

Myanmar's 677,000 square kilometers of land area make it the second largest country in Southeast Asia. Bordering five nations, including India and the People's Republic of China (PRC), it is strategically located as a land bridge with South Asia.

The country is endowed with rich natural resources—arable land, forestry, minerals (including gas and oil), and freshwater and marine resources. Poverty, particularly in remote and border areas, is a major challenge. Poverty incidence is estimated at 26.6% (20.7% for urban areas and 28.4% for rural areas, with a sample size of 30,000 households from 75 townships), according to the 2001 Household Income and Expenditure Survey. In cooperation with the United Nations Development Programme (UNDP), an Integrated Household Living Conditions Assessment Project is currently under way to assess income, expenditure, and social welfare conditions of Myanmar. The results of the survey will help identify indicators for some of the Millennium Development Goals (MDGs).

Myanmar's Fourth Short-Term Five-Year Plan (FY2006/2007–FY2010/2011) is targeting a growth rate of 12% per year through

- retaining the growth momentum of the economy;
- solidifying the value of kyat;
- reducing the budget deficit to have surplus by the third year;
- curbing inflation; and
- continuing the surplus of current account position in the balance of payments.

Myanmar has good potential for economic growth considering its vast natural resources. However, the economy underperforms because of macroeconomic imbalances and structural problems that include a wide fiscal deficit due to high public expenditures, losses by state-owned enterprises (SOEs), and a dual exchange rate system. Accordingly, economic growth would depend on reforms to reduce structural rigidities, improving investment climate for private sector development, progressing toward exchange rate unification, reducing subsidies to SOEs, enhancing social sector spending, and putting in place prudential reforms in the banking sector.

**Table 1. Myanmar:  
 Development Indicators**

Non-MDG	
Population in millions	56.51 (2006)
Annual population growth rate (%)	2.01 (2004–2006)
Adult literacy rate	89.9 (2000–2004)
Percent of population in urban areas	30.6 (2005)
MDG	
Percent of population living on less than \$1 a day	...
Percent of people in poverty	26.6 (2001)
Under-5 mortality rate per 1,000 live births	105 (2005)
Percent of population with access to safe water	78 (2004)

... = data not available, MDG = Millennium Development Goal.

Note: The use of one literacy rate to represent 2000–2004 was used by UNESCO since adult literacy rates do not fluctuate significantly over the short term, and thus, annual estimate of change can be unreliable in the absence of data.

Sources: ADB. 2007. *Basic Statistics 2007*.

ADB. 2007. Statistical Database System.

**Table 2. Myanmar: Economic Indicators, 2002–2006**

Economic Indicator	2002	2003	2004	2005	2006
Per capita GNI (US\$)	212	202	201	217	...
GDP growth (% change per year)	12.0	13.8	13.6	13.2	...
CPI (% change per year)	58.1	24.9	3.8	10.7	...
Unemployment rate (%)	...	...	...	...	...
Fiscal balance (% of GDP)	-3.6	-4.9	-6.0	-4.0	...
Export growth (% change per year)	-3.9	12.6	8.2	...	...
Import growth (% change per year)	-16.1	1.3	-10.6	...	...
Current account (% of GDP)	0.0	0.0	0.0	...	...
External debt (% of GNI)	...	...	...	...	...

... = data not available, CPI = consumer price index, GDP = gross domestic product, GNI = gross national income.

Sources: ADB. 2007. *Asian Development Outlook 2007*.

ADB. 2007. Statistical Database System.

**Table 3. Myanmar: Project Success Rates**

By Sector	Percentage	No. of Rated Projects/ Programs
Agriculture and Natural Resources	60.0	5
Energy	100.0	1
Health, Nutrition, and Social Protection	0.0	1
Industry and Trade	50.0	2
Transport and Communications	100.0	1
Water Supply, Sanitation, and Waste Management	100.0	1
TOTAL	63.6	11
<b>By Year of Approval</b>		
1970s	66.7	6
1980s	60.0	5

Note: There has been no direct assistance to Myanmar in over 20 years.

## Relationship with ADB

The Asian Development Bank (ADB) continues to monitor economic developments in Myanmar. An operational strategy will be formulated when appropriate.

Close coordination is being maintained with the International Monetary Fund, the World Bank, and UNDP, with particular emphasis on assessment of the Government's economic reform program and recommended policy actions. Liaison with Myanmar's bilateral financing institutions regarding the status of their assistance program is also being maintained.

The last loan and technical assistance projects for Myanmar were approved in 1986 and 1987, respectively.

Myanmar is a participating member of the Greater Mekong Subregion Economic Cooperation Program (GMS Program), as well as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). In that capacity, Myanmar participates in regional meetings and workshops supported by ADB's regional technical assistance along with other GMS members, namely, Cambodia, PRC, Lao People's Democratic Republic, Thailand, and Viet Nam. The BIMSTEC countries consist of Bangladesh, Bhutan, India, Nepal, Sri Lanka, and Thailand.

## Operational Challenges

Myanmar's Fourth Short-Term Five-Year Plan (FY2006/2007–FY2010/2011) has set out the following main objectives:

- to extend the setting up of agro-based industries and other required industries in building an industrialized nation;
- to develop the electric power and energy sectors to be in conformity with the developing trend of industries;
- to extend the agriculture, livestock, and fishery sectors in order to meet the local demand for self-sufficiency and to promote exports;
- to make endeavors for meeting the targeted yield per acre of the designated crops;
- to expand new cultivable land for agriculture use;
- to establish forest areas for greening and conserve natural environment;
- to extend education and health sectors for human resource development;
- to strive for better roads and communication facilities in order to develop commerce and trade with momentum and for friendship among nationalities;
- to have continuous development for the infrastructure sectors;
- to meet the set targets of the Special Development Zones;
- to carry on the development of rural areas;
- to alleviate poverty;
- to exceed the targets of MDGs in implementing the national plans; and
- to realize balanced economy and all-round development of the economy.

Myanmar's economy is chiefly agro-based, with the sector, including fisheries and forestry, accounting for nearly half the total economy and employing more than 60% of the total labor force. To develop the sector, emphasis had been placed on ensuring self-sufficiency in rice, expanding the cultivation of pulses and beans, cotton, sugarcane, and oilseed crops for export. Record high prices for natural gas in recent years have resulted in strong external position of the economy, with reserves exceeding \$1 billion.

Strategies and supporting measures to achieve the target of a balanced budget include improving the productivity and profitability of state-owned enterprises, reducing unproductive public sector expenditures, and strengthening the tax administration system for wider tax base and less evasion.

Myanmar has a very significant geographical location and has good possibilities of benefiting from the rapidly expanding economies of its neighbors, particularly PRC, India, and Thailand. Growing investments in hydrocarbon sector, along with high energy prices, are also likely to benefit the economy in the short to medium term. For sustained growth, however, it is important to work toward economic reforms and private-sector development to reap the benefits of market-oriented growth and to bring about significant reduction in poverty.

## Partnership

It is ADB policy to cooperate with civil society organizations to strengthen the effectiveness, quality, and sustainability of the services it provides. Toward this end, ADB regularly shares experience with international nongovernment organizations that are undertaking development activities in Myanmar.

## Cofinancing and Procurement

Cofinancing operations enable ADB's financing partners—government or their agencies, multilateral financing institutions, and commercial organizations—to participate in

financing of ADB projects. The additional funds are provided in varying forms of grants, guarantees, loans, or syndications. As of year end 2006, cumulative direct value-added cofinancing for Myanmar since 1973 amounted to \$38.1 billion for 6 investment projects, and \$5.7 million for 14 technical assistance projects.

A summary of procurement contracts awarded to companies and consultants from Myanmar for goods and related services, civil works, and consulting services can be found at [www.adb.org/Documents/Fact\\_Sheets/Myanmar/procurement.asp](http://www.adb.org/Documents/Fact_Sheets/Myanmar/procurement.asp).

## About Myanmar and ADB

Myanmar is the 17<sup>th</sup> largest shareholder among regional members and the 25<sup>th</sup> largest overall. It shares both positions with Hong Kong, China.

### ADB Membership

Joined	1973
Shares held	19,270 (0.545%)
Votes	32,657 (0.739%)

**Md. Saad Hashim** is the Executive Director and **Aw Siew-Juan** is the Alternate Executive Director representing Myanmar on the ADB Board of Directors.

ADB's operations in Myanmar are managed through ADB's Manila Headquarters. ADB's Southeast Asia Department provides the primary operational link to the government, private-sector, and civil-society stakeholders in its activities. The Southeast Asia Department engages in policy dialogue and acts as a knowledge base on development issues in Myanmar.

The Myanmar government agency handling ADB affairs is the Ministry of Finance and Revenue.

## About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. ADB's annual lending volume is typically about \$6 billion, with technical assistance usually totaling about \$180 million a year. In 2006, lending volume was \$7.4 billion, with technical assistance at \$241.6 million.

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### Useful ADB websites

Asian Development Bank  
[www.adb.org](http://www.adb.org)

Country website  
[www.adb.org/myanmar](http://www.adb.org/myanmar)

Asian Development Outlook  
<http://adb.org/Documents/Books/ADO/2007/MYA.pdf>

Annual Report  
[www.adb.org/Documents/reports/annual\\_report/2006/](http://www.adb.org/Documents/reports/annual_report/2006/)

Depository Libraries  
[www.adb.org/Publications/Depositories/mya.asp](http://www.adb.org/Publications/Depositories/mya.asp)