

Post-Pandemic prospects for Myanmar

Presentation prepared for
“Process of Asia Pacific Cooperation in the Post Pandemic Era:
Opportunities and Prospects”

3 December 2021

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COVID-19 Situation

Vaccination:

- **Target** – 50% of over-18 target population (37 million) by end-2020
 - ~200,000 doses / day
- **11.6 million (~31% of target population, 20% of entire population)** fully vaccinated as of 27 November 2021
- over **0.9 million insured labourers** (83% of Social Security insured pool) vaccinated as of late November.
 - 2,000 labourers vaccinated/day.

COVID-19 situation:

- Three waves
- Severe health system challenges after February
- Devastating Third Wave (Delta + Impact of political crisis)
- **90% of businesses negatively impacted**

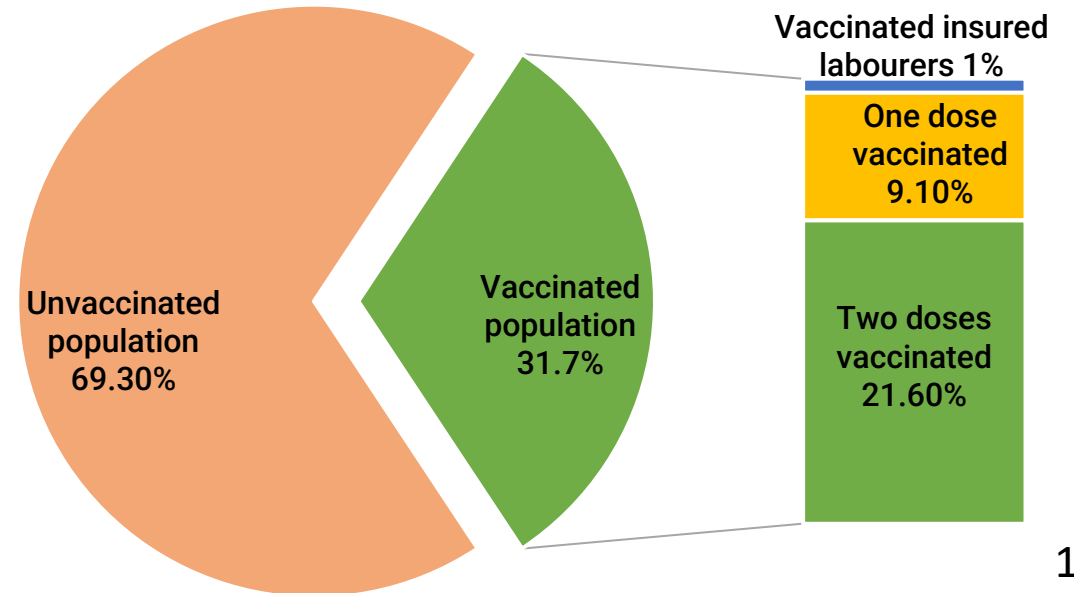
Note : The vaccination of labor in the informal economy is not accounted for in the calculation.



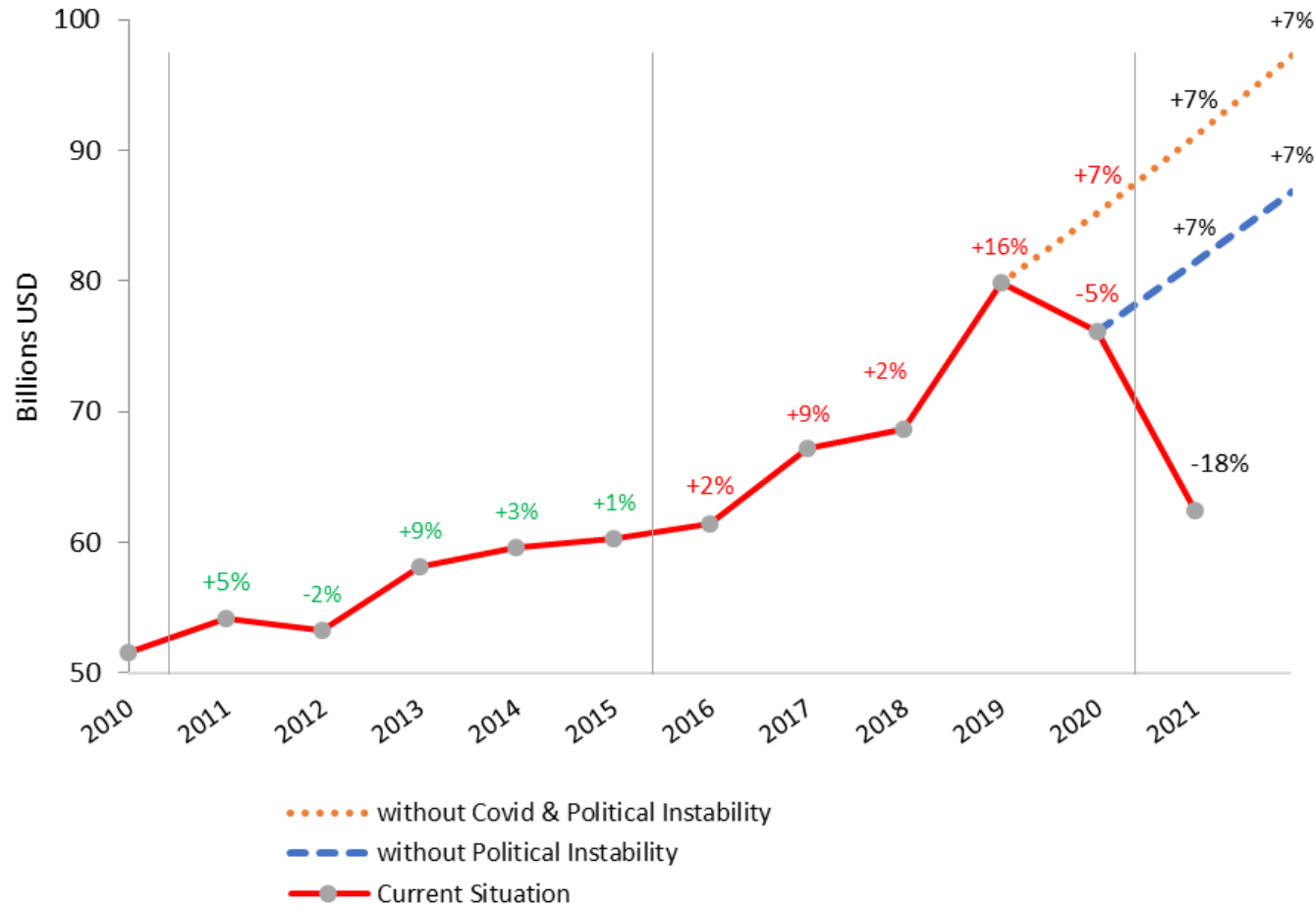
THE REPUBLIC OF THE UNION OF MYANMAR
MINISTRY OF HEALTH

ကိုဗစ်-19 ရောဂါ ကာကွယ်ဆေး ထိုးနှံပြီးစီးမှု (30-11-2021 ရက်နေ့အထိ)

Cumulative fully vaccinated people	- 11,858,598
Cumulative one dose vaccinated people	- 4,990,574
Cumulative vaccinated people	- 16,849,172
Cumulative vaccinated doses	- 28,707,770



Economic impact



Projections:

- 1.8% growth in 2020 (ADB)
- 18.4% contraction in 2021 (World Bank)

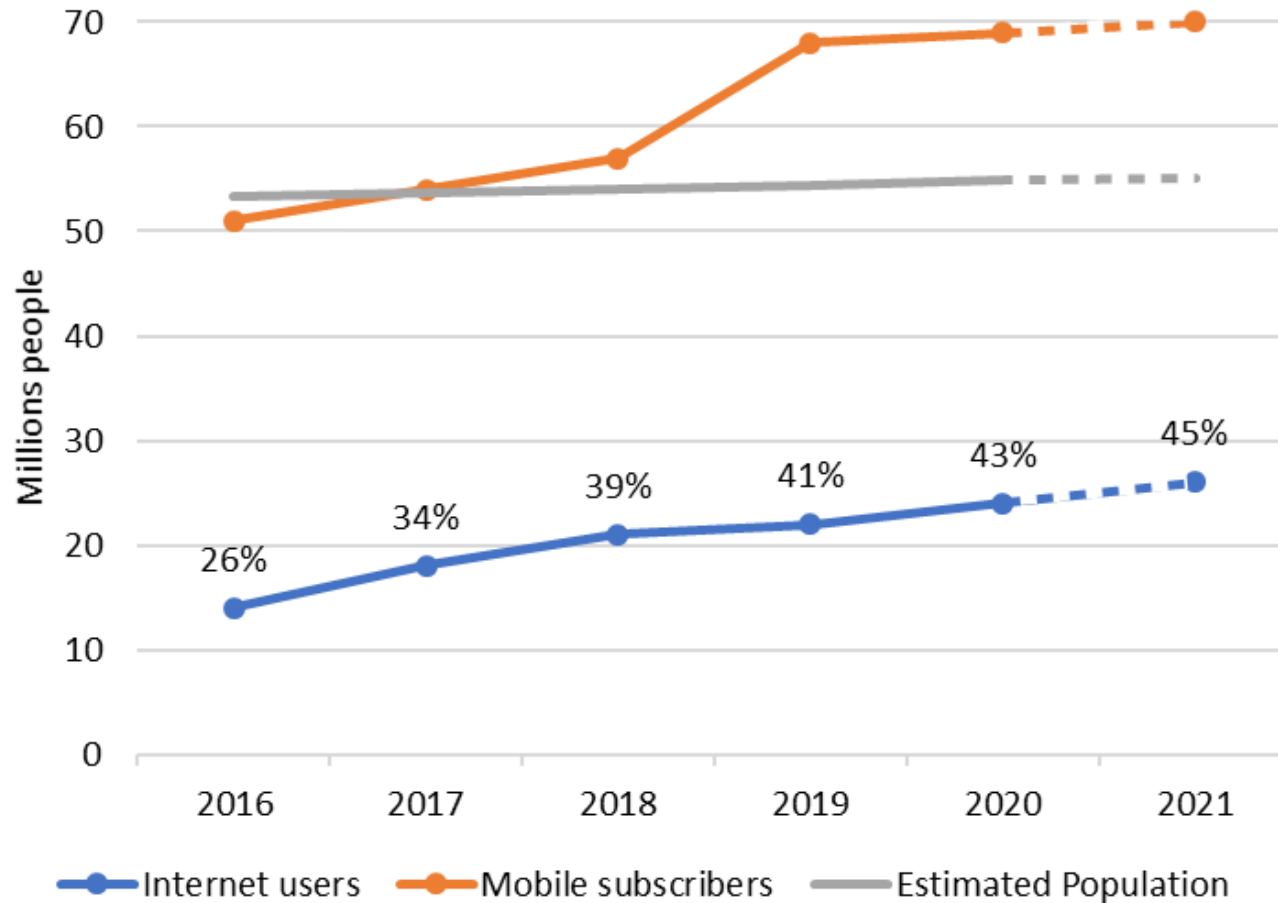
Impact of pandemic and political crisis

- ILO: 3.2 million jobs (15% of workforce) lost since March 2020
 - 2 million (2020)
 - 1.2 million (2021, up to July)

Economic activity hit by

- Difficulty accessing financial & banking services
- Exchange rate instability
- Reduced mobility, weakened consumption, investment and trade
- Disrupted operations, labour supply and inputs

Covid-19 driven digitalization



- Cash-dominant financial system
 - ~ **15%** of businesses started/ increased digitalization since pandemic began
- Sizeable gap in adoption of online & digital financial services
 - **3.6%** make purchases / pay bills online
 - **0.7%** has mobile money / digital wallet account
- Cash shortage in 2021 forced second round of digitalization.
- Impetus for digitalization of bureaucracy

Digitalization

Digital Economy Development Committee (Est. 2017)

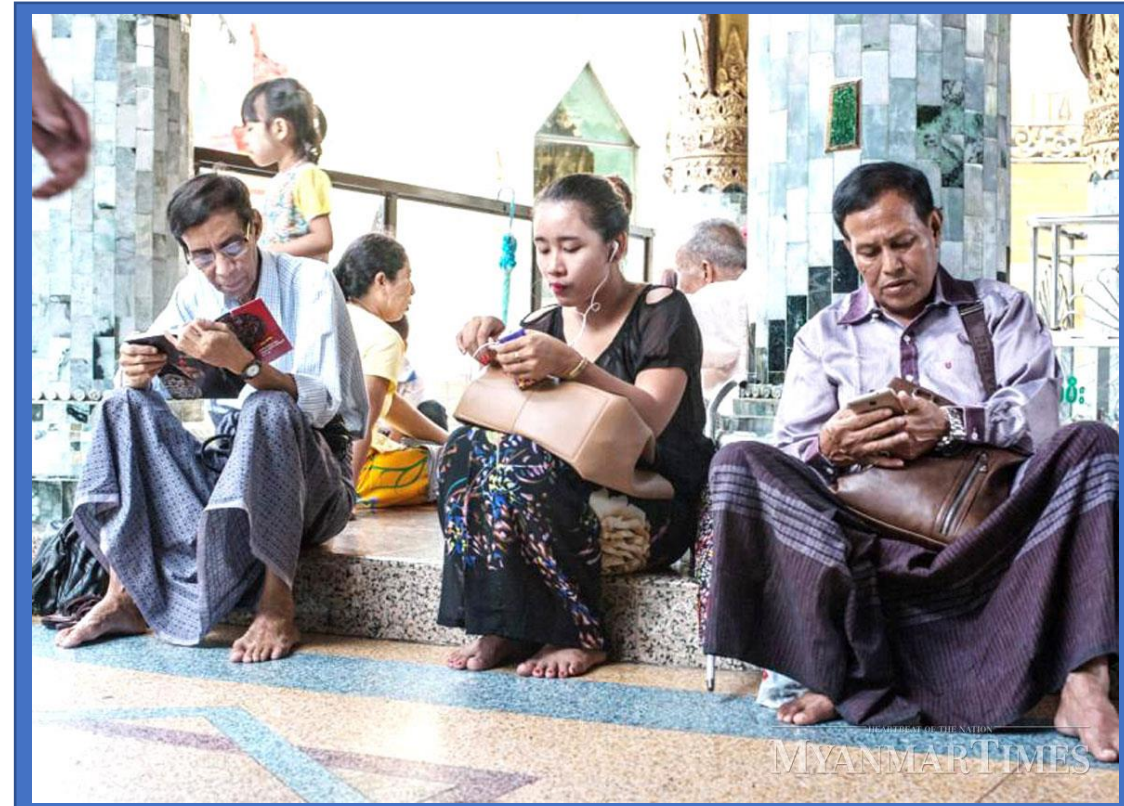
- Digital Economy Roadmap (2018-2025) to enable digital transformation, e-Government and digital trade

Central Bank of Myanmar

- Myanmar Payment Union (2011)
- launched new payment and settlement system (2020)

Myanmar Digital Economy Association (Est. 2019)

- Promote digital economy ecosystem
- Innovation for traditional brick-and-mortar businesses through digital platforms
- Increase market access for MSMEs
- Promotion and advocacy for digital economy industry development
- Research and advocacy for policy and legal matters



Challenges

- Limited digital literacy (especially SMEs)
- Paper-based bureaucracy
- Limited internet access
- Lack of capacity
- One-dimensional landscape (overwhelmingly dominated by Facebook)

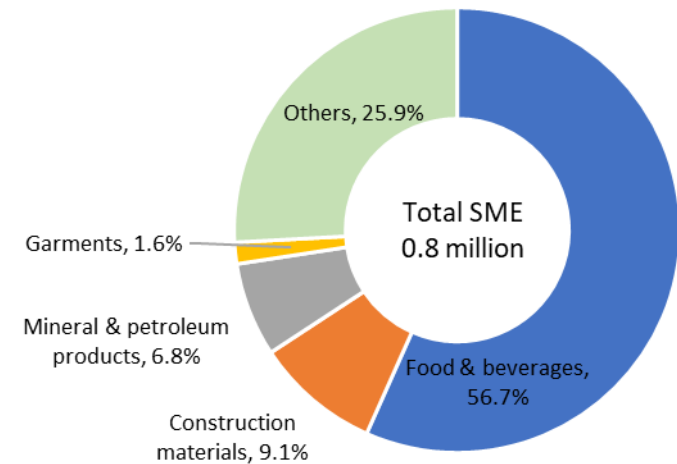
Clean Technology

- Economic policy on environmentally sustainable pathway
 - Environmental conservation law (2012)
 - Environmental Impact Assessment Procedures (2015)
 - National Environmental Policy (2019)
 - Myanmar Sustainable Development Plan (2018)
- Opportunities for
 - Renewable energy (solar, wind, hydroelectric and geothermal) generation
 - only 50% of households have access to electricity (2020)
 - Large-scale as well as mini/micro grids
 - Resilient and smart electricity grids
 - Waste management systems
 - Electric vehicles (cars and trains)
- Major benefits
 - Development through energy equity (e.g. mini/micro-grids in remote / hard-to-reach communities)
 - Fuel imports
 - Air quality
- Challenges
 - Human resource & technical requirements
 - Management of natural resources



SMEs & Startups

- Over 99% of businesses are SMEs
- Contribute 36% of GDP
- Challenges
 - Large informal economy (over 80% of workforce, IMF 2020; and estimated to be larger than the formal economy, UNCTAD 2021)
 - Only 10% of business loans go to MSMEs, 5% of total outstanding loans (ADB 2020)
 - Technology and productivity
 - Policies, laws and regulations, including lack of understanding
 - Human resource and competency
 - Illegal trade
- Opportunities to leapfrog to a cleaner digitized future
- No evidence that clean tech-based economies grew slower



Post-Pandemic era

- Opportunities and challenges
 - Current political crisis and calls for broad economic sanctions
 - Policy inconsistencies
 - Businesses trying their best to brave the multiple challenges
 - Innovation, R&D, resilience and sustainability