

# COVID 19 ECONOMIC RELIEF PLAN

## REPUBLIC OF UNION OF MYANMAR

### KEY TAKEAWAYS

#### IMPROVE MACROECONOMIC ENVIRONMENT

According to Central Bank Myanmar,

- Deposit and lending rates lowered by at least **3.0%**
- Banks allowed to set deposit and lending rates by themselves (within the band) based on their risk management

#### EASE THE IMPACT ON PRIVATE SECTOR FIRMS

Ministry of Planning, Financing and Industry will

- Provide **MMK 100 billion** (US\$71.3 million) 1-year working capital of affected MSMEs, with a focus on MSME in the CMP and hotel/tourism sectors at **1%** interest rate per annum

##### (Taxation)

- Waive the **2%** Withholding tax on exports
- Waive annual fees charged by Ministry of Hotels & Tourisms
- Exempt lease fees charged to affected firms (that have leased state-owned factories for manufacturing, have made progress in their line of business, and have made regular payments in the past three months) for 3-6 months

##### (Investment)

- Expedite Investment Approval Process
- Expedite the Solicitation Process to Develop Strategic PPP Project for Entry into the project bank
- Prioritize Ready, High Impact Public Investments

##### (International trade - Import/Export)

- Establish an MMK 100 billion (US\$71.3 million) fund to designated commercial banks to promote trade financing of any products
- Waive import licensing FDA requirements, as long as the products are FDA approved in another country
- The new SOP to fast-track export process is produced
- Facilitate rice exports to maintain incentives for farmers to plant this planting season

##### (Labour)

- Implement labour-intensive community infrastructure projects for those laid off, or returning migrants

#### PROMOTE INNOVATIVE PRODUCTS & PLATFORMS

- Promote the use of Mobile Financial Payment
- Promote the usage of e-Commerce and Social-Commerce System (Retail, Logistic)

#### PROMOTE HEALTHCARE

- Upgrade Existing Health Facilities (Laboratories, Hospitals, Ensure regular stable electricity supply, and refrigeration for cold chain maintenance for drugs and special drugs)

# Economic outlook/2021

source: ADB-Asia Development Outlook

## GDP

GDP GROWTH WILL LIKELY SLOW SIGNIFICANTLY TO 4.2% IN FY2020 UNDER THE COVID-19 PANDEMIC BUT, IF THE VIRUS IS CONFINED QUICKLY, RECOVER TO **6.8% IN FY2021**.

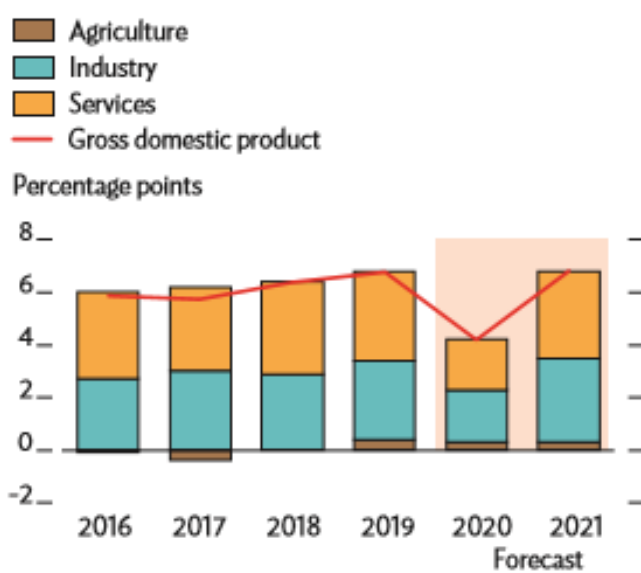
**Table 3.27.1 Selected economic indicators (%)**

	2018	2019	2020	2021
GDP growth	6.4	6.8	4.2	6.8
Inflation	5.9	8.6	7.5	7.5
Current acct. bal. (share of GDP)	-3.7	-3.5	-4.5	-4.5

Note: Years are presented as fiscal years ending 30 September of that year.

Source: Central Statistical Organization; Central Bank of Myanmar ADB estimates.

**Figure 3.27.4 Supply-side contribution to growth**



Note: Years are presented as fiscal years ending 30 September of that year.

Sources: Central Statistical Organization; Central Bank of Myanmar; ADB estimates.

## Growth in

- **CONSTRUCTION** (INFRASTRUCTURE PROJECTS & HOUSING SHORTAGE)
- **EXPORT-ORIENTED INDUSTRIES** (GARMENT, AGRICULTURE ETC)



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# Global Assistance

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## World Bank

- APPROVED A US\$50 MILLION CREDIT FOR THE MYANMAR COVID-19 EMERGENCY RESPONSE PROJECT, AS PART OF GLOBAL EMERGENCY SUPPORT OPERATIONS THROUGH A DEDICATED FAST-TRACK COVID-19 FACILITY

## United Nation

- MORE THAN 5,000 SETS OF BASIC NECESSITIES, INCLUDING BED LINEN, MATTRESSES, BLANKETS, KITCHEN UTENSILS AND MOSQUITO NETS, AS WELL AS A SET OF HYGIENE ITEMS,
- 50,000 TEST KITS

## European Union

- CREATED A €5 MILLION (7.9 BILLION MMK) EMERGENCY CASH FUND TO ASSIST THOUSANDS OF GARMENT WORKERS

## United State

- PROVIDES \$7.3 MILLION IN ASSISTANCE TO RESPOND TO COVID-19 IN MYANMAR

## Singapore

- HAS CONTRIBUTED 3,000 DIAGNOSTIC TESTS AND TWO POLYMERASE CHAIN REACTION (PCR) MACHINES FOR THE DETECTION OF THE 2019 NOVEL CORONAVIRUS (COVID-19).

## China

- MORE THAN 4 MILLION YUAN (807.2 MILLION KYATS) WORTH OF LABORATORY EQUIPMENT AND MEDICAL SUPPLIES
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