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**Deputy Minister's Written Statement for the 2019 Eighteenth session of the UNIDO General Conference**

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By H.E Dr Min Ye Paing Hein, Deputy Minister, Ministry of Industry, the Republic of the Union of Myanmar

Honorable <sup>President, Director General and senior officials of UNIDO</sup> Chairman, ~~Fellow country representatives~~, Distinguished Delegates, Ladies and Gentlemen,

Thank you for giving me the opportunity to speak at this eighteenth session of the UNIDO General Conference. It is my privilege to represent the Government of the Republic of the Union of Myanmar in this <sup>key</sup> gathering to fulfill the mission of UNIDO: to promote and accelerate inclusive and sustainable industrial development.

I would like to extend my sincere appreciation to the organizers and participants of this conference. Together, you constitute a thriving platform for knowledge sharing and constructive discussions on how to face the challenges of industrialization in developing countries that lies ahead.

The Republic of the Union of Myanmar and its people are grateful for the collaborations with UNIDO, which has taken the shape of several fruitful projects throughout the years. UNIDO's rich activities in Myanmar has extensively enhanced the capacity of policy makers and for this, we would like to express our sincere appreciation.

In the first part of this speech, I would like to take the opportunity to share with the international community some of the ~~industrial~~ policy reforms that Myanmar has undertaken in the recent years. An extensive set of reforms have been implemented with the aim to liberalize and transform our economy. ~~By discussing the reforms in this forum, Myanmar aims to further develop its industrial policy.~~

In the second part of this speech, I would like to share with the General Assembly the components of the UNIDO-Myanmar country program for technical cooperation for the years 2015-2020. As the five components outlined in the country program remains of crucial importance to our country and ~~many other countries in similar situations~~, they provide a useful basis for discussion in the panel sessions and seminars the upcoming days.

**Distinguished Delegates, Ladies and Gentlemen**

GDP growth in Myanmar has been strong in the past years with an average growth rate of 6.5 percent in the years 2016-2018. The robust growth has contributed to a sharp decline in poverty, with a reduction from 48 to 25 percent between 2005 and 2017. However, large ~~inequalities between urban and rural areas~~ still remain. Myanmar has in the past years taken substantial steps towards a more liberal economy, which has enabled acceleration in the activity of businesses. Despite this, challenges remain and I look forward

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to gain insights in how Myanmar could learn from successful reforms in your respective countries in the coming days.

As a starting point for information sharing and collaboration, I would now like to take the opportunity to share with the General Assembly some of the policy reforms and initiatives that have been implemented in Myanmar. It is our firm belief that these reforms contribute positively to the long-term economic development and stability in our country.

As an overall strategic framework for the reforms undertaken in Myanmar, a Myanmar Sustainable Development Plan has recently been adopted. Our sustainable development plan consists of ~~no less than~~ 251 action plans that are ~~all~~ aligned with the global sustainable development agenda. The plan is an expression of Myanmar's vision for sustainable development based on democracy, prosperity and peace.

One vital ~~tool~~ <sup>policy instrument</sup> that will be used to implement the sustainable development plan is an online rolling database named the Project Bank. The Project Bank presents a list of nationally strategic projects that has been carefully screened via the screening tool that we have developed with the support of the WB.

Two additional online resources have been implemented recently. The first one is a Land Bank – it provides a list of public land available for foreign and domestic investment. The purpose of the land bank is to make reduce the transaction cost involved in land acquisition. *for the investors.*

The second one is an online registration system for companies called MyCo. Through this system, companies can easily register online, without having to physically visit a registration office, which has significantly improved the ease of doing business in Myanmar.

Further, I would like to give two examples of legislative reforms ~~that has been passed~~. Firstly, The government promulgated the Myanmar Investment Law by merging the Myanmar Citizen's Investment Law with the Foreign Investment Law. This new law proffers a more liberal and ~~protected~~ investment environment. Secondly, in December 2017, the Myanmar companies Act was introduced. With the Myanmar companies Act in place, foreign investors are now allowed to hold up to 35 percent of shares in a Myanmar company without ~~the company~~ <sup>identity</sup> losing its categorization as a local company.

Other examples of reforms that affect the business climate in Myanmar is the ~~expansion activities~~ <sup>entry of</sup> allowed ~~of~~ foreign banks, and the removal of the lowered interest rate caps for microfinance institutions. The permission of lower interest rates enables micro-business to invest and expand the non-resource economy.

Lastly, to promote the role of the private sector as the primary engine of economic growth, the Ministry of Industry will be systematically transferring 57 factories under its supervision to the hands of the private sector. With the support of development partners including WB, ADB, USAID and DFID, we are planning to roll out competitive tenders to transform these factories under various PPP mechanisms.

It cannot be stressed enough that our country aspires for long term sustainable development and stability. Parallel to our ambitious reform agenda, it is important to keep in mind that the peace and stability of our country is our number one priority.

*we are these are just a few of our reform initiatives*

UNIDO has for many years been a key development partner of Myanmar to ensure the sustainability of reform. ~~As I now move on to the second part of this speech I would like to again,~~ on behalf of the people in Myanmar, express my appreciation of the work that has been done jointly with UNIDO and Myanmar. Many of the reforms undertaken in the past years would not have been possible without the support of UNIDO and other stakeholders involved.

I would like to highlight the five components that are part of the UNIDO-Myanmar country programme. The first component is *industrial strategy and policy development*. The support in this component culminates in the formulation of Industrial Development Strategy 2017 that provides Strategic Directions for Industrial Development. We are now looking to review and recalibrate this strategic documents to be more aligned with changing political and economic global and local realities.

<sup>closely</sup> The second component is to *build a vibrant and inclusive SME sector*. In this regard, UNIDO's technical cooperation is targeted towards institutional and entrepreneurial capacity building. One of UNIDO's <sup>for</sup> projects <sup>pipeline</sup> ~~which is in the pipeline to be implemented~~ in Myanmar aims to improve Industrial Productivity & Statistical System and Capacity Building for SMEs in Food Processing and Tourism Industries. This is expected to boost viability of SMEs in these sectors.

The third component was to enhance *Productive Employment Generation in the Rural Sector*. ~~As for many countries participating in this conference, Myanmar experiences low productivity and degree of mechanization in the agricultural sector.~~ UNIDO has worked for many years in this field, in projects whose broad objective is to increase agricultural productivity through the application of mechanization technologies and to strengthen artisanal production of tools and equipment.

The fourth component of the country program is to *Develop Myanmar's Export Potential*. Two UNIDO projects in Myanmar specifically address our export potential: One is <sup>to</sup> Strengthen National Quality Infrastructure for Trade in Myanmar and Trade Promotion by Upgrading the Myanmar Textile Sector, another is the Trade Sector Development Programme: Upgrading Horticulture Supply and Sustainable Tourism.

The fifth and last component is to *Ensure Sustainable Industrial Development*. When a country experiences rapid growth, there is a risk for unsustainable consumption of resources. Hence, it is of vital importance that adequate green industry concepts and processes are put in place. One current UNIDO program in Myanmar that contributes to ensuring sustainable usage of resources in is Climate Change Mitigation through Methane recovery and Reuse from Combined Urban and Industrial Wastewater Treatment.

In sum, the five components of the UNIDO-Myanmar country program all address crucial policy issues and challenges ~~that need to be constructively discussed in order to achieve~~ sustainable and inclusive industrial growth. Myanmar would like to express our strong appreciation for the work of UNIDO and other active donors, ~~for being proactive development partners and generously sharing expertise across these five components.~~ <sup>in their generous support for</sup> <sup>actualize</sup> <sup>Myanmar</sup>

sustainable

development. agenda

**Distinguished Delegates, Ladies and Gentlemen**

I would like to again emphasize that Myanmar is committed to pursue a market-based industrial policy that mainstreams inclusivity, sustainability and conflict-sensitivity in all aspects of its implementation. Our doors are open to all investors while ensuring that these investments meet their environmental and social responsibilities.

**To conclude**, this Eighteenth session of the UNIDO General Conference provides an excellent forum to share practices in industrial policies and to discuss their effectiveness. I look forward to be inspired from best practices of other countries to inform and improve Myanmar's industrial policy. Together we can ensure that we can sculpt the most efficient industrial policies to create, cement and crystallize inclusive and sustainable growth for all.

**Thank you**