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BILATERAL ECONOMIC RELATIONS BETWEEN MYANMAR AND THE NETHERLANDS

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EMPA - 75 (16th BATCH)

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BILATERAL ECONOMIC RELATIONS BETWEEN MYANMAR AND THE NETHERLANDS

A thesis submitted in partial fulfillment of the requirements for the
Degree of Master of Public Administration (MPA)

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ABSTRACT

Bilateral economic relations perform a strategic function in the growth and development of an economy. This study aims to examine the bilateral economic relation between Myanmar and the Netherlands which include trade, Dutch investments in Myanmar and features and focus of Dutch aids on economic development to Myanmar by using descriptive methods. Apparel products of Myanmar to the Netherlands dominates in export sector while manufacturing, oil & gas, mining, transport & communication, livestock & fishery and service sectors are Dutch investment recipient sectors in Myanmar. In term of development assistance, only three sectors: agriculture, trade and water, are main themes of the Netherlands. Findings of this study provide the main export sectors focused on few items, Dutch investment focus area concentrated on manufacturing, oil & gas, transport & communication, livestock & fishery, service and Dutch aids to Myanmar funneled to agriculture, water and economic. Challenges related halo of political landscape and potential of economic relations are highlighted and possible ways to mitigate the challenges are recommended in this study.

Keywords: bilateral, economic relations, investment, trade, aid

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LIST OF ABBREVIATIONS

ADB	Asian Development Bank
ASEAN	Association of South East Asia Nations
CBS	Statistics Netherlands
CBM	Central Bank of Myanmar
CPB	Netherlands Bureau for Economic Policy Analysis
CSO	Central Statistical Organization
DICA	Directorate of Investment and Company Administration
EBA	Everything But Arm
EU	European Union
FDI	Foreign Direct Investment
FIL	Foreign Investment Law
GDP	Gross Domestic Product
GSP	Generalized Scheme of Preferences
HS	Harmonized System
IT	Information Technology
LDC	Least Developed Countries
MFN	Most Favored Nation
MIC	Myanmar Investment Commission
MIL	Myanmar Investment Law
MMK	Myanmar Kyat
MMSIS	Myanmar Satistical Information Service
MNC	Multinational Corporation
MNE	Multinational Enterprise
MOPF	Ministry of Planning and Finance
NLD	National League for Democracy
NTM	Non-Tariff Measure
OEC	Observatory of Economic Complexity
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
RVO	Netherlands Enterprise Agency
U.K	United Kingdom

UNCTAD	United Nations Conference on Trade and Development
UNESCAP	The United Nations Economic and Social Commission for Asia and the Pacific
USD	United States Dollar
USDP	Union Solidarity and Development Party
SLORC	State Law and Order Restoration Council
SPDC	State Peace and Development Council
VOC	Dutch East India Company
WTO	World Trade Organization

CHAPTER (1)
INTRODUCTION

1.1 Rationale of the Study

At the international level, trade, foreign direct investment, and aid are the most frequently studied in international political relations. Trade and investment flows are important factors shaping international relations between countries because they affect broad economic developments that include resource transfer, job creation, and knowledge transfer. Polins (1989), in a seminal study, found support for the hypothesis that trade flows between countries are influenced by the quality of political relations. In another important study, Summary and Summary (1995) discovered that both economic and political variables affect US direct investment in developing countries. In a case study – focusing on China-Japan relations and the two-way causation between conflict and trade – the results suggest that economic relations underpin and constrain political relations, while positive political developments could promote trade somewhat. (Armstrong, 2010).

Political relations between countries shape foreign aid. Aid may be channeled in different forms: loans, grants, humanitarian, technical, economic, and military assistance, and through multilateral or bilateral channels. Regardless of its form, foreign aid is designed to serve the political and economic interests of the donor while supporting economic development in the recipient country; this dual purpose invariably reduces the benefits to the recipient. It is also important to recognize that even on the level of multilateral aid, handled by international organizations such the World Bank, donor countries play an influential role in directing and designing aid programs. (NAJAFI & ASKARI, 2012)

Bilateralism: the conduct of political, economic, or cultural relations between two sovereign states. has advantages and disadvantages in comparison with the alternatives. With respect to unilateralism where one party acts on its own, it offers less freedom of action. Yet it also offers the ability to realize mutual gains that may be available only from acting jointly, for example, greater economic activity from freer trade, reduced armament burdens from agreed limitations, and greater security from cooperation against external threats.

With respect to multilateralism, where three or more parties are involved the calculus reverses itself. Bilateralism affords greater freedom and efficiency of action because fewer actors are involved. The League of Nations and its successor, the United Nations, have often been criticized for ineffectiveness because too many parties are involved.

Yet bilateralism is too costly and is insufficient to deal with some world problems. For example, the multilateral World Trade Organization is a much easier way to organize free trade than to have every country negotiate bilateral free-trade agreements with each other. And bilateral agreements would be unwieldy and not comprehensive enough for a systemic problem like global warming. The efficacy of bilateralism depends on the issue and the situation.

Since 17th century, Myanmar and the Netherlands have communicated on trading. Dutch had landed in Myanmar (Burma) around 1630s for the reason of trading as usual by crossing the Bay of Bengal from India. Dutch established manufacturing plants in Myanmar (Burma) and stayed for almost 50 years. During this era, building relation with King was vital for traders. Dutch dealt with four Taungoo Kings (Thalun, Pindalè, Pye and Minyèkyawdin). During these period, Dutch and Burmese Kings including other dignitaries exchanged gifts as diplomatic courtesy. The gift from Myanmar (Burma) were ruby rings, betel boxes, tin, lac, chilies, elephant tusks, teak, musk and, as a great favor, the elephant while Dutch presented lion, bear and luxury textiles.

However, the official diplomatic relation with Myanmar and the Netherlands started in 1947, just before independence from British (Ministry of Foreign Affairs, 2019). The Netherlands was one of the early diplomatic tied countries. Netherlands was part of the Student Union's history in Myanmar during Revolutionary Council (1962) era. Three Student Unions carried out a strike at Dutch embassy at 5th July 1962. The military authorities then stated that the people involved in the strike did not really represent the unions but the unions objected (Oo, 1994). After few months later, Netherlands government decided to close down the embassy located at University Avenue.

Since then, relationship between two countries have been enfeebled including economic transactions. There was no resident representative in Myanmar till 2012.

Isolation of Myanmar from international community last almost 50 years. Due to positive political progress in Myanmar, Netherland government opened a laptop mission office in 2013 and Dutch foreign minister Bert Koenders reopened the embassy in Yangon in 2016. Since the decision in 2013 to intensify economic diplomacy, trade with the Myanmar has tripled. (Government of the Netherlands, 2016). As of March 2019, Netherlands investment rank 9th in FDI inflow to Myanmar.

Thus, bilateral economic relations between the Netherlands and Myanmar need to be analyzed for understanding of Dutch investment, trade and aid features.

1.2 Objective of the Study

Objective of the study is to examine bilateral economic relations between Myanmar and the Netherlands including trade between two countries, the Netherlands investments in Myanmar and features of the Netherlands aids on economic development to Myanmar.

1.3 Method of the Study

This study uses the descriptive and qualitative methods are used. Primary data is conducted by key informant interview (Dutch ambassadors, commercial counsellors, development counsellors, Netherlands Enterprise Agency (RVO), Dutch company executives, chamber of commences, etc) and Secondary data are reports from UNESCAP, World Bank, CBS, ADB, World Trade Center, DICA, CSO, MOPF.

1.4 Scope and Limitation of the Study

This study focuses on only bilateral economic relations between the Netherlands and Myanmar. Due to data availability, trade data, investment data and economic development ODA figure from 2012 to 2019 are applied in this study.

1.5 Organization of the Study

This study is organized into five chapters. Chapter one presents the introduction, which describes the rationale, objectives, method of study, scope and limitations and organization of the study. Chapter two presents the literature review on international trade, foreign direct investment and development aid. Chapter three is overview on relation with EU, trade and investment policies, aid receptions status of Myanmar.

Chapter four describes bilateral economic relations between the Netherlands and Myanmar. Finally, findings, and recommendations are presented in Chapter five.

CHAPTER (2)
LITERATURE REVIEW

2.1 Bilateral Economic Relation

For all the attention given to trendy concepts like 'globalization', individual bilateral relations continue to be invoked as measures of the comparative efficacy of national economic policy settings. Caveats about the theoretical utility of national economies notwithstanding,1 there is still something to be said for this sort of analysis. At the very least, an examination of specific bilateral relations allows more detailed consideration to be given to the interaction between distinctive national economic patterns of organization, and the sorts of policies that are designed to enhance or accommodate such variations.

The potential significance of a bilateral perspective at both at the levels of theory and political discourse is, of course, most apparent in the US-Japan relationship. This relationship embodies the distinctly different styles of capitalist organization that have attracted the attention of scholars (Thurow, 1992; Tyson, 1993) and, superficially at least, appears to offer the possibility of empirically comparing alternative economic paradigms.

Bilateral economic relations refer to the economic relations between two countries. In the current global economic scenario, countries can no longer afford to restrict economic activities within the home economy. With the growth or globalization and liberalization, countries find it advantageous to forge economic relations with other nations. Bilateral economic relations play a strategic role in the growth and development of an economy. Some of the major benefits of bilateral economic relations are advantages of cost, economies of scale, and employment. Many countries across the globe have established strong bilateral economic relations with other countries.

Bilateral economic relations help developed nations to access the markets of developing countries. This is beneficial for the industries of the developed nations as they can penetrate the markets of various countries. Developing nations like India and China have also gained significantly from bilateral economic relations with other countries. The biggest advantage for the developing nations from bilateral economic relations is in the form of employment generation. With the inflow of capital to these countries, economic activity is boosted resulting in the growth of the economy. In the case of undeveloped economies, bilateral economic relations help them to get economic aid and loans for development projects.

One of the major components of bilateral economic relations is bilateral trade. The trade of goods and services between two countries help both the participating countries to reap benefits by exporting goods and services which are produced in excess and importing those where there is a shortfall. Bilateral trade brings don cost of production of those goods and services for which there is comparative disadvantage in an economy. In this era of globalization, many countries have opened up their economy to foster bilateral trade. Regulatory relaxations along with relaxations in import excise and customs play an important role in bilateral trade. Several bilateral trade agreements have been signed between nations.

Another import aspect of bilateral economic relations is FDI (Foreign Direct Investment). Inflow of foreign direct investments has proved to be beneficial for many developing economies. Many countries across the globe have undertaken liberalization policies to attract foreign direct investments into the economy. This is also beneficial for investors since they can invest in countries from where they can get higher returns. Bilateral economic relations also help countries to get loans and economic aid from other countries during times of need. This is especially beneficial for developing and undeveloped countries. (The Conversation, 2016)

2.2 International Trade

International Trade refers to the exchange of products and services from one country to another. In other words, imports and exports. International trade consists of goods and services moving in two directions: 1) Imports – flowing into a country from abroad. 2) Exports – flowing out of a country and sold overseas. Visible trade refers to the buying and selling of goods – solid, tangible things – between countries. Invisible trade, on the other hand, refers to services.

2.2.1 Historical Background

Trade had started before history when people were able to communicate each other. First trading system called barter was exchanging goods for goods. Successively, the system was improved time to time and become more efficient after buffering the currency. The genuine trade had begun at that point. Before the capitalism was popular, trade between countries was concentrated on state specialization based on countries' competitive advantage such as availability of raw material for manufacturing of goods. Together with the emergence of capitalism, a new vital aspect appeared called international division of labor which exaggerated the relationships and interdependencies in international. (TERZEA, 2016)

The industrial revolution accelerated and increased constantly this division of labor. By the international division of labor, nations were split into two groups: underdeveloped or agricultural and developed or industrialized. Industrial revolution has intensified the growth of international trade of goods and services, labor force and information exchange, creating global market where the demand and supply of material, services, labor force, technical know-how of countries, in the structure of international business transaction governed by objective law of international trade. (Mihai & Mihai, 2002).

2.2.2 Trade Theories

A number of foreign trade theories have been out during last few decades defending reasons of countries involve in trade, explaining trade patterns, and its ripple effects to stakeholders. The Heckscher-Ohlin theory, also named the factor-proportions theory, explained interaction of the supply and demand structures of the economy. The supply structure determines the productions volume of goods and services generated, while demand structure determines the consumption level of goods and services. (Marrewijk, 2002). Trade theory is conventionally labelled as a macro circumstance while trade is described in cumulative numbers.

There are six assumptions usually postulated for the analysis of the Heckscher-Ohlin theory of trade: 1) no transportation costs or trade barriers (implying identical commodity prices in every country with free trade); 2) perfect competition in both commodity and factor markets; 3) all production functions are homogeneous to the first degree (implying constant returns to scale); 4) production functions are such that the two commodities always show different factor intensities; 5) production functions differ between commodities but are the same in both countries; and 6) tastes are the same in both countries (more specifically, both countries have identical homothetic community indifference maps).

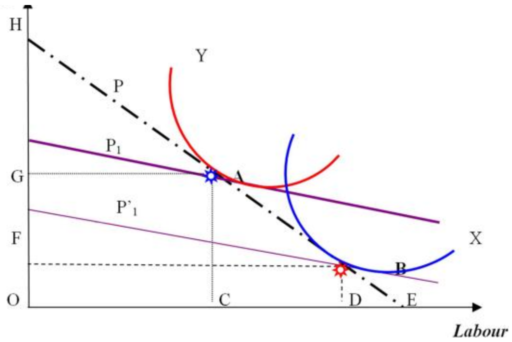
Furthermore, there are four major theorems in the Heckscher- Ohlin model: (1) the factor-price equalisation theorem; (2) the Stolper-Samuelson theorem; (3) the Rybczynski theorem; and (4) the Heckscher-Ohlin theorem. While (2) and (3) describe relationships between variables in the model, (1) and (4) present some of the key results of the model.

Factor Price Equalization Theorem assumes that if factors of production are freely mobile among countries, then factor prices would be the same in all countries. The factor price equalization theorem says that if the prices of the output goods are equalised between countries engaged in free trade, then the price of the input factors will also be equalised between countries. This implies that the wages and rents will converge across the countries with free trade, or in other words, trade in goods is a perfect substitute for trade in factors.

Stolper-Samuelson Theorem states that an increase in the price of a good will cause an increase in the price of the factor used intensively in that industry, and a decrease in the price of the other factor.

Like the Stolper-Samuelson theorem, the Rybczynski theorem depicts the relationship between endowments and outputs by assuming a small open economy engaged in free trade. It demonstrates how changes in an endowment affect the output of the goods when full employment is maintained. This theorem states that an increase in the endowment of a factor will increase the output of the industry using it intensively and decrease the output of the other industry.

Figure 2.1: Factor Abundance Defined by Factor Prices



Heckscher-Ohlin Theorem states that a capital-abundant country will export a capital-intensive good and a labor-abundant country will export a labor-intensive good. Consider two countries, the US and Mexico in the example above and recall that the assumptions applied to the Heckscher-Ohlin theory include a similarity in production functions (identical technology) and aggregate preferences across the two countries.

The difference in resource endowments between two countries is sufficient to generate different PPFs, such that equilibrium price ratios would be different in autarky.

Since the Heckscher-Ohlin theorem assumes identical constant-returns-to-scale production technologies in both countries, the relationship between factor price ratio and commodity price ratio should be examined. Figure 1 shows the unit isoquant curve for the labor-intensive good X (clothes) and the capital-intensive good Y (steel). The US is relatively capital abundant and has a factor price ratio represented by the line P, while that of Mexico is represented by the line P1. One unit of capital-intensive good Y is produced by OG units of capital and OC units of labor. However, capital and labor can be exchanged for each other, therefore OC unis of labor can be exchanged for GH units of capital, and OG units of capital are worth CE units of labor. Thus, the cost of producing one unit of the capital- intensive good Y in the US, measured in units of capital, is OH; and measured in units of labor is OE. Similarly, the cost of producing one unit of the labor-intensive good X is OE when measured in units of labor, and OH when measured in units of capital.

The factor price ratio P1 of Mexico is tangent to the unit isoquant curve for good Y (steel) at point A, which means capital is relatively more expensive in Mexico than in the US. A parallel shift of P1 to P'1 is tangent to the unit isoquant curve for good X (clothes) at point B, certainly below P1. Therefore, in Mexico, it is relatively more expensive to produce good Y (steel) than X (clothes).

All of the above implied that any difference in autarky prices between the US and Mexico is sufficient to induce profit- seeking firms to trade. The higher price of the capital- intensive good Y (steel) in Mexico will induce firms in the US to export steel to Mexico to take advantage of the higher price. Likewise, the higher price of the labor-intensive good

X (clothes) in the US will induce Mexican firms to export cloth to the US. For that reason, if the price definition of factor abundance used, a country is relatively more capital abundant than the other if the price of capital is relatively cheaper in that country. So, in conclusion, we can say that the capital-abundant country will export the capital-intensive good, and the labor-abundant country will export the labor-intensive good.

According to Ezeala-Harrison (1999: 22), the new trade theory (NTT) emanates from the new growth theory (NGT) that emerged within the international trade and economic growth and development literature during the early 1990s. The NGT emphasises technological progress (and the determinants of technological progress) as well as the externalities that the development and application of new knowledge confers, as explicit variables that determine economic growth. Apparently, it posits that innovations take place more in some countries than others because of, among other things, differences in the development of science in the countries, the relative levels and quality of their research institutions, and the relative levels and quality of their educational systems.

The central point of this theory is the diffusion of knowledge between firms as knowledge is given as a key factor of production. Therefore, the main fundamental nature of NGT is its implications that firms should invest more in knowledge, as much as in other capital resources in order to be productive or maintain productivity. The association between the NGT and the NTT lies in their common magnitude of technology and the diffusion of knowledge in the relative flow of the gains from trade to trading countries. These theories are regarded as 'new' as they derive from the traditional neoclassical trade theories based on the principles of comparative advantage, which emphasizes the differences between nations' resource endowments (Ezeala-Harrison 1999). The NTT was developed to explain high levels of intra-industry trade and the large proportion of world trade that takes place between similar countries (Dicken 1998; Poon 1997). It suggests that the existence of increasing returns to scale and imperfect competition provides reasons for specialization and trade, even when countries are similar in factor endowments (Krugman 1979; Helpman and Krugman 1985).

2.2.3 Advantage and Disadvantage of International Trade

International trade enables countries, companies, brands and corporations to get access in foreign markets. It provides enormous amount of development and expansion but also increase in some areas. In positive side, it paves a foundation for international growth, improves financial performance, spreads out the risk of business from natural disasters and business crisis, encourages market competitiveness, benefits to business by exchange rate, revenue protection under series of contracts, insurance, financial instrument, and high level of domestic competition. However, international trade also bares some drawback points including political risks, exchange rate risks, cultural complications, credit risk, and leakage of information such as trade secrets (Ayres, 12 Advantages and Disadvantages of International Trade, 2019).

2.2.4 Global Trading Trend

World merchandise trade has bounced back from 16 trillion USD to 17 trillion USD in 2017 but the amount is still below the recorded level in 2013 by 19 trillion USD. According to CPB database, recovery of world trade in 2017 was driven by two reasons. Firstly, the import demand from emerging economies was significantly increase, which was 6.9% growth in 2017 compared to 0.6 % in 2016. The import demand increase by developing counties was 3.5% from 2.1%, which was relatively less. Secondly, Asia was highest import growth rate with 8.8% followed by Latin America (6.2%), United States (4%) and Europe (3.1%).

In 2019, it is estimated that top five importer will be United States with 193 billion USD imports, China with 161 billion USD, Germany with 67 billion USD, India with 58 billion USD and Japan with 48 billion USD. The service sector will be leading with 365 billion USD, followed by electronic & electric (E&E) products account for 337 billion USD. Rising of middle class in emerging market will help service sector while digitalization will accelerate servitization of manufacturing sector. (Islam, Boata, Subran, & Passis, 2018)

2.3 FDI

UNCTAD defines foreign direct investment (FDI) as an investment involving a long-term relationship and reflecting a lasting interest and control by a resident entity in one economy (foreign direct investor or parent enterprise) in an enterprise resident in an economy other than that of the foreign direct investor (FDI enterprise or affiliate enterprise or foreign affiliate). FDI implies that the investor exerts a significant degree of influence on the management of the enterprise resident in the other economy. Such investment involves both the initial transaction between the two entities and all subsequent transactions between them and among foreign affiliates, both incorporated and unincorporated. FDI may be undertaken by individuals as well as business entities. Flows of FDI comprise capital provided (either directly or through other related enterprises) by a foreign direct investor to an enterprise, or capital received from an investing enterprise by a foreign direct investor.

OECD labels foreign direct investment (FDI) as a category of cross-border investment in which an investor resident in one economy establishes a lasting interest in and a significant degree of influence over an enterprise resident in another economy. Ownership of 10 percent or more of the voting power in an enterprise in one economy by an investor in another economy is evidence of such a relationship. FDI is a key element in international economic integration because it creates stable and long-lasting links between economies. FDI is an important channel for the transfer of technology between countries, promotes international trade through access to foreign markets, and can be an important vehicle for economic development. The indicators covered in this group are inward and outward values for stocks, flows and income, by partner country and by industry and FDI restrictiveness.

2.3.1 FDI Theories

Economists attempted serval methods to explain FDI nature and its patterns. One of the famous theories described by Japanese economist, Terumoto Ozawa, is the relationship of FDI, competitiveness and economic development. According to Ozawa, there are three main phases of development in the patterns of FDI inflows and outflows from a country. In the first phase of economic growth, the country is underdeveloped and is targeted by foreign companies who want to exploit its potential advantages (especially low labor costs). In this phase, there is no outgoing FDI. In the second phase, new FDI inflows promote domestic markets, and subsequently, result in increasing the standards of living. In this phase, outgoing FDI is motivated by the rising labor costs. Finally, in the third phase, the competitiveness of a country is determined based on innovations. During this phase of economic development, the incoming and outgoing FDI are motivated by market and technological factors.

John Dunning improved that theory to a five-stage theory of development as follows:

Stage 1: The country is underdeveloped with a low FDI inflow, despite foreign companies are beginning to explore the advantages of the country but no outflow FDI at all.

Stage 2: Low labor costs is drawing factor for growing inflow FDI while rising living standards is appealing more foreign companies.

Stage 3: Economic growths in this stage alongside of accelerating inflow FDI. However there are some factors impacting strong inflow FDI such as increasing wages.

Stage 4: Outward FDI start looking for comparative advantages in overseas.

Stage 5: Outward and inward FDI reach stability while investment choices are made according to corporation’s strategies.

Hymer urged that FDI is not equally distributed its concentration among industries, however its competitive conditions undoubtedly allocate FDI (Lindberg, 2007b). He assumed that local firms have a basic advantage over foreign firms on a specific market (Dicken, 2007). He also highlighted the importance of business and corporation specific advantages for instance unique technology which can yield thick profit margin for company (Lindberg, 2007b).

FDI is the most capital-intensive form of internalization activity. The foreign trade and FDI theories are associated as they give a deeper understanding of the changes of production facilities and networks, configured at a multiplicity of geographic scales, from the local to the international.

Production cycle theory developed by Vernon in 1966 was used to explain certain types of foreign direct investment made by U.S. companies in Western Europe after the Second World War in the manufacturing industry. Vernon believes that there are four stages of production cycle: innovation, growth, maturity and decline. According to Vernon, in the first stage the U.S. transnational companies create new innovative products for local consumption and export the surplus in order to serve also the foreign markets. According to the theory of the production cycle, after the Second World War in Europe has increased demand for manufactured products like those produced in USA. Thus, American firms began to export, having the advantage of technology on international competitors.

If in the first stage of the production cycle, manufacturers have an advantage by possessing new technologies, as the product develops also the technology becomes known. Manufacturers will standardize the product, but there will be companies that you will copy it. Thereby, European firms have started imitating American products that U.S. firms were exporting to these countries. US companies were forced to perform production facilities on the local markets to maintain their market shares in those areas. This theory managed to explain certain types of investments in Europe Western made by U.S. companies between 1950-1970. Although there are areas where Americans have not possessed the technological advantage and foreign direct investments were made during that period.

The Theory of Exchange Rates on Imperfect Capital Markets is another theory which tried to explain FDI. Initially the foreign exchange risk has been analyzed from the perspective of international trade. Itagaki (1981) and Cushman (1985) analyzed the influence of uncertainty as a factor of FDI. In the only empirical analysis made so far, Cushman shows that real exchange rate increase stimulated FDI made by USD, while a foreign currency appreciation has reduced American FDI.

Cushman concludes that the dollar appreciation has led to a reduction in U.S. FDI by 25%. However, currency risk rate theory cannot explain simultaneous foreign direct investment between countries with different currencies. The sustainers argue that such investments are made in different times, but there are enough cases that contradict these claims.

The Internalization Theory tries to explain the growth of transnational companies and their motivations for achieving foreign direct investment. The theory was developed by Buckley and Casson, in 1976 and then by Hennart, in 1982 and Casson, in 1983. Initially, the theory was launched by Coase in 1937 in a national context and Hymer in 1976 in an international context. In his Doctoral Dissertation, Hymer identified two major determinants of FDI. One was the removal of competition. The other was the advantages which some firms possess in a particular activity (Hymer, 1976).

Buckley and Casson, who founded the theory demonstrates that transnational companies are organizing their internal activities so as to develop specific advantages, which then to be exploited. Internalization theory is considered very important also by Dunning, who uses it in the eclectic theory, but also argues that this explains only part of FDI flows. Hennart (1982) develops the idea of internalization by developing models between the two types of integration: vertical and horizontal. Hymer is the author of the concept of firm-specific advantages and demonstrates that FDI take place only if the benefits of exploiting firm-specific advantages outweigh the relative costs of the operations abroad.

According to Hymer (1976) the MNE appears due to the market imperfections that led to a divergence from perfect competition in the final product market. Hymer has discussed the problem of information costs for foreign firms respected to local firms, different treatment of governments, currency risk (Eden and Miller, 2004). The result meant the same conclusion: transnational companies face some adjustment costs when the investments are made abroad. Hymer recognized that FDI is a firm-level strategy decision rather than a capital-market financial decision.

The Eclectic Paradigm of Dunning theory developed by professor Dunning is a mix of three different theories of direct foreign investments (O-L-I):

1) “O” from Ownership advantages:

This refer to intangible assets, which are, at least for a while exclusive possesses of the company and may be transferred within transnational companies at low costs, leading either to higher incomes or reduced costs.

But TNCs operations performed in different countries face some additional costs. Thereby to successfully enter a foreign market, a company must have certain characteristics that would triumph over operating costs on a foreign market. These advantages are the property competences or the specific benefits of the company. The firm has a monopoly over its own specific advantages and using them abroad leads to higher marginal profitability or lower marginal cost than other competitors. (Dunning, 1973, 1980, 1988).

There are three types of specific advantages: a) Monopoly advantages in the form of privileged access to markets through ownership of natural limited resources, patents, trademarks; b) Technology, knowledge broadly defined so as to contain all forms of innovation activities c) Economies of large size such as economies of learning, economies of scale and scope, greater access to financial capital;

2) “L” from Location:

When the first condition is fulfilled, it must be more advantageous for the company that owns them to use them itself rather than sell them or rent them to foreign firms. Location advantages of different countries are de key factors to determining who will become host countries for the activities of the transnational corporations.

The specific advantages of each country can be divided into three categories: a) The economic benefits consist of quantitative and qualitative factors of production, costs of transport, telecommunications, market size etc. b) Political advantages: common and specific government policies that affect FDI flows c) Social advantages: includes distance between the home and home countries, cultural diversity, attitude towards strangers etc.

3) “I” from Internalization:

Supposing the first two conditions are met, it must be profitable for the company the use of these advantages, in collaboration with at least some factors outside the country of origin (Dunning, 1973, 1980, 1988). This third characteristic of the eclectic paradigm OLI offers a framework for assessing different ways in which the company will exploit its powers from the sale of goods and services to various agreements that might be signed between the companies.

As cross-border market Internalization benefits is higher the more the firm will want to engage in foreign production rather than offering this right under license, franchise.

Eclectic paradigm OLI shows that OLI parameters are different from company to company and depend on context and reflect the economic, political, social characteristics of the host country. Therefore the objectives and strategies of the firms, the magnitude and pattern of production will depend on the challenges and opportunities offered by different types of countries.

All the empirical results reveal that for FDI there is not a unified theoretical explanation, and it seems at this point very unlikely that such a unified theory will emerge. Neoclassical trade theory failed to explain the existence of Multi-National Corporations. Explanations in terms of differences in rates of return between countries could explain portfolio investments, but foreign direct investments (FDI). It was not until Hymer presented his work, in 1960, of foreign direct investments and multinational enterprises that a satisfying explanation was at hand. After all these different attempts to explain why FDI take place and the pioneering work by Hymer (1976), the conceptual framework used until very recently was the one proposed by Dunning (1977), the OLI paradigm.

2.3.2 Advantage and Disadvantage of FDI

FDI brings positive effects to host countries and performs as engine of growth, although it effects negative impacts to host countries to certain extent. In term of advantages, FDI can accommodate following impacts to host country.

1) Invigorating economic development: FDI can catalyze more enabling environment for investor and benefits for local industries and businesses.
2) Smoothing international trade: FDI facilitates the requirement of firms presence in the international markets to ensure sales and eliminate high import tariff for finish goods.
3) Creating jobs and boosting economic: FDI creates new jobs which lead to rise in income and more purchasing power that turn leads to an economic boost.
4) Human capital development: FDI contributes human capital resources by training and sharing experience which increase the education and capabilities of the country. A FDI host country can advantage significantly by developing its human capital while maintaining ownership of that capital.

5) Tax incentives: FDI host country can yield various forms of tax from investor after tax holidays granted by laws and regulations. On the other hand, host country can boost a specific sector to reach target growth by using tax an incentive tool.
6) Resource transfer: FDI allow resource and technologies transfer from abroad to host country.
7) Increase productivity: The machines and methods brought by FDI investor can increase productivity of host country which used traditional methods of production.

However, there are some drawbacks of FDI which impact to host country as well as investor.

1) Undermine domestic investment: When FDI brings investment and technologies, it can undermine domestic investment and dominate local business activities.
2) Negative wage spillovers: Wage spillovers of the FDI are considered to be mostly positive as workers of MNEs. However, it might cause negative consequences as well, especially, if MNEs hire the best workers due to their high wages and thereby leave lower-quality workers at the domestic firms.
3) Profit repatriation: After certain period of business commencement, FDI investors regularly repatriate their profits to their parent countries which causes huge capital outflows and negatively affects the balance of payment of the former
4) Environmental issues: Most FDI inflow to developing countries is concentrated in natural resource extraction which negatively impact to host country's ecosystem and environmental degradation.
5) Political instability: FDI investment is normally made in developing countries which used to have political instability. As FDI investor is foreign firm, the investment will have to experience both host country and home country's political landscape.

2.3.3 Global Foreign Direct Investment Trend and Prospects

FDI flows continued downward trend globally in 2018, decreased by 27% compared to 2017, to USD 1 097 billion. This represents 1.3% of global GDP, the lowest level since 1999. The drop was largely due to the 2017 US tax reform which prompted US parent companies to repatriate large amounts of earnings held with foreign affiliates. However, flows to developing countries remained stable, rising by 2 percent. As a result of the increase and anomalous fall in FDI in developed countries, the share of developing countries in global FDI increased to 54 per cent, a recorded high. Among the region, Africa received FDI 11 per cent rise, valued 46 billion USD while Asia keep the FDI largest recipient region with over 500 billion in 2018.

Table (2.1) World's FDI & % of World's GDP

Year	**World's FDI (billion USD)**	% of World's GDP
1993	220	0.836
1994	255	0.889
1995	342	1.059
1996	389	1.172
1997	481	1.484
1998	691	2.194
1999	1,076	2.980
2000	1,357	4.356
2001	773	2.395
2002	590	2.143
2003	551	1.831
2004	692	2.239
2005	949	3.287
2006	1,403	4.193
2007	1,891	5.272
2008	1,480	3.759
2009	1,172	2.171
2010	1,365	2.729
2011	1,561	3.026
2012	1,470	2.733
2013	1,431	2.567
2014	1,357	2.246
2015	2,034	3.119
2016	1,919	3.184
2017	1,497	2.561
2018	1,297	1.389

Source: World Bank, 2019

2.4 Development Aid and Its Effects

The ideology of merging trade and aid program have developed recently. Conventionally, different institution such as General Agreement on Tariffs and Trade (GATT) (later the WTO) and development agencies endorsed aid and trade agendas

(Hoekman, 2007). As outcome, aid and trade programs are planned to countries according to the world current situation.

As today world, aid program itself is not enough for global south countries. Net Official development assistance flowed into global south countries in 2014 accounted US$ 48 billion, however the export volume created by same member countries reached over US$ 1,985 billion. Besides, aids provided were much less than either FDI inflows or migrant worker remittances back to their home countries. The possible correlation between aid flows and trade flows is regarded as interaction between aid and trade. Trade flows is developed by aid flows due to general economic effects encourage in beneficiary country or trade-tied aid or aid reinforces bilateral economic and political association or combined model.

The effect of aid on trade viewed by traditional macroeconomic is aid enhancements national saving, leading to enlarged investment which causes higher rate of economic growth than ordinary without aid (White, 1992). The promoted growth catalysts a better and larger capacity of the host country to fascinate foreign goods and service including from contributing country.

In the intermediate term, aid creates more international trade into host country. Aid frequently linked with provision of economic reform including policies. If trade liberalization is designed in aid program, it effects directly to trade. On the other hand, aid programs could also stimulate the growth of the host indirectly as it can enlarge import capacity of the host country.

2.5 Reviews on Previous Studies

May Sabe Phyu Lwin (2009) studied that a study in ASEAN-Japan Economic Cooperation. The study is to find out the Japan as the largest economy in East Asia has been one of the most important economic partner of ASEAN. The economic cooperation between ASEAN and Japan has been mainly concentrated on trade, investment and official development assistance. Reference this aim is the important of foreign trade and investment in economic development of ASEAN countries the trade pattern and relationship of ASEAN and Japan, and foreign direct investment of ASEAN and Japan during the period of 1995 to 2006.

Tha Ya Phe Ko (2013) studied that a study on Myanmar –India Trade Relations. The study is to find out the main objectives are the trade relations between Myanmar India, and how to cooperate between two countries whose in terms of important implication in the form of market economies from previous of fiscal year (200-2001) to (2011-2012). The study learn the trade theory and economic development. Trade between two countries to be more effective, it is important the trade relations between two countries the flows of import and export transactions is very large.

Anne Hyttinen (2011) studied “The Role of ASEAN Regional Economic Integration in Finnish Companies’ Operation in Southeast Asia”. It was found that the existing strategies theories: resource-based view & industry-based view are lacking the institutional aspect and states that formal and informal institutional constraints affect the companies’ strategies choices, Here is also discussed the role of regional economic integration as a part of institutional context and how it changes the institutional environment.

Zune Soe Naing (2017) studied that a study on Economic Relations Between ASEAN and Japan. The study focuses on the important of trade and FDI in economic development relations between ASEAN and Japan during the period of 2009 to 2015. Japan and ASEAN relation can be seen as a mutual relationship that has developed in an attempt to resolve security and stability issues as well as to foster economic, diplomatic, and cultural understanding and cooperation within East Asia.

CHAPTER (3)

OVERVIEW ON MYANMAR TRADE POLICIES, INVESTMENT POLICIES AND DEVELOPMENT AIDS TO MYANMAR

3.1 Trade Policy

Trade policies govern the size of markets for the output of corporations and hence strongly effect both foreign and local investment. Over time, the influence of trade policies on the investment climate is growing. Changes in technology, liberalization of host country policies towards trade and investment and the growing organization of international production chains within multinational enterprises (MNEs) have all served to make trade policies in home and host countries alike a crucial ingredient in encouraging both foreign and domestic investment and in maximizing the contribution of that investment to development.

Trade Policy of Myanmar

Myanmar is one of the founding members of the WTO and, also the member of The Association of Southeast Asian Nations (ASEAN) since 1997 at the region, with current component agreements on goods, services and investment. Its trade with other ASEAN member countries accounts for approximately half of Myanmar's overall trading volume. Due to its ASEAN membership, Myanmar also enjoys ASEAN's preferential agreements with countries, including Australia and New Zealand, China, India, Japan, and the Republic of Korea. Bilaterally, Myanmar has signed four memorandums of understanding on establishing bilateral joint trade commissions, with neighboring countries such as Bangladesh, India, Thailand, and Viet Nam. It has also signed five border trade agreements, with China, India, Bangladesh, Thailand, and the Lao People's Democratic Republic (Lao DPR).

Myanmar's simple average MFN applied was 5.6 per cent in 2012 and 5.5 per cent in 2013. Imports from ASEAN and trading partners enjoy a preferential tariff rate different from other foreign imports. Prior to their abolishment in 2012, the longstanding fixed exchange rate system as well as a non-automatic import license were also impediments to market access. However, since 2011, in order to increase the competitiveness and attractiveness of Myanmar to foreign investors, the government has implemented a number of policies, including improving support services, lowering export taxes, easing restrictions on the financial sectors, etc.

As a least developed country (LDC), Myanmar is keen to take advantage of the special and differential (S&D) treatment provisions and technical assistance offered to LDCs. Moreover, it is also the beneficiary of the Global System of Trade Preferences among developing countries, the Greater Mekong Sub-region programme (together with Cambodia, Lao PDR, Thailand, Viet Nam and Yunnan province, China), as well as a number of GSP schemes given by Australia, Belarus, Japan, New Zealand, the Russian Federation, Switzerland, and Turkey etc.

Table (3.1) Myanmar GDP Growth Rate and Forecast

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Real GDP	7.0%	5.9%	6.8%	6.5%	6.6%	6.7%
Agriculture	3.4%	-0.5%	1.3%	1.2%	2.0%	2.3%
Industry	8.3%	8.9%	9.4%	9.6%	9.5%	9.0%
Services	8.7%	8.1%	8.3%	8.3%	8.1%	8.0%

Source: World Bank Group, 2019

Reform since 2010 have paved the way for Myanmar's reintegration into the international community, after having been isolated from a large part of the global economy for many years. Subsequently, real GDP growth has been rising; it was estimated at 6.5 % in 2018/19 and 6.6% in 2019/20 and 6.7% in 2020/21. Myanmar's per capita GDP was around US$900 at the end of March 2012. (World Bank Group, 2019)

Myanmar have made a series of reform in macroeconomic policies including trade. On April 2012, the Central Bank of Myanmar CBM) change fixed exchange rate to managed floating rate for national currency. Managed float rate was determined by the cut-off rate of its two- way foreign exchange auction. On February 19, 2019, CBM moved forward to market-based weighted average rate in line with the international best practices of the central banks. Replacing pegged exchange rate with market-based rate is game changer for trade and investment.

Although Myanmar is an original member of the World Trade Organization (WTO), Trade Policy Review could take place in 2014 March. Myanmar’s trade policy is heavily shaped by ASEAN and ASEAN's free trade agreement with third countries such as China, Japan, Korea, Australia and New Zealand. As of July 2019, Myanmar has not involved in any dispute as complainant, respondent or third party at WTO. Myanmar has adopted 18.5% of its tariff lines at eight-digit level HS code at 2014. In 2015, Myanmar allowed foreign firms to do trade on 1) chemical fertilizers, 2) seeds 3) insecticides and 4) hospital equipment. In 2017, government added construction materials to list of goods allowed to foreign firms. Myanmar government permitted retail and wholesale trade sector to 100% foreign owned companies in May 2018. With these trade liberalizations, Myanmar trade reached more than 33 billion USD in 2017.

Table (3.2) Myanmar Trade Volume (million USD*)*

Period	Export	Import	Trade Volume
2004	2,927.80	1,973.30	4,901.10
2005	3,558.00	1,984.40	5,542.40
2006	5,232.70	2,936.70	8,169.40
2007	6,401.70	3,353.40	9,755.10
2008	6,779.10	4,543.30	11,322.40
2009	7,586.90	4,181.40	11,768.30
2010	8,861.00	6,412.70	15,273.70
2011	9,135.60	9,035.10	18,170.70
2012	8,977.00	9,068.90	18,045.90
2013	11,204.00	13,759.50	24,963.50
2014	12,523.70	16,632.60	29,156.30
2015	11,136.90	16,577.90	27,714.80
2016	11,951.60	17,211.10	29,162.70
2017 (p)	14,850.70	18,687.00	33,537.70

Source: MMSIS, 2019

Table (3.3) Myanmar's Import Origin by Country, (US $ Millions)

Country Group	2005-2006	2010-2011	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018 (p)
Rest of Asia	783	3,016	7,186	7,957	9,140	8,665	8,705
South East Asia	1,010	2,841	5,757	7,377	6,447	6,526	7,705
Europe	53	235	383	394	374	718	950
America	82	83	151	556	226	832	761
Middle East	19	142	165	242	262	275	305
Oceania	35	89	101	81	101	145	181
Africa	1	3	14	28	24	30	40

Source: MMSIS, 2019

Table (3.4) Myanmar Export Destination by Country (US $ Millions)

Country	2005-2006	2010-2011	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018 (p)
Rest of Asia	1,379	4,502	5,514	6,716	6,502	7,461	8,249
South East Asia	1,834	3,931	5,298	5,234	3,985	3,092	4,097
Europe	223	181	215	346	376	883	1,708
America	36	16	52	83	136	290	390
Middle East	67	116	102	130	118	122	135
Africa	3	93	9	6	9	62	227
Oceania	18	18	13	10	11	40	25

Source: MMSIS, 2019

In term of export destination, 84.4% of Burmese exports by value were delivered to Asian countries such as ASEAN members, China, India, Japan and Korea while 11.2% were shipped to Europe. Myanmar sold another 2.5% worth of goods to North American. Smaller percentages went to Africa (1.3%), Latin America (0.2%) excluding Mexico but including the Caribbean, then Oceania led by Australia (0.2%).

According to WTO, top ten commodities in composition of Myanmar export in 2018 can be classified as follow.

1) Oil & Gas (23%)
2) Clothing, accessories (not knit or crochet) (20.4%)
3) Knit or crochet clothing, accessories (9.2%)

4) Ores, slag, ash (6.5%)
5) Copper (5.3%)
6) Vegetables (3.1%)
7) Footwear (2.9%)
8) Gems, precious metals (2.9%)
9) Fish (2.4%)
10) Cereals (2.4%)

WTO figures show that the following product groups represent the highest dollar value in Myanmar's import purchases during 2018.

1) Fuel (12.5%)
2) Electrical machinery, equipment (10.7%)
3) Machinery including computers (9.5%)
4) Vehicles (6.2%)
5) Iron, steel (4.9%)
6) Plastics, plastic articles (3.5%)
7) Articles of iron or steel (2.8%)
8) Animal/vegetable fats, oils, waxes (2.6%)
9) Manmade filaments (2.4%)
10) Knit or crochet fabric (2.3%)

3.2 Investment Policy

Investment policy in the PFI relates to a country's laws, regulations and practices that directly enable or discourage investment and that enhance the public benefit from investment. It covers, for instance, policies for transparent and non-discriminatory treatment of investors, expropriation and compensation laws and dispute settlement practices. The quality of a country's investment policies directly influences the decisions of investors, be they small or large, domestic or foreign. Transparency, property protection and non-discrimination are core investment policy principles that underpin efforts to create a quality investment environment for all. Investors are also concerned with the way that investment policy is formulated and changed. They will avoid circumstances where policies are modified at short notice, where governments do not consult with industry on proposed changes and where laws, regulations and procedures are not clear, readily available and predictable.

Investment Policy of Myanmar

Myanmar changed market-oriented economic system from centrally planned economic system after 25 years of socialist regime. First Foreign Investment Law (FIL) of Myanmar was legalized on November 7, 1988 which broke down many barriers for private sector, both local and foreign trade. The FIL-1988 was a very important key to reform Myanmar economic such as driving market-oriented system, encouraging entrepreneurs and investment in local, and promoting export and FDI. (Myanmar Development Institute, 2018)

In early stage of Myanmar's democratization, Union Parliament enacted second version of FIL in 2011. Second version of FIL offered broader range of investment forms, better flexibility on forming joint ventures, giving tax and investment incentives, and legal framework for land use, foreign currency and guideline for investment disputes.

Although second FIL had changes and developments, there were some areas needed to address to catch up current global trend and competitiveness in regional. On October 18, 2016, Myanmar Investment Law (MIL) come into effect and substitutes previous FIL-2011 and Citizens Investment Law-2013. New MIL facilitates enabling environment for local and foreign investment, investor protections and assist national economy portfolio, deeply rely on agriculture, oil & gas, and extractive industries.

Unlike the FIL-2011, the MIL-2016 forms a different tax scheme for instance income tax exemption of three, five and seven years depend on investment areas categorized by their development status, as follow

1) Least developed zones, which granted seven years of income tax relief : 138 townships in six states – Kachin, Kayah, Kayin, Chin, Mon and Rakine states, and five different regions – Sagaing, Bago, Magwe, Mandalay and Ayeyarwaddy regions.
2) Moderately developed zones, which allowed five years of income tax relief :122 townships and districts in Kachin, Mon, and Shan states, as well as Sagaing, Tanintharyi, Bago, Magwe, Mandalay, Yangon, Ayeyarwaddy regions and Nay Pyi Taw.
3) Sufficiently developed zones, permitted three years of income tax relief: 46 townships in Mandalay and Yangon regions.

Another important liberalization granted by MIL-2016 is permitting 50 years land lease for foreign investors with two 10 years renewals which equally treated for both foreign and citizen investment.

Government also decentralizes in investment application according to amount of investment. All investment under 5 million USD can be applied at respective States and Regions Myanmar Investment Commission (MIC) office while applications have to submitted at Central MIC, based in Yangon. Compared to past, getting start a business in Myanmar is relatively fast and efficient. Company registration can be done online electronically and the company incorporating certificate will be issued after payment of the registration fees. In case of MIC permit application, the commission will screen it within 60 days from the date of acceptance and, if it approves, it will issue the permit within 10 Working Days.

Table (3.5) Top 15 Investor Countries in Myanmar

	1988-2010	2011-2015	2016-2019*	1988-2019*
1.	China	Singapore	Singapore	Singapore
2.	Thailand	China	China	China
3.	Hong Kong	U.K	Vietnam	Thailand
4.	Korea	Hong Kong	Thailand	Hong Kong
5.	U.K	Malaysia	Japan	U.K
6.	Singapore	Thailand	The Netherlands	Korea
7.	Malaysia	The Netherlands	Hong Kong	Vietnam
8.	France	Vietnam	U.K	Malaysia
9.	U.S.A	Korea	Korea	The Netherlands
10.	Indonesia	India	U.S.A	Japan
11.	The Netherlands	Japan	Samoa	India
12.	Japan	Canada	U.A.E	France
13.	India	Brunei Darussalam	Taiwan	U.S.A
14.	Philippines	France	Malaysia	Indonesia
15.	Russia Federation	Republic of Liberia	India	Canada

Source: DICA, 2019

FDI inflows to Myanmar had been dominated by China since 1988 to 2010. Singapore took over China and became No.1 investor in Myanmar after 2010. However, business analysts believe that MNCs, based in Europe and US, register under Singapore in order to mitigate risk from their government policies changes and enjoy ASEAN Free Trade Agreement, ASEAN Investment Protection. In terms of geographic, Asian countries always take more than half of seats in top 20 investor countries list.

Figure (3.6) FDI Inflow by Sector and Number of Firms as of June 2019 under Myanmar Investment Law

Sector	Investment (million USD)	Number of Firms
Oil & Gas	22,421	154
Power	21,178	21
Manufacturing	11,180	1084
Transport & Communication	10,844	60
Real Estate	5,315	55
Hotel and Tourism	3,096	80
Mining	2,905	71
Livestock & Fisheries	710	62
Agriculture	409	32
Industrial Estate	320	7
Construction	38	2
Other Services	2,476	124

Source: DICA, 2019

Oil & Gas and Power sector outplay other sectors with over 20 billion USD investment. Although Myanmar is agricultural based economy, FDI inflows in Agriculture sector is quite low. Manufacturing and Transport & Communication is second biggest investment recipient sectors, while manufacturing sector accommodates more than 1200 firms across the country.

Investment inflows under Special Economic Zone Law is very much focus on manufacturing, identically as its main purpose of the law. Although Myanmar has three special economic zones under Special Economic Zone Law, only Thilawa is operational as of 2019. Currently 112 firms registered under Special Economic Zone Law. Among them, 88 out of 112 are in manufacturing sector as main purpose of the special economic zone.

Figure (3.7) FDI Inflow as of June 2019 by Sector and Number of Firms under Special Economic Zone Law

Sector	Number of Firms	Investment (million USD)
manufacturing	88	1,379
Trading	9	138
Other Services	5	59
Logistics	8	91
Real State	1	30
Hotel and Tourism	1	12

Source: DICA, 2019

3.3 Development Aid

Development aid, often called "Official Development Assistance" (ODA), is all the funding or financing furnished by means of public actors from the most well-off countries to improve living conditions in the least well-off countries. ODA is grants or loans at favorable rates, whose goal is to fund programs to improve get admission to to drinking water, health care, electricity, school, decent housing, or renovation of the environment, etc. This aid helps both to develop long-term projects and to supply humanitarian aid in emergencies. It can focus on small local projects or on very large policies at a national level.

ODA is implemented by local actors such as ministries, local authorities, banks, professional organizations, NGOs, or even businesses. But the purpose is always to assist local people. The aid can go immediately from the donor country to the beneficiary country. This is known as "bilateral" aid. It can also take the structure of contributions from States to the operating costs and programs of international agencies (such as UNICEF or the World Bank): this is "multilateral" aid.

At the international level, ODA amounted to 142.6 billion dollars in 2016. But this amount represents solely one factor of development financing or funding, which additionally consists of public, local, and international financing, as well as non-public investment, money transfers from diasporas (around $400 billion per year), and actions carried out via foundations and NGOs, etc. From amongst this extensive range of financing and funding sources, ODA plays an vital role. It helps start up projects in sectors or areas that have been left behind. It initiates processes of "virtuous development" and creates dynamics that can assist bring all the other stakeholders, specifically businesses, into the picture. It creates a leverage effect that multiplies impacts. All in all, due to the fact the 1960s, development aid has validated to be effective: it's a effective aspect of change for the most vulnerable populations.

Today, aid comes inside the framework of the SDGs (Sustainable Development Goals) that have been set by the United Nations for the 2015-2030 period. The SDGs attempt to meet challenges that concern all countries—from the poorest to the most prosperous—and all domains. Their purpose is to construct a peaceful, prosperous, egalitarian, and sustainable world.

Development Aids to Myanmar

Myanmar has a distinct history of development cooperation, due to its relative worldwide isolation for the previous countless decades. There are clear legacies of this history today, which include the presence of several activist agencies primarily based in Thailand, confined government journey liaising with development organizations, and limited donor grasp of the politics of development in many of Myanmar's states and regions. While plenty has modified in view that 2011, grasp this records stays necessary for tremendous development cooperation today.

The history of aid to Myanmar into four submit independence eras. The first era, which runs from independence, in 1948, thru 1988, noticed the global community interact sporadically, uncertain how to reply to changes in authorities and refusal to repay loans. After 1988, the united states entered a period of increased isolation, throughout which most aid providers closed their Myanmar programs, and aid was constrained chiefly to fitness and humanitarian channels. This modified in the 3rd era, with the reforms of the Thein Sein government and subsequent large-scale reengagement through the international community. The fourth technology started with the NLD authorities assuming power, although it stays to be seen how notably the new government's altering useful resource policies will reshape improvement cooperation in the country.

(a) Aid after independence

In the aftermath of World War II, the newly independent Myanmar received support from several foreign governments. The most significant was Japan, which in November 1954 signed a peace treaty with Myanmar that both normalized diplomatic relations and committed Japan to providing US$250 million in war reparations to

Myanmar, paid out between 1955 and 1965. Of this total, US$200 million was to be used for the purchase of Japanese goods and services for reconstruction purposes, while the remaining US$50 million was reserved for technical assistance and Myanmar-Japan joint ventures. Other donors maintained small programs at this time, including technical assistance from Australia and the United States.

With the advent of the military regime in 1962, several foreign aid providers ceased working with the Myanmar government, though Japan remained. While the United States and Australia both closed their aid programs in 1962, and relations with China became increasingly strained over the presence of the Kuomintang in northeastern Myanmar, Japan expanded its support with a further US$140 million, paid out between 1965 and 1972, on the grounds that reparations to Myanmar were insufficient compared to those given to other Southeast Asian countries. This period saw the launch of several significant projects, including the Baluchaung hydroelectric project in Kayah State, which provided around 40 percent of the total electricity supply in the country at the time, and the "four industrial projects," which funded assembly plants for the manufacture of light vehicles, heavy vehicles, agricultural machinery, and electrical items.13 Aid from Japan continued to grow significantly in the 1980s. In 1987 Japanese aid made up 71.5 percent of all foreign aid received and constituted 20 percent of the country's national budget.

Otherwise, engagement during the 1970s and 1980s was limited. The major development banks in the region, the World Bank and Asian Development Bank, were leading lenders, but they were forced to close their programs in the 1980s. Providing its first loan in 1956 for the modernization of railway and water transport, the World Bank ultimately implemented 35 projects before ceasing operations in Myanmar in 1987, when the government stopped making loan repayments. The ADB started working in the country later, with Myanmar only becoming a member in 1973. Between 1973 and 1988, the ADB approved 32 loans, totaling US$531 million, and 38 technical assistance grants, worth US$11 million to the country. In 1988, the ADB also withdrew from the country when the Myanmar government stopped making repayments. Given these recurrent political challenges, development cooperation in Myanmar was already relatively fragmented before 1988, when political events forced a fundamental shift in how the international community engaged.

(b) Aid under the SLORC/SPDC government, 1988–2011

The violent suppression of political protests in 1988 prompted a dramatic realignment of Myanmar's foreign economic relations, including a temporary suspension of all foreign assistance to Myanmar, as foreign governments closed their embassies in Yangon and evacuated their personnel. The United States, Japan, West Germany, Great Britain, and other European states all suspended their support at the time. The politics of this suspension were felt much more acutely in Japan than elsewhere. Much of the foreign donor community, including a particularly important ally, the United States, was in favor of cutting foreign aid to the country entirely. In January 1989, however, the Japan-Burma Association sent a petition for the restoration of relations and aid flows to Myanmar to the Japanese government, citing the large financial losses that Japanese companies working on ODA projects would suffer if aid continued to be suspended, and the danger that Japan's withdrawal would create a vacuum in which other countries from the region, such as Singapore and South Korea, would gain dominance in the Myanmar market. As a result, in February 1989, Japanese aid started flowing again, though in smaller amounts. Japan's average annual aid allocation to Myanmar fell from US$154.8 million, in the last decade of the previous regime, to US$ 86.6 million in 1989–1995, and just US$ 36.7 million in 1996–2005.

During this period, the regime pursued greater collaboration with China and greater regional trade integration. China was the first country to recognize the new State Law and Order Restoration Council government, and grew to become an important aid actor under this regime, making its first major grant to Myanmar, of US$8.9 million, in 1991, and committing an additional US$ 8.6 million as an interest-free loan in 1993.22 Between 1997 and 2006, China provided US$ 24.2 million in grants to Myanmar, US$ 482.7 million in subsidized loans, and US$ 1.2 million in debt relief. In parallel, SLORC changed Myanmar's economic policy by opening the country to foreign investment in 1989. This coincided with a period of broader strategic economic integration within Southeast Asia, in which Thailand, Singapore, and Malaysia made large investments in Myanmar.

The OECD aid community's consensus on restricting assistance to Myanmar began to change in the early 2000s, when governments like the United Kingdom, Australia, and the European Union began to advocate reengagement. As shown in figure 1, aid to Myanmar started to grow at a low but relatively consistent rate from 2001 onwards. The UK posted an aid officer to the Yangon embassy in 2004, and strategy documents from the time pointed to the comparatively low levels of assistance per capita the country was receiving. Australia went through a similar process. Although the EU at the time was working solely through their humanitarian arm, they consistently adopted a pro-engagement stance, and their 2007–2013 strategy outlined the benefits of closer engagement.

The United States continued to favor isolation of the military regime, however, and this created some challenges, perhaps best exemplified by the experience of the Global Fund to Fight AIDS, Tuberculosis, and Malaria. The Global Fund signed its first grant agreement with the Myanmar government in 2004, and had budgeted to provide US$98 million of assistance over five years, before being shut down under intense pressure from Washington-based activists and U.S. government officials. In response to this, several European countries, alongside Australia, established the Three Diseases Fund (3DF) to replace the Global Fund in pursuing this health agenda across Myanmar. The new fund ran for six years and distributed US$138 million to support the eradication of HIV/AIDS, tuberculosis, and malaria in Myanmar.

Further change in the international community's engagement with Myanmar came with the humanitarian crisis caused by Cyclone Nargis, which struck Myanmar in May 2008 and is estimated to have killed some 130,000 people. Although the regime initially denied access to many organizations, the eventual scale of the humanitarian response brought large numbers of new organizations into Myanmar. While local civil society organizations were the main actors in emergency response, there was a significant influx of INGOs: before the cyclone, around 40 INGOs were on the ground; the next year, the number grew to over 100, but by 2011 it had stabilized at around 65. A similar dynamic is visible in the volume of international assistance provided at the time: although there was a surge in humanitarian response and recovery activities in 2008 itself, this dropped in 2009 to levels consistent with the rate of growth before Nargis struck.

(c) Aid under the USDP government, 2011–2016

The political and economic transition initiated by the government of President Thein Sein brought significant change to Myanmar's aid landscape. In stark contrast to the closed nature of the previous regime, the new government welcomed support from the international community in pursuit of development and modernization. As confidence in the scope and sincerity of the government's reform agenda increased, the international community took several steps to normalize aid relations, including significant debt forgiveness, the reentry of large, multilateral funding organizations, and the proliferation and expansion of bilateral aid programs. This greater engagement with the government initially attracted controversy, as many wondered whether the reform program pursued by the regime was genuine. In contrast, supportive commentators at the time stressed the positive potential of development assistance in a country with some of the highest poverty levels in Southeast Asia, and of the need to support the democratic transition process.

Debt forgiveness undertaken in 2012 and 2013 was an essential foundation for the restoration of aid relations with Myanmar. At this time, the country had an estimated US$10.6 billion of international debt that would need to be addressed for lending to restart. Japan had a central role in this process, forgiving US$3.7 billion during a visit by President Thein Sein to Tokyo in April 2012, and a further US$1.74 billion during a visit by Japanese prime minister Shinzo Abe to Myanmar in May 2013. Myanmar's debts to the World Bank and the Asian Development Bank, totaling approximately US$900 million, were cleared using a bridging loan from Japan in January 2013. Norway also cancelled a US$534 million debt at this time. This was accompanied by an agreement with the Paris Club, a group of international donor countries, to write off approximately 50 percent of the Myanmar government's remaining debt and to reschedule the remaining payments over the next 15 years. This created space to quickly establish new concessional loans, with Japan providing US$2.2 billion, the World Bank launching US$520 million in new programs in 2013, and the Asian Development Bank starting with US$572 million of new activities.

This was accompanied by a significant expansion in the presence of bilateral donors and international organizations. Many foreign governments that had previously engaged with Myanmar through a regional office, such as in Bangkok, established new offices in Yangon. This included some donors who now have some of the largest bilateral aid programs in the country: the European Union opened a formal delegation to the country in 2013, and USAID reopened its mission to Myanmar in 2012. A range of smaller donors also opened new offices, including a section office for Sweden in 2014, a new embassy for Denmark in 2014, and an embassy for Switzerland in 2012. While many donors opened new offices and expanded funding, most previously had programs in Myanmar: OECD data shows that in 2015, Myanmar had 39 different donors working in the country—up from 29 in 2011 and similar to comparable regional aid recipients like Vietnam and the Philippines. These figures do not reflect the large number of non-OECD donors present in the country.

The increase in funding was clear, however, with consistent and significant growth in aid after 2011. From a low base of US$357 million for 2011, aid commitments doubled in 2012 and spiked dramatically in 2013 as debt forgiveness and new loans, primarily from Japan, came into effect. After receding from the 2013 peak, commitments for 2015, at US$3.4 billion, were still almost 10 times higher than their 2011 levels.

The transition also saw new sources of aid become available. These included global development trust funds, which do not maintain offices in Myanmar but have channeled significant aid commitments through different country-level implementing partners. The flows of several of these funds are larger than many prominent bilateral donors. For example, the Global Alliance on Vaccines and Immunization (GAVI) grew from a portfolio of US$ 1.6 million per year in 2010, to US$28 million per year in 2016. Having disbursed some US$ 47 million between 2004 and 2010 in Myanmar, the Global Fund to fight AIDS, Tuberculosis, and Malaria disbursed a further US$381 million in the next six years, from 2011 to 2016. The Global Environmental Facility channels money to Myanmar through both national and regional initiatives, and has active projects worth over US$ 56 million in its Myanmar-specific portfolio.

The Thein Sein government’s term also saw the development of new aid-management architecture in Myanmar. The Foreign Economic Relations Department (FERD) of the Ministry for National Planning and Economic Development (now the Ministry of Planning and Finance) was the focal point for government engagement with aid actors. In order to establish closer collaboration with line ministries, there were also 17 sector working groups established with joint donor and government participation. This period saw the release of a significant number of development policy documents by government. Three of the released policies were particularly important for the aid community:

1. Nay Pyi Taw Accord on Effective Development Cooperation (2013). A framework of eleven overarching commitments, made jointly between government and donors, which referenced and adapted international development-effectiveness prescriptions for Myanmar.

2. Guide to International Assistance in Myanmar (2014). This expanded on the Nay Pyi Taw Accord to provide detailed guidance on procedural matters for development partners' engagement in Myanmar.

3. Framework for Economic and Social Reforms (2013). Developed at the request of the Office of the President and the Ministry of National Planning and Development, this document outlines development policy priorities through 2015, and was intended to link current government processes into the National Comprehensive Development Plan, a longer-term planning document under development at the time. In this period, the Framework for Economic and Social Reforms became the core document for donor understanding of the government's development priorities.

FERD led a range of further initiatives during this time: Myanmar officially became a member of the International Aid Transparency Initiative (IATI) in 2014 and joined the Global Partnership for Effective Development Cooperation (GPEDC), submitting in 2016 the first monitoring survey on development effectiveness in Myanmar. FERD also manages the Aid Information Management System, launched in 2015. The AIMS is a central public database of all aid projects that have been, are being, or will be implemented by donors in Myanmar—though its completeness is dependent upon donors updating their own information. Donors also significantly improved coordination among themselves under the Thein Sein government. Before this, some coordination occurred through the Partnership Group on Aid Effectiveness, an informal group of bilateral donors that started meeting after Cyclone Nargis. Structures became more formalized in 2013, with the establishment of the Development Partners Group, which was open to all Myanmar's bilateral and multilateral donors and met approximately six times per year. This was supported by the Development Partners Working Committee, a smaller executive body that met with government on a bimonthly basis.

These donor and government structures oversaw aid management in Myanmar until reforms under the NLD government in 2016. Altogether, they managed a portfolio of ODA totaling US$13.7 billion in commitments between 2011 and 2015, of which US$10.3 billion was disbursed. This is an incredible increase from the previous five-year period, which saw only US$1.5 billion in commitments and disbursements. This transition—the result of significant work from government and the international community in both policy and programming development—brought Myanmar out of isolation and into the world of contemporary international development cooperation.

(d) Aid under the NLD government, 2016–2019

After the NLD won the elections in November 2015, there was considerable speculation that many of these trends would accelerate, but there has since been more continuity than change. There have been several major new funding announcements, but not the surge that some believed might occur.61 The most significant of these was Japan's announcement of US$ 7.73 billion over the next five years at the ASEAN summit in Laos in October 2016. While this is a significant amount, it remains unclear to what extent this is truly new funding and to what extent it refers to existing commitments. Beyond this, the largest new commitment was an announcement of €200 million from France. The European Union also released a new Myanmar strategy, flagging the potential for greater support to the government. Overall, while confirmation will need to wait until the OECD figures are released, there does not appear to have been a significant spike in commitments compared to the final year of the USDP government.

Change is more prominent in government and donor structures for the management of aid. The government has established a new high-level platform for coordination, policy development, and decision-making on aid projects, the Development Assistance Coordination Unit (DACU), as well as several joint, donor-government decision-making bodies. In addition, a new Development Assistance Policy is under development, and the sector working groups have been streamlined and renamed. The donors have reformed their coordination body, replacing the Development Partners Group and Development Partners Working Committee with the new Cooperation Partners Group (CPG), and establishing dedicated "work streams" to address key challenges faced in the delivery of aid.

With these new structures in place and beginning to produce new policy outputs, it remains to be seen whether aid under the NLD government will take a markedly different course than under its USDP predecessor. To better understand where the country is today, and what options government and the international development community have moving forward, the next section presents a comparative and more comprehensive overview of what aid looks like under the NLD government and where it may go from here.

Among the aid programs to Myanmar, approximately 50% of all funding commitments are assigned to the energy, health and transport sector, however, actual spending in energy and transport sectors is relatively low as nature of programs require significant time to become operational while education and health disbursements are highest (Carr, 2018).

According to Myanmar's official statistics (as of January 2016), the EU was the 4th biggest foreign investor in 2015 however with less than 10% of whole investment it still lags behind China, Singapore and Hong Kong. The EU is working towards concluding an Investment Protection Agreement to allow European corporations to understand the full possible offered by the country's economy, while complying with the highest standards of corporate social responsibility and responsible investment.

The EU demonstrated its commitment to work with the government, the International Labour Organization and other companions (Denmark, the United States and Japan) on labour rights when joining the Initiative to Promote Fundamental Labour Rights and Practices in Myanmar in May 2015. Steps have been taken to prepare for negotiations on a Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (FLEGT VPA). Progress is alternatively based on the effect of the peace process since huge forest areas are located in ethnic areas. The EU attaches specific significance to the protection of environment and biodiversity. (European Commission , 2016)

CHAPTER 4
BILATERAL ECONOMIC RELATIONS BETWEEN MYANMAR AND THE NETHERLANDS

4.1 Myanmar and European Union Relations

The EU has been at the forefront of the international community's reintegration as Myanmar advanced on its remarkable reform path and opened up to the world. The EU has demonstrated firm commitment to accompany the country and its people on this extraordinary journey towards democracy, peace and prosperity. Myanmar's successful democratization and socio-economic development will further strengthen ASEAN, the EU's natural partner in South East Asia.

The EU rapidly responded to political changes in Myanmar in 2012 and provided strong support for democratic and economic reforms from the outset. The EU suspended sanctions and opened an office in 2012. In the following year all EU sanctions, with the exception of an arms embargo, were lifted. Trade preferences under the Everything but Arms scheme, which allows duty free and quota free access to the single European market of 500 million consumers, were restored. A full-fledged EU Delegation was opened in 2013. In the same year, an EU-Myanmar Task Force meeting with the participation of four Commissioners, the European Parliament and the European Investment Bank took place in Yangon and Nay Pyi Taw, combining all instruments the EU has at its disposal to support democratisation. In October 2015, the EU signed the Nationwide Ceasefire Agreement as an international witness, reflecting its key role in supporting the peace process. The EU deployed the largest international Election Observation Mission to observe the general elections on 8 November 2015, on the invitation of the Union Election Commission.

In 2012-2013, the EU increased its development support to the country with an initial package of EUR 150 million, while in 2014 the Multiannual Indicative Programme 2014-2020 was adopted with an indicative allocation of EUR 688 million. In order to promote aid effectiveness, the EU and its Member States have since 2013 been engaged in the joint programming of development cooperation. EU's development cooperation focuses on four focal sectors 1) Rural development, agriculture and food and nutrition security, 2) Education, 3) Governance, Rule of Law, State capacity building and 4) Peacebuilding support.

Humanitarian Aid

Myanmar is prone to natural disasters, enormously cyclone, floods and earthquakes. In 2015, monsoon rains and Cyclone Komen caused the biggest floods in the country's recent history, affecting over 20 million people, 1.6 million of which had been displaced. The effect of climate change is anticipated to further amplify the vulnerability of populations in need. Ongoing fighting has prompted further population displacement in Kachin, Shan and Rakhine States. According to the United Nations in December 2015 there have been some 255 000 people living in internal displacement in the country, including some 120 000 people who remain restricted to camps following inter communal violence in Rakhine State in 2012.

Since 1994, the EU has provided EUR 218 million in humanitarian aid to Myanmar, which includes EUR 133 million in response to conflict situations, EUR 85 million in response to natural disasters and epidemics, and to build resilience. Since 2010, EUR 6.6 million have been dedicated to disaster risk reduction in coastal flood-prone areas and in urban agglomerations dealing with earthquake risks. The EU is also a lead donor to Burmese refugee camps in Thailand, where it has provided EUR 171.4 million since 1995 (70% of them through its humanitarian aid department and 30% via its instrument for Aid for Uprooted People).

Trade & Economic Cooperation

Myanmar's efforts in combating forced labour, mentioned by the International Labour Organisation, have opened the way for the EU to reinstate preferential market access under the Everything But Arms scheme in 2013. As a result bilateral trade reached EUR 1.2 billion in 2015 up from EUR 404 million in 2012. Exports to the EU quadrupled between 2012 and 2015, from EUR 165 million to EUR 675 million. Garments represent more than 60% of Myanmar exports to the EU followed by agricultural products. Machinery and electrical home equipment constitute nearly half of EU exports. The two economies are therefore perfectly complementary.

4.2 Historical Background of Myanmar and the Netherlands Relationship

Dutchs had landed in Myanmar (Burma) around 1630s for the reason of trading as usual by crossing the Bay of Bengal from India. Dutch established manufacturing plants in Myanmar (Burma) and stayed for almost 50 years. In 1634, Dutch East India Company (VOC) opened three trading offices 1) Syriam (Thanlyin), main gateway of Burma 2) Ava (Inwa), new capital city 3) Pegu (Bago), old capital city and one manufacturing plant in Prome (Pyay).

During this era, building relation with King was vital for traders. Dutch dealt with four Taungoo Kings (Thalun, Pindalè, Pye and Minyèkyawdin). During these period, Dutch and Burmese Kings including other dignitaries exchanged gifts as diplomatic courtesy. The gift from Myanmar (Burma) were ruby rings, betel boxes, tin, lac, chilies, elephant tusks, teak, musk and, as a great favour, the elephant while Dutch presented lion, bear and luxury textiles.

Dutch main business in Myanmar (Burma) was textile in average quality and low price for common market. However, Dutch faced critical problem in their trading after few decades which was imbalance in import and export trading volume. Transferring trading earning back to main regional offices: Coromandel and Bengal were not easy and cheap. As an alternate, Dutch allowed large loans to Indian jewelry merchants with a term that they had to settle up when they arrived back to India. Nevertheless, large amount of capital accumulated increasingly in Myanmar (Burma) which caused rising concern for VOC.

Myanmar (Burma) had been an important territory for VOC's inter-Asian trade for almost 50 years. VOC's inter Asian sea had reached peak in 1670s, but trade pattern was switched by direct trade between Asia and Europe. Due to changing company priorities, VOC closed their offices and left Myanmar (Burma) in 1680. In the 1740s and 50s, although Dutch tried to reengaged with Myanmar (Burma)and its market, bloody civil war which caused Taungoo Dynasty (1597-1752) fallen and rise of Konbaung Dynasty (1752-1885), limited VOC's attempt to renewal of trade.

The official diplomatic relation with Myanmar and the Netherlands started in 1947, just before independence from British (Ministry of Foreign Affairs, 2019). The Netherlands was one of the early diplomatic tied countries. However, Dutch embassy closed down after military coup in 1962. Since then, relationship between two countries have been enfeebled including economic transactions. There was no resident representative in Myanmar till 2012. Isolation of Myanmar from international community last almost 50 years and. Based on positive development in Myanmar, Netherland government opened a laptop embassy in 2013 and Dutch foreign minister Bert Koenders reopened the embassy in Yangon in 2016. Since the decision in 2013 to intensify economic diplomacy, trade with the Myanmar has tripled. (Government of the Netherlands, 2016).

4.3 Trade Performance between Myanmar and The Netherlands

Table (4.1) The Netherlands Import, Export and Balance of Trade with Myanmar

Periods	Import value (million USD)	Export value (million USD)	Balance of trade	Change in import	Change in export
2012	12.94	7.06	-5.88	73.5	38.7
2013	7.06	12.94	5.88	-50	87.7
2014	22.35	22.35	-1.18	251.7	73.3
2015	40.00	22.35	-18.82	.	.
2016	80.00	30.59	-49.41	100	39.5
2017	131.76	35.29	-95.29	63.4	16.8
2018	172.94	45.88	-127.06	31.2	27.6
2019 Jan-Apr	65.88	15.29	-50.59	54.7	-5.7

Source: CBS, 2019

Import and export volume of the Netherlands and Myanmar had risen annually since renewal of diplomatic relations in 2012. Export from Myanmar had been increased from 12.6 million USD in 2012 to almost double in 2014. The figure have been amplified annually. In 2018, it reach 172.94 million which is more than 14 times of the export volume in 2012.

In import of goods from Myanmar to the Netherlands, apparel is highly dominant with over 80 % of the total amount of import to the Netherlands by referring the figure of 2017. However, other sectors are very scatter and relatively less amount such as iron and steel, cereals, vegetable and lather. There are a few factors contributing to apparel sector to be dominated. First factor is trade preferential granted by European Union to Myanmar. The Generalized System of Preferences (GSP), introduced in 1971 by initiation of UNCTAD, has contributed over the years to creating an enabling trading environment for developing countries. The 13 countries grant GSP preferences:

Australia, Belarus, Canada, the European Union, Iceland, Japan, Kazakhstan, New Zealand, Norway, the Russian Federation, Switzerland, Turkey and the United States of America. (United Nations Conference on Trade and Development , 2019)

Figure (4.2) Myanmar Export to the Netherlands, 2017

Goods	Share
Apparel, not knit or crocheted	57%
Apparel, knit or crocheted	24%
Iron and steel	7%
Cereals	3%
Vegetables	3%
Leather	2%
Other	5%

Source: CBS, 2019

Second factor is about lower worker wages which is one of the motives for labor intensive work like garment. Current minimum wage of Myanmar is 4,800 MMK (3.20 USD) per day which is relatively low to compared to regional countries, even China. The last factor is technical assistances from Development Partners on compliance issue such as labor right, occupational safety, and quality of finished products: apparel.

4.4 Dutch Investments in Myanmar

Foreign Direct Investment (FDI) inflow has been began since Myanmar economy is opening up in 1988. Although Myanmar was pioneer in opening up of economy compared to other regional countries liked Vietnam and China, Myanmar was not an FDI attractive country due to serval reasons including political situation. FDI inflows to Myanmar from 1988 to 2010 was 36 billion USD, which was accumulated for 22 years. In this 36 billon USD investment, Dutch investment is only 238, 835 USD, which is less than 0.67 % of total amount. After remarkable democratic change in 2010, FDI inflow is increasing annually. FDI inflow sums up to 84 billion USD for 9 year, which is 224% higher than 22 years of 1988-2010 period.

Dutch investment increases dramatically especially during 2014-2018. As of June 2019, Dutch investment in Myanmar accounts for 1.3 billion USD after 2010.

Thus, total investment become 1.5 billion USD, which make the Netherlands 9th rank in FDI inflow to Myanmar.

Dutch investment seems a relatively low compared to Asian countries for instance Singapore, China and Thailand. However, it is second highest among non-Asian countries after U.K. The Netherlands and Myanmar relations were reintegrated after 2013. In this short period, investment from the Netherlands is much higher than Japan.

When FDI is categorized into two groups: 1988-2010 and 2010-2019, U.K, Hong Kong, Thailand, South Korea and Malaysia investment before 2010 is higher than after 2010 period. However, Singapore, Vietnam, Japan and the Netherlands are much more invest after 2010. Although the amount of investment by Dutch rank 9th in over all, more than 80% was made after democratic transaction.

The approved Dutch investment is scatter on six sectors: manufacturing, oil & gas, mining, transport & communication, livestock & fishery and service. Among these six sectors, oil & gas is the biggest sector with 813 million USD from 7 enterprises. Manufacturing sector has 9 enterprises and invested 452 million USD. The lowest investment sector is transport & communication with 5 million USD.

However, the amount of investment approved and actual investment inflow is discrepancy almost 200 million. All sectors received permitted amount of investment except slightly less in oil & gas but nothing in mining sector. Although mining sector pledged 155 million USD, no actual inflow of investment to Myanmar yet. It could be investment application for natural resources extractive during 1988-2010 period, probably US & EU sanction announcement after it is permitted.

Table (4.3) Top 20 Countries FDI Inflow comparison between 1988-2010 and 2010-2019

Sr No	Country	Total investment	1988-2010	2010-2019
1	Singapore	21,737,049	8%	92%
2	China	20,680,227	46%	54%
3	Viet Nam	2,165,203	1%	99%
4	U. K	4,525,407	59%	41%
5	Hong Kong	8,165,232	77%	23%
6	Thailand	11,309,433	85%	15%
7	The Netherlands	1,554,889	15%	85%
8	South Korea	3,962,669	74%	26%
9	Japan	1,208,406	18%	82%
10	Malaysia	1,963,124	50%	50%
11	India	763,567	25%	75%
12	France	550,230	85%	15%
13	U. S. A	432,796	56%	44%
14	Indonesia	274,530	88%	12%
15	Canada	203,594	20%	80%
16	U.A. E	147,692	28%	72%
17	Philippines	147,173	100%	0%
18	Australia	145,799	56%	44%
19	Samoa	138,326	0%	100%
20	Brunei	115,356	2%	98%

Source; DICA, June 2019

Table (4.4) Dutch Investment Amount & No. of Enterprise (Approved)

Sector	Investment (USD million)	No. of Enterprises
Manufacturing	452	9
Oil & Gas	813	7
Mining	155	2
Transport & Communication	5	2
Livestock & Fishery	16	3
Service	114	1

Source: DICA, June 2019

Table (4.5) Dutch Investment Amount & No. of Enterprise (Existing)

Sector	Investment (USD million)	No. of Enterprises
Manufacturing	452	9
Oil & Gas	733	7
Transport & Communication	5	2
Livestock & Fishery	16	3
Service	114	1

Source: DICA, June 2019

4.5 Features and Focus of Dutch Aids to Myanmar

Dutch development aids can be categorized into two groups: assistance related to economic and politics. Total amount of assistance is 143 million USD as of July, 2019 while economic sector got two-third and rest for politics. In Economic, The Netherlands Enterprise Agency (RVO) which is a government agency which operates under the auspices of the Ministry of Economic Affairs and Climate Policy, runs a number of programmes and has different grant schemes available to support various business initiatives. Since 2013, the Netherlands Enterprise Agency (RVO) funded 91 projects and programmes to Myanmar on economic related subjects including agriculture, aquaculture, water, waste water, solid waste, garment and so on.

Table (4.6) Dutch Development Assistance to Myanmar as of July, 2019

	Commitment (US$)	Reimbursement (US$)	No. of Project
Politics	48,945,047	10,228,619	96
Economic	94,866,572	52,765,619	91

Source: d-portal, 2019

Dutch economic development assistances to Myanmar can be categorized into three groups: Agriculture cluster which included agriculture, vegetable, pesticides, food security, flowers and NTM compliance issues for export to the Netherlands and EU market, Water cluster concentrated on flood control, rivers basin management, water governance, drinking water supply, ports, water logistics and waterfront and Trade composed of tourism, garment, environment, solid waste, transport, urban development and trade facilitation. Needless to say, agriculture related projects and programmes dominates on others as both Myanmar the Netherlands economies are very much focus on agriculture and its produces.

Table (4.7) Number of Dutch Development Assistances to Myanmar (July, 2019)

Sectoral Assistance	Number of Projects
Water	31
Trade	25
Agriculture	36

Source: d-portal, 2019

In the meantime, political assistances of the Netherlands are focus on democracy, peace, women empowerment, gender equality, freedom of expression, human right and journalism.

4.6 Challenges of Economic Relations between Myanmar and the Netherlands

The main challenge for economic relations is economic sanction by EU. As a member of EU, the Netherlands have to comply EU parliament's decision. If EU decision on economic sanction to Myanmar, current trade and economic activities will fall down. According to current situation, EU unlikely to imposes comprehensive economic sanction to Myanmar. However, EU has maintained an arms embargo on Myanmar in various forms since 1996 and the early 1990s. The embargo covers arms, munitions and military equipment. Subsequent resolutions have extended the embargo to cover equipment that might be used for internal repression or terrorism.

Another challenge which impact economic relations seriously is withdrawal of the Generalized Scheme of Preferences (GSP), namely the Everything But Arms (EBA) scheme. As Myanmar export to Netherlands is highly dominated by apparel sector, Everything But Arms (EBA) scheme is main catalyst in apparel export and investment in garment. In October 2018, EU sent a special delegation to evaluate the possible scenarios upon withdrawal of trade preferences. Although EU have not announced its decision, there is a risk to damage economic relations between Myanmar and the Netherlands.

Other scenarios negatively impacted to economic relation, especially on investment inflows are domestic conflicts, slow progress in implementing economic reforms, deregulations and decentralization which include public financial management, transparency and accessible information, improving accounting and auditing standards and arbitration processes.

4.7 Potential of Economic Relations between Myanmar and the Netherlands

With abundant of natural resources, a young workforce of Myanmar is very attractive to western investment including the Netherlands. Economic relations between Myanmar and the Netherlands is still in early stage. If all conditions favored such as EBA scheme, there are potentials in tremendous growth of economic relation in term of investment, bilateral trade and technical assistance as well. Being an emerging economy, Myanmar has many issues in legal and regulatory framework, skills and capacity development. Thus, Myanmar is excellent option for Dutch aid and trade approach. On the other side, Netherlands is gate way to Europe as its EU's busiest airport, biggest sea port are logistic hub to reach 244 million consumers within 1000 km. Thus, exports from Myanmar has potential to reach out to EU, the premium market with fast and cheapest ways of supply chain. Besides, Myanmar can gain technical capacity from the Netherlands Aid for Trade to overcome NTM to export EU market such as agriculture, aquaculture and forestry products which can amplify export volume of Myanmar.

CHAPTER 5
CONCLUSION

5.1 Findings

This study found that bilateral economic relations between Myanmar and the Netherlands have been focused in very few areas such as apparel, agriculture and water. The trade balance gap has been increased annually as Myanmar exports to the Netherlands accelerates gradually. The figures seem to be even bigger as the development assistance on agriculture will yield to diversify export portfolio of Myanmar. There are a lot of potential for Myanmar to expand its export product lines to the Netherlands for instance fishery, spices and fruits. The main barriers for Myanmar exports to the Netherlands is non-tariff measure (NTM). The Netherlands is helping Myanmar to overcome NTM constrain to increase export.

The Netherlands has huge potential to expand its export to Myanmar especially on trade in services. The Netherlands has expertise in waster related area such as flood prevention, dredging, drinking water supply, waste water treatment and water governance, in agriculture, food security, Good Agriculture Practice (GAP) system, better genetic seeds, advance storage system and environmentally friendly packaging system. If Myanmar can grab its opportunity to increase trade volume with the Netherlands, it will unlock to whole EU market as Netherlands is regarded as gateway to EU in shipping logistics. Myanmar can comply EU's NTM.

However, the bilateral economic relation is vulnerable and fragile due to political reason. EU accuses Myanmar, especially Military on violating human right at northern Rakhine. The investigation mission visited Myanmar on October 2018 and had a series of meeting with government officials, private sector, trade union and sectoral specialists. Although the mission reported back to Brussel and serious discussions about withdrawal of GSP on Myanmar, the decision has not made yet.

Due to aid and trade agenda of the Netherlands, capacity of local people has been risen especially in water and agriculture. Another positive externality of aid and trade agenda by EU countries, including the Netherlands, is improvement in working conditions, labor right and wages.

5.2 Recommendations

Myanmar government should focus better cooperation with the Netherlands on agriculture and water sector as these two sectors are vital for Myanmar while strength of the Netherlands. Myanmar should engage more with the Netherlands in other sector such as aviation, IT and health care. As Myanmar's economy opening up is late compared to other countries, Myanmar should catch up the latest trend in global: industrial 4.0, smart urban planning, water and food security, renewable energy, life science and logistic in which the Netherlands can significantly contribute to Myanmar. On the other hand, Myanmar's private sector also should prepare the strategies on the scenario of revoking GSP and European Union's economic sanctions on Myanmar although it is unlikely to happen.

This study is focused only on bilateral economic relation between Myanmar and the Netherlands. It would be better if other academicians can do analysis and examination on bilateral economic relation with other countries or unions. It will be better if political analysis is included in future study.

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Appendix I: Myanmar's Import By Country, absolute values in US $ Millions

Sr.	Country	2005-2006	2010-2011	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018 (p)
1	China	468	2,169	4,105	5,023	6,396	5,749	6,087
2	Singapore	561	1,645	2,910	4,139	2,971	2,494	3,085
3	Thailand	237	709	1,377	1,679	1,973	2,086	2,229
4	Japan	106	256	1,296	1,739	1,452	1,248	967
5	Malaysia	138	145	840	748	589	821	867
6	India	80	195	494	596	807	1,000	861
7	Korea	86	304	1,218	494	397	524	495
8	Indonesia	57	275	439	551	602	702	901
9	USA	81	59	80	494	128	499	432
10	Vietnam	10	47	170	242	290	406	587
11	UAE	13	42	76	125	129	136	85
12	Australia	28	76	90	65	76	121	149
13	Germany	21	52	83	79	69	122	204
14	Italy	3	17	108	94	50	86	111
15	France	7	41	31	52	91	135	186
16	Brazil	1	15	10	14	34	151	203
17	Hong Kong	21	8	14	55	34	35	23
18	Iran	4	34	21	29	38	32	50
19	U.K	5	19	25	29	15	33	50
20	Switzerland	1	58	7	19	11	21	14
21	Denmark	3	4	25	9	28	35	32
22	Netherlands	2	5	15	14	12	50	36
23	Philippines	6	17	21	15	21	16	33
24	Russia	2	2	5	25	24	33	28
25	Sweden	0	5	8	13	13	44	24
26	Canada	0	5	9	11	14	40	48
27	Bangladesh	5	12	15	9	15	20	22
28	Spain	1	16	13	6	11	27	21
29	Belgium	2	3	18	7	6	35	31

Sr.	Country	2005-2006	2010-2011	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018 (p)
30	Turkey	**	3	5	12	13	26	57
31	Pakistan	1	9	5	5	7	18	82
32	Bulgaria	1	4	17	3	3	5	4
33	Greece	0	0	5	4	4	2	1
34	Poland	-	1	1	5	2	5	9
35	Ireland	1	0	0	2	3	7	16
36	Israel	0	1	1	2	6	1	4
37	Hungary	-	0	0	0	1	7	29
38	South Africa	-	-	-	1	2	6	-
39	Morocco	0	**	0	0	1	5	4
40	Romania	-	0	-	2	1	3	3
41	Austria	-	0	0	0	0	4	9
42	Czech & Slovak	0	0	**	0	1	3	-
43	Cambodia	0	1	1	1	1	0	2
44	Yugoslavia	-	3	-	-	-	-	-
45	Finland	**	0	0	0	0	2	5
46	Sri Lanka	1	0	0	1	0	0	1
47	Norway	-	-	0	0	1	1	5
48	Portugal	**	0	0	1	0	0	1
49	Brunei	-	**	**	0	1	0	0
50	Nigeria	**	-	-	-	0	1	1
51	Laos	**	**	0	0	0	0	1
52	Tanzania	-	-	0	0	-	**	0

Appendix II: Myanmar Export Destination by Country

Sr.	Country	2005-2006	2010-2011	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018 (p)
1	China	367	1,204	2,911	4,674	4,597	5,055	5,699
2	Thailand	1,361	2,905	4,306	4,029	2,893	2,202	2,846
3	India	489	872	1,144	746	904	943	608
4	Singapore	263	457	694	759	725	473	754
5	Hong Kong	255	1,895	489	289	283	204	363
6	Japan	136	237	513	556	394	784	956
7	Korea	39	148	353	370	260	342	303
8	Malaysia	93	438	109	265	161	159	223
9	Germany	62	38	40	68	85	220	380
10	U.K	61	35	49	54	35	134	311
11	Indonesia	65	41	60	86	140	125	124
12	United States	0	2	25	51	69	192	287
13	Vietnam	38	67	111	80	57	88	128
14	Bangladesh	55	125	59	50	18	24	170
15	UAE	37	32	66	75	66	73	69
16	Spain	19	24	29	38	38	82	169
17	Netherlands	8	6	11	28	49	92	176
18	Belgium	6	2	7	18	24	78	151
19	Pakistan	29	20	26	23	37	62	64
20	Italy	13	6	17	20	23	51	106
21	Ivory Coast	-	82	-	0	-	23	75
22	France	19	1	5	10	19	42	75
23	Saudi Arabia	9	27	14	24	22	22	31
24	Denmark	4	1	2	6	4	23	95
25	Philippines	13	22	12	13	8	41	20
26	Canada	4	0	3	4	11	40	65
27	Kuwait	-	54	16	20	17	8	9
28	Australia	13	17	12	9	9	23	22
29	Sweden	2	1	4	28	8	18	32

Sr.	Country	2005-2006	2010-2011	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018 (p)
30	Sri Lanka	4	1	1	3	3	25	38
31	Russia	1	8	16	16	4	8	20
32	Switzerland	1	1	3	2	10	8	6
33	New Zealand	5	1	1	1	2	17	3
34	Czech and slovak	-	0	0	1	2	7	14
35	Brazil	1	3	1	4	2	9	0
36	Norway	0	0	1	3	1	5	8
37	Israel	0	**	1	2	4	6	5
38	Iran	3	0	0	2	1	2	1
39	Brunei	1	0	4	1	0	1	0
40	Bahrain	0	0	1	1	1	1	3
41	Cambodia	-	0	0	0	0	3	3
42	Finland	0	**	0	0	0	1	4
43	Gambia	-	-	0	-	3	1	0
44	Laos	0	0	0	1	0	0	0
45	Mauritius	-	-	-	0	0	0	0
46	Sierra Leone	-	-	-	0	**	0	0
47	Maldives	-	-	**	-	-	0	0

Appendix III: FDI Inflow to Myanmar

Sr No	Country	Total FDI	1988-89 to 2010-2011	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-2019 (As of 30/6/2019)
1	Singapore	21,737,049	1,804,013		418,233	2,300,121	4,297,185	4,251,223	3,820,764	2,163,963	2,006
2	China	20,680,227	9,596,791	4,345,728	231,773	56,160	511,415	3,323,853	482,591	1,395,219	437
3	Thailand	11,309,433	9,568,093		1.3	529,072	165,679	236,174	423,058	123,858	198
4	Hong Kong	8,165,232	6,308,495		84,839	104,004	625,556	225,165	213,700	251,982	289
5	U.K	4,525,407	2,659,954	99,831	232,700	156,864	850,759	75,310	54,320	211,179	10
6	R.O.K.	3,962,669	2,916,913	25,572	37,942	81,205	299,586	128,091	66,423	253,904	76
7	Viet Nam	2,165,203	23,649	18,147	329,390	142,000	175,400	4,676	1,386,200	20,806	14,580
8	Malaysia	1,963,124	975,097	51,864	4,324	616,108	6,724	257,221	21,390	21,877	1,179
9	The Netherlands	1,554,889	238,835		10,301		302,405	438,025	5,000	533,923	26,400
10	Japan	1,208,406	211,902	4,318	54,063	55,711	85,740	219,793	60,423	384,119	38
11	India	763,567	189,000	73,000	11,500	26,040	208,886	224,223		10,993	
12	France	550,230	469,000			5,360	67,250		0.790	7,340	0.490
13	U.S.A	432,796	243,565				2,041	2,610		128,680	

Sr No	Country	Total FDI	1988-89 to 2010-2011	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-2019 (As of 30/6/2019)
14	Indonesia	274,530	241,497					13,190	9,034	9,859	
15	Canada	203,594	39,781		2,102		153,924	1,277	5,150	1,360	
16	U.A.E	147,692	41,000			4,500	1,692			100,500	
17	Philippines	147,173	146,667				0.506				
18	Australia	145,799	82,080			17,696		29,733	16,290		
19	Samoa	138,326					30,214	0.450	22,060	38,640	5
20	Brunei Darussalam	115,356	2,040		1	2,273	43,873	26,483	18,026	8,074	10
21	Russia Federation	94,000	94,000								
22	Republic of Liberia	79,201	14,600				64,601				
23	Austria	74,365	72,500								
24	Taiwan	71,707				0.760	5,489	8,293	10,458	17,210	21,333
25	Panama	55,101	29,101	26,000							
26	Luxembourg	47,277				5,200	40,150	0.400		1,527	

Sr No	Country	Total FDI	1988-89 to 2010-2011	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-2019 (As of 30/6/2019)
27	Switzerland	47,196	3,382				27,000	1,695			17
28	Mauritius	39,584	30,575				9,009				
29	Germany	32,651	17,500				3,600		1,153	10,398	
30	Seychelles	25,111						1,320	2,980	8,182	9
31	Cambodia	24,175							1,675		
32	Norway	17,800					11,800			6,000	
33	Lebanon	14,024							12,980		1
34	Denmark	13,370	13,370								
35	Marshall Island	12,359					4,499		6,510	1,000	0.35
36	Ireland	8,053							6,950	1,103	
37	Macau	8,040	4,400							3,640	
38	Bangladesh	7,890	2,957					2,356	1,077	1,500	
39	New Zealand	6,950						6,950			
40	Cyprus	5,250	5,250								

Sr No	Country	Total FDI	1988-89 to 2010-2011	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-2019 (As of 30/6/2019)
41	Qatar	4,500						4,500			
42	Sri Lanka	3,500	1,000				1,250			1,250	
43	Israel	2,400	2,400								
44	Sweden	2,050					14,300				
45	South Africa	1,309						1,309			
46	Cook Islands	1,150						1,150			
47	Laos	0.883				0.883					
48	Belize	0.810							0.810		
49	Afghanistan	0.653						0.653			
	Total	**80,892,061**	**36,049,407**	**4,644,460**	**1,419,467**	**4,097,114**	**8,010,533**	**9,486,123**	**6,649,812**	**5,718,086**	**3,159,741**

Appendix IV: Netherlands development assistance to Myanmar

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
1	Pan Hlaing sluices	Netherlands Enterprise Agency	1,006,140	432,562
2	Nyaungdone infrastructural flood protection	Netherlands Enterprise Agency	497,150	300,332
3	Studies Public Transport	Netherlands Enterprise Agency	363,771	122,374
4	Hlaing Thar Waste Water	Netherlands Enterprise Agency	943,994	0
5	Solutions Myanmar	Netherlands Enterprise Agency	71,833	72,475
6	Soy Milk Myanmar	Netherlands Enterprise Agency	94,674	95,641
7	Feasibility Study for AAC	Netherlands Enterprise Agency	69,863	62,876
8	Myanmar Strategic study of Integrated Water Resource Management	Netherlands Enterprise Agency	604,341	604,341
9	Sustainable and affordable poultry for all	Netherlands Enterprise Agency	2,789,650	2,401,330
10	Scoping mission for EU aquacultuur project	Netherlands Enterprise Agency	21,569	22,288
11	Local Myanmar Water Expert Support	Netherlands Enterprise Agency	10,628	10,786

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
12	Factfinding for EIA capacity building in Myanmar	Netherlands Enterprise Agency	18,957	17,429
13	Scoping mission crop protection and pesticide risks assessment Myanmar	Netherlands Enterprise Agency	49,818	53,149
14	Incoming Yangon Delegation for infrastructure and logistics	Netherlands Enterprise Agency	59,843	57,373
15	Scoping mission for Plan Variety Protection Myanmar	Netherlands Enterprise Agency	30,322	37,047
16	Strengthening EIA performance in Myanmar	Netherlands Enterprise Agency	86,331	87,381
17	Incoming public Myanmar Delegation for Sanitary and Phytosanitary framework	Netherlands Enterprise Agency	19,678	19,819
18	Strengthening Myanmar's phytosanitary status and services	Netherlands Enterprise Agency	325,306	0
19	Strengthening Myanmar's seed sector enabling environment	Netherlands Enterprise Agency	342,558	294,957

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
20	Pesticide Registration Programme Myanmar	Netherlands Enterprise Agency	225,245	223,688
21	Bridging integrated water management and food security	Netherlands Enterprise Agency	50,503	49,418
22	Integrated Flood Management in Myanmar	Netherlands Enterprise Agency	72,798	71,187
23	Integrated solid and (related) liquid waste management in Yangon and Mandalay, Myanmar.	Netherlands Enterprise Agency	107,295	113,477
24	River management Myanmar (understanding dancing rivers)	Netherlands Enterprise Agency	200,302	0
25	Technical Assistance on water sector development, Myanmar	Netherlands Enterprise Agency	173,419	0
26	Flood Water Management training	Netherlands Enterprise Agency	208,735	0
27	Poultry health and disease control training at institutional level	Netherlands Enterprise Agency	143,883	71,320
28	Study visit water governance Myanmar	Netherlands Enterprise Agency	27,322	28,421

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
29	Use of information maps from Myanmar satellite data	Netherlands Enterprise Agency	15,037	15,979
30	VEG Impact Myanmar	Netherlands Enterprise Agency	465,828	412,150
31	Scoping Pan Hlaing Sluice Yangon	Netherlands Enterprise Agency	55,491	48,213
32	Building capacity for a sustainable fisheries and aquaculture sector	Netherlands Enterprise Agency	62,633	61,890
33	Baseline study and policy recommendations potatoes	Netherlands Enterprise Agency	55,321	55,006
34	Towards a competence-based Aquaculture and Fisheries Curriculum	Netherlands Enterprise Agency	44,346	43,223
35	Capacity Building for the development of the Myanmar potato sector	Netherlands Enterprise Agency	154,047	151,393
36	Myanmar Protected Horticulture Roadmap	Netherlands Enterprise Agency	42,610	42,301
37	Piloting dairy development in Shan	Netherlands Enterprise Agency	35,797	36,434

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
38	A waterproof Yangon Riverfront roadmap by ARCADIS	Netherlands Enterprise Agency	35,825	34,588
39	Poultry inception study for demonstration and training projects	Netherlands Enterprise Agency	16,856	16,954
40	A waterproof Yangon riverfront roadmap by INK Strategy	Netherlands Enterprise Agency	29,362	28,597
41	A waterproof Yangon Riverfront roadmap by Rebel Group	Netherlands Enterprise Agency	35,931	34,833
42	Value Adding Potatoes in Myanmar	Netherlands Enterprise Agency	33,099	32,889
43	Pesticide Selection Tool Myanmar	Netherlands Enterprise Agency	35,181	39,625
44	Water Community of Practice Myanmar (Water COP)	Netherlands Enterprise Agency	46,866	46,840
45	Dredging course Myanmar	Netherlands Enterprise Agency	36,904	34,960
46	AgriFood Challenge Myanmar	Netherlands Enterprise Agency	24,389	24,693
47	Organising of training course on sustainable waste management	Netherlands Enterprise Agency	11,914	11,723
48	Aquaculture and Fisheries Trade Mission	Netherlands Enterprise Agency	69,386	56,025

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
49	Trade mission Offshore energy & amp;dredging	Netherlands Enterprise Agency	46,203	46,169
50	Logistics arrangements for incoming visit delegation from Myanmar	Netherlands Enterprise Agency	13,170	13,001
51	VegCap Myanmar Training	Netherlands Enterprise Agency	421,688	0
52	Crop protection and pesticide risk reduction programme (phase II)	Netherlands Enterprise Agency	227,603	91,350
53	Urban Water Management in Yangon and Mandalay	Netherlands Enterprise Agency	158,133	0
54	Establishing partnerships between Dutch and Burmese SMEs	Netherlands Enterprise Agency	27,477	28,318
55	Myanmar Water Hub	Netherlands Enterprise Agency	39,233	39,435
56	Myanmar Flower Sector Quick Scan	Netherlands Enterprise Agency	36,103	36,469
57	Roadmap for sustainable spices export from Myanmar to the Netherlands	Netherlands Enterprise Agency	38,645	20,064

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
58	Measurement campaign Pan Hlaing River	Netherlands Enterprise Agency	29,526	29,153
59	Study on pork export from the Netherlands to Myanmar	Netherlands Enterprise Agency	13,221	12,890
60	mySustainable Inclusive Agribusiness Scan	Netherlands Enterprise Agency	41,160	0
61	Feasibility Pan Hlaing river lock	Netherlands Enterprise Agency	277,443	276,834
62	ESIA Bagan River Multipurpose Beautification Project	Netherlands Enterprise Agency	224,256	224,491
63	Preparatory Activities Delegated Representative 2015	Netherlands Enterprise Agency	75,898	78,642
64	Expertise for the Environment (Wunkyin) Myanmar Cooperative	Netherlands Enterprise Agency	24,424	23,412
65	High Level Expert Team 2015	Netherlands Enterprise Agency	49,655	48,400
66	Feasibility study on the improvement of the navigability of the Ayeyarwady River in Myanmar - additional work	Netherlands Enterprise Agency	28,061	28,296

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
67	Public Private Partnership (PPP) course	Netherlands Enterprise Agency	62,244	59,612
68	Meikthila Lake Integrated Development Plan	Netherlands Enterprise Agency	252,401	248,690
69	Preporatory Activities Delegated Representative 2016	Netherlands Enterprise Agency	52,492	102,773
70	High Level Expert Team 2016	Netherlands Enterprise Agency	14,828	13,922
71	Integrated Ayeyarwaddy Delta Strategy Phase A (IADS A)	Netherlands Enterprise Agency	567,572	616,336
72	Activities related to Sobek Training	Netherlands Enterprise Agency	7,717	15,435
73	High Level Expert	Netherlands Enterprise Agency	1,172	1,124
74	Water consultant Dutch government in Myanmar	Netherlands Enterprise Agency	4,737	4,860
75	Young Professional Programme	Netherlands Enterprise Agency	116,386	111,395
76	Integrated vegetable seed pilot and farm extension	Netherlands Enterprise Agency	862,202	604,866
77	Introductiereis DR Myanmar	Netherlands Enterprise Agency	26,801	26,835

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
78	Surveys ten behoeve van Yangon Flood Model	Netherlands Enterprise Agency	118,744	0
79	Navigation with Nature: a CoVadem application for the Chindwin River	Netherlands Enterprise Agency	402,634	211,493
80	Feasibility study to the improvement of the navigability the Ayeyarwadi river in Myanmar	Netherlands Enterprise Agency	413,080	377,049
81	Garments Myanmar	Netherlands Enterprise Agency	1,153,170	1,153,170
82	MasterPeas, Myanmar Pulses for agricultural growth, higher incomes and nutrition	Netherlands Enterprise Agency	582,976	0
83	Sustainable and Accessible Fish for All	Netherlands Enterprise Agency	2,851,530	0
84	Netherlands Myanmar Poultry Cooperation	Netherlands Enterprise Agency	489,443	448,132

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
85	Demonstrating food safety and efficiency in a semi-automated poultry slaughterhouse in Myanmar	Netherlands Enterprise Agency	177,553	50,776
86	Sustainable Tourism Export Development Asia	Netherlands Enterprise Agency	6,591,240	6,591,240
87	Pyigyitagun Water Supply	Netherlands Enterprise Agency	33,770,000	0
88	PUM Program 2017 - 2020	PUM Netherlands	34,653,000	34,653,000
89	DMH/HH MM/SC/Cyclone Nargis	Netherlands - Ministry of Foreign Affairs	787,809	776,211
90	HR Doc and Video Reporting	Netherlands - Ministry of Foreign Affairs	69,735	56,940
91	DMH/HH MM/WFP/Flash Appeal 08	Netherlands - Ministry of Foreign Affairs	7,147,540	6,988,090
92	DMH/HH MM ZOA/TBBC 09/10	Netherlands - Ministry of Foreign Affairs	4,226,150	4,046,870
93	BAN_Irawaddy Publication 2009	Netherlands - Ministry of Foreign Affairs	62,812	65,883
94	BAN_VAHU CDCE Programme 2009	Netherlands - Ministry of Foreign Affairs	98,970	104,084
95	BAN_Myanmar Stakeholders	Netherlands - Ministry of Foreign Affairs	44,603	47,832
96	DMH/HH MM/ACF/Rohingya	Netherlands - Ministry of Foreign Affairs	506,205	491,737
97	BAN AAPPB 2009-10	Netherlands - Ministry of Foreign Affairs	95,998	97,198

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
98	BAN mensenrechtenonderzoek	Netherlands - Ministry of Foreign Affairs	9,430	9,653
99	BAN FREEVOICE 2010	Netherlands - Ministry of Foreign Affairs	435,053	423,617
100	BAN IRRAWADY 10	Netherlands - Ministry of Foreign Affairs	65,379	60,782
101	BAN Myanmar Ethnic Crisis/ TNI	Netherlands - Ministry of Foreign Affairs	54,271	51,538
102	BAN VAHU 2010	Netherlands - Ministry of Foreign Affairs	119,902	111,252
103	BAN AAPPB 2010-2011	Netherlands - Ministry of Foreign Affairs	94,950	103,133
104	BAN ISIS Burma election	Netherlands - Ministry of Foreign Affairs	1,125	1,086
105	BAN Myanmar Egress 2010	Netherlands - Ministry of Foreign Affairs	21,637	22,380
106	BAN VAHU 2010 2011	Netherlands - Ministry of Foreign Affairs	100,609	99,509
107	DMH/HH MM 2011/CDN	Netherlands - Ministry of Foreign Affairs	426,817	424,990
108	DMH/HH MM ZOA/TBBC 2011	Netherlands - Ministry of Foreign Affairs	2,137,750	2,123,860
109	BAN VAHU CDCE 2011	Netherlands - Ministry of Foreign Affairs	132,847	129,778
110	BAN AAPPB 2011-2012	Netherlands - Ministry of Foreign Affairs	105,891	96,551
111	BAN Egress 2011-12	Netherlands - Ministry of Foreign Affairs	39,461	36,146
112	BAN Irrawaddy 2011	Netherlands - Ministry of Foreign Affairs	63,219	58,884
113	BAN Mingalar Myanmar	Netherlands - Ministry of Foreign Affairs	97,849	97,850
114	DMH/HH ZOA TBBC 2012	Netherlands - Ministry of Foreign Affairs	1,162,280	1,119,060
115	BAN CSR2012	Netherlands - Ministry of Foreign Affairs	26,840	25,889

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
116	BAN KDHW 2012-13	Netherlands - Ministry of Foreign Affairs	18,307	18,157
117	BAN TNI 2012-13	Netherlands - Ministry of Foreign Affairs	132,210	130,931
118	BAN AAPP 2012	Netherlands - Ministry of Foreign Affairs	105,115	106,777
119	BAN CORD 2012	Netherlands - Ministry of Foreign Affairs	44,989	45,392
120	BAN NMSP 2012	Netherlands - Ministry of Foreign Affairs	87,178	87,772
121	BAN MRBRC	Netherlands - Ministry of Foreign Affairs	126,318	128,746
122	DSH HO ZOA TBC	Netherlands - Ministry of Foreign Affairs	654,667	662,693
123	BAN ILO13	Netherlands - Ministry of Foreign Affairs	465,830	467,399
124	PPCM	Netherlands - Ministry of Foreign Affairs	97,432	94,054
125	Women in Focus IPG	Netherlands - Ministry of Foreign Affairs	124,656	124,361
126	Women's ledership school	Netherlands - Ministry of Foreign Affairs	46,372	43,841
127	Kwijtschelding Myanmar	Netherlands - Ministry of Foreign Affairs	9,720,070	9,883,060
128	HUMAN RIGHTS WOMEN	Netherlands - Ministry of Foreign Affairs	117,373	111,268
129	INDEPEND. MEDIA HR IN MYANMAR	Netherlands - Ministry of Foreign Affairs	107,471	99,935
130	MCRB 2014	Netherlands - Ministry of Foreign Affairs	285,514	248,194
131	Rainbow Agenda Myanmar 2015	Netherlands - Ministry of Foreign Affairs	125,770	113,092
132	Legal Assistance Human Rights	Netherlands - Ministry of Foreign Affairs	54,355	48,240

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
133	PROM. AND PROTECTING LGBT	Netherlands - Ministry of Foreign Affairs	130,181	118,094
134	BREAKING THE SILENCE	Netherlands - Ministry of Foreign Affairs	116,435	110,550
135	This Kind of Love	Netherlands - Ministry of Foreign Affairs	75,718	74,620
136	Partners voor Water Myanmar	Netherlands - Ministry of Foreign Affairs	2,146,720	2,023,820
137	FRAMING THE TRANSITION	Netherlands - Ministry of Foreign Affairs	80,776	83,026
138	STRENGTHENING HR MYANMAR	Netherlands - Ministry of Foreign Affairs	256,461	267,529
139	BAN - Voice of Shan State PPL	Netherlands - Ministry of Foreign Affairs	87,926	88,483
140	PAULANG WOMEN'S LEADERSHIP	Netherlands - Ministry of Foreign Affairs	36,536	36,426
141	JOURNALISM FOR HR	Netherlands - Ministry of Foreign Affairs	68,460	68,503
142	KWAT HR PROJECT	Netherlands - Ministry of Foreign Affairs	102,672	102,301
143	PLATFORM FOR WOMEN'S SKILL DEV	Netherlands - Ministry of Foreign Affairs	110,622	110,599
144	WOMEN'S LEADERSHIP TRAINING	Netherlands - Ministry of Foreign Affairs	62,634	63,863

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
145	CULTIVATING RELIGIOUS FREEDOM	Netherlands - Ministry of Foreign Affairs	242,034	251,061
146	GENDER ELECTION OBSERVATION	Netherlands - Ministry of Foreign Affairs	115,965	118,032
147	2016 YAN HR-ODA	Netherlands - Ministry of Foreign Affairs	48,803	49,124
148	2016 YAN PKP-ODA	Netherlands - Ministry of Foreign Affairs	12,102	12,060
149	Empowering People - Democracy	Netherlands - Ministry of Foreign Affairs	55,500	56,176
150	MCRB 2016 17	Netherlands - Ministry of Foreign Affairs	106,601	107,006
151	Secure Chin Women Project	Netherlands - Ministry of Foreign Affairs	158,655	157,139
152	Building the Courage to Change	Netherlands - Ministry of Foreign Affairs	213,245	213,186
153	HR Education	Netherlands - Ministry of Foreign Affairs	197,103	207,449
154	YANGON PKP ODA ACTIVITIES 2017	Netherlands - Ministry of Foreign Affairs	56,148	56,148
155	Yangon MRF Activities 2017	Netherlands - Ministry of Foreign Affairs	54,702	54,702
156	ISSD Myanmar	Netherlands - Ministry of Foreign Affairs	1,607,600	1,296,450
157	DVB, ÄôS INVESTIGATIVE DOCUMENTARIES 2017	Netherlands - Ministry of Foreign Affairs	53,151	54,250

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158	Impact-Freedom of Expression Myanmar	Netherlands - Ministry of Foreign Affairs	106,129	108,933
159	Vital News& Reporting to Support HR	Netherlands - Ministry of Foreign Affairs	207,251	201,495
160	BURMA STORYBOOK (BSB)	Netherlands - Ministry of Foreign Affairs	56,145	56,740
161	May Doe Kabar Rural Women, Äôs Network	Netherlands - Ministry of Foreign Affairs	224,618	144,610
162	Myanmar Federation Persons with Disability	Netherlands - Ministry of Foreign Affairs	225,944	191,392
163	KEAN - Kayah Earthrights Action Network	Netherlands - Ministry of Foreign Affairs	136,993	83,137
164	Fortify Rights II	Netherlands - Ministry of Foreign Affairs	225,365	210,660
165	Farming Systems Sustainability Myanmar	Netherlands - Ministry of Foreign Affairs	1,758,750	984,046
166	HULP SLACHTOFFERS GEWELD RAKHINE STATE	Netherlands - Ministry of Foreign Affairs	1,172,500	1,183,690
167	CSO Cultivation for Religious Freedom	Netherlands - Ministry of Foreign Affairs	287,086	128,466

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
168	Investigative Journalism Project	Netherlands - Ministry of Foreign Affairs	72,768	57,221
169	LGBT Rights in Myanmar	Netherlands - Ministry of Foreign Affairs	221,843	56,877
170	Advocay for Change in Myanmar (APPM)	Netherlands - Ministry of Foreign Affairs	112,606	100,246
171	Promotion of Rights of Access To Water	Netherlands - Ministry of Foreign Affairs	75,794	67,655
172	Religious Freedom Initiative Plus (RFI+)	Netherlands - Ministry of Foreign Affairs	227,603	113,802
173	Raising Gender Awareness in Kachin State	Netherlands - Ministry of Foreign Affairs	268,545	50,072
174	Investigative Journalism Training	Netherlands - Ministry of Foreign Affairs	112,307	58,084
175	Women Media Project	Netherlands - Ministry of Foreign Affairs	77,355	37,976
176	Muslim intra-faith Understanding	Netherlands - Ministry of Foreign Affairs	178,187	45,065
177	Film Education for Peace	Netherlands - Ministry of Foreign Affairs	114,832	92,634
178	Learning Agenda 2016	Netherlands Institute for Multiparty Democracy	100,071	100,071
179	Myanmar Programme 2016	Netherlands Institute for Multiparty Democracy	368,680	309,804
180	Myanmar Programme 2017	Netherlands Institute for Multiparty Democracy	299,961	265,445
181	Myanmar Programme 2018	Netherlands Institute for Multiparty Democracy	208,045	501,807

Sr.	Project Name	Funding Agency	Commitment (USD)	Reimbursement (USD)
182	Myanmar Programme 2019	Netherlands Institute for Multiparty Democracy	497,290	104,809
183	Strategic Partnership 2016 NIMD - AWEPA	Netherlands Institute for Multiparty Democracy	2,573,160	2,573,160
184	Strategic Partnership 2017 NIMD - AWEPA	Netherlands Institute for Multiparty Democracy	2,389,710	2,389,710