Evaluating Trade Competitiveness Index of Myanmar Clothing Industry

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Abstract— **Garment sector is important for the Myanmar economy. We know that this sector is popular in Myanmar but we don't know does it has the trade competitiveness or not in the world market. This study evaluates the trade competitiveness index of Myanmar in apparel and clothing industry compare to the global market. Data of top 25 clothing export countries from 2016 to 2020 are collected. Six indicators: trade openness, annual growth rate, RCA, trade competitiveness, export diversification and trade resilience are calculated. By using the Entropy method, weighting all indicators and get the trade competitiveness index. The results are analysed in term of five components: market penetration, export environment, cost competitiveness, product extension and quality and international trade resilience. The result shows that Myanmar's trade competitiveness ranks fifth among the top 25 garment export countries and it has strong competitiveness in this industry. Export strategy such as logistics, quality and diversification and trade resilience are suggested in order to maintain and enhance the competitiveness. Government and stakeholder of the Myanmar clothing industry can understand the current position of competitiveness via this paper. Based on the World Bank framework, we added international trade resilience component and trade resilience indicator to our research.**

Keywords—trade competitiveness, apparel and clothing industry, entropy method, logistics, Myanmar

I. INTRODUCTION

Myanmar has a long history of apparel and clothing industry (ACI). With approximately 700 garment and textile factories, the garment and textile sector is the most important manufacturing business, and it provides prospects for diversification because it is now primarily a cut, manufacture, and trim sector. According to The World Bank [1], trade competitiveness issues can be decomposed into market penetration, export environment, cost competitiveness and product extension.

In term of market, according to the data from United Nations Conference on Trade and Development (UNCTAD), the export value of Myanmar apparel and clothing increased 10 times from 2011 to 2020 (from 0.49 to 4.62 billion USD). Due to the COVID-19 situation, exports reached US$4.62 billion in 2020, far from its high of US$5.05 billion in 2019, implying that it has the ability to enhance exports. From 2016 to 2020, the main countries that imported the apparels from Myanmar are Japan (25%), Germany (11%), United Kingdom (9%), Republic of Korea (9%), Spain (9%), Netherland (7%) and United State of America (6%). Previously, the majority of Myanmar's garment exports went to China, South Korea, Japan, and other Asian nations, but from 2016 to 2019, over half of the country's total garment exports were to European countries.

In the view of export environment, based on the trade performance, domestic supply condition, social economic impact and other qualitative criteria, the textile and garment sector has been selected to be one of the priority sectors out of 10 sectors in the Myanmar National Export Strategy (NES) 2015-2019 [2]. According to the International Trade Center (ITC) [3], the textile and garment sector was reselected in the priority sector out of 6 sectors in the NES 2020-2025. The national export strategy enhances better export environment for the clothing industry. The Myanmar Garment Manufacturers Association (MGMA) [4] announced a long-term strategy (2015-2024) for industrial growth and development in Myanmar's garment sector in mid-2015. Based on these export environments, Myanmar seems to have a good international trade resilience.

Cost competitiveness is one of the components to identify the issues of trade competitiveness. The clothing sector expects a significant increase in demand in the future due the majority of US economic restrictions against Myanmar have been lifted and the country's recent reintegration into the EU's Generalized System of Preferences (GSP), which grants duty and quota-free access to the European clothing market. According to the EU's regulations, Myanmar was removed from the EU's list of GSP countries in 1997, but was reinstated on July 19, 2013 [5].

In term of product extension and quality, Myanmar's garment manufacturing sector is dominated by export-oriented firms that use the Cut-Make-Pack (CMP) technique and import the majority of their raw materials. Myanmar is heavily reliant on raw material imports. According to MGMA [6], almost all orders with Myanmar manufacturers are fulfilled through a CMP contract, which provides manufacturers with limited profit margins because they do not provide value-added services such as designing, supplying all raw materials, storing them in their own warehouses, or shipping the finished products.

We know that garment sector is popular in Myanmar but we don't know does it has the trade competitiveness or not in the world market. The research objective of this study is to evaluate the trade competitiveness index of Myanmar in apparel and clothing industry compare to the global market. The research question is what is the positioning of Myanmar clothing industry in global market and how is it important.

Export strategy in logistics perspective were suggested based on the result.

II. Literature Review

A. Related Research

There is limited research about the evaluation of the trade competitiveness in Myanmar apparel and clothing industry. According to the data from UNCTAD, in the global clothing sector from 2016 to 2020, China, Bangladesh, Vietnam, Italy, Germany, India and Turkey are the top clothing exporting countries. China's garment industry has grown to become the world's top apparel manufacturer and exporter because of its low labour costs. Zhang *et al.* [7] evaluated the international competitiveness of clothing industry between China and Italy by using the Market Share (MS), Trade Competitiveness index (TC), Industry Trade index, Revealed Comparative Advantage (RCA) and Export Price changing index (EPC) and use the Porter's diamond model to compare the key factors that affect the competitiveness then find out that Chinese garment industries lag behind in terms of research and design innovation, value-added goods, and worldwide brands. The outcome is focus on the dimension of product extension and quality.

Trade competitiveness indicators are also mostly used to evaluate the competitiveness in other industry. Haichao and Shijie [8] used the RCA index, MS index, TC index, and CA index as measure indexes, then weighted each index and time sequence using the entropy method to evaluate the international competitiveness of the Chinese information and communication technology (ICT) sector. According to the findings, China's ICT industry ranks second among 15 nations in terms of international competitiveness, with a greater degree of international competitiveness. The result is explained in the dimension of market penetration. Vu *et al.* [9] selected the RCA, MS, RTA and TC to construct the comprehensive international competitiveness index by combining the entropy and variation coefficient method to evaluate the international competitiveness of the wood processing industry (ICWPI) in Vietnam and compare with the world leading exporters. The result found that from 2001 to 2007, Vietnam's international competitiveness grew significantly, but then stagnated from 2008 to 2017. Natural resources, cheap labour costs, and a suitable geographic location all benefit Vietnam. However, modest productivity increases and added industrial value have contributed to a steady deterioration in the international competitiveness growth rate of Vietnam's wood processing industry. The result is explained in the dimension of market penetration.

B. Trade indicators

According to Mikic and Gilbert [10] one of the most often used trade statistics is the trade dependence index. It's also known as the openness index, and it measures the proportion of international commerce to total net production (gross domestic product or GDP). It considers how important exports and imports of commodities and services are in a given economy. The annual growth rate (AGR) is the change in the value of a measurement over the period of a year. This is one of the most commonly utilized metrics for analyzing an economy's performance in any field of economic activity. The rate is commonly estimated at the product group level to identify 'dynamic sectors,' or at the regional level to identify 'dynamic regions [10].

The theory of "revealed comparative advantage" (RCA) introduced by Balassa [11], is one of the most widely used methods. The RCA is a complicated indicator that identifies the benefits of specializing in the export of certain items, subsectors, sectors, national economies, or the entire area. This is a statistically significant relationship between two relative sizes: the relative proportion of exports of the product, sub-sector, or sector shown in total national exports and the relative share of exports of that sector in the market investigated in relation to total export to that market. Values of more than one offer signs of higher relevance to the sector in the national context than its position in global commerce or in the market under consideration, and demonstrate the industry's competitiveness [12].

Competitiveness in trade is defined as an industry's ability to gain market share in foreign marketplaces at the expense of its competitors. The competitiveness index is an indirect assessment of a country's worldwide market strength, based on its proportion of global export markets in certain export categories. The index measures the proportion of overall exports of a certain product from the study region in total global exports of that product [10]. Export diversification is seen to be crucial for developing countries since their export revenues are frequently reliant on a small number of basic commodities. Unstable pricing for certain commodities might cause substantial terms of trade shocks for a developing nation exporter. Diversification into new primary export items is often regarded as a beneficial trend, given the imperfection of individual commodity price variance.

C. Competitiveness Components

According to the World Bank [1] , trade outcomes analysis can be classified into growth and share (intensive margin), diversification (extensive margin), quality and sophistication (quality margin) and entry and survival (sustainability margin). These can be defined by four competitiveness components which are general export environment, cost competitiveness, product extension and quality and market penetration. Most of the research evaluates the outcome of trade competitiveness focus on only one dimension. This paper will analyze the trade competitiveness by explaining with all four dimensions.

A country's competitiveness issues are most often caused by flaws in the overall export environment if it has a small export base, few new exporters, or a low rate of new exporters surviving. The competitiveness problems are likely related to market penetration when countries have been performing poorly in major export markets (across most goods) or when current exporters and products have had difficulty diversifying into new markets. The share performance of the export product can be affected by the cost related constraints which can affect the competitiveness of the industry. In term of product extension and quality, when unit pricing performance has stopped growing or fallen in comparison to rivals, or when the export base is still mostly concentrated

despite attempts at diversification, the immediate issues are usually concerns with quality and innovation, including limitations on technology and efficiency.

According to Melnyk *et al.* [13], international trade resilience is the ability of a country to both resist disruptions to international trade and recover after disruptions occur. OECD [14] defined competitiveness is a measure of a country's advantage or disadvantage in selling its products in international markets. Therefore, if the country has trade resilience which means it have the ability to resist and recover from the disruptions and have the advantage to sell its products in the international market and have competitiveness. So, we develop the international trade resilience as a competitiveness component. According to Mena *et al.* [15], a country's trade resilience in a given month is calculated by adding exports and imports (scaled with the country's GDP) and calculating the year-on-year percentage (%) change. We used this to calculate as an indicator for the international trade resilience component.

D. Entropy Method

The entropy weight method is based on Shannon entropy, which was invented by Shannon [16]. According to He *et al.* [17] the entropy method is a comprehensive evaluation approach that eliminates the effect of subjective elements and finds the appropriate weight based on the indicator's data. Subjective fixed weight approaches such as the analytic hierarchy process method (AHP), expert survey method, Delphi method, and others are commonly used to determine index weights. They may cause subjective variables to cause variances in index weights. Objective fixed weight techniques, on the other hand, are based on the inherent information of indexes to calculate weights of indexes, which may minimize man-made disruptions and produce results that are more in line with reality [18]. According to He *et al.* [17] and Li *et al.* [18] the entropy method is a measure of a system's degree of disorder that may be used to calculate the amount of data and the weight of known data and is extensively applied in comprehensive evaluation.

III. Research Methodology

A. Data Collection

The data was collected from the United Nations Conference on Trade and Development (UNCTAD). Top 25 countries with highest clothing export market share from 2016 to 2020 were selected. The annual export and import data of apparel and clothing under SITC 2-digit classification "84 Articles of apparel & clothing accessories" were collected.

B. Data Analysis

The trade openness index measures the ratio of international trade including export and import to gross domestic products (GDP).

$$Trade\ Openness = \frac{(Export+Import)}{GDP} \quad (1)$$

The annual growth rate (AGR) is the change in the value of a measurement over the period of a year. It is expressed as follow:

$$AGR = \frac{Ending\ value - Beginning\ value}{Beginning\ value} \quad (2)$$

RCA equals to the proportion of the country's exports of a certain product divided by the proportion of world exports of such commodity. The formula is expressed as:

$$RCA_{ij} = (X_{ji}/X_{jw})\,/(X_i/X_w) \quad (3)$$

where Xji is exports of product j from country i, Xjw is world exports of the product j, Xi is exports of country i, and Xw is world exports. The RCA index ranges from 0 to infinity with 1 as the break-even point.

The trade competitiveness index indirectly measures the international market power, evaluated through a country's share of world markets in selected export categories. The index is the proportion of the export value of a certain product from one county to the total global export value of that product. The formula is expressed as:

$$Competitiveness_{ij} = \left(X_{ji}/X_{jw}\right) * 100 \quad (4)$$

where Xji is exports of product j from country i, Xjw is world exports of the product j.

The export diversification can be calculated by summing the absolute value of the difference between the export category shares of the selected country and the world as a whole, divided by two. The formula is expressed as:

$$DX_i = \sum \left| h_{ij} - x_i \right| / 2 \quad (5)$$

where hij is the share of commodity i in the total exports of country j and xi is the share of the commodity in world exports.

The trade resilience of a country is calculated by adding exports and imports scaled with the country's GDP (trade openness) and calculating the year-on-year percentage (%) change. It is calculated as ending value of trade openness (EVTO) minus beginning value of trade openness (BVTO) and divided by the beginning value.

$$Trade\ Resilience = \frac{EVTO - BVTO}{BVTO} \quad (6)$$

IV. Result

The empirical results are described in two parts. The first part shows the results of each indicator in the micro view and explains in the five competitiveness components. The second part shows the results of trade competitiveness index by using the Entropy method and shows the position of Myanmar in the global with the macro view.

A. Individual indicators

The trade openness index of the Myanmar clothing industry is increasing year by year as shown in Fig. 1, in 2016 the openness is 2.5, 3.7 in 2017, 5.8 in 2018 and 6.9 in 2019, which means that this industry has become more open and important. Because the export of clothing in Myanmar is more than import, the high trade openness index means the domestic

producers are highly reliant on the international demand. In 2020 due to the Covid-19 pandemic, the trade openness index declined a little bit to 6.7. When compare with the world average, the trend is similar but in 2019 Myanmar is increased while the world average is decreased. The increase of the index from 2016 to 2019 is because of the result from the good export environment. The national export strategy is successful to enhance the export of the garment products. As one of the priority sectors, the government supports the creation of new exporters and helps to increase the survival rate of the new exporters. The Myanmar Garment Manufacturers Association (MGMA) also provides information, valuable technical training services and supports the company in finding business opportunities.

The export growth rate of Myanmar clothing industry shows declining every year from 2016 to 2020, except 2018 as shown in Fig. 1. But the fact is that export growth rate is calculated by comparing the export value with the last year, so the positive value from 2016 to 2019, 92%, 55%, 70% and 22% shows relatively high growth rate when most of other countries growth rate is lower than 20%. The growth rate of 2020 shows negative 8% which is because of the Covid-19 pandemic.

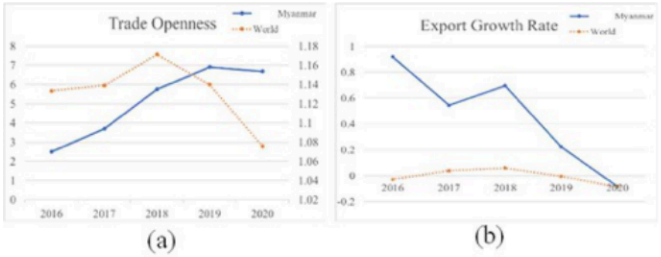

Fig. 1. Trade indicators (a) Trade Openness of Myanmar ACI, (b) Export growth rate of Myanmar ACI

The trade competitiveness of Myanmar clothing industry is increasing annual. In 2016 the trade competitiveness is 0.35%, 0.52% in 2017, 0.83% in 2018, 1.02 in 2019 and 1.02% in 2020 of the total world export. Although the market share is not large but it increases in every year. Fig. 2 shows the trade competitiveness of Myanmar clothing industry. Therefore, in term of market penetration, the result of export growth rate and trade competitiveness of Myanmar clothing is increasing every year which means that Myanmar have been performing well in major export markets.

The RCA measures the comparative advantage of a country in the selected goods or service. Fig. 2 shows the RCA of Myanmar's apparel and clothing sector from 2016 to 2020. RCA ranges from 0 to infinity and 1 is the break-even point. If the RCA of the selected product of one country is higher than 1 which means that product has the export strength in that country. The RCA of apparel and clothing sector in Myanmar is 4.63 in 2016, 6.43 in 2017, 9.34 in 2018, 10.24 in 2019 and 10.25 in 2020. Therefore, the apparel and clothing sector in Myanmar has high comparative advantage and high export strength. Based on the result of RCA, Myanmar apparel and clothing industry have the cost competitiveness. It is because Myanmar have the low labor cost and advantages from many trade agreements including ASEAN Free Trade Agreement (AFTA), ASEAN-China Free Trade Agreement (ACFTA), ASEAN-Japan Comprehensive Economic Partnership (AJCEP), ASEAN-Korea Free Trade Area (AKFTA) and the main one which is Global System of Preferences (GSP). With these preference trade agreements, Myanmar can get the cost competitiveness in the apparel and clothing sector.

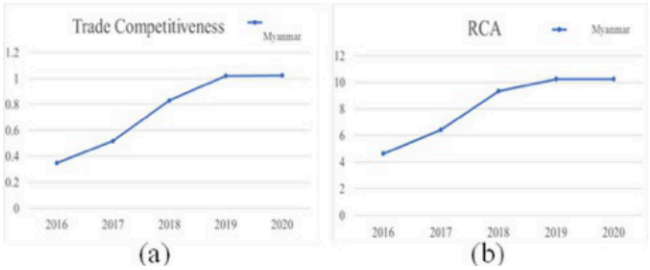

Fig. 2. Trade indicators (a) Trade Competitiveness of Myanmar ACI, (b) RCA of Myanmar ACI

The export diversification index of Myanmar in the apparel and clothing industry is 0.54 in 2016, 0.32 in 2017, 0.34 in 2018, 0.31 in 2019 and 0.36 in 2020 as shown in Fig. 3. The value is between 0 to 1, the lower the value the more diversify of the products in export. When compare to other countries, Myanmar is more concentrate in the garment sector. It related to the quality of the product and service, technology of uses and efficiency. In the view of product extension and quality, Myanmar is lack of national quality policy, an adequate/ modern metrology system and a national accreditation body to set up the standards for the quality. The current standards are out-of-date and have insufficient connections to the rules and regulations of third markets. Companies and manufacturers lack the knowledge and technical skills necessary to meet quality standards and adhere to export market criteria. Lack of technology such as automation constrain the performance and insufficient value-added services limits new diverse products.

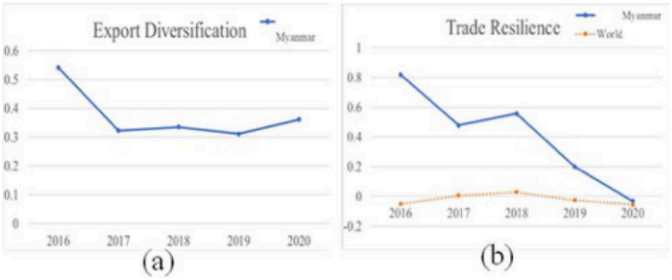

Fig. 3. Trade Indicators (a) Export diversification of Myanmar ACI, (b) Trade Resilience of Myanmar ACI

The trade resilience index of Myanmar garment sector is showing positive from 2016 to 2019 in 82%, 48%, 56% and 20% as shown in Fig. 3. Even it shows in decline but it higher than previous year. In 2020, due to the Covid-19 pandemic the trade resilience index shows negative value -3% compare to the previous year which is not that much. Therefore, in term of international trade resilience, the clothing industry of Myanmar have the ability to resist disruptions of international trade and recover after disruptions occur. The more resilience it is the more competitiveness it has in the international export market.

B. Trade competitiveness index

The trade competitiveness index is calculated from the six indicators by using the entropy weighting method to evaluate

the trade competitiveness of each country. The higher value means the country has the higher trade competitiveness. The outcomes of the comprehensive trade competitiveness index (TCI) for the top 25 exporting nations of apparel and clothing industry for the period of 2016 to 2020 are shown in Table 1.

TABLE I. TRADE COMPETITIVENESS INDEX OF THE 25 SELECTED COUNTRIES

Country	2016	2017	2018	2019	2020	Average TCI
Cambodia	0.491	0.516	0.491	0.454	0.512	0.493
Bangladesh	0.456	0.449	0.464	0.472	0.415	0.451
China	0.350	0.368	0.392	0.411	0.390	0.382
Sri Lanka	0.240	0.226	0.244	0.278	0.220	0.241
Myanmar	0.242	0.243	0.258	0.276	0.184	0.241
Viet Nam	0.220	0.221	0.234	0.269	0.211	0.231
Pakistan	0.132	0.135	0.147	0.218	0.160	0.158
Italy	0.113	0.120	0.122	0.165	0.113	0.127
Turkey	0.117	0.115	0.123	0.141	0.126	0.124
Morocco	0.135	0.126	0.111	0.117	0.127	0.123
Germany	0.092	0.123	0.108	0.133	0.116	0.115
Netherlands	0.088	0.101	0.099	0.131	0.108	0.105
Poland	0.099	0.074	0.108	0.103	0.139	0.105
Spain	0.108	0.110	0.085	0.126	0.088	0.103
China, Hong Kong	0.122	0.106	0.106	0.097	0.064	0.099
France	0.078	0.083	0.081	0.103	0.080	0.085
India	0.094	0.084	0.061	0.114	0.070	0.085
Denmark	0.078	0.084	0.070	0.086	0.086	0.081
Malaysia	0.046	0.058	0.053	0.052	0.185	0.079
Portugal	0.094	0.082	0.088	0.059	0.068	0.078
Indonesia	0.067	0.086	0.079	0.066	0.074	0.074
United Kingdom	0.070	0.070	0.060	0.088	0.082	0.074
Thailand	0.042	0.038	0.045	0.049	0.093	0.053
United States of America	0.040	0.043	0.043	0.055	0.042	0.045
Mexico	0.052	0.026	0.041	0.058	0.043	0.044
Average	0.147	0.147	0.148	0.165	0.152	0.152

Source: Authors' own calculation.

The average TCI values are represented in Figure 4, where the 5-year value of the TCI is shown on the horizontal axis and the 5-year average annual per capita GDP growth rate is shown on the vertical axis. The size of the bubble represents the industry's average export value for garments and clothing in US dollars.

The result shows that six countries have high trade competitiveness index in apparel and clothing industry which average TCI value are higher than 0.2. The six countries are Cambodia, Bangladesh, China, Sri Lanka, Myanmar and Vietnam. Cambodia has the highest trade competitiveness in apparel and clothing industry with TCI value 0.493 followed by Bangladesh 0.451, China 0.382, Sri Lanka 0.241, Myanmar 0.241 and Vietnam 0.231. Other countries like Pakistan, Italy, Turkey, Morocco, Germany and Netherland have TCI value more than 0.1. Myanmar is ranked in 5th out of the 25 top export country in apparel and clothing industry. The average TCI value for each year is around 0.15 and Myanmar is 0.24 which means Myanmar trade competitiveness is above the average.

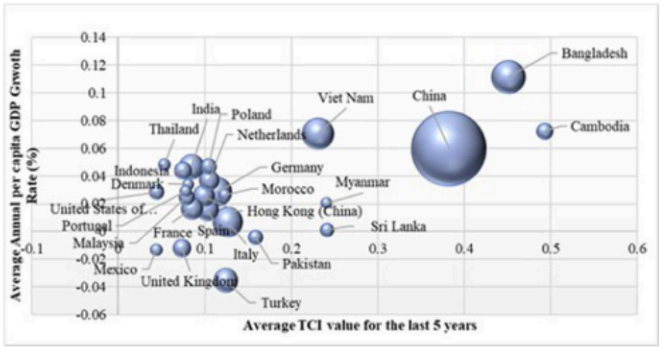

Fig. 4. Average TCI in garment sector for 25 selected countries from 2016-2020

V. DISCUSSION AND RECOMMENDATION

Based on the result of each competitiveness components the export strategy for the apparel and clothing industry is suggested. When we look at the export environment and cost competitiveness, the result is good and increasing. However, there are other factors that can impact in these components. One of the factors is logistics. According to He *et al.* [19], international trade involves in the commodity transaction which include the product flow, financial flow and information flow and international logistics involve in the physical movement of the product which include transportation, storage and delivery of product. International trade serves as a prerequisite and basis for the growth of international logistics. The scope and speed of international trade development affect the development of international logistics. On the other hand, international logistics is the fundamental guarantor for the expansion of global trade and has a countervailing influence on that growth. Therefore, trade and logistics are impacted with each other.

According to Hausman *et al.* [20], the cost, time, and complexity of completing import and export activities are referred to as logistics performance. If the logistics performance can be optimized then the cost will be lower and obtain the cost competitiveness. Logistics performance can contribute to a growth in a country's international trade potential, as well as assist it reach new markets and attract business [21]. Then, the better logistics performance can result in better export environment. Therefore, if we focus and improve in logistics which can maintain and enhance the trade competitiveness in apparel and clothing industry. The situation of trade facilitation and logistics in Myanmar are as follow: Lack of access to suitable port infrastructure and storage options close to ports limits exporters' ability to conduct business. The lack of an automated domestic cargo manifest system for trains and trucks, the shortage of trained personnel in the fields of freight forwarding and customs brokerage, and the underutilization of rail transportation are all issues that place restrictions on exporters. Additionally, there is a lack of intramodality between port systems and rail systems. Beyond infrastructure, commerce is frequently hampered by erratic customs policies and processes as a result of outdated IT infrastructure, constrained office hours, and onerous documentation requirements. The legal environment

is also characterized by a shortage of rules governing dispute resolution and a heavy reliance on arbitration. The strategies in term of logistics are as follow:

- Infrastructural growth should be accelerated including highways, railroads, bridges, ports, intermodal terminals, dry ports, ICDs, free zones, and economic corridors, to facilitate trade facilitation and take part in regional integration.
- To improve the efficiency of offering integrated services, introduce and successfully implement cutting-edge ICT and management systems and capabilities. Increasing the quantity and usage of bonded warehouses, expanding inland waterways, and improving customs capabilities (especially via the use of IT systems) are some specific goals.
- Establish procedures and capacities for both public and private sector participants to successfully and consistently coordinate efforts to enable communication and integration of transport modes and systems.

For the market penetration and product extension and quality, the results show that Myanmar is weak in the export diversification and the product quality. The competitiveness of exports is significantly impacted by a strong quality management (QM) infrastructure. It enables the private sector to preserve sustainable export partnerships built on goods that regularly meet or surpass client expectations. The ability of an organization to adhere to market standards is crucial for both complying with legal requirements and being able to access new, particularly technologically sophisticated markets. In Myanmar, a national quality policy, an adequate/modern metrology system, and a national accrediting agency are required. Existing standards lack adequate connections to third-party market requirements and laws, making them out-of-date. Companies and manufacturers lack the knowledge and technical skills necessary to meet quality standards and adhere to export market criteria. The strategies for the market penetration and product extension and quality are as follow:

- To increase and diversify exports of apparel and clothing products.
- Establish a nationwide quality policy, advance legal metrology, start developing traceability systems, and promote public and private dialogues about quality management in order to update and modernize policies, regulations, and standards and effectively implement them in order to comply with international regulations.
- Increase market opportunities awareness and increase skill training for laborers, enterprises, and trade support institutions to help traders, processors, and exporters understand the value of quality management.

For the international trade resilience of Myanmar clothing and apparel industry, the result shows declining. Unpredictable crisis such as pandemic, politic, nature disaster and so on are assaulting the trade of a country. If the country has the ability to resist and recover from the crisis which means it has the trade resilience. Natural disaster can impact the trade in the short run but others such as pandemic and politic can impact in the long run as it can change the policy and affect the foreign direct investment (FDI). Myanmar is highly dependent on the US dollar. Currency exchange rate is one of the factors that affects the export and import and in the long run it affects the trade competitiveness of the industry. The strategies for the trade resilience are as follow:

- Do the evaluation and assessment from the export and import in order to set up the reasonable currency exchange rate and try to make the rate stable.
- Set up a policy or back up plan to reduce the negative impact to the lowest from the political changes.
- Firms have to be flexible to adapt the fast-changing circumstance and need to invest more in the technology.

VI. CONCLUSION

In summary, this study evaluates the trade competitiveness index of Myanmar apparel and clothing industry with the top 25 countries by using the Entropy method to weight the six trade indicators including trade openness, growth rate, RCA, trade competitiveness indicator, export diversification and trade resilience. The results are explained in five trade components which are export environment, cost competitiveness, product extension and quality, market penetration and international trade resilience. The main objective of this research is to evaluate the trade competitiveness of Myanmar clothing industry and to understand the position of Myanmar in the global market. Export strategies in logistics, quality and diversification and trade resilience are suggested in order to maintain the trade competitiveness.

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