COUNTRY OVERVIEW

PEOPLE, ECONOMY, AND POLITICS

POPULATION MACRO INDICATORS

Geography
- Total: 676,575 sq. km (CIA World Fact Book 2021)

Population
- 54,400,000
- Population growth rate: 0.6% (UNFPA 2020)

Demographic Structure
- 47.54%
- Population under 25 yrs
- Male: 49.3% | Female: 49.7% (UNFPA 2020)

Urban/Rural
- 69% urban population
- 31% rural population (UNDESA 2018)

Adult Literacy
- 75.55%
- National literacy rate:
  - Male: 80.01%
  - Female: 71.85% (World Bank 2016)

Unemployment
- 0.4%
- (World Bank 2019)
- Female: 0.59% (ILO 2019)
- Male: 0.44% (ILO 2019)

Identification
- ID Coverage rate: 88.8%
  - Male: 90.2%
  - Female: 87.2% (World Bank 2017)

Poverty
- 24.8%
- Population below poverty rate (World Bank 2019)

Diaspora
- 3,700,000
- (Migration Data Portal 2019)
ECONOMY MACRO INDICATORS

- **GDP Per Capita PPP**: $5,369.707 (World Bank 2019)
- **GDP (PPP)**: $290.28 billion (World Bank 2019)
- **Main Sectors Contributing to GDP**:
  - Trade: 32.94%
  - Services: 42.95%
  - Agriculture: 24.11% (Myanmar Economic Monitor 2018)
- **Tax to GDP Ratio**: 5.84% of GDP (World Bank 2019)
- **Savings to GDP Ratio**: 29.07% of GDP (World Bank 2019)
- **Credit to GDP Ratio**: 25.74% (World Bank 2019)
- **Remittance to GDP**: 3.2% (World Bank 2019)
- **Economic Growth**: 6.8% (World Bank 2019)
- **Trade**: 32.94%
- **Services**: 42.95%
- **Agriculture**: 24.11%

INTERNATIONAL RANKINGS/CATEGORIES

- **Monetary Union(s)**: None
- **Regional Economic Community(ies)**: Association of Southeast Asian nations (ASEAN)
  - Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)
  - South Asia Sub regional Economic Cooperation (SAARC)
- **Fragility Category**: Rank: 22
  - Score: 94 (Fund for Peace 2020)
- **Income Category**:
  - Low Middle Income
  - (World Bank 2021)
- **Human Development Index**:
  - Index: 0.583
  - Rank: 147
  - (UNDP 2021)
- **Global Gender Gap Index**:
  - Index: 0.665
  - Rank: 114
  - (World Economic Forum 2020)
- **Women Business and Law Index**:
  - Score: 58.8
  - (Women Business and Law Index 2021)
- **Level of Development Category**:
  - Least Developed Country (LDC)
  - (UNCTAD 2021)
- **Inclusive Digital Economy Score**: Score: 32
  - (UNCDF 2019)
- **Ease of Doing Business – Score**:
  - Rank: 165
  - Score: 47
  - (World Bank 2020)
- **GSM Mobile Connectivity Index**:
  - Index: 52.6
  - (GSMA 2019)
- **Regulatory Index**:
  - Index: 73.63
  - (GSMA 2020)

GRADUATION INDICES

Country Rankings and Status Indicators by Global Indices
## Migration Key Facts

### Migration Population
- Number of Migrants originating from Myanmar: 3,700,000 (UNDESA 2020).\(^{36}\)
- 45.2% of the total female migrants originating from Myanmar (UNDESA 2020).\(^{37}\)
- 70% of migrants are based in Thailand, followed by Malaysia (15%), China (4.6%), Singapore (3.9%) and the USA (1.9%) (IOM 2021).\(^{38}\)
- An estimated 1,900,000 to 3,000,000 Myanmar migrants live and work in Thailand, a large proportion of whom are unregistered.\(^{39}\)

### Bilateral Agreements on Migration
- MOU between Korea and Myanmar for the hiring of foreign workers under its Employment Permit System.\(^{40}\)
- MOU between Thailand and Myanmar on cooperation in the employment of workers. Workers of both Parties are entitled to wage and other benefits due for local workers based on the principles of non-discrimination and equality.\(^{41}\)
- The governments of Myanmar and Thailand began (in August 2019) discussions on an MoU to establish a cross-border child protection mechanism and framework.\(^{42}\)
- A Code of Conduct for Overseas Employment Agencies was launched in 2016; as of September 2019, 90% of members of the Myanmar Overseas Employment Agencies Federation had signed up. The Code of conduct has country specific reference guidelines to enhance the monitoring and ranking of signatories to the code.\(^{43}\)

### Regional/Global Commitments on Migration
- ASEAN Forum on Migrant Labour (AFML)\(^{44}\), an open platform for review, discussion and exchange of good practices and ideas between governments, workers’ and employers’ organizations, and civil society stakeholders on key issues facing women and men migrant workers in South-East Asia.\(^{45}\)
- COMMIT Memorandum of Understanding on cooperation against trafficking in persons in the Greater Mekong Sub-region.\(^{46}\)
- Signatory of the Global Compact for Migration, to cooperate at the bilateral, regional and international levels. The Global Compact for Migration aims to leverage the potential of migration for the achievement of migration-related targets of the SDGs.
REMITTANCE OVERVIEW

Myanmar remittances inflow was 2.8bn USD which is 4% of the GDP. (IOM 2019)

Official estimates are that Myanmar receives $118 million USD in remittances, but the government estimates remittances could be as high as $8 billion USD.

11 licensed MTOs in market. (IFC 2017)

Migrants in Thailand, are the source of 68% of informal remittances to Myanmar, their legal status in the country, the language barrier, and convenience for recipients are the main reasons that deter them from using formal channels.

Less than 6% of total domestic remittance is received via bank transfers. (World Bank 2020)

Average cost of sending $200 remittances is 3.8%. (World Bank 2019)
Myanmar: Top 10 remittance sending economies

- Thailand
- Bangladesh
- Malaysia
- Saudi Arabia
- United States
- Australia
- India
- China
- United Kingdom
- Canada

Source: UNDESA 2019

FINANCIAL SERVICES OVERVIEW

FINANCIAL SECTOR STAKEHOLDERS

- Commercial Banks
- Microfinance Institutions
- Digital Financial Service Providers
- Remittance Service Providers
- Insurance Companies

41 (IFC 2017)•0
169 (IFC 2017)•1
20 (IFC 2017)•2
6 (IFC 2017)•3
13 (IFC 2017)•4
### Digital Financial Services (DFS) Sector Overview

#### Demand Side

### Financial Inclusion
- **20.6% of population** above 15 years have an account in a financial institution (World Bank 2017).66
- **28.6% are male**, while 17% are female, suggesting that men are 40% more likely than women to be formally financially included (IFC 2017).66
- **47% of the adults** save money and 13% save at a financial institution (IFC 2017).67

#### Telecom Infrastructure
- **130% mobile** penetration rate (GSMA 2019).68
- **14% gender gap** in phone ownership (GSMA 2020).69
- **69% male** and **55% of female** mobile phone users are smartphone users (GSMA 2020).70
- **112,715,000 internet users** as at February 2021 (BTRC 2021); **30% gender gap** in internet usage (GSMA 2020).72

#### Payment Infrastructure/MMOs
- **88.8% of Myanmar residents** have the required ID to open an account. There is **3.4% gender gap** in ID ownership (World Bank 2017).73
- The existence of a tiered KYC model makes DFS appealing to users who don’t have an ID.

#### Supply Side

### Financial Inclusion
- **MFS Service Providers**: M-Pitesan, myKyat, MMM-EasyPay, 663, TrueMoney Red dot, MyWalletPlus, MyAntel/Wing, Oojibo, OK$ ONGOMAB m-BankingMyPay, MyanPay, 2C2P, Everex, MPSS, AGD pay
- **Main Remittance services providers**: Western Union; Express Money; Money Gram; May Bank; International Money Express; Singapore Post

### Telecom Infrastructure
- **Main MNOs include**: MPT (45%), Telenor (38%), Oorendo (18%) (IFC 2019).74
- **90%, 3G coverage** (GSMA 2019).75
- **Mobile money industry** very nascent and fragmented, with 20+ players (IFC 2017).76

### Payment Infrastructure/MMOs
- **Over 40,000 DFS agents** (IFC 2017).77
- **5.61 commercial bank branches per 100,000 adults** (World Bank 2019).78
- **6.86 ATMs per 100,000 adults** (World Bank 2019).79
- Electronic payments are at an early stage of development; the first ATM was installed in November 2011 and penetration remains low.
## Challenges

**Enabling Policy and Regulation**
- Heavy restriction on the remittance services license. The law is quite restrictive on entities that engage in remittances which has kept the number of transaction points low.
- Despite policy ambitions to formalize and reduce the cost of remittance channels, the government has made few efforts to reduce or regulate the costs of migration.

**Open Digital Payment Ecosystem**
- The Mobile Financial Services (MFS) Law doesn’t allow interoperability and has strict requirements on cash in, cash out and P2P amounts.
- Lack of data on migrants’ senders and receiver’s at the national level resulting to not having a true picture of the balance of payments.

**Inclusive Innovation**
- Limited trust within the industry on whether government will flag off the innovation
- Lack of skills to innovate with in the industry
- Access to banking services remains constrained by the irregular status of migrants, documentation requirements, and unfamiliarity with services. The Myanmar remittances market still remains dominated by the hundi system, which is deemed cheaper, more convenient for those living in rural areas and with more favorable exchange rates.

**Empowered Customers**
- Continuing preference for informal transfer services due to cheaper transaction fees, more favorable exchange rates, and greater convenience for recipients outside urban areas
- Main consumer-side barriers include lack of awareness and understanding of DFS, very low levels of financial literacy and heavy reliance on cash.

## Recommendations

**Enabling Policy and Regulation**
- UNCDF is currently undertaking the preliminary diagnostic of the regulations and policies on remittances.
- Build capacity of regulator and policy makers to develop risk based policies.
- Enhanced public and private sector coordination by fostering dialogue between the public and the private sector.

**Open Digital Payment Ecosystem**
- Government should consider developing a framework for inter operable platform to allow remittance service providers (RSPs) including mobile money to be included in the national payment system.
- Introduce an International Transaction Reporting System (ITRS) on remittance data and information-capturing and –sharing.

**Inclusive Innovation**
- UNCDF will support development of innovative digital solutions for Myanmar migrants and their families
- UNCDF migration and remittance programme aims at building the capacity of providers to effectively develop financial products that work for migrants.

**Empowered Customers**
- Encourage the documentation of migrants.
- Planned demand-side and supply-side research to understand migrants’ challenges and aspirations in a digital financial product in order to develop migrant-centric products.
- Embark on financial literacy for all campaign to foster awareness. UNCDF will support RSPs to develop go-to-market strategies and financial literacy material for both migrants and their families. The objective is to drive uptake and active use of DFS.
### Key Initiatives That Improved Migration and Remittances

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<th><strong>Government/Regulator</strong></th>
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<td>• Since July 2020, the Central Bank of Myanmar has been issuing licenses to remittance service providers including mobile financial services providers to handle cross-border remittances for migrant workers. Companies that have received the licenses include: Wave Money, KBZ Bank and AYA Bank</td>
<td>2020</td>
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<td>• There has been a movement to standardize laws and regulations for the banking system; there are new laws encouraging Foreign Direct Investment, Central Bank reforms and Securities markets (Nehru, 2015).</td>
<td>2020</td>
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<th><strong>Private Sector</strong></th>
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<td>• Increased cross border partnerships to facilitate remittances to Myanmar i.e.</td>
<td>2020</td>
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<td>• Myanmar’s second largest bank, AYA Bank, has expanded its collaboration with Thailand’s Siam Commercial Bank to facilitate cross-border remittances.</td>
<td>2020</td>
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<td>• Myanmar KBZ Bank and Malaysia cross border partner Tanglo partnered to facilitate inbound remittances to Myanmar.</td>
<td>2020</td>
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<td>• Regional Fintech firms like True Money and 2C2P rolled out cheaper and easier options to allow users to transfer money through agents or outlets throughout Thailand to Myanmar allowing beneficiaries to receive money in their bank accounts, mobile wallets, or even in cash in Myanmar.</td>
<td>2020</td>
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<th><strong>International/Regional Development Organizations</strong></th>
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<td>• Thailand Lahu Development Foundation (TLDF) has started its “Safe Migration Project (SMP)”. This is a legal rights related project and was supported by Diakonia Thailand Foundation aiming to support legal knowledge regarding migration for people on the move in Myanmar.</td>
<td>2020</td>
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<td>• The International Labour Organization (ILO), International Organization for Migration (IOM) and UN Women have joined forces to make migration safe, fair and a fulfilling and rewarding experience for all migrant women.</td>
<td>2020</td>
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