

ARISE Plus Myanmar Trade-Related Assistance

Inclusive and Sustainable Trade Growth in Myanmar



PROJECT SUMMARY

ARISE Plus Myanmar Trade-Related Assistance Project aims to contribute to inclusive and sustainable growth. It supports greater connectivity and economic integration between Myanmar and the Association of Southeast Asian Nations (ASEAN) in line with the ASEAN Economic Community (AEC) Blueprint 2025.

The 4-year project, worth EUR 8 million, contributes to trade diversification and integration, regionally and internationally with a focus on market-led value chains.

The project supports micro, small and medium sized enterprises (MSMEs) in Myanmar to explore business opportunities in the ASEAN single economic space, European Union (EU), and global markets. It also addresses compliance with Sanitary and Phytosanitary (SPS) measures in line with ASEAN and international commitments. The project provides trade policy formulation and implementation assistance for Myanmar to meet regional (ASEAN) and international (World Trade Organisation - WTO, EU) commitments and addresses non-tariff barriers (NTBs) along value chains.

Trade contributes to increased participation of women in the labour market, particularly in export-oriented sectors. The project integrates gender equality into the design and implementation of the activities, in line with Myanmar's policies and priorities.

CONTEXT

Myanmar is rapidly emerging as one of the fastest growing economies in the Asia Pacific region, supported by the country's market-led reforms and export potential.

Myanmar's trade openness is evident from the increase in the share of trade to GDP from 20% in 2011-2013 to 40% in 2017. Moreover, Myanmar continues to integrate more closely into the growing regional economy through the implementation of trade commitments both multilaterally and within the ASEAN.

Despite increased per capita income and a substantial decrease in poverty levels, Myanmar faces the challenge of ensuring that growth is sustainable and inclusive.

Myanmar's export structure is also transforming. While agricultural exports remain important, exports of manufactured products and services have grown by almost 60% and 50% respectively since 2005. Around 78% of Myanmar's external trade is with its neighbouring countries, including China, India and Thailand.

The Government of Myanmar has embarked on an inclusive and sustainable development path while placing export diversification and integration high on its agenda. The ARISE Plus project supports the country's trade priorities in line with the 2015 National Export Strategy, Myanmar Sustainable Development Plan (2018 – 2030) and the Medium Term Programme (MTP) for Coordinated Aid-For-Trade Resource Mobilization and Delivery.

OVERALL OBJECTIVE:

Inclusive and sustainable trade growth in Myanmar

SPECIFIC OBJECTIVE:

Increase trade diversification and integration, regionally and internationally with a focus on gender inclusive market led value chains

EXPECTED RESULTS:

- **Support to MSMEs in selected value chains:** Strengthened capacities of the private sector, notably MSMEs, to exploit the business opportunities offered by the ASEAN single economic space, EU and global markets, in selected value chains
- **Food safety and SPS compliance:** Improved SPS regulatory, control systems and quality compliance in line with ASEAN and international commitments, with a focus on selected value chains within the context of developing a harmonised National Food Safety Policy / Structure in Myanmar
- **Trade policy formulation and implementation:** Strengthened trade policy formulation and implementation for meeting regional (ASEAN) and international (WTO, EU) commitments and addressing NTBs along value chains.

EXPECTED RESULTS

[Strengthened capacities of the private sector, notably MSMEs, to exploit the business opportunities offered by the ASEAN single economic space, EU and global markets, in selected value chains](#)

MSMEs in Myanmar face significant challenges in integrating into regional and global value chains despite recent improvements in the country's business environment. Strengthening the capacities of local MSMEs to comply with market requirements including voluntary standards is critical to developing business linkages at ASEAN and EU level. MSMEs along selected value chains further require skills upgrading on business management and export marketing to fully benefit from new market opportunities.

The project aims to:

- Conduct value chain analyses including identification of market opportunities,
- Provide advisory support to private sector on global and regional market access opportunities,
- Provide capacity building trainings to MSMEs on export and business management,
- Support MSMEs to develop marketing functions including using online marketing/digital technologies,
- Strengthen MSME capacity to comply with target market requirements,
- Support access to information on the EU market,
- Raise awareness on formalization and registration of businesses,
- Support MSMEs with business to business linkages with buyers, and
- Build awareness of MSMEs on voluntary sustainability standards.

[Improved SPS regulatory, control systems and quality compliance in line with ASEAN and international commitments, with a focus on selected value chains within the context of developing a harmonised National Food Safety Policy/Structure in Myanmar](#)

Complying with standards and technical regulations is critical for MSMEs to gain entry into regional or world markets. Given the weak overall state of food safety, quality and standards in Myanmar, businesses risk missing potential export opportunities. Food safety and SPS compliance issues require responses at both value chain level as well as at national level to implement a harmonized National Food Safety Policy/Structure. Sensitising and building a common understanding of regulatory, technical and systematic requirements between food control institutions and food business operators following a "farm to fork" and risk-based food control approach in selected sectors is essential.

The project aims to:

- Design and conduct awareness raising campaign on food safety and SPS measures,
- Improve access to information on standards, laws, technical regulations and SPS measures,
- Strengthen the national food safety and SPS regulatory control system,
- Provide capacity building support to food testing and calibration laboratories,
- Provide training and advisory on SPS and food safety compliance to institutions and MSMEs,
- Setup and operate a mechanism to respond to new or changing SPS measures,
- Provide advisory services to establish a national Rapid Alert System for Food and Feed (RASFF) and integrate into the ASEAN RASFF, and
- Facilitate public-private coordination on SPS related issues at national, ASEAN and international level.

[Strengthened trade policy formulation and implementation for meeting regional \(ASEAN\) and international \(WTO, EU\) commitments and addressing NTBs along value chains](#)

Myanmar has embarked on a series of political and economic reforms to re-engage with the international community and carry out market-based policies. As the country is opening up to international trade, support to strengthen capacities for trade policy formulation and comply with multilateral commitments is critical. Moreover, Myanmar is seeking to integrate more closely into the rapidly growing regional economy. While Myanmar's economy is increasingly liberalised, the exporting MSMEs continue to encounter obstacles in the business environment. The capacities of the private sector require further strengthening to advocate for conducive import and export procedures in selected value chains.

The project aims to:

- Support the private sector to engage in business advocacy on export and import procedures,
 - Address gaps to comply with ASEAN Trade in Goods Agreement (ATIGA), and
 - Provide capacity building and advisory support to Ministry of Commerce and related bodies on trade negotiations, policy formulation and implementation, including on e-commerce and trade policy review for Myanmar.
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PROJECT PARTNERS

European Union

The ASEAN Regional Integration Support by the EU (ARISE) Plus is a regional programme for the ASEAN region.

The EUR 8 million ARISE Plus Myanmar Trade-Related Assistance Project is fully funded by the European Union (EU).



Ministry of Commerce

The project is a project with the Government of Myanmar in the lead.

The project has been designed and will be implemented jointly with the Government of Myanmar, in collaboration with the Ministry of Commerce (MoC).

The MoC is responsible for the formulation and implementation of trade policies, trade promotion, regional and international trade cooperation as well as monitoring of domestic market.

A Steering Committee co-chaired by the MoC and the Delegation of the EU to Myanmar will provide overall direction. Competent national level agencies and apex business entities will support workplan development and implementation of activities.



ITC

The International Trade Centre (ITC) is the only United Nations development agency fully dedicated to supporting the internationalization of SMEs. ITC enables SMEs in developing and transition economies to become more competitive and connect to international markets for trade and investment, thus raising incomes and creating job opportunities, especially for women, young people and poor communities. Established in 1964, ITC is the joint agency of the United Nations and the World Trade Organization.

ITC has been supporting the private sector in Myanmar since 1999 as part of its regional South-South Trade Promotion Programme, which helped to generate business for MSMEs in Asian and ASEAN markets. Myanmar's first-ever five-year National Export Strategy was designed and launched in 2015 with ITC's advisory support. Further, ITC contributes through trade-related technical assistance projects on food safety and SPS compliance, inclusive tourism, trade competitiveness and investment promotion.

ITC is the implementing agency of the ARISE Plus Myanmar Trade-Related Assistance Project.



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