

**Embassy of India
Yangon**

BILATERAL ECONOMIC & COMMERCIAL BRIEF

India has been a major trading partner of Myanmar for ages. The bilateral trade stands at US\$1.894 billion in 2021-22 which includes India's export of over US\$892 million and import from Myanmar of around US\$1002 million [April-March, Source: Dept. of Commerce, India]. The trade between the two countries has increased from previous FY 2020-21 [US\$1.299 billion]. However, Myanmar's export to India has increased more than India's export to Myanmar due to Govt. of India's announcement of free import of Urad and Tur upto 31st March 2022, which has further extended upto 31st March 2023. The overall trade has risen from US\$328 million in 1997-98 to US\$921.19 in 2006-07; US\$2.18 billion in 2013-14 and US\$2.17 Billion in 2016-17. The growth is, however, not commensurate with the potential. Myanmar has now made it mandatory to obtain import license for 9099 product lines of HS code 10 digit in order to regulate the outflow of foreign currency for import of goods. This measure by Myanmar will affect the export from India. India-Myanmar trade figures of previous fiscal years are given below:

[Value in US\$ Million]

S.No.	/Year	2017-18	2018-19	2019-20	2020-21	2021-22
1.	EXPORT	966.19	1,205.60	973.89	772.56	892.52
2.	Growth		24.78	-19.22	-20.67	15.53
3.	India's Total Export	303,526.16	330,078.09	313,361.04	291,808.48	421,894.29
4.	%Share	0.32	0.37	0.31	0.26	0.21
5.	IMPORT	639.64	521.49	547.25	526.79	1,001.87
6.	%Growth		-18.47	4.94	-3.74	90.19
7.	India's Total Import	465,580.99	514,078.42	474,709.28	394,435.88	612,607.71
8.	TOTAL TRADE	1,605.84	1,727.10	1,521.13	1,299.35	1,894.39
9.	%Growth		7.55	-11.93	-14.58	45.79
10.	India's Total Trade	769,107.15	844,156.51	788,070.32	686,244.36	1,034,502.00
11.	%Share	0.21	0.2	0.19	0.19	0.18
12.	TRADE BALANCE	326.55	684.11	426.64	245.77	-109.36

[Source: Department of Commerce, Govt. of India]

2. According to Ministry of Commerce of Myanmar's trade data, India is the 5th largest trade partner of Myanmar in mini-budget period 2021-22 (October-March) with total trade value of US\$815.837 million. 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\$ 380.35 million in 2020-21. This has increased substantially in FY2021-22 to US\$760.24 million. India has signed an MoU with Myanmar for import of 2.5 lakh MT of Urad and 1.0 lakh MT of Tur annually through private trade for five years from 2021-22 to 2025-26 (April-March). This G2G MoU will not affect the international import quota announced by the Government of India. 1st meeting of Joint Monitoring Committee under this MoU was held virtually on 21 January 2022.

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 5% in 2021-22 at \$49.82 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\$ 324.04 Million in 2021-22 which is about 38% of market share in 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 of Commerce, Myanmar and Shri Piyush Goyal, Minister of Commerce & Industry, Railways, Consumer Affairs, Food & Public Distribution of India. Myanmar side sought a slot for holding in-person 8th JTC in New Delhi and it is likely to be held soon.

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.

6. 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 negotiating on Mode of Operation of Border Haats. Myanmar side has proposed to hold virtual meetings to discuss issues pertaining to finalization of Mode of Operation (MOO). Myanmar side proposed VC in October, 2022 to discuss entry/exit of vendors and another VC in December, 2022 to discuss the usage of local currencies.

7. **Healthcare Sector:** The 1st meeting of JWG for cooperation in Health sector was held on 25 April, 2019 in Nay Pyi Taw. An MoU on 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. The next JWG on healthcare sector is likely to be held soon.

8. **Investment:** As per Govt. of Myanmar's statistics, India is presently the eleventh largest investor with an approved investment of US\$773.588 million by 36 Indian enterprises, out of the total estimated investments of US\$ 94.51 billion from 52 countries (as on 30th September 2022). One of the biggest private sector investments from India in recent times is Ahlone Port Terminal by Adani Group for \$290 million inaugurated on 27 August 2022. Indian pharma company Zydus has also set up a unit at Thilawa SEZ. Indian PSUs like ONGC Videsh and GAIL have

invested in Oil and Gas sector in Myanmar. 12 Indian PSUs have their offices in Myanmar. Indian private sector had investment in plywood, smelting and manufacturing sectors.

HYDROCARBON AND ENERGY

9. The 5th meeting of JWG and 4th meeting of JSC on Power is held virtually on 16 & 17 September, 2022. The 4th meeting of Joint Working Group for cooperation in Power Sector was held on 26 November 2021 virtually. 3rd meetings of JWG and JSC Power took place 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. 4th and 5th meetings of Joint Technical Team-Transmission (JTT-T) were organised virtually on 24 November 2021 and 18 January 2022 respectively. 2nd meeting of the JWG on Oil and Gas was convened on 24 June 2020 through video conferencing.

10. 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 Pre-Project Documentation (PPD) is under preparation and agreement between the partners is under finalization.

11. The 3rd JWG meeting on Renewable Energy was held on 18 December 2020 through video conferencing. The 2nd meeting of JWG and exposure visit of Myanmar delegates held from 26-28 February, 2020 in New Delhi. Issues like an MoU between National Institute of Solar Energy, India and Dept. of Research & Innovation (DRI), Ministry of Science & Technology of Myanmar for establishment of Solar Energy Centre, an MoU between National Institute of Bio Energy, India and DRI for development of demonstration pilot 2-tonne waste to energy plant at DRI campus were discussed. MoU on Renewable Energy signed in August 2016 extended for a further period of five years w.e.f. August 2021.

Banking and Financial

12. 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. EXIM Bank and Punjab National Bank (earlier United Bank of India) also have their representative offices in Yangon.

13. Both countries are considering to make an agreement on Local Currency Settlement. It was mentioned in the Joint Statement issued during the visit of former Hon'ble President of Myanmar to India during February 2020. Proposal for trade settlement between India and Myanmar in national currencies is also under consideration.

Connectivity

14. IndiGo had started daily flights on Kolkata-Yangon sector in September 2019. Kolkata/Yangon are well connected with other big cities of India and Myanmar respectively. TATA SIA Airlines Ltd. (Vistara) has also been designated to operate between India and Myanmar. Coordinated bus service between Imphal and Mandalay was expected to start from April 7, 2020, but postponed due to COVID-19

pandemic. Air India is operating its commercial flights on Delhi-Yangon-Delhi sector on fortnightly basis (Wednesday). MAI is operating its three flights (Monday, Wednesday & Friday) to Delhi and two flights (Thursday & Sunday) to Kolkata in a week. A meeting on India-Myanmar-Thailand Trilateral Motor Vehicle Agreement (IMT MVA) was held in Bangkok in September 2019. Both countries are negotiating the signing of a coastal shipping agreement. In this regard, 5th Revised Draft Coastal Shipping Agreement and 1st Standard Operating Procedure on Coastal Shipping Agreement have been shared with Myanmar side.

15. 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. 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.

16. The second meeting of JWG on Shipping was held on 5 November 2020 virtually. 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.

Assistance to Myanmar

17. Government of India (GoI) has donated 10,000 vials of anti-rabies vaccine to Government of Myanmar in September 2019. India has also gifted Bhabhatron II, the indigenous tele-cobalt machine to Myanmar. GoI had extended COVID related assistance to Myanmar. In May 2020, the first tranche consisting of medicines (including 2 lakh tablets of Hydroxychloroquine), medical equipment worth Rs.8.526 crore was provided. The second tranche consisting of 3024 vials of Remdesivir worth INR85.424 lakhs was provided during the visit of Foreign Secretary to Myanmar on 5th October 2020 for their fight against COVID-19. On 22 January 2021, India gifted 1.5 million doses of COVISHIELD vaccine to Myanmar. In August and September 2021, India donated medical items. On 9th October 2021, India supplied 1.0 million doses of COVISHIELD to Myanmar on grant basis and on 20th October, India gifted medicines to Myanmar in her fight against COVID pandemic. During the visit of Foreign Secretary to Myanmar, India handed over 1.0 million doses of COVAXIN on 22 December 2021. Two Medical Oxygen Plants were also gifted by GoI in January 2022.

18. India has donated 10,000 MTs of Non-Basmati Rice and 200 MTs of Wheat to Myanmar as humanitarian aid in March/April 2022.

As on 9 November 2022

Table 1. India's major exports to Myanmar (in million US\$)

No.	Products	2016-17	2017-18	2018-19	2019-20	2020-2021	2021-2022	2022-2023 (Apr-Aug)
1	Pharmaceuticals	184.27	178.95	199.67	221.78	226.28	324.04	75.95
2	Products of Animal Origin not elsewhere specified or included.	26.31	29.15	26.94	6.56	15.00	169.59	72.94
3	Cotton	40.91	48.01	46.49	47.99	37.52	45.93	22.89
4	Articles of Iron & Steel	13.27	14.88	15.62	14.4	21.32	32.51	1.87
5	Electrical Machinery & Equipment	54.46	68.20	61.86	65.46	65.35	28.92	22.86
6	Nuclear Reactors, Boiler, Machinery & parts	47.30	45.21	55.91	63.16	41.37	25.73	6.36
7	Cereals		7.96	11.60	8.77	9.00	25.35	2.86
8	Mineral Fuels, Mineral Oils and Products of their distillation; Bituminous substances; Mineral Waxes.	21.68	66.96	198.29	17.30	8.99	21.82	2.78
9	Iron & steel	34.18	108.65	23.95	31.5	41.66	21.81	1.89
10	Vehicles other than railway	64.35	67.44	71.67	87.37	53.63	20.68	6.7
11	Plastic & articles	13.94	15.99	16.00	22.41	13.82	14.72	4.03
12	Miscellaneous Edible Preparations	3.17	1.86	2.6	6.89	9.35	13.77	5.48
13	Miscellaneous Chemicals Products	12.87	12.08	11.43	16.06	13.9	12.17	8.25
14	Residues waste from the food industry	29.70	42.80	46.66	32.16	25.13	10.93	6.53
15	Tobacco and Manufactured Tobacco	9.81	8.21	13.00	18.21	16.96	10.07	6.67
16	Organic Chemicals		3.48	5.39	5.65	9.00	9.10	3.58
17	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals,					6.66	7.59	7.57

18	Essential oils and resinoids; perfumery, cosmetic or toilet preparations.	9.71	10.76	9.62	9.75	11.3	6.79	2.28
19	Sugars & Sugar Confectionery	424.26	67.34	126.12	23.37	1.43	4.42	0.5
20	Meat and Edible Meat Offal	---	---	124.11	94.87	30.53	0.63
21	Miscellaneous	120.9	179.7	138.27	180.23	114.36	85.95	39.67
	Total	1111.09	966.19	1205.2	973.89	772.56	892.52	301.66

(Source: Department of Commerce, India)

Table 2. India's Major Import from Myanmar (in million US\$)

No.	Products	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023 (Apr-Aug)
1	Edible vegetables and certain roots and tubers.	809.45	432.27	370.43	344.07	380.35	760.24	150.79
2	Wood and articles of wood; wood charcoal.	156.39	142.64	92.25	75.47	48.18	49.82	23.31
3	Miscellaneous edible preparations.	-	-	0.09	1.42	8.13	38.67	2.84
4	Articles of Iron & Steel	-	0.008	0.007	0.001	32.80	0
5	Edible fruit and nuts; peel or citrus fruit or melons.	17.18	--	---	0.02	13.65	28.50	77.55
6	Rubber and articles thereof.	0.73	2.6	6.07	12.58	10.2	20.87	10.03
7	Fish and crustaceans, molluscs and other aquatic invertebrates.	4.19	6.2	4.08	13.75	14.83	20.31	7.34
8	Oil seeds and olea. fruits; misc. grains, seeds and fruit; industrial or medicinal plants; straw and fodder.	6.49	4.03	5.76	8.77	7.99	8.46	0.63
9	Zinc and articles thereof.	1.73	6.16	12.05	11.81	2.71	4.79	8.8
10	Coffee, tea, mate and spices.	9.59	6.94	5.23	7.16	7.36	4.37	3.75
11	Iron and steel	-	13.81	8.86	1.06	1.92	3.86	2.14
12	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	0.23	0.32	0.42	1.46	6.03	2.54	0.17

13	Lead and articles thereof.	5.46	12.24	--	7.8	4.42	0.61	6.7
14	Miscellaneous	55.81	12.43	7.91	61.88	21.02	26.03	17.82
	Total	1067.25	639.64	513.15	547.25	526.79	1001.87	311.87

(Source: Department of Commerce, India)

BORDER TRADE

Table 3. Trends of bilateral border trade (in million US\$)

Year	Myanmar exports to India	Myanmar Imports from India	Total trade
2013-2014	16.46	26.12	42.58
2014-2015	17.03	39.86	56.89
2015-2016	53.027	18.617	71.644
2016-2017	63.461	24.435	87.896
2017-2018	68.774	21.791	90.565
2018 (April-Sept.)	84.316	9.136	93.452
2018-2019 (October-Sept.)	177.50	23.75	201.25
2019-20 (October-Sept.)	89.59	3.064	92.654
2020-2021	197.971	2.584	200.555
2021-2022 (Oct - March) Mini Budget	5.497	2.646	8.143
2022-2023 (Apr- August)	5.339	2.933	8.272

(Source: Ministry of Commerce, Myanmar)