

Brainstorming Session  
**Recent Developments in Myanmar**  
*New Opportunities for Regional Cooperation*

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Ruposhi Bangla Hotel, Dhaka, Bangladesh

**Overview Session**

**Presented by**

*Professor Dr Aung Tun Thet*  
Senior Advisor to the UN Resident Coordinator (Myanmar)

Organised by



CENTRE FOR POLICY DIALOGUE (CPD)  
B A N G L A D E S H  
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# Overview

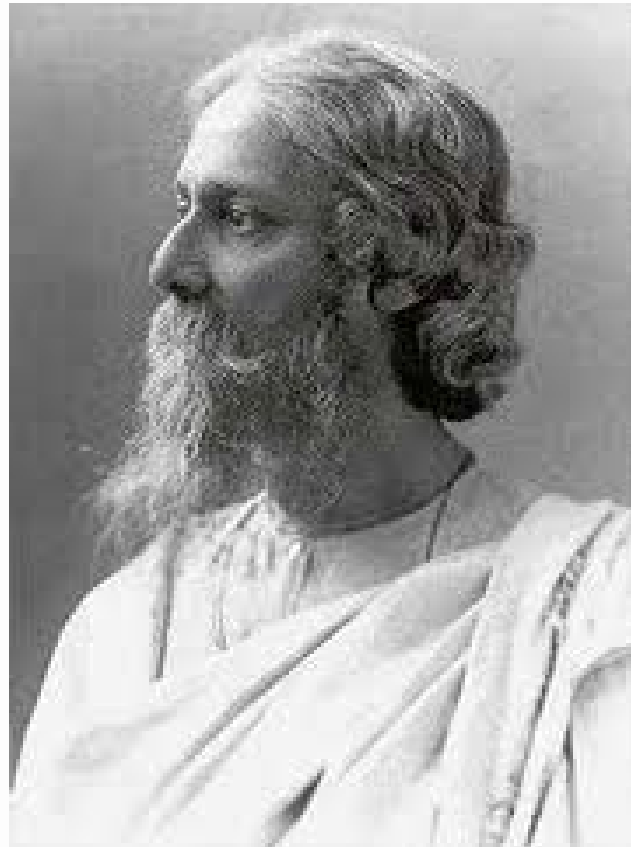
- **Three parts**
  1. Introducing Myanmar
  2. Recent developments
  3. New Opportunities for Regional Cooperation



# 1. Introducing Myanmar



- Facts are many,
- but the truth is one.



# Geography

- Between the two economic global powerhouses – China and India



# Demography

- **Population**
- 54,584,650
- **Age Structure**
- *0-14 years: 27.5%*
- *15-64 years: 67.5%)*
- *65 years and over: 5%*





# Demography

- **Median Age**
- **total: 26.9 years**
- **male: 26.3 years**
- **female: 27.5 years**
- **“Demographic Window”**



# Economy

- Prof. Stiglitz – 'Rich Nation, Poor People'
- Pervasive government controls,
- Inefficient economic policies,
- Corruption
- Rural poverty





# Economy

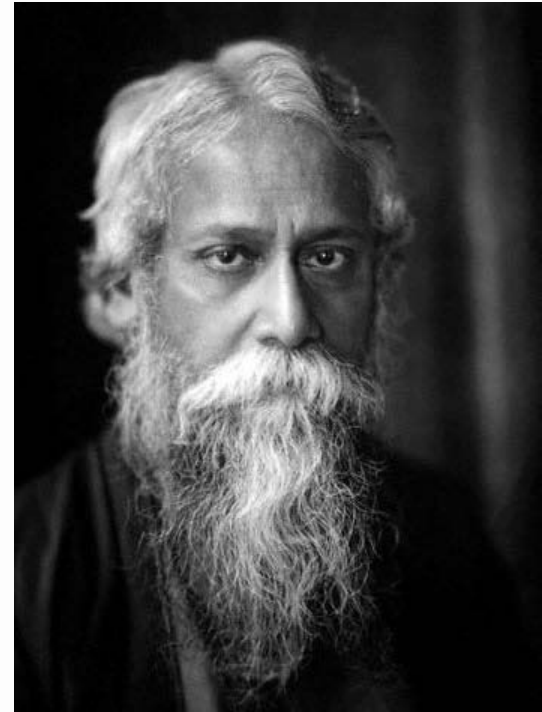
- Serious macroeconomic imbalances - unpredictable inflation, fiscal deficits, multiple official exchange rates that overvalue the Kyat, a distorted interest rate regime, unreliable statistics, and an inability to reconcile national accounts
- Poor investment climate
- “Latecomer”



# Recent Developments



- “You can’t cross the sea,
- merely by standing and staring at the water.”



# ‘Myanmar Spring’

- Extraordinary, Unprecedented and Unimaginable!
- Rapid speed of recent changes
- Peaceful revolution
- Top-down



# ‘Myanmar Spring’

- On the brink of a momentous economic flowering
- Most important period of political transition
- Reconciliation and addressing long-neglected needs
- Myit Sone



# Key Actors





# Political developments

- Release of political prisoners
- Daw Aung San Suu Kyi and NLD
- By-elections in April
- Continued reconciliation between the Government and various **ethnic groups**
- Myanmar Human Rights Commission



# By-elections

- Campaigning on-going with only minor glitches
- Allowing independent election observers?
- ASEAN offered to send representatives



# Peace deals

- Nine out of 16 rebel groups signed ceasefire agreements since August 2011
- More deals to be reached within a few months, including with KIA
- Norwegian Peace Fund



# Peace deals

- Three- step plan to achieve peace with ethnic groups
  1. Ceasefires
  2. Political negotiations
  3. Special assembly of Parliament to offer a formal peace agreement



# Legislative Reforms

- Dynamic leadership
- New laws enacted
- FDI
- Taxation
- Land Reform
- Freedom of Expression
- Freedom of Association



# International Relations

- Rapprochement
- High-profile visits of senior Government and UN officials
- Re-engagement with the international community
- Resumption of ODA
- Lifting Sanctions?
- ASEAN Chairmanship in 2014





# International Relations

- Engagement with UN – UN Country Team Strategic Framework (2012-15)



# Challenges

- Remaining prisoners of conscience
- Socio-economic and humanitarian challenges
- Weak capacity for implementing reforms
- Beginning not the end
- Much still depends on individuals not policy



# Socio-economic development

- Priority to accelerate socio-economic development
- Poverty Reduction and Rural Development
- Linkages between Peace and Development
- Good Governance and Clean Government
- Guaranteeing Rule of Law
- Promoting Civil Society
- Media
- 2015 – AFTA/AEC; MDGs



# Development Priorities

- Foreign exchange rate unification,
- Agriculture,
- Natural resources management,
- Competitive business sector,
- Finance,
- Education and health,
- Legal structures,
- Infrastructure, and
- policy formation and implementation



# Challenges

- Sanctions
- Increase development assistance
- Lowest recipient of ODA among all LDC's, with 7.2 USD per capita in 2010
- FDIs



# Budget 2012-13

- Government budget submitted to the Parliament for approval – *demonstration of checks and balances between the legislative and the executive*
- Making budget debate public a major step forward for transparency in parliamentary processes





# Budget 2012-13

- *Education budget – 4.91% of Government budget slightly higher than 2011-12's 4.13%*
- *Health budget – 2.93% of Government budget also a little higher than 2011-12's 1.3 percent*
- *Combined – 7.8% of Government budget, up from 5.4 % in 2011-12)*



# Budget 2012-13

- External debt - \$11.02 billion
- Foreign currency reserves a little over \$7 billion



# Military Budget

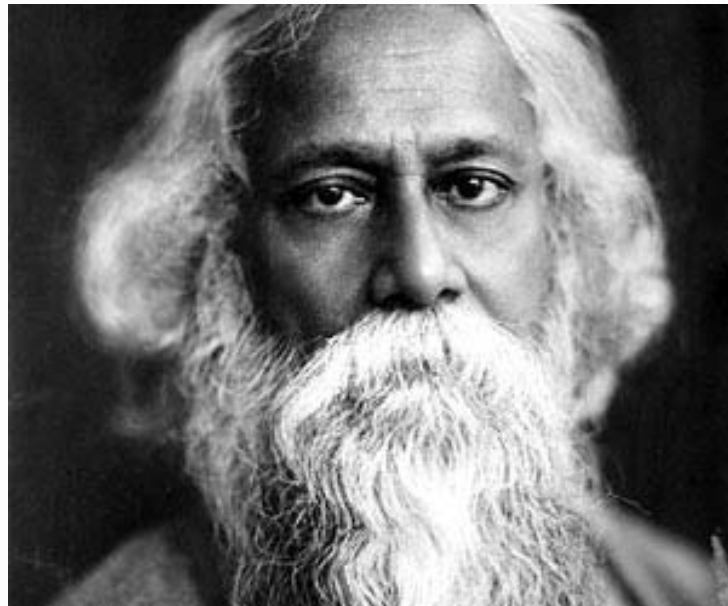
- 1.87 trillion kyats (about \$2.3 billion)
- 14.4 % of the total 13.04 trillion kyats budget



# **New Opportunities for Regional Cooperation**



- “Reach high,
- for stars lie hidden in you.
- Dream deep,
- for every dream precedes the goal.”



# Regional Cooperation

- Myanmar is open for business
- Flood Gates opening soon
- 'South-South' Cooperation
- Public-Private Partnership (PPP)





# Regional Institutions

- ASEAN
- GMS
- BIMSTEC
- ADB
- SAARC



# Related free trade areas

- ASEAN – Australia – New Zealand Free Trade Area (AANZFTA)
- ASEAN–China Free Trade Area (ACFTA)
- ASEAN–India Free Trade Area (AIFTA)
- ASEAN–Japan Comprehensive Economic Partnership (AJCEP)
- ASEAN–Korea Free Trade Area (AKFTA)
- Comprehensive Economic Partnership for East Asia



# Opportunities for Cooperation

- Transport – Asian Highway; Ledo Road
- Energy
- Food Security – Agro-business
- Physical infrastructure
- Mega projects = SEZs – Dawei Deep Seaport
- ICT
- Academia



# Opportunities for Cooperation

- Tourism
- Banking and Financial Services
- Civil Society



# Expectations

- International community remain engaged and support and assist
- Lifting of mandate restrictions on IFI's and UN agencies
- Further and sustained actions to bring about further change



- “Faith is the bird that feels the light and sings
- when the dawn is still dark.”

