COUNTRY REPORT OF MYANMAR

A. Introduction

Myanmar has lived with a centrally-planned economy for more than a quarter of a century until her adoption of the market-oriented economic system in September 1988. Since then, the state started restructuring its State Economic Enterprises (SEEs) under different Ministries, lowering trade barriers and simplifying export/import procedures for active participation of private investors. Likewise, the foreign investors are being invited for the many projects needing heavy investment and high technology. (Please see details in attachment 1)

In line with the growth of external and internal trade, priorities are given to modernization and rationalization of the national shipping industry and port facilities. Thanks to significant growth in foreign trade, international maritime transport in term of conventional and containerized cargo tonnage has doubled.

The Port of Yangon has been upgraded and expanded for handling of the burgeoning container traffic. One government-owned (Botataung Street Warf) and two private-owned (Myanmar International Terminals Thilawa, Asia World Port Terminal) container terminals with modern cargo gears has emerged. Inland container depots, one government-owned (ICD-2), one joint venture (ICD-1) and one private-owned (MIP) were established for container storage.

B. Current status of maritime transport industry in Myanmar

1. Focus on capacity: fleet size and port capacity at end of year 2000

Fleet size

On the State-owned sector, the Myanmar maritime transport industry centres mainly concerned with Myanmar Five Star Line (MFSL) and Myanmar Port Authority (MPA).

Myanmar Five Star Line, the national flag carrier with well over four decade experience provides regular and reliable services to satisfy the nation's seaborne trade international as well as coastal.

MFSL has a fleet of 26 vessels with its total deadweight 161,344 DWT. In foreign trade, MFSL employs 16 vessels with their carrying capacities ranging from 13,000 to 2,000 DWT. In Coastal trade, MFSL operates 10 vessels ranging from 1,700 to 600 DWT. (Please see details in attachment 2)

Port capacity

MPA, an SEE under the Ministry of Transport like MFSL is responsible for providing terminal facilities and port services for shipping.

With a view to keeping abreast with the substantial increase of cargo volume in foreign trade, MPA could manage in attracting foreign direct investments for container terminals. Altogether 3 container terminals namely Botataung Street Warf (BSW), Myanmar International Terminal Thilawa (MITT) and Asia World Port Terminal (AWPT) were operational in 1987, November 1996 and May 2001 respectively. Regarding inland container depots, a total of 3 ICDs viz. ICD-1, ICD-2 and MIP were establish and incorporated in July 1996, December 1999 and February 2000. (Please see details in attachment 3, 6 pages)

C. International shipping services available to facilitate trade

As the result of liberalization measures and economic reform programmes especially in trade, investment and banking system, foreign trade immensely induces seaborne shipping. The port statistics show that there has been a steady increase from 1990 to 2001 in carriage of container transport at Port of Yangon. (Please see details in attachment 4)

In addition, thanks to private participation in international shipping and port terminal operations which is accessible for worldwide shipping and trade environs. As container service is growing in leaps and bounds, many Main Line Operators (MLOs) like Maersk, APL, Hanjin, NYK,Cosco. The existing feeder service between Yangon and Singapore is being augmented by connecting massive MLO participation.

D. Future prospects for international shipping services

1. The demand for shipping services is a derived demand

As the main function of ocean shipping is to serve international trade, the growth or decline in international trade will have a direct impact on the future of ocean shipping services.

As regards Myanmar's foreign trade, it is anticipated that both conventional and container shipping services will continue to play an important role to cater for its demand for shipping services. The state owned Myanmar Five Star Line and foreign shipping lines will be the providers for the said shipping services.

For the development of designated ports of Myanmar, MPA considers the following action plans:

(a) To closely monitor the development of sea-born trade and traffic.

(b) To invite and negotiate in terms of technical know-how and investment from sources inside this country and abroad.

(c) To initiate and develop port commercialization and privatization in sector-wise.

(d) MPA considers reviewing for the simplification and harmonization of port document and procedures, relating to vessels and cargo as part of improving the port performance level.

(e) Regarding the promotion of regional cruise tourism industry has become priority in the Government development projects. In year 2001, 5 cruise vessels called Yangon Port, which is tremendous potential in tourism. In addition, in cooperation with the Asian member countries a working group was formed to make a feasibility study on the development of cruise industry.

(f) MPA is also very interested to cooperate near coastal voyages among the ASEAN countries.

(g) To introduce EDI application in Intermodal/Multimodal transport system.

(h) To take required steps for human resources development of work force.

E. Export/import policies, rules and regulation

Export policy

The main objectives of the export promotion policy are mention as under:

- To export all exportable surplus and diversify foreign market by using of natural and human resources.
- To increase and diversify exports.
- To improve the quality of export products.

Import policy

- With a view to reduce the trade deficit and to facilitate the settlement for imports, an "Export first and Import later" system was allowed in late 1997.
- Import of capital goods, industrial machineries, raw materials and other essential items are allowed.
- Import of certain items which can be domestically produced such as biscuits, fresh fruits, noodles are restricted in order to encourage domestic production.
- Import of certain non-essential items such as alcohol, cigarettes to protect public health is prohibited.

(Please see details in attachment 5, 2 pages)

F. National (plan/policy) toward liberalization

1. National plan toward liberalization in maritime sector

Myanmar after joining ASEAN, gave indicative offer on Maritime sector to other member countries at "Vessel Salvage and Refloating services". According to the report of the twenty-first meeting of the Coordinating Committee on Services (CCS), it stated that the meeting recommended parameters such as short term (1999-2001) and long term (2002-2020) to give further liberalization for trade in services.

The 23rd meeting of CCS clarified on the targets to be achieved especially on common services sub-sectors, other services sub-sectors, improvement of commitments for both modes 1 and 2 to "none" and progressive improvement of commitments of both modes 3 and 4.

In ASEAN, senior members' are well established and they are in a position to compete with the dominant players in the world. Some countries are now making alliances with the others to provide better services. Also new ASEAN members like ourselves need institutional upgrading, prescribing laws and regulations and adopting/preparation so as to sustain growth and development, compete fairly and proper protection.

Myanmar also the improvement of commitments relating to short term and long term parametres.

(Please see details in attachment 6)

G. Myanmar's participation status in WTO

Myanmar Delegation led by Minster for Commerce had attended the WTO Ministerial Conference, held in Singapore in 1996, and also in 1998 Geneva Conference except the Seattle Conference. For the Seattle Conference, Myanmar Delegation led by Ambassador to the United States had attended in 1999. In this manner, Myanmar had shown its active participation in every WTO Ministerial Conference.

The Union of Myanmar is not only founder member of General Agreement in Tariffs and Trade (GATT), but also the member of the first group of signatories for WTO. During the Uruguay Round, Myanmar had given the commitments for the market access in tourism under the Service Sector. Although Myanmar hasn't yet submitted the proposal to the Services Negotiations, held in Geneva since year 2000, Myanmar has been continually updated regarding the progress of these negotiations through Myanmar Mission in Geneva. Myanmar has also participated in the AESAN Geneva Committee and always agreed in principle for most of the WTO issues with the ASEAN stand.

In this regard, Myanmar Delegation led by H.E Brig-Gen Pyi Sone, Minister for Commerce attended the Fourth WTO Ministerial Conference held in Doha, Qatar in November 2001. The leader of Myanmar Delegation delivered the statement of the Union of Myanmar at the second day of the Conference. Minister's statement highlighted the following points:

> *"The benefits of the multilateral trading system however have not been felt evenly. A review of the world economic situation shows that many developing countries could not reap the benefits of the economic growth and prosperity of the world economy during the last five decades."*
>
> *"The principles of reciprocity and mutual advantage which underscore the WTO system mean that a weak economy may not automatically receive the full benefits of the system."*
>
> *"There is, therefore, an urgent need to assist developing countries, especially for developing countries to integrate into the global economy to ensure a balanced distribution of the benefits of the multilateral trading system."*
>
> *"Trade is a key engine for growth. However, the products of developing countries face many obstacles in entering the markets of rich countries.*
>
> *"It is also true that open market can play an important role in lifting millions of people out of absolute poverty. Although the developing countries have achieved a certain measure of success, there is still a long way to go for these countries to fully benefit from the world trading system. A lot of more need to be done, both by the developing countries and the international community."*

In conclusion, Myanmar as a member of the United Nations is working in cooperation with specialized UN agencies such as International Monetary Fund (IMF), World Bank, General Agreement on Tariffs and Trade (GATT), World Trade Organization (WTO), International Maritime Organization (IMO), United Nations Conference on Trade and Development (UNCTAD) in trade and shipping matters.

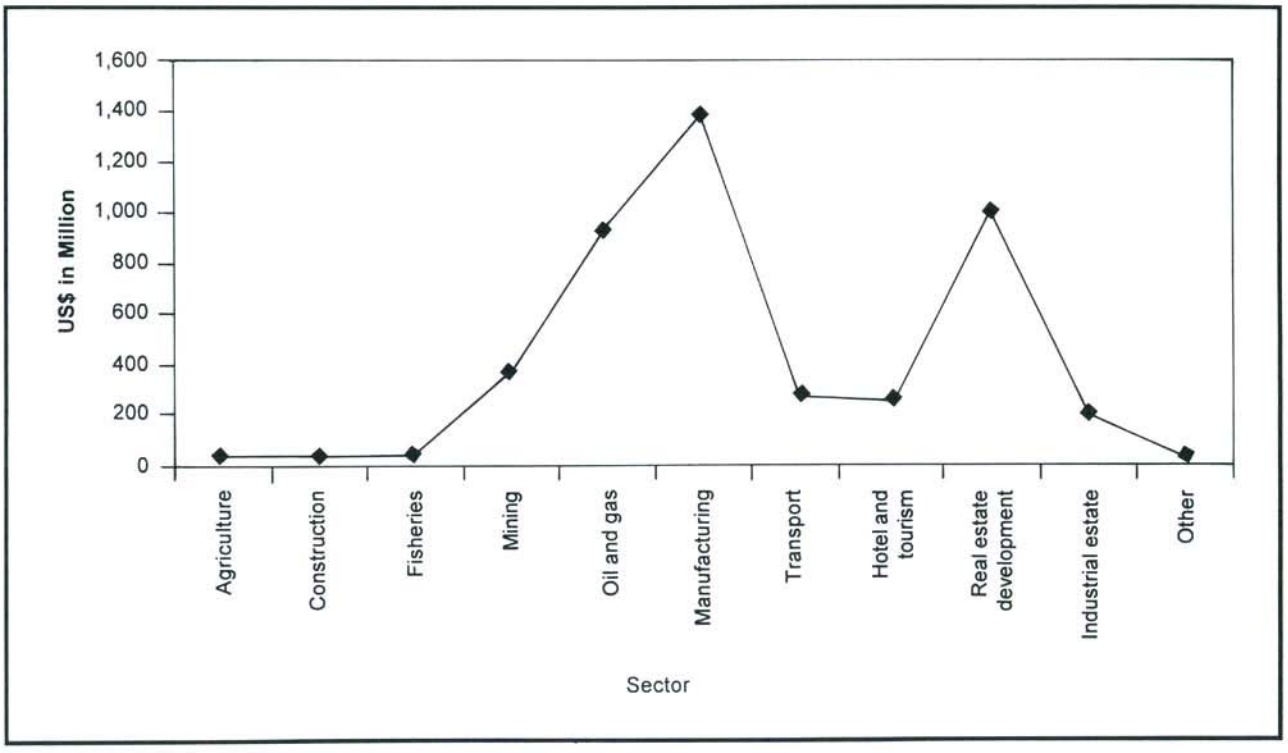
After Myanmar became, a full-fledged member of ASEAN on 23 July 1997, Myanmar has played an active part in ASEAN's regional and international affairs including foreign trade. After Myanmar's subsequent entry into BIMST-EC, an economic group of South-East Asian countries and South Asian countries on 22 December 1997, Myanmar is striving hard to achieve economic co-operations among member countries.

Being one of the first countries in GATT and WTO member country, Myanmar has been carrying out its economic activities in accordance with the norms and the system of WTO.

ANNEXES

Attachment 1

Total Foreign Investment of Permitted Enterprises by Sector from 1995 to 2002



Attachment 2

Myanmar Five Star Line

Fleet Tonnage

Name	Year Built	Country	DWT	TEU Capacity
Ocean-Going Cargo Vessels				
Multi-Purpose Vessels				
1. Dawei	1998	China	11,654	382
2. Kengtung	1998	China	11,654	382
3. Sagaing	1985	Germany	13,055	383
4. Magway	1985	Germany	13,055	383
5. Bago	1983	Germany	13,105	383
6. Mandalay	1983	Germany	13,105	383
7. Mawlamyine	1979	Germany	11,660	400
8. Sittwe	1979	Germany	11,660	400
Conventional Vessels				
1. Ava	1963	Germany	10,720	–
2. Pathein	1963	Germany	10,720	–
3. Mergui	1963	Japan	10,075	–
4. Pinya	1963	Japan	10,011	–
Short Sea Trade Cargo Vessels				
1. Chin Shwe Haw	1996	China	3,300	–
2. Mongla	1996	China	3,300	–
3. Pagan	1979	Norway	2,076	–
4. Hpa-an	1979	Norway	2,076	–
Coastal Cargo Vessels				
1. Loikaw	1978	Myanmar	790	–
2. Lashio	1975	Denmark	700	–
3. Pha Shwe Gyaw Ywa	1964	Denmark	1,575	–
4. Htone Ywa	1961	Germany	1,720	–
5. Shweli	1970	Japan	1,305	–
Coastal Passenger-Cargo Vessels				
1. Hakha	1979	Norway	948	–
2. Myitkyina	1979	Norway	948	–
3. Taunggyl	1979	Norway	948	–
* Passenger Capacity – 315 Persons				
Coastal Passenger Vessels				
1. Thanlwin	1999	China	592	440
2. Chindwin	1999	China	592	428
Total tonnage			161,344	–
Total number of vessels			26	–

Botataung Street Warf

B.S.W is the first container terminal here in Yangon and owned by Myanmar Port Authority (Government organization) and it is also fully controlled by the Myanmar Port Authority and located in downtown area.

Address: Myanmar Port Authority
Botataung Bridge, Container Yard
STRAND ROAD, YANGON, MYANMAR

B.S.W (1) Length 150 m
B.S.W (2) Length 150 m
B.S.W (3) Length 150 m
Draft 9.3 m

Container Freight Station (CFS)

• Length	243 Feet
• Width	197 Feet
• Total Area	47,871 sq. ft
• Storage area	22,400 sq. ft
• Storage capacity	2,867 tons

Container Yard (CY)

• Area	284,675 sq. ft
• Laden container storage area	104,328 sq. ft
• Laden container storage capacity	1,818 TEU
• Empty container storage area	78,720 sq. ft
• Empty container storage capacity	750 TEU

Equipment

• Quay Crane (30 tons and 35 tons)	2 units
• 40' Spreader (32 tons and 35 tons)	2 units
• 20' Spreader (25 tons)	1 unit
• Transtainers (35 tons and 40 tons)	4 units
• Reach stacker (36 tons)	2 units
• Komatsu forklift (36 tons)	1 unit
• Forklift for CFS (3 tons)	4 units

Myanmar International Terminal Thilawa

M.I.T.T is Myanmar's purpose build International multi-purpose container port. Hutchison Port Holding (HPH) which developed the facilities is managing MITT with over three years experience in Myanmar to date. Nowadays, cargo trade to Myanmar is provided by feeder service. With the operation of MITT, HPH is planning to develop intra-Asia service for Myanmar.

Located at Thilawa, close to the mouth of the Ayeyarwady river Delta – the nation's rice bowl, MITT is strategically positioned to answer that call. MITT is just 25 kilometres or 40 minutes drive from downtown, Yangon, the nation's capital.

Address: Berth 5-9 Thilawa, Kyauktan Township, Yangon, Myanmar.
Tel: 095 056 22250, 22252
Fax: 095 056 25253, 22254, 44446
E-mail: mitt@mptmail.net.mm

Berths capacities

• No of Berths for General Cargo Vessel and Berth Length	4 (550 m)
• Can handle a million TEUs per annum	
• No of Berth for Container Vessel and Berth Length	
• (MP is adjustable accordingly)	2 (450 m)
• Berth Width (GC and Container)	30 m
• Alongside draft (declared)	10 m

Storage capacity

• General Cargo	Shed	=	20,000 m^2
• Container Stacking allowed	Import	–	3 high
	Export	–	3 high
	RF point	–	108 points
• Others	Thaketa off-dock (500 teus)		

Equipment

• 1 QC (with auto spreader)	2 units (ZPMC)	
	Under spreader	= 40 mt
	Without spreader	= 48 mt
	Out reach	= 30 m
• RTGCs	40 T	= 3 nos (ZPMC)
• Reach stacker (Front loader)	2 units (40 T, Kalmar)	
• Empty Handler/FL Ts	1 unit (Kalmar)	
• Tractors (Prime Mover)	6 units (Kalmar)	
• Trailers 20’	3 units	
• Trailers 40’	3 units (Mafi), (Low)	
• Trailers 40’	2 units (High)	
• CFS Forklifts 3.0 T	5 units (Diesel)	
• CFS Forklifts 6.0 T	2 units	

Asia World Port Terminal

The Asia World Port Terminal (AWPT) is located upstream of the Yangon River, about 32 kilometres inland from Elephant Point on the Gulf of Martaban.

The facilities of AWPT may be deemed as part and parcel of the overall facilities of the port of Yangon.

The Terminal facilities of AWPT lie right in the heart of Yangon City, within 15 minutes drive to City Hall and 30 minutes drive to Mingalardon International Airport, just outside the downtown area so free from congestion especially in rush hours.

The AWPT is well developed, managed and operated by Asia World Port Management Co., Ltd. a subsidiary of Asia World Co., Ltd. which a well-diversified conglomerate is owned by Myanmar Citizens.

Address: Ahlone Township, Yangon, Myanmar.
Tel: (951) 210601, 210747, 211561, 229844, 212913, 212914, 212915
Fax: (951) 210598
E-mail: awpm@mptmail.net.mm

Berths capacities

- No. 1 Wharf:
  - Length 198 metres
  - Apron width 30.5 metres
- No. 2 Wharf:
  - Length 156 metres
  - Apron width 19.5 metres
  - Draft 9.2 metres
- The water depth alongside the wharf-head of both wharves is designed at 10 metres below datum in order that the largest available vessel entering the Yangon River can be accommodated at AWPT.

Turning area

- A turning area with a minimum width 330 metres is provided down stream of No. 2 wharf in the Yangon River in order to facilitate safe and speedy movements of the vessels incoming or outgoing from AWPT wharves.

Area and storage capacity

- Total inland area 14.75 acres
- Groupage shed 28,800 square feet
- Laden Containers 2,009 TEUs
- Reefer Container 96 TEUs
- Empty Containers 720 TEUs

Equipment

- Mobile harbour crane (Liebherr)
- model 320 with lifting capacity of 104 tons 1 unit
- Reach Stackers (Kalmar)
- model DRD 420-60 S5 with stacking capacity of 5 tiers 3 units
- Empty Handlers (Kalmar)
- Model DCE 70-45 E8 with stacking capacity of 8 tiers 2 units
- Terminal Tractors 10 units
- Terminal trailers for 20' Containers 10 units
- Terminal trailers for 40' Containers 10 units
- 3 tons Diesel Forklift 2 units
- 2.5 tons battery forklift 2 units
- 60 tons weight bridge with computerized control 1 unit

Inland Container Depot (2)

Area and storage capacity

- Total yard area 4 ACRES
- Storage capacity (1,800 TEUs)

Equipment

- Forklift (2 High) 8 tons 2 units
- Forklift (3 High) 8 tons 2 units

Inland Container Depot (1)

With the objective of operating an Inland Container Depot and the provision of other related services, MPA-ALLIED YANGON INLAND CONTAINER DEPOT LTD was incorporated on 9 April 1996, after signing of a Joint-venture and Shareholders' Agreement between Myanmar Port Authority and Allied Container Services Pte. Ltd. on 13 December 1995. The Agreement shall be in force for 15 years from the date of signing.

The constructed yard which has a storage capacity of about 5,000 TEUs is located just 1 kilometre away from MPA's Container Terminal and thus MPA-Allied enjoys the advantages of being in the vicinity of Yangon downtown.

Address: MPA-ALLIED YANGON INLAND CONTAINER DEPOT LTD.
Botataung Zay Street, Seikkan Township, Yangon, Myanmar.
Tel: 95 1 290178, 290204, 291939
Fax: 95 1 296540
E-mail: mpaallied@mptmail.net.mm

Area and storage capacity

• Total yard area	39,963 sq. m.
• Storage Capacity	5,000 TEUs
• Warehouse	5 units
• Total Floor area	1,500 sq. m.

Equipment

• Kalmar Reach stacker (41 tons/5 high)	1 unit
• Kalmar Reach stackers (8 tons/7 high)	2 units
• Forklifts (7 tons)	2 units
• Forklift (3 tons)	1 unit
• Prime Movers	3 units
• Skeletal Trailers (40')	3 units
• Skeletal Trailers (20')	3 units
• Reefer Points	10 units

Myanmar Industrial Port

MIP was incorporated since 19th February 2000

Address: No 7/2B, Strand Road, Ahlone Township, Myanmar.
Tel: 221204, 221418, 221414, 221416, 221417
Fax: 221201, 221418
E-mail: MIPCL@mptmail.net.mm

Areas and storage capacities

• 19 acres	
• Container storage and wharf	
• Included CFS warehouses, JETTY	
• Storage Capacities	7,200 TEUs
• C.F.S WAREHOUSE	
140 ft x 210 ft	1 unit
100 ft x 50 ft	5 units

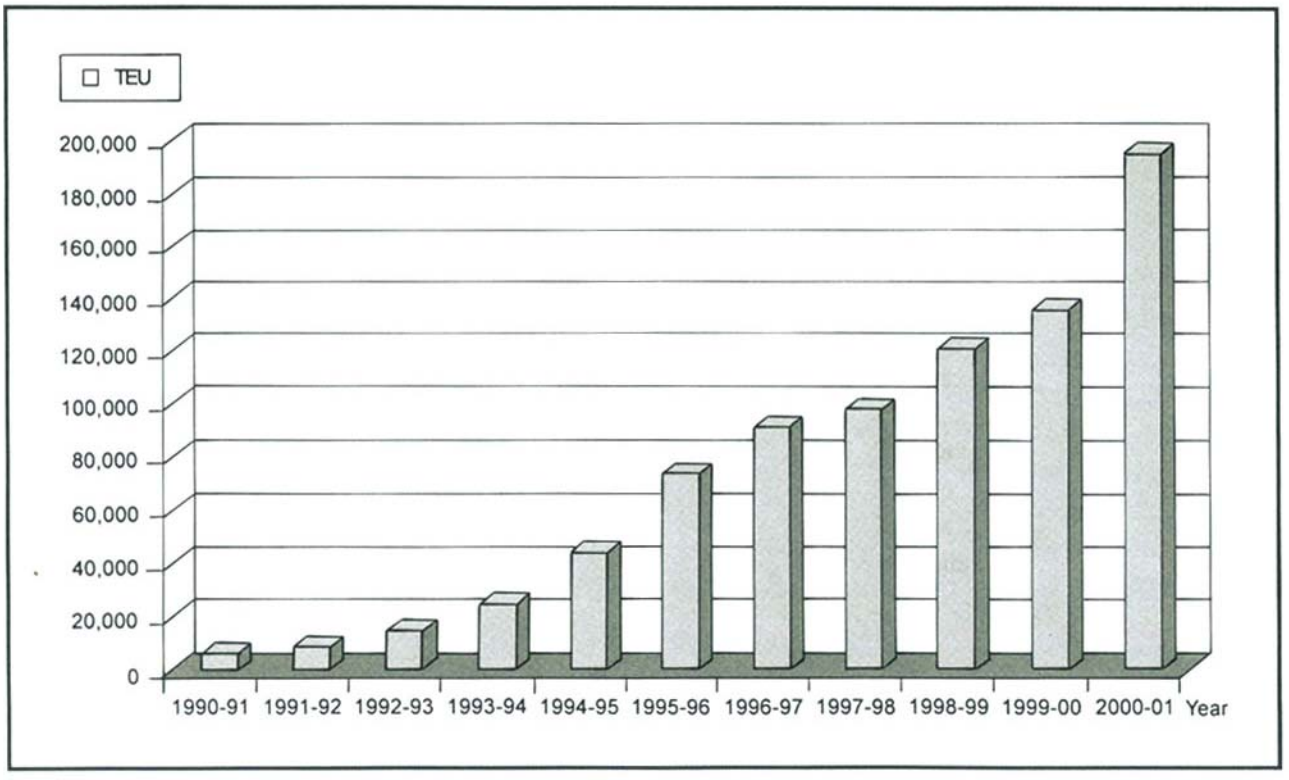
Equipment

• Forklifts (10 tons)	1 unit
• Forklifts (6 tons)	4 units
• Forklifts (5 tons)	1 unit
• Forklifts (3.5 tons)	1 unit
• Crane (60 tons)	1 unit
• PGS empty (5 high)	1 unit
• Empty (3 high)	1 unit
• Reefer points	25 units
• Prime Movers (40/20 trailers)	3 units

Attachment 4

Yangon Port Container Throughput (TEU)

Year	BSW	MITT	AWPT	Total
1990-1991	6,944	–	–	6,944
1991-1992	8,941	–	–	8,941
1992-1993	15,124	–	–	15,124
1993-1994	25,436	–	–	25,436
1994-1995	44,789	–	–	44,789
1995-1996	73,565	–	–	73,565
1996-1997	91,513	–	–	91,513
1997-1998	96,208	2,244	–	98,452
1998-1999	105,617	15,913	–	121,530
1999-2000	105,102	31,064	–	136,166
2000-2001	119,845	51,570	23,966	195,381
Total				**817,841**



Attachment 5

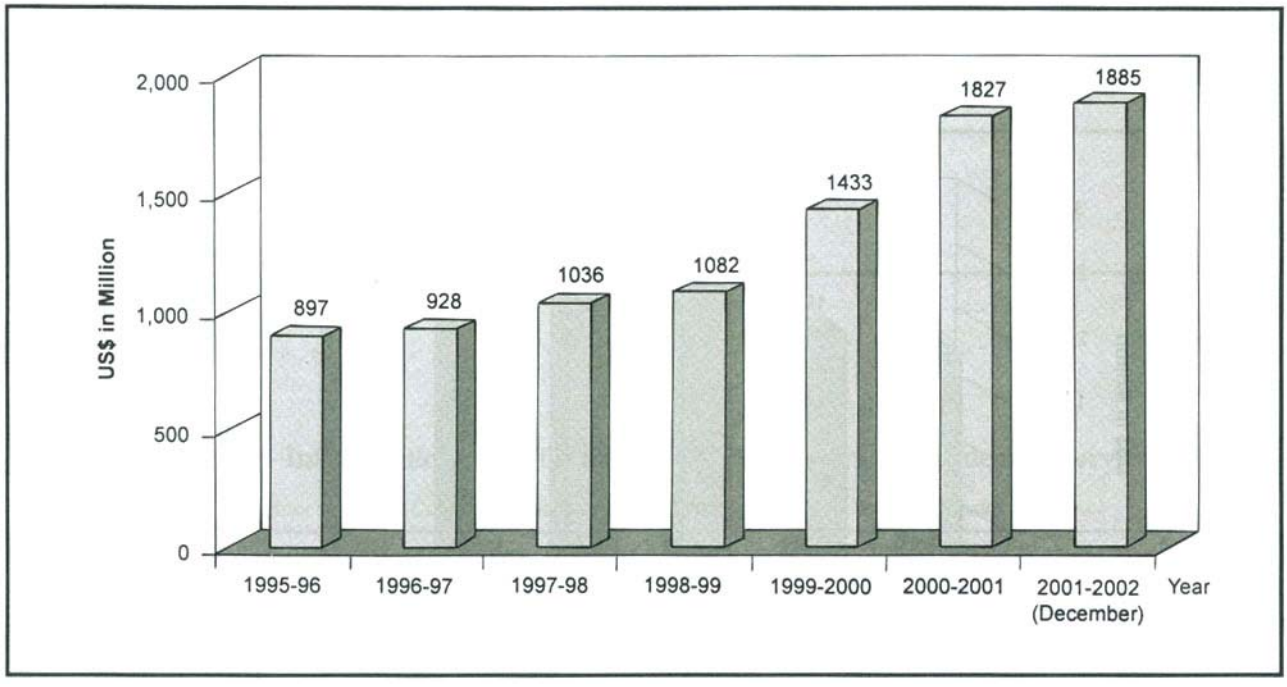
Export Policy

- To export all exportable surplus and diversify foreign market by using of natural and human resources;
- Increasing and diversifying exports; and
- Improving the quality of products are among the main objectives of the export promotion.

Major Export Items

- Rice
- Pulses and beans
- Maize
- Sesame seeds
- Rubber
- Prawn
- Fish
- Jade
- Teak
- Hardwood
- Plywood and veneer
- Garment
- Sugar
- Copper
- Natural gas
- Base metal and ore

Export Value from 1995 to 2002



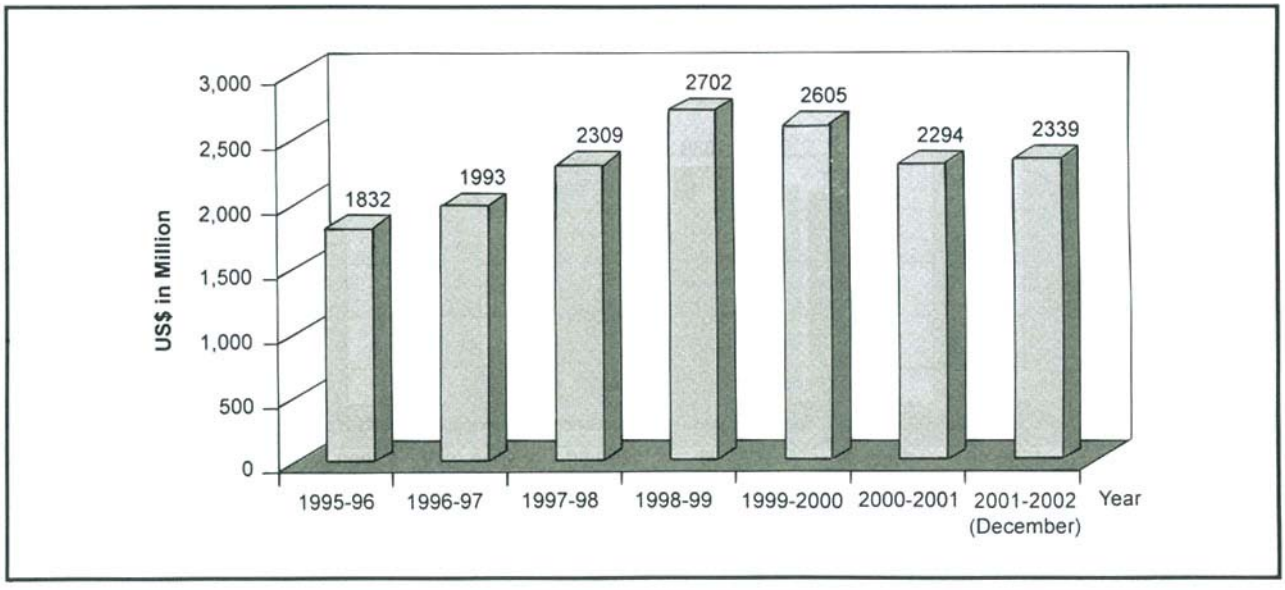
Import Policy

- Export first and import later system is launched since late 1997 to reduce the trade deficit and to facilitate the settlement for imports.
- Allow to import capital goods, industrial machineries, raw materials and other essential items.
- Restricted the imports which can be domestically produced such as biscuits, fresh fruits, noodles.
- Prohibited to import certain non-essential items such as alcohol, cigarettes to protect public health.

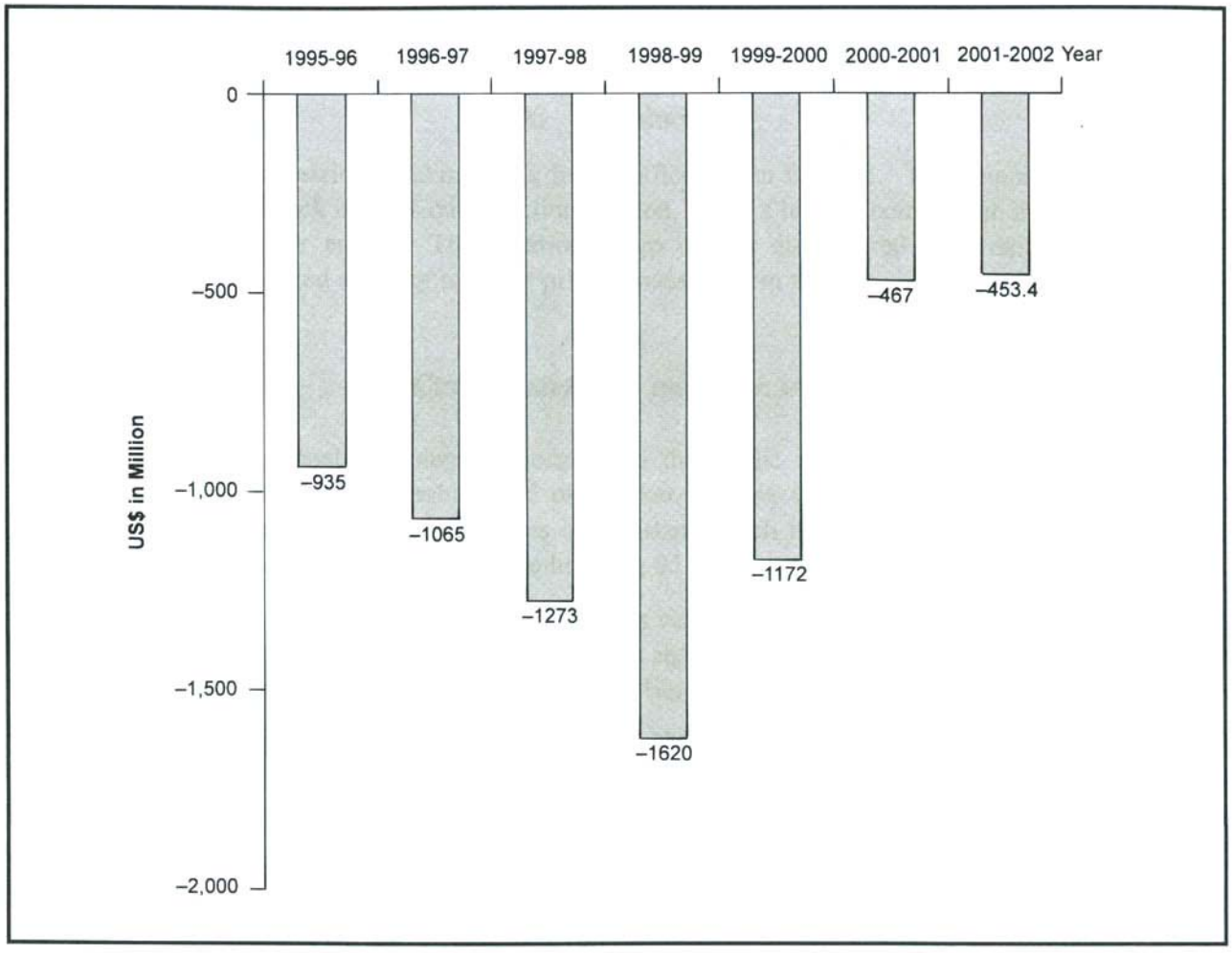
Major Import Items

- Power tiller
- Fertilizers
- Diesel oil
- Water pump
- Machinery
- Cement
- Electrical apparatus
- Edible oils
- Yarn and fabric
- Hand tractor
- Pesticides
- Hybrid quality seeds
- Hydraulic excavator
- Dumper, loader and parts
- MS rods and mild steel
- Transport equipment
- Pharmaceutical products
- Plastic seeds

Import Value from 1995 to 2002



Balance of Trade (1995 to 2002)



Attachment 6

Myanmar – Initial Indicative Offer in ASEAN Framework Agreement in Services

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector	Limitation of Market Access		Limitation on National Treatment	
Maritime Transport	**Mode of Supply**		**Mode of Supply**	
International passenger	Cross-border supply	None	Cross-border supply	None
Transportation less	Consumption abroad	None	Consumption abroad	None
Cabotage	Commercial presence	Unbound	Commercial presence	Unbound
(CPC 7211)	Presence of natural persons	Unbound	Presence of natural persons	Unbound
International freight	Cross-border supply	None	Cross-border supply	None
Transportation less	Consumption abroad	None	Consumption abroad	None
Cabotage	Commercial presence	Unbound	Commercial presence	Unbound
(CPC 7212)	Presence of natural persons	Unbound	Presence of natural persons	Unbound

Note: [1] No additional commitments.

[2] The above mentioned offers are indicative tentative offers for regotiation pu rposes; and Myanmar reserves the right to modify or amend or correct or withdraw the whole or in part at any time.