

Talks on rupee trade with Myanmar on track

OUR SPECIAL CORRESPONDENT

Calcutta: India and Myanmar may conclude the ongoing talks on rupee trade by the end of June, clearing hurdles for payment mechanisms in the face of US sanctions and providing a significant boost to bilateral trade.

The Central Bank of Myanmar and the RBI are in negotiation to finalise the terms of reference and standard operating procedures for the payment mechanism. "I do hope that if everything goes well, all the negotiations will be finalised by the end of this month," Aung Naing Oo, minister of commerce, Myanmar, said.

The minister, who is leading a 42-member delegation to Calcutta, was speaking at a conference organised by EEPC India. He hoped that bilateral trade may double when the rupee-kyat direct payment is started.

India's total merchandise trade with Myanmar stood at \$1.76 billion in FY23, with trade surplus in favour of the eastern neighbour. The major exports of Myanmar to India include vegetable oils and pulses while pharmaceuticals



Aung Naing Oo with P.K. Shah (left) in Calcutta on Monday. PTI

top export items from India. The US imposed sanctions on Myanmar after the military ousted the democratically elected government in 2021 and took over control.

The RBI has authorised Punjab National Bank to open a special Indian rupee vostro account for trade settlement in the rupee and Myanmar's kyats and PNB has already approached two Myanmar banks to open special Indian rupee vostro accounts.

"We are very confident that once approval is accorded by the central bank of Myanmar to open the accounts, trade can multiply several times as no forex will be involved," said P.K. Shah, chairman of the committee of foreign trade policy and WTO of EEPC India.

To cut reliance on dollars, Myanmar has already start-

ed diversifying the use of the currencies with China and Thailand in trade. There are expectations on both sides of the border that rupee-kyat trade will also facilitate more investments from Indian companies in Myanmar.

Adani Port

Minister Oo described the Adani group as a 'very strategic investor' to Myanmar and expressed hope that there can be 'some solutions' for the conglomerate. Adani Ports and Special Economic Zone Ltd sold its container terminal venture, which was under construction, to a third party.

The company cited continuing US sanctions as one of the reasons for its exit. The minister was asked to respond to the exit of Adani group from the venture.

The commerce minister also expressed hope that when Sittwe port is commercially operationalised, trade with the eastern part of India, especially Bengal, and Myanmar will get a boost. Trial operation for this port, funded by India, started last month.

The delegation will also join the 3-day BIMSTEC conference in Calcutta from Tuesday.