SUMMARY

1. Reforms since 2010 have paved the way for Myanmar's reintegration into the international community, after having been isolated from a large part of the global economy for many years. Consequently, real GDP growth has been rising; it was estimated at 5.9% in 2011/12 and 6.4% in 2012/13. Myanmar's per capita GDP was around US$900 at the end of March 2012.

2. Myanmar has embarked on a series of reforms in its macroeconomic policies. On 1 April 2012, the Central Bank of Myanmar replaced a pegged exchange rate (to the SDR) with a managed floating exchange rate for the national currency. Prior to the reform, Myanmar had a multiple exchange rate regime comprising both the official exchange rate and the informal parallel market exchange rates. Previously, monetary policy in Myanmar was determined by the financing needs of the fiscal deficit, which resulted in high inflation. With a view to providing greater operational autonomy to the Central Bank and improving the monetary transmission mechanism, the new Central Bank Law was enacted on 11 July 2013. The new law provides for Central Bank autonomy, enabling it to function independently of the Ministry of Finance.

3. Myanmar's merchandise exports accounted for about 16% of GDP in 2011/12; main exports included gas, jade, wood and wood products, and fish and crustaceans. Its merchandise imports also accounted for about 16% of GDP; main imports included petroleum products, and iron and steel and articles thereof. Myanmar's main export destinations in 2011/12 were Thailand, China, and India, and its main import suppliers were China, Singapore, and Thailand.

4. Myanmar has large potential for growth, with a young labour force, abundant natural resources, and proximity to a fast-growing dynamic economic region. However, significant impediments remain to modernizing Myanmar's economy and meeting the Government's goal of "fostering inclusive broad-based growth and poverty reduction". These include the lack of capacity and infrastructure.

5. Myanmar is an original member of the WTO, and this is its first Trade Policy Review. Myanmar considers that the multilateral trading system can bring a wide range of opportunities for Myanmar's exports and overcome its supply-side constraints. At the same time, Myanmar's trade policy is strongly influenced by its participation in ASEAN, and ASEAN's free-trade agreements with third countries. Myanmar expects to benefit from GSP schemes reinstated by the EU and Norway. Myanmar has not been party to any dispute settlement proceeding at the WTO, as complainant, respondent, or third party.

6. In the context of economic reforms, the Government has adopted measures to open up the economy and has been revising trade-related legislation. Myanmar is preparing a competition law, a Consumer Protection Law, and comprehensive IPR legislation, among others. Recognizing that the economy needs foreign capital and technology for continuous and sustainable development, the Government promulgated the new Foreign Investment Law in 2012, which generally allows FDI except in activities that are restricted or prohibited. Under the Law, tax incentives are granted on profits accrued from exports, and foreign companies must employ a local workforce on the basis of increasing the share of local employees over time.

7. Myanmar has bound 18.5% of its tariff lines at the HS eight-digit level. All agricultural lines (WTO definition) are bound, compared with only 5.7% of non-agricultural lines. Final bound tariffs range from 0% (e.g. electrical machinery and transport equipment) to 550% (e.g. chemicals, beverages, and tobacco, and cereals and preparations). The average applied MFN tariff was 5.5% in 2013. Myanmar grants at least MFN treatment to all its trading partners. Myanmar has not yet applied the provisions of the WTO Customs Valuation Agreement. It has no anti-dumping, countervailing, safeguards or subsidies legislation in Myanmar.

8. In 2012, Myanmar began to reform its non-automatic import licensing regime. Previously, importers of all merchandise required a non-automatic import licence before import, and it took several weeks to obtain an import licence. In April 2013, import licensing requirements for 166 products (over 1,928 tariff lines at the HS eight-digit level) were abolished. Myanmar does not impose tariff-rate quotas. Myanmar has not made a notification regarding its state-trading activities to the WTO.

9. Myanmar is neither party to nor an observer of the WTO Agreement on Government Procurement.

10. Exporters of most products require an export licence. Recently, Myanmar began restructuring its export licensing regime, and from 2013, 152 types of goods no longer require export licences. Myanmar also reformed its export tax regime in 2011. Prior to the reform, exporters had to pay commercial tax at a rate of 8%, and income tax at a rate of 2% before exporting goods. Currently, commercial tax is levied on exports of only five commodities (gem, gas, crude oil, teak, and timber).

11. Tax accounts for about 90% of total government revenue, and the largest source is commercial tax. However, 70 items are exempt from commercial tax if produced domestically, while imports are subject to a 5% tax, indicating different treatment for domestically produced and imported goods.

12. According to the authorities, the private sector's share in GDP was about 91% in 2011/12. Currently, there are 41 state-owned economic enterprises.

13. Agriculture accounted for about 30% of GDP in 2012/13. Labour productivity in agriculture is less than one third of the level in the rest of the economy, probably due to the high labour/low capital structure of the sector with small farms and few machines. Main crops include rice, maize, pulses and beans, sugarcane, and cotton. Myanmar is a net food exporter. Myanmar's simple applied MFN tariffs on agricultural products (HS01-24) and industrial products (HS25-97) were 9.0% and 4.8%, respectively, in 2013.

14. Most of the natural gas Myanmar produces is exported to China. Myanmar does not export oil or oil products. Coal exports have been less than 10% of production. The manufacturing sector, which accounts for about 20% of GDP, is growing but still relatively small compared with agriculture and services.

15. Services account for about 38% of Myanmar's GDP. The main services activities included trade and transport/communications. Myanmar is a net importer of services. In the context of the General Agreement on Trade in Services, Myanmar made specific commitments in tourism and travel-related services, and transport services; it has not made horizontal commitments or listed any MFN exemptions. In general, services are characterized by state involvement through state-owned companies and restrictions on private-sector and foreign involvement. While FDI is not entirely prohibited, no foreign companies have been conducting banking or insurance businesses (except for representative offices of foreign banks). The Government is in the process of formally issuing two new nationwide basic telecommunications licences; the two licensees are to involve foreign companies. No exclusive rights are accorded to any company in civil aviation or maritime transport. Foreign direct investment, with foreign-equity participation up to 100%, is allowed in the hotels and related businesses.