

Indians check out Myanmar as export destination



Delegation at the entrance of the Ministry of Commerce, Union of Myanmar.



Meeting with officials of the Ministry of Industry, Union of Myanmar

Meetings of the Trade Delegation

The ASEAN Free Trade Agreement (FTA) will open more roads for trade with the ASEAN member nearest to India, Myanmar. With this in mind, a trade delegation of 16 members jointly organized by FIEO and the Indo-Myanmar Chamber of Commerce visited that country from January 18-22, 2010. The delegation comprised exporters from various fields such as pulses, mining, ceramics, project engineering, transport and logistics.

The delegation's meeting with the Minister of Commerce resulted in some very fruitful discussions. It was discussed that people are not aware of the FTAs and hence were not taking benefits from such pacts. The Minister of Commerce agreed to look into the high prices being quoted by Myanmar exporters. He also informed about a "Commodity Exchange" which is in operation in Myanmar, which will also help in settling disputes. The Indian delegation also discussed the possibility of bringing in bulk items such as cement in empty containers, which were carrying logs from Myanmar. The Minister also invited Indian investment in their upcoming IT Park.

The meeting with the Ministry of Industry was very fruitful and the delegation was informed about a special free trade zone set up near Yangon. They also apprised the delegation that 50 factories had been privatized and 59 more were under process. The potential sectors mentioned by them included textiles, ceramics, pharmaceuticals, marble processing, gem processing and contract farming.

The Ministry of Industry, which deals with heavy industries, informed the delegation about a diesel engine plant which has been set up in collaboration with China.

A meeting was also held with the Ministry of Mining. The Minister Of Mining informed the delegation that Myanmar does not allow mining of gemstones by foreigners but invited investment in gem processing plant in Myanmar. The Minister also informed about iron ore mining in Myanmar contracted to a Chinese company negotiated on splitting ratio.

The delegation had a meeting with the Minister of Transport. The delegates discussed the problem of containers carrying logs to India and returning

empty to Myanmar. The Minister of Transport suggested that we might look at diverting some of the border trade goods being shipped in the empty containers at lesser/discounted freight. The delegates also requested the minister to look at a possibility of operating a Myanmar airline between India and Myanmar as there are only two direct flights a week between the two countries. While the minister mentioned that this might not be possible for some time, he agreed that Indian private airlines could try and operate flights.

In the meeting with the Ministry of Forestry, those delegates into import timber requested the ministry to allow lumbering, which the DG confirmed as not being allowed to foreigners.

The meeting with the UMFCCI (Union of Myanmar Chamber of Commerce & Industry), which has a membership of approximately 19,000, was also very fruitful. FIEO representative, Mrs Debdatta Nandwani, DDG suggested to the UMFCCI to sign a Memorandum of Understanding (MoU) with FIEO, which the president of the chamber agreed to. The chamber requested the delegation to have a cultural exchange programme and



Meeting with the Minister of Commerce, Union of Myanmar.

also suggested Indian investments in hotels in Mandalay.

The Buyer Seller Meet on the last day of the delegation was a great success. Some of the delegates were able to close deals during the meet and others were hopeful of finalizing in a few days. The Buyer Seller Meet concluded with a press conference.

The trip of the delegation wound up with a meeting with Indian Ambassador Mr Alope Sen and his officers Mr Mayank Joshi, Head Chancery & Second Secretary, Commercial and Mr Madan Mohan Sethi, Third Secretary of the Indian Embassy.

It may also be mentioned here that Mr Sen had nominated Mr Sethi to accompany the delegation to Nay Pyi Taw for all the meetings with the respective ministries.

Ambassador Sen took a detailed feedback of all the meetings held during the delegation. He encouraged the delegates to invest in Myanmar stressing on the potential in various sectors and also on the honesty of the people of that country. While discussing border trade he confirmed that the banking system was well in place with United Bank of India as confirmed by the bank. He emphasized on Indians investing in the hotel industry in Mandalay. The potential for contract farming and agro investment was also discussed. The problem of payments through Singapore was also discussed and a suggestion was made if a monetary barter system

could work out better, wherein the value of imports into India is worked out with an equivalent value of exports from India between the traders.

During the concluding and debriefing session, Mr Sen, sensing the positive Indian response, offered to also financially assist an exhibition if organized by FIEO before 31 March 2010. The ambassador has also offered the hall of the Indian Embassy as the venue for the exhibition and has suggested that the same should be done at the earliest even if the number of participants is small.

The feedback of the participants was very positive. Most of them would like to go back to Myanmar to follow up on this visit.

Myanmar believes in trade liberalization and its foreign trade is mainly with Asian countries. It is an exporter of agricultural products and other primary products. The country's major imports include manufactured goods.

Foreign investors are allowed to establish the enterprises in the form of wholly foreign owned or joint venture. The Myanmar Investment Commission oversees and administers the foreign investment law. This commission scrutinizes foreign investment proposals from technical, financial, commercial, economic, social and environmental aspects. High quality labour is available at low cost. ■

Participant list

Mr. G.L. Goenka

Indo Myanmar Travels

Mr. Hardeep Singh

Residential Representative,
Indo Myanmar Chamber of
Commerce

Mr. Ramesh Patel

Metro Industrial Agency

Mr. Anil Agicha

Associated Lumbers Ltd

Mr. Vivek Seth

Oriental Trimex Ltd

Mr. Atul Srivastav

Gati Coast to Coast

Mr. Abhishek Chordia

Chordia Group of Companies

Mr. Ramesh M.N.

RAK Ceramics India Pvt. Ltd.

Mr. S.Nagarajan

Everest Minerals

Mr. Tapas Ghosh

Networks Exports Pvt Ltd

Mr Kamal Latsariya

Indigo Flavours Pvt. Ltd

Mr. Prakash Gopalani

Eastern Software & Systems
Pvt Ltd

Mrs. Debdatta Nandwani

Dy. Director General,
FIEO (ER)

COUNTRY PROFILE

Geography

Administrative Capital: Nay Pyi Taw

Commercial Capital: Yangon

Border Countries: India, Bangladesh, China, Thailand and Laos

Natural Resources: Precious stones, timber, pulses & beans, marine products, minerals, gas, rubber.

Government: The State Peace & Development Council

Economy

Population: 58 million

Currency: Kyat

Exchange rate: 1 USD = 6.45537 MMK

Fiscal Year: Calendar year

Literacy: 81%

GDP Per capita: \$464.6

Growth Rate of GDP: 11.4%

Inflation rate: 11%

Unemployment rate: 21.7%

Exports:

Commodities – rice, pulses & beans, marine products, minerals timber, gems, gas.

Imports:

Commodities - machinery, spare parts, refined mineral oil, raw material of chemicals, edible vegetable oil, synthetic fabric, fertilizers, agriculture.