

# Myanmar's Integration with the World

Prabir De • Ajitava Raychaudhuri  
Editors

# Myanmar's Integration with the World

Challenges and Policy Options

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# Preface

Emerging from decades of economic and political isolation, Myanmar is striving for rapid growth and integration with the world. Years of isolation, mismanagement and economic sanctions had damaged the economy in the past. Today, Myanmar faces a number of significant challenges, among which revitalising the stunted economy and restoring it to the normal growth path is the most daunting task.

Myanmar has started a journey to integrate with the world economy. But, Myanmar's growth and integration process is held up primarily due to inadequate infrastructure, domestic and international, and lack of managerial experiences in running the economy in an inclusive manner. Myanmar needs rapid growth to feed its development works. On one hand, Myanmar aims to achieve economic progress through macroeconomic stability, regulatory reforms, infrastructure and human resources development and promotion of international trade, while, on the other, the country is making wholehearted efforts to bring political stability through peace and reconciliation. An overarching priority for the new government would, therefore, be to further strengthen the global integration process.

There is a need to review the past and undertake new strategies to help both Myanmar and the global community achieve a new paradigm for Myanmar's global integration. This book, *Myanmar's Integration with the World: Challenges and Policy Options*, captures Myanmar's integration process with the world economy as it embarks upon a new era of reform and journey. In this volume, the ten contributed chapters make an attempt to fulfil this objective through detailed analysis of economic and non-economic factors. Each chapter tries to capture essential features of various overlapping issues and attempts to draw some policy implications.

The motivation for writing a book on Myanmar actually came to us when we met a group of research scholars of Yangon University of Economics (YUE) at Yangon in late 2012 and also at Research and Information System for Development Countries (RIS), New Delhi, in early 2013. We all felt an utmost requirement of a book, which can illustrate the desired pathways for Myanmar's globalisation in contemporary period.

Several people have supported us in bringing this volume. First of all, we are immensely grateful to Lindsey Block for extending a big support. We are thankful to each contributor for their contribution to this volume. Each paper has been written fresh for this volume. We are hugely benefitted from Mia Mikic's support and guidance. In particular, we are thankful to Tin Htoo Naing and Myo Myo Myint for organising series of workshops in Myanmar during the period 2014–2016. We are also grateful to Jim Rollo and Peter Holmes for sharing valuable insights on Myanmar economy. Authors would like to thank Amb. Shyam Saran for his encouragement. This volume has grown out of the training and capacity-building workshops organised by us under the Myanmar Training and Capacity Building project at RIS. The authors wish to thank several organisations that have supported their endeavour over the years—Research and Information System for Developing Countries (RIS), New Delhi; Jadavpur University (JU), Kolkata; The Department for International Development (DFID) offices at London, Delhi and Yangon; United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Bangkok; Sussex University, Brighton; Yangon University of Economics (YUE), Yangon; Center for Economy, Environment and

Society (CEES)—Myanmar, Yangon; Myanmar Ministry of National Planning and Economic Development, Nay Pyi Taw; Myanmar Ministry of Commerce, Nay Pyi Taw; Asian Development Bank (ADB), Manila; the World Bank, Washington D.C. and the IPE-Global, New Delhi. We have gained valuable insights from the comments of the participants and we express our gratitude to all of them.

We also thank an anonymous referee whose comments helped to reorient the focus of some chapters. We gratefully acknowledge the research assistance extended by Opinder Kaur, and Ruchi Verma for copy editing of the manuscript and collating the Index entries.

The subject of this book will be of special interest to policy planners in Myanmar, development organisations, regional cooperation and integration specialists, officials, researchers and the students. The volume would certainly help them in formulating strategies and advancing knowledge in this field.

Views expressed in this publication are those of the authors and not the views of the RIS, JU and the organisations to which the contributors belong. Usual disclaimers apply.

New Delhi, India  
Kolkata, India

Prabir De  
Ajitava Raychaudhuri

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# List of Abbreviations

ACIA	ASEAN Comprehensive Investment Agreement
ADB	Asian Development Bank
AEC	ASEAN Economic Community
AEM	ASEAN Economic Minister
AEP	Act East Policy
AFAFIST	ASEAN Framework Agreements on the Facilitation of Inter-State Transport
AFAGIT	ASEAN Framework Agreements on the Facilitation of Goods in Transit
AFAS	ASEAN Framework Agreement on Services
AHN	ASEAN Highway Network
AMS	ASEAN Member State
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ASTD	American Society for Training and Development
ATD	American Talent Development
ATIGA	ASEAN Trade in Goods Agreement
AUSAID	Australian Aid Agency
BBIN	Bangladesh Bhutan India Nepal
BCIM	Bangladesh-China-India-Myanmar
BCIM-EC	Bangladesh-China-India-Myanmar Economic Corridor

BIA	Bilateral Investment Agreements
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BOO	Build-Operate-Own
BoP	Balance of Payment
BOT	Build Operate-Transfer
BRICS	Brazil, Russia, India, China and South Africa
BSMI	Bureau of Standards, Metrology and Inspection
CAGR	Compound Annual Growth Rate
CESD	Centre for Economic and Social Development
CESR	Comprehensive Education Sector Review
CLMV	Cambodia, Lao PDR, Myanmar and Vietnam
CMP	Cut-Make-Pack
CPSC	Consumer Product Safety Commission
CTE	Career Technical Education
DFID	Department for International Development
DICA	Directorate of Investment and Company Administration
DICA	Directorate of Investment and Company Administration
DTAAs	Double Taxation Avoidance Agreements
EAS	East Asia Summit
EBA	Everything But Arms
EFA	Education for All
EPIC	Education Promotion Implementation Committee
ERIA	Economic Research Institute for ASEAN and Southeast Asia
ESD	Employment and Skills Development
EU	European Union
FDI	Foreign Direct Investment
FIL	Foreign Investment Law
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GCC	General Conformity Assessment Certificate
GDP	Gross Domestic Product
GDVT	General Directorate of Vocational Training
GMS	Greater Mekong Sub-region
GSP	Generalized System of Preferences
GSTP	Global System of Trade Preferences Among Developing Countries
GTC	Government Technical College

GTHS	Government Technical High Schools
GTI	Government Technical Institute
GVC	Global Value Chain
HDI	Human Development Index
HRD	Human Resource Development
IAI	Initiative for ASEAN Integration
ICTs	Information and Communication Technologies
IGT	Irrawaddy Green Towers
ILO	International Labour Organization
IMF	International Monetary Fund
IORA	Indian Ocean Rim Association
ISP	Internet Service Provider
IT	Information Technology
ITC	International Trade Centre
ITI	Industrial Training Institute
I-TIP	Integrated Trade Intelligence Portal
ITU	International Telecommunication Union
JICA	Japan International Corporation Agency
LCS	Land Customs Station
LDCs	Least Developed Countries
LPI	Logistics Performance Index
MACCS	Myanmar Automatic Cargo Clearance System
MCIT	Ministry of Communications and Information Technology
MCPT	Ministry of Communications, Posts and Telegraph
MDEF	Multi-Donor Education Fund
MDG	Millennium Development Goal
MFN	Most-Favoured-Nation
MGC	Mekong-Ganga Cooperation
MGMA	Myanmar Garment Manufacturers Association
MIC	Myanmar Investment Commission
MNC	Multinational Corporations
MOCT	Ministry of Transport and Communications
MoD	Ministry of Defence
MOET	Ministry of Education and Training
MoLESS	Ministry of Labor, Employment, Social Security
MOLISA	Ministry of Labor-Invalids and Social Affairs
MoST	Ministry of Science and Technology
MPT	Myanmar Post and Telecommunication

MTC	Myanmar Tower Company
MTNs	Multilateral Trade Negotiations
NCA	National Ceasefire Agreement
NGO	Non-Governmental Organization
NLD	National League for Democracy
NQF	National Qualifications Framework
NSDA	National Skill Development Authority
NSSA	National Skills Standard Authority
NTM	Non-Tariff Measure
OECD	Organisation for Economic Co-operation and Development
OVAE	Office of Vocational and Adult Education
PHC	Primary Health Center
PPP	Public-Private-Partnership
PTD	Posts and Telecommunications Department
QA	Quality Assurance
R&D	Research & Development
RATSI	Regulatory Assessment Toolkit of Services Trade and Investment
RCA	Revealed Comparative Advantage
RCEP	Regional Comprehensive Economic Partnership
SAARC	South Asian Association for Regional Cooperation
SASEC	South Asia Subregional Economic Cooperation
SDG	Sustainable Development Goal
SEZ	Special Economic Zone
SKRL	Singapore-Kunming Rail Link
SME	Small and Medium Enterprise
SPR	Service Policy Review
SPS	Sanitary and Phytosanitary
STRI	Services Trade Restrictiveness Index
TBTs	Technical Barriers to Trade
TELMIN	Telecommunications and IT Ministers
TELSOM	Telecommunications Senior Officials Meeting
TFA	Trade Facilitation Agreement
TVET	Technical and Vocational Education Training
UK	United Kingdom
UMFCCI	Union of Myanmar Federation of Chambers of Commerce and Industry
UN	United Nations

UN	United Nations Commodity Trade Statistics Database
COMTRADE	
UNCTAD	United Nations Conference on Trade and Development
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
US	United States
USA	United States of America
USAID	United States Agency for International Development
USDP	Union Solidarity and Development Party
VET	Vocational Education Training
WDI	World Development Indicators
WTO	World Trade Organisation
YSE	Yangon Stock Exchange

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