

# The status of burma commerce essay



**ASSIGN  
BUSTER**

ON" A GLOBAL COUNTRY REPORT ON EXPORT & IMPORT STATUS OF BURMA"

Submitted to

## **Kalol Institute of Management**

IN PARTIAL FULFILLMENT OF THEREQUIREMENT OF THE AWARD FOR THE  
DEGREE OF

## **MASTER OF BUSINESS ASMINISTRATION**

In

## **Gujarat Technological University**

UNDER THE GUIDANCE OFMs. Nidhi Desai

## **Submitted by**

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## **Kalol Institute of Management**

MBA PROGRAMMEAffiliated to Gujarat Technological

UniversityAhmedabadNovember, 2012

## **Students' Declaration**

We, SACHIN PATEL, NIRALI PATHAK, ROHIT PATEL, YOGENDRA PATEL, UPESH  
PATEL, JAGDISH PATEL hereby declare that the report for Global/ Country  
Study Report entitled " EXPORT & IMPORT STATUS OF BURMA" is a result of  
our own work and our indebtedness to other work publications, references, if  
any, have been duly acknowledged. Place: ..... SignatureDate: .....

## **PREFACE**

In Today's scenario of business, International Business plays a vital role for the entrepreneurs. During several decades, International Business has been growing considerably in India. Enterprises are going internationally to earn more revenue for the business. Enterprises are spanning their wings strategically for increasing the business. Before going internationally, managers need to find the pros & cons for the particular country and need to evaluate the country strategically. Here we get this opportunity to do similar kind of activities in as part of Global Country Report. We have made this report on the " EXPORT & IMPORT STATUS OF BURMA". We had tried our level best to comprehend all the aspects in this project.

## **ACKNOWLEDGEMENT**

Apart from our efforts, the success of this report depends largely on encouragement & guidelines of many others. We take this opportunity to express our gratitude to the people who have been concerned in the successful completion of this project. We would like to show our gratitude to Dr. Tejas Dave, Programme Co-ordinator, Kalol Institute of Management, for giving a wholesome feed-back & valuable guidance to complete the project. We express our sincere gratitude to our co-ordinator Ms. Hetal Jani, Associate Professor, Kalol Institute of Management & our guide Ms. Nidhi Desai, without their valuable guidance & inspiration; we would not able to finish this project. We are grateful to them for their prolonged interest in our work and excellent guidance. We are thankful to respondents for giving their time to contribute their opinions to us. We are also thankful to the entire KIM family for their cooperation and support. We are extremely thankful to our parents

for giving their constant and precious guidance, support and motivation during the course of completion of our project. The friends, who always bear and motivate me throughout this project, we are thankful to them to also.

## **Background History of Burma**

Burma is situated in Southeast Asia and is bordered on the north and north-east by China, on the east and south-east by Laos and Thailand, on the south by the Andaman Sea and the Bay of Bengal and on the west by Bangladesh and India. It is located between latitudes 09 32'N and 28 31'N and longitudes 92 10'E and 101 11'E. The civilization in Burma started in the 1st Century. The first Empire was established in 11th Century in the Pyu Kingdoms. The second Empire was established in the mid of 16th Century by King Bayintnaung. The third and the last Empire was established in 1752 by King Alaungpaya. In the 19th Century, Burma was invaded by British. During the Second World War, Burma was taken over by Japanese for almost three years. Burma developed as a sovereign state on 4th January, 1948 named as the Union of Burma. Sao Shwe Thaik was the first president and U Nu was its first Prime Minister. Burma became an independent country, after the elections held in 2010, named as the union of Burma. At present, the president of Burma is Thein Sein.

## **Burma Profile**

CapitalNaypyidawLargest CityYangon (Rangoon)Official

LanguageBurmeseArea676, 578 km<sup>2</sup>Population60, 280, 000

(2010)CurrencyKyatPopulation545, 84, 650 (2012 est)GDP5. 5 (2011)

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## **India – Burma Relations**

India – Burma relations initiated from the past history, ethical, cultural & religious bonding. The relations got stronger after the visit of Prime Minister Rajiv Gandhi in 1987. Many deals pleasing bilateral cooperation have been noticed between the two countries. India provided help during the

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cataclysmic cyclone " Nargis" in Burma in May 2008 and also during many earthquakes in March 2011.

## **Major Indian Projects in Burma**

The Government of India has occupied itself in many infrastructural & non-infrastructural projects in Burma. ONGC Videsh Ltd. (OVL), GAIL & ESSAR have been contributors in the energy sector in Burma. The Government of India also helped TATA Motors financially while investing in a heavy turbo-truck assembly plant which was started on 31st December, 2010. India also helped in the reconstruction of many schools which were damaged during the earthquake in Burma in March 2011.

## **Bilateral Trade India-Burma**

India normally imports agricultural items like pulses, beans & forest based products from Burma. India mainly exports raw & semi-finished steel & pharmaceuticals to Burma. Bilateral Trade was US\$ 12. 4 million in 1980-81 & US\$ 1070. 88 million in 2010-11 which is almost 86 times more. A table summarizing the bilateral relations is as follows:

Year	India's Export	India's Import	Total Trade	Trade Balance
2006-07	139. 95	781. 93	921. 19	- 641. 98
2007-08	185. 43	809. 94	995. 37	- 624. 51
2008-09	221. 64	928. 97	1150. 61	- 707. 33
2009-10	207. 97	1289. 80	1497. 77	- 1081. 83
2010-11	194. 75	876. 13	1070. 88	- 681. 38
2011-12 (April-Dec)	217. 65	763. 32	980. 54	- 545. 67

(Source: Central Statistical Organization, Burma)

## **Cooperation between India and Burma in the regional / Sub-regional Context**

ASEAN: Burma became a member of ASEAN in July 1997. Burma acts as a bridge between India & ASEAN as ASEAN & India have a common land border. BIMSTEC: Burma became a member of BIMSTEC in December 1997. Burma trades with India in the BIMSTEC region. The 13th BIMSTEC Ministerial Meeting was held in Burma in January 2011. MGC: Burma is a member of the Mekong Ganga Cooperation (MGC) since its incorporation in November 2000. MGC was incorporated for cooperation in the fields of tourism, education, culture, transport & communication. SAARC: Burma became the observer in SAARC in August 2008.

## **Key cities in Burma**

The following are key cities of Burma as under:

### **Yangon**

Yangon is the largest city and also former capital of the Burma. It is also known as Rangoon. Yangon is situated in lower Burma at the junction of the Yangon and Bago Rivers. As per the data of 2011 approx. population is 44, 77, 638. Yangon is the major commercial hub in Burma.

### **Mandalay**

Mandalay is the 2nd largest city and also former capital of Burma. Mandalay is situated in the central dry zone of Burma by the Irrawaddy River at North. As per the data of 2011 approx. population is 12, 08, 099. Mandalay is the economic centre of Upper Burma.

## **Nay Pyi Daw**

Nay Pyi Daw is the 3rd largest city and capital of Burma. The Nay Pyi Daw as a capital of Burma declared on 27 Mar, 2006, Burmese Armed Forces Day. As per the data of 2011 approx. population is 9, 25, 000.

## **Mawlamyaing**

The population of Mawlamyaing is 4, 38, 861 and largest city of Mon State, Burma, and is the main trading centre and seaport in south-eastern Burma. Mawlamyaing located south east of Yangon and south of Thaton, at the mouth of Thanlwin River.

## **Taunggyi**

The population of Taunggyi is 1, 60, 115 and capital city of Shan State, Burma. The name Taunggyi means " Big Mountain" in the Burmese language.

## **Types of the Business Organization can apply for Import & Export Business**

The following are the types of the Business Organization can apply to the Directorate of Trade of registration for Import and Export business are under:  
Partnership Firms  
Co-operative Societies  
Sole-proprietor  
Limited Companies  
Foreign Companies registered under the Burma Companies Act

## **Registration of Importer and Exporter**

The following are the documents required for the registration of importer and exporter: Application Form with Letter Head of Company  
Original Copy of MOA and AO  
Registration Form of Exporter and Importer  
Company Registration Office copy for the issuing Certificate of registration. Certificate



of Membership of UMFCCI Certificate of Company Registration with Two copies Form 26 certified copy which is recognized by Company Registration Office

### **Licensing Authority of Import & Export**

The right to issue import and export license and permits is assigned to Directorate of Trade & Department of Border Trade under the Ministry of Commerce. Directorate of Trade is sanctioned to issue import and export overseas trade. Department of Border Trade is sanctioned to issue import and export license for cross border trade.

### **Registration Fee Importer and Exporter**

The registration fee of importer and exporter for One year is 5, 000 Kyat and for Three years 10, 000 Kyat. The same fees are payable on renewal.

### **Import Commodities of Burma**

The main commodities imported by Burma are as under: Food products and Edible Oil Fertilizer Machinery Transport Equipment Crude Oil Fabrics The main import partners of Burma are as under: China - 31. 1% Thailand - 20. 8% Singapore - 20. 4%

### **Commodities Prohibitions for Import**

At present, following are the commodities that are prohibitions for import by overseas and border trade are as under: Soft Drinks Beer Liquor Chocolate Cake Wafer Cigarette' Noodle

## **Procedure for Import**

Procedure for import details as under; Registered Importer is necessary to open Foreign Exchange A/c at a bank for an import license from the Directorate of Trade. In applying for import license, the application shall attach the proforma invoice mentioning complete specifications, delivery and mode of packing. Import License Fees payable on C. I. F value of goods imported from abroad. An irrevocable L/C has to be opened by the imported at Bank. After receiving shipment instruction from suppliers, the importer has to organize for the clearance of goods.

## **Custom Declaration form for Import Clearance**

The following are the documents to be accompanied; Import License or permit Invoice Air Consignment Note or Bill of Landing Packing List Other Certificates & permits issued by the respective Government Departments as a condition for import.

## **License Fees on Import**

Import license fee is payable on CIF value (Min 250 Kyat up to Maximum 50000 Kyat). The following are the fees payables on CIF Value:

CIF Value (Kyat)	License Fee (Kyat)
Up to 10,000	250
From 10001 to 25000	625
From 25001 to 50000	1250
From 50001 to 100000	2500
From 100001 to 200000	5000
From 200001 to 400000	10000
From 400001 to 1000000	20000
From 1000001 and above	50000

## **Export Commodities of Burma**

The main commodities exports by Burma are as under: Jade & GemsPulses & BeansNatural GasRubiesRiceSapphiresWoodThe main export partners of Burma are as under: Thailand - 52%India - 12. 3%China - 8. 8%

## **Commodities Prohibitions for Export**

At present, following are the commodities that are prohibitions for export by overseas and border trade are as under: Agricultural Products - Sesame Oil, White Sugar, CottonForest Product - RubberMarine Products - Shrimp branMinerals & Metals - Petroleum, Gems & Jewellerys, Diamond, Gold, Bronze, Silver, etc.

## **Procedure for Export**

Procedure for export details as under; Registered Exporter is necessary to obtain export license, in conformity with rules & regulations laid down by the Directorate of Trade. There is no fee levied for issuance of an export license. An Irrevocable L/C to be opened at Burma Investment & Commercial Bank by the Buyer through acceptable Bank. Burma Port Authority has to be contacted for the shipment of cargo that is to be shipped on Free on Board basis. The container the cargo is to be shipped by has to be nominated by the buyer. Details of the cargo, shipping bills, other documents & custom pass etc must be disclosed to the bank for transaction.

## **Custom Declaration form for Export Clearance**

The following are the documents to be accompanied; Export License or permitInvoiceSale ContractPacking ListLetter of CreditShipping InstructionsSample GoodsPayment advice referring Inward transfer

government or private no. Other Certificates & permits issued by the respective Government Agencies

## **License Fees on Export**

Export service fee is payable on FOB value. FOB Value (Kyat) Service Fee (Kyat)

1 to 50, 000	2500050, 001 to 1, 00, 000	50, 0001. 00, 001 to 1. 50, 000	75, 000
Above 1, 50, 000	11, 00, 000		

## **Export Retention**

The registered exporters/importers are allowed to enjoy 100 percent export retention money for the export of goods.

## **Duties and Reliefs Exemptions**

The following are the custom duties and reliefs exemptions; Cigarettes - 400 Sticks  
Personal effects in actual use by the passenger  
Wine, Liquor - 2 ltrs  
Tobacco - 250 grams  
Cigars - 100 Sticks  
0. 5 Litre of Perfume

## **ANALYSIS Of EXPORT & IMPORT OF BURMA**

Burma is the world's largest exporter of teak and a principal source of jade, natural gas, pearls, rubies and sapphires. Natural gas is one of Burma's largest sources of export revenue, accounting for about 30% of total exports. Commercial tax is exempt on all exports of goods except five natural resources items which are natural gas, crude oil, jade, gem stones and wood. The import turnover is \$ 5. 498 Billion (2011 est.) & export turnover is \$9. 543 Billion (2011 est.) Customs Duties are exempted on some items like cigarettes, wine, liquor, tobacco, cigars, and perfume. The registered exporters/importers are allowed to enjoy 100 percent export retention money for the export of goods. In Burma, 8% commercial tax and 2% income

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tax shall be payable in foreign currency for all export from private sector.

Rice exports from Burma may more than double 1. 5 million tonnes (FY 2011-12). So, there is a large export opportunities in rice and natural gas in Burma. Registration for import and export is for maximum three years and after that they have renew their registration for import-export business.