



## Asian Development Bank & Myanmar

### FACT SHEET

Table 1. Myanmar: Development Indicators

Non-MDG	
Population in millions	58.82 (2008)
Annual population growth rate (%)	2.0 (2006–2008)
Adult literacy rate (%)	89.9 (2000)
Percent of population in urban areas	31.9 (2007)
MDG	
Percent of population living on less than \$1.25 a day	...
Percent of population living below the national poverty line	26.6 (2001)
Under-5 mortality rate per 1,000 live births	103 (2007)
Percent of population using an improved drinking water source	80 (2006)

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

Sources: ADB. 2009. *Basic Statistics 2009*. Manila.  
UNESCO. 2009. Institute for Statistics Data Centre.  
World Bank. 2009. World Development Indicators Online.

Myanmar is the second largest country in Southeast Asia, bordering five nations, and is endowed with rich natural resources—arable land, forestry, minerals (including gas and oil), and freshwater and marine resources.

However, poverty, particularly in remote and border areas, is a major challenge for the country with poverty incidence estimated at 26.6% (20.7% for urban areas and 28.4% for rural areas), according to the 2001 Household Income and Expenditure Survey.

The economy underperforms because of macroeconomic imbalances and structural problems that include a wide fiscal deficit due to high public expenditure, losses by state-owned enterprises, and a dual exchange rate system.

Growth in future will depend on sustained reforms to reduce structural rigidities, an improved investment climate for private sector development, progress toward exchange rate unification, reduced subsidies to state-owned enterprises, enhanced social sector spending, and prudential reforms in the banking sector.

Myanmar's Five-Year Plan (fiscal year [FY]2006/2007–FY2010/2011) is targeting a growth rate of 12% per year through

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

### Relationship with ADB

There has been no direct assistance to Myanmar in over 20 years. The Asian Development Bank (ADB), however, continues to monitor economic developments in Myanmar, and an operational strategy will be formulated when appropriate.

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

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

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

## Operational Challenges

Myanmar's economy is chiefly agro-based, including fisheries and forestry, and the sector accounts for nearly half the total economy and employs more than 60% of the total labor force. To develop the sector, emphasis has been placed on ensuring self-sufficiency in rice and expanding the cultivation of pulses and beans, cotton, sugarcane, and oilseed crops for export. In May 2008, however, the country was affected on an unprecedented scale by Cyclone Nargis. The cyclone, one of the deadliest in recent history, resulted in large-scale casualties, with more than 77,000 killed, 55,000 missing, and 20,000 injured, with a total of more than 2 million affected. Economic losses were estimated to be about 2.7% of the officially projected national gross domestic product (GDP) in 2008.<sup>1</sup> Within the productive sectors, losses were highest in rice crops in agriculture; larger firms in Yangon's industrial parks; and in the small, informal retail commercial sector. Recovering from the devastation of Cyclone Nargis is a critical priority over the short to medium term. A Post-Nargis Recovery and Preparedness Plan has been prepared under the auspices of the Tripartite Core Group, comprising the Government of Myanmar, the Association of Southeast Asian Nations (ASEAN), and the United Nations. The Plan proposes a 3-year \$690 million recovery program, which will follow a sectoral, people-centered approach. The program will focus on eight key sectors: livelihoods, shelter, education and training, health, water and sanitation, disaster risk reduction, environment, and protection of vulnerable groups. The funding mechanism envisaged is that currently used by United Nations agencies and international nongovernment organizations, a Food Security and Livelihoods Trust Fund and a Special Recovery Trust Fund.

The economy has remained relatively insulated so far from the global economic and financial crisis, but it may be affected in 2009

Table 2. Myanmar: Economic Indicators, 2004–2008

Economic Indicator	2004	2005	2006	2007	2008
Per capita GNI, Atlas method (\$)	...	...	...	...	...
GDP growth (% change per year)	13.6	13.6	13.1	11.9	...
CPI (% change per year)	3.8	10.7	26.3	32.9	26.4
Unemployment rate (%)	...	...	...	...	...
Fiscal balance (% of GDP)	...	...	...	...	...
Export growth (% change per year)	4.4	21.7	47.4	22.3	...
Import growth (% change per year)	-11.9	0.6	48.0	14.2	...
Current account balance (% of GDP)	2.4	3.7	7.1	9.1	...
External debt (% of GNI)	...	...	...	...	...

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

Sources: ADB. 2009. *Asian Development Outlook 2009*. Manila.

<sup>1</sup> "Post-Nargis Joint Assessment: A report by the Tripartite Core Group comprised of the Government of the Union of Myanmar, the Association of Southeast Asian Nations and the United Nation with the support of the Humanitarian and Development Community", Yangon, July 2008. These losses do not include damages to stocks of economic assets, such as to houses and other buildings, livestock, boats etc.

by lower prices for its energy and commodity exports, as well as a slowdown in its major trading partners in the region (Thailand, People's Republic of China, and India). Although agricultural output did not drop as significantly as feared immediately after the cyclone, recovery in the agriculture sector will help further boost agricultural performance which, along with capital expenditures and exports, has anchored modest growth rates in recent years.

Successful macroeconomic management and continuing economic reforms are central development challenges for the economy. The global economic slowdown will soften growth and tax revenues, underlining the need to control expenditures and deficits. There is a need for modernizing banking and non-bank financial intermediation, and to develop domestic bond markets. This will help mitigate the need to monetize deficits, which feeds into a high inflationary environment. Further liberalization of agriculture, trade, and state-owned enterprises will promote growth and also contribute to fiscal strengthening. The multiple-exchange rate regime continues to distort relative prices and needs to be addressed. The Government also needs to improve the business and investment climate in order to raise private investment in non-energy-related sectors of the economy.

Table 3. Myanmar: Cumulative ADB Lending as of 31 December 2008

Sector	Loans (no.)	Amount (\$ million)	% <sup>a</sup>
Agriculture and Natural Resources	14	296.10	55.78
Energy	4	26.80	5.05
Health, Nutrition, and Social Protection	2	63.10	11.89
Industry and Trade	5	46.40	8.74
Multisector	1	20.00	3.77
Transport and Communications	2	42.50	8.01
Water Supply, Sanitation, and Waste Management	4	35.96	6.77
<b>Total</b>	<b>32</b>	<b>530.86</b>	<b>100.00</b>

<sup>a</sup> Total may not add up because of rounding.

Table 4. Myanmar: Project Success Rates

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

<sup>a</sup> Based on aggregate results of project/program completion reports (PCRs), PCR validation reports (PCRVRs), and project/program evaluation reports (PPERs) using PCRVR or PPER ratings in all cases where PCR and PCRVR/PPER ratings are available.

Sources: PCRs, PCRVRs, and PPERs containing a rating circulated as of 31 December 2008.

## Partnership

ADB cooperates with civil society organizations to strengthen the effectiveness, quality, and sustainability of the services it provides. To this end, ADB regularly shares its experiences and expertise with international nongovernment organizations that are undertaking development activities in Myanmar.

## Cofinancing and Procurement

Cofinancing operations enable ADB's financing partners—government or their agencies, multilateral financing institutions, and commercial organizations—to participate in financing ADB projects. The additional funds are provided in the form of grants, official loans, or credit enhancement products.

As of year-end 2008, cumulative direct value-added cofinancing for Myanmar amounted to \$38.1 million for six investment projects, and \$5.8 million for 14 TA projects.

As of 31 December 2008, 10,330 consultant contracts were awarded under ADB loan projects worth \$4.17 billion, of which three contracts were awarded to consultants from Myanmar worth \$0.4 million.

**Table 5. Cumulative Nonsovereign Operations Portfolio Distribution by Top Countries, 1983–2008<sup>a,b</sup>**

Country	No. of Projects	Total ADB Approvals (\$ million)
India	37	2,268
People's Republic of China	21	1,694
Indonesia	15	879
Philippines	28	768
Pakistan	27	721
Kazakhstan	5	550
Thailand	10	319
Viet Nam	8	305
Sri Lanka	13	280
Bangladesh	8	242
Afghanistan	6	208
Lao People's Democratic Republic	1	100
Other DMCs	13	87
Azerbaijan	4	66
Nepal	4	59
Regional	36	930

DMC = developing member country.

<sup>a</sup> Includes nonsovereign projects processed by the Private Sector Operations Department and various regional operations departments of ADB. Regional operations departments started nonsovereign operations in 2007.

<sup>b</sup> Net of facilities cancelled in full before signing.

Source: Private Sector Operations Department.

From 1 January 1985 to 31 December 2008, 18,104 consultant contracts were awarded under ADB technical assistance projects worth \$2.33 billion, of which 23 contracts were awarded to consultants from Myanmar worth \$1.3 million.

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

**Table 6. Myanmar: Contractors/suppliers involved in ADB loan projects, 1 January 2004–31 December 2008**

Contractor/Supplier	Sector	Contract Amount (\$ million)
Rafique Construction Company	Multisector	0.20
M/S Anadi Das	Transport and Communications	0.04

**Table 7. Myanmar: Top individual consultants involved in ADB loan projects, 1 January 2004–31 December 2008**

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Myanmar Individual Consultants*	2	0.18

\* Consultant may have one or more contracts within the period covered.

**Table 8. Myanmar: Top individual consultants involved in ADB technical assistance projects, 1 January 2004–31 December 2008**

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Myanmar Individual Consultants*	5	0.25

\* Consultant may have one or more contracts within the period covered.

**Table 9. ADB Assistance to DMCs, 2007–2008<sup>a</sup>**

	2007 (\$ million)	2008 (\$ million)	Change (%)
Lending	9,965.59	10,494.27	5.3
ADF Sovereign	1,892.84	1,789.56	(5.5)
OCR Sovereign	7,347.48	6,924.48	(5.8)
OCR Nonsovereign	725.27	1,780.23	145.5
Public Sector	10.00	300.00	2,900.0
Private Sector	715.27	1,480.23	106.9
Equity Investments	79.75	123.08	54.3
Grants	672.71	811.37	20.6
Technical Assistance	252.84	274.50	8.6

ADF = Asian Development Fund, OCR = ordinary capital resources.

<sup>a</sup> Excludes terminated loans, equity investments, technical assistance, and grants.

## About Myanmar and ADB

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

### ADB Membership

Joined	1973
Shares held	19,270 (0.54%)
Votes	32,502 (0.73%)

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

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

The Myanmar government agencies handling ADB affairs are the (i) Foreign Economic Relations Department (FERD) under the Ministry of National Planning and Economic Development, and (ii) Ministry of Finance and Revenue.

## About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2008, lending volume was \$10.49 billion (86 projects), with TA at \$274.5 million (299 projects) and grant-financed projects at \$811.4 million (49 projects). This also generated \$1.65 billion in direct value-added cofinancing from financing partnerships operations. Over the last 5 years (2004–2008), ADB's annual lending volume averaged \$7.70 billion, with TA averaging \$231.5 million and grant-financed projects \$655.1 million. As of 31 December 2008, the cumulative totals were \$143.53 billion in loans for 2,147 projects in 41 countries, \$4.08 billion for 263 grant projects, and \$3.55 billion for 6,599 TA projects.

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### Useful ADB websites

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

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

Asian Development Outlook  
[www.adb.org/Documents/Books/ADO/2009/MYA.pdf](http://www.adb.org/Documents/Books/ADO/2009/MYA.pdf)

Annual Report  
[www.adb.org/Documents/reports/annual\\_report/2008/](http://www.adb.org/Documents/reports/annual_report/2008/)

Depository Libraries  
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