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Burma / Myanmar: The Golden Land



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Myanmar: The Golden Land





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Burma has **borders** with China, India, Thailand and Bangladesh, touching a combined population of over **3.4 billion people**, almost **half of the world's** population.



Geo-Political Perspective

- ASEAN: Admitted to ASEAN in 1997;
Chair for first time in 2014
- APEC: Burma is not a member of APEC
- Neighbors
 - China: Largest supplier of FDI to
Burma; Paused projects
 - India: Looking East; India-Myanmar-
Thailand Trilateral Highway
 - Bangladesh: Border/migration issues
 - Thailand: Historically, a top supplier
of FDI to Burma; Home to large
migrant population
 - Laos: Looking to be “land-linked;”
Borders are part of Golden Triangle





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Historical Context

- **1057** : first united Myanmar state
- **1057 – 1824**: A series of dynasties rule the country; Conflicts with Mongols, Portuguese, Chinese and Thais
- **1824-1942**: Parts, and then all of Burma are under British rule
- **1942-1945** : Japanese occupation
- **1948**:– Burmese independence
- **1962 – 2011**: One-party, military-led state
- **2011 – 2015**: First Civilian Government, smokescreen for continued military rule
- **2016 – 2021**: First Democratic Government led by Aung San Su Kyi



Key Economic Indicators

- Total land area: 676,578 sq km (~Texas)
- Population: 56 million
 - Roughly 70% rural / agrarian
- FY16 GDP: 68 USD billion (nominal)
- GDP growth:
 - Trending up: FY2015 7.0% FY16 8.1%
- Inflation: 7%
- FY16 GDP per capita: \$1,307
- Interest Rates:
 - Lending: 15% Deposit: 8%
- Current Account Deficit: -6.6% of GDP
- Debt: 9.0 billion USD
- Currency: 1 USD = 1,360 MMK (15% year-on-year decline)

Sources:

- EIU
- Global Trade Atlas
- ADB
- CIA Factbook



FY16 Trade

- Trade
 - U.S. -Myanmar Total Trade: 439 million USD
 - 600+% increase since 2012
 - Exports: 194 million USD
 - aircraft; machinery; optic/medical instruments; seeds/misc. food; vehicles
 - Imports: 245 million USD
 - seafood; apparel; leather; footwear; vegetables;



Sources:

*Census.gov, Global Trade Atlas, IMF



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Strengths, Weaknesses, Opportunities, Threats

Strengths

- Growth Potential
- Resource rich
- Sizeable population, future consumers
- Strategic location

Weaknesses

- Implementation of Reforms
- Budget shortfalls
- Financial transactions
- Land use
- Infrastructure
- Capacity
- ODA Financing
- Military influence remains

Opportunities

- New Civilian Gov't, wants to do the right thing
- Regulatory reforms
- Priority sectors

Threats

- Ethnic conflict
- Volatile commodity prices
- Inflation



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Best Prospect Sectors for U.S. Companies

- Power Generation
- Transportation (ports, airports, rail, road)
- Telecommunications
- Tourism & Hotels
- Natural resources, professional services, and labor-intensive manufacturing
- Agriculture
- Franchising
- Healthcare – medical devices

(U.S. firms specializing in construction equipment, resource extraction, refining facilities, power generation, renewable energy, processed foods, auto parts, chemicals, computers, textiles, garments, fertilizer, animal feed, and medical equipment will find export potential in Burma.)



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