



# Asian Development Bank & Myanmar

## FACT SHEET

**Table 1. Myanmar: Cumulative ADB Lending by Sector as of 31 December 2011<sup>a</sup>**

Sector	Loans (no.)	Amount (\$ million)	% <sup>b</sup>
Agriculture and Natural Resources	15	316.10	59.54
Energy	4	26.80	5.05
Finance	2	20.00	3.77
Health and Social Protection	2	63.10	11.89
Industry and Trade	3	26.40	4.97
Transport and ICT	2	42.50	8.01
Water Supply and Other Municipal Infrastructure and Services	4	35.96	6.77
<b>Total</b>	<b>32</b>	<b>530.86</b>	<b>100.00</b>

ICT = information and communication technology.

<sup>a</sup> Includes sovereign and nonsovereign loans.

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

## Partnerships

Myanmar joined the Asian Development Bank (ADB) in 1973, but it has not received direct assistance in more than 20 years. ADB's last loan and technical assistance projects for Myanmar were approved in 1986 and 1987, respectively. ADB continues to monitor economic developments in Myanmar, and will formulate an operational strategy when appropriate.

Myanmar is a participating member of the Greater Mekong Subregion Economic Cooperation Program (GMS Program), the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), and the Association of Southeast Asian Nations (ASEAN). Myanmar participates in regional meetings and workshops along with other GMS and ASEAN member countries.

ADB has maintained close coordination with the International Monetary Fund, the World Bank, and the United Nations Development Programme, with an emphasis on assessing the government's economic reform program and recommended policy actions. ADB liaises with Myanmar's major bilateral donors regarding the status of their assistance programs.

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

## Operational Challenges

Successful macroeconomic management and continuing economic reforms are central development challenges for the economy. Significant steps have already been taken to reform and diversify the economy. It remains to be seen if these measures are part of a comprehensive and well coordinated agenda to improve competitiveness and re-engage the country to its neighbors. The government will need to quickly develop a coherent strategy to overcome the many structural impediments to realizing the economy's potential and they will need to involve the private sector and civil society in the process. Furthermore, a lack of capacity to design and implement a coherent economic reform program and inexperience in implementing a reform process also pose challenges.

## Future Directions

A new civil government, under the leadership of President Thein Sein, was established on 31 March 2011. The political situation in Myanmar has evolved since then with the liberation of political prisoners, liberalization of media, and constitutional changes to allow registration of political parties and leaders from the opposition. In response to the recent political and economic developments, there have been signals of greater acceptance from the international community. Myanmar organized a GMS summit in December 2012, and has been accepted by ASEAN as chair of the regional grouping in 2014. International sanctions, however, remain in place in several cases, although some of them have been recently relaxed. These and other related developments will continue to be closely monitored. ADB will initiate the preparation of economic and sector analytical work in close coordination with other development partners to assess needs and demands.

## Context

Myanmar is the second largest country in Southeast Asia. It borders five nations, and is endowed with rich natural resources—arable land, forestry, minerals, natural gas, freshwater and marine resources, and is a leading source of gems and jade.

The economy grew by 5.3% in the fiscal year ending 31 March 2011 (FY2010) and 5.1% in FY2009. This reflects significant recovery driven by higher investment and commodity exports, after growth slowed down to 3.6% in FY2008 due to the impact of Cyclone Nargis.

Gross domestic product is expected to grow a projected 5.5% in FY2011 and 6.0% in FY2012 as business confidence improves due to political and economic reforms. However, there are risks to the growth momentum in the short term from rapid appreciation of the local currency, the *kyat*, and from possible slowdowns in neighboring economies as a result of the sovereign debt crisis in the advanced economies.

Table 2. Myanmar: Development Indicators

<b>Non-MDG</b>	
Population in millions	60.62 [2011]
Annual population growth rate (%)	1.3 [2009–2011]
Adult literacy rate (%)	92.0 [2009]
Population in urban areas (%)	33.9 [2010]
<b>MDG</b>	
Population living on less than \$1.25 (PPP) a day (%)	...
Population living below the national poverty line (%)	25.6 [2010]
Under-5 mortality rate per 1,000 live births	66 [2010]
Population using an improved drinking water source (%)	83 [2010]

... = data not available, MDG = Millennium Development Goal, PPP = purchasing power parity.

Sources: ADB. 2012. *Basic Statistics 2012*. Manila; United Nations Educational, Scientific and Cultural Organization (UNESCO). 2012. Institute for Statistics Data Centre; World Bank. 2012. *World Development Indicators*.

Table 3. Myanmar: Economic Indicators, 2007–2011

Economic Indicator	2007	2008	2009	2010	2011
Per capita GNI, Atlas method (\$)	...	...	...	...	...
GDP growth (% change per year)	5.5	3.6	5.1	5.3	5.5
CPI (% change per year)	32.9	22.5	8.2	7.3	4.2
Unemployment rate (%)	4.0	4.0	4.0	4.0	4.0
Fiscal balance (% of GDP)	(3.8)	(2.4)	(4.8)	(5.7)	(5.5)
Export growth (% change per year)	23.9	12.3	1.4	25.8	10.1
Import growth (% change per year)	88.0	25.6	1.9	15.8	23.8
Current account balance (% of GDP)	0.6	(2.2)	(1.3)	(0.9)	(2.7)
External debt (% of GNI)	...	...	...	...	...

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

Source: ADB. 2012. *Asian Development Outlook 2012*. Manila.

Table 4. Myanmar: Project Success Rates

Sector	% <sup>a</sup>	No. of Rated Projects/Programs
Agriculture and Natural Resources	60.00	5
Energy	100.00	1
Health and Social Protection	–	1
Industry and Trade	50.00	2
Transport and ICT	100.00	1
Water Supply and Other Municipal Infrastructure and Services	100.00	1
<b>Total</b>	<b>63.64</b>	<b>11</b>
<b>Year of Approval</b>		
1970s	66.67	6
1980s	60.00	5

– = nil, ICT = information and communication technology.

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

Sources: PCRs, PCRVRs, and PPERs containing a rating circulated as of 31 December 2011.

## Cofinancing

Cofinancing operations enable ADB's financing partners, government or their agencies, multilateral financing institutions, and commercial organizations, to participate in the financing of ADB projects. The additional funds are provided in the form of official loans and grants, and commercial cofinancing, such as B loans, risk transfer arrangements, parallel loans, and cofinancing for transactions under the ADB's Trade Finance Program.

By the end of 2011, cumulative direct value-added official cofinancing for Myanmar amounted to \$38.1 million for six investment projects and \$5.8 million for 14 technical assistance projects.

## Procurement

From 1 January 1968 to 31 December 2011, contractors and suppliers were involved in 197,338 contracts for ADB loan projects worth \$109.78 billion. During the same period, contractors and suppliers from Myanmar were involved in 137 contracts for ADB loan projects worth \$45.67 million.

From 1 January 1968 to 31 December 2011, consultants were involved in 12,179 contracts for ADB loan projects worth \$4.81 billion. During the same period, consultants from Myanmar were involved in four contracts for ADB loan projects worth \$0.64 million.

From 1 January 1968 to 31 December 2011, consultants were involved in 24,484 contracts for ADB technical assistance projects worth \$3.42 billion. During the same period, consultants from Myanmar were involved in 23 contracts for ADB technical assistance projects worth \$1.70 million.

Table 5. Myanmar: Share of Procurement Contracts

Item	2010		2011		Cumulative (as of 31 Dec 2011)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods and Works	–	–	0.00	0.00	45.67	0.04
Consulting Services	–	–	0.00	0.00	2.33	0.03

– = nil.

Table 6. ADB Assistance to Developing Member Countries, 2010–2011<sup>a</sup>

	2010 (\$ million)	2011 (\$ million)	Change (%)
Lending	11,444.53	12,605.46	10.14
ADF, Sovereign	2,212.57	1,954.85	(11.65)
OCR, Sovereign	8,196.96	9,050.61	10.41
OCR, Nonsovereign	1,035.00	1,600.00	54.59
Public Sector	–	600.00	
Private Sector	1,035.00	1,000.00	(3.38)
Equity Investments	235.00	239.00	1.70
Grants <sup>b</sup>	1,052.86	844.14	(19.82)
Technical Assistance Grants	325.00	359.39	10.58

– = nil, ( ) = negative, ADF = Asian Development Fund, OCR = ordinary capital resources.

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

<sup>b</sup> Excludes grant cofinancing not administered by ADB.

## About Myanmar and ADB

### ADB Membership

Joined 1973

### Shareholding and Voting Power

Number of shares held:	57,810 (0.55% of total shares)
Votes:	97,300 (0.74% of total membership, 1.13% of total regional membership)
Overall capital subscription:	\$887.54 million
Paid-in capital subscription:	\$44.40 million

**Chaiyuth Sudthitanakorn** is the Executive Director and **Govinda Bahadur Thapa** is the Alternate Executive Director representing Myanmar on the ADB Board of Directors.

ADB continues to monitor economic and humanitarian developments in Myanmar but does not have a country partnership strategy in place. ADB's Southeast Asia Department provides the primary operational link to the government, private sector, and civil society stakeholders in its activities. The department engages in policy dialogue and acts as a knowledge base on development issues in Myanmar.

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

### About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2011, lending volume was \$12.61 billion (104 projects), with TA at \$148 million (212 projects) and grant-financed projects at \$614 million (23 projects). In addition, \$7.7 billion was generated in direct value-added cofinancing in the form of official loans and grants and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2007 to 31 December 2011, ADB's annual lending volume averaged \$11.34 billion. In addition, TA and investment grants funded by ADB and special funds resources averaged \$755.3 million and \$175.0 million in TA over the same period. As of 31 December 2011, the cumulative totals excluding cofinancing were \$179.7 billion in loans for 2,423 projects in 42 countries, \$5.0 billion in 186 grants, and \$3.3 billion in TA grants, including regional TA grants.

## Contacts

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### Useful ADB websites

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

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

Asian Development Outlook  
[www.adb.org/publications/series/asian-development-outlook](http://www.adb.org/publications/series/asian-development-outlook)

Annual Report  
[www.adb.org/documents/series/adb-annual-reports](http://www.adb.org/documents/series/adb-annual-reports)