Regional Economic Integration:
a Perspective Offering for Myanmar

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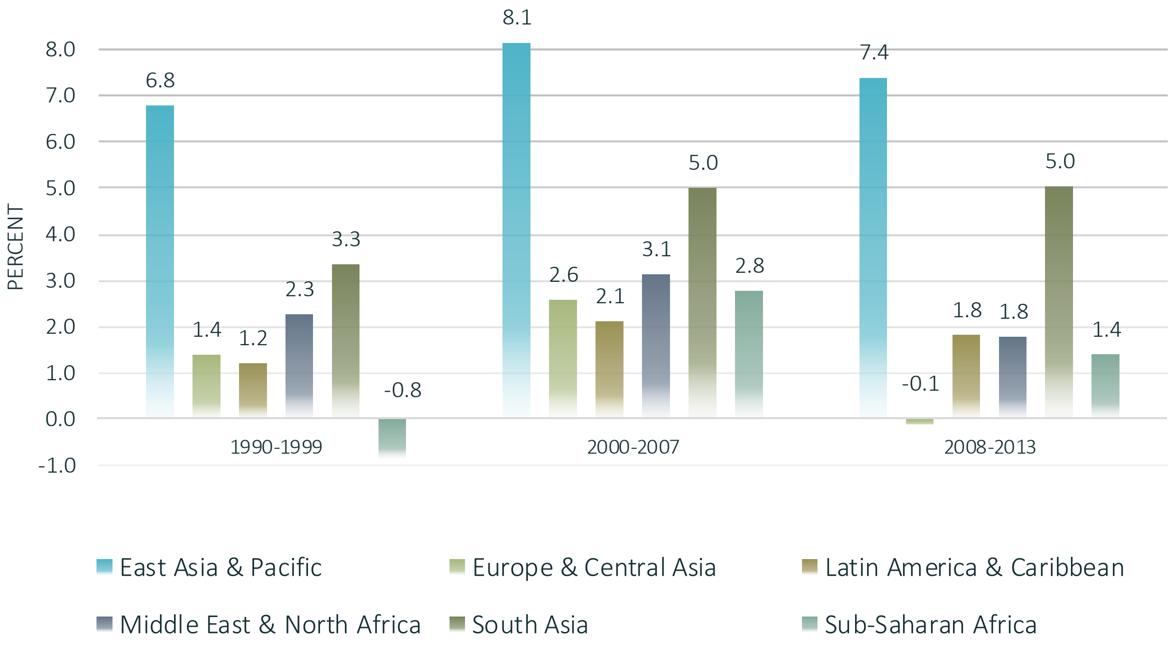
Trade & Competitiveness

Asia is a dynamic region..

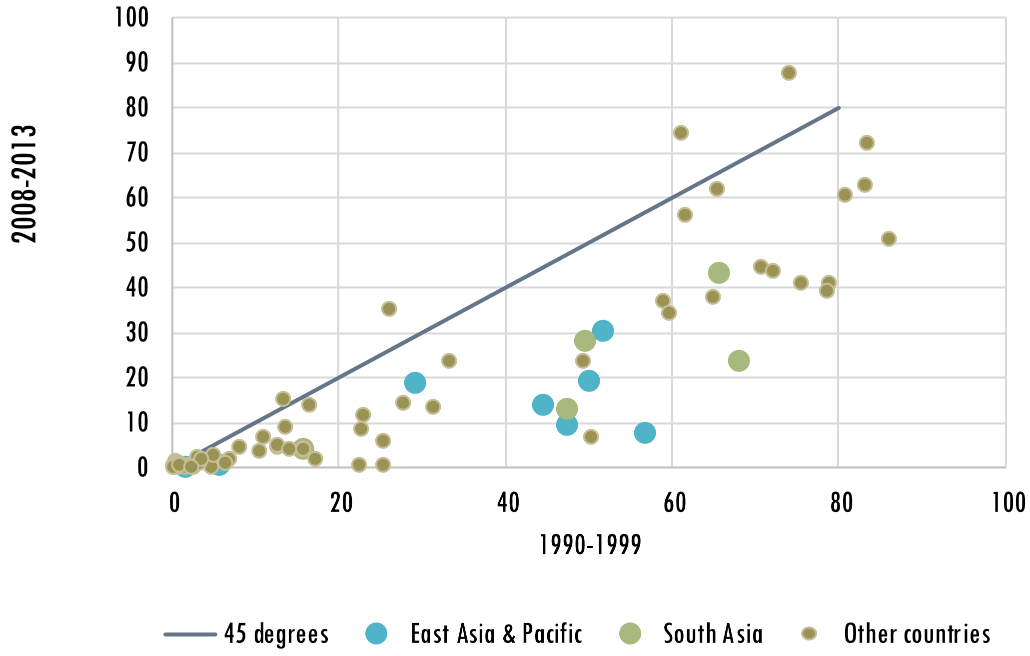
- Region where growth and poverty reduction is sustained
- Region where economic integration is driven by regionalism
- Factory Asia continues to reshape and offer opportunities

At a glance: Sustained growth drove progress in poverty reduction

Growth of Asian economies - Average GDP per capita growth, 1990-2013



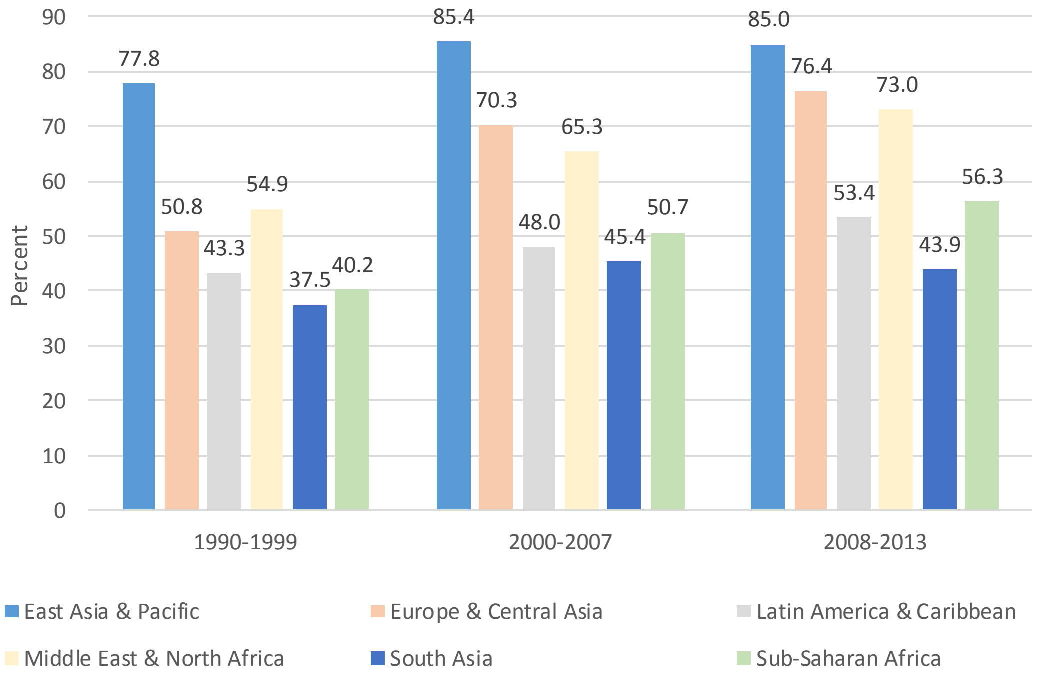
Progress in reducing extreme poverty - Poverty headcount ratio at $1.25 a day (PPP) (% of population)



Source: World Bank WDI database; Calculations based on the World Bank WDI database

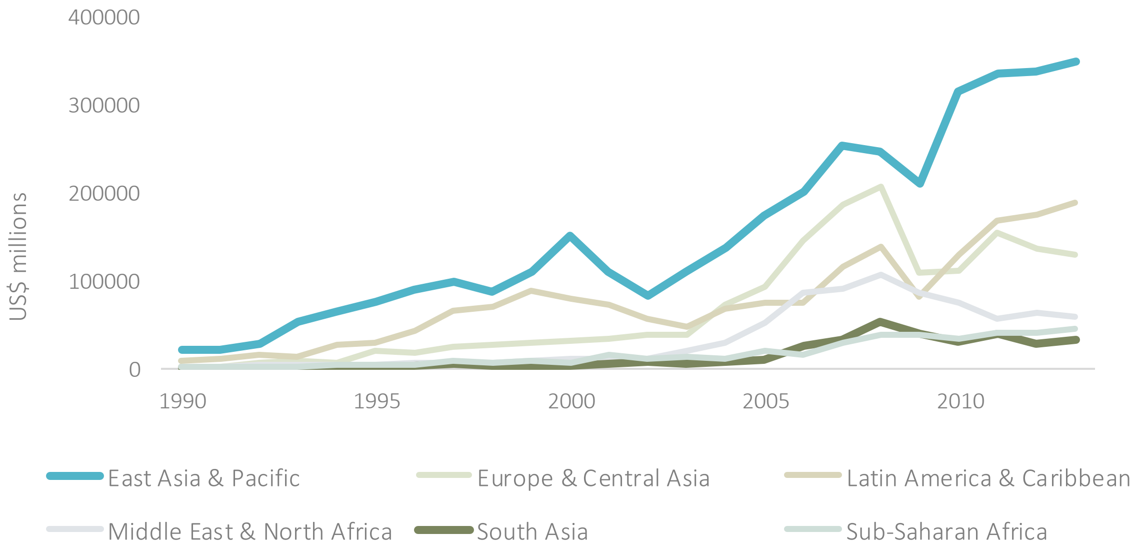
At a glance: East Asia is relatively well-integrated

Trade openness[1]: average Trade-to-GDP ratio, 1990-2013



Share of imports and exports in parts and components on total trade[2], 1990-2013

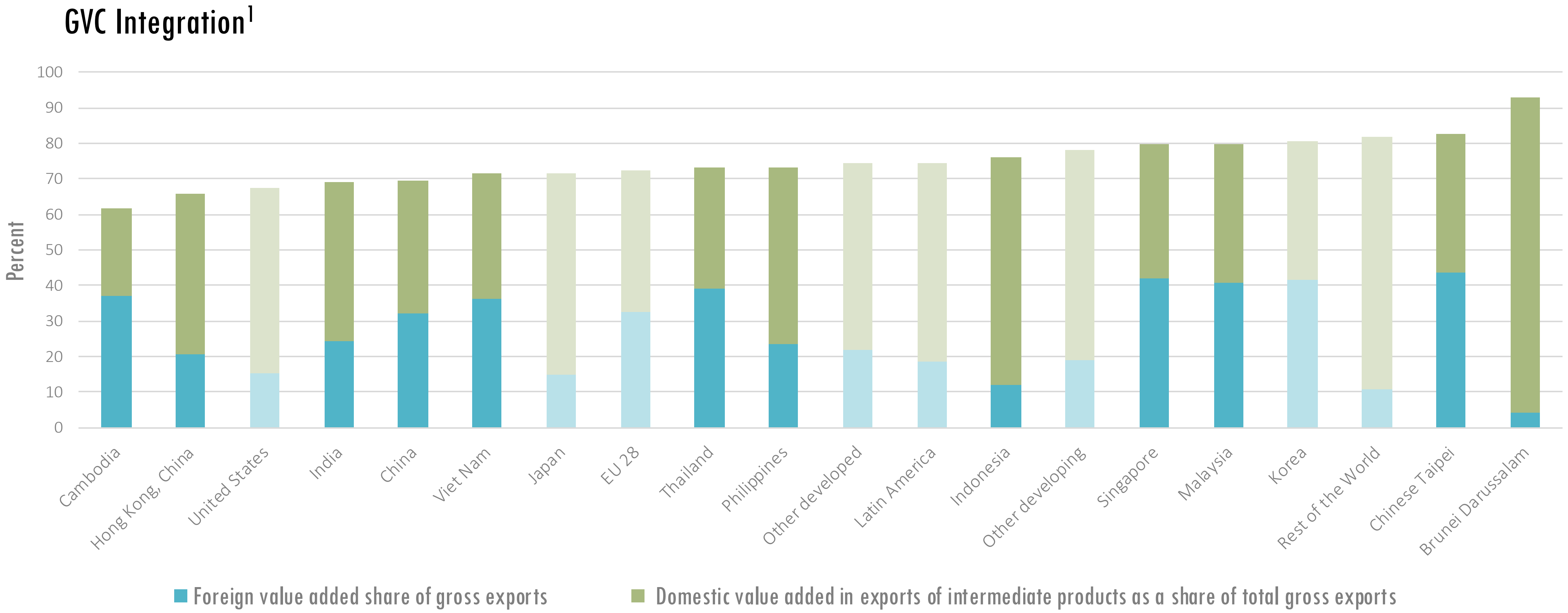
FDI flows[3]



Source: Calculations based on the World Bank WDI, COMTRADE and UNCTAD FDI databases

1. Trade openness is defined as the ratio of imports plus exports to GDP 2. Parts and components trade is defined according to the BEC classification. 3. The lines represent the total value of inward FDIs in US$ at current prices and current exchange rates in millions

At a glance: a key feature is GVC participation (import for export)

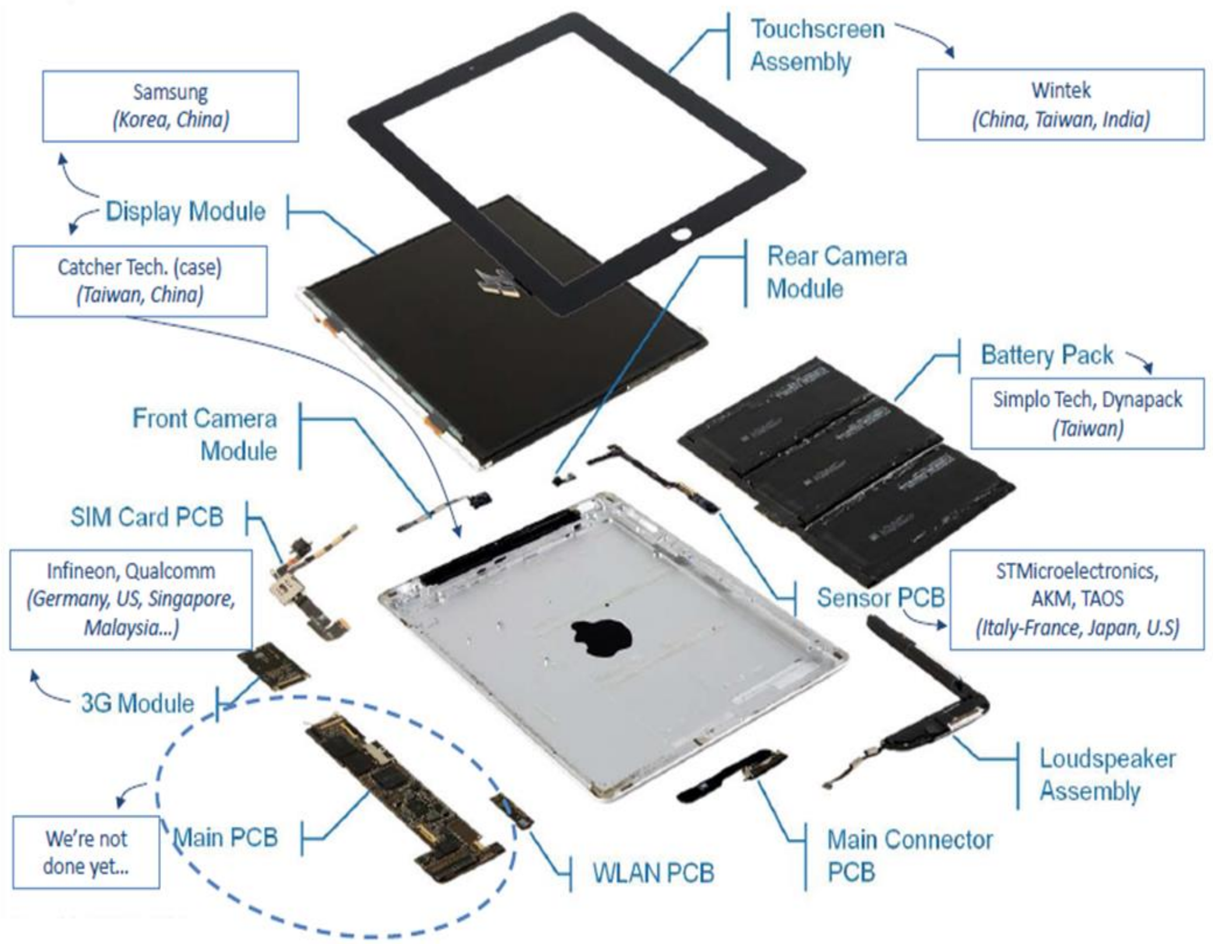


Source: Calculations based on Calculations based on the OECD TiVA dataset and the WTO Regional Trade Agreements Information System (RTA-IS)

1. Data refers to 2011. The values for other developed, other developing and Latin America are simple averages of the shares of the countries in the group. Other developed includes: Australia, Canada, Iceland, Israel, New Zealand, Norway and Switzerland; Other developing includes: Russia, Saudi Arabia, South Africa, Tunisia and Turkey. Latin America includes: Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico.

2. The size of the nodes is proportional to the number of PTA partners

Trade and FDI are strongly linked in the era of "Trade in Tasks": technology and innovation are the key channels leading to sustained growth



Efficient trade logistics are key, but the challenge for developing countries is not just to integrate with the global economy, but to do so in a way that allows them to learn, absorb new technological capabilities, and upgrade their productive structures.

Myanmar has geographical comparative advantage

- Shares border with countries that make up 40% of global population, % of global GDP
- Rising consumer classes and restructuring of industrial employment
- Global value chain offers Myanmar to accelerate industrialization (no need to build the whole chain).

And there is plenty of room for Myanmar to trade more