

Report on Promoting Myanmar Products

Japan imports US \$ 692 Billion from the world, while imports US \$ 385 million from Myanmar in 2010. Major exports of Myanmar to the world include mineral fuels, edible vegetables, wood and wood articles, apparel and accessories, marine products and mineral.

The major import from Japan includes minerals fuels, electrical and electronic equipment, machineries, ores, and slag. Major import commodity from Myanmar to Japan is fashion apparel and accessories, which holds 34.4% of Myanmar's total export in this category. Other products include footwear, marine products, vegetable, oil, pearl and wood.

Japanese market is one of the most selective markets on product quality. The consumers prefer high quality products and are willing to pay more for it. They look out for quality, durability, reliability and the convenience of the products. Maintenance service of the product is also important. A small defect from mishandling of shipment can be difficult to sell in the market, therefore, could affect the long term plan. Hence it is also important to pay attention at the final stage such as hygiene, packaging, and transportation.

It is reported that the consumer's spending power for Japan has declined over the years. Moreover, the women's spending power is more than men. For fashion apparel, Japanese consumers spend 3% of total expenditure. The preference of color, materials and design depend on the season, therefore, it changes frequently. In the

recent years, the consumer give attention to ecological products, which can be recycled and reusable.

Trademark and branding in Japan is important as it shows quality and prestige. Consumers prefer to buy products with the brands they are familiar with.

The majority of Myanmar's export products are raw material and very few manufactured products are export oriented. Therefore, labor using products which also fall under the duty free, quota free system such as, textile apparel accessories, marine products, and foodstuff are most suitable products to be exported to Japan. As Japan's major import products include mineral fuels, mineral products, which are also one of Myanmar's leading export raw materials, trading of such raw materials should also be considered.

Emphasis should be given to the improvement of the quality of Myanmar's export oriented products. A Japan based Partner Company or office is important to keep the products updated with the trends. An easier way for the Japanese consumer to understand the product is also to have the instruction manual written in Japanese. Using materials that are suitable for ecology and recyclable should also be prioritized. Branding is also one of the major factors in promotion and marketing of the products. Although many of Myanmar handmade products are famous for souvenirs, export wise, the industry is still not compatible enough. Myanmar is well known for its raw materials such as Ruby, Jade and semi-precious gems but not as much for the jewelry products. Although with the abundant labor in the country, handmade products are not as highly competitive as other countries, in terms of export quality. Quality handmade products require special skilled labor or years of experience. On the other hand, Myanmar Government highly encourages foreign investments in the country, and recently, gave

special emphasis on manufacturing and service sectors. Therefore, in the long run, it can be assumed that Myanmar products can be more compatible in the world with the manufacturing products, rather than small quantity handmade products.

The advantage of Myanmar's export to Japan is that Myanmar is beneficial to duty free, quota free treatment of selected tariff lines by Japan. Japan has granted duty free, quota free access to 98.1% of tariff lines to the LDCs (Least Developed Countries) which Myanmar falls in. The DFQF (Duty Free Quota Free) granted tariff lines include majority of products except the exempted products such as rice & processed rice products, certain marine products, starch, corn for cornstarch, sugar, and certain leather products.

On the other hand, the obstacles of Myanmar exports are that the service at the port and the shipment takes usually longer due to the process. Hence, it is difficult to keep up with the season and trend. Transaction is also difficult due to lack of foreign banks; however, with the new reforms in Myanmar, negotiations are being discussed for the opening of more banks for money transfer, in the near future.

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