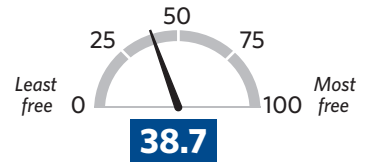


BURMA

Economic Freedom Score



World Rank: **173** Regional Rank: **40**

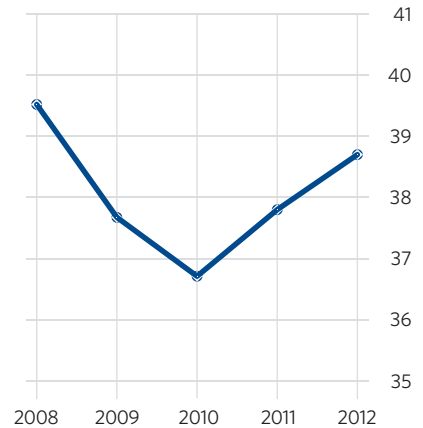
Burma's economic freedom score is 38.7, making its economy the 173rd freest in the 2012 *Index*. Its score is 0.9 point better than last year, mainly due to improvements in monetary freedom and property rights. Burma is ranked 40th out of 41 countries in the Asia-Pacific region, and its overall score is much lower than the regional average.

Historically scoring far below the world average, Burma's lack of economic freedom continues to justify the characterization of its economy as "repressed." The Burmese economy, hampered by extensive state controls and structural problems that severely undermine development of the private sector, lags in productivity growth and dynamic economic expansion. The foundations of economic freedom are fragile and uneven across the country.

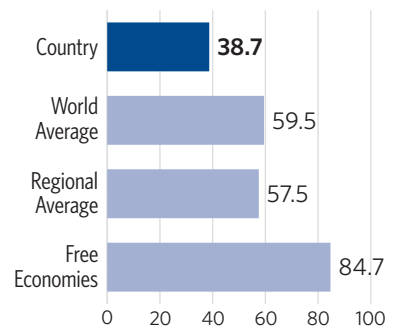
Long-standing structural problems include poor public finance management and underdeveloped legal frameworks that undermine regulatory efficiency. Trade and investment policies needed to sustain open markets are undercut by government interference in the economy. Arbitrary tax policies, poor infrastructure, marginal enforcement of property rights, and weak rule of law have driven many people and enterprises into the informal sector.

BACKGROUND: Burma has been ruled by a military junta since 1962. After the opposition National League for Democracy won a large majority in the 1990 legislative elections, the junta redoubled its efforts to crack down on dissent. The United Nations estimates that the violent government response to pro-democracy demonstrations in September 2007 resulted in over 30 fatalities. Elections were held on November 7, 2010, but the National League for Democracy refused to participate, and the election drew sharp criticism from the United Nations. On November 13, 2010, NLD leader and Nobel Peace Prize winner Aung San Suu Kyi was released from jail. Burma is richly endowed with natural resources, but government intervention in the economy has made it one of the world's poorest countries.

Freedom Trend



Country Comparisons



Quick Facts

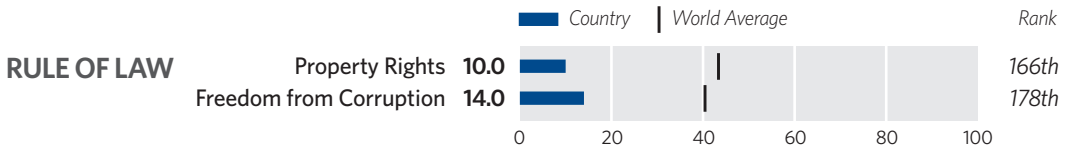
- Population:** 61.2 million
- GDP (PPP):** \$76.5 billion
- 5.3% growth in 2010
- 5-year compound annual growth 7.7%
- \$1,250 per capita
- Unemployment:** 5.7%
- Inflation (CPI):** 7.3%
- FDI Inflow:** \$756.3 million
- Public Debt:** 42.8% of GDP

How Do We Measure Economic Freedom?

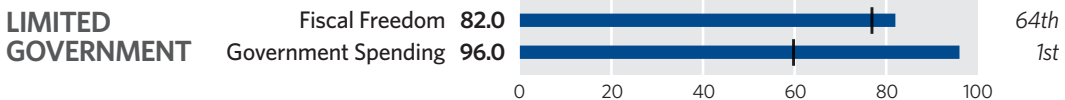
See page 455 for an explanation of the methodology or visit the *Index* Web site at heritage.org/index.

2010 data unless otherwise noted.
Data compiled as of September 2011.

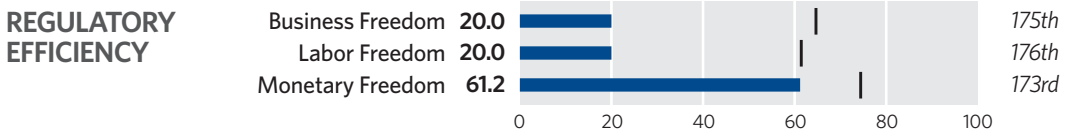
THE TEN ECONOMIC FREEDOMS



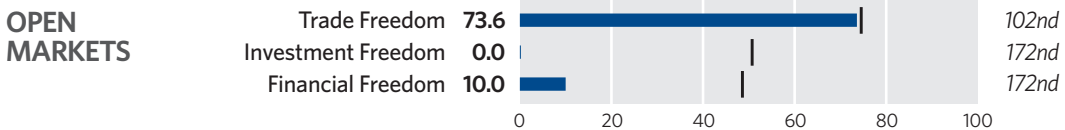
The foundations of economic freedom in Burma are weak. Private real property and intellectual property are not protected. Private and foreign companies are at a disadvantage in disputes with governmental and quasi-governmental organizations. In the absence of institutional reforms, corruption is rampant and continues to be a serious barrier to sustained economic development.



The top income and corporate tax rates are 30 percent. Official fiscal statistics are not regularly available. Overall tax revenue is estimated to be less than 5 percent of GDP, although income tax revenue has been rising rapidly in recent years. Government spending has increased to 11.5 percent of total domestic output, resulting in widening deficits. Public debt corresponds to 42.8 percent of GDP.



The regulatory environment is severely hampered by lack of legal transparency, and much business activity is concentrated in state-owned enterprises. Political influence is strong in regulatory decision-making, and poor enforcement of laws undermines private-sector development. The government sets public-sector wages and influences wage-setting in the private sector. Other state price controls are in place, distorting domestic prices.



Trade freedom remains constrained by myriad non-tariff barriers that increase the cost of trade. Foreign and domestic private investment is approved case-by-case, with many sectors reserved for domestic and government-controlled activity. Banking is dominated by state-owned banks, although several private banks have been in operation. Most loans are directed to government projects, and access to credit is highly controlled.

Score Changes

RULE OF LAW		LIMITED GOVERNMENT		REGULATORY EFFICIENCY		OPEN MARKETS	
Property Rights	+5.0	Fiscal Freedom	+0.1	Business Freedom	0	Trade Freedom	+1.3
Freedom from Corruption	0	Government Spending	-2.1	Labor Freedom	0	Investment Freedom	0
				Monetary Freedom	+4.6	Financial Freedom	0