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**Plenary on Item 9:
Investment for development: Global Value
Chains and Development**

**Speaker: Dr. Kan Zaw
on behalf of Myanmar**

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*Not checked against delivery **

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STATEMENT

by

H.E. Dr.Kan Zaw

Union Minister for National Planning & Economic Development
at the High Level Session on Investment for Development : Global Value
Chains and Development

UNCTAD, Geneva

18 September 2013

Mr. Chairman, Excellencies, Distinguished Delegates, Ladies and
Gentlemen,

It is indeed a pleasure and honour for me to participate as well as
the government representative on behalf of the Government of the
Republic of the Union of Myanmar. I would like to congratulate Mr.
Chairman for being elected as the Chairman of this session and His
Excellency Dr Mukhisa Kituyi on the assumption of office at UNCTAD as
Secretary General. My sincere appreciation also goes to Mr Supachai
Panitchpakdi, former Secretary General of UNCTAD for sending Invitation
to our President to this Session. I would like to express our sincere
appreciation to the Government of the Switzerland and Secretariat from
UNCTAD again for the excellent preparation and hospitality extended to
our delegation.

This is a good opportunity to meet with State Representatives, Senior
Executives State representatives, senior executives from the private sector
and international experts. It is noted that this session will focus on policy

options for helping the countries to maximize the benefits and minimize the risks associated with global value chain activities within the framework of sustainable development.

Before highlighting the current profound implications for investment and industrial policies, strategic choices we have made in this 30 months after the assumption of State duties by the new Government has been prior for presentation. The Four significant reforms embraced in these 30 months have been undertaken due to their importance and challenges . The first stage of reforms is **political reform** and national reconciliation that has made fruitful outcome of peace and mutual understanding among the national ethnic groups. Prominent achievements allowed the President to declare on May 11 2012 that GOM has achieved substantial gains in the first stage of reforms, which were primarily targeted at political and governance changes to achieve peace and national unity. The Peace Development Committee chaired by President which was formed in 2012 has now on right track to accelerate the process of peace-building in many conflict-affected areas.

The second stage is **economic and social reforms**. In compliance with its economic and political changes, the government has adopted Four Economic Policy Objectives which supported to the reunification of multiple exchange rate to managed float exchange rate, fiscal and tax reforms, creation of investor- friendly environment, the revitalization of tourism sector and initiation of environmental safeguard measure from doing business. In pursuing these measures, the government has put more

comprehensive way in place including “people centered development” approach for inclusive growth.

As the third stage, **public administrative reforms** which have been undertaken to pave the way for ensuring the good governance and clean government. Part of it, the emergence of a good governance and clean government is called to be prior and Action Committee against Corruption is formed to fight against corruption and bribery in government organizations on January 8 2013.

The recently introduced **private sector development reforms** as the fourth wave of reform has paved the way for national measures for economic and social reforms. The government has put more comprehensive way by undertaking *people centered development approach* for inclusive growth. In cooperation with the international development partners, with the assistance of Economic Research Institute for ASEAN and East Asia (ERIA), the Myanmar Comprehensive Development Vision-**MCDV** is being formulated.

Moreover, the Government’s policy priorities for the period 2012-2015 have been clearly spelled out in the Framework for the Economic and Social Reforms - **FESR** in collaboration with local and international experts. The framework is principally focusing on promoting the inclusive growth and quick wins. FESR involves 10 priority areas such as fiscal and tax reforms, monetary and financial reforms, liberalization of trade and investment, private sector investment, health and education, food security and agriculture, governance and transparency, mobile phones and internet, infrastructure and effective and efficient government. In addition, the

government is increasingly boosting its cooperation and relations with international community that leads to effective implementation for reforms process. FESR emphasizes the critical importance of policies to open up the Myanmar economy. It notes the important measures already undertaken, for example on exchange rate unification, and recognizes that further reforms are essential. In this regard, the AEC targets and objectives for 2015 will be an important driver of further reforms. But there are two areas in particular where some further quick wins are both feasible and very desirable.

To your information, here I would like to inform that our Ministry of National Planning and Economic Development is formulating the National Comprehensive Development Plan-**NCDP** (2011-2031). These includes the introduction of floating exchange rate, fiscal and tax reforms, creation of investor- friendly environment, the revitalization of tourism sector and initiation of environmental safeguard measure from doing business which is a macro level long term plan that would function on bottom up planning approach.

Myanmar also successfully completed the 1st Myanmar Development Cooperation Forum on January 2013 which has come up with the Nay Pyi Taw Accord for Development Cooperation with the Development Partners DPs.

To touch on Global Value Chains and readiness and development contributions in Myanmar supported by Trade and Investment is vulnerable but with high expectations. When we look at the social and economic disparities between ASEAN's CLMV including Myanmar and the rest of the

ASEAN community are widening, the priority need is to narrow the development gaps through enhanced regional integration and connectivity while promoting inclusive and sustainable development.

Regarding the liberalization of trade and investment, the government has been stepping up the liberalization measures to expand trade of Myanmar. As one of the significant steps, we have abolished the Trade Council which was decision making body of trade.

The Government has carried out the series of trade facilitation activities with a view to sustainable economic development and among them removal of commercial tax on the exportation of rice, pulses and beans, corn, sesame, rubber, marine products and animal products is well noted. The income tax is reduced from 10 % to 2 % for businesses running on CMP system basis.

Here, I like to highlight the role of FDI which has contributed significantly to the Economic and Industrial Development of Myanmar over many years and undoubtedly continue to be so. Among its initiatives, the Government of Myanmar is also revising the existing laws on Special Economic Zones (SEZs) in order to facilitate reform platforms that can overcome infrastructure bottlenecks, attract FDI and lead to increase exports. Moreover, Myanmar is negotiating bilateral investment promotion and protection agreement with Japan, Korea, Israel, Bangladesh, Mongolia, Serbia, Iran and Hong Kong. Bilateral Investment promotion, protection and liberalization agreement between Myanmar and Japan has been negotiating and it is expected to conclude in near future.

On the other hand, Trade and Investment Framework Agreement and Investment Incentive Agreement between the Government of the Republic of the Union of Myanmar and the Government of the United States was signed on May 2013. Agreement on Investment Protection between Myanmar and EU are under the process of negotiation.

For many years, the developing countries, the LDCs in particular have greatly benefited from the services of UNCTAD in the form of technical assistance and expertise. Taking this opportunity, I would like to reiterate our deep appreciation UNCTAD for providing expertise and assistance for Myanmar in the area of trade and development, especially in the formulation of national development strategy, the trade policy review and the capacity building. We also would like to implement an effective framework for strong, sustainable, balanced and inclusive growth, in which all countries could reap benefits. We are still striving for further investment in technology dissemination, skill building and upgrading to build productive capacity and longer term industrial upgrading.

In conclusion, progressive achievement in nation-building can be witnessed in many areas such as infrastructure development and development in economic and social sectors. As per our long term goal of achieving MDGs by 2015, Myanmar will definitely strive to achieve the Millennium Development Goals and to meet the criteria for graduation from LDC with relentless effort and the strong will of the people. With our commitments, we are assuring to our global partners to foster trade and investment in the context of South- South cooperation. We have vast quantities of natural resources and skilled personnels. Those aids and new

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tangible contributions can not only able us to join the GVC but also accelerate and complement by pursuing new partnerships for development.

I , thank you.