

Burma

Myanmar Junta Tightens Controls on Migrant Remittances

Sunday 25 September 2022, by [Hein Htoo Zan](#) (Date first published: 14 September 2022).

Myanmar's junta is looking to control money sent home by expatriate workers to boost its foreign currency reserves.

The regime is looking to demand that specific proportions of foreign wages are sent through designated banks at the official exchange rate to families in Myanmar, according to labor organizations.

The junta's Ministry of Labor has said remittances must be paid through official banks, according to job agencies.

Expats say they are keen to dodge the official banks because the junta has fixed the dollar rate at 2,100 kyats while the market price is around 3,200 kyats.

U Tun Tun, who has been working for over a decade in Malaysia's food and beverage sector, said: "The military regime is pressuring people to open a bank account before they leave Myanmar and agree to send back a specified share of the income. It is really annoying."

He has always relied on hundi transfers, a historic Indian system for trade and credit transactions. U Tun Tun, who is planning to return to Malaysia in December, said he did not want his wages to fund the junta.

This month the regime's labor minister, Myint Kyaing, and his deputy have been making speeches and instructing agencies on new remittances rules.

A banking source said the regime will keep trying to squeeze money from migrant workers and is not worried about the inconvenience caused.

"The regime is looking to tap into remittances and it will take further action through embassies and migrant laws," he said.

Remittances channeled through Myanmar's banks will provide the regime with a source of hard currency and help replenish its depleted reserves, ease inflation and reduce the deficit, he said.

The Central Bank of Myanmar reported that remittances - mainly from Malaysia, Thailand and Singapore - totaled US\$264 million from January to July this year.

The International Organization for Migration estimated remittances at \$2.8 billion or 4 percent of the gross domestic product in 2019.

The Shwe Bank, Kanbawza Bank, United Amara Bank, Myanmar Citizens Bank and Myanmar Mobile

Money Services are being endorsed by the junta to receive remittances from migrants who have left recently or who are due to leave for Thailand, Malaysia, Korea and Singapore, according to the labor ministry.

Ko Htet Aung, who works in Lamphun, Thailand, said most migrants are still sending money home illegally with hundi.

"I won't use the junta's channels. I don't want to fund the regime through my remittances so it can commit crimes every day," he told The Irrawaddy.

The hundi costs remain low, he said. "If the exchange rate is 1,150 baht per 100,000 kyats, we have to pay 1,190 baht to the hundi to transfer 100,000 kyats home. It means a 40 baht (\$1.1) fee for a 100,000 kyat transaction. It is a fair price."

Hein Htoo Zan

P.S.

- The Irrawaddy. 14 September 2022:
<https://www.irrawaddy.com/news/burma/myanmar-junta-tightens-controls-on-migrant-remittances.html>