

For a “Quick Win” for Poverty Reduction, Myanmar Should Invest in Agriculture

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- With about 70% of its labour force employed in agriculture, Myanmar should focus on boosting growth and productivity in the sector to reduce poverty significantly
- Myanmar has the potential to become a regional force in agriculture
- Focusing on agriculture could ensure that Myanmar’s economic growth is balanced and sustainable over the long term
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Nay Pyi Taw, Myanmar, 6 June 2013 – To promote inclusive growth in Myanmar at this crucial stage in its development, investment in rural areas and finding ways to improve the livelihood of farmers should be a priority, business and government leaders agreed in a session on the long-term outlook for the economy at the 22nd World Economic Forum on East Asia. “Putting a big focus on agriculture right now is key,” said meeting Co-Chair Helen E. Clark, Administrator of the United Nations Development Programme (UNDP) in New York. “You can get a quick win for poverty eradication now.” But, warned Clark, this will require investing in the infrastructure to drive agricultural growth and productivity. About 70% of the Myanmar labour force is employed in agriculture.

“We encourage investment in the agriculture sector,” said Serge Pun, Chairman of Serge Pun & Associates, Myanmar, noting that the nation’s foreign investment laws provide some protection for small farmers. “While we are endowed with a lot of good things, we are not an agricultural force,” he said. The reasons: low productivity and a lack of investment, technology and R&D.

“The only way to get discretionary income to the people of Myanmar is to give those people [a way to earn] money,” reckoned Indra Nooyi, Chairman and Chief Executive Officer of PepsiCo, USA, who is also a meeting Co-Chair. She explained how her company is helping farmers grow high-yield potatoes and then buying up the crop for use in making food products. This secures for farmers a steady income stream. “This value-chain approach benefits local people,” Clark explained.

Promoting the agriculture sector can help ensure balanced growth in Myanmar over the long term, which will allow it to avoid the middle-income trap. “You can have a very balanced economy here if you get the frameworks right,” observed Michael Andrew, the Hong Kong-based Global Chairman of KPMG International. Myanmar should proceed carefully with setting out the regulatory frameworks for its emerging industries and sectors. The government, for example, is soon to award crucial telecom licences. “It is really important that these processes be seen as transparent and on a level playing field,” Andrew said.

Another key to creating a balanced, sustainable economy is education and skills training. India is focusing a number of its investments in neighbouring Myanmar in this area, including a technology institute in Mandalay. “Myanmar will need skilled people and that is

where we are seeking to help,” said Anand Sharma, Minister of Commerce and Industry and Textiles of India.

Over 1,000 participants from 55 countries are taking part in the World Economic Forum on East Asia, held for the first time in Nay Pyi Taw, Myanmar. The meeting welcomes over 100 public figures representing 15 countries, including heads of state or government from Laos, Myanmar, the Philippines and Vietnam. More than 550 business leaders, over 60 Global Growth Companies and nearly 300 young leaders from the Forum’s Young Global Leaders and Global Shapers communities, together with other members of civil society, academia and media are convening to discuss the challenges and opportunities facing Myanmar and East Asia today.

Sky Net is the host broadcaster of the 2013 World Economic Forum on East Asia.

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