

**Embassy of India
Yangon

BILATERAL ECONOMIC & COMMERCIAL RELATIONS

India has been a major trading partner of Myanmar for ages. Since the signing of the India Myanmar trade agreement in 1970, bilateral trade has grown steadily, albeit with a slight decline in the 80's, and stands at **US\$ 1.6 billion in 2017-18**. The growth is, however, not commensurate with the potential and targets set bilaterally at the Joint Trade Committee which is led by the Commerce Ministers of the two countries. The bilateral trade has risen from US\$ 328 million in 1997-98 to US\$ 921.19 in 2006-7; US\$ 2.18 billion in 2013-14 and US \$2.17 Billion in 2016-17 (though Myanmar trade statistics are lower), **the bilateral trade figures indicate a decline in 2017-18 which is attributable to import restrictions imposed by India on pulses and beans. India is the fifth largest trade partner of Myanmar, as on March, 2018 (5th largest export destination for Myanmar and 6th largest source of imports into Myanmar).** Since opening up of Myanmar economy new players have started to enter the country aggressively both in trade and investment. There is a huge potential for bilateral trade, investment and other forms of economic cooperation with Myanmar.

2. Myanmar is the second largest supplier of beans and pulses to India. The total value of beans and pulses exported to India in 2016-17 amounted to US\$ 809.45 million. Another important component of Myanmar's exports to India has been timber & wood articles. Timber exports have, however, slowed down since the ban on exports of logs from Myanmar w.e.f April 2014 by the Government. Timber and wood products, which accounted for about 50% of Myanmar's exports to India in 2013-14 has come down to about 15% in 2016-17 at 156 million. India's exports to Myanmar include steel and iron products, electrical machinery, pharmaceuticals products, machinery and equipments, mineral oil, rubber products, plastics etc. Exports of pharmaceuticals, which enjoy a good reputation in Myanmar, has grown from about US\$ 50 million in 2010 to US\$ 184.27 Million in 2016-17. Growth of imports outpaced our growth of exports to Myanmar in 2016-17. Potential areas are pharmaceuticals, agricultural machinery, agrochemicals, electrical goods, iron and steel, pulses and beans, investment in plantations, ICT and IT-related products and services.

Table 1. India-Myanmar bilateral trade (in million US \$)

Figures in brackets indicate variation from previous year(s)

Year	2012-13	2013-14	2014- 15	2015-16	2016-17	2017-18
India's exports	544.66 (-0.13%)	787.01 (44.5%)	773.74 (-1.69%)	1070.65 (38.46%)	1,107.89 (3.48%)	966.19 (-12.79%)
India's imports	1,412.69 (2.28%)	1395.67 (-1.20%)	1231.54 (-11.76%)	984.27 (-20.08%)	1067.25 (8.43%)	639.64 (-40.07%)
TOTAL TRADE	1,957.35 (1.6%)	2182.68 (11.51%)	2005.28 (-8.13%)	2054.92 (2.5%)	2178.44 (5.85%)	1605.84 (-26.17%)

(Source: DGFT, Dept of Commerce, India)

Table 2. India's major Imports from Myanmar (in million US\$)

		2014-15	2015-16	2016-17	2017-18
1	Edible vegetables & certain roots & tubers (beans & pulses)	813.85	819.91	809.45	432.27
2	Wood & articles	382.12	125.03	156.39	142.64
3	Aircraft, spacecraft and parts thereof	-	0.03	50.76	-
4	Other edible items	26.27	31.56	33.86	11.09
6	Lead and Articles Thereof	-	0.09	5.46	12.24
7	Fish, meat & preparations	5.37	4.21	4.19	6.20
9	Inorganic and Organic Chemicals (Aluminum & Zinc)	-	0.73	-	9.33
10	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	0.41	0.13	0.18	0.03
11	Electrical Machinery and Equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers and parts.	0.11	0.08	0.23	0.32
12	Iron and Steel (Articles of Iron and Steel)	-	0.10	0.08	13.89
13	Raw Hide & Skins	1.31	0.67	0.52	2.58
14	Plastic and Articles thereof	-	0.02	0.18	0.01
15	Rubber and Articles thereof	0.45	0.18	0.73	2.60
16	Miscellaneous	2.08	1.53	5.22	6.44
	Total	1231.54	984.27	1067.25	639.64

Source: Export Import Data Bank, Department of Commerce, New Delhi

(Source: DGFT, Dept of Commerce, India)

Table 3. India's major exports to Myanmar (in million US\$)

		2014-15	2015-16	2016-17	2017-18
1	Sugars & Sugar Confectionery	0.55	457.09	424.26	67.34
2	Pharmaceuticals	169.17	152.23	184.27	178.95
3	Vehicles other than railway	44.39	37.52	64.35	67.44
4	Cotton & yarn	44.89	49.50	40.91	48.01
5	Garment & textiles	30.62	39.33	32.69	23.00
6	Iron & steel	74.74	30.43	47.55	124.00

7	Nuclear Reactors, Boiler, Machinery & parts	76.09	46.07	47.30	45.21
8	Electrical Machinery & Equipment	124.87	73.46	54.46	68.20
9	Chemicals & allied products	18.27	20.43	36.56	33.66
10	Residues waste from the food industry	48.9	19.33	29.70	42.80
11	Products of Animal Origin not elsewhere specified or included.	7.39	22.77	26.31	29.15
12	Mineral Fuels, Mineral Oils and Products of their distillation; Bituminous substances; Mineral Waxes.	3.27	2.84	21.68	66.96
13	Edible items	17.03	15.53	15.80	18.16
14	Plastic & articles	7.22	14.39	13.94	15.99
15	Other metals & articles	21.02	20.43	12.43	11.88
16	Tobacco and Manufactured Tobacco	8.26	5.67	9.81	8.21
17	Rubber & articles	10.54	7.65	5.89	6.96
18	Locomotives, rolling stock & parts	1.11	0.55	0.21	33.02
19	Dairy Produce	10.2	0.11	-	0.08
20	Earths & stone, lime & cement	9.11	1.4	1.17	5.54
21	Minerals oils	3.93	2.94	-	-
22	Tools implements	17.33	4.04	-	4.15
23	Ships, Boats and Floating Structures	-	-	-	21.28
24	Miscellaneous	24.34	44.49	41.80	46.20
	Total	773.24	1068.20	1111.09	966.19

Source: Export Import Data Bank, Department of Commerce, New Delhi

(Source: DGFT, Dept of Commerce, India)

BORDER TRADE

Table 4. Trends of bilateral border trade (in million US\$)

Year	Myanmar exports to India	Myanmar Imports from India	Total trade	Balance of Trade
2005-2006	11.28	4.13	15.41	-7.14
2006-2007	11.02	4.75	15.77	-6.27
2007-2008	10.91	3.92	14.83	-6.99
2008-2009	5.49	4.43	9.82	-1.05
2009-2010	7.79	5.95	13.73	-1.84
2010-2011	8.30	4.50	12.80	-3.80
2011-2012	8.87	6.54	15.41	-2.33
2012-2013	26.96	11.67	38.63	-15.20
2013-2014	16.46	26.12	42.58	9.66
2014-2015	17.03	39.86	56.89	22.83

2015-2016	53.027	18.617	71.644	-34.41
2016-2017	63.461	24.435	87.896	-39.026
2017-2018	68.774	21.791	90.565	46.983
2018(Mini Budget)	84.316	9.136	93.452	75.18
2018-2019 (October- February)	65.451	11.388	76.839	54.063

(Source: Ministry of Commerce, Myanmar)

BILATERAL MECHANISMS

3. India and Myanmar have signed a Bilateral Investment Promotion & Protection Agreement (BIPPA) and Double Taxation Avoidance Agreement (DTAA). These agreements provide easy flow of bilateral investments and business profits and taxation related matters. Both the agreements have been ratified by India and Myanmar.

4. **Joint Trade Committee:** Joint Trade Committee (JTC), chaired by the respective Commerce Ministers, has been effective in reviewing and setting policy objectives for bilateral trade between the two countries. Set up in 2003, the Joint Trade Committee has met six times so far and has successfully directed the rapid growth of commercial relations between the two countries. The 6th JTC meeting has concluded in Delhi on June 27, 2017; the 5th JTC meeting was held in Nay Pyi Taw on 16-17 February 2015 and the 4th JTC Meeting was held in New Delhi in September 2011. The 6th JTC meeting was co-chaired by CIM Ms. Niramala Sitharaman and Myanmar Minister for Commerce, Dr. Than Myint. The two Ministers discussed ways and means to strengthen bilateral trade; to promote investment and capacity building in the field of economy and commerce.

5. **Joint Trade and Investment Forum:** Following the signing of an MOU in May 2012 and as also envisaged at the JTC meetings, a Joint Trade and Investment Forum (JTIF) was established in 2013. The first meeting of the JTIF was co-chaired by Mr. Sunil Mittal, Chairman Bharti Group and Mr. Aung Win, President of UMFCCI and Chairman, Dagon International in Yangon on June 7, 2013. The Forum recommended greater connectivity by both sea and air; improvement in infrastructure facilities at border posts; and uplifting farm and food processing industries in Myanmar to realize the bilateral trade potential.

6. **Border Trade Committee:** was established at Joint Secretary (DoC) Level to discuss matters related to border trade. The first meeting was held in Moreh, Manipur; the second meeting was held in November 2013 in Tamu, Myanmar; and the third meeting was held in December 2014 in New Delhi. Both sides reviewed the decisions taken in previous meetings and identified ways to improve border trade including trade facilitation at the border posts. Similarly, to implement the MOU on Border Haats, signed during the visit of PM to Myanmar in May 2012, a **Border Haats Committee** was established at JS level which met in Myanmar in October 2012 and its second meeting was held on January 23, 2017 by video conference to discuss the Mode of Operations of the Border Haats. A delegation from Myanmar Ministry of Commerce visited India-Bangladesh Border Haat at Kamalagar, Tripura in May 2017 to see and understand the functioning of the Border Haats. Third meeting of the Border Haats Committee was also held via video conference in June 2018.

7. **Healthcare Sector:** Two MoUs were signed with the Government of Myanmar during the visit of PM to Myanmar in September 2017. MoU for cooperation in medical products regulation between the Central Drugs Standard Control Organisation (CDSCO), Ministry of Health and Family Welfare, of the Republic of India and Food and Drugs Administration (FDA), Ministry of Health and Sports of Myanmar and MoU for cooperation in the field of Health and Medicine between the Ministry of Health and Family Welfare of the Government of the Republic of India and the Ministry of Health and Sports of Myanmar. JWGs have been set up under the MoUs and meetings are being planned.

INVESTMENT

8. India is presently the eleventh largest investor with an approved investment of *US\$ 763.567 million by 30 Indian enterprises, out of the total estimated investments of US\$ 79.604 billion from 49 countries by 1694 enterprises (as on 31 March 2019)*. Most of India's investments have been in the oil and gas sector. In addition, the following Indian companies won major contracts/investments. TATA motor has transferred technology of truck assembly plant in Magway, Myanmar in association with Myanmar Automobile & Diesel Industries Limited (MADI) with the GOI support. The plant deals with highly flexible chassis & frame assembly line along with a cab manufacturing, painting and trimming activities with a capacity to deliver 1000 vehicles per year. In 2013, TATA motors opened its first sales, service and spares showroom in Yangon. TVS motors (two wheelers) launched dealership in Mandalay and in other small town. Sonalika Tractors, New Holland tractor, Escorts and their farm implements from India have good presence in Myanmar. In addition to above, various Indian companies like Birla Corporation, Avantha Group, Parry Agro Industries, Amalgamated Tea Plantations Ltd., Lucky Exports, Oberoi group, ITC Hotels, Bharti Airtel, Kirlosker Pumps, Cairn Energy India Ltd., Asian Oilfield Services India, Kanachur Industries India Ltd., Royal Solar, GMR, JK Paper and Cement, Shree Cements, etc. have shown considerable interest in investing in Myanmar. In pharmaceuticals sector, Zydus Cadilla has invested an amount of US\$20 Million to set up a plant in the Thilawa SEZ in 2016.

9. **Punj Lloyd Ltd**, an Indian contractor executed a part of Myanmar China Oil Pipeline Project and Myanmar China Gas Pipeline Project along with South East Asia Crude Oil Pipeline Company Limited and South East of Asia Gas Pipeline Company since May 2011 with an estimated total investment of US \$ 475 million.

10. **Larson and Toubro** involved in an offshore project at M9 & M11 blocks in Gulf of Martaban, Myanmar, Zawtika Development Project, with a cost of US\$ 250 million. The project involves three wellhead topsides and three jackets weight 7000-8000 MT installed in a water depth of 130-150 meters and 21 km of 18 inches subsea pipelines. The other project won by them was the Yetagu offshore Project: Engineering procurement fabrication and installation of wellhead platforms and pipelines at Yetagu offshore field with a cost of US\$112 million.

11. **Vihaan Networks Ltd** completed a project of USD 5 million for installation of solar powered telecommunication tower projects on Mandalay- Yangon highway (600 km). In the **wood based industries sector** as the export of unprocessed logs has been banned by Myanmar since April 2014, a number of Indian companies namely Centuryply, Greenply Industries, MAK Plywood, B.S Progressive and Fine Ply have set up their wood-based industries in Yangon with a total estimated investment of about US\$ 35 million. Global Protek is setting up a PVC plant with Thiha Tun Company at Monwya, Sagaing Region. Two vocational training institutes are being set up by George Telegraph, Calcutta in joint ventures with two local firms both at Monwya and Mandalay.

12. **Tata Power** signed an Memorandum of Understanding (MoU) with Ministry of Electric Power, Government of Myanmar on 11 April 2013 for an imported coal fired power project at Ngayok Kaung in Ayeyarwaddy region, Myanmar. Given strong opposition in Myanmar for coal based plants, the project could not take off. Tata Power is also desirous of participating in hydro/ gas or renewable generation and business opportunities in power distribution in Myanmar.

13. **Adani Group** is currently working with the Myanmar Government to materialize a proposal of supplying 1500 MW of electricity from India to Myanmar through cross border transmission line. They have submitted Feasibility Study with the concerned ministry and are awaiting their views/comments.

14. **Potential sectors for Indian investment:** Power, Renewable Energy, Agri-business, food processing, construction related industries, hospital & Healthcare, vocational training & Education, Mining, Oil and Gas, Refinery, Fertilizer, Pharma & Iron and steel.

HYDROCARBON AND ENERGY

15. An MoU on Co-operation in the Petroleum Sector between Ministry of Petroleum and Natural Gas of India and Ministry of Energy of Myanmar was signed during Hon'ble President's visit to Myanmar in March 2006. Since then both private and public companies from India have shown interest in exploration and development activities. Minister of State for Petroleum and Natural Gas, Shri Dharmendra Pradhan paid an official visit to Myanmar from February 21-22, 2017 and held bilateral discussions with the Myanmar Minister for Electricity and Energy. In pursuance of discussions during the visit in December 2017, JWG for cooperation in Oil and Gas has been established and the first meeting was held on March 8, 2018 in Nay Pyi Taw. Indian delegation was led by JS (IC), Ministry of Petroleum and Natural Gas and Myanmar side was led by DG, Department of Oil Planning, Ministry of Electricity and energy. Following the meeting, Indian Oil Corporation Limited (IOCL) opened its office in Yangon in April 2018 and is actively exploring the market. It is importing HSD and Aviation fuel from India to Myanmar under its term contracts with Puma and National Energy Puma Aviation Services (NEPAS). GAIL has been exporting Polymer to various commercial entities in Myanmar like Posco daewoo, sumitomo etc. the figures for the last three years are given below:

S. No.	Year	Quantity	Revenue	Polymer Type	Major Customers
1	FY 2016-17	731 MT	USD 0.78 million	Linear Low density Film (LL Film), High Density (HD) Injection, HD Raffia	Posco Daewoo, Sumitomo, Tricon, Vinmar, and Yee Yee Tun
2	FY 2017-18	4964 MT	USD 5.25 million	LL Film, HD Injection, HD Raffia	Posco Daewoo, Sumitomo, Vinmar, United Polymax, Grand Slam
3	FY 2018-19 (till Feb)	2494 MT	USD 2.78	LL Film, HD Raffia	Sumitomo, Vinmar, United

2019),	million	Polymax, Grand Slam.
--------	---------	----------------------

16. Pursuant to signing of the MoU for Cooperation in Power sector between India and Myanmar during the visit of the State Counsellor Daw Aung San Suu Kyi to India in October 2016, Power Secretary, Shri P. K. Pujari visited Myanmar for the first meeting of the Joint Steering Committee to discuss cooperation in power from 15-18 June 2017. It was agreed that Joint Working Group at JS/DG level and sub-working groups would be formed in specific areas like Transmission Planning, Renewable Energy, Energy Efficiency etc which would make with detailed proposals in their respective areas and report to the JWG and JSC for further implementation. The second meeting of JSC and first meeting of the JWG on Power were held in Naypyi Taw on **24-25 April 2018**. Joint Technical Teams on Transmission and Generation have been constituted and the first meeting of the JTTs was held on February 18, 2019. The 2nd JWG on cooperation in the field of power was held on February 19, 2019.

17. **ONGC Videsh Ltd. (OVL) and GAIL** in 2006 acquired 20% and 10% participating interest in the A1/A3 blocks (Shwe Development and Production Area). In 2010, ONGC withdrew due to poor prospects from the AD-2, AD-3 & AD-9 deepwater blocks to which it had been given PSC rights. ESSAR acquired stakes in offshore block A2 and onshore block 'L' in 2005 and had undertaken some exploratory work but there was no significant move since 2009 which contract has expired. In 2011, **Jubilant Energy** got exploration and prospecting rights on PSC-1 onshore block (3600 km²) along with consortium of Parami Energy Development Co Ltd, Myanmar. They were keen on securing similar rights in the 2013 round of bidding for one or two more adjacent onshore blocks but could add one. However, ONGC won two blocks viz., B2 and EP3 of the onshore bidding round 2013 for which PSC were signed in 2014. With regard to offshore bidding round **2013, Reliance (2 blocks-M17 & M18) and Oil India Limited with Oil Max and Mercator (2 block-YEB & M4)** won shallow water blocks in March 2014; and signed PSC in 2015. Reliance oil relinquished its blocks in 2017 due to poor prospects. Oil India is also in the process of relinquishing.

18. Numaligarh Refinery Limited (NRL) is keen on exporting High Speed Diesel to Myanmar via the land border. The issue was taken up during the 6th JTC and Myanmar side was requested to facilitate movement of trucks carrying High Speed Diesel. NRL is already supplying high quality wax to Myanmar.

19. Following the visit of Myanmar Minister for Electric Power to India in April 2015, an agreement for supply 2-3 MW electricity to Tamu District Committee (Sagaing) from Manipur State Power Distribution Company Limited was signed in 2015 and the 11KV interconnection was commissioned in April 2016. Power is being supplied from Moreh to Tamu and it has been proposed that, if required, additional power could be supplied.

BANKING & INSURANCE

20. Cooperation in banking sector is crucial for investment and trade. **State Bank of India (SBI) was granted commercial banking license by the Government of Myanmar in March 2016 and started its operations from October 2016**. Ms. Arundhati Bhattacharya, Chairman, SBI had visited Yangon for inauguration of the branch. In addition to its Yangon branch, SBI has opened facilities such as ATM, Forex and duty payment at its branches in Moreh and Zowkhatar

for border trade. EXIM bank, United Bank of India (UBI) and Bank of India (BoI) also have representative offices in Yangon.

21. United Bank of India has signed a number of banking agreements with both private and state banks in Myanmar to facilitate trade transactions between the two countries. It has been present in Yangon since November 2012. UBI has signed MOUs with MFTB, MICB and Myanmar Economic Bank (all three are state owned banks) for correspondent banking relations. RBI has approved UBI for opening a USD *Vostro* account by Myanmar Economic Bank in UBI Moreh branch. New India Assurances Limited opened its representative office in Yangon in June 2015 and has been pursuing relations in insurance sector. A delegation from Insurance Institute of India visited Myanmar in November 2015 to explore cooperation between the Institute and Myanmar insurance. ***GIC Re and Myanma Insurance signed an MoU on June 06, 2018 with the aim to develop the re-insurance sector of Myanmar.***