

SPECIFIC ECONOMIC HIGHLIGHTS OF MYANMAR

Dr Deedar Hussain Shah*

Abstract

Myanmar has been struggling hard to cross the various stages of economic development and achieve the position of self-sustained growth. Democracy versus junta have always been found at crossroads against each other. Such contradictions and confrontations always hamper the swift developing process of Suvanna Bhumi – the gold land Earth. The objectives of prosperity in golden land of unity and amenity in its seven divisions and 65 districts are yet to be achieved. Its geographical conditions, natural resources, manpower quality and skill, technical know-how, investment and financial potentialities are partially mobilized and require to be geared in extensively with a dynamic approach, to transform the agro-based primary sector economy into secondary and then move to tertiary stage. The purpose of the study is to find out the possibility of economic viability and succeeding survival of Myanmar. This may result to bring more welfare and well being for the common man, needy and destitute. Its rapid economic development is yet to be pushed and placed on self-propelled mode of tremendous achievement and prosperity. This may enhance the living standard and promote egalitarianism in Myanmar, and to gain the ultimate goal of poverty alleviation. This may relieve the economy from the constraints of stagnating exports and burgeoning imports, a necessary requirement for the position of surplus balance of payments.

* Professor, Area Study Centre, Far East & South East Asia, University of Sindh, Jamshoro

1. History

The known history of Myanmar dates back to the 11th century, when king Anawarahta unified the country and founded the First Myanmar Empire in Bagan. This empire encompassed the areas of present-day Myanmar and entire Menam Valley in Thailand. It lasted for two centuries. In the 13th century Mongols invaded it. The second Myanmar Empire with its capital at Bago was formed by King Bayintnaung in the middle of 16th century. It was followed by Myanmar Dynasty in 1752, founded by king Alaungpaya. When this dynasty attained its culmination, the British occupied it. Myanmar became British colony, after giving tough resistance to British in the Anglo-Myanmar Wars of 1825, 1852 and 1885 A.D.

During the Second World War, Myanmar was occupied by Japan and remained under its suzerainty from 1942-1945, and was again reoccupied by Allied Forces in 1945. However, Myanmar continued its struggle and got independence on 14th of January, 1948, after remaining 62 years under British colonial rule.

In the past Myanmar known as Suvanna Bhumi-the golden land Earth, for its fertile land and rich natural resources, is one of the largest country on the mainland of South-East Asia. Its total land area is 676577, sq. kms. Its international border of 5858 Kms. is shared with Bangladesh (271 kms), and India (1338 kms) on North West, followed by China (2204 kms) on North East, neighboured by Laos (238 kms) on the east and Thailand (2107 kms) on the South-East. It has a total coast line of 2832 kms, which stretches 2090 kms from north to south and 925 kms from east to west on the Indian Ocean. It is twice the size of Vietnam. It is of size Texas, United Kingdom and France; combined. Myanmar may be seen as a forest-clad mountainous country. It is

surrounded by three parallel mountain ranges. Begins from the eastern extremity of the Himalayas, which runs from north to south, stretches to the western Yoma (Rakhine Yoma), the Bego Yoma and the Shan Plateau. The snow-capped peak of Mt. Hkakaho – Razi at 5881 metres is the highest in South East Asia. Because of these mountain chains, the country is naturally gifted with three-pornged river—systems, i-e the Sittaung, the Thanlwin and the main, the Ayeyawady, which is 2170 kms long and is the main source of water for its major tributary, the Chudwin lengthening 960 kms. Therefore, this river is main and central source of water for Myanmar, as it forms the vast delta 240 of kms by 210 kms. It may be mentioned that Myanmar is a land of islands, extensive rice plains, rivers, valleys, forests, hills and mountains.

Topographically, Myanmar can be divided into seven regions: viz; the northern hills, the western hills, the shan plateau, the Central Belt, the lower Myanmar delta, the Rakhine coastal Region and the Tanintihay coastal strip. Myanmar has a tropical monsoon climate with three seasons. The summer season (February to May), the rainy season (May to October), and the winter season (October to February). Annual rain fall in the coastal areas varies to 500 C.m to 75 C.m in the central dry zone. Myanmar is the moderate temperature zone with 32° C in coastal and 21° C in delta area. The ethnic groups of Myanmar (embracing all national races) include indigenous races, such as Kachi, Kayah, Kayin, Chin, Bamar, Mon, Rakhine, and Shan. Therefore its ethnic composition may be divided into Burma 68%, Shan 9%, Karen 7% Rakhine 4%, Chinese 3%. In the year 2005, its total paopulaiton was 54.7 million, having 49.7% males and 50.3% females. Its official language is Burmese. However English is widely used also. Buddhism is its major religion (80%) followed by Christianity, Islam, Hinduism and some animists. Its capital is Yangoon. It may move to newly

constructing capital at Pyinmana in the north of Rangoon. Union of Myanmar is formed with seven states (Kachin, Kayah, Kayin, Chin, Mon, Rakhine, Shan) and seven divisions (Saging, Taninthayi, Bago, Magway, Mandalay, Yangon, Ayeyawady). It is therefore known as golden land of unity and amenity. It has Seven Divisions and 65 districts.

2. Specific Economic Highlights

Economically Myanmar is holding very important position in the region. It is the founder member of GATT and signatory to WTO. Apart from the membership of international organizations, Myanmar is also member of various regional groupings, such as ASEAN (Association of South East Asian Nations), Greater Mekong sub-regions (GMS), Bay of Bengal Initiative for Multi-sectoral Technology Economic and Co-operation (B1 MST-EC), Ayarwaddy – Chao Phaya – Mekong Economic Co-operation Strategy (ACMECS).

As Myanmar is widely associated with international, regional and national economic groupings, therefore its economic activities can be visualized in a summarized way.

A) According to the geographical conditions, natural resources, labour, investment and financial potentialities, Myanmar can be termed as agro-based country. About 70% of population live in rural areas, therefore depends on agriculture and its allied sectors. Approximately 51% of its land is under forestry. Myanmar has constructed more than 284 dams. In 1988, it has 138 dams, embankments, reservoirs to cultivate more than 37.14 million acres and provide urban water supply. Presently, it has 284 big and small dams. Small dams, tube wells, hand pumps and other forms of cultivation have also been introduced. It has also developed agro-based industries. It has more than 150 Sugar mills, producing 75474 metric tons of sugar in 2003,

against 37117 in 1995. It produces all other kinds of food and cash crops. Rice is staple food, therefore all efforts are being taken to improve its yield and gain bumper production. Myanmar cultivates more than 12 million acres rice as moonsoon paddy, and 4 million acres as summer paddy. The production totals to 1198 baskets of rice. More than 10 million acres have been put under double-cropping system. About 170 new dams have also been constructed from 1988-2005, to bring more land under cultivation. Myanmar is also producing beans, pulses, edible crops, industrial raw material fruits, vegetables, etc. It also produces cotton, sugar cane, jute, maize, rubber, palm oil, tea, pepper, coffee, groundnuts, sesame, sunflower, mustard, ginger, etc. After meeting the native demand, surplus is exported to earn foreign exchange. Myanmar is also rich in fresh and sea water prawns and fishes. Its natural Lakes, reservoirs and man-made Lakes are consisted on the area of 2 million hectares, which also produce fish production. Myanmar had more than 125 lacs acreage under fish breeding ponds and 2 lacs acreage under prawn. Myanmar earned more than 318 millions \$ by exporting fishes and prawn breeding in the year 2003. In the field of live stock, it has variety of cattle breeding farms for Buffalo, Cattle, Sheeps, goats, pigs, chicken, ducks, and others.

In the field of forestry, it has a natural forest area of 10359 sq. miles, protected public forest of 12540 sq. miles and 8050 sq./ miles of reserved forests. In these areas teak plantation, commercial plantation, village plantation, industrial plantation, watershed plantation and thitseint plantation are carried out, to fetch bumper wood and timber production, meant for national and international use. In the year 2002 – 2003, total teak and hard wood production touched 3 million tons and one million tons respectively. The forest department has established more than 38 wild life sanctuaries on the total area of 12331.17 sq. miles or 4.72%

of the national area to ensure effective conservation, protection of water and land resources, biodiversity and environment. Forestry plantations are regularly maintained and enhanced. Arid Zones Greening Department also works hard for environmental conservation, greening arid areas to gain wood-based finished products for rural people. It may ensure moderate climate and prevention of desertification. Myanmar also fetches more than 170 tons of honey production, 296 million tons of chicken, 165 million tons of pork and 80 millions tons of beef production.

B) As regards industrial development, the government of Myanmar has been developing the industrial base of the country at a rapid speed. It is trying to diversify the economy from agro-based position into an industrialized one. It has organized the enterprises and factories in respective regions and industrial zones. It has divided the industrial setup into two fractions i-e industry 1 & Industry 2.

The following table reflects the comparative industrial position of Myanmar, in the year 2004.

S.No	Industrial Sector	2004	1988
1.	Factories and Plants (Nos).	57000	1854
2.	Employees (million)	25	-----
3.	Goods Produced (K million)	10204	-----
4.	Industrial Zones	19	-----
5.	Industry – 1 Factories (Textiles, food stuffs, Pharmaceuticals, General and Maintenance and paper).	153	-----
6.	Industry – 2 Factories (medium-sized), Tyres and Tubes, heavy and light motor vehicles, pumping machines, power tillers, tractors, threshers, hoes, light bulbs, fluorescent tubes, transformers, electric meters, electrical appliances, Dry cell plants, etc.	19	----
7.	State owned Factories	723	567
8.	Private owned Factories	44749	39802
9.	Cottage Industries	8500	----
10.	Co-Operative Factories.	157	139

Source: "Myanmar Building A Moderate State" Government publication, 2004, various pages.

Myanmar industrial production's annual turnover is more than K 200 billion with a total investment of K 300 billion. Government of Myanmar fully encourages the Public and Private sector industrial development of the country. It has also entered into joint-ventures schemes with various countries of the region such as Daewoo Electronic Company of Republic of Korea, Feuitz Werner Company of Germany, Suzuki Motors Company and Matasushita Electronics Company of Japan and Ekarat Transformer Company of

Thailand, to promote industrial expansion, skill and improvement of technology.

C) As regards energy and electricity, one may observe that the Ministry of energy was established in 1985 to promote energy sector. This ministry is also responsible for oil and gas exploration. Its various departments, such as energy planning, Myanmar oil and Gas enterprise, Myanmar Petrochemicals enterprises and Myanmar Petroleum Products enterprise. In the year 2003, Myanmar had 3 oil refineries, 3 fertilizers factories, 3 LPG extraction plants, one Carbon di-oxide plant and one Tar Plant. Production of these energy producing plants earned 129754.457 million kyat in 2003 against 2498.684 million kyat in 1989. These also earned foreign exchange of 332.837 US \$ against 13.180 \$, respectively, in the corresponding years.

In terms of electric power, it may be mentioned that Ministry of Electric Power was separated from the Ministry of Energy, in the year 1997. Electricity is necessary for agricultural and industrial production. In order to meet the increasing demand of economic development, Myanmar has constructed more than 30 hydroelectric plants, 30 gas fired and recycle plants, to meet the requirement of 5064.20 million units of electricity distribution. Presently its generating capacity is 1029.451 megawatts, reflecting 555.854 megawatts increase than 1988. It has developed 4 more recycling power plants, 3 boiler power plants, 11 natural gas power plants, one coal powered plant and 567 diesel power plants, to produce the electricity requirements of the country. More-exploration has also been developed through joint-venture system, in accordance with the private investment policies. These joint ventures exploit the national mineral resources, through exploration, feasibility survey, digging mines, constructing refineries and melting industries. They also upgrade the production potential of

the country and make arrangements for storing and trading of minerals, industrial raw materials and precious stones. These state and private owned sectors are contributing towards the production of iron and steel, coal, cathode, copper, Jade, Gem stones, Pearl, limestone and gypsum.

D) In terms of transport, the Myanmar Government has constructed a network of roads and bridges to facilitate the smooth transportation of passengers and goods. Small, medium and large bridges, roads and railroads have been constructed throughout the country to ease the problem of transportation. In the year 2004, Myanmar had 18600 miles of metalled roadways. It has formed more than 15 groups for special construction Project for Bridges, which have constructed more than 191 long bridges on rivers, hills etc to link the eastern and western parts of the country. It has also constructed more than 9056 rail road bridges up to 2004, as well as, 780 railway stations and rail roads of 3952 miles. It has also constructed 91 jetties for local vessels, upto the year 2004. This has encouraged the water ways transport. Myanmar has 38 air fields to cope with increasing rush of local and foreign air travelling and cargo handling.

E) The government of Myanmar has been putting its efforts to improve the means of communication, postal service and telegraph system throughout the country. These services fulfill the requirements of the people in economic, social and management sectors. Modern communication technologies are also being introduced at a rapid speed for quick convenience and contacts. In the year 2005, the country had 133, post offices, 483 telegraph offices and 80 computer telegraph offices, as well as 4049 fax cimile services. It has 826 telephone offices and 787 telephone exchanges, which are serving 3.50 lacs of telephone lines. Besides, it has micro wave services, Modern Satellite Communication facilities, 24 T.V relay Station and 79, e-

libraries. The system has also wedded with CDMA, Cellular, DECT, GSM telephones. It is also provided with e-mail Internet, X.25 lines, micro link, local satellite stations, viz, DOMSAT, VSAT and iSTAR, stations. All these and other allied modern systems have improved the ways of information technology throughout the country. This has created interlinkages, between local, national and international communicating links and co-ordinations.

F) Myanmar's ministry of trade and Commerce has been making all-out efforts to contribute towards four economic objectives. The main objective is proper evaluation of the market-oriented economic system. Besides, it has Directorate of trade. It has 17123 Import and Export Entrepreneurs and 2305 Economic services for the promotion of commerce, Border Trade Department and Myanmar Agricultural Producing, to boost up its commercial activities.

The ministry of Commerce also organizes Trade Fairs to attract local and foreign companies to acknowledge themselves with trading commodities of Myanmar. It also facilitates the foreign countries to arrange such exhibition within country. So far more than 10 such fairs have been arranged. Myanmar, itself has also arranged about 30 such fairs abroad.

Besides, it has a Border Trade Department which fulfills the responsibilities i) to enhance bilateral friendship between Myanmar and neighboring countries, ii) to promote bilateral trade and ensure its regularity, iii) to collect taxes, iv) to facilitate tradesman with one-window operation, v) to regulate smoother inflow and out-flow of commodities. So far Myanmar has established border trade engagements with China, Thailand, India, Bangladesh, and Laos. In the year 2002-2003, neighboring trade amounted to \$ 84.7

million, with favourable surplus for Myanmar. In year 2004, Myanmar's exports touched the ceiling of 2988.51 million \$ against imports of 1868.76 million \$, showing a surplus position for Myanmar. In the same year foreign investment inflow was upto 7591.90 million \$.

The following table may reflect the composition of Exports of Myanmar

Kyat Million

S.No	Item	2002	2003	2004	2005 (April)
1.	Gas	4247	5919	3334	3461
2.	Teak and other woods	1880	1874	2149	810
3.	Pulses	1898	1744	1407	503
4.	Garments & Textiles	2985	2973	1298	368
5.	Shrimp & Fish Products	829	829	1003	230
6.	Metal & ere	288	288	503	220
7.	Rice	754	754	112	90
8.	Rubber	76	89	81	61

Source: Internet information, based on EIU (2004, 2005, 2006), MCSO (2006).

3. Conclusion

While concluding it may be observed that golden land of unity and amity, known, as Myanmar has emerged as a economically viable state. It is striving hard towards attaining repaid economic development and bring more welfare and well being for the comman man and the needy.

Agriculturally the country is moving fast to retain its food autarky. Agriculture is the back bone of economy and contributes about 40% to the GDP. For industrial advancement country has been divided into 24 development zones. It may diversify the production of both consumer and durable goods. The Social sectors like education, health, human resources, social welfare, anti narcotism and drugs, are also being vigorously developed, for the scientific and technological achievements and improvements.

Myanmar government is moving on the path of more liberalized economy and encouraging direct foreign investment and private sector. This has promoted endogenous and exogenous, confidence building atmosphere for economic promotion, based on market oriented system. This has been helpful in exploiting natural and mineral resources of the country.

Summing up the over all performance, one may be surprised to note that in the year 2005, the economy of Myanmar grew by 12.2 % as compared to 12% in 2004. It is putting its efforts to decrease its reliance on agriculture and increase on industry and services. This may enable economy of gaining self sustaining position. Myanmar is earning a surplus foreign exchange earning position through exporting natural gas, which contributed 4.4 % to the GDP, in the year 2005. About 1 billion \$ have been earned from the export of gas and it may increase in the succeeding years. Sectors like agriculture, manufacturing, transport, services and tourism are also supporting the surging movement of economic growth. The position of its currency has been stabilized i-e 6 Kyat: US \$ 1. Foreign investment specially in the field of Gas and oil is increasingly pouring in from China, Thailand, Japan, Malaysia, South Korea etc. The foreign investment in this sector jumped to 54.3 million US \$ in 2004, as compared to 44.0 million \$ in 2003. Relatively other sectors are

attracting lesser quantities of direct foreign inflows. The inflationary prices of gas and oil have enriched the foreign exchange position of Myanmar and national monetary reserves. The foreign exchange reserves position went up from 265 million US \$ & in 1999 to 672 million \$ in 2004 and 774 million \$ in the first quarter of 2005.

Finally, it may be opined that Myanmar, a developing economy, is significantly moving on the path of rapid economic development. It may ameliorate the lot of teeming millions and gain the prominent position for the country in the "Comity of Nations." Economically, country may be brought on sound foundation of well being and prosperity. It may bring the benevolence of society in general and improvement of living standard of the society of Myanmar.

Selected Readings

- ¹ Aung San S-U-U Kyi, *Burma and India, Some Aspects of Intellectual Life Under Colonialism*, Indian Institute of Advanced Study, Shimla, 1990.
- ² Directorate of Hotels and Tourism *Visitors Guide*, Union of Myanmar, 2002.
- ³ Frederica, M. Bunge, *Burma: A Country Study*, Area Studies, the American University, Washington, DC. 1983.
- ⁴ Government of Myanmar, *Chromile of National Development: A Comparison between 1988 to 2005*, Ministry information, Myanmar, 2005.
- ⁵ Government of Myanmar, *Magnificent Myanmar 1988-2003*, Ministry of Information Yangon, 2004.
- ⁶ Government of Myanmar, *Myanmar Building: A Modern State*, Ministry of Information, 2004.
- ⁷ Hugh Tinker, *The Union of Burma, Study of the First Years of Independence*, Oxford University Press, London, 1967.
- ⁸ Myanmar Investment Corporation, *Doing Business in Myanmar*, Government Publication, 2005.
- ⁹ Ronald. A Morse, *Burma: A Study Guide*, The Wilson Centre Press, Washington, D.C., 1988.
- ¹⁰ Thant Myint-U, *The Making of Modern Burma*, Cambridge University Press, U.K., 2001