	948.765	16.04	1824.896	30.85	117.426	1.98	5915.736
5	2009-2010	3576.443	52.93	1206.682	17.86	1892.869	28.01	80.782	1.20	6756.776
6	2010-11	3614.267	44.13	1067.056	13.03	3372.076	41.17	136.6361	1.67	8190.035
7	2011-12	4518.966	41.17	1371.366	12.49	5001.145	45.56	84.805	0.77	10976.28
8	2012-13	4697.37	42.63	1320.396	11.98	4957.555	44.99	43.266	0.39	11018.59
9	2013-14	5666.484	39.32	1636.933	11.36	7033.124	48.80	75.014	0.52	14411.56
10	2014-15	5711.192	33.99	1340.58	7.98	9712.09	57.80	39.229	0.23	16803.09
11	2015-16	4866.067	27.64	1711.517	9.72	10992.44	62.44	33.385	0.19	17603.41
12	2016-17	4288.174	25.11	1942.854	11.37	10805.49	63.26	43.959	0.26	17080.47

Source: Custom + DOBT

As seen above table, trade volume between Myanmar and Thailand is the largest amount from 2005/06 to 2010/11. However, trade flow between Myanmar and China becomes the largest among four trading countries during the period of 2011/12 and 2016/17. India can take the third place among four trading countries because of the insurgent area in India border side. Trade volume with Bangladesh is the smallest amount between two trading countries.

Trade Flow between Myanmar and Thailand

In order to explore the trade flow between Myanmar and each neighboring country, trade volume, export and import commodities between Myanmar and Thailand, firstly, are presented as follow.

Table (30) Trade Flow between Myanmar and Thailand

US \$ million

S.N	Year	Export	Import	T/B	Trade
1	2005-06	1393.606	199.936	1193.67	1593.542
2	2006-07	2407.344	304.912	2102.432	2712.256
3	2007-08	2809.647	384.037	2425.61	3193.684
4	2008-09	2628.205	396.444	2231.761	3024.649
5	2009- 2010	3197.876	378.567	2819.309	3576.443
6	2010-11	2905.179	709.088	2196.091	3614.267
7	2011-12	3823.827	691.139	3132.688	4514.966
8	2012-13	4000.577	696.793	3303.784	4697.37
9	2013-14	4304.019	1362.465	2941.554	5666.484
10	2014-15	4031.756	1679.436	2352.32	5711.192
11	2015-16	2893.182	1972.885	920.297	4866.067
12	2016-17	2202.233	2085.941	116.292	4288.174

Source: Custom + DOBT

As can be seen in the above table, the amount of trade between Myanmar and Thailand is substantial. Balance of trade is positive, indicating that Myanmar's export is favorable. Finished products, marine products and agricultural products are main export items. Capital goods are main import items, following consumer goods and intermediate goods.

Table (31) Export Commodities to Thailand

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Agricultural Products	9.365	6.775	14.25	19.16	48.51	58.12	42.95	94.7	66.91	48.94	60.91	84.8
2	Marine Products	97.35	119.2	110.1	94.6	115.5	126.3	142.3	147.7	160.2	143.9	165.9	214.7
3	Animal Products	1.085	0.509	0.312	0.339	0.339	1.205	1.096	2.889	3.458	3.082	2.88	3.76
4	Forest Products	87.84	82.59	59.18	98.46	55.38	83.91	89.73	49.31	108.2	9.132	13.33	22.65
5	Metal	90.04	76.75	46.27	22.31	19.54	93.41	35.98	27.18	23.76	32.18	39.3	48.08
6	Finished Products	1087	2114	2564	2388	2949	2528	3504	3671	3381	3717	2559	1788
7	Others	20.31	6.58	9.116	5.181	9.733	14.34	7.59	7.585	560.7	77.05	51.95	40.58

Source: Custom + DOBT

Table (32) Import Commodities from Thailand

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Capital goods	69.47	91.6	104.3	111.5	126.6	415.1	338.9	279.5	597.3	795	825.3	837
2	Intermediate goods	98.26	124.3	197.5	177.5	158.7	195.5	233	196.8	435.4	414.7	384	431.4
3	Consumer goods	32.21	89.03	82.26	107.4	93.3	98.49	119.3	220.5	329.8	469.8	763.6	817.5

Source: Custom + DOBT

Trade Flow between Myanmar and India

Look at trade flow between Myanmar and India, volume of trade is considerable. Trade balance is positive, meaning that Myanmar has favorable situation in export. Main export items are agricultural products and forest products. Myanmar mainly imports consumer goods from India. Capital goods and intermediate goods are also imported.

Table (33) Trade Flow between Myanmar and India

US \$ million

S.N	Year	Export	Import	T/B	Trade
1	2005-06	489.34	79.918	409.422	569.258
2	2006-07	733.912	159.936	573.976	893.848
3	2007-08	727.25	158.991	568.259	886.241
4	2008-09	802.37	146.395	655.975	948.765
5	2009-2010	1013.15	193.534	819.614	1206.68
6	2010-11	871.595	195.461	676.134	1067.06
7	2011-12	1045.99	325.381	720.604	1371.37
8	2012-13	1018.69	301.704	716.988	1320.4
9	2013-14	1143.4	493.533	649.867	1636.93
10	2014-15	745.804	594.776	151.028	1340.58
11	2015-16	904.162	807.355	96.807	1711.52
12	2016-17	943.477	999.377	-55.9	1942.85

source: Custom + DOBT

Table (34) Export Commodities to India

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Agricultural Products	238.3	460	451.6	548.4	656.9	485.5	642.1	589.6	495.6	681	740.8	768.4
2	Marine Products	1.19	0.63	1.389	0.354	0.584	0.497	0.632	2.256	7.474	1.838	1.786	2.49
3	Animal Products	0.687	2.034	0.603	0.688	1.781	2.474	2.426	2.351	0.654	0.498	0.61	0.285
4	Forest Products	236.9	259.5	268.8	198.3	313.5	372.5	388.9	410.9	572.3	40.74	120.5	129.1

5	Mine	0.853	0.1	0.005	0.004	0.048	0.02	1.457	1.614	9.516	1.896	2.307	4.801
6	Finished Products	2.354	1.29	0.996	1.101	14.5	1.212	0.931	1.861	44.76	6.469	8.638	12.76
7	Others	9.074	10.37	3.885	53.53	25.85	9.33	9.625	10.15	13.12	13.4	29.48	25.7

Source: Custom + DOBT

Table (35) Import Commodities from India

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Capital goods	17.78	51.57	69.5	60.91	81.52	60	100.2	96.68	116.2	242	123	166.2
2	Intermediate goods	34.63	47.6	27.88	31.09	44.64	38.24	108.3	67.45	198.2	110.3	83.65	140.3
3	Consumer goods	27.5	60.77	61.61	54.39	67.38	97.23	116.8	136.6	175.9	239.2	598.2	692.9

Source: Custom + DOBT

Trade Flow between Myanmar and China

As Myanmar and China are neighboring countries, Myanmar trades with China via both routes; namely sea-borne trade and border trade. The volume of trade between China and Myanmar are substantial, as seen in the table. Seeing that balance of trade is negative, it can be said that Myanmar is facing with unfavorable situation in trade with China. The commodities which are mainly exported to China are agricultural products, finished products, other commodities and metal. The commodities which are mainly imported from China are capital goods. Intermediate goods and consumer goods are also imported from China.

Table (36) Trade Flow between Myanmar and China

US \$ million

S.N	Year	Export	Import	T/B	Trade
1	2005-06	332.034	501.593	-169.559	833.627
2	2006-07	571.225	730.848	-159.623	1302.073
3	2007-08	697.683	995.676	-297.993	1693.359
4	2008-09	617.0781	1207.818	-590.7399	1824.8961
5	2009-2010	634.974	1257.895	-622.921	1892.869
6	2010-11	1203.5593	2168.517	-964.9577	3372.0763
7	2011-12	2214.298	2786.847	-572.549	5001.145
8	2012-13	2238.069	2719.486	-481.417	4957.555
9	2013-14	2913.672	4119.452	-1205.78	7033.124
10	2014-15	4692.461	5019.629	-327.168	9712.09
11	2015-16	4596.959	6395.48	-1798.521	10992.439
12	2016-17	5055.486	5750	-694.514	10805.486

Source: Custom + DOBT

Table (37) Export Commodities to China

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Agricultural Products	124.6	275.9	400.6	388.2	357.6	603.7	897.1	1452	1595	1646	1352	1443
2	Marine Products	96.97	148.2	161.7	104.2	98.31	139.3	317.4	243.5	188.2	124.9	123.7	165.1
3	Animal Products	3.189	6.118	9.132	5.505	17.19	80.89	84.88	21.86	4.862	0.763	0.774	3.329
4	Forest Products	20.23	58.15	69.78	52.05	66.76	46.3	44.98	42.08	98.47	10.79	15.57	22.55
5	Metal	5.128	3.348	29.21	17.88	39.61	275.1	792.4	341.5	763.5	1105	504.9	678.5
6	Finished Products	10.38	3.491	4.72	9.972	5.528	13.53	34.61	77.03	153.9	1565	2156	1477
7	Others	71.57	76.03	22.56	39.27	49.97	44.76	42.89	59.98	109.2	238.2	29.01	1259

Source: Custom + DOBT

Table (38) Import Commodities from China

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Capital goods	202.5	308	410	589.4	620.5	1289	1657	1363	1929	2990	4270	3253
2	Intermediate goods	242.5	257.3	450.7	460.9	473.8	671.5	868.5	1044	1473	1351	1491	1793
3	Consumer goods	56.65	165.6	135.1	157.5	163.6	207.7	266.2	312	716.9	679.1	634.6	703.8

Source: Custom + DOBT

Trade Flow between Myanmar and Bangladesh

As Myanmar and Bangladesh are neighboring countries, there are trade via both sea-borne trade and border trade between two countries. As shown in the table, the volume of trade between Bangladesh and Myanmar are not much. Trade balance is positive; therefore, it can be said that Myanmar has a favorable situation in trade with Bangladesh. Marine products are mainly exported to Bangladesh, following agricultural products. The commodities which are mainly imported are consumer goods. Capital goods and intermediate goods are also imported although the volume of imports is not much.

Table (39) Trade Flow between Myanmar and Bangladesh

US \$ million

S.N	Year	Export	Import	T/B	Trade
1	2005-06	55.9024	5.064	50.8384	60.9664
2	2006-07	56.563	4.068	52.495	60.631
3	2007-08	121.517	6.517	115	128.034
4	2008-09	110.71	6.716	103.994	117.426
5	2009-2010	69.342	11.44	57.902	80.782
6	2010-11	125.0211	11.615	113.4061	136.6361
7	2011-12	70.586	14.219	56.367	84.805

8	2012-13	31.088	12.178	18.91	43.266
9	2013-14	59.089	15.925	43.164	75.014
10	2014-15	30.079	9.15	20.929	39.229
11	2015-16	18.127	15.258	2.869	33.385
12	2016-17	23.996	19.963	4.033	43.959

Source: Custom + DOBT

Table (40) Export Commodities to Bangladesh

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Agricultural Products	10.76	5.623	60.74	63.31	5.504	59.34	12.42	1.848	10.88	5.344	7.234	5.884
2	Marine Products	13.75	22.43	26.36	18.7	15.55	13.48	22.73	3.973	8.33	9.164	7.875	13.51
3	Animal Products												
4	Forest Products	26.17	24.61	31.2	26	44.03	49.43	32.86	23.7	36.37	0.33	0.702	1.049
5	Metal	0.729	0.052	0.002	0	0	0	0	0.303	0	0	0	2.03
6	Finished Products	4.316	2.57	3.205	2.669	4.11	2.575	2.524	1.256	1.913	1.735	1.775	1.412
7	Others	0.182	1.281	0.022	0.039	0.143	0.193	0.057	0.308	1.297	13.51	0.541	0.11

Source: Custom + DOBT

Table (41) Import Commodities from Bangladesh

US \$ million

S.N	Particulars	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Capital goods	0.072	0.035	1.731	1.63	4.643	3.558	6.267	4.038	2.731	1.58	0.454	2.079
2	Intermediate goods	2.801	1.663	0.867	1.004	2.192	0.897	0.687	2.075	4.551	1.401	1.665	1.203
3	Consumer goods	2.191	2.37	3.919	4.082	4.605	6.996	7.245	6.065	8.643	6.169	13.14	16.68

Source: Custom + DOBT

IV. Conclusion

This study analyzes the influx of foreign direct investment into Myanmar, trade flow between Myanmar and other ASEAN countries, and the export and import situation between Myanmar and its neighboring countries during the period of 2005/06 and 2016/17.

According to the study, it is found that the situation of the influx of foreign direct investment into Myanmar is fluctuating. Looking at the volume of foreign direct investment by sector during the research time span, it is clearly seen that the only one sector is not the main recipient of FDI all over the period. From the view of existing yearly enterprises during the period of 2005/06 and 2016/17, it can be seen that the number of Myanmar company increase all over the period; however, the number of foreign company/branch are not stable. After the removal of sanction, it can be said that the number of Myanmar company and foreign company increase noticeably.

Regarding trade with ASEAN countries, trade relationship between Myanmar and Singapore is the largest among ASEAN countries. However, Trade balance is negative, meaning that Myanmar's export to Singapore is unfavorable. Trade connectivity with Malaysia takes the second place. Myanmar trades with Malaysia very considerably. Nevertheless, trade balance is negative; indicating that Myanmar's export to Malaysia is less than import from Malaysia. It can be seen that volume of trade between Myanmar and Lao PDR is relatively very small. However, as trade balance is positive, it can be said that Myanmar's export to Lao PDR is favorable. Myanmar trades with Cambodia very thinly, and trade balance is negative. Therefore, Myanmar has unfavorable trade. Trade relationship between Myanmar and the Philippines is notable. Trade balance is positive although there is negative in some years. It can be said that Myanmar's export to the Philippines is favorable. Myanmar trades with Vietnam are sizeable. Trade balance is positive although it is negative from 2014/15 to 2016/17. It indicates that Myanmar's export to Vietnam is constructive. Trade relationship between Myanmar and Brunei is thin. Trade balance is positive, meaning that Myanmar's export to Brunei is favorable. Trade connectivity between Myanmar and Indonesia is noticeably large. Trade balance is negative, meaning that Myanmar's export to Indonesia is unfavorable.

Regarding trade with neighboring countries, trade volume between Myanmar and Thailand is the largest amount from 2005/06 to 2010/11. However, trade flow between Myanmar and China becomes the largest among four trading countries during the period of 2011/12 and 2016/17. The

amount of trade between Myanmar and Thailand is substantial. Balance of trade is positive, indicating that Myanmar's export is favorable. The volume of trade between China and Myanmar are substantial. Seeing that balance of trade is negative, it can be said that Myanmar is facing with unfavorable situation in trade with China. India can take the third place among four trading countries because of the insurgent area in India border side. Look at trade flow between Myanmar and India, volume of trade is considerable. Trade balance is positive, meaning that Myanmar has favorable situation in export. Trade volume with Bangladesh is the smallest amount between two trading countries. Trade balance is positive; therefore, it can be said that Myanmar has a favorable situation in trade with Bangladesh.

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