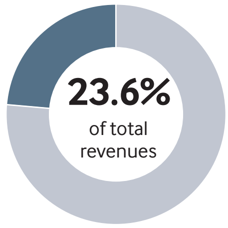
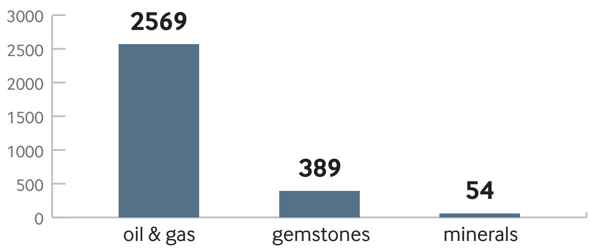
What is in Myanmar's first EITI report?

Natural Resource Governance Institute

The Extractive Industries Transparency Initiative (EITI) encourages the disclosure of natural resource revenue data. An EITI candidate country since 2014, Myanmar published its first EITI report in 2016.

Myanmar's first EITI report covers **USD 3.14 billion** in oil, gas and mining revenues. It indicates that resource **revenues accounted for at least 23.6 percent of total government revenues and around 6 percent of GDP** in 2013-14.





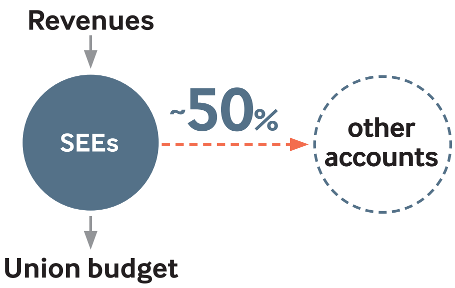
Oil and gas accounted for the vast majority (85 percent) of these revenues. Gemstones and other minerals represented 13 percent and 2 percent of the total, respectively.

The report also documents how extractive revenues are collected. **In 2013-14, 85 percent of oil, gas and mining revenues** came from non-tax revenues like the state's share of production and royalties.

Tax revenues
- Corporate oncome tax
- Commercial tax
- Other taxes and duties

Non-tax revenues
- Royalties
- State share of production
- Other Fees

Social payments
- Corporate social responsibility
- Local infrastructure
- Resettlement and compensation



However, only about half of revenues make it into the Union budget. Approximately 50 percent of public money from oil, gas and mining are kept by state-owned economic enterprises (SEEs) in off-budget "other accounts."

Although data remains incomplete, Myanmar's EITI report includes **the first publicly available list of active oil, gas, gemstone and mineral licenses,** updated as of March 2014.

License holder

N°	Code /Ref	License holder	Type of License	Date of application	Date of award	Expiry date	Commodity	Area (Km2)	Location (Region)	Coordinates of the license area Latitude(N)	Longitude(E)
1.	PSC-A	JSC Nobel Oil/Russian Federation	PSC		6/9/08	As per PSC Contract		8,545 sq-miles	Hukaung	"00'00 27° " 00'00 26° " 00'00 26° "00'30 26° "00'00 27°	" 00'30 97° " 00'30 97° " 00'20 95° " 00'20 95° " 00'00 96°
2.	PSC-F	North Petro-chem Corporation Limited Myanmar)/ P.R. China	PSC		16-6-2010			1,918 sq-miles	Ngahlaingdwin	"00'00 27° "00'05 21° " 00'05 21° " 00'15 20° "00'15 20° "00'05 21°	" 00'30 97° " 00'15 94° " 00'38 94° " 28'48 94° " 00'15 94° "00'15 94°
3.	IOR-2	Gold Petro JOC Inc./ Indonesia	IPR		4/10/96				Chauk Oil Field	"00'00 21° " 00'00 21° [illegible] "00'35 20°	" 42'39 94° " 00'52 94° " 00'56 94° [illegible]
4.	MOGE-1	Gold Petro JOC Inc./ Indonesia	IPR		4/10/96				Yenangyaung Oil Fiel	"00'35 20° " 00'35 20° " 00'15 20° "00'15 20°	" 07'44 94° " 00'00 95° " 00'00 95° " 28'48 94°

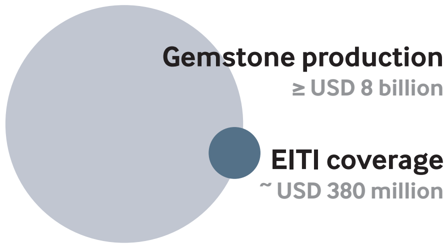
Location

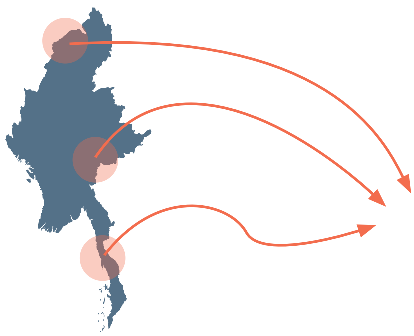
...and what is missing?

Natural Resource Governance Institute

While the publication of Myanmar's first EITI report represents a major step forward, stakeholders must do more clarify understanding of the extractive industries and to comply with the global EITI Standard.

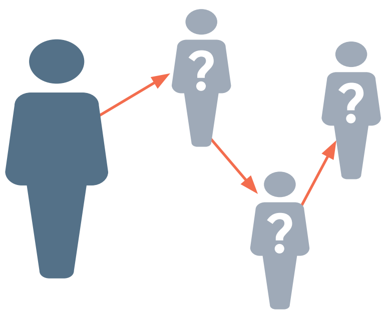
Myanmar's EITI report only includes 54 percent of emporium gemstone companies—a small fraction of the total industry. While the report covers approximately USD 380 million in gemstone revenues, independent estimates put the value of jade alone somewhere between USD 8 billion and USD 32 billion annually.





Revenues are not reported on a project-by-project basis. This can obscure the origin of resource revenues and increases the challenges to evaluating company performance.

Licensing procedures and allocation criteria are not clearly stated in Myanmar's report. A requirement under the EITI Standard, this information is key to improving transparency and leveling the playing field in oil, gas and mining.



The report does not include data on beneficial owners—the individuals who ultimately benefit from resource extraction. Beneficial ownership can be obscured by numerous means. Publishing beneficial ownership data will be required under the revised EITI Standard.

The terms of contracts and licenses remain secret, despite EITI guidelines that encourage disclosure. This reduces stakeholders' ability to monitor and enforce companies' financial, operational and social obligations.