



FREIGHT FORWARDING INDUSTRY

2019 Report



POWERED BY  **MMRD**



Check the updates of MMRD Research Division's Syndicated Products at www.mmrd.com/syndicated-research/

Disclaimer

MMRD Research Division produces syndicated products to those needs. All rights reserved. No part of these data or documents may be reproduced or redistributed without the written permission of MMRD Research Division. MMRD Syndicated data/reports can be subscribed subject to the condition that it shall not be resold, lent, hired out or otherwise circulated without the prior written consent of MMRD Research Division.

About this publication

MMRD Research Division offers range of syndicated products with the aim to support the needs of our clients. We are a pioneer in researching logistics industry on a quarterly basis in Myanmar. Our goal is to provide up-to-date information of the logistics sector by producing quarterly reports and data. With that, our objectives are to identify the freight rates in various modes of transport, make quarterly comparison in the freight rates to highlight the trends and changes in the logistics sector, underline the issues experienced by the local transporters and traders in each logistics sector and make quarterly forecast over the potential trends in the Myanmar transport and logistics sector.

Table of Contents

Abbreviations	4
Units of Measurement.....	4
Exchange Rate.....	4
Abstract.....	5
Freight Forwarding Industry.....	6
Key Findings.....	6
Overview of the Industry	7
Procedures of Freight Forwarding	14
Market Condition	15
Comparison of Transport Rates	17
Main Issues in Freight Forwarding Industry.....	21
Short Term Outlook.....	23

Figures

Figure 1: Top Maritime Export Countries	7
Figure 2: Top Maritime Import Countries.....	7
Figure 3: Monthly Comparison of Oversea Export and Import within 2018-19 FY	8
Figure 4: Oversea Import Products 2018- 2019	8
Figure 5: Oversea Export Products in 2018 - 2019	8
Figure 6: Locations of Ports and Terminals in Yangon	11
Figure 7: Myanmar International Terminal Thilawa (MITT)	12
Figure 8: Main Freight Forwarding Routes	13
Figure 9: The Procedure for Freight Forwarding (export)	14
Figure 10: Comparison between freight rates for Import.....	18
Figure 11: Comparison between freight rates for Export	20

Tables

Table 1: Industrial Zones in Yangon.....	9
Table 2: Ports and Terminals for Freight Forwarding	12
Table 3: Freight Forwarding Rates of TEU by Main Routes	17
Table 4: Freight Forwarding Rates of TEU by Main Routes	19

Abbreviations

- AIPT Alone International Port Terminal
- AWPT Asia World Port Terminal
- BSW Boangkyaw Street Wharves
- CMP Cut-Make-Pack
- MEC Myanmar Economic Corporation
- MEH Myanmar Economic Holdings
- MIP Myanmar Industrial Port
- MIPL Myanmar Integrated Port Limited Terminal
- MITT Myanmar International Terminal Thilawa
- NES National Transport Strategy
- SPW Sule Port Wharves
- UMEH Union of Myanmar Economic Holdings

Units of Measurement

- 1 gallon (US) = 4 litres
- 1 tonne = 1,000 kilograms
- 1 tonne = 600 viss
- 1 viss = 1.6 kilograms
- 1 mile = 1.6 kilometre

Exchange Rate

- 1 USD = 1,320 MMK (Oct'17)
- 1 USD = 1,320 MMK (Feb'18)
- 1 USD = 1,347 MMK (May'18)
- 1 USD = 1,473 MMK (Aug'18)
- 1 USD = 1,570 MMK (Nov'18)

Abstract

The sector report intends to provide the industrial-wide overview of the freight forwarding industry in Myanmar. The survey approached major freight forwarders in the industry in the market across the hubs in the country to gain rich sources of information to conduct the study report. The study focuses on the quarterly comparison in the freight rates and changes in market demand according to the condition of overseas trade including exports and imports to highlight the trends on the major freight transport routes in 2018-19. Moreover, the report underlines the issues experienced by the freight forwarders in the freight forwarding industry.

Keywords: overseas trade, maritime trade, exports, imports, freight forwarders, freight rates.

Freight Forwarding Industry

(2018-2019 Report)

Key Findings

- Myanmar's freight forwarding industry is highly connected with the regional countries in Asia.
- The freight forwarding rates for imports were much higher than exports due to the country's dependency on imported products.
- Myanmar's main exports were agricultural products and fisheries and the main imports were raw materials and industrial products.
- The country faced a decline in pulses and bean export to India which caused the freight forwarding rates to decline as of February.
- Higher demand for imports was observed when the peak season was drawing closer.
- Freight rates were on the rise due to the peak of the rising of the exchange rate.
- Thilawa port alone could handle fourfold increase of rice and sugar containers in November.
- Shortages of some port facilities were observed in this survey.
- Delays in notifying of updated rules and regulations from relevant departments caused difficulties for forwarders.
- Kyaukphyu Special Economic Zone (SEZ) project will be developed after the Kyaukphyu deep sea port project in Rakhine State.
- The construction of a container terminal in Ahlone Township was being undertaken.
- The discussion for the upcoming National Export Strategy (NES) 2020-2025 was made for the purpose to boost Myanmar's export sector.
- Myanmar and India are planning to sign a contract for Government-to-Government pulse trading this fiscal year.
- Experts suggested escalating the country's exports in upcoming months in order to fightback against trade deficit and to help recover from higher import costs.