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**ECONOMIC REFORMS IN MYANMAR:
PATHWAYS AND PROSPECTS**

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PREFACE

In March 2011, Mr. Thein Sein was inaugurated as President of Myanmar following his election by members of Myanmar's parliament subsequent to elections held by the military junta that had ruled Myanmar for almost two decades. The transfer of power was seen to have been orchestrated by the junta's leader, Mr. Than Shwe, and it has been observed that long lasting military governance structure would still continue.

In July and August of the same year, signs of change began to be noticed, including reports of contacts by high ranking government officials, including President Thein Sein, with Ms. Aung San Suu Kyi who had long been in conflict with the military administration ,

In parallel, the President sent the message that he was trying to carry out political and economic reforms and experts sensed that the changes could be significant. In September 2011, we were advised by Prof. Akira Suehiro of Tokyo University that we should consider embarking on a comprehensive study on Myanmar, and we decided to conduct the study over a two-year period, starting in fiscal 2012.

The Myanmar government begun to release its political prisoners the following October, but Europe and the United States still seemed to be skeptical about reforms under President Thein Sein, and continued to keep economic sanctions in as a way to pressure the government to become more for democratic.

In April 2012, in a by-election that was conducted without political intervention, and performed in parallel with successive releases of political prisoners, the National League for Democracy (NLD), led by Ms Suu Kyi, received a landslide victory, winning 42 of the 44 available seats. This meant that the NLD was able to participate in the political system, something undreamt of in the past.

In light of such developments, the international community has come to realize that President Thein Sein's reform is authentic. In addition, the surprising and gradual abolition of censorship was welcomed as free elections and media freedom cannot be guaranteed in all the countries of East Asia.

How economic reform would proceed following the preceding political reforms is the focus of our research project "Economic Reforms in Myanmar; Pathway and

Prospect." After more than two decades of stagnation, it is necessary for there to be a correlation between economic reform and political reform and achieving them successfully is key to the country's prospects for maximizing its potential and advantages.

Analyzing the Myanmar economy in transition is a prerequisite for economic reform. Based on the current situation, we have analyzed the challenges of industrialization, difficulties in attracting FDI and learning from the lessons of Vietnam, problems in the agricultural sector, a key industry in Myanmar, the ongoing reform of the financial sector, in particular, settlement, which is the bloodline of economic development, the possibility of Myanmar migrants, more than 2 million for whom are working in Thailand, to contribute to the economic development of the mother country, and the progress being made in the AEC and its' effects on the Myanmar economy.

In view of the background of the times, in our study, we were strongly conscious of the importance of making policy recommendations to policymakers in the Myanmar government. Separately, discussion papers have been delivered to related parties on individual themes, translated into the Myanmar language, in line with this basic position. We hope the results of this research project are found to be useful by Myanmar government officials and that, in some small way, the project contributes to Myanmar achieving economic reform.

Finally, let us express our sincere thanks to distinguished researchers who participated to this project, in addition to the knowledgeable participants in the workshop that was held in Yangon in October 2012.

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