

**Embassy of India
Yangon

BILATERAL ECONOMIC & COMMERCIAL BRIEF

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\$ 1.52 billion in 2019-20. 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. Bilateral trade however witnessed a decline of -11.93% in 2019-20 over the 2018-19. India's imports from Myanmar saw a growth of 4.94%, India's export to Myanmar witnessed a decline of -19.22% during 2019-20 over the previous year's trade figures. India is the 5th largest trade partner of 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 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, US\$ 370.43 million in 2018-19 and US\$ 344.07 million in 2019-20. The volume of pulses export started reducing after introduction of quantitative restrictions by India to protect her own growers.

3. 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 14% in 2019-20 at 75.47 million. India's exports to Myanmar include pharmaceuticals products, steel and iron products, electrical machinery, vehicles other than railways, machinery and equipments, cotton & yarn, plastics etc. Exports of pharmaceuticals, which enjoys a good reputation in Myanmar, has grown from about US\$ 50 million in 2010 to US\$ 221.78 Million in 2019-20 which is about 38% of market share in Myanmar. Potential areas of Indian exports are pharmaceuticals, agricultural machinery, agrochemicals, electrical goods, iron and steel, 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	2014- 15	2015-16	2016-17	2017-18	2018-19	2019-20
India's exports	773.74 (-1.69%)	1070.65 (38.46%)	1,107.89 (3.48%)	966.19 (-2.79%)	1205.60 (24.78%)	973.89 (-19.22%)
India's imports	1231.54 (-1.76%)	984.27 (-0.08%)	1067.25 (8.43%)	639.64 (-40.07%)	521.49 (-18.47%)	547.25 (4.94%)
TOTAL TRADE	2005.28 (-8.13%)	2054.92 (2.5%)	2178.44 (5.85%)	1605.84 (-26.17%)	1727.10 (7.55%)	1521.13 (-11.93%)

(Source: Dept of Commerce, India)

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

	Products	2015-16	2016-17	2017-18	2018-19	2019-20
1.	Edible vegetables & certain roots & tubers (beans & pulses)	819.91	809.45	432.27	370.43	344.07
2.	Wood & articles	125.03	156.39	142.64	92.25	75.47
3.	Other edible items	31.56	33.86	11.09	11.13	66.10
4.	Lead and Articles Thereof	0.09	5.46	12.24	-	7.80
5.	Fish, meat & preparations	4.21	4.19	6.20	4.08	13.75
6.	Aluminum & Zinc	0.73	-	9.33	16.99	12.61
7.	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	0.13	0.18	0.03	0.67	0.29
8.	Electrical Machinery and Equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers and parts.	0.08	0.23	0.32	0.42	1.46
9.	Iron and Steel (Articles of Iron and Steel)	0.10	0.08	13.89	8.93	1.07
10.	Raw Hide & Skins	0.67	0.52	2.58	2.16	1.01
11.	Plastic and Articles thereof	0.02	0.18	0.01	0.02	0.05
12.	Rubber and Articles thereof	0.18	0.73	2.60	6.07	12.58
13.	Miscellaneous	1.53	5.22	6.44	8.34	10.99
	Total	984.27	1067.25	639.64	513.15	547.25

*(Source: Department of Commerce, India)***Table 3. India's major exports to Myanmar (in million US\$)**

		2015-16	2016-17	2017-18	2018-19	2019-20
1	Sugars & Sugar Confectionery	457.09	424.26	67.34	126.12	23.37
2	Pharmaceuticals	152.23	184.27	178.95	199.67	221.78
3	Vehicles other than railway	37.52	64.35	67.44	71.67	87.37
4	Cotton & yarn	49.50	40.91	48.01	46.49	47.99
5	Garment & textiles related	39.33	32.69	23.00	46.98	26.01
6	Iron & steel	30.43	47.55	124.00	39.57	45.90
7	Nuclear Reactors, Boiler, Machinery & parts	46.07	47.30	45.21	55.91	63.16
8	Electrical Machinery & Equipment	73.46	54.46	68.20	61.86	65.46
9	Chemicals & allied products	20.43	36.56	33.66	---	50.36
10	Residues waste from the food industry	19.33	29.70	42.80	46.66	32.16
11	Products of Animal Origin not elsewhere specified or included.	22.77	26.31	29.15	26.94	6.56
12	Mineral Fuels, Mineral Oils and Products of their distillation; Bituminous substances; Mineral Waxes.	2.84	21.68	66.96	198.29	17.30

13	Meat and Edible Meat Offal	---	---	---	124.11	94.87
14	Edible items	15.53	15.80	18.16	56.8	16.43
15	Plastic & articles	14.39	13.94	15.99	16.00	22.41
16	Other metals & articles	20.43	12.43	11.88	5.63	7.81
17	Arms and Ammunition	---	---	---	1.89	33.78
18	Tobacco and Manufactured Tobacco	5.67	9.81	8.21	13.00	18.21
19	Rubber & articles	7.65	5.89	6.96	7.93	7.64
20	Locomotives, rolling stock & parts	0.55	0.21	33.02	1.09	5.09
21	Tools implements	4.04	-	4.15	4.82	4.66
22	Miscellaneous	48.94	42.97	51.82	53.77	75.57
	Total	1068.20	1111.09	966.19	1205.20	973.89

(Source: Department 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
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 (April-Sept.)	84.316	9.136	93.452	-75.18
2018-2019 (October-Sept.)	177.50	23.75	201.25	-154.04
2019-20 (October-Sept.)	89.59	3.064	92.654	-86.526

(Source: Ministry of Commerce, Myanmar)

BILATERAL MECHANISMS

4. **Joint Trade Committee:** Joint Trade Committee (JTC) was set up in 2003, chaired by the respective Commerce Ministers, has been effective in reviewing and setting policy objectives for bilateral trade between the two countries. The 7th JTC meeting was held on 24 November, 2020 through video conferencing. (The Senior Officials' Meeting (SOM) was held on 16 October 2020). The Meeting was co-chaired by Dr. Than Myint, Union Minister for Ministry of Commerce, Myanmar and Shri Piyush Goyal, Minister of Commerce & Industry, Railways, Consumer Affairs, Food & Public Distribution of India. During the consultations, both sides reviewed variety of bilateral issues ranging from trade, investment, banking, connectivity, capacity building and upgradation of border infrastructure. [*The 6th JTC meeting was held 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.*]

5. **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 Kamalasagar, 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. It has been agreed to establish border haats at three locations Pangsau Pass, New Somtal and Avakhung on priority basis. Both countries are now actively negotiating on Mode of Operation of Border Haats.

6. **Healthcare Sector:** Two MoUs were signed with the Government of Myanmar during the visit of Hon'ble PM to Myanmar in September 2017. (i) MoU for cooperation in Medical Products Regulation between the Central Drugs Standard Control Organization (CDSCO), Ministry of Health and Family Welfare, of India and Food and Drugs Administration (FDA), Ministry of Health and Sports of Myanmar, and (ii) 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. The 1st meeting of JWG for cooperation in Health was held on 25 April, 2019 in Nay Pyi Taw. Another MoU for cooperation in the field of Health Research between Indian Council of Medical Research (ICMR), India and Department of Medical Research (DMR), Myanmar was signed on 27th February, 2020 during the visit of Hon'ble President of Myanmar to India. Both sides are in process of setting up of JWG to identify areas of cooperation and implement them.

7. Govt. of Myanmar approached for joint production, supply and distribution of COVID-19 vaccine. As a follow up, a video conferencing was organized on 22 October 2020 to discuss the modalities for cooperation in COVID-19 vaccine between India and Myanmar. Representatives from MEA, Department of Biotechnology (DBT), National Biopharma Mission-Biotechnology Industry Research Assistance Council (NBM-BIRAC), Embassy and Myanmar Ministry of Health & Sports, WHO Myanmar attended the meeting. Mission has sought further information on scope of cooperation from Govt. of Myanmar on 26 October 2020. Foreign Secretary and Deputy Minister of Health & Sports of Myanmar discussed the way forward for cooperation in COVID-19 vaccine and other issues in health sector through video conferencing on 7 December 2020.

8. Pharmexcil, India had organized a virtual meeting on 11 December 2020 with Myanmar stakeholders for joint production of regular vaccines & medicines to discuss the way forward. It was agreed to form a Joint Task Force.

9. **Science & Technology and Communications:** The first meeting of the Joint Working Group under new Program of Cooperation (2018-2021) (overall 6th meeting of JWG) in the field of Science & Technology was held on 16-17 September, 2019 in New Delhi. An MoU for cooperation in the field of Communications was signed between Ministry of Communications, India and Ministry of Transport & Communications, Myanmar on 27th February, 2020 during the visit of Hon'ble President of Myanmar to India. Myanmar Union Minister of Education participated in virtual India International Science Festival on 23 December 2020.

10. **Investment:** As per Govt. of Myanmar's statistics, India is presently the eleventh largest investor with an approved investment of US\$ 773.038 million by 34 Indian enterprises, out of the total estimated investments of US\$ 87.501 billion from 51 countries (as on 30th November 2020). India's investment in Oil and Gas sector alone is about \$1.2 billion, besides other investments. One of the biggest private sector investments from India in recent times is Ahlone Port Terminal by Adani Group for \$ 290 million. Once fully operationalized, it will have the capacity of handling 0.6 million TEUs. Indian pharma company Zydus has also set up a unit at Thilawa SEZ. Indian PSUs have a major chunk in this investment like ONGC Videsh has invested \$766 million, GAIL \$368 million etc.

Recently, Govt. of India has approved additional investment of over \$120 million in the Shwe Gas project by OVL. ONGC will invest around \$ 66 million in exploration in two blocks in EP3 and B2. Since many of Indian investment is routed through Singapore and other countries, the figures showed in Myanmar Government (DICA) statistics doesn't reflect correct picture. 13 Indian PSUs have their offices in Myanmar.

11. In addition, the following Indian companies won major contracts/investments. TATA Motors 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. TVS motors (two wheelers) launched dealership in Mandalay and in other small towns. Sonalika Tractors, New Holland tractor, Escorts and their farm implements from India have good presence in Myanmar. In the livestock sector Skylark Sunline Co. Ltd. has invested to set up its operation in Myanmar.

12. **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.

13. **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.

14. **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.

15. **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.

16. **PDF Corpus** - A special Project Development Fund (PDF) with a corpus amount of Rs 500 crore for CLMV countries has been created by the Ministry of Commerce & Industry, Government of India to catalyse Indian investment. This project is to be implemented through EXIM Bank. Under this initiative, India plans to set up a 300-bedded multi-specialty hospital and an educational institute in Myanmar.

HYDROCARBON AND ENERGY

17. 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. JWG for cooperation in Oil and Gas had been established and the first meeting was held on March 8, 2018 in Nay Pyi Taw. ONGC Videsh Ltd. (OVL), Indian Oil Corporation Limited (IOCL) and GAIL have opened their offices in Yangon. An MoU on cooperation in the field of Petroleum Products was signed between Ministry of Petroleum & Natural Gas, India and Ministry of Electricity & Energy, Myanmar on

27th February, 2020 during the visit of Hon'ble President of Myanmar to India. 2nd meeting of the JWG on Oil and Gas held on 24 June 2020 through video conferencing.

18. 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 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 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 Nay Pyi 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. The 3rd meetings of JWG and JSC were held on 3rd September 2020 through video conferencing and discussed the issues of low voltage radial interconnection, high capacity high voltage grid interconnection, power generation, renewable energy, energy efficiency etc. The 2nd meeting of JTT-T was also held on 31st August 2020 virtually.

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.

20. **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 deep-water blocks to which it had been given PSC rights. However, ONGC won two blocks viz., B2 and EP3 of the onshore bidding round 2013 for which PSC were signed in 2014. In February 2020, a consortium in which OVL is a partner (17% stakeholder) has made a gas discovery in Mahar, offshore Myanmar Gas field. Development scheme will be made after result of appraisal comes out.

21. **IGL & GAIL Consortium:** The New Yangon Development Company Limited (NYDC) has selected the IGL consortium comprising Indraprastha Gas Limited and GAIL from India for natural gas supply and distribution. The consortiums will negotiate with the NYDC to undertake preliminary works and feasibility studies to prepare the Pre-Project Documents (PPD), based on which the NYDC Challenge will be implemented.

22. The 2nd meeting of JWG on Renewable Energy and exposure visit of Myanmar delegates held from 26-28 February, 2020 in New Delhi. The 3rd JWG meeting was held on 18 December 2020 through video conferencing.

BANKING, INSURANCE & PENSION

23. 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. In addition to its Yangon branch, SBI had opened facilities such as ATM, Forex and duty payment at its branches in Moreh and Zowkhatar for border trade. EXIM Bank and Punjab National Bank (earlier United Bank of India) also have their representative offices in Yangon.

24. New India Assurances Limited opened its representative office in Yangon in June 2015 and has been pursuing relations in insurance sector. GIC Re and Myanma Insurance

signed an MoU on June 06, 2018 with the aim to develop the re-insurance sector of Myanmar.

25. Myanmar has sought Embassy's support in implementing their Central Provident Fund. Embassy organized a video conference meeting between PFRDA, India and Pension Department, Ministry of Planning, Finance and Industry (MoPFI), Myanmar on 4.06.2020.

26. Discussions are going on for introduction of RuPay Card in Myanmar and implementation of India-Myanmar Payment Gateway by State Bank of India.

Connectivity

27. IndiGo has started daily flights on Kolkata-Yangon sector in September 2019. Kolkata/Yangon are well connected with other big cities of India and Myanmar respectively. Coordinated bus service between Imphal and Mandalay was expected to start from April 7, 2020, but postponed due to COVID-19 pandemic. A meeting on India-Myanmar-Thailand Trilateral Motor Vehicle Agreement (IMT MVA) was held in Bangkok in September 2019. Myanmar side has conveyed that Bilateral Motor Vehicle Agreement will be negotiated once IMT MVA is finalized. Mission is also exploring possibility of signing a coastal shipping agreement with Myanmar.

28. Kaladan Multi-Modal Transit Transport Project (KMTTP), a most significant connectivity initiatives undertaken by India as a part of its developmental assistance to Myanmar, is expected to create a multi-modal transport corridor for the shipment of cargo from the eastern part of India to Myanmar, as well as to the North-Eastern region of India, via Myanmar. A port operator (M/s A to Z Exim) for undertaking operations and maintenance of Sittwe Port, Paletwa Inland Water Transport Terminal and associated facilities has been appointed. Road component (109 km stretch from Paletwa to Zorinpui) is under construction. Both sides are looking operationalization of the Sittwe Port from 1st quarter of 2021. India is undertaking upgradation of the 120-km long Kalewa-Yargi sector and construction of 69 bridges on the Tamu-Kyigone-Kalewa sector of the India-Myanmar-Thailand Trilateral Highway.

29. The second meeting of JWG on Shipping was held on 5 November 2020 through VC. 1st meeting was held on 18 October 2012. Both sides discussed issues like operations of Kaladan project; direct shipping; coastal shipping agreement; LRIT; capacity building etc. for enhancing the cooperation in shipping sector.

COMMERCIAL ACTIVITIES

30. Indian commercial activities have increased since the opening of Myanmar economy and beginning of economic reforms in 2011. With the support of the Embassy, several business interactions, exhibitions, B-2-B etc. are organized during the visit of business delegations and business chambers from India. At the institutional level, Confederation of Indian Industry (CII) has developed links with the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI). UMFCCI also has an understanding of cooperation with the Bengal Chambers of Commerce and Industry (BCCI), North East India Federation of Investment and Trade and Southern Indian Chambers of Commerce (SICCI). Enterprise India shows and India product shows are organized regularly in Myanmar. Under guidance of the Ambassador, a bilateral India-Myanmar Chamber of Commerce (IMCC) was set up in March 2017 which has since assumed its role as the first port of call for Indian companies exploring business opportunities in Myanmar market. The Embassy in association with IMCC has also been holding regular knowledge sharing program on various topics and events where high-ranking government officials are invited to interact with members of IMCC.

31. In 2019, 27 Indian companies participated at COMPLAST, 74 Indian companies at MYANFOOD and around 40 companies at MEDEX 2019. This is an encouraging trend.

32. Embassy in association India Myanmar Chamber of Commerce and State Bank of India organized an event on “Economic Survey 2019-20 & Union Budget 2020-21 and Myanmar Economy” on 22 February, 2020 in Yangon. Embassy, the Confederation of India (CII) and India-Myanmar Chamber of Commerce (IMCC) organized the India-Myanmar Virtual Business Meet on 22 April, 2020. Businessmen from both countries from Pharmaceuticals, Agri and Agri Products, Machinery and Textile & Garments sectors participated and discussed the business opportunities and related issues.

33. PHD Chamber of Commerce & Industry in association with Embassy and India Myanmar Chamber of Commerce (IMCC) organized an interactive video conference on "India - Myanmar Business Promotion, Challenges and Opportunities - Post COVID 19" on 9th June 2020. The Federation of Indian Chamber of Commerce & Industry (FICCI) FLO, the women wing of FICCI, in association with Embassy and India Myanmar Chamber of Commerce (IMCC) organized a video conference with members of Myanmar Women Entrepreneurs' Association (MWEA) on 12 June 2020 and discussed opportunities and potential in trade and investment in both countries. CII organized 6th India-CLMV Business Conclave & Exhibition from 3-4 December 2020. Dr. Than Myint, Union Minister of Commerce participated in the inaugural session of the event.

34. **Myanmar India Business Alliance:** The Embassy launched an informal forum named “Myanmar-India Business Alliance (MIBA)” to enhance business to business engagement with various stakeholders (industries and trade associations) in Myanmar. The first introductory meeting of MIBA was held on 28 July 2020 through a video conferencing, which was chaired by the Ambassador. In the first meeting, leaders from 12 trade associations/chambers participated; they welcomed the initiative, and offered some inputs which are useful.

35. **Ayurveda Day:** Embassy in association with Ministry of AYUSH, Ministry of Health & Sports of Myanmar, Union of Myanmar Federation of Chamber of Commerce and Industry (UMFCCI) and India Myanmar Chamber of Commerce (IMCC) organized video conferencing business event on the occasion of Ayurveda Day on 13 November 2020 to promote Ayurvedic preparations.
