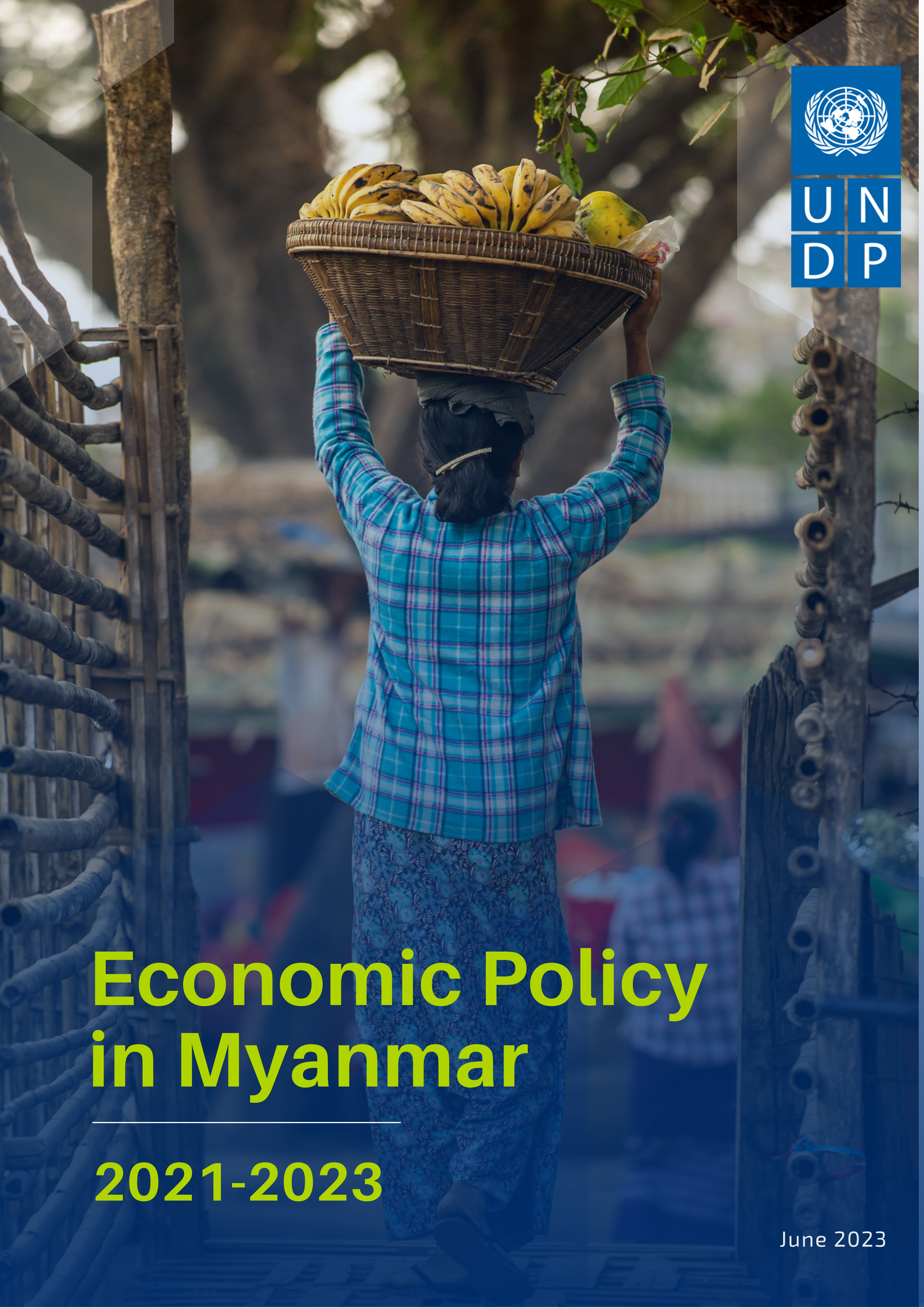

UNDP

Economic Policy in Myanmar

2021-2023

June 2023

The Myanmar Development Observatory (MDO) specializes in research and analytical work concerning the development trajectory of Myanmar, with particular focus on the socio-economic circumstances, the progress on the Sustainable Development Goals, and the impact of the conflict. Working with a range of stakeholders, including UN agencies, Civil Society, the private sector and think tanks, the MDO acts as an interlocutor between evidence from the ground and the actual programming to benefit the most vulnerable in Myanmar and enhance their resilience.

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Table of Contents

1 Introduction

The events of February 2021 heralded dramatic changes in economic policy in Myanmar, with the country diverging sharply from the economic liberalisation of the 2011-2021 period. Policy changes have been numerous, with opaque decision-making, confusing communications and several policy reversals creating uncertainty as to the State Administration Council's (SAC) economic plan. Indeed, some argue there is no coherent plan noting that economic policy is characterised by reactive responses to immediate problems and reversions to the economic orthodoxy of previous regimes. Nevertheless, despite the apparent lack of coherence, it is possible to identify several overriding themes that govern the SAC's approach to economic policy.

Internally, the SAC has sought to **increase its control of key sectors and economic actors** through the expansion of the regulatory state, through an increased role for state-owned enterprises (SOEs), and by awarding contracts to people friendly to the regime (cronies).

Externally, the SAC has attempted to reduce Myanmar's exposure to international economic forces through the promotion of policies aimed at **national self-sufficiency**. The focus has been on increasing domestic production in key areas such as agriculture, the promotion of exports and the minimisation of imports.

Although self-sufficiency is a stated goal of the SAC, this stops short of complete autarky. The SAC recognises that it needs the resources and support of some foreign actors and therefore a third theme of economic policy over the past two years has been the **promotion of ties with key external partners**, namely China, Thailand, Russia and, to some extent, India.

This briefing note will first consider the phases in economic policy since the regime change in February 2021, before addressing the three themes driving the SAC's economic agenda. In doing so, this note aims to support UNDP partners' thinking and engagement on economic policy in Myanmar.

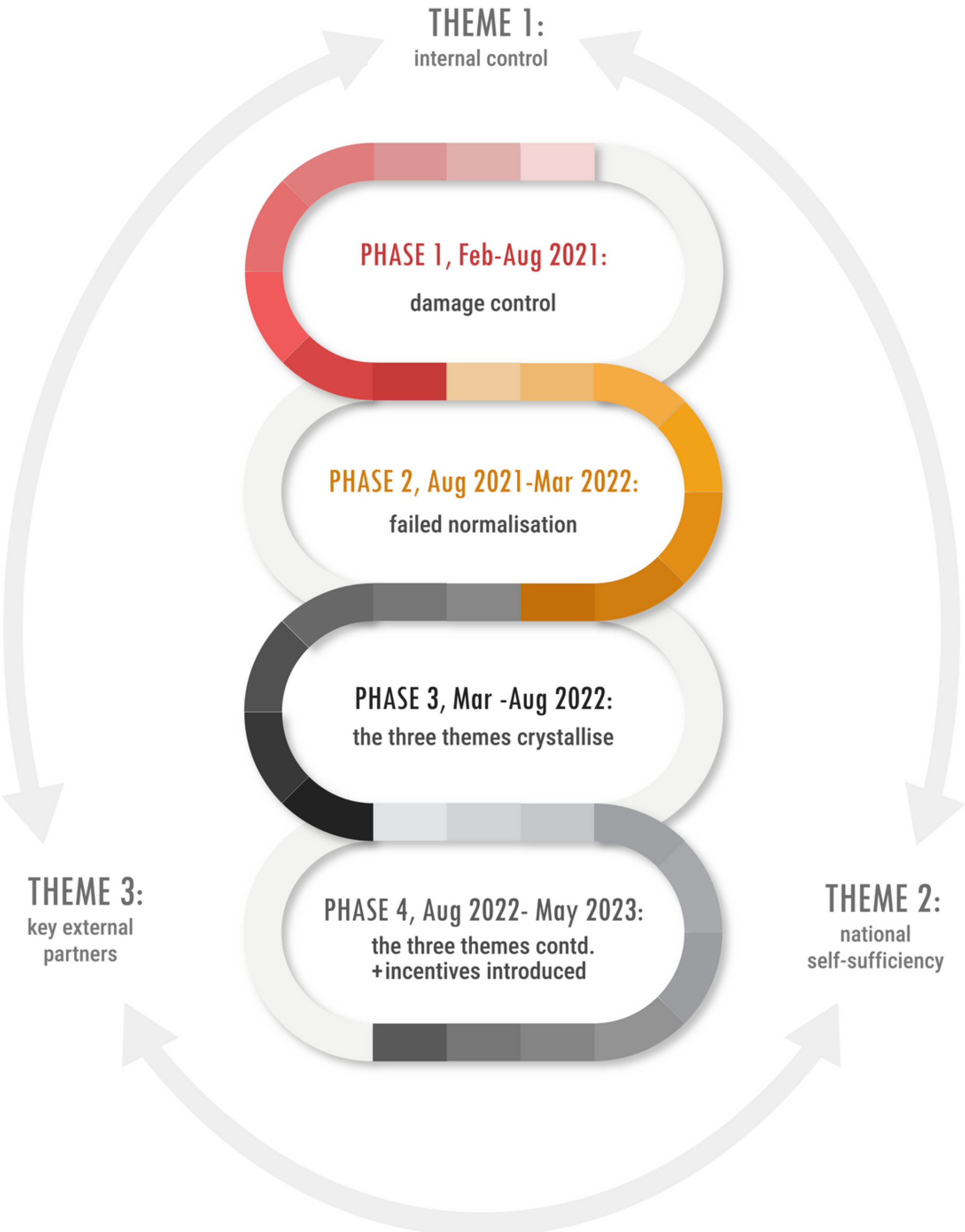
2

Economic policy phases since February 2021

Economic policy in Myanmar since February 2021 has lacked coherence and consistency, with frequent course corrections and abortive announcements. One way to explain this is to acknowledge that the SAC's thinking has adapted over the past two years, sometimes through trial and error, sometimes in response to events.

Looking at the policy detail (see Annex III), we can identify four phases under the SAC. These phases are imprecise – there are no clear start and end dates and the SAC's thinking at each stage is not set out in neat policy documents. As time has gone on, however, the continuity between the phases has increased and in phases three and four we see the crystallisation of economic policy around the three themes outlined above: internal control, national self-sufficiency, and the promotion of ties with key external partners.

Figure 1 Economic policy phases since February 2021



2.1
Phase 1: damage control

February to August 2021

In a speech on 9 February 2021, Min Aung Hlaing promised that economic policy would not deviate from its previous course. Min Aung Hlaing committed to making Myanmar an easy place to do business and he welcomed foreign investment, a position that was then incorporated into the SAC's nine governing objectives that were unveiled in July 2021.[1] The SAC even employed a Canadian lobbying firm to improve relations with western countries and avoid over-reliance on China.[2]

For various reasons, this is not how it played out. Instead, in the immediate period under the SAC, the economic priority was to avoid collapse. February-March 2021 was particularly unstable, with protests and the commencement of the civil disobedience movement (CDM) creating major economic disruption. The queues at cash machines were a symbol of an economy close to collapse, demonstrating widespread distrust in the banking system. By 22 February 2021, a general strike shuttered the banks entirely.[3]

The SAC's response in March 2021 was to force banks to reopen, threatening them with state takeovers if they did not.[4] Subsequently, in April 2021, because of the continued risk of bank runs as well as a shortage of physical cash,[5] the Central Bank of Myanmar (CBM) imposed various daily and weekly withdrawal limits. By May, the focus of the CBM had turned to adjusting bank reserve requirements to ease the liquidity issues that had been caused, in part, by decreased deposits as bank customers responded to withdrawal limits.[6]

In the meantime, the MMK's fifteen percent slide between the February and the beginning of May appears to have been the trigger for import restrictions being imposed on a range of goods, including motorcycles and some food and drinks products.[7] The Ministry of Commerce stated that these moves were intended to reduce demand for foreign exchange.

As can be seen, despite the initial communications from the SAC, this period was characterised by reactive economic policymaking aimed at avoiding economic or financial collapse. But by August, the SAC wanted a reset.

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1 https://www.gnlm.com.mm/republic-of-the-union-of-myanmar-state-administration-council-chairman-senior-general-min-aung-hlaing-makes-speech-to-public/; https://www.mdn.gov.mm/en/republic-union-myanmar-state-administration-council-nine-objectives.

2 https://www.reuters.com/article/us-myanmar-politics-lobbyist-idUSKBN2AY0K0.

3 https://www.nytimes.com/article/myanmar-news-protests-coup.html; https://www.aljazeera.com/news/2021/2/8/myanmar-military-leader-gives-first-address-to-nation-since-coup

4 https://www.frontiermyanmar.net/en/military-piles-pressure-on-private-banks-to-reopen-or-else/.

5 Giesecke and Devrient, the company that supplied raw materials for the production of bank notes in Myanmar, ceased their supply (https://www.frontiermyanmar.net/en/german-company-halts-supply-of-myanmar-bank-note-components/).

6 See measures 1-5 listed in Annex III.

7 See measures 6-7 listed in Annex III (https://www.scm-legal.com/post/myanmar-soap-and-toothpaste-import-ban; https://www.scm-legal.com/post/myanmar-restricts-importing-food-products-overland).

2.2

Phase 2: failed normalisation

August 2021 to March 2022

On 3 August 2021, the CBM signalled its intention to get a grip on the foreign exchange (forex) market by resetting the exchange rate regime. An explicit managed float was adopted with a CBM-determined reference rate of 1650 MMK to 1 USD and a trading band of +/- 0.8 percent. This was a move away from the market-determined reference rate that had been the de jure approach since 2019.[8] Nevertheless, it was a signal of the CBM's commitment to price stability and relative normalisation.

In tax policy, the SAC reduced corporation tax to try to support businesses to cope with economic uncertainty and decreased taxes due on assets purchased with undocumented income, a measure aimed at formalising economic activity.[9]

The SAC also made announcements (MIC notification 1/2023) that sought to begin repairing relations with the outside world, signalling its openness to foreign investment in a set of high priority areas.[10]

However, the SAC continued to be buffeted by the market. The MMK's value dropped dramatically in September 2021, triggering the temporary abandonment of the exchange rate regime adopted just a month prior. Despite increased USD auctions to stabilise the price of MMK, the CBM still ended up having to devalue twice in six months.[11]

The clearest sign of the attempted normalisation's failure was the SAC repeatedly resorting to import restrictions (e.g. cars) and capital controls (forex surrender requirements) to address USD outflows. By the end of Q1 2022, the CBM had abandoned attempts to maintain the value of MMK through open market interventions due to concerns about dwindling USD reserves.

8 Measure 10, Annex III. On the previous exchange rate regime, see: International Monetary Fund, Annual Report on Exchange Arrangements and Exchange Restrictions (Washington, DC: IMF, 2020).

9 Measures 16-17, Annex III.

10 Measure 23, Annex III.

11 Measures 12 and 22, Annex III.

2.3

Phase 3: the three themes crystallise

March to August 2022

As the attempted normalisation failed, the SAC resorted to a series of dramatic interventions to stabilise MMK and rebuild USD reserves. In addition, in this phase we see the greater use of economic policy tools to exert control over the economy and the actions of the Myanmar people.

April to August 2022 saw the introduction of a series of far-reaching forex controls. These were often poorly designed and communicated, leading to subsequent clarifications and amendments. Trade was also further restricted, most notably with a car import ban introduced in June 2022. [12]

The primary motive for these measures was to prevent USD outflows and rebuild the CBM's USD reserves. But the forex controls and trade restrictions are not just about reducing Myanmar's exposure to the global economy – each measure also seeks to obtain information on domestic economic actors and their activities, in line with the SAC's objective of exerting greater control within Myanmar's borders.

Similarly, the SAC increasingly used the tax system during this phase to exert greater control over the Myanmar population and economy. Increases in fines for tax non-compliance and the introduction of tax identification numbers for all entities in Myanmar are the clearest examples. Furthermore, new mobile money regulations were introduced, presumably to restrict the use of such services by the opposition. [13]

The SAC also undertook extensive regulatory enforcement action in key sectors during this phase. [14] Interventions in the gold, jade, palm oil and fuel markets were ostensibly aimed at price stability, improving regulation, removing market manipulators and other bad actors, or increasing tax compliance. However, once again, these measures were likely largely motivated by a desire to increase control in these sectors.

During this phase we can also see an increase in contracts and favourable import licences granted to businesspeople close to the SAC ('cronies') and the expansion of the role of SOEs.

12 Measures 35-53, Annex III.
13 Measures 30, 50, 51, 54, 55 and 68, Annex III.
14 https://www.frontiermyanmar.net/en/junta-weaponises-digital-banking-transition-to-starve-resistance-funding%EF%BF%BC/.

On the topic of self-sufficiency, the SAC already reactively imposed import restrictions under phase one followed by more systematic measures from phase two onwards. But it is only during phase three that we see evidence of policies targeted at increasing domestic supply in areas deemed important by the SAC, such as edible oils.[15] Such policies expand during phase four.

Regarding promoting ties with key external partners, it is during phase three that the SAC starts targeting messaging about foreign investment at China rather than the general messages welcoming all foreign investment as observed in phases one and two. During phase three the SAC also establishes a bilateral trade settlement mechanism with Thailand. The SAC then expands this pattern further in phase four, exploring the possibility of using the Russian Mir payments system and taking initial steps towards establishing the Indian rupee (INR) as a trade settlement currency, and further liberalising the use of the Chinese yuan (CNY) and Thai baht (THB).[16]

15 See measure 47, Annex III.
16 See measures 27, 41, 71, 74, 77, 88 and 92, Annex III.

2.4

Phase 4: the three themes continued; some incentives introduced

August 2022 - May 2023

Phase four is an evolution of phase three. Many of the policies in this phase are similar – further trade restrictions, exchange controls, measures to address tax fraud and non-compliance, tighter financial regulation, and increased regulatory enforcement. But, in some ways, the SAC's approach also became more nuanced during this phase. The state newspaper, The Global New Light of Myanmar, began publishing unofficial forex rates, a tacit acceptance of the black market in currency (a policy that is paired with the provision of informal permissions to forex traders enabling them to operate using the unofficial rates). Financial incentives were introduced to encourage the formalisation of remittance payments by Myanmar citizens working abroad. The SAC sought to use the tax system to stimulate the economy, introducing a greater level of tax relief for SMEs and tax exemptions in priority sectors.[17] This was matched by increased lending to SMEs including in the agricultural sector. Perhaps most significantly, the CBM introduced substantially more flexibility in the exchange control regime through grace periods for remittances and 35 percent of export earnings. It seems likely that the adoption of these more nuanced policies focused on incentives was partly due to some within the regime recognising that the draconian measures from phase three had negative consequences (e.g. remittances being sent back to Myanmar through the informal financial sector).[18]

As noted above, the SAC's approach to economic policy has not been entirely coherent or consistent over time. But there has been an evolution in the SAC's thinking in the past two years, which has now crystalised into three core themes: internal control, national self-sufficiency, limited reliance on key external partners. The following sections will consider these themes in more depth.

17 SAC priority areas, in particular electric vehicles and solar power.

18 See measures 67-114, Annex III.

3

Theme 1: internal control

The SAC has used various economic policies to increase its control of key sectors and economic actors. The SAC's primary methods have been the expansion of the regulatory state, and increasing the role of SOEs and SAC-linked businesspeople.

3.1 The expansion of the regulatory state

In stark contrast to Min Aung Hlaing's claim in February 2021 that Myanmar would remain an easy place to do business, strict regulatory controls have become a central feature of the SAC's economic policy. Such regulatory measures include import and export restrictions, capital controls, price controls, tax compliance measures, and new restrictions on financial services, company registration and employment. Annex III shows the scale of the controls introduced by the SAC regime, with regulatory measures constituting over half of the announcements and policies listed.[19]

Of the myriad regulations, foreign exchange controls have been the most impactful and maligned. This is particularly the case for those introduced between April and August 2022. The most drastic of these controls was the introduction, on 3 April 2022, of a requirement for nearly all individuals and entities to repatriate and convert to MMK all foreign-currency income received from abroad within one day of its receipt; this also applied retroactively to foreign currency balances already in the country. Restrictions on international, outbound forex transactions were imposed the following day. In addition, the CBM restricted the domestic use of forex and international bank cards, prohibited the repayment of foreign loans, and limited importers' access to forex.

19 See various measures from 35-65 in Annex III.

Increased regulatory enforcement has been a logical next step for the SAC following the proliferation of regulations. The establishment of the Foreign Exchange Supervisory Committee (FESC) has enabled closer scrutiny of forex movements in Myanmar. The CBM has been particularly proactive in its enforcement, acting against hundreds of companies in the past year (prosecutions, revoking licences and issuing warnings). In key markets such as palm oil and fuel, the SAC has sought to reduce imports and address price inflation through a mixture of quotas and crackdowns on purportedly unlicenced retailors.[20]

One theme linking many of these regulatory measures and regulatory enforcement activities has been the SAC's concern with USD outflows and its forex reserves. This is particularly the case for the import restrictions and forex controls. However, this cannot explain the introduction of export restrictions, tax compliance measures and the other restrictions relating to mobile money, company incorporation and employment. What unifies all these disparate measures is the central theme of control. Each policy is designed to restrict the actions of market actors and collect more information on them and their activities. In other words, the SAC has sought to utilise the tools of the regulatory state in a systematic attempt to exert control over the economic activities of companies and people in Myanmar.

3.2 Cronyism and khaki capitalism

The second set of economic tools utilised by the SAC regime to exert greater control within Myanmar's borders has been the expansion of crony and khaki capitalism. Crony capitalism refers to the process by which a government grants licences, contracts, and other forms of economic access to a small group of politically connected individuals and companies. Khaki capitalism refers primarily to the direct involvement of the military in the economy through military-owned companies (synonymous with SOEs in this context).[21] To understand how crony and khaki capitalism in Myanmar plays into the SAC's wider approach to economic management and how it links to the theme of control, it is relevant to consider the historical record, in particular the post-1988 regimes of the State Law and Order Restoration Council (SLORC) (1988-1997) and the State Peace and Development Council (SPDC) (1997-2011).

After assuming power in 1988, the SLORC and subsequently the SPDC regime sought to abandon the state-led economic model of the Burma Socialist Programme Party (BSPP). The SLORC and SPDC's pro-market reforms were, however, carefully calibrated and aimed at retaining a significant degree of state control. Key decision makers were concerned about the impacts of rapid liberalisation, both due to the lack of capacity amongst Myanmar's business community and because it could lead to lost earnings for SOEs. As such, SOEs

20 https://www.mizzimaburmese.com/article/109071; http://burmese.dvb.no/archives/537702; http://burmese.dvb.no/archives/577854; https://energy.frontiermyanmar.com/crackdowns-unlicensed-fuel-retailers-reported; https://www.frontiermyanmar.net/en/junta-squeeze-on-fuel-supply-powers-growing-black-market/.

21 Gerard McCarthy, "Military Capitalism in Myanmar: Examining the Origins, Continuities and Evolution of "Khaki Capital", ISEAS–Yusof Ishak Institute (2019): 1 – 39.

retained a substantial role in the economy through the military's two large conglomerates – Union of Myanmar Economic Holdings Limited (MEHL) and the Myanmar Economic Corporation (MEC).[22] In addition, the privatisation process was directed at a small number of carefully cultivated "national entrepreneurs" in a system of state-mediated capitalism.[23]

The relationship between the new national entrepreneurs and the state was complex and specific arrangements depended upon the sector, but the overall system can be described as a "limited access order" through which rents create dependencies, patronage opportunities and, ultimately, loyalty.[24] In neoclassical economic terms, the methods of this system – monopolies, sprawling conglomerates, regulatory and licencing restrictions, opaque contracts, arbitrary enforcement – create unhelpful distortions, inefficiencies, and frictions.[25] But this was a feature (not a bug) of a system that was designed to regulate access to resources and opportunities to ensure the state could utilise the economy to maximise its political control. Dissenting voices would lose licences and permits, acquiescence would be rewarded with favourable contracts, and together the military and business elites would grow rich.[26]

Given their deep entrenchment in the economy, the cronies did not go away during the 2011-2021 period of economic liberalisation.Networks shifted to reflect changes in political power and the proliferation of foreign investors may have reduced their influence, but a small number of Myanmar business elites retained key roles in major parts of the Myanmar economy. The SOEs also retained a significant, albeit reduced, role.

Now, we are seeing the SAC reverting to the approach of the SLORC/SPDC regimes, with a clear, concerted effort by the regime to increase the role of SOEs, and reshape and expand the crony economy to ensure key sectors are dominated by SAC-linked individuals. Some argue that the pursuit of profit and rent via these routes is an end in itself.[27] That question is beyond the scope of this brief, however, it is clear that the SAC sees these actors – SOEs and cronies – as key tools in its management of and control over the economy and it sees cronyism as a crucial mechanism to maintain control of important societal actors through patronage.

Palm oil is a case in point. In September 2021, the SAC opted to restrict import permissions to a select group of businesses and provide them with preferential forex access. This was implemented through the Myanmar Edible Oil Dealers' Association, with Association members restricted to buying and selling palm oil at the reference price and a maximum two percent profit margin. Here we see the concentration of the market in the hands of a small group of businesses through a competitive but restrictive mechanism that increases the ability of the SAC to control supply and prices and increase its powers of patronage. Subsequently, in early 2023, the SAC undercut this approach by resorting to a cruder crony arrangement, granting a more favourable import licence to the Htoo Group run by U Tay Za.[28]

22 Independent International Fact-Finding Mission on Myanmar, The economic interests of the Myanmar military (2019).
23 Lee Jones, "Explaining Myanmar's regime transition: the periphery is central", Democratization 21, no. 5 (2014): 780-802.
24 Douglass North, John Wallis, Steven Webb, and Barry Weingast, "Limited Access Orders in the Developing World: A New Approach to the Problems of Development", World Bank Policy Research Working Paper, No. 4359 (2007).
25 Sebastian Doerr, DaliaMarin, Davide Suveratoand Thierry Verdier,"Mis-allocation withinfirms: internal finance and international trade", Bank for International Settlements Working Papers, No. 1030 (2022).
26 Lee Jones, "Explaining Myanmar's regime transition: the periphery is central", Democratization 21, no. 5 (2014): 780-802.
27 https://justiceformyanmar.org/stories/who-profits-from-a-coup-the-power-and-greed-of-senior-general-min-aung-hlaing.
28 https://www.gnlm.com.mm/palm-oil-to-be-sold-through-myanmar-edible-oil-dealers%E2%80%8B-association/; Economic Research Hub, "Myanmar's Economic Governance after the Coup: Changes in Policy and Practice", (2022).

In the energy sector, the SAC's preferred approach has been to award favourable contracts to cronies and SOEs, as well as restricting bidding processes. In April 2022, a subsidiary of MEHL secured a monopoly on the Ministry of Electricity and Energy's meter supply after a restricted bidding process. In February 2023, Global Star Co. Ltd., a subsidiary of SAC-linked U Win Aung's Dagon Group, became the authorised dealer for Chinese company Huawei's solar products. In June 2022, Star Sapphire Group, headed by SAC-linked businessman Tun Min Latt, was awarded the contract to construct a power plant in Kanpauk, Tanintharyi.[29] The same month, Venus Essential Myanmar, a company with links to Min Aung Hlaing's son, Aung Pyaw Sone, was awarded a series of solar power projects in Naypyitaw, despite its non-existent track record in the sector (the company was only established in 2021). No other companies were invited to bid on the three new contracts.[30] This arrangement was made possible by the May 2022 cancellation of 26 tenders for power projects that were initiated under the National League for Democracy (NLD) government. The companies involved were then blacklisted, ostensibly for breaching the tender rules. Relatedly, in January 2023, Golden Future Linkage, a company owned by Aung Pyaw Sone, was reported to be making plans to develop a solar power facility in Mandalay.[31] Collectively, these examples suggest a comprehensive reshaping of the renewable and electricity sectors around SAC interests.

The SAC has also resorted to intimidation tactics and criminal justice measures to reshape patronage networks and exert control. As noted above, businesses operating in the fuel sector have been subject to arrests and licencing restrictions. And in a more high-profile move, the SAC brought corruption charges against NLD-associated cronies U Chit Khine (Eden Group) and U Khin Shwe (Zaykabar).[32]

Divestment by international companies has presented another opportunity for the SAC to reshape ownership and control in key industries, as shown by the regime's intervention in the sale of the Myanmar operations of Telenor, a Norwegian telecoms company.[33]

In some areas, cronies have been deployed alongside SOEs in new administrative arrangements. The recently established committee to oversee fuel imports from Russia is one example. It is chaired by Nyo Saw of the Myanmar Economic Corporation (MEC). The committee also includes various SAC-linked businesspeople: Hla Win (Star High Co), Hsan Naung (Brighter Energy), Win Swe (Best Oil Co) and Maung Maung Naing (Yetagon Energy Co).[34] This arrangement allows for the control of the supply of fuel, enabling preferential use by the SAC, and it also creates further patronage opportunities.

Perhaps the most high-profile development regarding SOEs relates to the Pinpet and Myingyan iron and steel mills. Both facilities have long and abortive histories, being amongst the clearest examples of delays by the MEC. After years of failed delivery and mounting debts, the NLD pulled the plug on these ventures in 2017. Their reactivation by the SAC demonstrates the faith the

29 http://burmese.dvb.no/archives/537782.

30 https://www.irrawaddy.com/news/burma/solar-power-contracts-awarded-to-company-linked-to-myanmar-junta-chiefs-son.html; https://www.irrawaddy.com/news/burma/myanmar-junta-cancels-chinese-backed-solar-power-projects.html.

31 https://www.irrawaddy.com/news/burma/myanmar-regime-chiefs-son-proposes-mandalay-solar-power-plant.html.

32 https://myanmar-now.org/en/news/junta-detains-prominent-tycoon-chit-khine-and-accuses-him-of-corruption/; https://www.irrawaddy.com/opinion/analysis/myanmar-tycoons-do-junta-bidding-amid-threat-of-arrest.html.

33 In this case, Shwe Byain Phyu, which is owned by SAC-linked U Thein Win Zaw, was able to acquire an 80 percent shareholding (see: https://www.irrawaddy.com/opinion/analysis/myanmar-tycoons-do-junta-bidding-amid-threat-of-arrest.html).

34 https://www.irrawaddy.com/news/burma/myanmar-junta-generals-and-cronies-dominate-committee-formed-to-import-russian-fuel.html.

regime still has in the SOE - driveneconomic model. Furthermore, the coal that powers the Pinpet facility comes from three SAC-linked companies in Ke See,[35] in just one example of the regime utilising the crony system to expand incentives to SAC-affiliated groups in borders regions. [36]

Cumulatively, these policies relating to the regulatory state, cronies, and SOEs add up to a major expansion in SAC control of the economy of Myanmar. By taking this approach, the SAC enriches itself and its domestic allies, and is able to use economic tools to exert control over the people of Myanmar. But control is not the only focus for the regime – many of these tools have also been used in the pursuit of the second theme: national self-sufficiency.

35 https://shanstatefrontline.com/large-scale-coal-mining-begins-in-central-shan-state-for-sac-regimes-new-pinpet-myingyan-steel-production-hub/.
36 See here for another example: https://www.irrawaddy.com/news/junta-crony/myanmar-junta-crony-in-new-venture-with-regime-allied-ethnic-armed-group.html.

4

Theme 2: national self-sufficiency

Under the BSPP regime (1962-1988), Myanmar's economic policy was explicitly targeted at achieving autarky through domestic production and import substitution. Possibly due to the lack of economic success during this period, the SAC does not appear to want to go as far as the BSPP. Nevertheless, the SAC's approach to economic policy does reflect a desire to increase national self-sufficiency in certain sectors. To achieve this, the SAC is attempting to increase domestic production and exports, and reduce domestic consumption and imports.

The SAC's desire to increase national self-sufficiency is likely driven by several factors:

1. Public statements by the SAC indicate a strong mercantilist bent in its economic thinking. In the mercantilist rendering, exports are positive for the economy and imports are negative, thus government should prioritise trade surpluses. Relatedly, it is a priority of SAC policy to build and maintain a substantial forex reserve.
2. The SAC wants to insulate the Myanmar economy from the decisions of foreign actors. This is informed by the country's long experience with sanctions as well as the more recent experience of divestment by international companies and increasing challenges in accessing cross-border financial services. The SAC sees forex reserves and increasing domestic production as key means by which it can insulate the Myanmar economy from external events and decisions.
3. It is likely that some of the initiatives to promote domestic production are related to the SAC's military imperatives.

4.1 Increasing domestic production and exports

Min Aung Hlaing first hinted at his desire to promote national self-sufficiency in his speech of 9 February 2021, in which he talked primarily of increasing domestic agricultural production, particularly edible oils, dairy products, cotton and value-added products such as onion powder. This position has been fairly consistent over time, with a recent speech referencing sunflower oil, rice and cotton production.[37] This agricultural focus was also incorporated into the SAC's governing objectives of July 2021 and remained in the latest version, published in February 2023.[38] The list of commodities and goods are somewhat consistent with the SAC's aim of moving the balance of trade towards surplus by increasing domestic production in areas where imports are high (e.g. palm oil) and where exports could potentially increase (e.g. rice, value-added food products – see Annexes I and II for more details).

Despite the coverage of this issue in speeches in the early SAC period, it was not until June 2022 that a concrete policy measure was announced in the form of a MMK 100 billion lending facility for sunflower oil producers. It took a further five months for the SAC to launch the loan application process at which point another MMK 100 billion initiative was announced to promote livestock rearing. In April 2023, the SAC made available a further MMK 70 billion of lending for edible oil and livestock producers.

Beyond agriculture, the SAC is attempting to stimulate the domestic production of "raw materials" in areas where Myanmar has reserves or some production potential and where imports are high – such as rubber, cement, iron, and steel. Once again, the SAC has made loans available to SMEs, alongside the SOE activities noted under theme 1 above (for iron and steel). This approach was enshrined in the February 2023 SAC governing objectives and reflected in announcements made by the SAC in February and April 2023 regarding new or extended lending facilities.[39] It is too early to judge the effectiveness of these policies, however, there exists extensive academic literature on the limitations of micro-level interventions such as SME lending in the absence of a macroeconomic environment that promotes stability, investment and growth.[40] In addition, introducing substantial new lending without policies to address high and rising non-performing loans in Myanmar will likely increase financial stability risk, with knock-on

37 https://www.burmalibrary.org/en/the-global-new-light-of-myanmar-thursday-23-march-2023.

38 https://www.gnlm.com.mm/republic-of-the-union-of-myanmar-state-administration-council-chairman-senior-general-min-aung-hlaing-makes-speech-to-public/; https://www.mdn.gov.mm/en/republic-union-myanmar-state-administration-council-nine-objectives; https://www.mopf.gov.mm/sites/default/files/upload_pdf/2023/02/SAC%2012%20Objectives-Eng.pdf.

39 https://www.gnlm.com.mm/only-when-the-production-of-raw-materials-is-robust-will-the-finished-products-gain-progress-with-a-firm-market-senior-general/; https://www.mopf.gov.mm/sites/default/files/upload_pdf/2023/02/SAC%2012%20Objectives-Eng.pdf; https://oec.world/en/profile/country/mmr; Ei Thwe, Dilip Khatiwada and Alexandros Gasparatos, "Life cycle assessment of a cement plant in Naypyitaw, Myanmar", Cleaner Environmental Systems, Vol. 2 (2021).

40 See, for example: Simon Bridge and Ken O'Neill, Understanding Enterprise: Entrepreneurship and Small Business (Macmillan: 2012) and D. J. Storey and Francis J. Greene, Small Business and Entrepreneurship (Pearson: 2010).

effects on productivity and growth.[41]

A final area in which the SAC is seeking to increase domestic production is energy. The approach here has been to award contracts to crony companies and SOEs to implement solar, hydropower and gas projects. Petroleum, particularly refined petroleum, constitutes a sizeable proportion of Myanmar's imports (nearly 15 percent in 2021), so the SAC sees substantial advantages in increasing domestic energy production for household use as an alternative to petroleum, including to power electric vehicles.[42]

4.2 Reducing domestic consumption and imports

Of course, reducing imports is the other way of moving from trade deficit to surplus. Consequently, the SAC has been proactive in this area, adopting a two-pronged approach: constructing barriers to trade and reducing domestic demand.

To reduce domestic demand, the SAC has implemented price controls, as with palm oil, and restricted market access and supply, as with fuel (see theme 1 for further details). The SAC leadership has also encouraged behavioural change, for example by urging people to consume less oil in their diets.

But the introduction of widespread barriers to trade such as import licencing requirements and import quotas have been the more notable policy moves. By April 2023, the SAC had introduced licencing requirements on 74 percent of all import lines in a major reversal of the trade liberalisation of the previous decade (it was 35 percent in 2021).[43] Changes in the administration of trade, with increased obstacles for firms seeking customs and port clearance, have also had an impact on companies importing goods to Myanmar.[44] These barriers have been imposed on top of the sweeping foreign exchange controls noted above, which make it challenging for businesses to access the forex needed to import goods.

The most recent trade data released by the Ministry of Commerce indicate these measures might be having some impact, with annual imports down 7 percent in 2022-2023 compared with the 2018-20 annual average.[45] However, exports are also down, and the trade deficit persists. Thus, on its own terms, the bid for self-sufficiency is far from complete.

In concluding this section, we should note the recent rise in protectionist measures globally.[46] In this context and given the dramatic drop in the value of MMK since February 2021, it is not

41 https://www.imf.org/en/Publications/CR/Issues/2020/03/26/Myanmar-2019-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-49292; https://finance.frontiermyanmar.com/news/banking/first-private-bank-sees-surge-non-performing-loans; https://www.vdb-loi.com/mm_publications/central-bank-of-myanmar-new-notification-on-write-off-of-loans/.

42 https://www.irrawaddy.com/specials/junta-watch/junta-watch-monument-to-dictators-colossal-vanity-rises-regime-wedding-veils-violence-and-more.html.

43 The World Bank, Myanmar Economic Monitor: Reforms Reversed (July 2022).

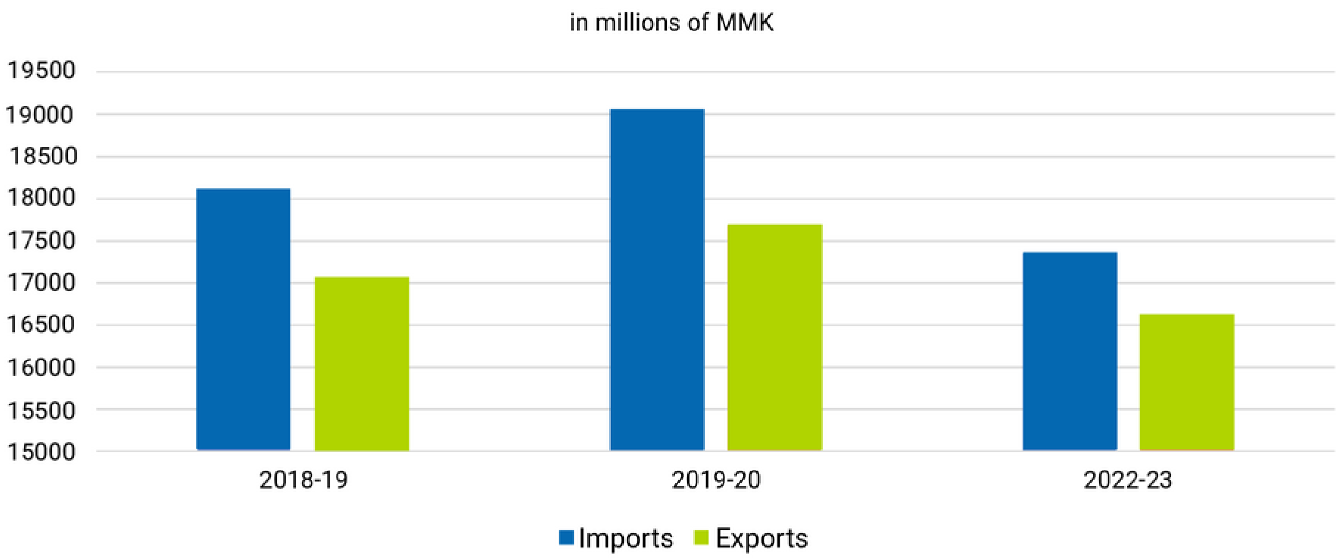
44 Economic Research Hub, "Myanmar's Economic Governance after the Coup: Changes in Policy and Practice", (2022).

45 An average of the years 2018-2020 have been used to avoid the volatile immediate post-February 2021 period.

46 https://www.ft.com/content/92d95586-f1eb-4148-ae32-1864f7deeb43; https://www.theguardian.com/world/2023/may/29/chinas-war-chest-beijing-seeks-to-remedy-its-vulnerability-to-food-and-energy-embargoes.

surprising that the SAC responded with measures targeting trade. Nevertheless, thespecific policies deployed by the SAC have been sweeping and often rather blunt, leaving businesses scrambling to respond and households struggling to cope. Effective policy measures tend to flow from a solid understanding of a country's challenges. It is therefore concerning that the SAC does not appear to have incorporated thinking on the capital account into its analysis of the country's balance of payments position, nor does there seem to be adequate recognition of the role played by imports in the production of goods for export. The approach is also short termist, prioritising a narrow definition of self-sufficiency today without due regard for productivity growth in the longer term.

Figure 2 Annual import/export volumes



Source: Myanmar Ministry of Commerce [47]

47 https://www.commerce.gov.mm.

5

Theme 3: key external partners

Although the SAC wants to promote increased self-sufficiency in certain areas, the regime's leadership recognises that external parties cannot be completely ignored. Initially, in the first phase under the SAC, there was an openness, at least in public statements, towards continued investment from a broad range of countries. However, following a flurry of private sector divestment decisions from a diverse array of countries in the first year of the SAC regime,[48] the suspension of international financial institution (IFI) support,[49] and the imposition of financial sanctions by several jurisdictions,[50] the SAC changed course. Instead of attempting to maintain economic relationships with (and perceived dependencies on) a broad range of countries and institutions, the SAC pivoted to cultivating partnerships with its neighbours and a limited number of countries in its broader region. Once again, the SAC's approach partly reflects Myanmar's 1990s experience, when the state avoided near-bankruptcy thanks to foreign investment and trade deals, with China and Thailand playing particularly important roles.[51]

48 Australia, Canada, France, Germany, Hong Kong, India, Japan, Malaysia, Norway, Singapore, Switzerland, Thailand, Taiwan, United Kingdom, and United States. For details, see: World Bank, Myanmar Economic Monitor: Contending with Constraints (January 2022).

49 https://www.reuters.com/world/asia-pacific/world-bank-halts-payment-requests-myanmar-projects-made-after-feb-1-coup-2021-02-25/; https://thediplomat.com/2021/11/myanmars-missing-millions/

50 Australia, Canada, European Union, New Zealand, United Kingdom, and United States. For details, see: Global Witness, "Missed Opportunities: The need for a better approach to sanctions in response to Myanmar's military coup", (2022).

51 Lee Jones, "Explaining Myanmar's regime transition: the periphery is central", Democratization 21, no. 5 (2014): 780-802.

5.1 Trade

Despite the frequent talk of self-sufficiency, senior SAC figures have explicitly recognised the importance of trade with Myanmar's neighbours (in particular: Bangladesh, China, India and Thailand).[52] To facilitate this trade (and reduce reliance on USD), the SAC has taken concrete steps to establish bilateral trade settlement mechanisms with these countries.[53] In April 2022, the CBM established the THB as an official settlement currency for bilateral land border trade; a similar arrangement had been agreed for the Chinese yuan a few months prior.[54] Myanmar recently reached an initial agreement with India on MMK-INR trade settlement, although the settlement mechanism and other details still need to be established.[55] Several meetings have also been held between the SAC and its Russian counterparts to explore payments cooperation. Russian fuel imports are also assisting the SAC to overcome Myanmar's fuel shortages (see Theme 1 for more detail on the mechanism governing these imports).[56] Although the trade settlement mechanisms are taking time to establish and scale up, and they only currently facilitate non-USD settlement of a small proportion of Myanmar's trade, they demonstrate the SAC's efforts to deepen trade ties with a small number of regional partners, whilst moving away from dependence on others.[57]

5.2 Investment

The SAC has also been seeking to make up for the drop in IFI investment and foreign direct investment (FDI) from some countries, by pursuing deeper ties with certain key partners. With regard to China, the announcements about further investment have mainly focused on the energy sector and on transport and trade infrastructure, with various relaunches of Belt and Road Initiative (BRI) projects e.g. the Kyauk Phyu Port in Rakhine and Myitkyina Economic Development Zone in Kachin.[58] In March 2023, the SAC also signed an agreement on a joint Myanmar - Chinese venture to construct the country's first wind turbines. But in a context of decreasing BRI lending globally and considerable uncertainty for Chinese companies investing in Myanmar, the outlook for substantially increased Chinese investment does not look favourable.[59] This is borne out in the figures, which show that two years on from the beginning of the SAC administration, approved FDI from China for 2022-23 is less than 10 percent of the average for the years 2015-20. The equivalent figure from Hong Kong is 33 percent.[60]

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52 https://www.gnlm.com.mm/republic-of-the-union-of-myanmar-state-administration-council-chairman-senior-general-min-aung-hlaing-makes-speech-to-public/; https://thediplomat.com/2022/03/myanmar-oks-use-of-thai-currency-in-border-trade/

53 https://thediplomat.com/2022/03/myanmar-oks-use-of-thai-currency-in-border-trade/

54 https://www.tilleke.com/insights/myanmar-relaxes-foreign-currency-conversion-requirements-at-chinese-and-thai-borders/

55 https://www.reuters.com/world/india/indias-new-trade-policy-aims-promote-rupee-trade-2023-03-31/

56 https://www.reuters.com/world/asia-pacific/myanmar-discussing-with-russia-use-mir-card-payments-2022-09-20/

57 https://oec.world/en/profile/country/mmr; https://tradingeconomics.com/myanmar/exports-by-country; https://www.globaltimes.cn/page/202207/1270273.shtml

58 https://economictimes.indiatimes.com/news/defence/bri-china-plans-mega-infra-project-in-myanmar-close-to-arunachal-border/articleshow/96265637.cms

59 https://www.ft.com/content/da01c562-ad29-4c34-ae5e-a0aafddd377c

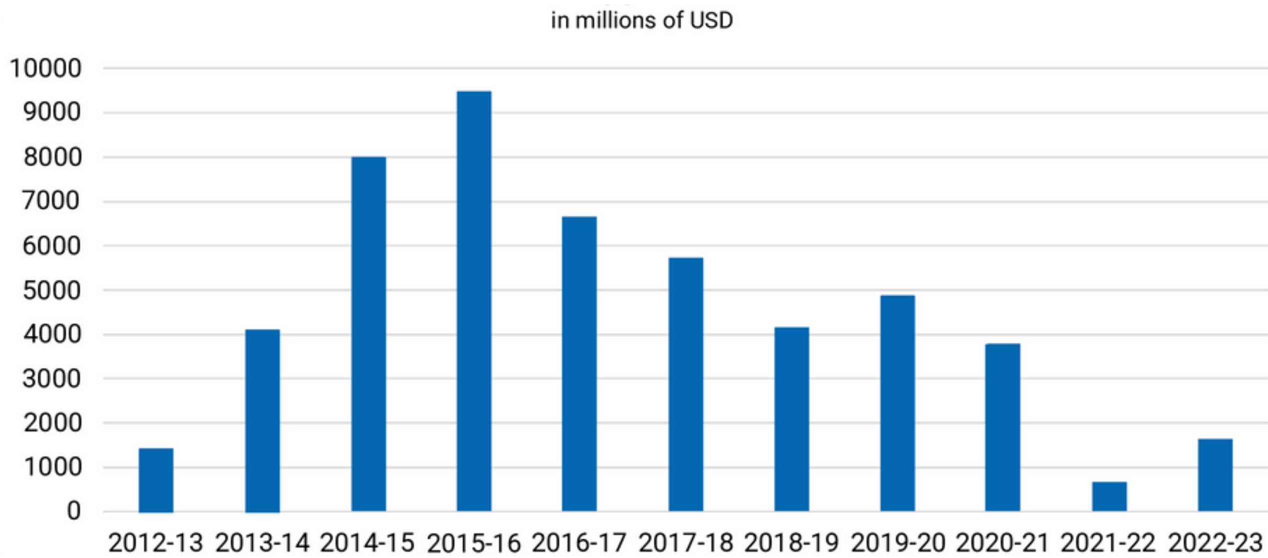
60 https://www.dica.gov.mm/sites/default/files/document-files/2023_-april_foreign_direct_investment_yearly_approved_amount_country.pdf

The SAC has also been pursuing further investment and technical support from Russia. The aforementioned Pinpet iron and steel facility is a joint venture between the MEC and Tyazhpromexport, a Russian SOE. In addition, there have been various reports of agreements between the SAC and Rosatom regarding both nuclear and wind power generation. Nevertheless, solid commitments have been scarce, with Russia not featuring in the top ten list of FDI sources.

Other countries continuing to make or plan investments in Myanmar are Singapore, Thailand, Japan, and the Republic of Korea. Singapore is the largest source of FDI amongst these countries, but even there the level of approved FDI has dropped to less than 40 percent of the average for 2015-20.[61] It is also worth noting that, whilst Singaporean investments are technically counted as FDI, much of this activity is a reflection of Myanmar-based companies operating from Singapore as part of their Myanmar operations.

In summary, Myanmar's FDI position is severely diminished, demonstrating that the SAC's outreach and cultivation of key partners is not yet delivering returns at a macro level.

Figure 3 Total approved FDI



61 https://www.dica.gov.mm/sites/default/files/document-files/2023_april_foreign_direct_investment_yearly_approved_amount_country.pdf

6

Conclusion

This brief has explored the development of the SAC's economic policy. In the initial phase after February 2021, the SAC restricted itself to a series of emergency responses to major social and economic volatility. In the latter half of 2021, the SAC attempted to embark on a partial normalisation, hoping to overcome the initial negative reaction to the events of February 2021 and still attract foreign investment. However, by the first half of 2022 it was clear the SAC was changing course in pursuit of economic policies that gave them substantial control over the economy and society. This theme was reinforced by the pursuit of national self-sufficiency through protectionism and the promotion of domestic production. Meanwhile, as it became clear that February 2021 and the subsequent conflict had precipitated a major decline in foreign investor sentiment towards Myanmar, the SAC leant into relationships with traditional partners and neighbouring countries. But how successful has the SAC been in pursuing its three themes?

Regarding the first theme, the SAC has increased its control over the economy and successfully used economic tools to exert control over citizens and businesses, albeit subject to territorial limitations.[62] The continued existence of a major shadow economy, the establishment of new black markets such as the one for MMK, and the growth in the illicit economy are partial demonstrations of the limitations of the SAC's policy of control.[63] Nevertheless, even here the SAC has sought to capitalise on these black/grey markets to gain influence, strengthen its patronage networks and increase revenue.

On the second theme, the SAC has a long way to go to deliver self-sufficiency in agriculture. The relatively small investments are unlikely to overcome chronic challenges in the sector such as unproductive farming methods, challenges in accessing input materials, and poor-quality infrastructure. Furthermore, these long-standing issues have been exacerbated by the current conflict, which has led to movement restrictions and the destruction of farmland.[64] Outside of the conflict, there is also an incoherence in the SAC's

62 https://thediplomat.com/2023/05/myanmars-military-is-no-longer-in-effective-control-of-the-country/
63 United Nations Office on Drugs and Crime, Myanmar Opium Survey: Cultivation, Production and Implications (2022); Oliver Slow, Return of the Junta: Why Myanmar's Military Must Go Back to the Barracks (London: Bloomsbury, 2023).
64 United Nations Office for the Coordination of Humanitarian Affairs, Humanitarian Needs Overview Myanmar 2023 (2023); World Bank, Myanmar: Analysis of Farm Production Economics (2016).

approach to agriculture, with the goals of self-sufficiency and a positive trade balance pulling in opposite directions. For example, the prioritisation of some products for export, such as pulses, has created issues for food availability and affordability domestically. More broadly, the bid for a positive trade balance has been dented by a declining level of exports under the SAC, and the policies in place to strengthen domestic production outside agriculture appear insufficient.

Delivery against the third theme – enhancing relationships with key foreign partners – has been limited. Despite lots of announcements and meetings, there has not been a particular increase in concrete economic cooperation with China, Thailand, India, Bangladesh, and Russia. The result of this failed effort, combined with broader negative investor sentiment, has been hugely reduced FDI.

Thus, the themes have not been successfully pursued even when viewed on their own terms. Further, when we consider the broader question of whether these themes and policies have been beneficial for the economy of Myanmar, the assessment becomes even more negative. Economic activity, including business investment, will likely be slowed by the rapid and uneven implementation of burdensome, distorting regulations. Exchange controls have decreased trust in the banking system, with knock-on impacts for financial stability. Crony and khaki capitalism create myriad problems ranging from capital misallocation to the stifling of economic dynamism. [65]

New barriers to trade contribute to inflation and reduce market actors' access to the goods and services needed for domestic production. Likewise, lower levels of FDI have already reduced employment opportunities, which may increase outward migration and contribute to a "brain drain", leading to a slowdown or reduction in human capital formation.

As such, the cumulative result of the SAC's economic policies will likely be a slowdown in productivity growth and a reduction in the country's economic growth path. Indeed, this is already being seen in the latest GDP estimates and forecasts, which show a significant slowdown in 2022 and 2023 compared with the 2011-20 growth rate, even despite the unprecedented contraction in 2021. [66] Various other metrics and sector-specific studies are similarly revealing the depth of the country's economic challenges including increasing unemployment, poverty and food insecurity. [67] Of course, the difficulties for the people of Myanmar go far beyond the economic sphere, but it seems the SAC's pursuit of its three economic policy themes are making a dire situation worse.

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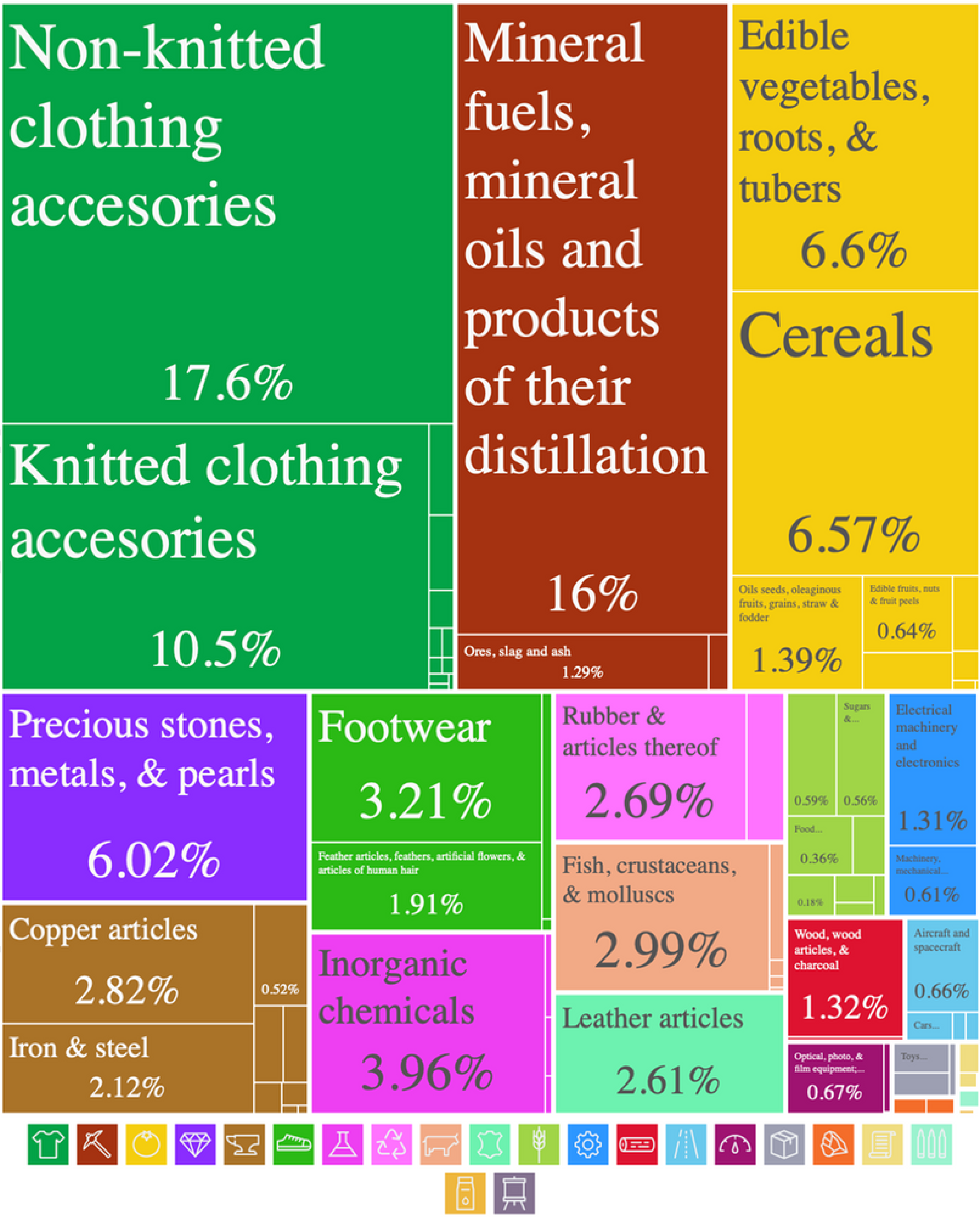
65 Sebastian Doerr, Dalia Marin, Davide Suverato and Thierry Verdier, "Mis-allocation within firms: internal finance and international trade", Bank for International Settlements Working Papers, No. 1030 (2022).

66 World Bank, Myanmar Economic Monitor: Navigating Uncertainty (January 2023).

67 United Nations Development Programme, Livelihoods Hanging by a Thread: A Survey of Garment Workers and Firms (2022); United Nations Office for the Coordination of Humanitarian Affairs, Humanitarian Needs Overview Myanmar 2023 (2023); United Nations Development Programme, Helping Communities Weather the Socio-economic Downturn: Building Urban Resilience (2022).

Annex I:

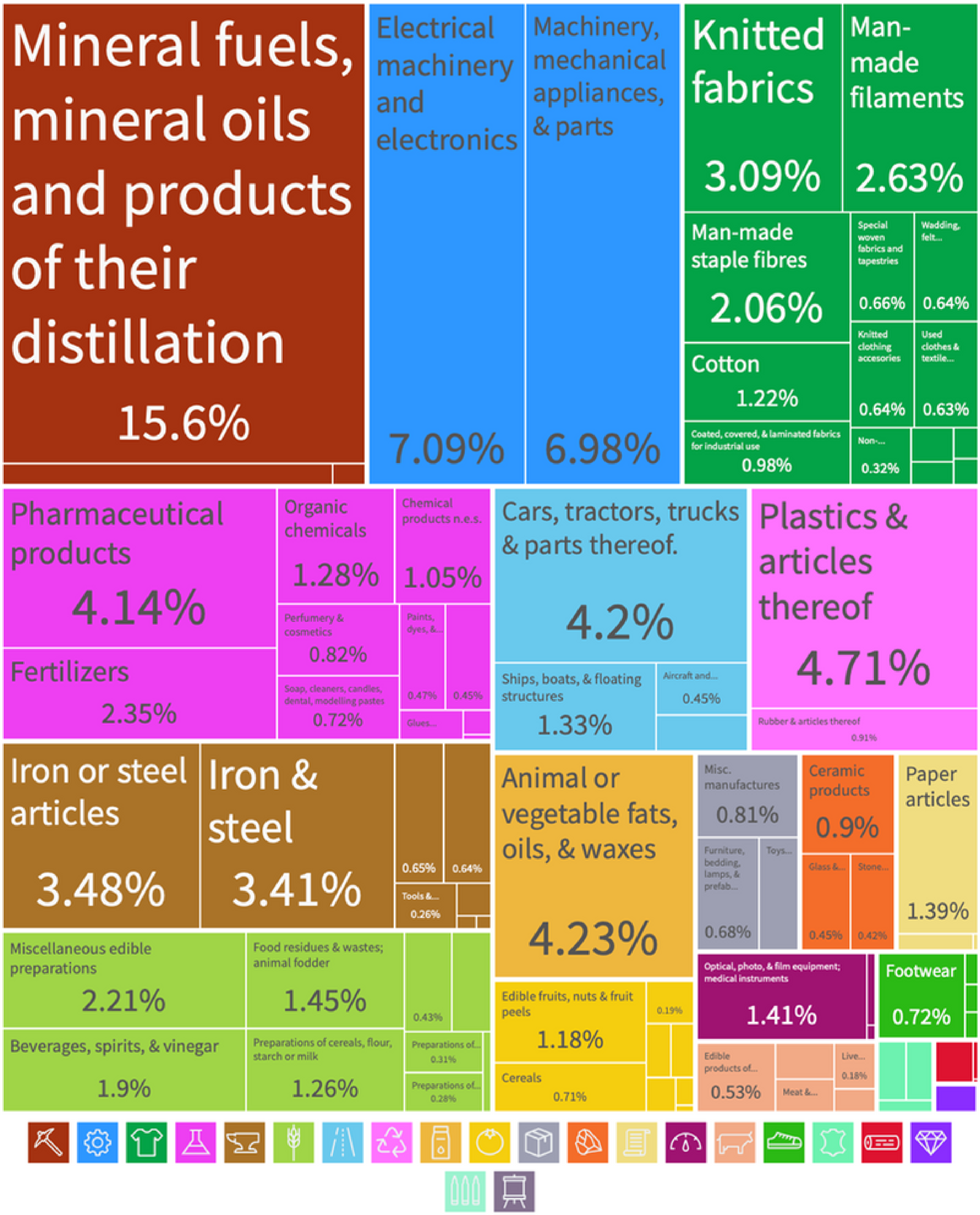
Myanmar's 2021 exports by product type



Source: The Observatory of Economic Complexity (https://oec.world)

Annex II:

Myanmar's 2021 imports by product type



Source: The Observatory of Economic Complexity (https://oec.world)

Annex III:

Economic policy measures, announcements, and regulatory enforcement actions

Please note, this is not an exhaustive list of all economic policies. It is a selection of key policies and announcements in the following thematic areas: company law, business lending, exchange controls, exchange arrangements, the exchange rate regime, export and import licencing and other restrictions and arrangements, financial regulation, financial stability, foreign investment, monetary policy, and tax. Where possible, dates and details are provided in the table although the details in some areas are necessarily limited by the lack of clarity in the original announcement.

	Date	Thematic area	Policy measure, announcement, or enforcement action (headline)	Detail
Phase 1: damage control (February to August 2021)				
1	5-Mar-21	Monetary policy, financial stability	Banks forced to reopen.	CBM writes to banks stating that those refusing to reopen will be forced to transfer part of their accounts to the state-run institutions.
2	1-Apr-21	Monetary policy, financial stability	Withdrawal limits imposed.	CBM imposes bank withdrawal limits: 500,000 MMK per day at ATMs, 2 million MMK per week for individual accounts, and 20 million per week for corporate accounts.
3	12-Apr-21	Import licencing and restrictions	Temporary ban on some food and drinks imports.	MOC imposes a temporary ban on the import of beverages including fruit juice and water, instant coffee, coffee mix, tea mix, yoghurt, cream, condensed milk, and evaporated milk importedthrough land borders.
4	1-May-21	Monetary policy, financial stability	Bank reserve requirements loosened.	CBM reduces reserve requirements from 3.5 to 3% (down from 5% in April 2020)

5	7-May-21	Monetary policy, financial stability	Bank reserve requirements loosened.	CBM (directive 7/2021) increases the weight of government treasury bonds with longer maturities in banks' liquidity ratio calculations.
6	8-May-21	Import licencing and restrictions	Temporary import ban on motorcycles.	MOC introduces a temporary ban on motorcycle imports through land borders.
7	4-Jun-21	Import licencing and restrictions	Temporary import ban on soaps, detergents, toothpaste.	MOC introduces a temporary ban on the importation of soaps, detergents, and toothpaste through land borders.
8	16-Jul-21	Economic policy objectives	SAC announces 9 objectives for the country, including 3 on economic policy.	SAC economic policy objectives: (a) enhance production based on agriculture and livestock through modern techniques and strengthen all-round development in other sectors; (b) develop a stable market economy and promote international investment in order to enhance economic development; and (c) promote and support local businesses to create employment opportunities and increase domestic production.
9	2-Aug-21	Financial regulation	CBM restricts number of foreigners permitted to work at banks	CBM issues letter 4/2021 restricting the number of foreign employees permitted to be employed by Myanmar banks (25 employees for banks with >5% market share, 15 employees for those with 1-5% market share, and 8 employees for smaller banks). CBM approval is needed for new foreign employees.
Phase 2: failed normalisation (August 2021 to March 2022)				
10	3-Aug-21	Exchange rate regime	Managed float re-introduced with a reference rate of 1650 MMK per USD.	CBM introduces an explicit managed float regime with a CBM-determined reference rate of 1650 MMK to USD and a trading band of +/- 0.8% (prior to this, from February 2019, the reference rate was market-determined).
11	3-Sep-21	Exchange controls	FX surrender requirements introduced for exporters.	CBM issues notification 33/2021 introducing FX surrender requirements for exporters. All unused export income held in a foreign currency must be converted to MMK at the reference rate within 4 months of the receipt of the income.
12	10-Sep-21	Exchange rate regime	Managed float abandoned.	The CBM abandons the managed float regime introduced just a month earlier, following problems in the USD FX market. CBM increases market interventions (USD sales).

13	17-Sep-21	Exchange controls	FX transactions to be tracked.	CBM issues a letter requiring banks to track and report on FX transactions.
14	21-Sep-21	Import licencing and restrictions	Palm oil imports restricted to select group of businesses.	SAC restricts the importation of palm oil to a limited number of businesses (8) in the Myanmar Edible Oil Dealers' Association. Association members are restricted to buying/selling palm oil at the reference price and have a max 2 percent profit margin (to prevent price gouging).
15	30-Sep-21	Import licencing and restrictions	Car imports restricted.	MOC introduces a temporary ban on car imports. Suspensions will be applied to individual car import permissions including those held by government officials, to the old vehicle replacement programme and to import permissions held by car dealers.
16	30-Sep-21	Tax	Corporation tax reduced	The September 2021 Union Tax Law reduces corporation income tax from 25% to 22%.
17	30-Sep-21	Tax	Reduced taxation on undocumented income.	The September 2021 Union Tax Law reduces taxes for asset purchases made with undocumented income. The UTL 2019 first introduced lower tiered tax rates for the tax on income that had escaped assessment. The rates increased in 2020. The 2021 UTL decreases the rates again.
18	3-Oct-21	Exchange controls	FX surrender requirements for exporters tightened: grace period reduced to 1 month.	CBM tightens the requirements of notification 33/2021 by reducing the time by which export income must be used or converted to MMK (1 month down from 4 months).
19	12-Oct-21	Exchange arrangements (bilateral payments)	CNY permitted for settling border trade with China. CNY and JPY permitted for international payments.	CBM permits the use of CNY and JPY for international payments and settlements, and permits the use of CNY for land border trade with China.
20	3-Nov-21	Monetary policy, financial stability	Cash transaction cap introduced.	CBM issues notification 43/2021 capping the amount that can be paid in cash for basic goods and services 20 million MMK per transaction. The notification further states that parties should use digital payment methods using the banking system.
21	10-Nov-21	Exchange controls	FX surrender requirements for exporters tightened.	CBM issues notification 46/2021 reducing the period in which exporters must deposit export earnings with their bank following shipments, and banks must verify whether exporters received export proceeds into their bank accounts (3 months down from 6 months).

22	10-Nov-21	Exchange rate regime	New CBM reference rate of 1780 MMK per USD. Tighter trading band introduced.	CBM attempts to formalise the exchange rate regime again, this time fixing the reference rate at 1780 MMK to USD and introducing a trading band of +/-0.5%. This remains overvalued compared with the parallel rate for MMK available on the unofficial market.
23	21-Nov-21	Foreign investment	MIC publishes a list of priority areas for investment.	Under the heading 'inviting investment' the MIC announces that it will prioritise the following areas when considering domestic and international investment proposals: fertiliser, cement, iron and steel manufacturing; agriculture; value-added foodstuffs; electric vehicle manufacturing; pharmaceutical and medical device manufacturing; and, public transportation services.
24	26-Nov-21	Import licencing and restrictions	Licences now required for 63% of import lines.	MOC (newsletter 18/2021) adds 3070 tariff lines to the current list of subject to import licenses (bringing the total number of lines requiring import licences to 63%). This move significantly increases the import licencing requirements for machinery, textiles, clothing, metals, food, beverages, and tobacco products.
25	1-Dec-21	Foreign exchange market intervention	CBM increases USD auctions.	CBM increases its sales of USD (294 million) during the period September to December,, almost tripling the amount sold compared with the May-August period. The sales are directed at importers of critical goods such as fuel and cooking oil using the reference rate (lower than the parallel rate).
26	1-Jan-22	Tax	Tax on SIM cards and internet service providers	Introduction of a 20,000 MMK commercial tax on the sale and activation of SIM cards and a 15% commercial tax on the sale of internet services (up from 5%).
27	3-Mar-22	Exchange arrangements (bilateral payments)	THB permitted for settling some border trade with Thailand.	CBM permits the use of THB/MMK direct payments for Thai-Myanmar cross-border trade (pilot project restricted to Myawaddy and Tachileik).
28	8-Mar-22	Foreign exchange market intervention	Final USD auction of H1 2022.	CBM conducts open market intervention (USD auction). This would be the final such intervention until August 2022.
29	30-Mar-22	Tax	Corporation tax rate reduced for companies listed on the Myanmar stock exchange.	The March 2022 Union Tax Law reduced the corporation income tax rate from 20% to 17% for companies listed on the Myanmar stock exchange.

Phase 3: the three themes crystallise (March to August 2022)				
30	30-Mar-22	Tax	Increase in fines for tax non-compliance.	The Union Tax Law 2022 introduces more substantial fines for non-compliance for all taxes: 100% of the tax and the following fines and 1 million MMK for failure to pay tax the first time, 2 million MMK for the second time, 3 million MMK for the third time, and 6 million for the third and subsequent failures to pay.
31	1-Apr-22	Foreign investment	MIC invites investment in edible oils production.	MIC announces that it will prioritise investment proposals related to the production of edible oils.
32	1-Apr-22	Monetary policy, financial stability	Withdrawal limits loosened.	CBM introduces higher bank withdrawal limits: 100 million MMK per week for factories purchasing raw materials and for government departments, with no limit for payroll.
33	1-Apr-22	Monetary policy, financial stability	Bank reserve requirements loosened.	CBM extends the 3% minimum reserve requirement to April 2023 (75% of which must be deposited at the CBM).
34	3-Apr-22	Exchange rate regime	New CBM reference rate of 1850 MMK per USD.	In recognition of the spread between the reference rate and the parallel (unofficial) rate, CBM increases the reference rate to 1850 MMK per USD. Trading band continues at +/-0.5%.
35	3-Apr-22	Exchange controls	Comprehensive, retroactive FX surrender requirements introduced for Myanmar residents and entities.	CBM introduces requirements for nearly all individuals and entities to repatriate and convert to MMK all foreign-currency income received from abroad within one day of its receipt (this doesn't apply to diplomats and foreign civil servants). This applies retroactively to foreign currency balances already in the country.
36	4-Apr-22	Exchange controls	Restrictions imposed on international (outbound) FX transactions.	CBM introduces a requirement for all outbound cross-border transfers of foreign currency to be conducted through an authorised bank and to be approved by the FESC.
37	5-Apr-22	Exchange controls	Exemptions from FX surrender requirements introduced (government entities).	CBM clarifies that government ministries are exempted from the new foreign currency conversion requirements.
38	7-Apr-22	Exchange controls	Spending limits reduced for international cards.	CBM reduces the monthly card spending limits for international credit and debit cards such as MasterCard, VISA, and UPI from 5000 to 2500 USD, and to 1200 USD for international co-branded credit cards. Banks are instructed to provide regular reports to the CBM on these accounts and FX transactions.

39	12-Apr-22	Exchange controls	Withdrawal limits for international cards tightened.	CBM reduces the withdrawal cap for international credit and debit cards from 5000 to 2500 USD.
40	20-Apr-22	Exchange controls	Further exemptions from FX surrender requirements (various international entities and persons, airlines).	CBM clarifies that various individuals and entities are exempt from the new foreign currency conversion requirements: companies with over 35% foreign ownership; direct investment businesses in SEZs; diplomats and employees of international organisations, international NGOs and development agencies; and, domestic and foreign-owned airlines.
41	21-Apr-22	Foreign investment	SAC ministers seek to reassure international investors and the public regarding energy sector plans.	SAC ministers (information/investment) blame global gas prices and 'terrorist action' for recent power outages. International investment is sought for oil and gas production, including Chinese investment for the Mee Laung Gyaing LNG project. Other plans include: solar power generation, converting fertiliser plants for electricity generation, developing hydropower plants (Middle Paung Laung, Upper Yeywa, Tha Htay, Upper Keng Tawng, Napin, and a domestic transmission line for the Dapei hydropower plant).
42	26-Apr-22	Exchange arrangements (bilateral payments)	Further exemptions from FX surrender requirements: grace period for exporters to China and Thailand.	CBM issues a partial exemption from the foreign currency conversion requirements (announced on 3 April 2022) for businesses obtaining THB and CNY through border trade with Thailand and China. Exporters will have one month to utilise the foreign currency income before the bank is required to convert it to MMK.
43	29-Apr-22	Exchange controls	Enforcement action: FX surrender requirements.	CBM takes enforcement action against 177 companies for failing to comply with CBM notification 46/2021 (10 November 2021) regarding depositing export earnings with the bank within 3 months of shipment.
44	1-May-22	Import licencing and restrictions	Quotas introduced for fuel.	The SAC restricts fuel consumption through the imposition of quotas for licenced retailers (the quotas also applies to fuel bought/sold within Myanmar). The authorities also increase checks in the sector, shutting down non-licenced (often small) retailers in various regions.
45	13-May-22	Exchange controls	FESC established.	SAC officially establishes and appoints the FESC (order 28/2022), which is tasked with approving foreign currency conversion, introducing exemptions to exchange controls, and permitting cross-border foreign currency transfers.

46	22-May-22	Exchange controls	MMK to be used for domestic payments.	CBM issues notification 195/2022 asking government-related entities and private enterprises to use MMK only in making payments for sales of goods and services, and in pricing (noting that some hotels, restaurants, and international schools are still transacting in foreign currency).
47	1-Jun-22	Economic development (business lending)	SAC establishes agriculture fund.	SAC establishes 100 billion MMK fund to increase sunflower oil production.
48	2-Jun-22	Exchange controls	Further exemptions from FX surrender requirements (logistics companies).	Ministry of Transport and Communications issues a letter clarifying the FESC's monthly limits for foreign currency held by the following: (1) 300,000 USD for members of the Myanmar International Freight Forwarders Association; (2) 2 million USD for members of the Myanmar Maritime Association (per shipping line); and, (3) 100,000 USD for airlines and other types of logistics companies.
49	4-Jun-22	Exchange controls	Enforcement action: FX surrender requirements.	CBM to prosecute 137 companies for failing to comply with the requirement to deposit export earnings with the bank.
50	9-Jun-22	Tax	Exemption relating to withholding tax revoked for payments to non-resident service providers.	MOPF issues directive 1/2022 on withholding tax when paying a non-resident third party. This directive removes an exemption on the need to submit supporting documents regarding double taxation agreements with the country of the service provider (the exemption had been introduced in 2020 and was available for payments up to 100,000 USD).
51	10-Jun-22	Financial regulation	Announcement regarding unauthorised mobile payments service providers.	CBM publicly warns against using mobile payment services that are not officially permitted.
52	16-Jun-22	Import licencing and restrictions	Car imports banned.	The SAC introduces a prohibition on car imports, making more concrete and comprehensive the temporary suspension introduced in September 2021.
53	16-Jun-22	Exchange controls	Further exemptions from FX surrender requirements (DICA-registered companies with >10% foreign investment and Myanmar staff of international organisations).	CBM minutes state that the foreign currency conversion requirement (announced on April 3) does not apply to DICA-registered companies with at least 10% foreign investment and to Myanmar citizens employed by exempt organisations such as the UN.
54	30-Jun-22	Tax	Taxpayer identification number introduced for all entities.	MOPF notification 20/2022 introduces a requirement for all companies and organisations in Myanmar, including non-profits, to apply for a taxpayer identification number by 30 June 2022 or within 90 days of establishment. This implements a policy stipulated in the Tax Administration Law 2019.

55	1-Jul-22	Tax	Tax exemption for investment.	56 billion MMK of commercial and income tax exemptions granted to entities that have obtained investment approval from MIC. The exemption also applies to donations made to NGOs and INGOs.
56	2-Jul-22	Exchange arrangements (bilateral payments)	USD to be used for border trade in certain food commodities.	FESC issues a statement requiring the use of USD to settle border trade in rice, bean, corn, and edible crops. This is a partial reversal of the previous policy permitting the use of other currencies (CNY, THB) for such trade. Export earnings must be deposited in an authorised bank at the CBM reference rate (1850 MMK to USD). Non-compliant companies will have their export licence revoked.
57	7-Jul-22	Exchange controls	Further exemptions from FX surrender requirements (SEZ companies, companies with >10% foreign investment).	CBM minutes state that companies with 10% and above foreign investment and SEZ companies are exempted from the foreign currency conversion requirements. The minutes also contain specific list of foreign companies exempted (Woori Bank, Myanma Foreign Trade Bank, China National Oil Corporation, Panjab National Bank).
58	13-Jul-22	Exchange controls	FX surrender requirements tightened: exemption for DICA-registered companies with >10% foreign investment revoked.	CBM (letter FE-1/739) revokes its previous exemption from the foreign currency conversion requirement for DICA-registered companies with at least 10% foreign investment (this doesn't include foreign-owned companies approved by MIC and SEZ companies, which continue to be exempt).
59	13-Jul-22	Exchange controls	Foreign loan repayments suspended.	CBM suspends the repayment of foreign loans by local residents (interest and capital).
60	13-Jul-22	Export licencing and restrictions	Evidence of USD deposit required for export licence.	MOPF announcement on the need for exporters to show proof of USD deposited with a licenced bank as part of an export licence application.
61	15-Jul-22	Exchange controls	FX surrender requirements tightened: FX balances of companies with less than 35% foreign ownership to be immediately converted to MMK.	In accordance with FESC meeting 32/2002, CBM letter FE-1/754 requests that banks convert to MMK any foreign currency balances held by companies with up to 35% foreign ownership. The letter requests a report to CBM by 18:00 on the same day and warns of sanctions for non-compliance.
62	21-Jul-22	Exchange controls	FX surrender requirements tightened: banks to immediately purchase all outstanding FX balances (entities and individuals).	CBM instructs banks to purchase any remaining USD balances held in foreign currency accounts of companies, organisations, and individuals by 18:00.
63	27-Jul-22	Export licencing and restrictions	Foreign companies blocked from exporting value-added beans, corn, and sesame.	MOC newsletter 8/2022 removes criteria for beans, corn and sesame to be considered 'value-added' crops, effectively prohibiting foreign companies and joint ventures from exporting these products.

64	1-Aug-22	Import licencing and restrictions	Committee established to oversee fuel imports from Russia.	SAC establishes committee to arrange fuel imports from Russia. It is chaired by Nyo Saw (MEC) and also includes Maung Maung Kyaw (MEC), Hla Win (Star High Co), Hsan Naung (Brighter Energy), Win Swe (Best Oil Co) and Maung Maung Naing (Yetagon Energy Co).
65	1-Aug-22	Exchange controls	Importers denied access to foreign currency.	MoC issues a notification barring importers from conducting trade in USD from buying USD through the FESC. This regulation does not apply to pharmaceutical companies which are permitted to purchase USD from the informal market.
66	5-Aug-22	Exchange rate regime	New CBM reference rate of 2100 MMK per USD. Tighter trading band introduced.	CBM increases the MMK reference rate to 2100 per USD. The official trading band is reduced from +/- 0.5% to +/- 0.3%.
Phase 4: the three themes continued; some incentives introduced (August 2022 – May 2023)				
67	5-Aug-22	Exchange controls	Further exemptions from FX surrender requirements: 30 day grace period for 35% of export earnings.	CBM issues notification 36/2022 specifying that only 65% of export income needs to be converted into MMK within one day. 35% of export income can be used relatively freely for 30 days, with the exporter and purchasing party permitted to use the foreign currency for cross-border transactions without requiring FESC approval. Banks are still required to submit a daily transaction report. After 30 days, the remainder must be converted to MMK by the exporter's bank.
68	15-Aug-22	Financial regulation	Regulatory committee established to oversee mobile money sector; mobile money operators instructed to maintain extensive information on customers.	SAC forms supervisory committee on mobile financial services to regulate the sector. Also in August, a leaked CBM letter instructs mobile money operators to maintain personal information on customers (names, phone numbers, passcodes, national identity cards, address and reason for cash transfer/withdrawal). They were also instructed to install a CCTV system in their store or take pictures of customers.
69	31-Aug-22	Foreign exchange market intervention	CBM announces first USD auction of H2 2022 (targeted at fuel importers).	CBM announces it will sell 200 million USD to the market to relieve the rise in fuel costs. CBM also issues a letter to the public asking them to ignore false rumours about fuel shortages and MMK depreciation.
70	1-Sep-22	Exchange controls	Further exemptions from FX surrender requirements: 21 day grace period for remittances.	CBM announces that Myanmar citizens receiving foreign currency income from abroad into their bank accounts will be permitted to use this income freely for 21 days before it is converted to MMK.
71	20-Sep-22	Exchange arrangements (bilateral payments)	Announcement regarding future use of Russian Mir payments system.	SAC announces that it is in discussions with Russia regarding the Mir payments system, with the intention of using it to facilitate bilateral MMR-RUS trade settled in MMK-RUB.

72	28-Sep-22	Company law	DICA reduces company ownership transparency by blocking public access to the Myanmar company registry.	DICA begins restricting public access to information held on the country's company registry, Myanmar Companies Online (MyCO). The MyCO electronic company registration system was launched in 2018 using Japanese government funding, with the public subsequently given access to the information from 2019 (for a 10-20,000 MMK fee). MyCO holds information on who owns and controls companies incorporated in Myanmar.
73	28-Sep-22	Monetary policy, financial stability	Bank reserve requirements tightened (composition adjusted).	To restrict the money supply, CBM adjusts the rules regarding the composition of reserve requirements. The minimum reserve requirement remains unchanged at 3%. However, 83% of this amount must now be held with CBM (up from 75%), with 17% to be held as cash reserves (down from 25%). CBM announced it will pay interest on deposits over the minimum requirement to encourage further tightening of the money supply.
74	30-Sep-22	Exchange arrangements (bilateral payments)	FESC/CBM permits the use of CNY to pay for fuel imports.	FESC letter FE-73 announces that CNY can be used by importers to purchase fuel. The letter authorises banks to facilitate the necessary cross-currency trades.
75	15-Oct-22	Exchange controls	Enforcement action: unlicenced FX traders.	CBM sues Perfect Money and B to P Money Exchange for conducting foreign exchange transactions without a licence.
76	17-Oct-22	Tax	Customs duty on medicines increased.	MOPF announces a new regime for customs duties on medicines: 21 types of medicine that can be produced in Myanmar will be subject to 5% customs duty, 18 types of medicine including common products such as paracetamol will not have any customs duty applied, and others will be subject to 1.5% customs duty (notification 85/2022).
77	20-Oct-22	Exchange arrangements (bilateral payments)	CNY/THB permitted for gemstone purchases.	SAC permits the use of CNY and RMB to purchase gemstones at the 2022 mid-year gems emporium (only USD and EUR were permitted previously).
78	21-Oct-22	Exchange controls	SAC orders Yangon industrial companies to report bank information.	Industrial Zone Supervisory Committee orders companies operating in Yangon's industrial zones to submit their bank account information.
79	1-Nov-22	Economic development (business lending)	SAC invites sunflower oil producers to apply for loans; SAC establishes new agriculture fund targeted at livestock.	SAC invites loan applications for its 100 billion MMK sunflower oil fund, established in June 2022. SAC also establishes a new fund of the same size focused on increasing lending to livestock rearing.
80	1-Nov-22	Exchange controls	30 MMK (per USD) incentive introduced for remittances.	CBM starts paying an additional 30 MMK for every USD remitted through authorised banks (applies to other currencies at an equivalent rate).

81	1-Nov-22	Export licencing and restrictions	Customs relief for Myanmar exporters to China.	Some Myanmar exporters given access to customs free trade with China (pending Trade Department/MoC application process) under the Regional Comprehensive Economic Partnership.
82	1-Nov-22	Exchange controls	Companies required to use authorised banks to pay for imports; invited to utilise FX earnings of exporters or remittances to pay for imports.	MoC (Department of Trade) introduces a requirement for payments for imports to be processed through authorised banks. The notification informs importers that they should use foreign currency obtained through export earnings (utilising the 30 day grace period for 65% of export income introduced on 5 August) or remittances (utilising the 21 day grace period introduced on 1 September).
83	11-Nov-22	Import licencing and restrictions	EV import scheme and customs duty exemption.	MOC announces a new pilot scheme for the importation of electric vehicles. MOPF announces that electric vehicles and related products are exempt from customs duties (up to March 2023).
84	16-Nov-22	Tax	Measures to address tax fraud and non-compliance.	IRD issues a public ruling providing tighter definitions of tax avoidance, tax underpayment, misrepresentation of tax information, and tax evasion. This public ruling was brought under the Tax Administration Law 2019.
85	17-Nov-22	Tax	EV tax exemption (commercial tax and specific goods tax)	SAC Law 48 of 2022 amends the Union Taxation Law 2022 to exempt electric vehicles and their batteries from commercial tax and special goods tax.
86	28-Nov-22	Exchange arrangements (tax payments)	MoC permits the use of CNY for tax payments on banana exports.	MoC permits the use of CNY to pay taxes due on tissue-culture bananas. These bananas are grown for the Chinese market in Kachin and exported through Kampaiti, with Chinese investment leading to market growth over the past decade. Myanmar imposed a tax on the sector in 2019.
87	1-Dec-22	Exchange rate regime	Unofficial exchange rates published in GNLM.	Global New Light of Myanmar (state newspaper) begins publishing the exchange rates available on the unofficial/black market. It refers to these rates as 'external' rates.
88	11-Dec-22	Exchange controls	Foreign currency required for import licence applications.	Department of Trade (MoC) announces that licence applications for imports at the Myawaddy trade zone will only be granted if importers have foreign currency in their bank accounts. This announcement relates to the 1 November notification regarding importers needing to obtain foreign currency earned from exports or remittances.
89	15-Dec-22	Foreign exchange market intervention	CBM announces USD liquidity injection undertaken during November-December 2022.	CBM announces that it has undertaken a liquidity injection of 108 million USD during the previous 45 days. But the announcement does not make clear whether this injection refers to USD auctions or to the result of policies regarding USD obtained through remittances and exports. CBM announcement also refers to fraudulent fuel companies procuring USD to disrupt the FX market.

90	16-Dec-22	Exchange controls	2865 + 40 MMK top-up (per USD) offered by CB Bank for seamen and Myanmar citizens remitting foreign-earned income.	CB Bank announces its intention to offer a contribution of 10 MMK for each USD remitted into its accounts by seamen and Myanmar citizens working abroad. More significantly, an exchange rate of 2865 MMK per USD is available to these customers. This is in addition to the 30 MMK per USD incentive introduced by CBM on 1 November 2022.
91	30-Dec-22	Exchange controls	Further exemptions from FX surrender requirements: exemption for companies with >35% foreign ownership using FX within Myanmar or for trade.	FESC grants companies with at least 35% foreign ownership an exemption from the foreign currency conversion requirements if the currency is to be used within Myanmar or for cross-border trade. FESC authorisation is still required if the company wants to make outbound international payments using foreign currency for non-trading purposes. Foreign companies exporting non-value-added agricultural products are still required to convert 65% of export earnings into MMK in line with the policy of 5 August 2022.
92	30-Dec-22	Exchange arrangements (bilateral payments)	Expansion of THB-MMK payments for border trade with Thailand.	CBM updates its guidelines on the use of THB-MMK payment for trade with Thailand, expanding the scheme to the border trading zones at Myeik, Kawthoung, Mawtaung(on top of Myawaddy and Tachileik that were the focus of the pilot when it was introduced in March 2022).
93	1-Jan-23	Exchange controls	CBM issues warning to garment manufacturers regarding FX controls.	CBM inspected 738 garment manufacturer's financial records, subsequently warning 92 of them about not having local bank accounts and 284 of them for not receiving FX payments (in breach of recently introduced regulations).
94	14-Jan-23	Exchange controls	CBM seeks to formalise remittances from Malaysia.	CBM asks for cooperation from Maybank to help to channel remittances from Myanmar workers in Malaysia through formal banking channels rather than hundi.
95	1-Feb-23	Economic development (business lending)	SAC announces new SME development fund.	In its 2022/23 supplementary budget, the SAC sets aside 170 billion MMK for lending to SMEs.
96	3-Feb-23	Economic policy objectives	SAC announces 12 objectives for the country, including 4 on economic policy.	SAC's new governing objectives include one addition to the 3 announced in July 2021: to encourage micro, small, and medium-scale enterprises based on domestic raw materials in order to substitute import goods and enhance export products to have long-term guarantees and create employment opportunities and increase domestic production.
97	10-Feb-23	Exchange rate / exchange controls	CBM warns of false rumours regarding MMK weakness.	CBM makes an announcement about the circulation of false rumours which are creating downward pressure on MMK and instructs banks to identify the companies involved.

98	15-Feb-23	Foreign investment	New MIC notification inviting investment in EVs and renewable energy and offering tax reliefs.	MIC notification 1/2023 states that electric vehicles, and renewable energy generation and distribution, are priority areas in which the MIC will view investment proposals favourably. MIC notes that investment in these areas will benefit from exemptions or reliefs from customs duty or other internal taxes.
99	22-Feb-23	Import licencing and restrictions	New EV import pilot announced.	MOC announces electric vehicle import pilot rules: participating companies must possess a showroom operating licence or be registered with DICA, they need to obtain a permit from the National Level Committee for EVs and Related Industries Development, and they need to present a bank guarantee equivalent to 50 million MMK. GNLM reported on various electric vehicle-related imports during February (mainly chargers from China).
100	1-Mar-23	Exchange controls	FX surrender requirements tightened: rice exporters required to convert 65% of income to MMK at reference rate.	MoC (Trade Department) sets a new requirement for 65% of income from rice exported via land borders to be converted to MMK at the CBM reference rate (2100 MMK per USD), reversing the previous policy which permitted retention of all export income.
101	1-Mar-23	Exchange controls	Income tax due on foreign-earned income must be paid in foreign currency.	CBM announces new procedures for the payment of taxes on income earned abroad. Conversion to MMK prior to the payment of taxes is no longer permitted. Myanmar taxpayers are required to open a foreign currency account with a state-owned bank (Myanmar Economic Bank, Myanmar Investment and Commercial Bank, and Myanmar Foreign Trade Bank) or to make a foreign currency transfer to Myanmar Economic Bank.
102	8-Mar-23	Exchange controls	Banking in Thailand becomes more challenging for Myanmar citizens.	Myanmar Embassy in Bangkok announces that it will no longer provide reference letters to Myanmar tourists to enable them to open a Thai bank account. Bangkok Bank also announces it is restricting the ability of tourists to open bank accounts.
103	9-Mar-23	Import licencing and restrictions	Scrutiny of the fuel sector set to increase.	SAC announces its intention to scrutinise the fuel sector to reduce consumption and thereby the outflow of USD and the Myanmar Petroleum Trade Association issues a statement announcing increased consumption monitoring and inspections of retailers (blacklisting and shutting down businesses who are non-compliant).
104	23-Mar-23	Exchange controls	Enforcement action: Money changer licences revoked.	CBM revokes money changer licences of over 20 companies in 2023 so far for failure to comply with exchange controls. This includes Global Innovations Finance, Mandalay Capital, Imperial Myanmar Finance, and Myanmar National Airlines.

105	24-Mar-23	Monetary policy, financial stability	CBM maintains position on reserve requirements adopted in May 2021.	In May 2021, to ease liquidity issues, the CBM increased the weight of government treasury bonds with longer maturities in banks' liquidity ratio calculations. That policy has now been extended until September 2023.
106	30-Mar-23	Tax	Tax exemptions for EVs and solar panels.	Commercial tax exemptions introduced for various goods and services including those related to electric vehicles and solar photovoltaic panels. Electric vehicles will also be exempt from special commodity tax from until March 2024 and vehicles registered from 2023 to 2025 will be exempted from wheel tax, city entrance fees, and tolls.
107	30-Mar-23	Tax	SME tax relief	Income tax exemption threshold increased for new SMEs (i.e. in their first 3 years) from 10 million MMK to 15 million MMK per year.
108	30-Mar-23	Tax	Gemstone sale tax exemptions removed.	Gemstone tax exemption removed for diamonds and emeralds (tax of between 5-11% due on the sale of gemstones).
109	1-Jan-23	Export licencing and restrictions	Licences now required for 86% of export lines.	MoC increases exporter licencing requirements. Licences are now required for exports across 10,293 lines (out of 11,849) i.e. 86% (bulletin 6/2023).
110	1-Apr-23	Import licencing and restrictions	Licences now required for 74% of import lines.	MoC increases importer licencing requirements. Licences are now required for imports across 8,774 lines (out of 11,849) i.e. 74 (notification 19/2023).
111	1-Apr-23	Company law	Introduction of stricter company registration process.	DICA announces new requirements for newly registered businesses to submit detailed banking and financial information within 2 months of company registration.
112	12-Apr-23	Economic development (business lending)	SAC announces new agriculture lending.	SAC announces a new 70 billion MMK fund open to loan applications from oil mills and livestock producers (on a 5:2 basis).
113	20-Apr-23	Exchange controls	Clarification re partial exemption to FX surrender requirements for exporters.	CBM/FESC clarifies that the unofficial market rate can be used by exporters seeking to utilise up to 35% of their export income (within 30 days) as per notification 36/2022 (5 August 2022).
114	20-Apr-23	Economic development (business lending)	SAC statement on new SME loans.	SAC announces increased lending support to SMEs (the financing for this comes from the JICA SME project which was initiated in 2015, with funding allocated to 11 banks between 2015 and 2019).

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