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“Ethical Sourcing with Respect”: Promoting Thanakha by Regional BioTrade Project



Myanmar

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Regional Biotrade Project

Ye Win Paing





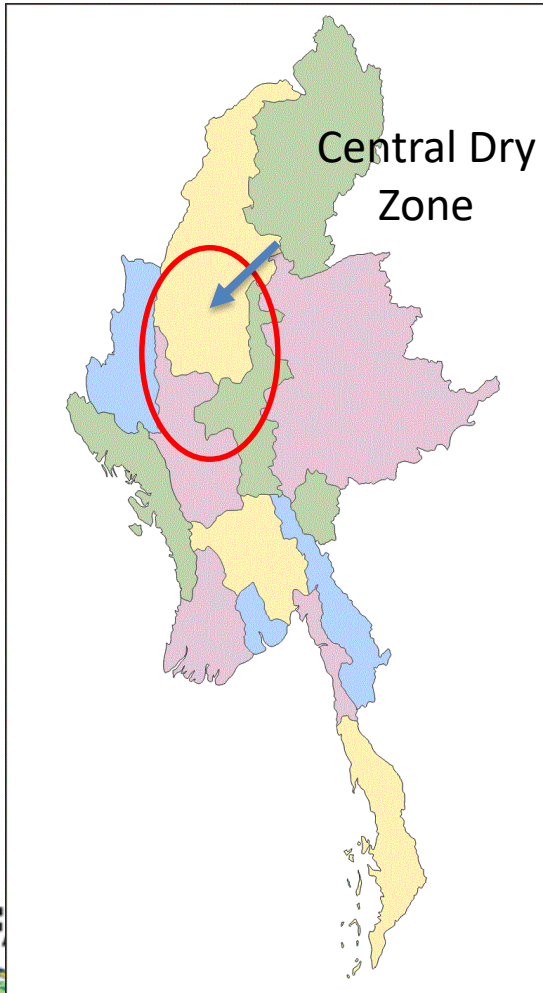
Background

- **Products** – (1) Thanakha, (2) Tea, (3) Jujube
- **Objective** – build – sustainable business models by trading – raw materials, natural ingredients – to increase capabilities and competitiveness of local producers, and exporters
- **Intervention** – Advocacy, Value Chain Management, Certification/Standards and Export and Market Readiness
- **Total fund** – **1,130,800 usd**
- **Project Duration** – Sept 2016 to Aug 2020





Background (Contd)



- **Main partners** - local trading, processing companies and relevant associations
- **Beneficiaries** – Thanakha growers, employees of traders & processors of Thanakha
- **Target** – 16 SME Companies



Thanakha Value Chain (Semi processed Channel)



Production



Harvesting



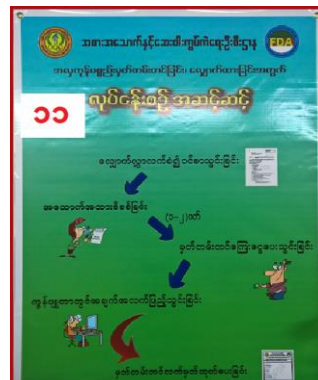
Sorting/Grading



logistic



Semi-processed Products



Certifications



Processing



Thanakha Value Chain (End Channel)



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Soap



Thanakha cosmetics



Perfumes & medicine



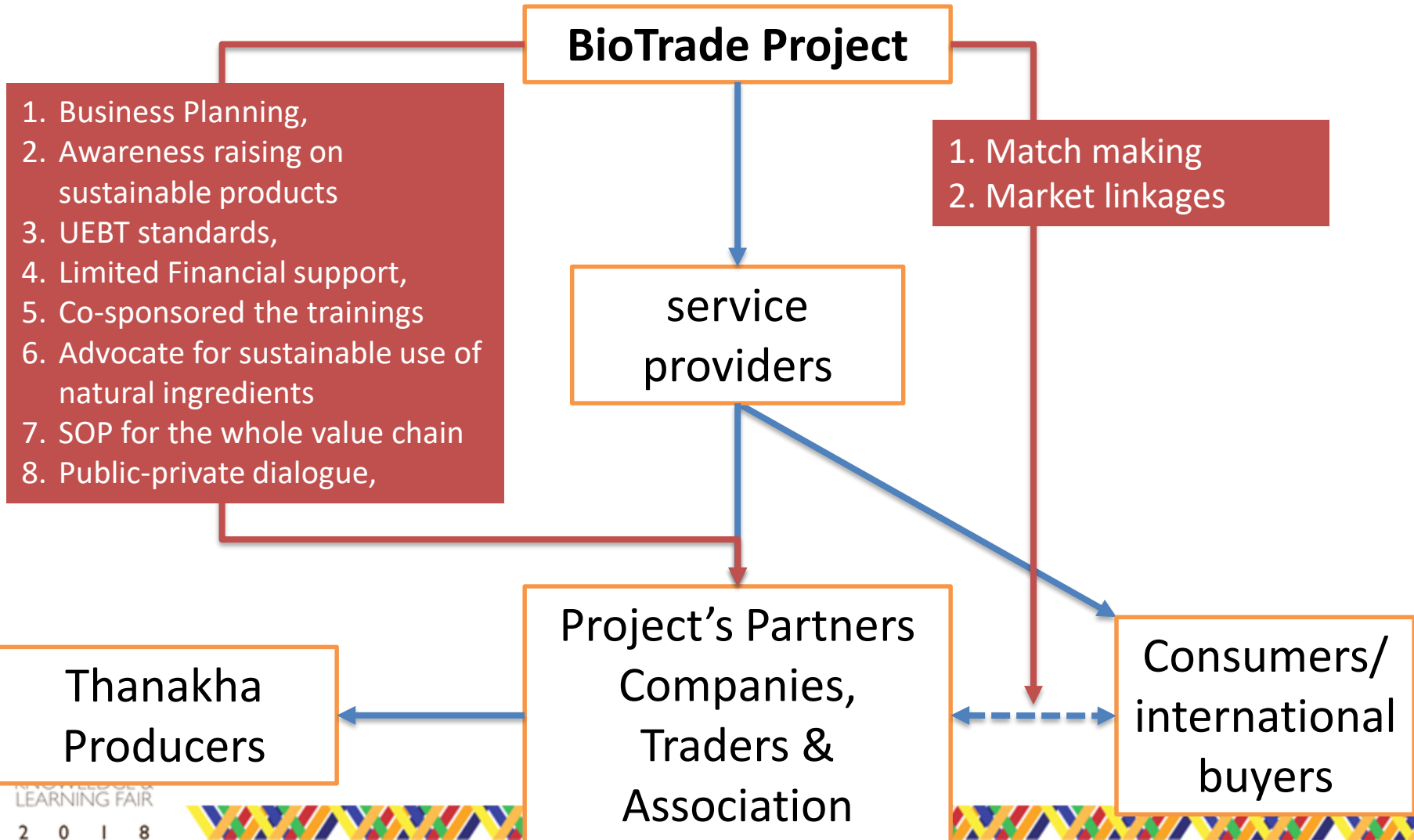
Certification

End users/
Consumers



Semi-processed materials

Innovation/ Good Practices

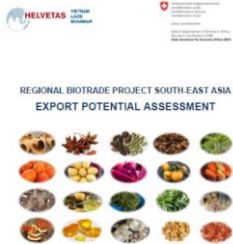


Project's results



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Export Potential Assessment

- 40 products had been identified
- Prioritized 3 products and implemented

- UEBT standards had been introduced to the companies
- Companies had participated in the preparation of Standard Operating Procedure (SOP) for Value Chain Development



- 4 major Thanakha Companies had joined to the project

- Myanmar Thanakha Planters, Producers, and Exporters Association had been established by the project



Facilitating Factors / Challenges



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Facilitating factors:

- Existence of – Thanakha producer association, cosmetic association and Thanakha sub-committee
- Thanakha is non-conflict product

Challenges:

- Low level of knowledges on BioTrade sector in Myanmar.
- Low level of interest from companies since BioTrade project nature is very new for them
- Project 's human resources number is limited since nature of project intervention style is broad
- Unofficial border trading of natural ingredients





Challenges

- Partners have limited capacities in business planning and it causes longer process in making plans for project activities
- Very few business supporting services
- Fail to meet the minimum market requirements
- Interest of business companies on BT project is low and they prefer to know potential demand before collaborating with project
- Data and information collection process are delay since BioTrade business companies are busy and maintain high confidentiality of their business





Lessons Learned

- When the project can **provide market information and link with potential buyers**, the companies interest increases.
- **EPA process is required throughout the project phase:** to find out new products and partners until the project reaches – targeted numbers of products and companies.
- **Business Enabling Environment (BEE)** is mostly important as BioTrade sector development requires this BEE to facilitate successfully the international trade of the export companies from Natural Ingredients (NI) sector.





Recommendations

- To create BEE, the project should **support the relevant policy making agencies from public sector** and to strengthen the institutional capacities of industry associations such as Myanmar Thanakha Planters, Producers, and Exporters Association in advocacy skills and management
- As the BioTrade concept had not been prioritized by the service providers, the project still **need awareness raising and capacity building of those service providers**





Thank you

