

Myanmar's Implementation on Strategic Trade Control

Outline of Presentation

- Legislation and procedure on Export and Import
- Economic Benefits of Strategic Trade Controls
- Actions for Implementing a STC System
- Enforcement Agencies
- Industry Engagement
- Challenges
- Conclusion

Legislation and procedure on Export and Import

- Export and Import Law
- Licensing System
- Export and Import controlled by Licensing
- Regulatory Environment on dual-use goods

The Export and Import Law (2012)

Chapter III (supervising and administering in respect of export and import matters)

4. The Ministry may carry out the followings in respect of the matters of export and import:
 - a) determining the category and criteria of export and import goods;
 - b) determining the restricted goods, prohibited goods and banned goods for export and import;
 - c) determining the method to be exported and imported goods and other necessary conditions;
 - d) issuing permit and determining conditions relating to permit for export and import goods;

Prohibited export/import items as per the Export and Import Law

According to the law, the Ministry determines the prohibited export/ import items.

- ❖ Prohibited Import Items; Liquor , Beer, Cigarette and prohibited products as per existing laws.
- ❖ Prohibited Export Items; 7 group
 - Minerals and Metals ; Diamond, Petroleum
 - Animal and Animal Products; Ivory , elephant, horse and rare animals
 - Miscellaneous; Arms and ammunitions , Antiques,
 - (prohibited products as per existing laws, including the atomic energy law, Prevention of Hazard chemical and chemical related substances Law, etc)

License System

- ❖ Export/import licenses and permits are issued by the Department of Trade (DOT) under the Ministry of Commerce at Yangon and Mandalay branch offices and border trade posts.
- ❖ To apply export/import license
 - Pro-forma Invoice or Sale contract
 - Exporter/importer registration
 - Recommendation (if required)

Export Licensing

- ❖ Export, Negative list was announced in February 2018.
- ❖ 30 % of HS Code 2017 Version which are subject to control the goods concerned security, natural resources and food security
 - ❖ Chemical substances
 - ❖ Raw material of natural resources
 - ❖ Telecommunication items
 - ❖ arms and ammunitions
 - ❖ Nuclear Reactors and parts
 - ❖ other waste and scrap

Items Needed Recommendation

Commodity	Ministry / Department
Precursor	Central Committee for Drug Abuse Control
Fertilizer and Pesticides	Department of Agriculture, Ministry of Agriculture, Livestock and Irrigation
Sodium Cyanide	Ministry of Natural Resources and Environment Conservation , Department of Mine
Chemical substances	Ministry of Industry
Electronic used goods and some other used goods	Ministry of Natural Resources and Environment Conservation, Environmental Conservation Department

Current Regulatory Environment on dual-use goods

❖ Chemical Law

- Prohibited list, restricted list and substances,
- central supervisory Board (scrutinize, permit or refuse the business licensing)
- business who has license can apply import /export license

❖ Fertilizer Law and Pesticide Law

- importer and exporter shall have related registration and then apply license with recommendation by fertilizer committee and Registration Board of pesticide

❖ Atomic energy Law 1998 (Ministry of Education)

utilization, production, storage, distribution, transportation, **importation and**

exportation for nuclear material, radioactive material or irradiation apparatus

– Environmental

Economic Benefits of Strategic Trade Controls

- Receive potential economic benefits from alignment with international business
- Significantly reduce the risk or threat of strategic goods being diverted to unlicensed destinations
 - Positive reputation effects
- Enhance security of international commerce
- Minimize risks of contributing to WMD proliferation

Actions for Implementing an STC System

Step	Elements of STC systems	Current Activities
1	Legal Framework	Trade Law (Drafting)/Relevant laws
2	Licensing Process	Starting roadmap for Working Groups
3	Industry outreach	Raising awareness
4	International cooperation	METI (Japan), Pacific Forum (USA), EU P2P

Enforcement Agencies

Relevant Agencies	Licensing Export/Import	Permission Export/Import	Other Relevant Agencies
Ministry of Agriculture, Livestock and Irrigation (Fertilizer)	Ministry of Commerce	Ministry of Planning and Finance	Ministry of Foreign Affairs (holds primary political and juridical responsibility for implementing STC)
Ministry of Education (Radiological)			Police Force (for criminal cases, any violations on STC)
Ministry of Industry (Mining Products)			Armed Force
Ministry of Health and Sports			Chamber of Commerce Associations
Central Supervisory Board (permission for chemicals and related substances)			

Roadmap

Step	Previous Plan	Current Plan	Future Plan
1	Try to release strategic goods list	Negotiating with the relevant agencies	MoC can release the Control List
2	Adopt EU dual-use control list	Sorting out the Strategic items from the Negative List and matching items from EU list	
3	Create an interagency working group for STC implementation	Already got members' names from agencies	Raise awareness on STC and training on STC
4	Establish law enforcement for STC and licensing	Trade Law (drafting legal framework at ministerial level)	Can take action for any strategic goods violations
5	Cultivate a good relationship between government and industry	Raising awareness to be able to cooperate with industry	Implement Internal Compliance Program
6	Cooperate with international organizations to receive more capacity building	Outreach program, training staff, raising industry awareness	Conduct seminars, workshops, training

Activities of Working Group (in 2019)

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- Held Industry Outreach Seminar and decided to set up working group

- Asking for name list from the relevant agencies

- Start the functions of the group and negotiate for next steps

Industry Engagement

The following are key ways for government agencies to support industry and be transparent in engagement:

- Provide access to laws, regulations, and control lists, as well as guidance on licensing
- Allow for public/industry input and dialogue
- Conduct workshops, trainings, and briefings for all business types and industry sectors

Challenges

Government Agencies

- Weak STC knowledge/interest
- Less cooperation with each other
- Not enough well-trained officers; don't know how to train
- Require financial and technical assistance
- Issuing regular updates, publications, public consultations, awareness-raising briefings

Industry Sector

- Lack of STC knowledge/interest
- Less cooperation with government agencies

Conclusion

- MoC has started to implement an Industry Outreach Program to engage authorities and industries
- The relevant ministries need to cooperate more and be transparent, and need to perform tasks during a limited time period.
- Points that must be considered:
 - Find ways to raise awareness of how strategic goods are important to industry
 - Negotiate industry to participate in the outreach program and to raise their interest

Thank You!