

A
GLOBAL / COUNTRY STUDY AND REPORT
ON
“BURMA”

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GUJARAT TECHNOLOGICAL UNIVERSITY

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REQUIREMENT OF THE AWARD FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION

In
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UNDER THE GUIDANCE OF
Asist. Prof. Nimesh Bhojak

Submitted By:
DIVABA INSTITUTE OF MANAGEMENT AND COMPUTER APPLICATION
MBA PROGRAMME Affiliated to Gujarat Technological University Ahmadabad.

DIVABA INSTITUTE OF MANAGEMENT & COMPUTER APPLICATION
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PREFACE

Global country study report is an integral part of the MBA programme. Management education seeks to accomplish several objectives simultaneously. One is to a set of concept so that student can understand the framework in which business decisions are made. The second is to operationally those concept with specific tools of analyze

To be an MBA student is a matter of pride which helps us to develop from a normal human being into a disciplined and dedicated professional. In the management field we cannot create success storied if we are not good learner. Our knowledge in the particular field has to achieve and attain the desired goals and heights.

The purpose is to study how an organization functions and how to apply our theoretical knowledge in the professional life. As a practical point of view for training we have selected “pharmaceutical sector of Myanmar” which will help us to understand culture of Burma and to gain knowledge about Burma country what are the factors which may affect the different industries .

Mere bookish or theoretical knowledge can't help us in any field whether it is management, technology, research or any other field. The only thing that can help us is having a sound practical knowledge of the concerned field is a part of my learning in management field and also fortunate of the MBA programme. We have been fortunate to receive practical knowledge in one of premier organization- Divaba institute of management and application.

We have tried to present whether knowledge we gained and learned during my project period in a very systematic manner.

ACKNOWLEDGEMENT

It is great pleasure for us to introduce this report, which we have prepared during academic period.

We would like to thank our Management who has included this practical study in our syllabus which furnishes me with the complete knowledge about the subject. We would like to thank to all member of Divaba Institute of management and computer application, who had given such a nice guidance to me in preparing this report.

We should not forget our duty to acknowledge by debt for gratitude **PROF. NIMESH BHOJAK** who gave their valuable time and guidance. All the above mentioned persons have given me great co-operation and period.

Last but not the least important we owe “to our respected & dear parents & without their blessing & moral support study could not have been possible”. Again we would like to convey our thanks to all those who directly or indirectly helped me and contributed their efforts a bit or more for the preparation and success of this report.

EXECUTIVE SUMMARY

In this development and changing world, I feel proud for being a student of M.B.A full time course offered by Gujarat Technological University, Ahmedabad.

This project is based on Study of sector analysis of BURMA in which we have select various sectors of BURMA. We have first given the introduction of the Information about various sector in Burma, and then discussed role of various sector in economy development of Burma. We have also discussed the needs of each sectors and rules and regulation related to each sectors.

Project includes Comparative position of various sector of Burma with India. In Our Project we mainly emphasis on policies and norms of Burma for import/export including licensing, permission, Taxation for India. We have also discussed policies and norms of India for Import and export to the Burma and potential for import/export in India.

TABLE OF CONTENT

SR. NO	PARTICULARS	PAGE NO
1	PREFACE	i
	ACKNOWLEDGMENT	ii
	EXECUTIVE SUMMARY	iii
	CHAPTER 1 OVERVIEW OF PHARMACEUTICAL INDUSTRY OF BURMA	
1.1	Overview Of Pharmaceutical Industry	9
1.2	Major Player Of Pharmaceutical Industries In Myanmar	9
1.3	Major Player Of Pharmaceutical Industries In India	10
1.4	Myanmar Pharmaceutical Market	10
1.5	Categories Of Pharmaceutical Products	11
1.6	Demand Of Pharmaceutical Products In Myanmar	11
1.7	Market Share Of Therapeutical Segment In Myanmar	12
1.8	Therapeutical Segment Wise Of India Pharmaceutical Market	13
1.9	Key Facts Of Indian Pharmaceutical Industry	13
1.10	Market Share Of Therapeutical Segment In India	14
1.11	Government Policy	14
1.12	Porter's Five Forces Analysis	14
1.13	Bcg Matrix Method	16
1.14	Marketing Mix Optimization	17
1.15	Positioning Marketing	18
1.16	Import Policy Objectives	18
1.17	Import Process	19
	CHAPTER 2 OVERVIEW OF STEEL INDUSTRY OF BURMA	
2.1	Introduction Of Steel Industry	22
2.2	Comparative Position Of Industry	24

2.3	Porter Five Force Model For Steel Industry In Myanmar	25
2.4	GE Portfolio Model	25
2.5	BCG Matrix	26
2.6	Financial Performance	26
2.7	Market Position	26
2.8	Trend Of Steel Industry	27
2.9	Comparison On India Aspect	27
2.10	Policy & Norms Of Burma For Steel Industry (Import)	27
2.11	Import Policy	28
2.12	Import Procedure	28
2.13	Import License Fee	29
2.14	Major Import Items	29
2.15	Import Duties	29
2.16	Trade Policy Of Myanmar	30
2.17	Policy & Norms Of Burma For Steel Industry(Export)	30
2.18	Retailers And Distributors	32
2.19	Indian Taxation Related To Steel Industry	33
2.20	Grant By The Indian Government To Steel Industry	34
2.21	Export Documentation By Indian Government	35
2.22	Present Trade Barrier Import Export For Steel Industry	36
	CHAPTER 3 OVERVIEW OF AUTOMOBILE INDUSTRY OF BURMA	
3.1	Introduction of Automobile Industry	38
3.2	Comparative position of automobile industry	39
3.3	Import policy of Automobile role of Myanmar	41
3.4	Export policy of Automobile Industry of Myanmar	42
3.5	Policy and norms of Myanmar for automobile Industry for export	44
	CHAPTER 4 OVERVIEW OF OIL & GAS INDUSTRY OF BURMA	
4.1	Introduction Of Oil & Gas Industry	46
4.2	Industry Policy Of Burma	48
4.3	Norms Of Foreign Organization	49

4.4	Import Policy	49
4.5	Licensing Procedure For Importing	50
4.6	Import Duty	51
4.7	Direct And Indirect Tax	51
4.8	Fees On Import	52
4.9	Custom Duty	52
4.10	Tariff And Non Tariff Policy	53
4.11	Validity Period For Import License	53
4.12	Legal Action	53
	CHAPTER 5 OVERVIEW OF AGRICULTURE INDUSTRY OF BURMA	
5.1	Introduction	56
5.2	Major players of agriculture sector in burma	57
5.3	Comparative position of agriculture sector	58
5.4	Policies & norms of Burma for related agriculture sector	58
5.5	Import procedure	60
5.6	Export policy & norms of agriculture sector in burma	63
5.7	Grant ait by government for developing agriculture sector	65
5.8	Present trade barrier import & export agriculture sector	65
	CHAPTER 6 OVERVIEW OF TOURISM INDUSTRY OF BURMA	
6.1	Introduction Of Tourism Sector	68
6.2	History Of Tourism Sector In Burma	68
6.3	Key Factors For Burma's Tourism Sector	68
6.4	Main Players	69
6.5	Service	69
6.6	Government Policies In Tourism Sector In Myanmar	69
6.7	Key Success Factor Of Tourism Sector In Myanmar	70
6.8	The Major Tourism Development Projects Burma	72
6.9	Porter's Analysis	73
6.10	Porter's Generic Strategies	73
6.11	International Tourism, Number Of Arrivals	74
6.12	Trade Of Sector Or Industry	74

6.13	Indirect Policy Or Burma Of The Field Of Direct Policy	75
6.14	Import Policy Of The Government Of Burma & India	75
6.15	Present Trade	77
6.16	Myanmar Travel & Tourism Sector	77
	Bibliography	79

1.1 OVERVIEW OF PHARMACEUTICAL INDUSTRY

Pharmaceutical market size of Myanmar is estimated that it is about US\$ 100-120 millions cost, insurance, freight (CIF) value.

- Total market share of Indian pharmaceutical industries is about 35% of total market of Myanmar.
- Major Indian pharmaceutical companies in Myanmar which are leading in Myanmar pharmaceutical industries are DR. REDDY, CIPLA AND RANBAXY etc.
- In Myanmar multinational companies which are not more active directly.
- In Myanmar there are **two major cities** one is **Yangon** which is known as Rangoon and other is **Mandalay** from where sixty percentages of total sale of pharmaceutical products are made.
- Contribution of district areas is about 40%.
- As per statistics of Myanmar ministry of commerce found that there are 5000 categories of medical medicine are annually imported in Myanmar by India.
- Six pharmaceutical manufacturers are located in Myanmar.



1.2 MAJOR PLAYER OF PHARMACEUTICAL INDUSTRY IN MYANMAR

The major pharmaceutical industries are located in two cities which are in Yangon and Mandalay from where 60 percentages of pharmaceutical product sales are made.

- FAME PHARMACEUTICAL
- SAN LWIN TRADING COMPANY
- A A MEDICAL PRODUCT
- GETZ PHARMA LIMITED.
- TAJ PHARMA LIMITED

All above pharmaceutical companies are making generic as well as herbal products which cover higher market share in Myanmar.

1.3 MAJOR PLAYER OF PHARMACEUTICAL INDUSTRY IN INDIA

There are top 10 major players in India among of them CIPLA, RANBAXY LAB, DR. REDDY'S, SUN PHARMA and LUPIN generating higher revenue. These are five players which are manufacturing generic medicines in India. India's expertise is in generic drugs making products which play major role for the pharmaceutical industry growth.

1.4 MYANMAR PHARMACEUTICAL MARKET

In Myanmar there are **two major cities** one is **Yangon** which is known as Rangoon and other is **Mandalay** from where sixty percentages of total sale of pharmaceutical products are made.

Sr.	Myanmar Pharmaceutical Market	Percentage of Total Sale (%)
1	Yangon and Mandalay Market	60
2	Other markets except Yangon and Mandalay	40

Sr.	Originated Country	Percentage of Myanmar Pharmaceutical Market(%)
1	India	35
2	Bangladesh, China, Thailand, Indonesia, Pakistan and Vietnam	40
3	Other countries	25

From the figures we can say that 60% of total sales are made in yangon and Mandalay market. Contribution of district areas is about 40%.

From the figure we can say that India having percentage of Myanmar pharmaceutical market which is about 35% and bangladesh, china, Thailand, Indonesia, pakistan and Vietnam having 40% percentage of myanmar pharmaceutical market and other countries having 25%.

1.5 CATEGOREIES OF PHARMACEUTICAL PRODUCTS

Pharmaceutical products are classified in two categories.

- Generic medicines
- Patent medicines.

GENERIC MEDICINES

- Generic medicines are those medicines or products which are produced in mass scale.

PATENT MEDICINES

- Patent medicines are those medicines which are invented by the organization, which have their own research team who are working on their own laboratories.

1.6 DEMAND OF PHARMACEUTICAL PRODUCTS IN MYANMAR

In Myanmar there are three kinds of major disease due to which each year numbers of people are dying.

1. HIV/AIDS
2. MALERIYA
3. TB

India is largest exporter of Myanmar who supply medicines to Myanmar. India export therapeutic drugs, medicine and medical equipments to Myanmar. For the treatment of these kinds of disease the Myanmar imports therapeutic drugs and medicines from the

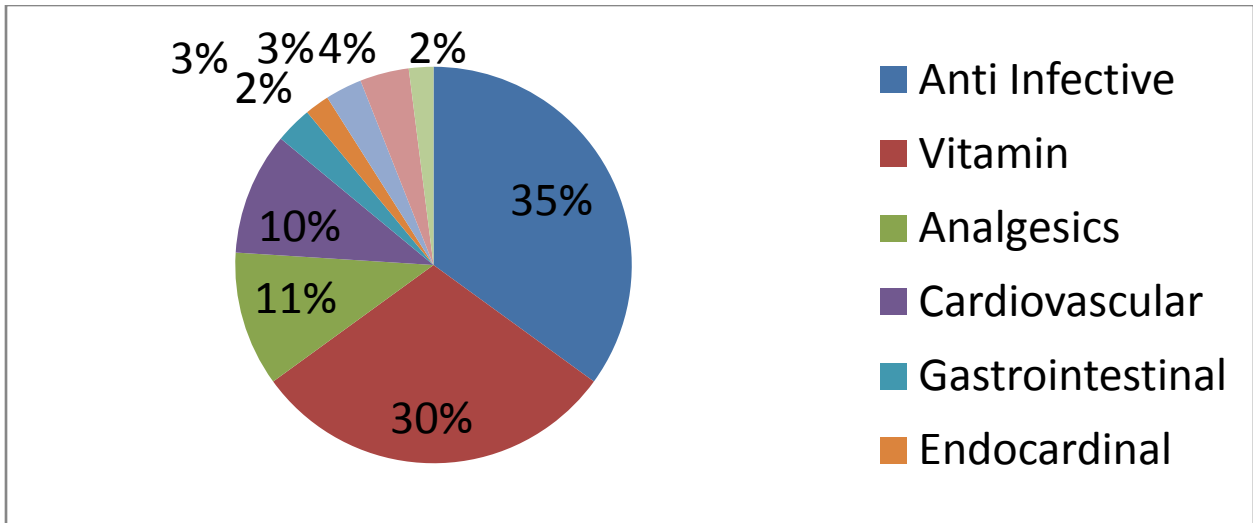
India. Therapeutical segment include anti infective, vitamins, analgesics, cardiovascular, gastrointestinal, endocardinal, respiratory, CNS etc.

1.7 MARKET SHARE OF THERAPEUTICAL SEGMENT IN MYANMAR

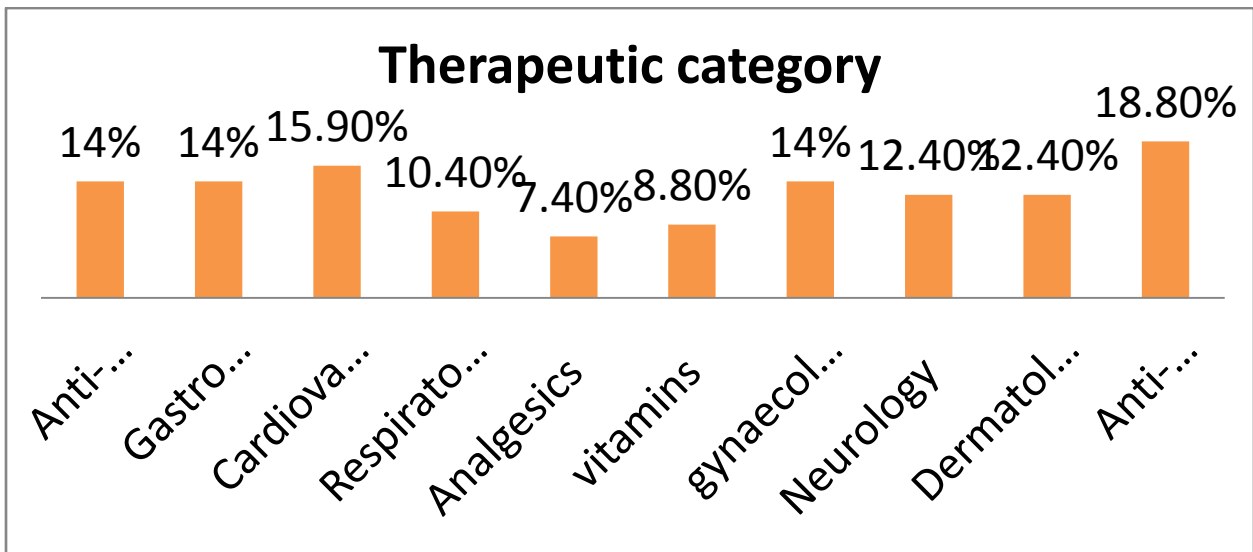
Anti Infective Lead Market Share of Myanmar About 35 Percentages which has higher market share than others. Vitamins have led market with market share of 30% and analgesic's market share is about 11%.

Market Share of Therapeutical Segment In Myanmar 2011-2012

No	Therapeutical Segment	Market Share (%)
1	Anti Infective	35
2	Vitamins	30
3	Analgesics	11
4	Cardiovascular	10
5	Gastrointestinal	3
6	Endocardinal	2
7	Respiratory	3
8	CNS	4
9	Others	2



1.8 THERAPEUTICAL SEGMENTWISE OF INDIA PHARMACEUTICAL MARKET



1.9 KEY FACTS OF INDIAN PHARMACEUTICAL INDUSTRY

Pharmaceutical industry is growing in India due to higher expenditure done on research and development of medicine or healthcare sector by private and government. Strength of Indian pharmaceutical industry is low cost leadership strategy.

1.10 MARKET SHARE OF THERAPEUTICAL SEGMENT IN INDIA

For the exporter of therapeutical segment india's rank in no.1 which having 33% market share in the therapeutical segment which is followed by Philippines and Thailand with market share of 6% and 15% respectively.

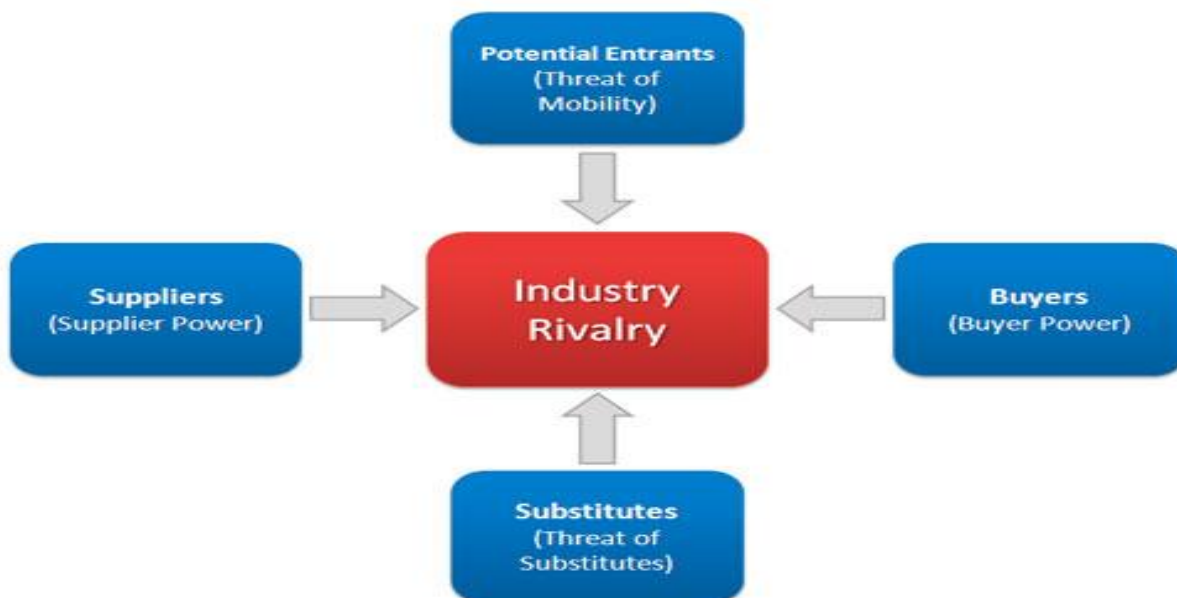
Anti-diabetic, cardiovascular, gynaecology, Anti infective and gastro intestinal are those segements in which india having higher market share

1.11 GOVERNMENT POLICY

Government of Myanmar enacted the national drug law (the ND law) which is held in 1992. The purpose of the national drug law is to regulate and control the manufacture, imports, exports, storage, distribution and sales of medical drugs.

1.12 PORTER'S FIVE FORCES ANALYSIS

1.12.1The threat of new competition



Profitable markets that yield high returns will attract new companies. Many new entrants, which eventually will decrease profitability for all firms in the industry is the result. The entry of new firms can be blocked by incumbents, the abnormal profit rate trend towards zero (perfect competition).

(Patents, rights, etc.)the existence of barriers to entry into the lucrative segment are high entry barriers are lower those barriers. The entry of new companies and non - performing firms can easily find out.

- economies of product differences
- Brand Equity
- Switching costs or sunk costs
- Capital requirements
- Access to distribution
- Absolute cost
- Industry profitability will be more profitable industry more attractive for new competitors.

1.12.2 Threats of substitute

Existence ranges of products outside the scope of the common tendency of customers to switch to alternatives increases. Note that the competitors' similar products but rather with completely different people should not be confused.

- Buyer propensity to substitute
- Buyer switching costs
- Substandard products
- Quality depreciation

1.12.3 Bargaining power of customers (buyers)

- Buyer firm concentration ratio concentration
- The degree of reliance on existing channels of distribution
- Buyer Information Availability
- buyer price sensitivity

- The industry Differential advantage (uniqueness)
- RFM Analysis

1.12.4 The bargaining power of suppliers

Bargaining power of suppliers is also described as the market of inputs. Raw materials, components, labor, and services (such as expertise) to the firm can be a source of power over the supplier firm, when there are few alternatives.

- Presence of substitute inputs
- Strength of distribution channels
- Supplier firm concentration ratio concentration
- Employee solidarity (e.g. labor unions)
- The ability to forward vertically integrated supplier and buyer cut competition

1.12.5 The intensity of competitive rivalry

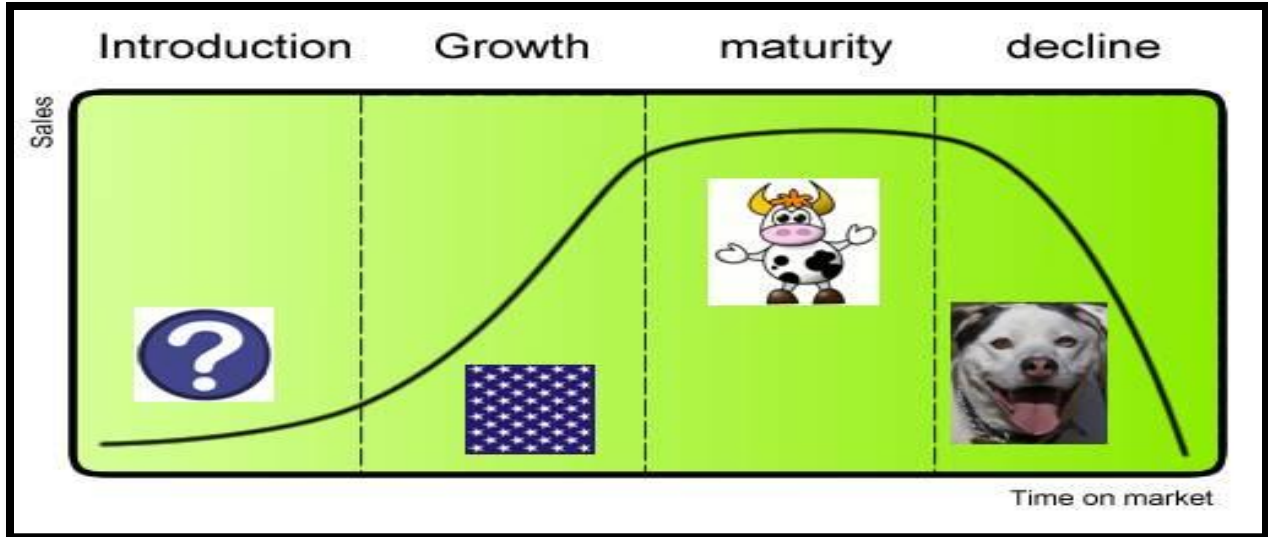
- Online and offline competition between companies
- The level of advertising expenditure
- Powerful competitive strategy
- Optimization, volume flexibility and diversity through

1.13 BCG Matrix method

To ensure long-term value creation, the company has a portfolio of cash inputs and low-growth products that generate a lot of cash that needs to be included in both high-growth products. Market share and market growth: The 2 dimensions. The basic idea is that the large market share of a product or a better product market grows rapidly, it is for the company.

BCG matrix results in a company's portfolio to products in 4 categories:

1. **Star**
2. **Cash cows**
3. **Dogs**
4. **question marks**



Above all are the stages of BCG Matrix in which we can see that question marks is the stage in which firm introduce new products in the markets.

Product which is introduced by firm when its sale or we can say its market share increase then it will be in star stage.

In cash cow stage firm having the higher market shares in the market which is covered by the products which are developed by the firm.

Dog is the stage where product growth is uncertain due to which it's not easy to predict it will produce revenue for the firm so the firm will either eliminate that product or develop.

1.14 Marketing mix optimization

Field force sizing pharma companies to spend a lot of time and money. However, relative to other aspects of the marketing mix that advertising agencies over spending levels is often an afterthought.

Will depend on the effect of a given media mix.

The relative impact of different media.

- Reach (what proportion of the target audience is exposed to each medium).
- Frequency (how often doctors are exposed to each medium separately).

Overlap across different media.

Various media cost per exposure.

If we know we have a good reach and frequency of media distribution models, it is possible that your product calculate the optimal marketing mix.

Information specific media reach and frequency are the most powerful Pharma is developing the model. This powerful where you should spend your marketing budget for maximum impact can illuminate.

1.15 Positioning Marketing

In marketing, positioning process by which marketers or an image in the minds of your target market, your product, brand or organization is trying to make the identification.

Re-position the identity of a product, including changes relative to the identity of competing products.

De position competing products, identifying your product relative to the identity of an effort to change.

1.16 IMPORT POLICY OBJECTIVES

Import policy's main objectives are as mentioned:

With a view to reduce the trade deficit and imports, in late 1997, a "Export first and Import later " system was allowed for the disposal facility.

Capital goods, industrial machinery, raw materials and other necessary items are allowed to import.

All non-essential items such as alcohol, cigarettes are prohibited for import to protect public health.

Imports of certain items which can be domestically produced such as biscuits, fresh fruits, noodles are restricted in order to encourage domestic production.

1.17 IMPORT PROCESS

Step I

- Import price confirmed MPMEEA (Myanmar Pharmaceutical and Medical Equipment Entrepreneurs Association) application is made.
- Documents required:
 - Data format application form issued by the MPMEEA
 - Usage of Medicine
 - Myanmar Food and Drug Board of Authority issue Drug Registration Certificate (DRC)
 - MPMEEA membership certificate
 - Database CD-related items are all imported data (soft and hard copies) contained
 - MPMEEA Process Running time: two days if all documents are correct

Step II

Data entry process at import section (Yangon) under Ministry of Commerce

- Documents required:
 - Import Application Documents
 - Self-affirmed its commitment to the medical use of import value
 - Invoices
 - Sales Contract
 - Records related to the drug market price
 - Process running time: two days if all documents are correct.

Step – III

- Bank credit monitoring and online data entry Import section under the Ministry of Commerce (Yangon)

Documents required for the inspection of bank loans:

- Application Form
- The original and two copies of bank credit slip
- Original passport and a copy of the bank

Process running time for bank loans inspection: one day if all documents are correct.

Documents requirement for data entry

- Copy of invoice
- A copy of the sales contract

STEP IV• Final import application at import section under Ministry of Commerce in Naypyitaw (capital of Union of Myanmar)

• Documents required:

- Online data entry record (Original)
- Performa invoice• Sale Contract
- Bank credit slip
- Usage of medicine
- distribution price of company for medicine.
- BOD list of import company• Import price confirmation endorsed by MPMEEA
- Directorate of Trade and Ministry of Commerce are issuing Copy of Certificate of Exporter/Importer Registration

- Respective Drug Registration Certificate (DRC) issued by Myanmar Food and Drug Board of Authority
- Drug Importation Approval Certificate (DIAC) issued by Myanmar Food and Drug Board of Authority of import applied company
- Data Format Chart of Export Income• Process running time: Two weeks if all documents are correct.

STEP V:

- **L/C opening procedure at Myanmar Foreign Trade Bank, Yangon (MFTB) or Myanmar Investment and Commercial Bank, Yangon (MICB)**
- Documents required: Original import license issued by Ministry of Commerce
- L/C data entry form issued by banks
- Copy of Performa invoice
- Cheque (2 sets)
- Bank passport (2 copies)
- Import license original and one copy
- Two copies of Performa Invoice

2.1 INTRODUCTION OF STEEL INDUSTRY

The major steel mills in Burma are all operated as state enterprises. The public sector's participation is rather insignificant with about 100 small iron and steel plants operating 0.5 to 2.5 tons induction furnaces in various industrial zones in the country with a total cumulative capacity of only around 100,000 tons per annum.

The major industry players in Burma's iron and steel industry are the government sector, the private sector and the Burma Economic Corporation. In the government sector, there are a total of 40,400 tons per year of sponge iron capacity, 30,600 tons per year of pig iron or ingot capacity and 30,600 tons per year of steel billet production capacity.

There are approximately 103,000 tons per year of steel production capacity in the private sector. As for the Burma Economic Corporation, a quasi-government body, it is the most dominant player of the iron and steel industry in Burma. The Corporation operates a total of five major steel mills with total capacity of 851,000 tons per year.

Import volume of flat steel in Myanmar is not significant. Import of plate registered 11,200 tones between January and October 2011, a substantial decline of 63%. The largest source of import was Thailand. Meanwhile, import of hot rolled coil and cold rolled coil registered 23,100 tones and 26,000 tons in the first ten months of 2011, up by 5% and 32%, respectively.

Regarding the anti-dumping case in the U.S.A., the Department of Commerce has decided that HLAC did not dump steel products on this market and thus can enjoy a tax of 6.63%, which is a big advantage for the firm as others are subject to 27.96% tariffs. The company produces steel pipes, stainless steel pipes, steel plates, coils, steel strips and steel sheets with a total output of 1.44 lakhs tons per year.

In 2011 Union of Burma became the fourth largest steel-producing nation within the world with production of over seventy four million tons. However, it's a really low per

capita consumption of steel of around fifty nine kilogram as against a mean of 215 kilogram of the planet. This wide gap in relative steel consumption indicates that the potential ahead for Union of Burma to lift its steel consumption is high.

The Union of Burma steel sector enjoys benefits of domestic handiness of raw materials and low cost labor. Ore is additionally obtainable in plethoric quantities. This provides major value advantage to the domestic industry, with firms like Asian country nice Steel Industrial Ltd. being one in all very cheap value producers within the world. The Union of Burma industry is basically iron-based through the furnace or the direct reduced iron route. Union of Burma industry is extremely consolidated. Concerning hour of the crude steel capability is resident with integrated steel producers. However the dynamical quantitative relation of hot metal to crude production indicates the increasing presence of secondary steel producers producing steel through scrap route, enhancing their dependence on foreign staple.

Overall the world industry witnessed steady growth throughout 2011. the expansion in world steel demand was driven by accumulated demand from key steel end-user industries as well as infrastructure, construction and automotive, particularly within the rising markets; in spite of monetary turbulence within the Eurozone, weak personal demand within the us and events in Japan and also the geographical region.

In 2011, the world steel demand is calculable to own accumulated by one 6th June 194 to succeed in a replacement high of 1,373 MT, thirteen on top of the pre-crisis levels in 2007. World steel consumption grew from one.302 MT in 2010 to 1373 MT. rising nations accounted for seventy two of worldwide consumption, at 980 MT in 2011 up from 928 MT in 2010. Growth was crystal rectifier by the rising economies, notably Asian country (6% up) and Asian country (4% up), wherever new demand records were set. Within the developed economies, demand levels remained 15-25% below 2007 levels. Europe saw steel demand increase by five-hitter and North America by Sept. 11 in 2011, however steel demand in Japan fell by third, because the impact of the earthquake and ensuing tidal wave was felt on the producing activity.

Myanmar and India share a long historical relationship based on ethnic, cultural, religious and trade ties. India is land border of over 1600 km is one of its longest land borders with a neighboring country. In addition, there is a significant population of people of Indian origin in Myanmar numbering over 2.50 million as per recent estimates.

India is already considered to be one of Myanmar's important trading partners with our bilateral trade around \$1.10 billion in 2010-11 which is expected to grow marginally in 2011-12. India is imports are predominantly agro-based commodities and our exports are focused primarily on pharmaceutical and steel products. However in the b2b meetings that took place during the visit of our Prime Minister to Myanmar in May 2012 it was obviously felt by business leaders on both sides that we were just at the beginning of what could be a much larger relationship, anchored on trade ties but speedily transforming to investment ties.

2.2 COMPARATIVE POSITION OF INDUSTRY

MAJOR PLAYERS OF INDUSTRY

Private Myanmar steel companies

- YWAMA STEEL MILL
- ANISAKHAN IRON AND STEEL MILL

INDIAN STEEL COMPANIES

Public

- SAIL
- VISAKHAPATNAM STEEL PLANT
- FERRO SCRAP NIGAM LIMITED
- BIRD GROUP OF COMPANIES
- SPONGE IRON INDIA LIMITED
- MECON LIMITED
- BHARAT REFRACTORIES LIMITED

Private

- TATA-CORUS
- ESSAR
- ISPAT
- JSW STEEL LIMITED
- MUKAND LIMITED

2.3 PORTER FIVE FORCE MODEL FOR STEEL INDUSTRY IN MYANMAR

1. Barriers to entry: there are no barriers in steel industry of Burma.

- Capital Requirement: steel industry requires a high amount of investment.
- Economies of scale: scale of operations does not matter in the steel industry.
- Government Policy: low amount of production in steel industry leads to liberal government policies.
- Product differentiation: there is no product differentiation in the industry. As it is not a luxuries product or specialty goods and thus does not have any significant price difference.

2. Bargaining power of suppliers: - there is the high bargaining power of suppliers and the producer does not have their iron and ore plant.

3. Bargaining power of buyer: - there is very low bargaining power of buyer in the steel industry of Myanmar as there are not many producers.

4. Threat of substitute: - aluminum is a substitute for steel so it is a substitute threat for the industry.

5. Competition: - competition is very low as the demand does not exceeds the supply.

2.4 GE PORTFOLIO MODEL

The GE Portfolio approach evaluates a business on the premise of 2 composite dimensions: industry attractiveness and business strength. These dimensions, in turn,

comprise a series of weighted factors. Both the factor weights and also the factors themselves could vary from one application to another; for instance, industry attractiveness includes measures of market size, and growth rate, competitive intensity, and the like whereas business strength ordinarily includes such measures as market share, and product quality share growth.

2.5 BCG MATRIX

1. Stars

- use the large amounts of cash and are the leaders in the business so they should also generate large amounts of cash.

2. Cash Cows

- Profits and the cash generation should be high because of the low growth, investments required is low and Keep profits high.

3. Dogs

- The companies that falls into this category have low growth and low market growth. Beware of expensive turn around the plans.

4. Question Marks

- the companies falling into this category low growth in the highly growing market have .
- if nothing has done to change the position of the company the question mark will just absorb high amount of cash if and latter will convert into dogs.

2.6 FINANCIAL PERFORMANCE

In 2011 Union of Burma became the fourth largest steel-producing nation within the world with production of over seventy four million tons. However, it's a really low per capita consumption of steel of around fifty nine kilogram as against a mean of 215 kilogram of the planet.

2.7 MARKET POSITION

Myanmar's current iron and steel making capacity is 590,000 tones while its rolling capacity is 535,000 tones per annum. It relies heavily on the importation of steel products to meet its construction needs. In 2010, imports of iron and steel construction materials totaled US\$ 430.4 million, the third biggest import item for the country in terms of value.

2.8 TREND OF STEEL INDUSTRY

The country's poor infrastructure is one among the most hindrances to international trade. The first route of trade is across the Thai border that is additionally wont to export several embezzled medicine through the watercourse. Asian nation incorporates a wealth of precious stones and gems. However, as a result of the disreputable operating conditions within the mines, international corporations refuse to import these stones.

2.9 COMPARISON ON INDIA ASPECT

Myanmar and India share a long historical relationship based on ethnic, cultural, religious and trade ties. India is land border of over 1600 km is one of its longest land borders with a neighboring country. In addition, there is a significant population of people of Indian origin in Myanmar numbering over 2.50 million as per recent estimates.

India is already considered to be one of Myanmar's important trading partners with our bilateral trade around \$1.11 billion in 2010-11 which is expected to grow marginally in 2011-12. India is imports are predominantly agro-based commodities and our exports are focused primarily on pharmaceutical and steel products. However in the b2b meetings that took place during the visit of our Prime Minister to Myanmar in May 2012 it was clearly felt by business leaders on both sides that we were just at the beginning of what could be a much larger relationship, anchored on trade ties but speedily transforming to investment ties.

2.10 POLICY & NORMS OF BURMA FOR STEEL INDUSTRY (IMPORT)

NORMS FOR FOREIGN ORGANIZATION

Nomenclature (Burma/Myanmar)

In 1989, Myanmar authorities changed his official name of the country in the English form Burma to Myanmar.

Forms of business

Foreign entity may establish its presences in Myanmar as a limited liabilities company. (Private & public).A foreign entity may also enter into a production sharing contract with

an SEE for exploration, and sale of petroleum , Extraction and natural gas and mining operations.

Registration for companies

Foreign investors might register their companies under the Myanmar Companies Act (CA) or in conjunction with the Union of Myanmar Foreign Investment Law(MFIL).

2.11 IMPORT POLICY

The commodity given priority to allow to import as capital goods required by the state, spare parts, industrial raw materials for production , other important essential goods and the goods which support to the public health and promotion of export. Myanmar are mostly import from China and other is East Asia 40%, Thailand 15% & India 2%.

2.12 IMPORT PROCEDURE

1. Registered importer is required to open foreign exchange account at a Bank in order to apply for an import licence from the Directorate of Trade.
2. In applying for an import licence, the application shall have attached anproforma invoice and/ or the sales contract mentioning detailed specifications, and the mode of packing, and delivery phasing.
3. Import licence fees payable on the C.I.F. (Yangon) value of the goods imported from abroad is mentioned under Chapter IV.
4. An irrevocable letter of credit (L/C) has to be opened by the importer at the Bank.
5. If the purchase is formed on F.O.B. basis, the importer has to secure insurance from Myanmar Insurance and freight booking from Myanmar Five Star Line.
6. After receiving shipment advice from the suppliers, the importer has to arrange clearance of the goods.

2.13 IMPORT LICENSE FEE

The application form submitted to the Ministry of Commerce, Nay Pyi Taw and also the Department of Border Trade offices to the border areas. since June 2012, automatic licensing are some commodities with the purpose of reducing licensing barriers in international trade. Licences are granted within 48 hours for non-automatic and 24 hours for automatic ones.

2.14 Major Import Items

Machinery and related products are the largest items in Myanmar's import basket, followed by mineral fuels and oils, vehicles, electrical and electronic equipment, iron and steel, and articles of iron and steel.

2.15 IMPORT DUTIES

1. Stamp Duty:

The Stamp duty is under the Myanmar Stamp Act 1891, and the rates are provided in Schedule 1 of the Act for the import.

2. Custom Duty:

The Customs duty is under the Customs Tariff of the Myanmar at the rates ranging from 0% to 40%.

3. Excise Duty:

The Excise duty is levied on alcoholic drinks of Myanmar. The duty is handled by the General Administration Department under the Ministry of Home Affairs.

Direct and Indirect Tax

Direct Tax:

Direct tax is a charge, which is directly on the taxpayer and the paid directly to the government by the persons whom it is imposed.

Indirect Tax:

Indirect tax is a tax which is collected by an intermediary of the person is ultimate economic burden of the tax.

2.16 TRADE POLICY OF MYANMAR

Basic Principle of Trade Policy

- Trade policy should be aimed at the interest of the State and the people
- Trade policy should not be aimed a burden to the people
- Trade policy should be aimed at a long term viable trading system

Trade Policy

- To implement trade policies of Myanmar system for evolution of market oriented of the economic system.
- To promote the export for various domestic products and also for export promotion in Myanmar country.

2.17 POLICY & NORMS OF BURMA FOR STEEL INDUSTRY(EXPORT)

As per the steel policy 2005 steel is considered the priority sector and is managed by the **steel ministry of India**. The steel policy proposed in 2005 allows the steel industry to enjoy many subsidies and grants. The policy shows the future out look of the steel industry. According to this policy Indian steel sector is open for the foreign countries for investment.

In iron and steel industry India have many competitive advantages like high quality iron ore which is a raw material for producing the steel. Cheaper labor force, a long coastline, which will be helpful for exporting the steel from sea to Myanmar.

East India is considered the hub for steel industry but now west is also included in it. High amount of investment in R&D and technology makes the steel industry one of the most growing industry in India .both private and public sectors are working in the industry.**Tata steel the second largest steel producer in India has been (with Pasco) world's lowest cost steel producer in world since 2001.**government expects to grow this industry up to 7% per annum .to achieve this expectation the industry requires US65billion \$.

In Myanmar the steel sector is not that developed, the biggest hurdle to this sector is the electricity which is not available in sufficient amount in Myanmar. Due to this limitation Myanmar is not able to produce steel as per its requirement and so has to import it from the neighbor countries.

Myanmar has a very liberal foreign trade policy. So the trade patterns of Myanmar is as under

TRADE PATTERNS

Myanmar which is an exporter of the agricultural and the primary products -Import - consists largely for the manufacture goods

The export items are the agricultural products, as well as the fishery products, forest products, metals & minerals wide-ranging of natural gas, precious stones & pearls and some industrial products

Major import items- capital goods, industrial raw materials, spare parts and consumer goods.

Production of steel in India

- The government of India was de licensed and decontrolled the steel industry in 1991 & 1992 respectively.
- Now a days India is the 4th largest producer of the steel in the world.
- In the year 2011-12 , production for sale of total finished steel
- Production for selling the Pig Iron in India in the year 2011-12 near about was 5.78 meter .
- India is the leading producer of sponge iron in the world with the coal base accounting for the 76%¹ of total sponge iron production in the country near about 20.37 meter in 2011-12.

The Last five year's production for sale of pig iron, sponge iron and the total of finished steel product (alloy + non-alloy) are given below:

EXPORTS

Indian steel industry :steel Exports (in million tonnes)					
Category	2007-08	2008-09	2009-10	2010-11	2011-12*
Total Finished Steel (alloy + non alloy)	5.08	4.44	3.25	3.64	4.04

Source: steel.gov.in/overview.htm

2.18 RETAILERS AND DISTRIBUTORS

The following are the company which are existing in the Burma .

- ❖ ShaHeen Company Ltd
- ❖ APEX

¹steel.gov.in/overview.htm

- ❖ Aung Set Kyar Co Ltd
- ❖ Yadanar Steel Group
- ❖ Shaheen Co Ltd
- ❖ ShwePyiThit
- ❖ Hero General Steel Trading
- ❖ K.P Intertrade Co Ltd
- ❖ Shwe Aye

2.19 INDIAN TAXATION RELATED TO STEEL INDUSTRY

TAXATION

INCOME TAX

An enterprises which are operating under Myanmar Companies Acts are liable for 30% income tax.

COMMERCIAL TAX

The commercial taxes are levy according to the schedules in the law, which is ranging from 5% to 25% depending on the nature of goods.

TRADE REGULATIONS

In Myanmar Since 1988, citizens were allowed to register as exporters, importers and business representatives. Registered exporters and importers were permitted to engage in foreign trade as per the rule and regulations prescribed by the Ministry of Commerce. Myanmar was a founder member of the General Agreement of Tariff and Trade (GATT) and member of World Trade Organization (WTO). Hence, Myanmar's external trade practices are generally governed by WTO trading.

BORDER TRADE

To develop the two-sided trade relations with five neighboring countries, namely Thai, Laos, China, Bangladesh, India, by using border trade like a mechanism of trade expansion.

The Ministry of Commerce has established the Department of Border Trade in August 1996. The department is providing one-stop services for border trade matters in collaboration with various departments concerned.

2.20 GRANT BY THE INDIAN GOVERNMENT TO STEEL INDUSTRY

GOVERNMENT INITIATIVES

1. 100 per cent foreign direct investment (FDI) is allowed in the steel sector.
2. A huge infrastructure projects in Public-Private- Partnership (PPP) mode are being formed.
3. The Indian government is encouraging research and development (R&D) activities in this sector.
4. Reduced the custom duty and other favorable measures.
5. The government has frame the National Steel Policy (NSP) to encourage the steel industry to reach global benchmarks with regards to quality, cost and efficiency.

MARKET SIZE

The current market size is predictable at US\$55.1 billion. Steel Authority of India Ltd (SAIL) is the leading player with a market share of 20.1% while Tata Steel serves 10.2% of the market.

Total demand of the steel is currently 65.2 million tons during year 2011.

FUTURE OUTLOOK:

Indian crude steel expected to the proactive incentive plans by the government to boost economic growth by injecting funds into various industries.

Availability of raw materials, low-priced labor, and favorable government policies will continue to drive foreign investments into the sector.

We are also expect that consolidation of small and mid-sized players in the domestic market as they look to compete with the large global players entering India.

2.21 EXPORT DOCUMENTATION BY INDIAN GOVERNMENT

FREE TRADE ZONES (FTZ)

In India Several FTZs have been established at various places like Cochin Kandla, and Noida, , etc. there are no excise duties are payable on goods manufactured in these zone provided by them for export purpose.

ELECTRONIC AND HARDWARE TECHNOLOGY PARK / SOFTWARE

This scheme is like FTZ scheme, but it is restricted to the hardware and the electronic item.

ADVANCE LICENSE / DUTY EXEMPTION ENTITLEMENT SCHEME (DEEC):-

THE EXPORT ENDORSEMENT CAPITAL GOODS SCHEME (EPCG):-

In this scheme, a domestic manufacturer may import machinery and plant without paying customs duty or settling at a concessional rate of customs duty.

CUSTOMS DUTY RATE

Documents Required For Export

- Export duty/ cess

- Free of duty/ cess
- Entitlement of duty drawback
- Power of credit of duty under DEPB Scheme
- Re-export of imported goods

2.22 PRESENT TRADE BARRIER IMPORT EXPORT FOR STEEL INDUSTRY

The global scenario

In 2011 the globe steel crude production reached 1518 million tonnes (mt) and showed a growth of half dozen.2% over 2010. And the china was the largest steel producer in 2011 (684 mt) and the Japan (108 mt), the USA (86.4 mt) and India at the 4th position on (72.2 mt; prov).

The Indian steel industry

The Indian steel industry has entered into a new development stage for steel aspect in 2007-08 years. And rising demand for steel. Speedy rise in production has resulted in India becoming the 4 th largest producer of crude steel and also the largest producer of sponge iron.

Indian steel industry : Production for Sale (in million tonnes)					
Category	2007-08	2008-09	2009-10	2010-11	2011-12*
Pig Iron	5.28	6.21	5.88	5.68	5.78
Sponge Iron	20.37	21.09	24.33	25.08	20.37
Total Finished Steel (alloy + non alloy)	56.07	57.16	60.62	68.62	73.42

Source: steel.gov.in/overview.htm

Export- Import Policy (1997-2002) for India

Export Import Policy or higher called Exim Policy is a set of guidelines and instructions related to the import and export of products . The Government of India notifies the Exim Policy for a period of 5 years (1997-2002) under Section 5 of the Foreign Trade (Development and Regulation Act), 1992.

source: <http://www.exim-policy.com/>

Rules and regulation on imports (Myanmar)

Local companies and firms as well as foreign firms and foreign companies established under the Foreign Investment Law may register as importers.

The applicant has to submit

- Sales contract,
- The Performa of invoice mentioning detailed specifications,
- The Mode of packing and delivery phasing.

The Registration of Importers

The persons or enterprises can be registered at the Ministry of Trade as importers:

- A citizen or a naturalized citizen or an associate citizen of the Union of Myanmar.
- Partnership firms.
- joint venture corporations or Limited companies, formed under the Myanmar Companies Act 1958 or Special Company Act 1950
- Co-operative societies, registered under the Union of Myanmar Co-operative Law 1970

Registration Fee

The registration fees for importer are Ks 5,000 for one year and for three years Ks 10,000.

3.1 INTRODUCTION OF AUTOMOBILE INDUSTRY

- Myanmar has historically operated through its borders with India, China, Laos, Bangladesh and Thailand. If properly developed, Myanmar might become the main route connecting the two most populous countries
- It is estimated that the transportation sector accounts for 4.6% of Myanmar's GDP
- There are total 2 million automobile registered in Myanmar in 2010.
- Among them, 1.61 million was motorbike, 59,000 was truck, 0.242 million was car, And 19,000 public transport vehicle.
- Increase in Car - While the Myanmar government launched the plan to replace old car, Myanmar has already imported 60,042 cars, buses 1058, 2822 trucks between September 17, 2011 and July 27, 2012.
- In Myanmar Sectors in the Automobile Industry by Business Private Sector
- Myanmar Automobiles Diesel and Industry, the Ministry of Industry (2) has entered a joint venture with Suzuki Myanmar where small cars and wagons are mounted. Similarly, Myanmar's economic assets and Isuzu have created another installation company.
- At present, 100% of the necessary elements for the assembly must be imported. However, these companies are supposed to use 60% of locally produced parts in the next four years private entrepreneurs in industrial areas located in Mandalay especially those are being encouraged to make cars manufactured to meet Myanmar A view eventually auto parts for local production.
- Yangon is a former capital of Myanmar and the country's largest city and most important trading center with more than 5 million inhabitants. The city alone accounts for about one fifth of the national economy. According to official statistics for the 2010-2011 fiscal year, the size of the economy of Yangon Region was 8.93 trillion kyat, or 23% of national GDP.
- Myanmar's forecast economic growth at 8.8 per cent in 2012
- The increase in the demand for cars, and other all vehicles, powered by the increase in the income is the primary growth driver of the automobile industry in

Myanmar. The introduction of tailor made finance schemes, easy repayment schemes has also helped at the growth of the automobile sector.

- Myanmar's automobile industry is far beyond when compared with other Asian all countries. The streets are filled with dilapidated and old model cars.
- The new political party changes taking place will change the automobile industry of the country.
- According to a new report by the automatic type, new import rules and guidelines offered to people so they can change their cars more easily in the new Cars that are 30 years old are advised to change their license in the last models before 1995 no. With this new rule that makes the rise of the automobile industry to a higher level, according to the report.
- For the new rule, demand for new cars will increase and people can exchanged their old cars for import permits. The government will be take the old car and will change it with a new one, said the news report.
- However, there are some who aren't in favor on this government scheme because it will make them jobless for quite some time.
- The auto industry must participate and adopt sustainable practices, whether the wages and benefits paid to its workforce or maintaining a dealer network that is optimized to suit the size of the organic demand. Manufacturers must abandon the mistaken belief that "no sale" is a "good sale".
- Key Success Factor of Auto Industry in Myanmar is image, distribution channel, Cash Flow, Compliance, Flexibilities.

3.2 COMPARATIVE POSITION OF AUTOMOBILE INDUSTRY

The main export items are natural gas 24%, food and agricultural products 23%, timber and wood products at 11%; other main exports are textiles. The exports to BIMSTEC countries accounted for 17% of Myanmar's exports.

The import items are raw materials at 37%, machinery and tools 27%, vehicles 27%, yarns and textiles 12%, food and agricultural products 4%. The main export trading

partners are Thailand 31%, East Asia 15%, ASEAN (excluding Thailand) 13%, India 7%, and other BIMSTEC members 2%.

Myanmar imports mostly from China. Myanmar are total imports from East Asia are 40%, ASEAN (excluding Thailand) 38%, Thailand 15% and India 2%.

The Analysis of Burma Automotive Growth Opportunity under BIMSTEC FTA the BIMSTEC FTA was established in early 2004 when Bhutan, India Myanmar Sri Lanka and Thailand entered into a signed agreement Later Bangladesh became a formal member of the BIMSTEC. The Agreement, which covers the trading of goods and services, as well as investment, is scheduled to be fully implemented by 2012.

Under the Agreement there are two methods of tax reduction; Fast Track and Normal Track, the duration of reduction will be varied based on member category. The members were divided into 3 categories: developing and least developing countries.

The trade of services all the members agreed to use Positive List Approach and will provide more flexibility to Myanmar Nepal and Bhutan which will be more for free trade, support each other on economics, technical, and to convenience in other trading.

In negotiation, the members agreed to start with trade of goods which they will complete by 2006. Then the negotiators will concentrate on services and investment.

This study will analyze the structure and potential of the international trade among the member countries as well as the impact of BIMSTEC FTA on Thailand. The study also addresses trade promotion and trade barriers of each of the members and proposes suggestions to the negotiators relating to each sector in the trade of goods and services.

The negotiation on the reduction of tariffs is based on indicative negative list and given the ceiling of 15-20% of the goods on a 6 digit harmonized system.

This study analyzes the structure and potential of trade among the member countries of BIMSTEC in the trading of goods, services and investment are including the impact of

FTA BIMSTEC on Thailand; along with the study of promotion and restriction measures on trading of goods & services. Then the recommendations of tariff reduction in goods and free trade agreements in services are proposed and including the preparation measures for government also private sectors.

3.3 Import policy of Automobile role of Myanmar

Myanmar is a Southeast Asian country that has been under military rule in one form or another since 1962. Now, after reaching democracy leaders plan to help the nation to grow fast and smoothly catch up with other free nations. The Myanmar government's policies to improve the economy and infrastructure for growth and international trade are already showing great results in the used car industry in Japan and Myanmar

Suzuki will production in Myanmar, and Nissan is likely to come in for manufacturing, but I don't think any other companies will come, DrMaungAung economist said, commenting on the February 7 meeting between the Myanmar and Japan's Nippon Keidanren business lobby.

Under the existing rules and regulations all incoming consignments of goods must be cleared through the Customs Department under an Import Declaration form CUSDEC- 1. The Import announce form is to be accompanied by 1. Import license / permit 2. Invoice 3. Bill of Lading or Air Consignment 4. Packing list 5. Other Certificates and permits issued by the relevant Government Departments as a condition for Import.

As a result of state plan, import permit for old and ancient motor vehicles, special permit applied permit of (ISP. 1DV8) applied for trucks-(ISP3) group Pick-up, import substitute permit (ISP-3)-Truck/Heavy Truck/Box Truck/Freezer Box Truck applied and imported by Truck Lorry or Prime Mover Head Truck. By special permit (ISP-1DV8) Truck. Box Truck ,Freezer Box Truck and imported by (ISP-3) group Truck Lorry or Prime Mover Head investigated by authorities and found difference.

For such difference of permit and imported motor vehicles - at present Customs Department Internal Directive (19/2012) is prescribed by paying 1/90 AV fine and payable taxes, may be issued. Beginning from (1-4-2013) 1AV fine and payable taxes being paid and motor vehicles can be issued. It is duly informed necessarily.

As the corporate finance practice of the U.S. all member firm of Deloitte Touche Tohmatsu, Deloitte and Touche Corporate Finance LLC has access to vast relationships and expertise within the automotive sector. The member firms of Deloitte Touche Tohmatsu serving at 70% of Fortune 1000 companies and automakers have established relationships with major OEMs and Tier 1 and Tier 2 suppliers worldwide, serve more than 250 private equity funds, has extensive experience in dealing with issues related to the transaction of automobiles, including unions and the implications for the workforce and supply agreements with customers.

Import duties and tariffs consist of specific rights. Since 2003, the simple average tariff rate in nominal terms was 6.1 percent, and the maximum tariff rate applied to automobiles at 40 percent. These figures are lower compared to neighboring Thailand. However, on top of import tariffs specific duties are applied to imported goods at customs. The tax rate of specific rights for most imported goods is 25 percent. Although there is no specific rights discrimination between imported and domestically produced goods, the collection of taxes on imported goods at customs is easier than goods produced in the country

3.4 Export policy of Automobile Industry of Myanmar

The automotive trade may be a term that covers a large varies of corporations and organizations concerned the style, development, manufacture, marketing, and commercialism of motorcars, towed vehicles, motorcycles and mopeds. It's one in every of the world's most vital economic sectors by revenue. And it will be see the future export trade in automobile industry of Myanmar in upcoming years.

- In Burma upcoming companies would like to invest in automobile industry like Japanese automaker Honda Motor Co., Suzuki co., Honda Company, Mithsubishi company etc.
- Suzuki (Myanmar) motor co. Ltd. has got permission to produce vehicles and spare parts, official said. The Suzuki wants to invest several billion yen in an assembly plant. So its benefits for Myanmar to generate profit and export the vehicles.
- TSL Auto Corporation of Thailand, a luxury car importer will open a showroom and service centre in Myanmar and joint venture with TSL holding 40% stake and MK Group of Companies (Myanmar) the rest in Yangon².
- Toyota showroom authorized dealers the joint venture has already started to import new models of 2013 Toyota Camry, Hilux, Land Cruiser Prado and Coaster vehicles already on sale, he said. Toyota Service Center has opened the way Kabar Aye Pagoda in Yangon and two more will open later this year: one in Yangon and one in Mandalay. Imports joint venture and sale of new cars and spare parts, and service cars. Toyota is expanding in Myanmar and, according to sources, is studying the feasibility of building a car manufacturing plant here.
- The transfer of know-how and ideas of marketing and sales activities and distribution channel of automobiles.
- Development & Training of Human Resources for a better service, facilities and engineering capabilities.
- Technology transferring by joint venture with local firm of Myanmar in the production of spare parts for cars.
- Myanmar will be the new market.
- Myanmar may be its new production base to support or supplement the Thailand Automotive Industry.
- Myanmar may be your gateway to shorten its supply route to Western markets.

² <http://www.skyscrapercity.com/showthread.php?p=101258528#post101258528>

- There is a doubt that Myanmar is an attractive commercial vehicle market given the number of infrastructure projects and natural resources waiting to be developed to explore. However, it is important for foreign companies to track regulatory changes and measure the right time to enter the market.
- Although the market has opened and economic liberalization has been proceeding, it would still be good to find ideal business partners who have close relationship with the government to mitigate risks.
- You have to Register your unique company name, Register company founding documentation, Registration Office, Open a bank account, Register with the office of the local Myanmar Revenue Service, Register with the Department and Register with the Commissioner.
- Government roles are as Jobs for urban dwellers, Head of the hands of the nomadic communities, Non-oil foreign exchange requirements, Introduction to international markets and A craft item, which bear on their design and colours.
- Company have to follow Policy, Registration of company name, and Regulations for importers.
- Myanmar imported 60042 of cars, 1058 of buses, 2822 of trucks between 17 September, 2011 and 27 July, 2012.
- Parts are heavily relying on import The car manufacturing industry mainly focuses on car assembly plant, the scale of the production and number of production were small.

3.5 Policy and norms of Myanmar for automobile Industry for export

- The government is opening the market In the past, only corporations with huge investment in Myanmar allowed to import cars from overseas.
- International corporations enter Myanmar – There are many international famous car manufacturers rushing into the Myanmar market, many of them already decided to set up or already set up factory in Myanmar, for example, Chery Automobile Company Ltd.

- Decreasing of import tax – To motivate car import, the government keep lowering the import tax Cars with engine capacity of 1350cc or less would be subject to 105% tax on the CIF value.
- Indian government's role in automobile to do Hand, items that are created using simple tools and methods are known as automobile products. Indian Government for the development of automobile sector has an important role.
- Trade policy says automobile products of ITC (HS) 97 drops under the Code, Paintings, drawings and paintings, wood, etc., 9701, under which the domestic article, Original engravings 9702 under the reduced, Under the original 9703 classification sculptures, Under the 9704 code that imported products are free, Items prohibited importing in 9705.
- Production policy says Production units are located and can be installed anywhere.
- All producers of automobile are exempted from industrial licensing for manufacture.
- Nature of labor - intensive, Indian automobile and gifts of more than 6 million customers in the industry throughout the country provide employment opportunities are the main income generator.
- New exporter have to do Market Entry, Participation in Trade Fair, Market Research Export Pricing ,Selection of Agent, Promotion, Terms of Payment, Export Contracts, Export Finance, Other documentations
- Before exporting goods in Myanmar you have to look Myanmar Import regulations, Imports permits, Prohibited products, Business process reengineering as an improvement initiative, And Relationship to trade and economic policies of Myanmar.

4.1 INTRODUCTION OF OIL AND GAS INDUSTRY

Burma was one of the world's first oil producers, by some export as early as 1853. Foreign investment followed, with great fields developed in the late 1800s and early 1900s.

Burma has an entirety area of 676,577 sq-km sharing borders with Bangladesh and India on the northwest, Laos on the east and Thailand on the southeast China on the northeast. Burma has a coastal stretch of 2832 km³ facing the Andaman Sea and Bay of Bengal.

The Myanmar is an ASEAN associate and has extensive oil and gas resources. Crude oil was opening known as early as the 10th century in the Yenanchaung area of Central Burma, even as organized taking out from shallow hand dug wells and oil trade among Burma nationals starts in the 13th century. The British who exposed the Chauk oilfield in central Burma in 1887 introduced new oil looking at and produce techniques in mid 19th century. Profit-making production of crude oil commenced later than that, through previous records representing a peak production level of 22,000 BOPD prior to the outbreak of World War 11. The oil and gas infrastructure was damaged during the war and was fast restored in the post war time. In 1963, the oil manufacturing was nationalized and right of way was given to develop oil sector under the centrally planned organization of administration.

The major player in the oil and gas sector in Burma is the Burma Oil and Gas Enterprise (MOGE), a government body, controlled under the Ministry of Energy. The enterprise is liable for production, exploration and managing crude oil and gas resources in Burma. The enterprise has 16 onshore oil and gas field establishments situated mostly in central Burma and delta area. The reorganization of the national economy, ensuing in reforms in the energy segment MOGE has been, for the past

³ <http://online.wsj.com/article/SB125710430865521395.html>

decade disturbed in oil and gas expansion projects on shore and offshore with the cooperation of foreign oil companies with an largely objective of increasing the original production of crude oil and natural gas to complete home demand and to export the surplus to gain firm currency. In general, 47 onshore blocks and 25 offshore blocks demarcate. The type of expansion contracts range from exploration and manufacture, improved oil improvement, production sharing and reactivation of balanced fields. MOGE is still looking for potential partners for partnership in the remaining blocks. India and china two of the world's largest new sources of energy demand, Burma has supposed to have important unused reserves of natural gas. But its twisted history of government boundaries and, in recent times, allegation of civil rights violations have limited outside investment to develop its resources

In 1962, the country comes in the control of a military government that states the oil and gas industry. Until the late 1980s, the government reserved foreign operators out. But start in 1988, it liberalized the oil and gas sector to begin allow outside investment yet again. Western companies as well as Total S.A. and Unocal Corp. -- later bought by Chevron – entered in the market.

In 2007, at least 27 companies from 13 countries, together with PETRONAS of ONGC of India and Malaysia, are active in Burma's oil and gas industry, according to a report of Human Rights Watch. The list included many companies that are completely or partially owned by national governments in the county.

The oil and gas industry was public sector after a socialist-leaning military rule in custody power in 1962. As in many additional countries, the State tacit rights of the resources, also operating them itself or delegate this task to private operators, who are paid for their expenditure and work in oil or gas under production sharing contracts (PSCs).The linchpin of oil and gas rule in Burma is the Ministry of Energy, which have oversight for three nationalized enterprises:

Myanmar Oil and Gas Enterprise (MOGE), established in 1963, is liable for oil and gas examination and production, as well as home gas transmission throughout a 1,200-mile onshore pipeline network.⁴

Myanmar Petrochemical Enterprise (MPE) operates three little refineries, three fertilizer plants and many other number of processing plants.

Myanmar Petroleum Products Enterprise (MPPE) is in charge for retail and wholesale allocation of petroleum products. While nationalization, the country's oil policy have left through two different periods:

From 1962 to 1988, oil investigation and production are mainly performed by MOGE; overseas operators are kept out by a strict patriotic policy and the lack of a suitable lawful framework.

In 1988, Myanmar approved overseas investment legislation and begins relying on external technology and capital to restart its oil and gas industry.

In 2007, 9 overseas oil companies are involved in 16 onshore blocks to explore latest areas, to improve recovery from accessible fields, to reactivate fields where production has been balanced and to produce oil and gas.

Since late 2004, Burma's powers that be have intensified the opening of blocks to overseas companies. Burma's oil output is little, with gas attractive over. Burma produces around 180,000 barrels of oil equivalent per day, of which 90%⁵ is gas.

4.2 INDUSTRY POLICY OF BURMA

There are some policies which are related to industry

1. The policy of National Economic

It is used for the equitable and balanced among regions and different states.

⁴ <http://www.eiwatch.org/country-profile/myanmar/>

⁵ http://www.indiaembassy.net.mm/index.php?option=com_content&view=article&id=105&Itemid=75&lang=en

It also helps in inclusive development of the entire people

2. Burma's reform process

It is politically reform and with the help of that improvement of the management and the administrative performance of different government agencies.

4.3 NORMS OF FOREIGN ORGANIZATION

The following are the foreign exchange allowed for the importer

- They should proceed from export
- The exchange income from various services such as house rent, motor car rental, salaries and other different kinds of service which shall be made after deducting 10% in foreign currency as revenue tax.
- The capital of foreign should be brought to the Burma (Not more than 75% of the total capital brought)
- Income which is generated from export and service shall be allowed to make an account transfer. However it should not be allowed to transfer that account.
- The currency of foreign which is been sends by foreign company or either by person in aboard to a company/ person in Burma to do business.
- The Import should be allowed 90% against the foreign currency after making payment 10% as revenue tax.⁶

4.4 IMPORT POLICY

There are different commodities which are being restricted for the time being is as follows:-

⁶ <http://globaledge.msu.edu/countries/burma/statistics>

- i. M.S. Rods and Cement – it shall be allowed for import with the receipt from the Housing Committee and also from Foreign Capital Evaluation Committee.
- ii. Prohibited roof for roofing
- iii. Vehicles, Motorcycle like Truck, Bus and Saloon permission shall be made from Trade Council
- iv. For hotels & liquor, Beer, Cigarette Duty Free Shops permission by the Ministry of Hotel and Tourism is granted.

4.5 LICENSING PROCEDURE FOR IMPORTING

Generally the license for Import by private business enterprise and also the State Enterprise are subject to permit the import licensing authorities whichever is concerned. Validity for the Import license is issued by the Directorate of Trade which is normally for 6 months from the date of issue, and that can be extended to 3 months period at a time.

Temporary items allowed for Importation

Some of the commodities which are temporarily for the inward processing, which include industrial raw materials, different packing materials exempted for 2 years under the bound export within time limit.

The policy of import pronouncement includes the following:-

- To make the basic needs for different economic sector like agriculture, fishery forestry, transportation, manufacturing, mining and so on.
- The classification of the imported items are divided into two:-
 - I. **Items A** include the machinery and the spare parts, different agriculture machinery, pesticides, edible oil, oil and industrial raw material, construction raw material.
 - II. **Items B** include about 60 items which are grouped under personal & household goods, textile product electric and electronic product and even general product.

The Importer for private sector is required 80% of Items A if he wishes to import Items B. he could even import 20% of items B, together with Items A at the same time.

License Fees and tax for Commercial

The license fees for Import are payable on CIF (Cost, Insurance and Freight) value with a minimum of Ks 250 (approximately 0.3 USD) and maximum of Ks 50,000 (approximately 59 USD).⁷

The fees are exempted for the Joint Venture production industries for 2 years of the construction period and 3 years starting from the commercial production.

4.6 IMPORT DUTY

It is assessable value, which is the sum of CIF value and the landing charge (0.5% of the CIF value) for the import goods. It is also collected at the time of clearance of the point of entry for import goods.

4.7 DIRECT AND INDIRECT TAX

The commercial tax is 8% and income tax 2% shall be payable in the foreign currency for all export which are from private sector.

It is levied to the schedule to the Commercial Tax Act 1991, and the rates for them vary from different types of goods and services. Some of the items which are exempted from commercial tax, the rates of them are 5%, 10%, 20%, 25%. There is also another schedule for specific types of foods such as cigarette, liquor etc. also carrying rates above 25%.

The Liberalization towards Taxation

As we know that the taxation is very important to the nation, tax laws and notifications that have been enacted and announced from time to time.

⁷http://www.indiaembassy.net.mm/index.php?option=com_content&view=article&id=105&Itemid=75&lang=en

The income tax levied tax on foreign currency for foreign exchange of the enterprise which is run with CMP (Cutting, Making and Packaging) system from 10% -2%. They also levied tax on the salary in foreign exchange of nationals and foreigners living in the nation from 10%-2%. The exemption from the commercial tax is given to all export commodities except petroleum, natural gas, teak log and conversion, jade in order to increase the export.

4.8 FEES ON IMPORT

All the different imports are subject to payment of license fees, commercial tax as well as custom duty. It is payable on CIF value with minimum of K 250 and maximum of K 50000. On this value K1 license fees is payable is K 50000 only. There are different rates for different items are as follows:-

Table Source : <http://www.indexmundi.com/agriculture/?country>

C.I.F value (of the license/permits)	License fees
Up to 10,000	250
From 10,001 to 25,000	625
From 25,001 to 50,000	1,250
From 50,001 to 1,00,000	2,500
From 1,00,001 to 2,00,000	5,000
From 2,00,001 to 4,00,000	10,000
From 4,00,001 to 10,00,000	20,000
From 10,00,001 and above	50,000

4.9 CUSTOM DUTY

It is paid with the commercial tax and is collected at the time of clearance of imported goods. There are 22 different bands for import tariffs which are ranging from 0 to 40%. Other different essential imports and raw material ate taxed at very low rate and also with highest rate is applied to luxury items.

4.10 TARIFF AND NON TARIFF POLICY

There are some tariff schemes that reduce tariff on exports. They can apply for the Certificate of Origin (CO) at the MOC after their export licenses.

They can enjoy different preferential tariff treatment:-

- GSP Form-A (Generalized System of Preferences)
- CEPT Form-D (The Common Effective Preferential Tariff)
- AISP Form (ASEAN Integration System)
- Form-E (China-ASEAN Free Trade Area- CAFTA)

4.11 VALIDITY PERIOD FOR IMPORT LICENSE

Validity for an Import License is of 3 Months from the date of issue. Further it can be extended with sound reasons.

4.12 LEGAL ACTION

It is taken towards everyone who imports restricted items or who imports without permission or who breaks the conditions in the approval documents.

The person who break the contravenes provision of Art IV of the Import law has to be committed by punishable offence liable to fine or imprisonment for the term not exceeding 3 years, or both by adding a Court order of seized goods as public property.

Table Source : <http://globaledge.msu.edu/countries/burma/statistics>

Budget Expenditures	\$ 4.27 Billion (2011 Est.)
Budget Revenues	\$ 2.02 Billion (2011 Est.)
Debt- external	\$ 5.80 Billion (2011 Est.)
Imports	Note:- the figures which are grossly underestimated due to the value of consumer goods, fuel, and other products from Thailand, China, Malaysia and also India.
The growth of industrial production	4.3 % (2010 Est.)
The consumption for natural gas	3.29 Billion cu m (2010 est.)
The consumption of Natural Exports	8.81 Billion cu m (2010 est.)
The imports of natural Gas production	0 cu m (2010 est.)
The Natural gas Production	12.1 Billion cu m (2010est.)
The Natural Gas proved reserves	283.2 Billion cu m (2011 est.)
The consumption of oil	40.62 thousand bbl/day (2011 est.)
The Imports of Oil	19.7 thousand bbl/day (2009 est.)
The production of oil	21.12 thousand bbl/day (2010 est.)
The proved Reserve Oil	50 Million Bbl (2011 est.)[1]

Burma in natural resources though is rich, but particularly in natural gas and oil. Though by using all these resources for their country's development through different industry and job growth for over a decade. This has generated a very huge revenue flows but lack of mismanagement of all these revenues left Burma with some worse development indicators in the world.

The sales revenue for natural gas exports amounted to US \$ 2.5 billion in 2010-11. The estimated amount will be increase by over 60% to US \$ 4.1 billion from starting 2013. Further the revenues are generated over 40 additional oil and gas blocks that are under exploration. Despite of these things though Burma remains poor and its people live with choric energy shortage.

Burma is censured for major with human rights violations and also suffers from a oil civil war between the ruling government and ethnic peoples. Due to this Burma face lack of protection laws, the projects which extract and export natural resources that have directly led to human rights abuses such as forced labor, rape and displacement and also environmental degradation. The revenues which resource extraction projects that have in turn helped to prop up with authoritarian rule.

The government of Burma does not disclose that how much it receives in gas revenues, or how all those revenues are managed or spent. They also refuse to publish how much and what amount they pay for military regime. The mechanisms and systems for disclosure of money flows, civil society input, and sharing equal benefit in international standards of revenue transparency and also put into practice in oil and gas producing countries around the world. The report provides a key lesson from all these countries that Burma can draw on to improve the management of oil and gas revenues that work toward ending its resources curse.

5.1 INTRODUCTION

Burma is the largest country in mainland Southeast Asia Region with a land area of 676,577 sq. km. While rich in resources, Burma's development is impeded by its government. Many of the fill springy in the countryside and agriculture accounts for a significant percentage of the country's Gross Domestic Fluid (GDP). Crops countenance dramatist, pulses, beans, Benny, and sugarcane. Teak conductor is also the land's remaining primary export.

Burma is a member of World Trade Organization and became a member of Association in July, 1997. Since then, Burma has strong its trade relations with neighboring countries. The merchandise shares of its quintet neighboring countries, PRC, India, Malaya, Island, and Thailand. The state exported almost 850,000 slews of dramatist in the 2011-12 fiscal gathering, earning most US \$324 meg and set an export target of 1 million tons for the 2012-13 financial year as per Myanmar Rice Industry Connation (MRIA), yet it give pass create of assembly its goal as exports have lagged behind due to India's reemergence in the non-Basmati trade. FAS forecast that Burma will be able to import 500,000 slews in 2012.

Leaning of the become of Alien Honorable Promotion (FDI) in Burma (1998-2012)

Rank	Country	Total Company	Amount (In Trillions)
1	China	33	13,947.15
2	Thailand	61	9,568.09
3	Hong Kong	38	6,308.50
4	South Korea	49	2,941.29
5	UK	51	2,660.59
6	Singapore	72	1,804.01
7	Malaysia	39	977.46
8	France	2	469.00
9	USA	15	243.57
10	Indonesia	12	241.50

<http://www.calwinexport.com/files/foreign/direct/investment>

Myanmar is traditionally an agricultural country and agriculture sector remains as a pupil presenter to GDP, and it's get of import earnings is near 40%. At the same time, agriculture sector provides employment to more than 60 per cent of transmute validity.

In gain, matter warrantee for the group and raw material production for domestic agro-based industries are heavily dependent on the agricultural sector.

5.2 MAJOR PLAYERS OF AGRICULTURE SECTOR IN BURMA

- SHIN YE HTUT
- Tiger Jade Co., Ltd. (Tiger Jade and Jewellery & Gems)
- Taw WUN MYINT Ruby Trading Co., Ltd.(Ruby Jewellery & Gems)
- Centre of New Myanmar Goods & Implication Co., Ltd. Trading
- Agriculture Product Co., Ltd.

Agriculture is the main industry in Myanmar, erstwhile this was the large rice exporter in Continent, but it poor plume after the onetime regimes try to experiment with communist / socialist ideas. Businesses and industries consanguineous bust down because of this and until now there is very little advance because the main structures from before are still in operation.

Important business products are rice, beans, butter beans, kidney beans, black eye beans, bamboo beans, red beans, MUNG beans, peas, pigeon and KENAF.

Economic Indicators of Myanmar⁸

SR. NO.	Particular	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
1	Gross Domestic Product (Kyat billion)	3624.9	4116.6	4675.2	13893.4	15559.4
2	Per Capita Gross Domestic Product (At Current Prices) (Kyat)	144984	167202	221799	298200	405817
3	Annual Growth Rates of Gross Domestic Product	13.8	13.6	13.6	13.1	12.0

⁸<http://www.interconsulting.com.sg/myanmar-business-opportunities.htm>

5.3 COMPARATIVE POSITION OF AGRICULTURE SECTOR

Top Players in Burma

Ethnic group	Percent
BAMAR	68%
SHAN	9%
KAREN	7%
RAKHINE	3.5%
CHINESE	2.5%
MON	2%
KACHIN	1.5%
CHIN	1%
INDIANS	1.25%
KAYAH	0.75%
OTHER GROUPS	4.5%

http://en.wikipedia.org/wiki/Burma#Ethnic_groups

India wants to drop in Burma's farming

During THEIN SEIN'S visit, Burmese businessmen discuss with Indian officials India usually buys more than 70 per cent of our bean production, so we discussed rural regarding ontogeny beans and peas and agricultural techniques.

All Indian companies from many sectors attended meeting .Our chairman Win AUNG represented Burma. And Burma Dramatist Business Relationship chair Chit KHAING and I attended. Mutation companies included SHWE THAN LWIN AND AUNG CHAN THA; and officials from the Myanmar Fishery Federation also attended the meeting.

Discussed by Burmese and Indian officials they want to buy farmland and conduct.⁹

5.4 POLICIES & NORMS OF BURMA FOR RELATED AGRICULTURE SECTOR

The agriculture sector forms the basic core of the national economy of Myanmar, since 76% the population resides in rural areas and is engaged in agricultural and animal husbandry. The role of agriculture in the national economy of Myanmar remains extensive, and thus has a direct bearing on all other socio-economic aspects of the country.

⁹ http://ec.europa.eu/echo/files/evaluation/2011/Burma_Final_Report.pdf

The liberalization of external exchange, coupled with decontrol of domesticated switch for all major crops, has resulted in a marked improvement in terms of trade for agriculture as well as changes superior, there has been a cleft away from staple food crops to higher value cash crops such as beans, pulses and oilseeds. To achieve its objectives, the Ministry of Agriculture has adopted five measures:

- (a) The development of land resources for agricultural expansion;
- (b) The provision of adequate water for agricultural purposes;
- (c) The provision of mechanized power for agriculture purposes;
- (d) Bailiwick generation and distribution;
- (e) Multiplication and utilization of quality seed stock.

Norms of foreign organization

An accord for addition of the supplementary understanding and its minutes of the meeting dated 26 February 2007, for an additional one year trial period from 26 February 2012 to 25 February 2013.

Noting four preceding extensions of the SU and its minutes of the meeting, of 26 February 2008, 26 February 2009, 26 February 2010 and 26 February 2011.

It is herewith agreed as follows:

1. Both parties agree to extend, on the same trial basis, the SU and the minutes of the meeting for one year with the extension period commencing on 26 February 2012, to the day one year thereafter being 25 February 2013.
2. The spirit and letters of the SU and the minutes of the meeting remain in Toto unchanged.
3. The SU and the minutes of the meeting shall continuously remain in legal effect upon signing by the authorized representatives of the parties mentioned below.

4. This agreement will be submitted to the forthcoming session of the governing body of the international labor office.

5.5 IMPORT PROCEDURE

1. Registered importer is required to open foreign exchange account at a Bank in order to apply for an import license from the Directorate of Trade.
2. In applying for an import license, the application shall have attached the sales contract and/or preformed invoice mentioning detailed specifications, fashion of material, and throw phasing.
3. Import license fees payable on the C.I.F. (Yangon) reckon of the artifact imported from abroad is mentioned under Chapter IV.
4. An irrevocable letter of credit (L/C) has to be opened by the importer at the Bank.
5. If the purchase is prefab on F.O.B. fundament, the importer has to fortify contract from Myanmar Insurance and freight booking from Myanmar Five Star Line.
6. After receiving shipment advice from the suppliers, the importer has to agree for the clearance of the goods.

Customs Clearance Procedures for Import

The Tariff Law was enacted on March 12, 1992 with a scene to assisting the industry economy system in order to facilitate external merchandise. In gift with the Law, a asking was issued to regulate the classification of imported goods and categorization of duties. For improvement and status, in line with the outside exercise, the Harmonized Artifact Description and Coding System (H.S) were introduced in April 1992.

5.5.1 Licensing Procedure & policies

5.5.1.1 Law Governing Licensing

The main law governing the authorization of licensing is contained in the Control of Imports and Exports (Temporary) Act, 1947, which has been revised when indispensable and which is treating in rigor. This law is administered by the Ministry of Dealings which, from snip to metropolis, issues essential orders, notification, directives,

pertaining to all export / import matters including issuance of licenses and permits as well.¹⁰

5.5.1.2 Licensing Authority

The authority to issue export / import licenses and permits is delegated to Directorate of Trade and Department of Border Trade under the Ministry of Mercantilism. Directorate of Swop is licensed to release export / import licenses and permits for export / import by overseas. Department of Border Trade is authorized to issue export / import licenses for cross border trade.

5.5.1.3 Registration

All cloistered job enterprises, both local and foreign, co - operative societies, joint - venture organizations, desirous of carrying on export / import business are required to apply to the Directorate of Trade for registration as exporter / importer.

5.5.1.4 Import License Fee

Outlander license fees are payable on all imports from abroad, it includes those imports for which import permits are not required, those imported by means of a permit, an import license or open general license; imports through the border and those imported for general trading purposes by the State Economic Enterprises (SEEs), government departments, co-operatives and private enterprises.

Authorization fees moldiness is stipendiary according to the nominal rate for import of goods on consignment basis either by SEEs or private enterprises and entrepreneurs.

5.5.2 Trade Policies

- a. Regarding the import policy, import is allowed against the export earnings with a view to promote export and to overcome the balance of trade deficit problems.

¹⁰ <http://www.embassyofmyanmar.be/business%20info/procedures.htm>

- b. The private businessmen are encouraged to import grapheme artifact, industrial machineries including raw materials and other essential items while the consumer choices can be fulfilled equally at the same time.
- c. License should be applied for any export or intend. The mortal to issue export/import licenses and permits is dedicated to Directorate of Trade and Department of Border Trade under the Ministry of Dealings. Directorate of Swap is glorified to printing export/import licenses and permits for conventional export/import by foreign. The Department of Abut Job is empowered to issue export/import licenses for overland trade with the neighboring countries.
- d. The validity of export / import license / permit issued by the Directorate of Trade is three months from the consort of distribute, and it cannot be long.
- e. Export license fee is not payable on export of any commodity including agricultural crops. All the imports are study to pay the license fees, tariff and commercialized tax.

5.5.2.1 Tariff

Developed goods encompass all non-agricultural goods and include products such as machinery, transportation equipment, minerals and metals, petroleum, chemicals, textiles and clothing, leather and footwear, wood products, and fish and fish products.

Industrial tariffs are customs duties on non-agricultural merchandise imports, levied either on an ad valorem basis (percentage of value) or on a specific basis (e.g., \$1 per 100) postindustrial tariff lines.

5.5.2.2 Non- Tariff policies

The President's Trade Policy Agenda emphasizes Non-Tariff Barriers (NTBs) as major impediments to market access for U.S. firms. USTR are currently addressing NTBs on multiple fronts.

We are addressing NTBs systemically and singly through the World Trade Organization (WTO) Non-Agricultural Market Access (NAMA) negotiations, of which they are an integral and equally important component.

In NAMA, we are sponsoring proposals on trade in remanufactured goods; the labeling of textiles, clothes, covering, and movement artifact; NTBs pertaining to safety and electromagnetic compatibility for electrical and electronic products; and NTBs relating to technical barriers to trade for moving products. We are also a co-sponsor of a offering promoting transparency in export licensing.

5.6 EXPORT POLICY & NORMS OF AGRICULTURE SECTOR IN BURMA

5.6.1 Trade Policy

Myanmar foreign trade policy is a very no parasitic one. Myanmar can line with any land in the world except with some countries that are trade embargoed by the UN's resolutions or a few countries and territories which we have cut off governed by the rule-based multilateral trading system.

Myanmar's foreign trade is mainly with Asian countries. More than 70% of total export goes to the Asian region and round about 90% of total import comes.

The country's imports consist largely of manufactured goods, peculiarly the great goods and raw real s which constitute about 65% of aggregate imports. Myanmar imported switch is mainly with Dweller India.

5.6.2 Tariff Policy

Over 95% of the world's consumers live alfresco the U.S. - by 2030, the sign of people reasoned middle class will multiply to 1.2 1000000000 with the international scheme thriving to \$72 trillion. Exporting is a great way to reach the global market and these consumers to:

- a. Grow your bottom line
- b. Level your business cycle
- c. Use production capabilities fully
- d. Strengthen your domestic market
- e. Increase competitiveness across all markets

By incoming new markets, you give make the possibility to acquire how to compete more successfully, while making more money. In fact, 60% of small companies that

engage in exporting derive 20% of their annual profits from export sales. While exporting can for growth.¹¹

5.6.3 Norms

5.6.3.1 Free export

- 200 cigarettes or
- 50 cigars or
- 250 grammas of other tobacco products
- Up to 2 liters of Wines or alcoholic beverages
- 59 ml of perfume
- 250 ml toiletries
- Authorized personal goods
- An unlimited amount of foreign currency can be imported into the country. Sums equaling US10000 in local currency must be declared upon entry. Foreign travelers cannot take more foreign currency with them than the amount they entered India with but sums less than US 10000 generally will not need to be declared.

5.6.3.2 Prohibited

The shadowing items are banned from entering or leaving the country unless under certain circumstances or limitations.

- Illegal drugs
- Firearms and weaponry - unless permission has been obtained
- Knives and deadly weapons
- Pets and else whippy animals - unless authorization has been obtained
- Birds and bird products –eggs and feathers
- Pigs and pig meat products
- Endangered plants
- Plants and plant products – unless permission has been obtained
- Radio transmitters
- Culturally strategic or expensive antiques
- Counterfeit money and goods
- Pornographic material

¹¹ <http://www.nationsencyclopedia.com/economies/Asia-and-the-Pacific/Burma-Myanmar-AGRICULTURE.html>

5.6.3.3 Restricted

- Species of wild invigoration including white, musk and animal skins are prohibited from leaving the country.
- Unless taken by a native of the country, Asian currency is expressly illegal from leaving India.
- Plants and pose products such as seeds or fruits are prohibited without prior permission.

5.7 GRANT AIT BY GOVERNMENT FOR DEVELOPING AGRICULTURE SECTOR

Objectives

The objectives of this study are to:

- a. Examine agricultural transformation and performance in connection with the economic and agricultural policy reforms passed since 1988;
- b. Examine sources of changes and transformation in agriculture, the pricing policy and open market for produce, internal market access, and export potential;
- c. Look into the current progress of rural development through the implementation of rural development principles; and
- d. Identify policy directions to ensure more sustainable agriculture and rural-regional development in Myanmar.

5.8 PRESENT TRADE BARRIER IMPORT & EXPORT AGRICULTURE SECTOR

5.8.1 Legal framework of foreign trade of India or Burma

Boosted by rising gas exports to Thailand, large exports of vegetables to India, and rising exports of wood products to China, India and Thailand, Myanmar's total exports have witnessed a rising trend in recent years; from US\$ 2.8 billion in 2001 to US\$ 6.04 billion in 2010.

As regards imports, total imports of Myanmar rose almost four-fold from US\$ 2.4 billion in 2001 to US\$ 8.98 billion in 2010, primarily due to increased imports of machinery, mineral fuels and oils, vehicles, and electrical and electronic equipment.

Trends in Indo-Myanmar Trade relations between India and Myanmar have witnessed a robust trend in recent years, with India's total trade (exports plus imports) with Myanmar having risen from US\$ 408 MN in 2001 to US\$ 1.06 cardinal in 2010.

This buoyant trend has been underlined by both rise in India's export to and imports from Myanmar. India generally maintains a trade deficit with Myanmar, which has increased from US\$ 293 MN in 2001 to US\$ 974 MN in 2009, and stood at US\$ 520 MN in 2010.

5.8.2 Government rules & regulation policy of India or Burma

The result was a compromise in which the Regulating Act—although implying the ultimate sovereignty of the British Crown over these new territories—asserted that the Company could act as a sovereign power on behalf of the Spot. It could do this patch concurrently existence subject to oversight and regulation by the British government and parliament.¹²

The Court of Directors of the Company were required under the Act to submit all communications regarding civil, noncombatant, and receipts matters in India for scrutiny by the Brits polity. For the governance of the Soldier territories, the act asserted the supremacy of the Place of Fort William (Bengal) over those of Foregather St. George (Province) and Bombay.

It also nominated a Governor-General (Jurist Architect) and four councilors for administering the Bengal presidency (and for overseeing the Company's operations in India).

"The subordinate Presidencies were forbidden to wage war or make treaties without the previous consent of the Governor-General of Bengal in Council, except in casing of imminent essential. The Governors of these Presidencies were directed in general

¹² <http://www.eximbankindia.com/wp17.pdf>

terms to obey the orders of the Governor-General-in-Council, and to transfer to him word of all important matters."

However, the imprecise phraseology of the Act, paw it coarse to be diversely understood; consequently, the direction in India continuing to be hobbled by disunity between.

The Control Act also attempted to instruction the prevalent corruption in India: Company servants were henceforth forbidden to engage in private trade in India or to receive

6.1 INTRODUCTION OF TOURISM SECTOR

Tourism in Burma (Myanmar) is a slowly developing sector. Although Burma possesses great tourist potential and attractions in many fields, much of the industry remains to be developed. Also, the number of visitors to Burma is comparatively small compared to her neighbors - even outpaced by Laos. This is primarily due to its current political situation. The history of tourism in Burma can be divided into three periods: the parliamentary democracy (1948-1962), the socialist period (1962-1988) and that of the opening up of the tourist market (since 1990). Myanmar Tourism Services For many years we have worked hard to develop the tourism industry in Myanmar. As a result, we have now gained strong confidence in our ability to provide you with the very best possible tour experience. We look forward to arranging your travel program...

6.2 HISTORY OF TOURISM SECTOR IN BURMA

Asia's hottest spot: record 1 million tourists flock to Burma

A record one million foreign visitors surged into Burma last year, official figures showed Tuesday, as dramatic reforms lured travelers to the long-isolated nation as it opens to the world. The tourism ministry reported an almost 30 percent rise in arrivals in 2012 to 1,060,000, from around 800,000 the year before, as tourists and business travelers flocked in. "This is a very outstanding year for the industry. We have never experienced it before," said Phyo Wai Yar Zar of the Myanmar Tourism Board. A Burmese tourism industry master plan is being drafted with the technical assistance of the German-based Hanns Seidel Foundation, with support from the Norwegian government and the Asian Development Bank.

6.3 KEY FACTORS FOR BURMA'S TOURISM SECTOR

Burma sees its tourism industry as a quick means to earn badly needed capital from international travelers eager to experience the country's cultural and natural heritage. A main focus of the plan will be to expand tourism infrastructure and quality of services as

quickly as possible. Vietnam and France are set to become major hotel investors in Rangoon. Indian companies are also looking at hotel investments.

6.4 MAIN PLAYERS

Although it shares with Burma a history as part of the British Empire, India took a relatively cool stance on Burma until the 1990s. Since then, relations between the two countries have become closer. Today they cooperate in the promotion of trade and investment as well as in more geopolitical areas. India regards Burma as an economic bridge to the rest of Southeast Asia, and this has influenced its trading priorities. Burma for its part has an interest in India's growing economy and the potential for counterbalancing China's political and Thailand's financial influence on the country with India's capacity in both areas.

6.5 SERVICE

India has now become Burma's second largest export market, accounting for 12.7 percent of Burmese exports. India is also the seventh most important source for Burma's imports. In the fiscal year 2006-07, the two countries' bilateral trade reached US \$650 million, up from US \$557.68 million in 2005-06 and US \$341.40 million in 2004-05.⁶¹ Both India and Burma are committed to increase this trade.

6.6 GOVERNMENT POLICIES IN TOURISM SECTOR IN MYANMAR

The two countries are also part of BIMSTEC, the Bay of Bengal Initiative for Multi-Scrotal Technical and Economic Cooperation, which is a regional body comprising Burma, Bangladesh, India, Sri Lanka and Thailand.⁶² The BIMSTEC nations are working towards concluding a free trade agreement among themselves. India, obviously the main player in the co-operation, has already concluded free trade agreements with Sri Lanka in 1998 and Thailand in 2004, but has yet to finalize its agreements with Bangladesh and Burma.

India and Burma are also considering a series of initiatives for expansion of border trade between the two countries. India is engaged in several river and land-based projects in Burma, including port reconstruction in the town of Settwe, the Kaladan Multi-Modal Transport project and the Tamu-Kalewa- Kalemmyo road project.⁶³ And India has approved a proposed agreement with Burma for the avoidance of double taxation and the prevention of income tax evasion for citizens doing business in both countries. Once the agreement comes into effect it is intended to stimulate the flow of investment, technology and labor from India to Burma and vice-versa and generally boost economic cooperation between the two countries.

India is already one of Burma's largest investors, active primarily in Burma's oil and gas sector but also in agriculture, fisheries, pearl cultivation, infrastructure, mining and tourism. The most significant investment is India's involvement in the massive Shwe gas project, which is supposed to include a gas pipeline running to India. Indian companies – Oil and Natural Gas Company Vides, and the Gas Authority of India - are partners in the development of the Shwe field, which is led by South Korea's Daewoo. In fact it was initially planned that the gas from the A-1 Block of the Shwe field would all go to India via a planned pipeline through Burma's Abakan and Chin states, across Bangladesh to Kolkata (formerly Calcutta) in India.⁶⁵ But this project fell victim to diplomatic stalemate, as India felt Bangladesh demanded too many concessions from India for having the pipeline run through its territory. In December 2005, while India and Bangladesh deliberated on a solution, Burma seized the opportunity to sign a memorandum of understanding with Petro China for the sale of gas from the A-1 block to China. The Burmese generals seem very much aware of the political as well as the financial advantages they can reap from the Shwe gas field.

6.7 KEY SUCCESS FACTOR OF TOURISM SECTOR IN MYANMAR

India is nevertheless still very much engaged in the exploration of Burma's oil and natural gas and continues to cooperate with the military junta on this issue. Burma has

assured India that it contains enough natural gas for both Indian and Chinese markets. India is expected to become a market for Burmese natural gas, via a pipeline that either runs through or circumvents Bangladesh.⁶⁶ India's commitment to Burma was made clear when its oil minister, Murli Deora, flew into Rangoon in late September 2007 to sign a US\$150 million oil deal with the military junta, even as world attention focused on the generals' brutal crackdown on the pro-democracy uprising. Similar to the trade patterns, the FDI pattern appears to have been heavily affected by the sanctions imposed to the country. After 1997, the year in which US imposed sanctions on FDI,⁸ Myanmar experienced a continuous decline in FDI inflows until 2006, with the only exception of 2003 (figure 2). In the late 2000s, investment from ASEAN and China made a considerable contribution to an increase in FDI inflows to Myanmar. However with the global economic crisis setting in, the country experienced a new slowdown in FDI in 2009 and 2010, even though the contraction could also be related to the sanctions on FDI imposed by Canada in 2007⁹ and by the European Union in 2008. Economic sanctions resulted in multinational corporations (MNCs) pulling out investments from Myanmar. For example, Adidas and Levis Strauss shut down their production plant, and stopped sourcing intermediaries and materials from that country due to public pressure from human rights groups. Other examples are Wal-Mart and Tommy Hilfiger. ¹¹ Consequently, FDI inflows to Myanmar from Western countries sharply decreased, while the interest of Asian countries increased gradually.

There are many direct and indirect barriers that trading partners can impose on a country's exports. An exporting country does not have much power to avoid those barriers except through trade liberalization agreements in multilateral, regional and bilateral initiatives. In the case of Myanmar, due to trade liberalization at the global and regional levels as well as partially changed export composition over time, applied tariffs faced by Myanmar's exports have been decreasing continuously on a trade-weighted average basis during the past decade (figure 6). From 2006 to 2009, the trade-weighted average of applied tariffs, including unilateral and reciprocal preferences, facing Myanmar exports were only 5.9 per cent for agricultural goods and 1.7 per cent for non-agricultural products. Notably, a significant difference between trade-weighted average

and simple-average rates reflects the fact that the export structure of Myanmar has been increasingly directed towards low-tariff categories, mainly raw materials.

6.8 THE MAJOR TOURISM DEVELOPMENT PROJECTS BURMA

Over the longer term, proper policy mixes towards economic diversification and specialization are essential to building a sustainable and inclusive development strategy for Myanmar. Currently, almost half of the foreign-exchange revenue of Myanmar comes from natural resource-based exports. This may be necessary in view of the current massive needs for development. However, heavy reliance on income from natural resource-based sectors could lead to growth in unemployment and long-term structural problems such as rising income inequality, de-industrialization (Dutch disease), and environmental degradation. Therefore, the Government should utilize its resource-based revenues to invest in infrastructure and human capital.

Aung San Suu Kyi from years two announced that they were "responsible tourism", Burma, a country that has avoided many of the requests, one that will welcome everyone who wants to see. Simple one thousand temples of Pagan, Inle Lake leg rowing fishermen, and Rangoon Shwedagon Pagoda of glittering gold sputa No wonder: in some unusual places. But what really draws tourists to the place where the world of the 21st century, rarely intruded opportunity to visit. Following the precepts of the Old Orient where Buddhism Burma there is still a way of life in a sense

Burmese tourism industry based on the German Hanns SEIDEL a master plan drafted with the assistance of the Foundation of technical support from Norwegian Government and the Asian Development Bank.

Burma's cultural and natural heritage experience rapid international country badly needed capital from travelers eager to earn its tourism industry sees it as a tool. A main focus of this project is to quality tourism infrastructure and services will expand rapidly

as possible. Vietnam and exiled in France is set to become a major hotel investors. Indian companies are also looking at investing in the hotel.

6.9 PORTER'S ANALYSIS

The Five Competitive Forces That Shape Strategy 'ME Porter by, Porter Five Forces Model of the Harvard Business Review has been discussed and that other persons or principles, which is the 6th leading to expansion by force and by the time the model is challenged. 6th-force energy groups or entities associated with the 5 forces model is not, but the impact of the competition.

6.10 PORTER'S GENERIC STRATEGIES

Lower production as a key element of strategic cost leadership strategy uses a large market share or unit price competition and may be driving some competitors out of the market as a high profit. Cost leadership strategy, the key competitive advantage of the relatively low price or the lowest price in the market and therefore the cost conscious or price sensitive businesses and consumers to appeal. These products serve the basic needs of all customers in the same way they used to, for example, like, a tooth brush and the market size is large Tourism sector in this region free trade area with the most potential for the implementation of the field. This area has a very high trade value, and there is a level of potential in 4-5 countries. Therefore, when there is an implementation of the free trade area, the majority of members will stand to benefit. The tourism sector is closely connected to the air transport sector. If the field starts FTA is implemented, it will help increase tourism sector trade value. Construction field, we have very little information for this field. However, it is clear that the civil service and the ability to meet the needs of this sector is very high in Thailand and Bangladesh.

We are proud to advise that we are positioned to play an important role and the Fam trips. The special Myanmar Marketing (MMC) is a Myanmar Tourism Promotion Board (MTPB) held by a branch committee. As a unique member of MMC, we operator appointed by the Ground Handling manage these trips. They are golden opportunity for

you to participate in our country and its tourism-related infrastructures interesting observation.

6.11 INTERNATIONAL TOURISM, NUMBER OF ARRIVALS

- To implement product development.
- To offer reasonable price/value for money and to collect reasonable zoning fees to the cultural sites
- To improve accessibility and upgrade transportation facilities
- To promote all countries in collaboration with regional destination countries through different media in order to improve the country's image
- To give authority to the front-liners for the smooth running of the process which has the direct affect on service quality and customer satisfaction
- To enhance tourism human resource development in the area

Myanmar's banking system retains many vestiges of the old socialist system, even though private banks are now operating and representative offices of many foreign banks have also set up.

There wasn't adequate time to review comprehensively the industrial structure and situation, but a few field visits did shed some light on the problems and potential of local industry.

The aviation of [Myanmar](#) market is a poised to enter a major period of growth as the country begins to open up following landmark elections earlier this month that were won by Aung San Suu Kyi's National League for Democracy.

6.12 TRADE OF SECTOR OR INDUSTRY

- A Value of International Trade in Services
- Structure of the International Trade in Services
- India's export value is US\$ 23.7 billion and 52% of that amount is from software, 15% from tourism, and 12% from transportation.

6.13 INDIRECT POLICY OR BURMA OF THE FIELD OF DIRECT POLICY

Myanmar can export value is US\$ 379 million which is from tourism, maritime transportation, and air transportation consisting of 15%, 6% and 3% respectively.

we have now gained strong confidence in our ability to provide you with the very best possible tour experience. We look forward to organizing your travel program Similar pattern of trade, FDI patterns have been heavily affected by the sanctions imposed on the country. After 1997, the year in which the U.S. FDI, imposed sanctions on Myanmar

6.14 IMPORT POLICY OF THE GOVERNMENT OF BURMA & INDIA

There are many direct and indirect barriers that trading partners may impose on the country's exports. An exporting country is multi-regional trade, and bilateral initiatives in order to avoid delays in the liberalization of the energy are not except through contracts.

the policy of economic diversification and specialization counterpoint to run a sustainable and inclusive development strategy for Myanmar is required to make. Currently, almost half of Myanmar's foreign exchange income from natural resource-based exports.

Energy Field Safety Code and the International Petroleum "did not follow standard industry practices and are, therefore, not the programmers that the project's urgent need to reduce atmospheric concentrations of greenhouse gases. However, to reduce greenhouse gas emissions as a state of awareness is being increased vigilance, so that it is within acceptable international environmental standards.

The Road Transport Administration Department under the Ministry of Rail Transportation (RTAD), road safety measures and preventive safety measures and preventive responsible for safety regulations

The squatters housing schemes for government employees and to include new cities. In Yangon, capital of Myanmar alone, four new cities have been established since 1989. Many housing projects in major cities in the country, many domestic problems in the private sector, which was helped by a case has been made out.

The food safety, rural and rural areas, and forest protection and conservation and management, reforestation, local communities, forest harvesting, processing and marketing, research and development, expansion, and for, the community saw environmental aspects and social aspects of development focuses on solvency education and training

Policy and norms Of Burma for tourism sector of export policy

The military government officially dating back to the colonial era, many of Burma's own country in which the names have been changed to English translations: "Burma" "Myanmar" has become.

Much of the country is completely off limits to tourists, and the military is very strict foreigners and people of Burma, particularly the border areas controlled by the interaction between. He was sentenced under politics with foreigners, debate

European Union countries, more than double the European Union statistics office in Burma for five of their imports from the Euro stat. Burma's EU total imports in 2001 to about € 500 million, so the Asian trading partners, Europe had become a dictatorship.

The tourist information service (sit), then called Burma as tourism and guiding tourists was assigned. At the time, became a tourist visa valid for month. and these hotels were owned by the state. Tourism sector is therefore very fast compression, rather than to protect the traditional customs of foreign influence and values, according to authorities.

The difference in the value of imports and exports is covered in large part by revenue from narcotics and other illegal exports. Burma was the world's leading exporter of rice, rice remains the major legal export. Logging was also important in a colonial economy

and excessive harvesting and poor forestry management have resulted in a sharp drop in the availability of teak.

6.15 PRESENT TRADE

International Airlines in Myanmar extended bat on tourism boom International airlines had flights to Yangon. Business travelers and tourists for a comprehensive reform in Myanmar has become an attractive destination. With the rapidly increasing number of tourists, international airlines, in essence, the last in the world are rushing significant foothold unexpended destination. Korean (KAL) in Seoul Airlines, Qatar Airlines from Doha, EVA Airlines and All Nippon from Taipei - Singapore Airlines latest international other four foreign airlines that started this month.

Myanmar's vast tourism potential. Improvements in Myanmar's unprecedented global tourism industry in the country, as well as a rapidly growing economy open to foreign businesses and attract investors. In 2011, only 820,000 tourists about Myanmar, South East Asian countries with the lowest number of registered

6.16 MYANMAR TRAVEL & TOURISM SECTOR

We are British Airways, Lufthansa, Emirates Airlines, Turkish Airlines and Air China, such as tourists and business travelers to regional and global airlines of Myanmar Yangon and other major cities to begin regular flights to this unique destination to establish the expectation is expected to grow significantly. Therefore, we recommend initial investors in Myanmar, with the appearance of promising new frontier in travel, tourism and hospitality opportunities every year.

This statement refers to the return on a quieter, more than expected, and tourists not to cancel his tour to include incentives for Burma. The statement also "advanced negotiations" between the government and opposition were taking the fact mentioned; rule orchestrating the bloody repression, mass arrest in order to eliminate movement.

The report also criticized by an employee of the agency, their website is a summary of an interview with a Swiss academic published. The expert and as the data after international share of Riley's voice, he was repeating what has already been said on the agency's website. Their presence local 23population support you are indigenous has been described as.

Airlines that are on offer in this hotel or start by learning about the names. Remember also that the agency is required to travel with no additional cost! Tour guide for that use? Go further, we studied Burma on the major guidebooks, and travel agent in contrast, was it possible to find a significant difference between them. Unfortunately, we did the research on the French guidebooks. Based on these guidelines, human rights and economic issues raised in more or less important and profound way.

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