



14 MYANMAR'S ECONOMIC OUTLOOK IN THE 21ST CENTURY

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I. ABSTRACT

When the world entered into 21st Century, Myanmar's economy still lagged behind in comparing with ASEAN founding member countries. The several underlying reasons are behind this issue and this paper will shed-light how transition Myanmar from military to civilian rule has dealt its efforts in reforming economy and how it has set for the economic outlook of the country by engaging with international community. This study will also highlight the second transitional government's efforts and its effects on the economy and will trace the twelve-point economic policy as an economic outlook that has not reached to the expected level of the economic growth to get a momentum due to political and economic challenges. The year 2020 will be a challenging year for Myanmar economy due to COVID-19 pandemic that coincide with a nation-wide general election in coming November. The high expectation of people on National League for Democracy (second transitional government) since forming government in April 2016 seems to be declining due to its slow efforts in fulfilling socio-economic development of people even though the government slogan always voices as "People are the Key". It raises the question what can we expect for Myanmar economic outlook in 2020 and beyond? This paper will discuss Myanmar's economic reform in political transition period and its economic outlook with challenges ahead.

Key words: Myanmar, transition, economy (economic outlook), COVID-19

II. INTRODUCTION

Located in Southeast Asia, Myanmar is bordered to five countries, China in the north east, India and Bangladesh in the west and Thailand in the south and Laos in the north east. The long coastal line strengthening from the south and southwest by the Bay of Bengal provides easy access to the world's major shipping lane. This blessing strategic position brings Myanmar as a bridge for Indian and Pacific Oceans for trades and transportations. Myanmar's potential of strategic location, its abundant natural endowment, young population for labour force and its historic economic reforms in 2010 draws attention to major power countries like China, India, Japan, Korea, US and Europe.

Myanmar's potential of natural resources makes colonial power competition in the 19th century. Myanmar is also well known for its oil, natural gas, teak, gems, jade and various minerals and with this blessing or curse make current major power competitions on it. After regaining independence in 1948 from British colonial rule, Myanmar practiced parliamentary democracy and the government attempted to create a Welfare State. In order to accomplish this plan, some major private sectors such as transportation and lands were nationalized. However, economic plan called "Happy Land" which means "every family will own a house and a car plan" was not achieved. Due to political instability and failure of planned economy, the coup took place in 1962. After coup, the country was under strict Burmese Way to Socialism with centrally planned economy and it cannot create the successful economic system. Due to this unsuccessful economic system, Myanmar became Least Developed Country in 1987 and led to the nation wide political uprising in 1988. The country was under military administration for more than two decades after the uprising.

Although military administration practiced open-market economy by inviting Foreign Direct Investment (FDI), Myanmar was sanctioned by the west due to detaining political activists including Nobel Laurent Aung San Suu Kyi for being house arrest. More than two decades of military rule has been isolated the country by international community. During these years, Myanmar had relied on China for its economic development and FDI. The economic overdependence on China left Myanmar's economy lagged behind the ASEAN member countries. To refrain from falling in the pawn of China, Myanmar applied for ASEAN membership and became a full-fledged member in 1997. To remedy the backward economy, the military administration introduced seven step of road map for political transition in 2003. In line with this road map, the first general election was held in 2010 even though the election was criticized by international community as not free and fair. After 2010 election, the first civilian government backed by military was formed and series of economic reforms were conducted. Myanmar has

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reached to second democratic transition by holding multi-party election again in 2015. The election marked as free and fair by international observers and acknowledged with the landslide victory of NLD. The second transition government was formed in 2016 and twelve economic policies were laid down for economic development. According to the World Bank Report “Myanmar Economic Monitor 2019”, Myanmar economy will reach 6.4 percent in fiscal year (2019-2020) (World Bank, 2019). Based on this background, the paper includes three parts. The first part of the paper will explain Myanmar's economy in transition while the second part will focus on the current COVID-19 and its impact on economy. This paper concludes by highlighting Myanmar's economic outlook with challenges ahead and some recommendations to escape from the economic decline.

III. MYANMAR'S ECONOMY IN FIRST TRANSITIONAL PERIOD (2011-2016)

The first civilian administration was formed in March 2011 after the Union Solidarity and Development Party (USDP), backed by military won nation-wide general election in 2010. While many international media praised its transition and frequently termed it as “Myanmar Spring”, domestic media coined it as “New Myanmar” due to country's getting rid out of strong military rule. Myanmar was away from democratic values and even Myanmar society was not familiar with democratic practices. It was unimaginable challenges for New Myanmar government to implement series of reforms through new practice of Parliament, different interest of political parties, outgoing strong military institutions, different national races and rising civil society organizations. In this situation, it was quite challenging for this first transitional government to lay seeds for economic reforms and to become vibrant economic society. Diplomatic climate of Myanmar has changed after series of reforms were implemented under the first transitional government (2011-2016) led by President Thein Sein.

Since its formation of government on 1st March 2011, President Thein Sein administration focused on two wishes of people: to live in peace and stability and to build the country with strong economy. Series of reforms with three phases have brought Myanmar to reconnect with international community. The first phase from April 2011 to May 2012 (political and economic reform), second phase from May 2012 to August 2014 (continuation of first phase by adding administrative reform and the third phase from August 2014 to March 2016 (to deliver the benefits of reform to the people) (Ye Htut, 2019, p. 48).

The economic outlook of President Thein Sein government was clearly stated in his inauguration speech delivered at the parliament on 30 March 2011 (New Light of Myanmar, March 2011). He said:

“To ensure proper market economy designed to reduce the economic gap between the rich and the poor... attract foreign investments and establish special economic zones to create jobs and technical know-how”

In line with his commitment, government focus its priority for poverty eradication by holding the first national level workshop on Rural Development and Poverty Alleviation from 21-23 May 2011 in Nay Pyi Taw. The follow up of the workshop paved way for Myanmar to channel with international organizations like World Bank, Asia Development Bank, IMF which are important source to implement socio-economic development. The return of these international financial institutions together with aid agencies and foreign investors have brought Myanmar's into reintegrate with international community.

The economic outlook of government became much clearer after Framework for Economic and Social Reform (FESR) was adopted on 14 January 2013. It is stated with clear vision; to meet the aspirations of Myanmar people for a better life, to accelerate Myanmar's integration with international community and to meet the regional and global challenges of the 21st Century (FESR, 2013, p. 29). In line with this framework, several reforms were systematically implemented in collaboration with international financial institutions. New economic policies including trade liberalization, investment, industry, finance and banking were introduced. Some laws which are not in line with market liberalizations were revised and replaced with new laws. To attract more foreign investment, Foreign Investment Law has been revised and three Special Economic Zones that have access to sea were established by enacting SEZ Law in 2014 (DICA, <https://www.dica.gov.mm/en>).

Japan has been investing in Myanmar ranking 11 with its special interest in Thilawa SEZ, located nearby Myanmar capital, Yangon. As of April 2017, the zone has been hosting 82 foreign companies including Japan, Singapore, Thailand, Korea, Vietnam, Germany and India. This zone creates job opportunity, boost local economy, improve local industrial sector and Myanmar's export capabilities (<https://www.myanmarthilawa.gov.mm/list-investors>). Another SEZ, Kyauak Phyu SEZ which is located in the west coast of Myanmar, an access to sea is now underway to be invested by China with the agreement of China-Myanmar Economic Corridor. This SEZ has been complicated issues regarding with Chinese exploited extractive investment in Myanmar. The third SEZ which is located in the South has drawn attention to Thailand for deep sea port. Regarding with FDI, China invested USD 15198.304 million ranking top in 2015 with 31.83% followed by Thailand and Singapore (DICA, <https://www.dica.gov.mm/en>). It ranked first in FDI until 2019. Although the outgoing military regime in 2010 intended to sway

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away from overdependence on China, these data shows that Myanmar cannot get rid of Chinese investments and trade.

Series of economic reforms for better life for Myanmar people under the first transitional government continued to were implement by establishing such as restructuring of the Central Bank of Myanmar (CBM), by giving more independent decision. This permitted some important ministries especially Ministry of Agriculture to have loan access from CBM on 16 August 2013. This directly contributed to the rural development in combating poverty eradication which can also meet the UNSDG. For fiscal and financial reform, multiple exchange rate system including official exchange rate (USD 1+ MMK 6.78), FEC rate, account transfer rate, black market rate, export earning rate, Hundi rate were cancelled by launching the managed floating exchange transactions.

To create a more level playing field, information and telecommunication sector was reformed by approving Telecommunication Law in January 2014. After enacting this law, two new operators were licensed namely Telenor from Norway and Ooredoo from Qatar to provide service in Myanmar which expand to quality mobile access. Before transition period, a sim card for MPT was more than MMK 1,500,000 that small percentage of middle-income people can use. After allowing new foreign operators, the MPT it has reduced to MMK 1500 which is 150 times lesser than previous time. This reform led the government-owned Myanmar post and telecommunication (MPT) to separate policy and operational functions of the government as well as it led number of SIM card users has risen by 400 percent. According to U Soe Thein, Minister for Transport and Communication, it has increased to 39 million internet users in 2015-2016 comparing before reforms (Myanmar Times, July 2016, <https://www.mmtimes.com/business/technology/>).

Gradual step with right direction of Myanmar's economic outlook were recognized by international financial institutions and donors. Sweeping reform process and significant in political reform transform Myanmar into market liberalization, a key to Myanmar economic development. Myanmar's reform draws attention to multinational corporations, development agencies like USAID, JICA, JETRO, KOICA, international financial institutions and governments around the world. The 22nd World Economic Forum (WEF) was held in Nay Pyi Taw from 5 to 7 June in 2013 with 1000 attendees from 78 different countries. It was a remarkable record number of participants in the history of WEF in East Asia. The successful holding of WEF was the reflection of interest of international community in the development of Myanmar (New Light of Myanmar, June 2013).

One of the objectives of Myanmar's economic outlook is reintegrating Myanmar into international community. To meet this objective, the first

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transitional government implemented not only economic reforms but also political reforms at the same time. Political reforms such as releasing of political prisoners including Nobel Laureate Daw Aung San Suu Kyi who has been house arrest for 19 years, allowing more space for media and civil society. All these positive changes led to Myanmar's re-engagement with the West especially with the US and EU that has been iced up relations with Myanmar due to forced labour and human rights issues. Both EU major countries and US are the Paris Club members and playing important role for providing debt relief to developing countries. In response to the reform, some Paris Club members cancelled the debt.

Japan waived 176.1 billion (https://www.mofa.go.jp/press/release/press6e_000096.html). Germany waived 1.48 billion Norway cancelled all 534 million owed to it making 60 percent of country's total debt paving way for New Myanmar to meet the socio-economic development. (<https://apnews.com/4bc74013cd29439aac>). During the state visit of President Thein Sein to five European countries in March 2013, Finland pledged to contribute euro 6.5 million for development undertakings in Myanmar between 2014 and 2016. Among the Paris club members, Italy has been supportive to Myanmar's political and economic reform and facilitated to give Myanmar GPS under EU scheme (<http://www.globaltimes.cn/content/776322.shtml>). Two agreements on debt cancellation (Debt Cancellation and Restructuring Agreement and Debt Swap Agreement) were signed during his visit. The US, a key Paris Club member took different course in Myanmar's reform by providing aid to health and education sector through USAID. Besides these debt cancellation, European Union and the US that had imposed sanctions on Myanmar for nearly two decades offered Generalized Scheme of Preferences (GSP) making Myanmar more competitive.

According to the World Bank Doing Business Report of 2016, Myanmar ranked 167th in 2016 from 182 in 2013. The reason for favourable economic environment was the relaxing of rules and regulations for registration of a company (Global New Light of Myanmar, October 2019). It cannot be denied that the economic outlook of the first transitional government makes New Myanmar to become part of global economy. These successful reforms led to the acknowledgement of International Crisis Group (ICG) and presented award to President U Thein Sein for a pioneer in carrying out historic reform and transformation of Myanmar with decisive leadership. (Myanmar Times, December 2012, <https://www.mmtimes.com/national-news/3451>).

Myanmar in the first transition is not a rosy picture as every transitional country faced with challenges in carrying out reform process. However, it can be seen that the vision of economic outlook of first transitional government has reached to some extent and laid seeds for the ongoing implemen-

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tation of economic reforms for the second transitional government (2016-present).

IV. MYANMAR'S ECONOMY IN SECOND TRANSITION PERIOD (2016-PRESENT)

After landslide victory in 2015 general election, the NLD led by Daw Aung San Suu Kyi formed a government and can be remarked as second transitional government. The winning of NLD party with the campaign motto of "Change" makes peoples' high expectation on Myanmar's future to be on the right tract of democracy and last destination of economic hub. People voted for NLD with the belief that it could have more space than outgoing military back government to engage with the west for economic investment instead of China.

The different direction of this transitional government reform was reorganizing the ministries from thirty two to twenty four which later led to weak governance in the cabinet. Daw Aung San Suu Kyi takes three positions as State Counsellor, foreign minister and president office minister. Besides taking three ministerial positions, she is chairing several governmental committees and this make slow process in implementing governmental policies. Some Union ministers are not assigned as the right man in the right position. Most of the chief ministers and ministers of the Regions and States have lack of administrative experience as they were once political prisoners. After restructuring the cabinet, the government needs to implement the NLD's campaign motto "Change" including economy. In this context, the NLD set twelve-point economic policy on 29 July 2016 as an economic outlook, highlighting national reconciliation and job creation as basic considerations for the policy, guaranteeing nationwide equitable development, welcoming FDI, privatization of some state-owned enterprises, supporting agriculture sector etc(The Global New Light of Myanmar July 2016). The NLD government's economic vision for the country seeks to achieve inclusive and sustainable economic development with national reconciliation, equitable development, protection of natural resources, and job creation as overarching goals. Many scholars criticized these economic twelve-point policy of being too vague. To systematically carry out the economic vision, in August 2018, the government released the Myanmar Sustainable Development Plan (MSDP) (2018-2030). It identifies the targets for Myanmar's development over the next ten years through three main pillars, five goals, and 28 strategies with designated project implementation programs under each strategy and a total of 251 work processes (MSDP, 2018)

In this regard, with the aim to invite foreign investment, ministries related to economy are reorganized and new ministries such as Ministry of Investment

and Foreign Economic Relations (MIFER), was formed on 19 November 2019. Two departments namely, the Directorate of Investment Company Administration (DICA) and Foreign Economic Relations Department (FERD) have been incorporated into MIFER. Its responsibilities are to negotiate with international financial institutions, World Bank and Asia Development Bank to secure aids soft loans, technical assistance, policy support and project implementation. The Ministry of Commerce and Ministry of Planning and Finance (MoPF) play important role for country's economic plan and national budget allotment. In July 2019, the Ministry of Industry was combined under MPF and was renamed into Ministry of Ministry of Planning, Finance and Industry (MoPFI) (<https://www.president-office.gov.mm>)

After two year taking office, the government faced chronic political challenges such as new armed conflict with Arakan Army which expanded with large Rakhine community support and unresolved conflict of communal violence in Northern Rakhine State. While outgoing President U Thein Sein was awarded prizes for his efforts and effective reform measures, Daw Aung San Suu Kyi, the winner of Nobel Peace prize and other awards for being democracy icon and human rights activist has been revoked due to not safeguarding the human rights of communities in Northern Rakhine state (<https://www.bbc.com/news/world-asia-46179292>). The US and EU countries pressured her government to pay attention to this issue and to accept the UN Facts Finding Missions Report. The report illustrated to put military (Tatmataw) on trial for the violation of human rights on Bengali so called Rohingya. Rejecting all these accusations and responding with no acceptance on these findings, the US and EU considered to impose sanctions and revoke Generalized System for Preference (GSP) status granted to Myanmar. After analyzing that sanctions would effect on women workers in the garment industry, the EU and US changed their targeted sanctions on Tatmataw. However, the fled of thousands of Bengali Muslim community into neighbouring Bangladesh and mistrust on government's handling the conflict led reluctant to foreign investors to invest in Myanmar. All these political challenges together with weakening currency, centralized bureaucratic procedures, unstable policies led her government in economic slowdown and significant decline in foreign investment.

To remedy these aforementioned challenges and to draw the attention of international investment, the government launched Myanmar Investment Promotion Plan (MIPP) in October 2018 and expected to attract USD 200 billion for next twenty years (DICA, <https://www.dica.gov.mm>). In addition, the first international investment summit was held in January 2019 at Nay Pyi Taw in order to raise investment from East Asia. The Summit was attended by 1,600 local and foreign delegates from seventeen countries (Global

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New Light of Myanmar, January 2019) and after two weeks later, Rakhine State Investment Fair was held and both Japan and Korea showed their support and interest for investing in the impoverished area.

In order to examine Myanmar's economic outlook, it is also necessary to explore the EU and US interactions with Myanmar and its implications. Recently, EU is facing with Britain's withdrawal and focusing on domestic problems such as the migration issues related to terrorism, and EU also accused Myanmar of human rights violation. In addition, US President Donald Trump "American First" policy steered Myanmar to its new economic direction of Look East Policy with South Korea, Japan and China. This policy coincides with South Korea's New Southern Policy by observing the South Korean President Moon Jae-in visit to Myanmar in September 2019. During his visit, ten MoUs covers shipping, logistic and ports development, science and technology, innovation etc. His constructive visit paved way to launch Korea Myanmar Industrial Complex which can contribute for job opportunity and technological transfer for Myanmar.

Japan continues its special interest in the Thilawa SEZ and continued support as collaborative trade partner. As of 2019, a total of 108 companies from nineteen countries had invested in this SEZ. The SEZ is the part of Japan's plan for East West Economic Corridor under Greater Mekong Sub-region (GMS) economic cooperation. Although US targeted sanction on the Tatmataw, it can also be said that US as strategic partner of Japan being involved in Myanmar's economy. The efforts of US Ambassador to Myanmar can be seen in trilateral cooperation with Japan by convening the first Myanmar-Japan-US forum on 20th August 2019 with some 250 participants. In October 2019, the US-ASEAN Business Council met with key actors including Union of Myanmar Federation of Chamber of Commerce and Industry.

Myanmar's strategic location is a bestowal for major power countries including China for deep sea ports and economic zones. China for many decades has taken the top list of FDI and continue to do so even after Myanmar's transition. Although China ranked top in the FDI list, its extractive investment like hydropower dam, coal mining has always faced with negative sentiment from Myanmar people due to environmental impact on Myanmar economy. However, every successive government has to deal with China and that is the fact of life for Myanmar. Knowing that China plays an important role both in peace and in socio-economic development of Myanmar, the government invited Foreign Minister Wang Yi to Nay Pyi Taw in April 2016 for further development of cooperation between two countries. With the establishment of Asian Infrastructure Investment Bank and the Silk Road Fund within China's Belt and Road Initiative, Chinese firms continue to play

an important role in Myanmar, not only in traditional energy and infrastructure sectors, but also in manufacturing and services. Another notable support of China on Myanmar's socio-economic development is within the framework of Lancang-Mekong Economic Cooperation (LMC) in 2016. Under this LMC, Myanmar received USD 2.4 million for 10 Mekong-Lancang Special Fund projects (2017 batch) in the sectors of agriculture, cultural and connectivity. The two-day state visit of Chinese President Xi in January 2019 cemented to implement some hasten infrastructure projects along the China-Myanmar Economic Corridor (CMEC) which is one of the economic corridors under the BRI. It marked the agreement of USD 1.3 billion deep sea port at Kyaukphyu in Rakhine State and plans for high speed rail links. The 1,700 kilometer corridor will connect Kunming, Yunnan province of China to Myanmar's major economic cities Mandalay, Yangon and Kyaukphyu SEZ. Although the government has committed this CMEC, there are several concerns among local people especially for the Rakhine community that how this CMEC will benefit for them. As the corridor is linking the least and most developed areas of Myanmar, it is expected that the corridor will support the country's economic outlook. This might also contribute the NLD's twelve-point economic policy in creating job opportunity. However, it is necessary to consider why millions of young Myanmar people leaving the country in search of works to neighbouring countries.

Some salient points of second transitional government in implementing the economic outlook cannot be negligible. Some of the major reforms in 2019 are liberalization of Myanmar investment sector, the launch of MyCo, the Project Bank and the Land bank. During the first half of 2019, foreign investment rose by 77% to USD 2.3 billion. With the installation of MyCo, more than 30,754 new companies and 46,377 existing companies have registered on MyCo, bringing the total number of registered companies to 77,131 by the end of May. The introducing of MyCo brought Myanmar ranking in "Doing Business Report (2019)" from 152 to 70 (Doing Business Report 2020). The CBM which is on the right tract since first transitional government continues to lower the interest rate policy in 2020 from seven to three percent to support businesses and lowered the minimum interest rate on deposits to five percent and maximum interest rate for loans taken with collateral approved by the CBM to ten percent. With the help of the World Bank, the CBM drafted the National Payment System Strategy (2020-2025) to make payment systems and accounting systems for efficient while supporting fiscal stability and economic development (Global New Light of Myanmar, June 2020).

The year 2020 is an exciting year for Myanmar as the country will hold nation-wide general election in November. There is no doubt that the coun-

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try's economy will definitely decline due to COVID-19 pandemic. In this situation, it is necessary to explain how the government handles and responds to overcome the challenges ahead for the recovery of economy.

V. COVID-19 AND ITS IMPACT ON MYANMAR'S ECONOMIC OUTLOOK

As the world turned red with the virus infection, people and government of Myanmar went about its normal business until 23rd March at 23:45 when the Myanmar Ministry of Health and Sports announced that they now have two patients tested positive with COVID-19. Since the discovery of the first two patients in Myanmar, the country has been having to deal with the side-effects in addition to the health emergencies as the government is forced to shut down its economic activities to control the spread of the virus. Closing of some CPM industries is negatively effecting the most vulnerable population of our society and the working poor who live hand-to-mouth on the daily basis. As of April 2nd, twenty patients have been tested with COVID-19 and one had died from the disease. Meanwhile, countries in the world had been grappling with this outbreak for past three months and now Myanmar has joined the ranks.

The World Bank report on Global Economic Prospect assess that the impact of COVID-19 pandemic on world's economy has become the deepest global recession with baseline envisioning 5.2 % contraction in global growth for the year 2020 (Global Economic Prospect June 2020). In this context, it is question for Myanmar to address how the pandemic will effect its economy and which sector will be the biggest hit. The immediate impact of country's economic sector is believed to be tourism sector, manufacturing, agriculture and FDI. Since the initial virus infections in Myanmar seemed to have been carried into the country by the oversea travelers, Ministry of Foreign Affairs on 28th March temporary suspended all types of visa for foreign nationals from all countries visiting Myanmar. This has a huge negative implication on Myanmar economy and those who depend on the tourism sector. In 2018 alone, entire tourism of Myanmar was 2.5 % of GDP or 1.7 billion. According to the data of Ministry of Hotel and Tourism (MoHT), tourist arrivals have been 4.36 million in 2019. Expectedly, this has reduced to 100 in April 2020. If these restrictions continue to extend to three months, the potential loss of income may approach to USD 500 million. For this to remedy, MoHT has drafted COVID-19 Tourism Relief Plan based on the Tourism Crisis management Crisis guideline of UNWTO and Pacific Asia Tourism Association. COVID-19 Myanmar Tourism Strategic Roadmap with three strategies: survival, reopening and relaunching. The first strategy has already been undertaken in collaboration with MIFER (Global New Light of

Myanmar, June 2020). Table 1 illustrates to remedy the hotel and tourism sector and cut-make-pack (CMP) industry.

The SME plays an important role for country's manufacturing sector as it represents 99%. Among the SMEs, garment manufacturing is becoming hardly hit by COVID-19. According to Myanmar Garment Manufacturing Association, 90% of cloths and other accessories used in garment industry came from China. Garment industry alone employs 700,000 workers and more industries may have reduce workers.

TABLE 1. LOANS FOR MSME FROM COVID-19 FUND

DATE OF LOAN	AMOUNT OF FUND (MMK)	NO OF COMPANIES	REMARKS
9 April 2020	Mentioned separately with companies	85	Mostly hotel & tourism
28 April 2020	Mentioned separately with companies	113	Mostly hotel & tourism
7 May 2020	3.54 billion	111	Mostly hotel & tourism
22 May 2020	15.07 billion	417	Mostly hotel & tourism
2 June 2020	8.73 billion	290	Hotel, CMP & others

SOURCE: Created by the authors based on data from DICA Website

To effectively implement the economic recovery plan as response to COVID-19 impact, the MoPF has issued a comprehensive economic stimulus plan namely "Overcoming as One: COVID-19 Economic Relief Plan CERP" having 7 Goals, 10 Strategies, 36 Action Plans and 76 Actions, covering a broad range of extraordinary fiscal and monetary measures, combined with a set of human-focused and common-sense policy responses on 27 April 2020 (Global New Light of Myanmar, April 2020). This COVID-19 Economic Relief Plan known as CERP is designed to meet the current exigencies Myanmar faces in ways that reaffirm the long-term strategic direction. It consists of policies and proposals to support the agricultural sector, loans for farmers, cash for work for the farmers in rural areas which seems to be effective in contributing the poverty reduction too. However, there is no special focus on mentioning agriculture, livestock and fishery which is important for food security.

In CERP, it is stated that 10 percent of 2019-2020 government budget (32.3 trillion kyats) (Global New Light of Myanmar, May 2020) will be transferred to COVID-19 Fund. With this plan, the government allotted

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MMK 50 billion from government fund and MMK 50 billion from social security funds. These funds were allotted as a recovery loans to CMP sector, hotel and tourism industry and the MSME with one percent interest rate. Government's relief plan was released on April 27 and it aims to support economy including banking, manufacturing and e-commerce. No clear budget was revealed, except for up to K500 billion (US\$360 million) in loans for MSME businesses in selected sectors - an expansion of an existing K100 billion (\$72 million) fund - and a K100 billion (\$72 million) fund for trade financing. Many economists and political activists have been commenting on this CERP, how the stimulus fund will be managed to meet the needs of grass-root level. As Myanmar has its own MSDP (2018-2020), it is time for Myanmar to consider how MSDP and CERP can be applied in proposing the projects and programme from ADB and the World Bank to receive special project in the outbreak of COVID-19 pandemic.

As Myanmar is going to hold general election in coming November, it is exciting to investigate how the government will balance its obligation to both civil liberties and economic development. It is an anxiety for Myanmar's diversion of look east economic policy as the East Asian countries are in the situation of economic recession. The global market will take time to wake up from the economic recession and this will directly and indirectly impact on Myanmar's economy. As for FDI, there will be a slow pace as every country in the world including East Asia is facing its own economic problems which in turn led to unemployment for Myanmar migrant workers. The closure of industries and reducing the labours led Myanmar migrant workers return back from Thailand, South Korea, Japan and China. It can be said that the second transitional government's effort for economic development by setting the twelve-point economic policy as an economic outlook has not reached to the expected level due to political and economic challenges.

VI. CONCLUSION

The challenges are ahead for Myanmar's economic outlook in the 21st century. The economic outlook of the first transitional government (2011-2016) with FESR can be analyzed that it has met its objective to some extent by channeling international financial institution, by engaging international community with series of reforms. Under the second transitional government, it is slow in process to reach the target of the twelve-point economic policy. There were high hopes for better times when NLD won the election, speculation of investment from western countries would make contribution for economic development and help to create millions of jobs, however, the government has not achieved appreciable economic development. There are several reasons such as the country has been facing with serious challenges

on communal violence of Northern Rakhine state, ongoing civil war and the impact of COVID-19.

With these challenges ahead, the economic outlook of Myanmar in the 21st century will be in the urgent need to have specific economic strategy to overcome from economic recession. Time is running out as general election is drawing near. The following points are some recommendations for the second transitional government to escape from COVID-19 economic impact. Firstly, effective and workable meetings led by State Counsellor should be held with key actors: ministries, the economic advisors, scholars, members of the economic committees formed in the parliament. As this second transitional government slogan is “People are the key”, the government should welcome the comments and positive suggestions from political, economic and civil society. Secondly, the government should reform economic advisory group with both local and international economic experts. The local economic experts are those who knows Myanmar better than the foreign experts. The establishment of new MIFER needs to recruit with economic experts and work closely with think tanks and academia for policy recommendation. Thirdly, the government need to well manage the financial loans received from the World Bank and ADB for effective measurement in reaching out to the needy sectors in line with the CERP. It is impressive to see strategies and roadmaps of several sectors relief plan but how it will implement to meet the needs is yet to be known. Fourthly, Myanmar needs to find way not only to reach international market but also to create its own market by solving its political and security issues like ongoing armed conflict and communal violence in Northern Rakhine State. Whenever there arise issues, countries sharing border close their border gate and this have a huge impact on economy. Recently, due to closure of border gate between Myanmar and China to control the spread of COVID-19, many farm products were stocked at the border and this became big issue for the farmers. Fifthly, the government needs to allocate the migrant workers who are still returning back to Myanmar from neighbouring countries and other countries. The skill labours of the returnees can be used in agricultural sector because majority are from farmers’ family living in the rural area. The paper concludes with above mentioned recommendations in order to escape from the impact of COVID-19 with bright future for the 21st Century.

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