



YOUR LOGO

The Economy of Myanmar

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Overview

Socioeconomic indicators

	2000	2018
Population	46.7 million	54.0 million
GDP per capita	\$190	\$1,418
Life expectancy	60	66
Infant mortality (per 100,000 births)	88.9	42.2
Primary education attainment	85%	99%
Poverty rate	48.2%	24.8%



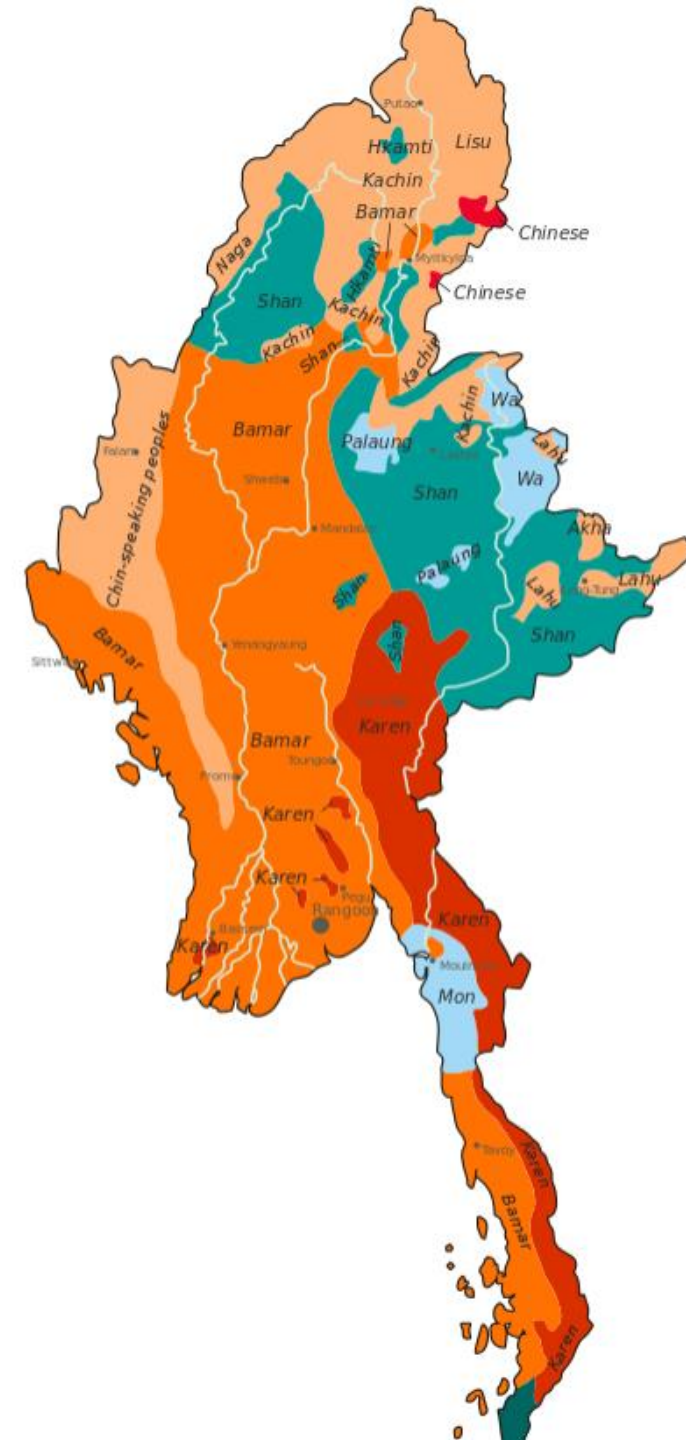
Geography

- Land area: 677,000 square km
- The largest country in mainland Southeast Asia; strategically links GMS with South Asia
- Key cities are located in the central, fertile lowlands; western and eastern regions are mountainous and relatively isolated
- Only of the land area is arable, mostly in the central part of Myanmar



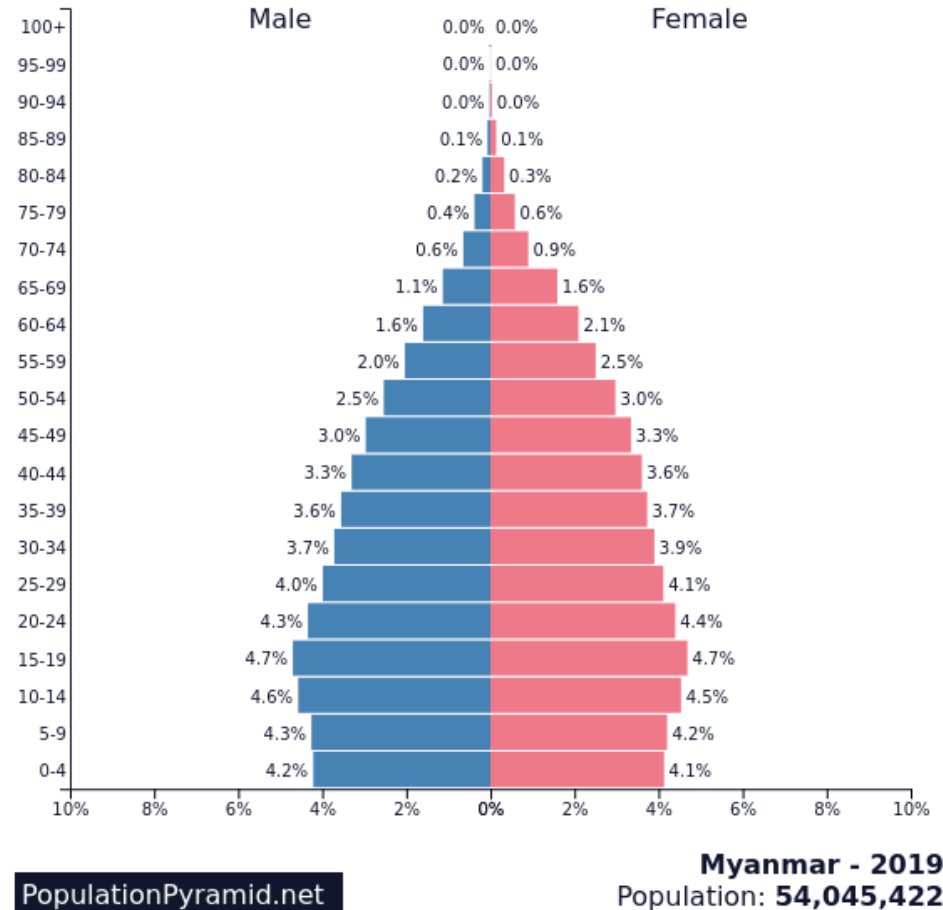
Ethnicity

- Bamar is the main ethnic group living in the flat, central lowlands along the Irawaddy watershed
- Other ethnic groups are ethnic minorities: Karen, Shan, Mon, Chin, Kachin, Rakhine and Karen, which live in the mountainous areas of Myanmar
- Locations of various ethnic groups correspond more or less with Myanmar's general topography



Population and demographics

- Most recent census was 2014; current population is 54.0 million; the last census was in 1983
- Myanmar is at stage 2 to stage 3 of the demographic transition; death rates in significant decline and fertility rates gradually declining
- Steady increase in population size up to 2017 has policy implications for education, health, employment and housing



Historic milestones

- Myanmar in transition from past authoritarian rule, economic mismanagement, and multiple conflicts
- Conflicts are driven by social exclusion and predatory natural resource extraction
- Myanmar opened up in 2011, had first democratic elections, in 2015



Historic milestones

- Poverty almost halved, from 45% in 2000 to 25% in 2018
- Adjustment of exchange rates, liberalization of product and factor markets, integration into regional markets, and modernization of financial institutions resulted in rapid economic growth (above 7% per year)



Historic milestones

- Reform momentum slowed after 2016 as civilian government struggled to realize its economic vision, policies and programs
- Government adopted an ambitious Myanmar Sustainable Development Plan to sustain the economic transition



ECONOMIC PERFORMANCE



Economic performance

- The economy is narrowly based; growth is driven by natural resource exports-- gas and forest products-- construction, and tourism
- Agriculture accounts for 29% of GDP, 52% of employment, and 20% of exports
- Manufacturing contributes 20% of GDP, with garments and wood products as the major exports



Economic performance

- With economic transformation and reforms, GDP growth has increased from 5.6% in 2011 to an average of over 8.0% in 2015
- Liberalization of the economy and opening up to foreign direct investment has prompted rapid growth of the industry sector, notably exports of natural gas



Economic performance

- Employment generation in the industry sector is unlikely; mining and energy sectors are capital- rather than labor-intensive
- Prior to the COVID-19 pandemic, economic growth was projected to be 6.3 percent in 2020 and 6.4 percent in 2021; actual figures were -1.5% and 2.8% respectively.



SECTOR PERFORMANCE



Agriculture

- Agriculture sector contributes to 52% of total employment; almost 70% of the population live in rural areas
- In 2000, agriculture sector contributed to 38% of GDP; in 2018, it contributed to 29% of GDP*
- Industry sector contributed to 11% of GDP in 2000; in 2018 it was 25% of GDP

* Excluding oil and gas earnings



Agriculture

- Half of the rural population is landless, whereby 40% have landholdings of less than 2 hectares
- Rice is the leading crop product in Myanmar's agriculture with a production value of 25.1 million tons in 2018, followed by sugar cane and dry beans



Agriculture

- Opportunities for broader integration into agricultural supply chains remain largely untapped due to low returns to land, rural infrastructure gaps, and limited market access
- There is a need to further diversify farming systems and provide access to financial products suitable for agriculture activities



Education

- There are significant disparities by gender, location, and socioeconomic status in terms of access to education and workforce outcomes
- Lack of human capital and skills is a major constraint in doing business in Myanmar
- Shortage of workers with skills needed reflects weak educational quality and relevance



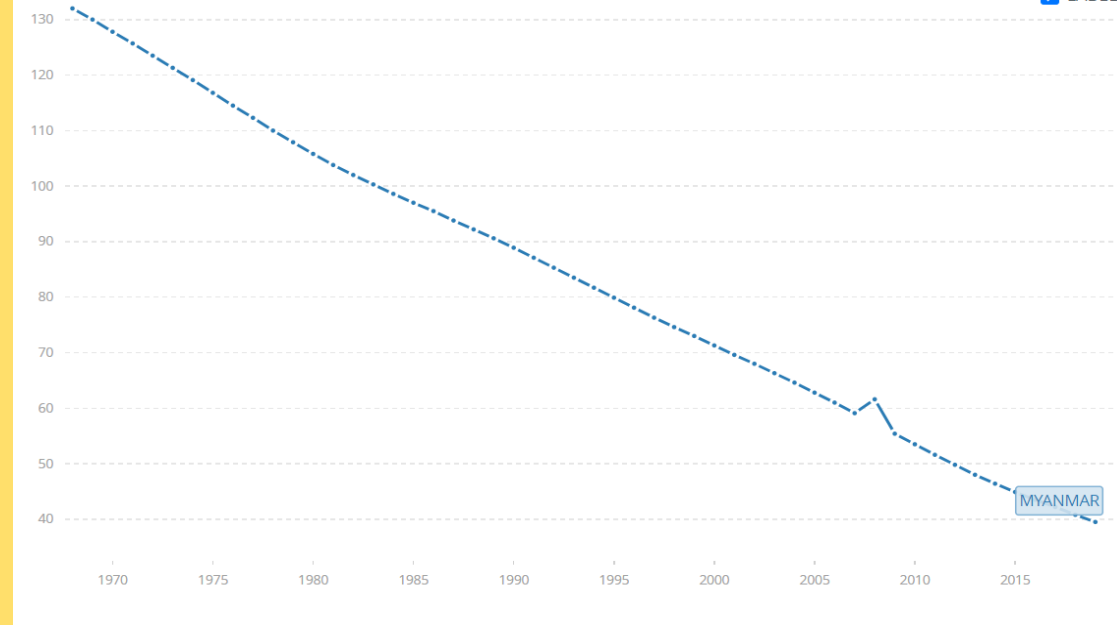
Education

- 81 per cent of children complete primary education; 40% complete secondary education
- At the primary school level, 1 in 5 children do not attend school or drop out of school
- Constraints: high education fees; limited quality and relevance of the education curriculum; that is offered, economic hardships force many young children to give up education in order to work

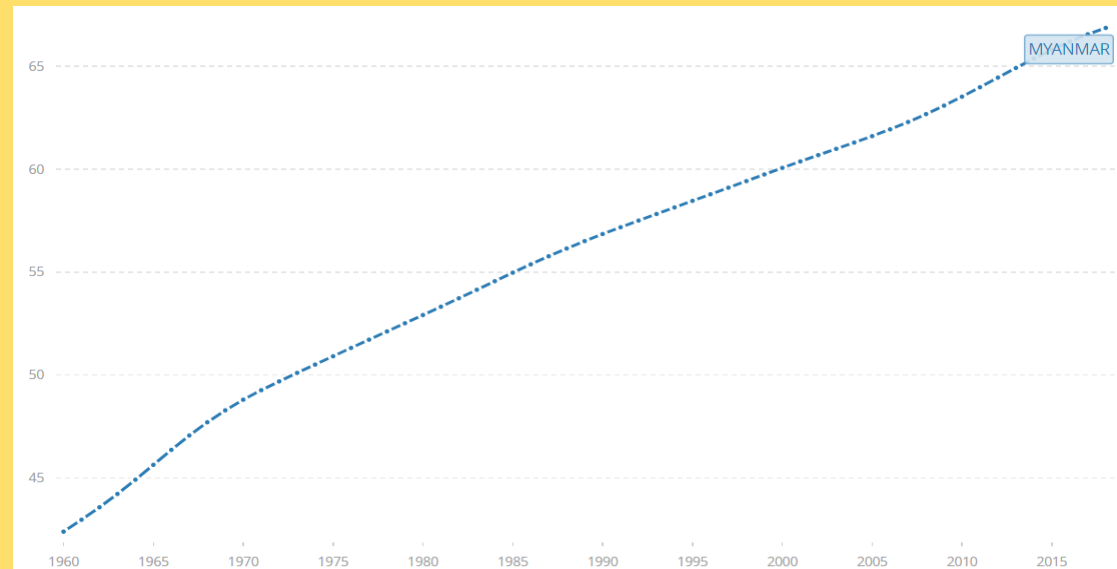


Health

- Infant mortality rate decreased from 71.3 per thousand births in 2000 to 44.2 in 2017; during the same period, life expectancy increased from 60 years to 66 years
- The global shock and domestic efforts to contain the spread of the virus have had a substantial economic cost



Infant mortality rate



Life expectancy

Health

- Mismatch between supply of and demand for health professionals and unequal distribution of health professionals
- Increasing demand for health professionals due to rapid population growth and increasing life expectancy, while supply is limited remain a challenge



Urban development

- Myanmar is in an early phase of urbanization; opportunities exist to shape cities for sustainable growth and poverty reduction.
- Inadequate planning and lack of investments in infrastructure and basic services
- This results in urban sprawl, congestion environmental pollution, and inequality



Environment

- Livelihoods in rural areas depend on natural resources, but these are under stress from increased population, commercial exploitation, climate change, and natural disasters.
- Unsustainable land and water management practices led to decreasing forest cover, declining agriculture productivity and poor water quality



Environment

- In urban areas, people suffer from inadequate water supply, drainage and sewerage, and solid waste disposal
- Myanmar is one of the world's most disaster-prone countries, exposed to multiple hazards due to climate change
- These include floods, cyclones, earthquakes, landslides and droughts, sea-level rise, warming sea surface temperatures, salt water intrusion in its river deltas





DEVELOPMENT CHALLENGES

Development challenges

- Diversity in geography and ethnicity on the one hand and authoritarian regime on the other hand
- Meeting deficits in infrastructure and human capital to boost social and economic development
- Maintaining macroeconomic and fiscal stability in a challenging global economic environment



Development challenges

- Accelerating the reform process to achieve structural and institutional change
- Enhancing the business environment and assurance of good governance
- Improving capacities and governance standards
- Addressing environmental issues and climate change
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CONCLUSION

Conclusion

- Myanmar has a potential to grow economically; however authoritarian rule, narrow economic base and limited human resource capacity are limiting constraints
- Economic reforms have not been fully implemented and followed up
- Exports are mainly limited to primary commodities, not agro-processing or industries



Conclusion

- Urbanization brings opportunities as well as challenges; infrastructure is lacking
- Education curriculum and shortage of teachers are constraints to educational performance



Conclusion

- There is a lack of health care professionals and the need to match supply and demand of health workers
- Myanmar is one of the world's most disaster-prone countries and will need to address effects of climate change



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