

Myanmar

Highlights of consumer co-ops

- ✓ Trading co-ops with small size stores
- ✓ Seeking a new model of co-operatives

1. Co-operative movement in Myanmar

Contents

1. Co-operative movement in Myanmar	1
2. Outline of consumer co-ops.....	2
3. Representative co-operative societies.....	3
4. Problems and future visions....	5
5. Relationship with the government.....	5
6. Basic information on.....	6
Myanmar	

Co-operative movement in Myanmar started early in the 20th century. The first co-operative was a credit co-operative society that aimed to help farmers and was established in 1905 .

As per the data of 31st March 2011, Myanmar Co-operative Movement has a total of 11,233 organizations. The breakdown of these societies are 1 apex, 20 unions, 461 federations, 10,751 co-operative societies.

Myanmar co-operatives are involved in all fields of the economy. Among all sectors, agricultural co-operatives are the biggest. In fact, Agricultural Co-operative Union is the biggest exporter of beans and pulses.

Banking co-operatives are also active. Co-operative bank is known as CB Bank and has 16 branches throughout the country.



Office of CCS in Yangon

Currently, CB Bank is the second largest bank in Myanmar. 10 more branches will be opened soon.

Consumer co-operatives belong to the trading sector.

The Central Co-operative Society Limited (CCS) is the apex organization of Myanmar Co-operative Movement. It has 442 co-op societies as members with 580.91 million kyats (MMK) in share capital. (1 US\$ = 851 MMK approx.)

Outline of consumer co-ops



Consumer stores deal with basic commodities

2. Outline of consumer co-ops

Central Co-operative Society Ltd. (CCS) is administrated by the Ministry of Co-operatives. It was formed by the amalgamation of Federations and Union of co-operatives in the country, and re-structured in accordance with the Union of Myanmar Co-operative Society Law in 1992.

Consumer co-operative societies are the member of CCS. There is no distinction between consumer co-operatives and trading co-operatives in Myanmar.

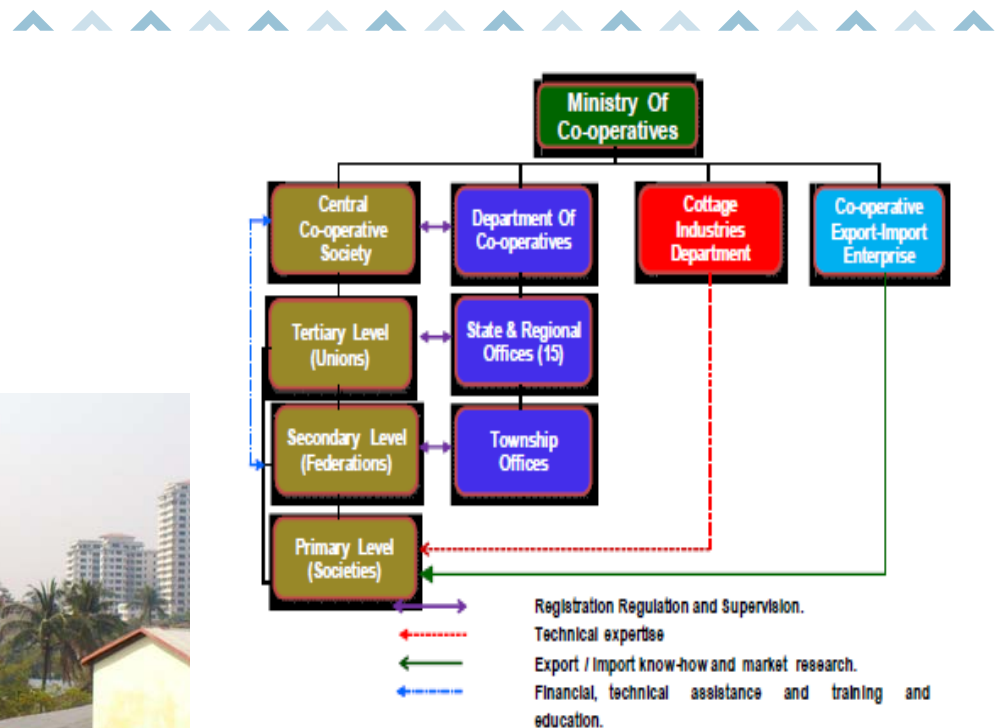
Currently, consumer co-operative movement is not active in Myanmar. Co-operatives called “consumer co-operatives” are trad-

ing co-operatives. Businesses of trading co-operatives are also small scale and most of them have only one small store.

The products sold in stores are basic commodities such as rice, oil (peanut oil), and some non-food items. There are some consumer co-operatives that provide members with service businesses such as renting kitchenware for parties, but most of consumer co-ops sell only commodities.

CCS is trying to promote consumer co-operatives in the country, but faces many difficulties in expanding businesses.

“It is more difficult to establish consumer co-op stores in rural areas than in urban communities”



3. Representative Co-operative Societies

Currently, there are about 50 retail co-operatives in Myanmar. Most of the co-operatives are small scale and have 1-2 small stores. Some of these are:

3.1 Aung Takon General Trading Co-op Society

Aung Takon General Trading Coop Society was established on the 16th of July 1993. In 2011, it had 168 members with 910,425 MMK in share capital.

It has only one store and is located in Sawbwar Gyigone Ward of Insein Township in Yangon. The store is on a street market stall and does not have a traditional entrance door.

In the store, they sell basic commodities such as rice, peanut oil, and vegetables.

The average sales per day is 537,000 MMK and the total sales in 2011 was 40 million MMK, with an increase of 5%.

The purpose of the co-operative is to serve neighborhood citizens.

Although the store size is small, members hold a meeting every month to discuss the sales results and marketing of products.

To become a member, the minimum share capital is 5,000 MMK.



3.2 Thazin General Trading Co-op Society

Thazin General Trading Co-op Society was established on 24th April 1993. The members are neighborhood citizens living in Mayangone, Yangon.

In 2011, it had 520 members with 1,040,000 MMK in share capital. It has only one store and is located in 2 Ward of Mayangone Town.

Almost all basic commodities

are sold in this store. In addition to rice, oil and vegetables, consumers can buy also non-food items such as soap, shampoo and other household goods.

The average sales per day is 20,000 MMK and the total sales in 2011 was 12 million MMK.

“Rental business” is one of characteristic activities of this co-op. Members can rent kitchen wares when they have special events such as parties.

To become a member, the minimum share capital contribution should be 2,000 MMK.



Representative Co-operative Societies

3.3 Yamon Nar General Trading Co-operative Society

Yamon Nar General Trading Co-operative Society was established on 5th June 1998.

The members of co-operative are government employees. In 2011, there were 28 members with

980,000 MMK in share capital.

The co-operative owns only one store that is located in Yamon Nar 2 Ward in Dawpon Township.

Basic commodities including rice and oil are sold in the store.

The average sales per day is 70,000 kyats and the total sales in 2011 was 20 million MMK. To become a member, the minimum share capital should be 35,000 MMK.



3.4 Kya Yan General Trading Co-operative Society

Kya Yan General Trading Co-operative Society is the biggest retailing co-operative in Yangon.

In 2011, it had 104 members with 104 million MMK in share capital.

Currently, there are 3 co-op stores in Ka Yan Township, which are located in the suburb of Yangon. Every store is divided into sections to sell food, dry groceries and non-food items.

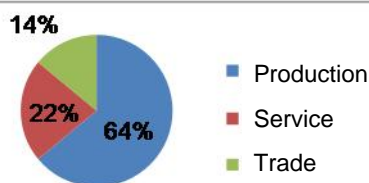


Although there are big local markets near the stores, Kya Yan General Trading Co-operative is competitive and is increasing its sales.

The average sales per day per store is 2 million MMK and the total sales in 2011 was 130 million MMK.

To become a member, the minimum share capital is 100,000 kyats.

Breakdown of co-operative sectors



Production sector : Agriculture, industrial and handicraft

Service sector : Savings and credit, banking, healthcare, micro-credit, etc.

Trade sector : Domestic and foreign trade, consumer stores

Outlook of Myanmar retail market

Myanmar retail market is a supply driven market.

Almost 90% of retail market is represented by traditional small markets called “Zaycho” where available items are very limited. “Zaycho” means “cheap price” in Burmese. Traditional markets run dry food stores, non-food stores. Recently, the number of beauty stores is increasing.

According to a survey, shoppers visit stores 3.5 times a week in average, spending about 3,500 MMK (about US\$ 4) per each shopping.

Recently, big retail chains and department stores established big supermarket stores and malls in big cities such as Yangon, Mandalay and Nay Pyi Daw.

4. Problems and future visions

4.1 Problems of Myanmar trading co-operatives

Just like in other countries, the number of modern trading retailers is growing rapidly in Myanmar. Consumer co-operatives used to be stronger before, especially university co-ops, during 1950s. University co-ops had a membership of over 10,000 country-wide. Now most of university co-ops are closed.

There were no consumer co-operatives in rural area in the history. In early days agri-

cultural multi-purpose co-operatives, and now some agricultural and general trading co-operatives operate in rural areas and it is difficult to set up new consumer based co-operatives.

The government is encouraging CCS to establish a new model of trading co-operatives in collaboration with the private sector.

4.2 Future Visions

CCS is now waiting for a new government policy on co-operatives.

The new policy is expected to include 8 development policies on co-operatives.

The government is eager to encourage co-operatives to establish a joint venture business with private sector.

In this conjunction, CCS is trying to estab-

lish a shopping mall in Sayasan Plaza in Yangon.

The Mall will be a joint venture with private sector. With this initiative, CCS hopes to enhance the activities of trading co-operatives in the country.

Unfortunately, there is no clear policy on how to enhance consumer based co-operatives.

5. Relationship with the Government

The Government is supportive to co-operatives but there is no subsidy or tax exemption system in Myanmar. Now the government is revising the organizational

structure of the Ministry, and when it is finalized, they are expected to formulate a new policy on co-operatives.

6. Basic Information on Myanmar

Name	:	Republic of the Union of Myanmar
Capital	:	Naypyidaw
Largest city	:	Yangon (Rangoon)
Government	:	Unitary Presidential Republic
Area	:	676,578 km ²
Population	:	2010 estimate 60,280,000
GDP (PPP)	:	US\$82.679 billion [2011 estimate]
Currency	:	Kyat (MMK)



From: Wikipedia

