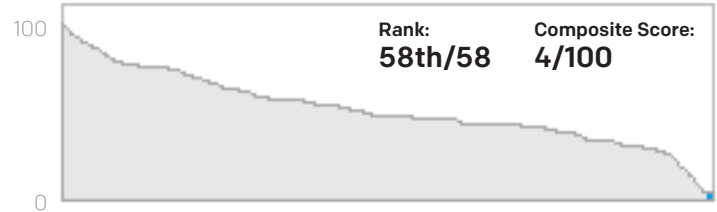


Myanmar



The Resource Governance Index (RGI) measures the quality of governance in the oil, gas and mining sector of 58 countries. Learn more and explore findings at www.revenuewatch.org/rgi.



Background

Myanmar's natural resources include gems, industrial minerals, oil, and offshore natural gas reserves estimated at 10 trillion cubic feet. The extractive sector accounted for 39 percent of exports in 2010, yet despite its mineral wealth, Myanmar is one of the least developed nations in the world. Its extractive in-

the extractive sector. Myanmar has no freedom of information law, and environmental and social impact assessments are not required. Even experts and those working directly with policymakers know very little about the inner workings of the system. It is unclear which authority receives payments from extractive companies. It is widely assumed that corruption is rampant in the sector and that much of the country's resource revenues have been diverted to the foreign bank accounts of a few government officials. Myanmar has expressed interest in the Extractive Industries Transparency Initiative but is not yet a signatory.

Myanmar	2000	2005	2011
Population (million)	44.96	46.32	48.34
GDP (constant 2011 international \$ billion)
GDP per capita, PPP (constant 2005 international \$)
Extractive exports (% total exports)	39%

SOURCES: World Bank. Extractive exports 2011 data from 2010.

Reporting Practices

(Rank: 57th/58 Score: 5/100)

Myanmar provides no information on the licensing process or contract terms, and publishes only very limited industry data, leading to a "failing" score of 5.

dustries are infamously opaque. In the April 2012 elections, the main opposition party won seats in the parliament, a development that could lead to improved transparency.

Neither the Finance Ministry nor the Energy Ministry provides information on extractive revenues. Only the central bank publishes annual reports with historical information on license fees and the cost of subsidies, but they are not available online. The Central Statistical Organization publishes information on gas production volumes and exports.

Myanmar's Performance on the RGI

Myanmar received a "failing" score of 4, ranking last out of 58 countries. It performed extremely poorly on all components.

Safeguards and Quality Controls

(Rank: 57th/58 Score: 2/100)

Myanmar's "failing" score of 2 is the product of a near-total lack of official oversight mechanisms.

Institutional and Legal Setting

(Rank: 58th/58 Score: 8/100)

Myanmar's natural resource legislation does not define the licensing process, the role of governmental authorities, or the fiscal system for extractive revenues, resulting in a "failing" score of 8.

There are no set limits on the discretion of licensing authorities. Their decisions cannot be appealed, and sudden changes in fiscal policy are common. The legislature has no clear oversight role in the extractive sector. Myanmar's auditor general has the authority to scrutinize extractive revenues, but audit procedures are not known, reports are not made public, and the auditor's findings are not systematically presented to lawmakers.

The Energy Ministry and the state-owned Myanmar Oil and Gas Enterprise (MOGE) oversee the petroleum sector and award contracts. Foreign companies must sign a production sharing contract with MOGE and accept the risk that the government may announce policy changes at any time.

Almost no information is available on the management of

Enabling Environment

(Rank: 58th/58 Score: 2/100)

Myanmar received a “failing” score of 2, ranking near the bottom of global measurements of control of corruption, government effectiveness, democratic accountability, and the rule of law.

State-Owned Companies

(Rank: 44th/45 Score: 2/100)

There are three state-owned enterprises in the gas sector, including MOGE, which also acts as a regulator and may collect payments from foreign gas companies on the state’s behalf. MOGE does not publish reports apart from occasional Power-Point presentations aimed at investors, and these are not comprehensive. They include information on reserves, project costs, companies operating in the country, and production data.

Myanmar’s Composite, Component and Indicator Scores

Rank (out of 58)		Score (out of 100)
58	COMPOSITE SCORE	4
58	Institutional and Legal Setting	8
	Freedom of information law	0
	Comprehensive sector legislation	67
	EITI participation	0
	Independent licensing process	0
	Environmental and social impact assessments required	0
	Clarity in revenue collection	0
	Comprehensive public sector balance	0
	SOC financial reports required	0
	Fund rules defined in law	..
	Subnational transfer rules defined in law	..
57	Reporting Practices	5
	Licensing process	0
	Contracts	0
	Environmental and social impact assessments	0
	Exploration data	0
	Production volumes	50
	Production value	0
	Primary sources of revenue	0
	Secondary sources of revenue	0
	Subsidies	0
	Operating company names	0
	Comprehensive SOC reports	0
	SOC production data	19
	SOC revenue data	0
	SOC quasi fiscal activities	0
	SOC board of directors	0
	Fund rules	..

Rank (out of 58)		Score (out of 100)
	Comprehensive fund reports	..
	Subnational transfer rules	..
	Comprehensive subnational transfer reports	..
	Subnational reporting of transfers	..
57	Safeguards and Quality Controls	2
	Checks on licensing process	0
	Checks on budgetary process	0
	Quality of government reports	11
	Government disclosure of conflicts of interest	0
	Quality of SOC reports	0
	SOC reports audited	0
	SOC use of international accounting standards	..
	SOC disclosure of conflicts of interest	0
	Quality of fund reports	..
	Fund reports audited	..
	Government follows fund rules	..
	Checks on fund spending	..
	Fund disclosure of conflicts of interest	..
	Quality of subnational transfer reports	..
	Government follows subnational transfer rules	..
58	Enabling Environment	2
	Corruption (TI Corruption Perceptions Index & WGI control of corruption)	1
	Open Budget (IBP Index)	..
	Accountability & democracy (EIU Democracy Index & WGI voice and accountability)	2
	Government effectiveness (WGI)	2
	Rule of law (WGI)	3

■	Satisfactory	■	Weak
■	Partial	■	Failing