

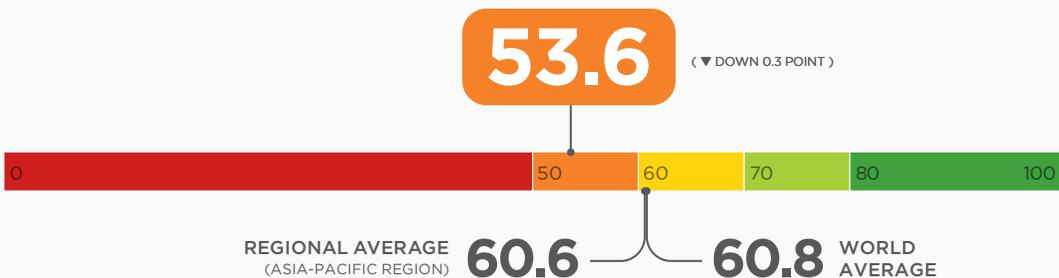
BURMA

Burma's economic freedom score is 53.6, making its economy the 139th freest in the 2019 *Index*. Its overall score has decreased by 0.3 point, with a significantly lower score for **fiscal health** overwhelming modest improvements in **property rights** and **government integrity**. Burma is ranked 35th among 43 countries in the Asia-Pacific region, and its overall score is below the regional and world averages.

Burma has enjoyed robust economic growth of at least 6 percent during its long transition to democracy, with reforms aimed at reintegrating into the global economy and attracting foreign investment in the energy, garment, information technology, and food and beverage sectors. The government is accelerating agricultural productivity and land reforms, modernizing the financial sector, and developing transportation and electricity infrastructure. Nevertheless, Burma remains one of Asia's poorest countries. The legacy of past isolationism and economic mismanagement is poor infrastructure, endemic corruption, underdeveloped human resources, and inadequate access to capital.

WORLD RANK: **139** | REGIONAL RANK: **35**
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

ECONOMIC FREEDOM SCORE

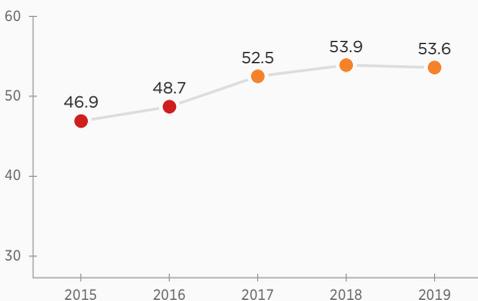


RELATIVE STRENGTHS:
Tax Burden and Government Spending

HISTORICAL INDEX SCORE CHANGE (SINCE 1996):
+8.5

CONCERNS:
Judicial Effectiveness and Financial Freedom

FREEDOM TREND



QUICK FACTS

POPULATION:
52.6 million

GDP (PPP):
\$328.7 billion
6.7% growth in 2017
5-year compound annual growth 7.2%
\$6,244 per capita

UNEMPLOYMENT:
0.8%

INFLATION (CPI):
5.1%

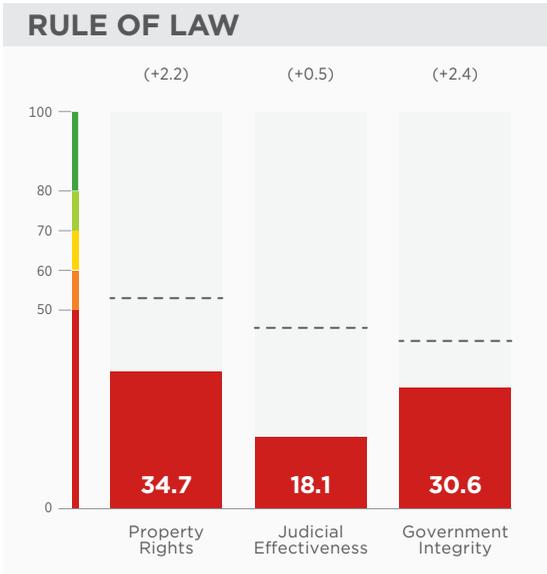
FDI INFLOW:
\$4.3 billion

PUBLIC DEBT:
34.7% of GDP

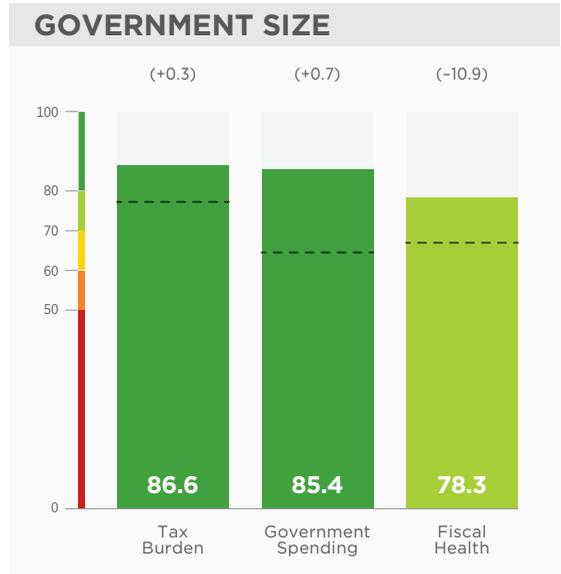
2017 data unless otherwise noted. Data compiled as of September 2018

BACKGROUND: Burma's slow transition from military dictatorship continued when National League for Democracy (NLD) leader Aung San Suu Kyi was released from detention in 2010. She now acts as state counsellor and leader of the NLD, which won an absolute parliamentary majority in 2015. Although her confidante Htin Kyaw was elected president, Suu Kyi essentially fills the role. The army remains a major political force and controls several cabinet portfolios, including defense, border, and home affairs. The Rohingya human rights and refugee crisis that began in 2017 has stalled political reform and slowed the pace of economic reform. Wages in Burma remain low compared with wages in low-labor-cost Asian rivals, and more than 25 percent of the population lives in poverty.

12 ECONOMIC FREEDOMS | BURMA



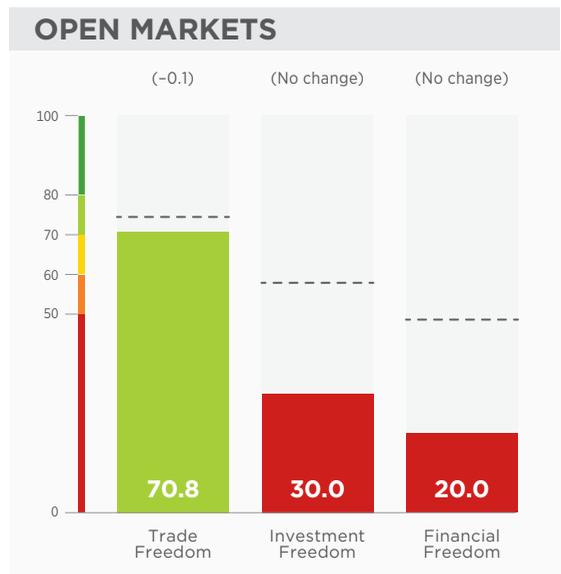
The government has improved property registration by reducing the cost of stamp duties. The judiciary is not independent. Political-appointee judges adjudicate cases according to governmental decrees. Burma has a deep-rooted problem with graft, so anticorruption measures such as the Myanmar Companies Law of 2017 have been prioritized. High-level corruption has been reduced, but petty corruption remains common.



The top individual income tax rate is 20 percent, and the top corporate tax rate is 30 percent. Other taxes include commercial and capital gains taxes. The overall tax burden equals 6.5 percent of total domestic income. Over the past three years, government spending has amounted to 22.1 percent of the country's output (GDP), and budget deficits have averaged 3.5 percent of GDP. Public debt is equivalent to 34.7 percent of GDP.



The regulatory system lacks transparency and clarity, and inconsistent enforcement of regulations injects uncertainty into business decision-making. The labor market lacks flexibility, and informal-sector employment is substantial. Fixed prices for electricity, diesel, and petrol have resulted in shortages, although the government has pledged to privatize some heavily subsidized state-owned enterprises.



The combined value of exports and imports is equal to 39.1 percent of GDP. The average applied tariff rate is 4.6 percent. As of June 30, 2018, according to the WTO, Burma had one nontariff measure in force, but other barriers to trade persist. Numerous state-owned enterprises distort the economy, undermining private investment. About 30 percent of adult Burmese have access to an account with a formal banking institution.