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MYANMAR-THAILAND TRADE RELATIONS (2011-2020)

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Abstract

Trade is one of the powerful pathways towards economic development for all countries. Growing bilateral trade increases the income levels of both countries, and then the countries become richer. Historically, Myanmar had a complicated relationship with neighbouring Thailand. With the democratization process of Myanmar, both countries have actively collaborated to promote bilateral trade. This study also intends to explore how trade relations between Myanmar and Thailand have contributed to normal trade and cross-border trade. It was conducted by a qualitative research method using both primary and secondary sources. The trade relationship contributed to economic prosperity by generating income, creating jobs, and fostering industrial development. It also became a source of border trade, migrant labour, natural gas, and some profitable Thailand investments in Myanmar. Thus, Myanmar-Thailand trade relations have resulted in a positive impact on the economic progress of both countries.

Keywords: trade policy, ASEAN, cross-border trade, economic cooperation, Myanmar, Thailand.

Introduction

Myanmar and Thailand have long-standing trade relations, with their shared border of over 2,400 kilometres facilitating significant cross-border trade. The relationship between Myanmar and Thailand has been a complex one since Myanmar gained independence in 1948. Historically, there have been periods of tension between them due to the conflicts over borders, resources, and ethnicity, like many other bordering countries. However, both nations had sought to strengthen their ties to foster peace and stability in the region. In particular, economic cooperation had played an important role in strengthening relations between Myanmar and Thailand, and they had been economic partners for many years. This cooperation has led to various initiatives such as increased trade and investment agreements and joint development projects. It had been beneficial to both countries, as it had allowed them to develop their economies in mutually beneficial ways. The two countries are members of the Association of Southeast Asian Nations (ASEAN), which has facilitated trade, investment, and other forms of economic cooperation between them.

Myanmar had initiated a series of gradual and radical changes of economic reforms since 2011, aimed at comprehensive economic development. Liberalization of trade and foreign investment was an integral part of these economic reforms. Myanmar had been exporting primary products at low prices, and importing manufactured and investment goods. The government of Myanmar was actively encouraging export diversification and promoting downstream processing of primary commodities, improving support services in trade financing, market access, and trade facilitation, as well as removing barriers to inbound foreign direct investment. Increased economic integration into ASEAN did not cause much trade diversion. Thailand remained a main trading partner, while China and India had been increasingly important through border trade. There were significant changes in Myanmar since the year 2011, including both political and economic reforms. The newly formed Union Solidarity and Development Party (USDP)

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government came to power in 2011, and the National League for Democracy (NLD) government won the general elections in 2015. A series of political, economic, and administrative reforms was undertaken during 2011-2020. The 2011 statement of the Myanmar government to make an effort for peace with the country's ethnic rebel groups and to undertake democratization and economic liberalization was welcomed by Thailand. Since then, the USDP government has been trying to promote economic integration and more FDI for the economic growth of Myanmar. On the other hand, Thailand is prepared to concentrate on its neighboring countries and pursue its policy of strengthening the development in Indochina through bilateral and multilateral cooperation. Therefore, both countries have made great efforts in improving their bilateral relationship for their economic benefits.

Trade Policies of Myanmar and Thailand (2011-2020)

Trade policies are the government's rules and regulations that guide and control how trade is done with foreign countries. Trade policies could be used to advance a country's foreign policy interests. They could also have benefits, such as avoiding military force, bringing countries closer together, and spurring economic growth. The government's trade policy interests in foreign trade were influenced by two factors: political and economic motivations. The political reasons included: protecting jobs and industries, national security, retaliating against foreign policies, and protecting their consumers. Their economic motivations included protecting new industries from competition and building strategic policies. Therefore, successive Myanmar governments had embarked on reforms toward liberal democracy, a mixed economy, and reconciliation.

In order to promote the activities of foreign trade, rules, regulations, and procedures were essential measures in doing business export and import with bordering nations. To meet this end, the former rules and regulations that banned the participation of private enterprises in foreign trade were withdrawn by notification NO.1/88 released on 29th October, 1988. Subsequently, the state allowed private enterprises and firms to participate in manufacturing goods as well as in the service sectors. In addition, the state had offered foreign enterprises and businessmen to invest in Myanmar in very potential sectors. Foreign direct investments had been invited to participate in the enhancement of production and marketing. Myanmar's trade promotion policies were also encouraging to promote trade with neighboring countries.

The Ministry of Commerce had established three fundamental economic policies to achieve Myanmar's economic objectives. Firstly, trade activities must be done aiming at the welfare and benefit of the Myanmar people. The second stated that trade activities must not be a burden for people. And thirdly, trading activities must be done to explore long-term sustainable development, not for short-term benefits. Moreover, the Ministry of Commerce also set the four main objectives in formulating trade policies. These were (1) to support internal and external trade activities for the economic development of the country; (2) to upgrade the commercial efficiency of the public and private trading houses; (3) to increase the foreign exchange earnings of the country by export promotion; and (4) to encourage the trading activities of co-operatives and private entrepreneurs.

While Myanmar primarily exported primary products and imported manufactured and investment goods under unfavorable terms of trade, its foreign trade was predominantly with Asian countries. Over 70 percent of total exports were directed to the Asian region, while more than 90 percent of total imports originate from this region. Key trading partners included China, Thailand, Singapore, India, Japan, and South Korea. In line with the government's objective of transitioning Myanmar into a market-oriented economy, the state's role in trade, production, and pricing had been significantly reduced. Private sector activities dominated international trade, with efforts made to encourage their active participation, notably through the abolition of state trading monopolies in November 2011. In line with Myanmar's trade policy, as described by authorities, was to facilitate exports and imports, promote value-addition from primary commodities to increase the value-added content of exports, and promote international trade. Some pieces of economic legislation were outdated-existed since the pre-independence 1948 period, and as the country had economic reforms, several trade and investment-related laws had to be revised, amended, or replaced. The Control of Import/ Export Temporary Law (1947) was replaced on 7th September 2012 by the Export and Import Law. According to the Ministry of Commerce, there were two basic principles for export and import with the promotion measures. The first basic principle of export policy aimed to penetrate the global market by using existing natural and human resources and to produce value-added products rather than normal export items. The second basic principle of import policy was to prioritize capital goods, construction materials, and other essential goods: hygienic materials for people's health, supporting products for export promotion. Other trade-related laws that had been introduced the new Foreign Investment Law and the Foreign Exchange and Management Law (2012). On 19 June 2012, President U Thein Sein declared that the government had started the second phase of the economic reform strategy. The economic reform agenda emphasized good governance, transparency, and accountability while including measures for attracting foreign direct investment, liberalization trade, enhancing regional economic cooperation, reducing the state's economic role, boosting productivity, and balancing equity with efficiency. These reforms were directly related to external trade, exchange rate, finance, banking, business environment, and potential economic strategies, which were vital components of the reform agenda and crucial for Myanmar's sustained economic growth.

Thailand recognized that the global trading system had become much more liberalized, and individual countries' economies were becoming increasingly integrated. To formulate the future direction for trade policy, Thailand had continued to support free and fair trade, which had gradually introduced changes and had also provided to promoted progressive liberalization since 1992. One implication of pursuing a liberal policy was a need to strengthen the competitiveness and efficiency of domestic industries to strengthen the competitiveness and efficiency of domestic industries to be able to compete in the rapidly changing trading environment and be able to prosper amid increasing competition. In addition, Thailand also aimed to promote transparency and good governance by closing loopholes and strengthening the enforcement of the existing laws. An expansion of export markets was one of the key areas for Thailand, by promoting the export of goods and services. To achieve such a goal, the government had held the long-standing practice of close collaboration with the private sector to maintain the momentum of export growth. To attain a strong, accountable, and modern legal framework, the government had placed importance on revitalizing and improving several existing laws, i.e., the Competition Law, Foreign Business Act, and three Insurance-related Acts, which were revied and revised. Some new bills, such as a graft law on safeguards, laws, or regulations on retail and wholesale trade, were submitted to the Parliament for approval. All had been amended or drafted taking into account the full recognition of the role of foreign trade and investment in the Thai economy, as well as common business practices, to build a "level playing field" for all players, both local and international, to ensure that consumers were the ultimate beneficiaries.

As one of the fastest-growing economies in the world, Thailand has long recognized the importance of trade policy in its development. Trade measures had been instrumental in strengthening the competitiveness of domestic industries to compete in the world market. Being an open economy, Thailand had participated actively in various international forums such as the Uruguay Round of multilateral trade negotiations, the Asia-Pacific Economic Cooperation forum (APEC), and the ASEAN free trade area, since its accession to the World Trade Organization in January 1995. The Thai government had implemented various measures in compliance with its commitments in the WTO. The tariff system had been restructured while a law was enacted by the TRIPs agreement, to be followed by numerous other laws that were being drafted. Promoting the export of goods and services, including an expansion of export markets, had remained one of the key areas for Thailand. To achieve such a goal, the Government insisted on continuing the long-standing practice of close collaboration with the private sector to maintain the momentum of export growth and to enhance it in the future. On the international trade front, Thailand adhered strongly to the principles of free and fair trade. In line with its domestic economic policy, Thailand supported international trade to ensure sustainable economic growth. As in the case of imports, most products could be exported freely, while a few items were subject to the requirements of prior approval for legitimate reasons such as public health, national security, and protection of public morals and natural resources, etc. By the government's trade policy to liberalize trade and minimize trade distortion, most products could be imported freely into Thailand. However, goods that were obscene, dangerous to health, or harmful to the national economy might be prohibited from import by Thailand's international trade rights and obligations. Specific goods might be restricted from time to time, and these require prior government permission before being imported. Apart from that, most goods might be imported after complying with the necessary customs procedures and the payment of customs tariffs, where applicable. Thailand's trade policies had been geared towards promoting exports by limiting export control to a minimum. As in the case of imports, most products could be exported freely, while a few items were subject to the requirements of prior approval for reasons such as public health, economic stability, national security, and protection of public morals, etc. Thailand did not provide any export subsidies to its producers. Moreover, as per Thailand's multilateral trade commitments, export incentives in terms of local content and/or export performance requirements were no longer in place.

Cross-border trade patterns were varied from one country to another; thus, there existed several measures to respond to cross-border trade problems with individual neighbouring countries, which could presumably be regarded as implicit bilateral cross-border trade policies.

These measures had been formulated and implemented by the Ministry of Commerce in dealing with Myanmar in 2013. They were to improve facilities and logistics system to facilitate cross-border trade in Maesod district, Tak province and Sinkhon checkpoint in Prachuab Kirikhan province; to promote closer trade relations between Thailand and Myanmar in the form of Joint Trade Commission and exchange of bilateral visit of Ministers of Commerce; to hold regular consultation for both public and private sectors in order to resolve problems and constraints on cross-border trade; to continually advance cross-border trade through salient policies and implementation including strengthening public-private partnership as well as designating local agencies to facilitate cross-border trade towards international standard; to closely coordinate with Myanmar for establishing border economic zones in order to boost the growth of cross-border trade; to establish Thailand's agency for providing assistance to Thailand businesses and investors in doing business in neighbouring countries similar to JETRO of Japan should be established; to organize Thailand Trade Fair in Myanmar for publicizing the image of Thailand's products as well as inviting Myanmar businesses to participate in Trade Fair in Thailand e.g. Jewelry Fair which could aid Thailand to become a regional jewelry trading center. There was still much to do to promote cross-border trade with Myanmar. This was caused by different stages of development. Political uncertainty in Myanmar might sometimes lead to the one-sided closure of the border checkpoint. Institutional mechanisms to strengthen the close coordination of agencies responsible for resolving problems of cross-border trade locally and nationally should be functional. Financial facilities, e.g., currency exchange and banking services, should be in place. Technical assistance from Thailand in relevant aspects of cross-border trade should be rendered to Myanmar so that simplification of procedures and payments up to international standards could be enhanced. Both countries explored how to bring down trade discrimination or non-tariff trade barriers, particularly from the Myanmar side. Joint border economic zone and cross-border investments linking Maesod district, Tak province, with Myawaddy city, Myawaddy province of Myanmar, should be materialized. Thailand should keep up conferring trade privileges and market access, particularly on agricultural goods, to Myanmar.

Trade Cooperation between Myanmar and Thailand (2011-2020)

In 2011, to access the global markets, the Myanmar government liberalized laws and regulations in the financial sector and the foreign exchange market. Additionally, the government made attempts to develop the economy and industrialization, and enacted new economic policy and industrial policy in 2016. The trade and economic fortunes of Myanmar and Thailand were significantly linked after remarkable political, economic, and social reforms under the President U Thein Sein government and the NLD government.

The sanctions imposed by the U.S. and the EU had pushed Myanmar to rely more on its neighboring countries. Since the sanctions were imposed by the West, cross-border trade, both formal and informal, has become more active. Development of cross-border trade was also attributed to infrastructural development (i.e., especially the road and transport connections with border areas, gas pipelines connecting to Thailand, etc). Such development of cross-border trade had positive impacts on the income and living status of those around the borders who are involved one way or another in border trade activities. The Department of Border Trade (DOBT) launched a new system of border trade comprising normal trade and border trade. To administer border trade more effectively, integrated teams were established at respective border trade posts comprising members from the Department of Finance and Revenue, the Department of Customs, the Myanmar Investment Commission (MIC), the Myanmar Police Force, Department of Immigration. In January 2006, a new “friendship bridge” was opened across the Sai River between Chiang Rai in Thailand and Tachileik in Myanmar. Along with the opening of friendship bridges, Myanmar-Thailand border trade has significantly increased yearly.

With regards to the Memorandum of Understanding, Myanmar and Thailand signed the MoU on the establishment of a joint trade commission on 2 February 1990. The purpose was to hold open discussions and exchange views and opinions to promote bilateral trade relations, especially in the border trade improvement. There were ten MoUs, especially in the trade sector, energy sector, and banking sectors, between 2011-2020. According to the MoU, the meetings of the Myanmar-Thailand Joint Trade Commission (JTC) were held by the Ministry of Economy and Commerce of Thailand. The Myanmar-Thailand Joint Trade Commission meetings were held as follows: the first meeting in Bangkok (1998), the second meeting in Yangon (2000), the third meeting in Bangkok (2002), the fourth meeting in Yangon (2004), the fifth meeting in Bangkok (2010), the sixth meeting in Bangkok (2012), and the seventh meeting in Nay Pyi Taw (2016).

Myanmar and Thailand announced the 65th anniversary of Myanmar-Thailand relations in 2012, and the two sides signed three MoUs at the meeting. The first MoU reaffirmed the Myanmar-Thailand obligations to launch the comprehensive development of the Dawei economic zone and deep-sea port. The second MoU involved economic cooperation in support of Myanmar’s human resources development, capacity-building for Myanmar’s ASEAN chairmanship in 2014, and infrastructure development inside the country. The third MoU covered an agreement to set up an energy forum to explore further cooperation. In addition, President U Thein Sein and Prime Minister Yingluck Shinawatra also agreed to further expand economic activity along their common border. This included opening new checkpoints at Kiu Pha Wok in Chiang Mai, Ban Hua Ton Noon in Mae Hong Son, Ban Pu Nam Ron in Kanchanaburi, and a temporary border crossing in Ratchaburi province. At the ACMECS summit in 2013, Prime Minister Yingluck announced that the government had allocated a budget of B15 billion for the development of Myanmar’s Dawei deep-sea port, the construction of a land bridge to link Laem Chabang and Myanmar’s Dawei Special Economic Zone, and the establishment of infrastructure development to link neighboring countries. The projects included permanent border crossings between Thailand and Myanmar, including the Kio Pha Wok checkpoint in Chiang Mai province, the Ban Huai Ton Nun checkpoint in Mae Hong Son province, and the Ban Phu Nam Ron checkpoint in Kanchanaburi province. On 6 June 2015, Myanmar and Thailand reached an MoU on further cooperation in energy and electric power. It accelerated the 26-year Myanmar-Thailand oil and natural gas cooperation agreement, and benefited the energy efficiency of countries, the development of infrastructure, the cross-border energy sector, and human resources development. Thailand’s main energy sources are gas, petroleum, coal, and hydropower. The Governments of Myanmar and Thailand signed a Memorandum of Understanding to improve immigration checkpoints and logistics clearances for cross-border trade in the Myawaddy and

Maesod checkpoints. Thailand and Myanmar officially opened the second Myanmar-Thailand Friendship Bridge to traffic on 30 October 2019. The MoU also aimed to boost the transfer of goods between Myanmar and Thailand across the Friendship Bridge. Thai companies have been major investors in Myanmar, particularly in sectors such as energy, manufacturing, construction, telecommunications, and banking. Some prominent Thai companies operating in Myanmar include PTT Exploration and Production (PTTEP), CP Group, and Bangkok Bank. PTTEP, a subsidiary of Thailand's state-owned PTT Group, has been involved in oil and gas exploration and production activities in Myanmar.

Thailand's active participation in regional forums and adherence to trade liberalization principles further underscored its commitment to fostering open and transparent trade policies. However, cooperation of various activities as a partnership for security and development of both countries in the border area had to solve labor, human trafficking, illegal trade, and narcotic trafficking. To improve trade cooperation between the two countries, stability of bilateral trade agreements, transportation facilities, and social welfare are necessary for both countries. As long as Myanmar continued to pursue economic development and integration into the global economy, collaboration with neighboring countries like Thailand had been crucial, offering opportunities for mutual growth and prosperity.

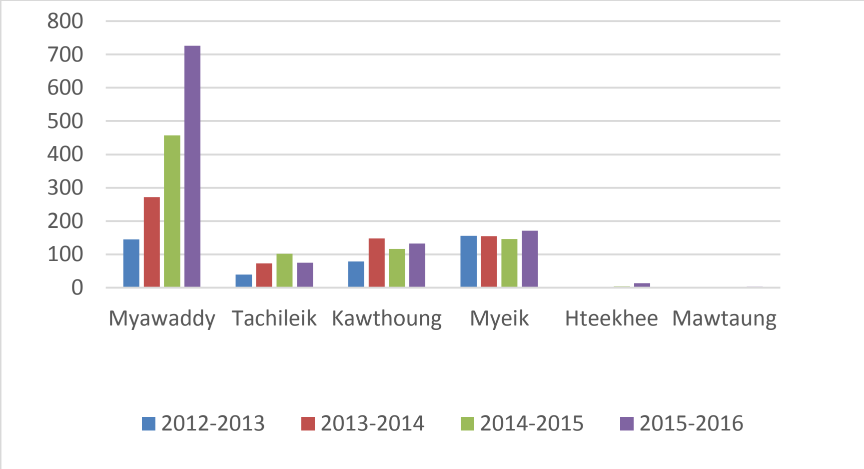
Trade Relations between Myanmar and Thailand (2011-2020)

Normally, Myanmar conducted border trade with Thailand through seven trading posts, which are Myawaddy, Tachileik, Kawthoung, Myeik, Hteekhee, Mawtaung, and Meisei. Myanmar-Thailand Border Crossing Agreement was updated on 24 June 2016 so that the Myanmar-Thailand Border Checkpoints were allowed to enter for citizens of the two countries and citizens of third countries who hold a passport and visa were permitted to enter/ exit via any International Entry/Exit points. Starting from 1 September 2016, Tachileik, Myawaddy, and Kawthaung International Land Border Checkpoints were allowed to enter/exit with an e-Visa. In Myanmar, most of the goods were mainly imported from Thailand were raw materials for manufacturing and construction materials. Myanmar's exports to Thailand were primarily agriculture and livestock products, and imports from Thailand were mainly non-alcoholic beverages, fabric and yarn, motorcycles and related parts, and construction materials.

Table-1 Border Trade Volume between Myanmar and Thailand (2012-2013 to 2015-2016) (US$ in million)

No	Trade Post	2012-2013	2013-2014	2014-2015	2015-2016
1	Myawaddy	144.802	271.501	456.902	726.112
2	Tachileik	39.736	72.501	101.965	74.589
3	Kawthoung	78.906	148.224	115.697	132.380
4	Myeik	155.101	154.422	145.999	170.999
5	Hteekhee	-	1.493	4.216	13.191
6	Mawtaung	-	1.988	0.663	2.512
7	Meisei	-	-	-	-

Source: Ministry of Commerce, Myanmar



Source: Ministry of Commerce, Myanmar

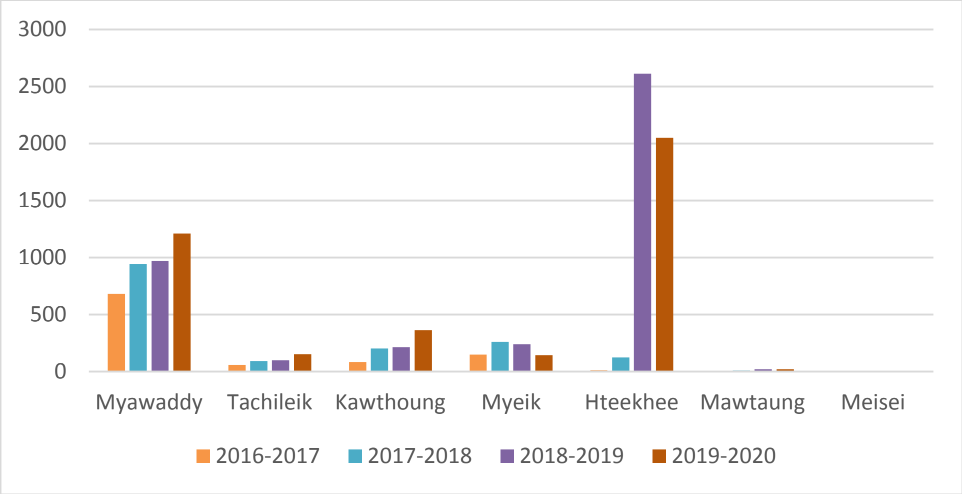
Figure-1 Border Trade Volume between Myanmar and Thailand (2012-2013 to 2015-2016)

According to Table 1 and Figure 1, Myawaddy was the most active border in terms of trade volume. The trade volume grew from $144.8 million in 2012-2013 to $ 726.1 million in 2015- 2016. This reflected the importance of Myawaddy as a major trade hub between the two countries. Tachileik's trade volume increased from $ 39.7 million in 2012-2013 to $101.97 million in 2014-2015. Kawthoung's trade volume initially rose from $78.9 million in 2012-2013 to $148.2 million in 2013-2014. Myeik's trade volume remained relatively stable over the years, ranging between $145.99 million and $170.99 million. Hteekhee and Mawtaung were emerging trade posts, with growing trade volumes by 2015-2016. Meisei had no recorded trade during this period. Overall, Myawaddy's dominance and the development of smaller posts like Hteekhee reflected the increasing importance of cross-border trade between Myanmar and Thailand during these years.

Table-2 Border Trade Volume between Myanmar and Thailand (2016-2017 to 2019-2020) (US$ in million)

No	Trade Post	2016-2017	2017-2018	2018-2019	2019-2020
1	Myawaddy	682.774	942.281	969.842	1209.914
2	Tachileik	57.285	92.743	97.621	149.753
3	Kawthoung	84.660	202.922	214.102	360.520
4	Myeik	147.752	259.446	239.518	141.727
5	Hteekhee	10.577	122.297	2612.032	2050.979
6	Mawtaung	2.239	7.419	19.086	18.84
7	Meisei	0.181	0.529	1.447	2.782

Source: Ministry of Commerce, Myanmar



Source: Ministry of Commerce, Myanmar

Figure-2 Border Trade Volume between Myanmar and Thailand (2016-2017 to 2019-2020)

According to Table 2 and Figure 2, Myawaddy continued to be the most important trade hub, with trade volumes increasing each year. Trade grew from $682.774 million in 2016-2017 to $1.21 billion in 2019-2020. This reflected strong and growing cross-border trade, driven by improved infrastructure and the strategic location of Myawaddy. Trade at Tachileik also increased significantly during this period, from $57.285 million in 2016-2017 to $ 149.753 million in 2019-2020. This indicated growing cross-border trade activities at this post, though it is smaller compared to Myawaddy. Trade at Kawthoung showed a strong upward trend, starting at $84.66 million in 2016-2017 and reaching $360.52 million in 2019-2020. Myeik's trade volume fluctuated, reaching a peak of $259.45 million in 2017-2018. The most dramatic growth occurred at Hteekhee, which saw an enormous surge from $10.58 million in 2016-2017 to $2.61 billion in 2018-2019. This post became a major hub for cross-border trade during this period, likely due to the large-scale export of natural resources or increased industrial trade. Mawtaung's trade volume also grew from $2.24 million in 2016-2017 to $18.84 million in 2019-2020. Meisei had minimal trade, but volumes increased gradually from $0.18 million in 2016-2017 to $ 2.78 million in 2019-2020. Overall, the period from 2016 to 2020 saw strong growth in border trade between Myanmar and Thailand, particularly at Myawaddy and Hteekhee, indicating growing economic ties and the increasing importance of these border posts for bilateral trade.

Table-3 Myanmar-Thailand Bilateral Normal Trade (2011-2020) (US$ in billion)

Year	Export	Import	Volume	Balance
2011-2012	3.65	0.52	4.17	+3.13
2012-2013	3.78	0.50	4.28	+3.28
2013-2014	4.09	0.95	5.04	+3.14
2014-2015	3.85	1.04	4.89	+2.81
2015-2016	2.66	1.11	3.77	+1.55
2016-2017	1.89	1.02	2.91	+ 0.87

Year	Export	Import	Volume	Balance
2017-2018	2.41	1.03	3.44	+1.38
2018-2019	0.27	1.04	1.31	- 0.77
2019-2020	0.27	0.76	1.03	-0.49
Total	22.87	7.97	30.84	14.9

Source: Ministry of Commerce, Myanmar

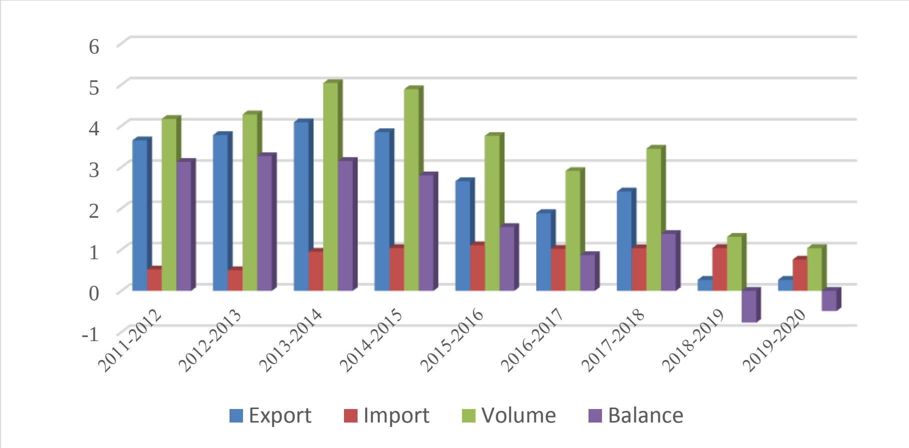


Figure-3 Myanmar-Thailand Bilateral Normal Trade (2011-2020)

Source: Ministry of Commerce, Myanmar

According to Table 3 and Figure 3, the volume of normal trade between Myanmar and Thailand grew steadily starting from 2011 and reached the peak level at US$5.04 billion in 2013-2014. But the volume of trade continuously declined from US$4.89 billion in 2014-2015 to US$1.31 billion in 2018-2019. In terms of trade balance, Myanmar suffered trade deficits in the 2018-2019 financial year. The total volume of Myanmar-Thailand normal trade amounted to US$29.81 billion from 2011 to 2019.

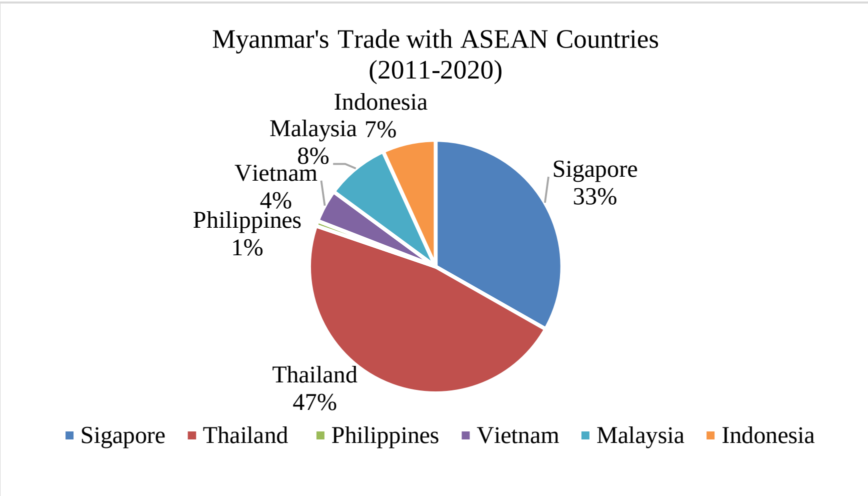


Figure-4 Trade between Myanmar and ASEAN countries (2011-2020)

Source: Ministry of Commerce, Myanmar

Thailand was Myanmar's first most important trading partner among ASEAN member countries, according to Figure 4. Figure 4 shows that among Myanmar's trade with ASEAN member countries, the trade between Myanmar and Thailand reached the highest with 47 percent, followed by the trade between Myanmar and Singapore in second place with 33 percent.

After the acceleration of energy and electric power cooperation sector, Myanmar's export of gas to Thailand had rapidly increased since 2011and the exporting amount reached the highest level in 2014-2015. During the 25 years, the exports of Thailand to Myanmar had increased at an annual rate of 10.2 percent, from US$0.35 billion in 1995 to US$3.83 billion in 2020. On the other hand, the export commodities of Myanmar to Thailand had increased at an annual rate of 10.6 percent, from US$0.21 billion in 1995 to US$2.67 billion in 2020. After launching a new system of border trade comprising normal and border trade, integrated teams were established at their respective border trade posts, and they can provide one-stop services for border trade matters in collaboration with various departments. Furthermore, opening friendship bridges, establishing MoUs on the joint trade commission between both nations, designed to make open discussions, exchange views and opinions, has accelerated the bilateral trade relations.

Conclusion

The government of Myanmar opened the economy to international trade and foreign investment through the people-centred economic policy framework. Myanmar's external trade has been encouraged using pursuing a liberalized trade policy to transform its economy into a market-oriented economic system. Along with policy reform, Myanmar has gained an increase in the volume of external trade. Geographic proximity, domestic politics, and complementary roles between Myanmar and Thailand have played a key role in the relations between the two countries.

Although Myanmar had traded with many countries, more than 80 percent of the country's trade went to its ten main trading partners, such as Thailand, China, India, Japan, Malaysia, Singapore, South Korea, the US, the UK, and Germany. Nevertheless, Thailand was Myanmar's leading export market, and China was Myanmar's key import market. Regularizing border trade between Myanmar and Thailand has contributed to the further development of bilateral trade relations. The volume of bilateral trade between Myanmar and Thailand grew steadily and reached the peak level in the 2014-2015 financial year. In terms of normal trade, Myanmar suffered trade deficits in 2018-2019, and Myanmar encountered trade deficits in terms of border trade from 2013 to 2018 because the private traders desired to import more Thai goods, such as manufactured goods and foodstuffs, rather than export more Myanmar goods. However, the total volume of Myanmar-Thailand normal trade and border trade amounted to US$44.26 billion from 2011 through 2020.

Under the USDP Government, Myawaddy stood out as the most significant trade post, with substantial and steady growth over the years. Tachileik, Kawthoung, and Myeik were moderately active trade posts with some fluctuations in trade volume. HteeKhee and Mawtaung were emerging trade posts with growing trade volumes by 2015-2016. Myawaddy's dominance and the development of smaller posts like Hteekhee reflected the increasing importance of cross-border trade between Myanmar and Thailand from 2011-2015. Under the NLD Government, Myawaddy remained the most important border trade post. Htee Khee experienced a significant trade boom, becoming a major player in the Myanmar-Thailand border trade. Kawthoung and Tachileik saw substantial growth in trade volume. The period from 2016 to 2020 saw strong growth in border trade between Myanmar and Thailand, particularly at Myawaddy and Hteekhee, indicating growing economic ties and the increasing importance of these border posts for bilateral trade.

Furthermore, Myanmar had used energy resources as an instrument in making good relations with its neighbouring country, Thailand. Thailand's rapid richness in economic growth led to the use of more natural gas than it could produce. Therefore, one of the oil and gas and hydropower-rich countries, Myanmar, became an important one for the energy thrust country, Thailand. Thailand, one of the energy-hungry countries, could fill its economic needs in cooperation with Myanmar's oil and gas sector. In 2011, the gas share was 44 percent and the petroleum share was 36 percent; natural gas and petroleum provided 80 percent of Thailand's energy. The surplus position had been large for any single trading partner, like Cambodia, the Lao PDR, and Malaysia. Myanmar was the only exception because of Thailand's imports of natural gas of $3.5 billion, or more than 95 percent of total imports. Without this trade in natural gas, Thailand would have a large surplus with Myanmar.

Myanmar and Thailand had worked together to enhance their economic growth by implementing trade policies and signing Memoranda of Understanding (MoUs) to strengthen their relationship. There were many advantages from the Myanmar-Thailand Trade Agreements, such as enhanced trade relations, infrastructure development, border crossing facilitation, business collaboration, energy sector cooperation, employment opportunities, financial integration, agricultural development, and a border trade boost. Since 2011, trade between the two nations has grown significantly, presenting both opportunities and challenges in their trade and investment ties. Both countries encountered issues such as the rule of law, political and economic stability, corruption, and human rights concerns, which influenced the prospects of their trade cooperation. To further improve trade relations, it was crucial to establish stable bilateral agreements, improve transportation infrastructure, and enhance social welfare systems. Trade and investment held promise for Myanmar's economic growth, but significant hurdles remained. Overcoming these required collaborative efforts from both countries, including tackling illegal border trade, human trafficking, and improving regulatory frameworks. A comprehensive approach, involving multiple perspectives and collaboration between relevant government departments or ministries in Myanmar and Thailand, was essential for long-term and sustainable cooperation. This was key to unlocking the full economic potential of their relationship. Trade and investment had promoted market access, infrastructure development, and job creation in Myanmar, while Thai businesses had benefited from investing in Myanmar's emerging sectors such as oil, gas, and hydropower. Moreover, bilateral agreements signify a commitment to deeper cooperation and mutual benefit, fostering economic development, trade diversification, and socio-economic progress for both Myanmar and Thailand. By addressing challenges and leveraging opportunities, trade between the two nations could contribute to economic growth and development for both. To maximize the benefits of trade for long-term prosperity, both nations needed to focus on inclusive economic growth, political stability, and sustainable development.

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