

Brainstorming Session
Recent Developments in Myanmar
New Opportunities for Regional Cooperation

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Overview Session

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I. INTRODUCTION



Recent Economic Reforms in Myanmar

- At the dawn of the twentieth century the Union of Myanmar (*previously Burma*) was one of the richest countries in South-East Asia. In the twenty-first century it remains one of the poorest.
- Sixty years of misguided policies have moved the country from being the South-East Asian country with the brightest economic prospects at the end of World War II to ranking among the lowest in the world by almost all socioeconomic indicators.
- But rapid and significant reforms for a freer and fairer economy have taken place in Myanmar through the election held in December 2010 which saw the emergence of a (semi)-civilian elected government in March 2011 led by President U Thein Sein.



Recent Economic Reforms in Myanmar

- Myanmar's new government along with the civil society is reforming the economy for achieving sustainable economic development to ensure food, health, education and security to the people.
- Market-oriented economic policies, including removal of remaining restrictions on private enterprise, have been announced by the new government so as to accelerate economic development.
- The country recognizes the government's key role in facilitating the market through non-selective interventions by investing in infrastructure, healthcare, education, and providing a suitable climate for private enterprise by way of addressing the imperfections in developing country markets.



Recent Economic Reforms in Myanmar

- Since 2011, Myanmar has embarked on policy reforms of anti-corruption laws, currency exchange rates, foreign investment laws and taxation.
- The large inflow of capital and foreign investment resulted in a stronger valuation of the Kyat (Burmese currency) by about 25 percent. In response, the government relaxed import restrictions and abolished export taxes.
- Myanmar's financial system remains one of the most rudimentary in Asia where most transactions are carried out in cash . Installation of the automated teller machines is an appreciated step following the government's recent decision to lift a nine-year ban on them.
- Better allocation in major sectors have seen in the Myanmar Budget 2011.



New Opportunities for promoting Sub-Regional Cooperation

- The election in Myanmar has today opened up windows of opportunities for promoting economic and political cooperation with non-traditional partners.
- The US's new "Pragmatic Engagement" foreign policy toward Myanmar indicates the growing interest of the global community in Myanmar.
- Asian countries have stepped into the vacuum created by the global key players by entering into trade agreements through a variety of bilateral and regional arrangements with Myanmar.
- After 50 years of isolation, Myanmar is sending strong signals of heralding a new kind of political leadership, which is setting a completely distinct tone for sub-regional cooperation.



New Opportunities for promoting Sub-Regional Cooperation

- Establishing an economic zone among four member countries of the Bangladesh, China, India and Myanmar (BCIM) block has long been a dream, where Myanmar is to play a pivotal role.
- To enhance the sub-regional cooperation, Myanmar is focusing on infrastructure development, through development of Special Economic Zone.
- Two Special Economic Zones (SEZ) are being commissioned one near the commercial capital Yangon and the other in Kyaukphyu, which will include super-highways, steel mills, power plants, shipyards, refineries, pulp and paper mills, golf courses and holiday resort.
- Issues like food security, technology transfer and exchange of views on specialized areas like mining, gas extraction and installation of coal-based power plants are some of the potential areas where member countries are considering cooperation.



Implications: Bangladesh-Myanmar Relationship

- Bangladesh shares 193 km of border with Myanmar, but political and security issues have on occasions inhibited consolidation of bilateral economic cooperation between the two neighboring countries.
- There is ample scope for accelerating economic growth in both the countries by taking advantage of this geographical proximity and promoting bilateral economic cooperation.
- Commercial and tax laws are based on the British legal system and therefore, should not present difficulties for investors from Bangladesh who are also aware of this system.



Implications: Bangladesh-Myanmar Relationship

- The Arakan Mountain Range separate Rakhine and Chin states bordering Bangladesh from the rest of Myanmar. Bangladesh and Myanmar could come together for harnessing many of the natural resources of these two Myanmar states which include limestone, timber, bamboo, marine products and variety of valuable minerals for mutual benefits.
- Import substitution industries under joint venture may be explored to be set up at both the parts of the border at convenient places.



II. INTEGRATION OF MYANMAR IN REGIONAL AND GLOBAL ECONOMY



- Myanmar is the second-largest economy in South-East Asia. It borders five nations and is endowed with rich natural resources including gas and oil.
- Myanmar is considered to be one of the poorest regions of the world having a GDP per capita less than USD 257 (IMF, 2011).
- Myanmar's economy is primarily agro-based with agriculture contributing 50 per cent of GDP followed by services industry contributing 34 per cent.
- It is evident that Myanmar's economy suffers from inequitable and unbalanced regional development and economic disparities within Myanmar are pronounced.



Table 1: Key economic indicators of Myanmar

| Economic indicator | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|-------|-------|-------|-------|-------|
| GDP growth (per cent) | 7.0 | 5.5 | 3.6 | 5.1 | 5.3 |
| CPI (per cent change) | 26.3 | 32.9 | 22.5 | 8.2 | 7.3 |
| Unemployment rate (per cent) | 4.0 | 4.0 | 4.0 | - | - |
| Fiscal balance (percentage of GDP) | (4.3) | (3.8) | (2.4) | (5.4) | 5.7) |
| Export growth (percentage change per year) | 47.4 | 23.9 | 15.5 | 4.4 | 4.8 |
| Import growth (percentage change per year) | 48.0 | 88.0 | 25.6 | 1.9 | 10.0 |
| Current account balance (Percentage of GDP) | 7.1 | 0.6 | (2.2) | (1.3) | (2.2) |

Source: Asian Development Outlook, ADB, 2011



- The key economic indicators of Myanmar are presented in Table 1. It can be observed that Myanmar's economy slowed to an estimated 3.6 per cent in FY 2008 and stagnant at approximately 5 per cent range thereafter. The fiscal balance is following an upward negative trend.
- The export growth of Myanmar was booming during the first half of the last decade. This was due to the fact that natural gas exports initiating in 2001 had continued up to 2007. High oil prices caused Myanmar's gas exports to Thailand in 2006 to increase by 39 per cent (comparing with the same period in the previous year) amounting to USD 1871.2 million. Nevertheless, export growth has considerably slowed down in recent years.
- Similarly, Myanmar's imports picked up significantly in the first half of the twenty-first century as a result of the relaxed import controls in the 2000s. But import growth dropped significantly in 2009 and then picking up very modestly in 2010.
- However, inflation is slowing down.



- It has been argued that efforts should be made to speed up economic development and improve economic competitiveness in Myanmar.
- One the various available options would be set up an self-regulating central bank, independent from politics which will consolidate the financial market. The discrepancy in Myanmar's dual foreign exchange market should be reformed through the central bank.
- Secondly, reforming Myanmar's state-owned enterprises will help Myanmar translate its targeted economic growth of 12 per cent under its Five Year Plan of FY2006-FY2011 (FYP). A logical reasoning behind this argument would be the proposition that the state-owned enterprises of Myanmar have produced low profits and have been plagued with inefficiency, poor management, rent-seeking activities and corruption. In recent times, 215 state-owned enterprises have been privatized (out of a total of 288).
- Thirdly, Myanmar's government needs to urgently undertake agricultural land-ownership reform to attract FDI to secure the livelihood of the many farmers of the country since agriculture contributes a significant share of Myanmar's GDP.



- China's influence on Myanmar have been often exaggerated. According to a recent report by the International Crisis Group, China's influence on Myanmar is not as great as widely assumed.
- Table 2 represents the average GDP growth rate of Myanmar while Table 3 presenting the average GDP growth rate per capita. It can be observed that both the trends have suffered severe setbacks in the 90s but has been able to recover and grow in the latter decades.

Table 2: GDP Growth Rate of Myanmar

| Period | Average GDP growth rate (per cent) |
|-----------|------------------------------------|
| 1971-1980 | 4.19 |
| 1981-1990 | 1.40 |
| 1991-2000 | 7.12 |
| 2001-2010 | 12.05 |

Source: UNCTAD



Table 3: GDP Growth Rate per capita of Myanmar

| Period | Average GDP growth rate per capita (per cent) |
|-----------|---|
| 1971-1980 | 1.84 |
| 1981-1990 | -0.40 |
| 1991-2000 | 5.69 |
| 2001-2010 | 11.33 |

Source: UNCTAD

- Table 4 and 5 give us insight about the growth rate of export and import respectively. The representation of the data ranges from 1950 till 2010.
- The export growth of Myanmar slowed down considerably during 1980-90. However, the latter decades, 1990-2010, saw high levels of average growth of the export sector in Myanmar.
- The import growth of Myanmar experienced a negative growth in the 90s followed by a 22.64 per cent growth in 1999-00 and then declining again but with a positive figure.



Table 4: Export Growth of Myanmar (1950-2010)

| Period | Export growth (per cent) |
|-------------|--------------------------|
| 1950 - 1960 | 1.75 |
| 1960 - 1970 | -8.75 |
| 1970 - 1980 | 14.80 |
| 1980 - 1990 | -7.63 |
| 1990 - 2000 | 14.42 |
| 2000 - 2010 | 17.25 |

Source: UNCTAD

Table 5: Import Growth of Myanmar (1950-2010)

| Period | Import growth (per cent) |
|-------------|--------------------------|
| 1950 - 1960 | 8.11 |
| 1960 - 1970 | -6.58 |
| 1970 - 1980 | 10.47 |
| 1980 - 1990 | -4.72 |
| 1990 - 2000 | 22.64 |
| 2000 - 2010 | 7.58 |

Source: UNCTAD



- Table 6 and 7 present other essential dimensions of the Myanmar economy. Some indicators have been previously reported but the information in the following figures differs slightly in some cases and drastically in others. The reason that can be put forward is the different methodological interpretations of the different sources from which data have been extracted.
- Table 6 presents the key indicators of Myanmar as a percentage of GDP together with GDP in current prices. The indicators presented are export, import, foreign direct investment (FDI), total investment and remittance.
- Table 7, on the other hand, displays the growth rate of the respective indicators together with an added indicator, inflation.
- Food security of Myanmar is another phenomenon that should be taken into consideration. It is the case that there is colossal statistical discrepancy in the case of Myanmar.



Table 6: A review of the key economic indicators of Myanmar (as a per cent of GDP)

| Year | GDP [current prices] ^a USD billion | Export ^b (as a % of GDP) | Import ^b (as a % of GDP) | FDI ^c (as a % of GDP) | Total Investment ^a (as a % of GDP) | Remittance ^c (as a % of GDP) |
|------|--|---|---|--|--|---|
| 1995 | 5.49 | 0.83 | 1.70 | 4.10 | 14.27 | 1.05 |
| 2000 | 8.91 | 0.49 | 0.59 | 2.86 | 12.45 | 1.42 |
| 2005 | 11.99 | 0.16 | 0.09 | 1.98 | 13.19 | 1.10 |
| 2010 | 45.43 | 0.11 | 0.88 | 1.80 | 15.23 | 0.37 |

Note: a denotes data from World Economic Outlook, IMF

b denotes data from World Development indicator, WB

c denotes data from UNCTAD statistics

Source: Estimated from various sources



State of Myanmar Economy

Table 7: Key indicators of Myanmar (growth)

| Year | GDP ^a | Export ^b | Import ^b | FDI growth ^c | Remittance growth ^c | Inflation ^a |
|------|------------------|----------------------------|----------------------------|-------------------------|--------------------------------|------------------------|
| | (annual growth) | (annual percentage growth) | (annual percentage growth) | | | (per centage change) |
| 1995 | 7.20 | -22.02 | 19.81 | 134.91 | 94.70 | 28.92 |
| 2000 | 13.75 | 79.29 | -7.98 | -31.58 | -24.03 | -1.72 |
| 2005 | 13.57 | 4.13 | 1.89 | -6.06 | 11.02 | 10.74 |
| 2010 | 5.45 | 16.05 | 57.03 | 30.72 | 3.98 | 8.18 |

Note: a denotes data from World Economic Outlook, IMF

b denotes data from World Development indicator, WB

c denotes data from UNCTAD statistics

inflation refers to 'Average consumer prices'

Source: Author's estimation from various sources



- Table 8 presents some of the social indicators pertaining to Myanmar. It can be observed that Myanmar have progressed in each of the indicators but the rate at which the progress have been achieved remains a question to be answered.

Table 8: Social indicators pertaining to Myanmar

| Year | Population growth (annual %) | Mortality rate, under-5 (per 1,000) | Life expectancy at birth, total (years) | Mortality rate, infant (per 1,000 live births) |
|------|------------------------------|-------------------------------------|---|--|
| 1995 | 1.39 | 98.60 | 60.08 | 71.1 |
| 2000 | 1.03 | 86.70 | 61.86 | 63.5 |
| 2005 | 0.54 | 75.90 | 62.86 | 56.6 |
| 2010 | 0.76 | 66.20 | - | 50.4 |

Source: World Development Indicator (WDI), World Bank



- Table 9 presents the respective social indicators in South Asia.

Table 9: Social Indicators in South Asia (weighted average)

| Population growth (annual %) | Mortality rate, under-5 (per 1,000) | Life expectancy at birth, total (years) | Mortality rate, infant (per 1,000 live births) |
|------------------------------|-------------------------------------|---|--|
| 2.0 [1999-00] | 68 [2000] | 61 [2000] | 92.9 [2000] |
| 1.6 [2000-09] | 51 [2009] | 63 [2008] | 65.7 [2009] |

Figures in parentheses denote the reference year of the data

Source: Human Development Report, 2010/2011



- Myanmar's export, import and FDI as a percentage of cumulative world quantity is presented in table 10.
- Table 10 shows that Myanmar's export as a percentage of world export is increasing. In contrast, FDI and import as a share of the whole is showing no trends and the year-to-year observations seem to follow a random pattern.

Table 10: Myanmar's share in the global arena

| Year | Myanmar's exports as a share of world export | Myanmar's import as a share of world import | Myanmar's FDI as a share of world FDI |
|------|--|---|---------------------------------------|
| 1995 | 0.02 | 0.03 | 0.09 |
| 2000 | 0.04 | 0.04 | 0.01 |
| 2005 | 0.04 | 0.02 | 0.02 |
| 2010 | 0.06 | 0.03 | 0.06 |

Source: UNCTAD



- Table 11 reveals the performance of Myanmar in the BCIM growth zone. In particular, Table 9 reports Myanmar's trade with BCI (Bangladesh, China and India) countries.
- The export trend of Myanmar to the BCI countries have been on an increasing trend. There has been growth in the export sector of Myanmar and also, there have been growth in Myanmar's exports to the BCI countries as well.
- Similarly, aggregate imports from the BCI countries have increased as well. But the growth in imports have been mainly driven by the enhanced amounts of imports from China, while that of Bangladesh have remained consistent and that of India have fluctuated. The growth of imports of Myanmar from the world have increased from USD 3569 million in 2005 to USD 9949 in 2010. This growth is complemented by the incremental share of imports from the BCI countries from 32.27 per cent in 2005 to 41.55 per cent in 2010.



Myanmar in Regional Economy

Table 11: Myanmar's Trade with BCI Countries

| Myanmar's trade with BCI countries | | | | | | | | | | |
|--|------------------------|------|----------------|------|------|--------------------------|------|----------------|------|------|
| | Myanmar exports to BCI | | | | | Myanmar imports from BCI | | | | |
| | (million USD) | | | | | (million USD) | | | | |
| | 1990 | 1995 | 2000 | 2005 | 2010 | 1990 | 1995 | 2000 | 2005 | 2010 |
| Bangladesh | 1 | 4 | 20 | 29 | 91 | 1 | 2 | 1 | 2 | 4.1 |
| China | 44 | 146 | 163 | 449 | 874 | 1 | 23 | 53 | 122 | 3829 |
| India | 33 | 136 | 113 | 249 | 1011 | 138 | 680 | 546 | 1028 | 301 |
| Total exports to / imports from BCI | 78 | 286 | 296 | 728 | 1976 | 140 | 8705 | 600 | 1152 | 4134 |
| | | | ← 6.68 times → | | | | | ← 6.89 times → | | |
| Total exports to / imports from world | 409 | 1198 | 1979 | 3701 | 6494 | 668 | 2342 | 3039 | 3569 | 9949 |
| | | | ← 3.28 times → | | | | | ← 3.27 times → | | |
| % of MYN's export to / import from BCI | 19.1 | 23.9 | 15 | 19.7 | 30.4 | 21 | 30.1 | 19.7 | 32.3 | 41.6 |
| | | | ← 2.02 times → | | | | | ← 2.11 times → | | |

Source: Estimated from Direction of Trade Statistics Database, IMF



III. THE STATE OF BANGLADESH-MYANMAR ECONOMIC COOPERATION



- It may be recalled that trade between Bangladesh and Myanmar is low with Myanmar recording a bilateral trade surplus.
- An interesting reality is that the trade balance used to be in favor of Bangladesh till the mid-1990s, after which, it started to tilt in the favor of Myanmar.
- According to the latest data, Bangladesh's total exports in FY2011-12 (July to December) stood at USD 11.77 billion. The CMI countries recorded a very low share of Bangladesh's exports. Exports to Myanmar recorded USD 5.77 million, which is less than one per cent of Bangladesh's total exports to the world.
- However, the same scenario is not repeated in the case of imports. Latest data indicates that Bangladesh imported goods worth USD 79 billion in the ongoing fiscal year. China and India together accounted for 33 per cent of total imports.
- Share of imports from Myanmar recorded slightly better at 0.2 per cent compared to Bangladesh's exports to Myanmar.



- In January 2012, direct bilateral export and import, that is, opening of letters of credit (LCs) was initiated, which previously had to be operated through Singapore or Thailand.
- Table 12 presents Bangladesh-Myanmar's top 5 traded goods from the perspective of Bangladesh for the period 2009-10. The top 5 traded goods is a comprehensive indicator of the type of ongoing trade between Myanmar and Bangladesh. The top 5 export products accounts for 94.6 per cent of total exports to Myanmar and the top 5 imported products accounts for 99.7 per cent of total imports.
- Bangladesh's exports to Myanmar are predominantly pharmaceutical products. Pharmaceuticals accounted for more than 50 per cent of total exports to Myanmar. Iron and steel rank second in the category of exports to Myanmar.
- On the other hand, Bangladesh relies heavily on Myanmar in importing wood and articles on wood which recorded USD 41.3 million (59.34 per cent) in 2009-10, when the aggregate was USD 69.6 million. It is followed by vegetable products and then prepared food and fish.



Table 12: Bangladesh-Myanmar Trade (goods)

| Products | Exports in 2009-10 (USD million) | Products | Imports in 2009-10 (USD million) |
|---|-------------------------------------|---|-------------------------------------|
| Exports from Myanmar | 10.0 | Imports from Myanmar | 69.6 |
| Pharmaceutical products | 5.6 | Wood and articles of wood | 41.3 |
| Iron and steel | 3.3 | Vegetable products | 25.3 |
| Salt, sulphur, earth, stone, plaster, lime and cement | 0.3 | Prepared foodstuffs; beverages, sprits and vinegar; tobacco | 1.4 |
| Miscellaneous articles of base metal | 0.2 | Live animals; animal products | 1.2 |
| Mineral fuels, oils, distillation products, etc | 0.1 | Animal or vegetable fats and oils | 0.3 |
| Sub-total - Top 5 products | 9.5 | Sub-total - Top 5 products | 69.4 |
| Top 5 share in total export to Myanmar | 94.6 | Top 5 share in total import from Myanmar | 99.7 |

Source: Export Promotion Bureau (EPB) Data



Bangladesh-Myanmar – Two-Way Investment

- There have been efforts from Bangladesh as well as Myanmar to enhance both investment and trade. But the fact remains that there is still very modest sums of investment in both counterparts.
- Myanmar and Bangladesh have huge potentials for bilateral investment that is yet untapped . Currently, most of the business activities between Bangladesh and Myanmar take place through informal channels due to the absence of formal banking facilities.
- A Memorandum of Understanding (MOU) was signed on the establishment of a joint business council involving the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the Union of Myanmar Chambers of Commerce and Industry (UMCCI).
- Recently, Bangladesh Government expressed its interest for Bangladeshi investment in hydropower projects in Myanmar, import of gas for power generation, fertilizer production and industrial manufacturing from Myanmar and development of multi-module communications system.



- It was reported in June, 2011 that Myanmar expressed to lend land for agricultural cultivation to Bangladesh during high level official visit to Myanmar and fruitful discussion with the counterparts.
- At present, China and Thailand have contract farming agreements with Myanmar.
- Consent was provided by both counterparties to the proposal that Bangladesh would be taking lease of 50,000 acres of land in the state of Rakhine for contract farming. The proposal was presented in 2007 with another scheme that farmers from Chittagong could be employed through the contract farming process. This proposal would utilize the innovative knowledge of Bangladeshi farmers on farming in Myanmar.
- From Bangladesh's perspective, contract farming practice with Myanmar would be a great opportunity regarding agro-product shortfall in Bangladesh. The current scenario in Bangladesh where the country is losing cultivable land for housing accommodation, contract farming seems to be a very important and viable step for Bangladesh.



- Myanmar's energy sector have been expanding in the last couple of years since its export of natural gas to Thailand in 2004. Gas is the single-most important source of income for Myanmar and one-third of Myanmar's Foreign Direct Investment (FDI) is in the gas and oil sector. It has been reported that Myanmar has potentials to generate a revenue of USD 800 million from the Shwe gas field, and could expect revenue up to USD 3 billion a year.
- It was presumed that the A-1 Block Shew field gas reserve would serve primarily the Indian market via and overland pipeline through Bangladesh to Kolkata.
- However, Bangladesh put forward several conditions for any pipeline to cross the Bangladeshi territory. These conditions were refused by India. In 2005, Myanmar signed a Memorandum of Understanding (MoU) with PetroChina regarding an overland pipeline through Myanmar to Kunming.



- Infrastructure is seen as a regional public good in terms of moving factors of production within and across regions', thereby helping the regions to attain productivity and growth.
- Currently, there are no road or railway links connecting Bangladesh and Myanmar.
- Bangladesh and Myanmar, including China and India, are members of the Asian Land Transport Infrastructure Development (ALTID) project, launched by the UNESCAP in 1992. The ALTID project comprises of the Asian Highway Network (AHN), the Trans-Asian Railway (TAR) network and the facilitation of land transport.
- Infrastructure facilities, whether linking major regional transport networks, simplifying documentation procedures at borders, or developing more efficient customs services are the vital factors in promoting regional integration.
- There is an ongoing discussion on Tri-Nation Road Link connecting Bangladesh, Myanmar and China. Construction of the Myanmar-Bangladesh highway has already begun. It has been reported that the Bangladesh Government has already built 43 kilometre (20 kilometre on Bangladesh side and 23 kilometre on Myanmar side) out of the 133 kilometre highway at a cost of USD 27 million. The second phase of the project will be carried out at an estimated cost of USD 128 million.



IV. SUB-REGIONAL COOPERATION INVLOVING MYANMAR: LOOKING AHEAD



(1) Special Economic Zones (SEZs)

- China's attempt to establish SEZs failed because of Myanmar's inability to endorsing the concept, and lack of economic expertise resulted in its failure to pass a law that would have helped develop the country.
- Recently, the civilian government halted construction of a 4,000 megawatt coal-fired power plant in Dawei—a southern city and planned site of the country's "first and biggest special economic zone" for environmental issues.
- But two other special economic zones are reportedly in the works, one near the commercial capital Yangon and the other in Kyaukphyu, where the China-Myanmar pipeline starts and a deep-sea port is nearly finished.



(2) Contract Farming

- Myanmar's liberal policy on leasing out land for agro-based industries is attractive.
- Depending on the type of venture, exemption from land tax is also offered for a period from two to eight years; there are also provisions for income tax waiver for a minimum period of three years from the date of commercial operation.
- Contract farming can be initiated immediately in the Myanmar states bordering Bangladesh though there may be some potential deterrents.



(2) Contract Farming

- Under the contract, Myanmar farmers can offer their land and labour, while Bangladesh entrepreneurs may provide know-how and necessary supervision, supply of required inputs and furnish a buy-back guarantee ensuring recovery of cost of production plus certain profit for the farmers as would be mutually agreed upon.
- As for supply of inputs, fertilizers, especially urea, will be of most significance, Since Bangladesh is still importing urea fertilizer, the government may explore the idea of importing gas from Rakhine, for production of urea fertilizer for re-export to Myanmar.
- It has been suggested by the BMCCI that the construction of a gas pipeline from Rakhine to Chittagong be undertaken by a private sector-led consortium of investors from Bangladesh.



(3) Connecting Bangladesh and Myanmar

- Transport connectivity offers huge services export opportunities, it may perpetuate intra-regional disparity if relatively less developed economies like Myanmar and Bangladesh do not prepare themselves to face competition from bigger economies like China and India.
- Sobhan (2000) affirmed that Bangladesh perceives itself as a prospective Singapore provided it can enjoy both market access and seamless physical linkages with Nepal, Bhutan, India, Myanmar, Thailand and China.
- The ongoing discussion on Tri-Nation Road Link connecting Bangladesh, Myanmar and China should be given due consideration in particular by Bangladesh in view of India's reluctance to finance infrastructural projects in Bangladesh.



(1) Rohingyas dilemma

- The migration of the Rohingya people to Bangladesh is a complex issue because many militant Rohingya groups, including the Arakan Rohingya National Organization and Arakan Rohingya Islamic Front, have been reportedly fighting for decades for a separate land in Rohingya state.
- Against this backdrop, both the neighbours who are earnestly trying to become closer, may jointly develop an effective mutually beneficial border management to prevent further follow of migration of Rohingya to Bangladesh.
- In this context, the European Union has taken a 100 million Euro project for the rehabilitation of the Muslim ethnic minority group in their homeland Myanmar on return from Bangladesh.
- It has been reported that more than 300,000 unregistered Rohingyas are currently living in slums and villages, mostly throughout Cox's Bazaar and Chittagong.



Maritime Dispute:

- The maritime delimitation of the Bay of Bengal forms the subject of a long running dispute between India, Bangladesh and Myanmar. Each of the countries are signatories to the United Nations Law of the Sea Convention 1982 (UNCLOS).
- Bangladesh filed a case against Myanmar in December 2009 regarding a long-standing dispute with regard to the maritime boundary in the Bay.
- The UN tribunal delivered verdict in favour of Bangladesh. It has been reported that the court has given its verdict on equidistance basis.
- It also has been reported that Bangladesh claimed 107,000 square kilometre, while she received 111,000 square kilometres in the Bay of Bengal.
- The court sustained Bangladesh's claim to a 200-mile exclusive economic zone and a significant share of the zone beyond the 200-mile margin.
- India will file its Counter-memorial in May, 2012 and the verdict is due in 2014.



- The Bangladesh Myanmar Chamber of Commerce & Industry (BMCCI), though conceived towards the end of 2005, got its formal shape more than five years later on May 31, 2011.
- A Seminar on “Bangladesh – Myanmar Relationships on the field of Trade, Commerce, Regional Cooperation and connectivity” was organized the Ministry of Commerce of the Government of Bangladesh and BMCCI at Dhaka on June 18, 2011 to enhance the regional co-operation between two countries.
- On July 22-23, 2011, the 5th Joint Bangladesh Myanmar Economic Commission meeting was held at Nay Pyi and in that meeting a delegation from BMCCI led by its president took active part.



- The BMCCI Vice President travelled to Rakhaine State and met the Rakhaine State Chamber of Commerce and Industry, discussed at length various facets and agreed to cooperate in building bilateral trade and business between Bangladesh and Myanmar towards the end September, 2011. A MOU was signed between the BMCCI and RSCCI (Rakhaine State Chamber of Commerce and Industry) on September 23, 2011.
- Bangladesh Prime minister Sheikh Hasina officially visited Myanmar on 5th December 2011 to improve bilateral cooperation.
- U Thein Sein, the President of Burma's civilian government, was scheduled to visit Bangladesh on March 2012 to discuss bilateral trade, among other issues, according to government sources.



- Till date Track 2 involving the private sector and civil society had been the mainstay in highlighting the development outcome that may be achieved through BCIM integration.
- However, with institutionalisation of BCIM framework at Track 1 level, it will be difficult to adequately address the opportunities emerging from present Myanmar.



THANK YOU