

National Export Strategy: an initial response to the COVID-19 Economic Downturn

NES is an active platform for Government and private stakeholders to work together for the economic development through increased trade.

THE world economy is in paralysis. The outbreak of COVID-19 pandemic has hampered the global economy, and a global recession has started. Social distancing practices are disturbing financial markets, disorganizing industries and global value chains, and forcing many Small and Medium Enterprises (SMEs) to close temporarily, and some even permanently. The virus has triggered a global supply and demand shock that is now affecting all areas of our current globalization. The adverse impact of COVID-19 is contributing the downturn of the economic activities, with the World Trade Organization estimating that world trade will shrink by up to 32% in 2020.

Affecting not only the human body, but also the economy, the Covid-19 crisis is rapidly penetrating Myanmar's economic activities. The economic "contamination" to Myanmar spreads through a collapse of tourism entries; a large decline in manufacturing, particularly evident in garment sector; an overall reduction in imports and exports; and decrease in active foreign direct investment (FDI) projects. This situation is resulting in short- and long-term economic consequences for our country.

Myanmar's export industries are facing a drastic drop



Trucks from Myanmar carrying agro-products, fishery products and animal products wait Chinese buyers at Kyin San Kyaw Gate near Muse. PHOTO: VAN TO HTAN (MUSE-IPRD)/FILE PHOTO

in demand. Most buyers in destination markets are cancelling or delaying orders; flights and transportation restrictions are triggering increase in the costs of trading. The border closures of the checkpoints including China-Myanmar borders, have resulted in damages and losses of goods. The limited import volumes are restricting the manufacture and processing of goods for our domestic market and for exports. This collapse in manufacturing capacities is leading to the surge in unemployment for too many of our citizens.

The Covid-19 crisis is challenging the world with new questions; the timely answer may turn into opportunity; the negligence may cause complications. While governments and private sector are seeking options to "revitalize" the production, consumption and global trade, citizens are wondering about tomorrow's standards of living and well-being. Like the disease that may eventually trigger stronger immunity, the economic crisis may bring innovation and diversification, creating demand for new products and access to new markets.

The National Export Strategy (NES) 2020-2025 is evolving as a joint Government of Myanmar and private sector response to the pandemic, to build sustainable export development and, ultimately, create better jobs and opportunities for Myanmar citizens. The NES will allow establishing a new cycle of export growth for Myanmar, exploiting its vast untapped potential for trade and investment. The NES priorities, which are currently being designed in close coordination with the private sector, will support Myanmar's COVID-19

recovery plans.

The NES is looking beyond creating new market opportunities for our SMEs and established exporters; it also aims to strengthen our industry performance and institutional support systems for improved resilience to withstand future crises. An effective export development, led by enabled institutions, such as Myantrade - the Export Promotion Agency of Myanmar, can rapidly contribute to the rebound of priority industries. With active export development, Myanmar will reach new customers and increase needed foreign exchange earnings.

Myanmar can also capitalize the investment opportunities identified in the NES strategies. Active promotion of Myanmar will contribute to positioning our country as an important investment destination in Asia. The pandemic is fast-tracking the development of regional value chains. Investment in Myanmar's export-oriented value chains will offer companies a good strategic location to reach more than 2 billion customers in regional markets. This is Myanmar's opportunity to position itself as a viable manufacturing hub to create new job opportunities for our citizens.

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economic development through increased trade. To ensure continuous dialogues with industry representatives, the Ministry of Commerce, in close collaboration with UMFCCI, is leading the formation of new public-private Export Development Board. The Board is aimed to serve as the focal point body to promote export growth in cooperation with all related Ministries and stakeholder organizations.

The value of NES is in implementation. The Strategy realization will allow to contribute to people's well-being with better and more diversified job opportunities, decent working conditions, improved skills and technologies. The document will articulate an implementation mechanism, including responsible institutions, processes and tools to kick-start, track and monitor the progress. It will set short- and medium-term action priorities to rebound Myanmar's economic growth and increase the country's prominence in the regional and international trade arena.

This article is contributed by National Export Strategy (NES) of Myanmar, the Ministry of Commerce

