



Case-study Presentations on Opportunities and Challenges in Myanmar

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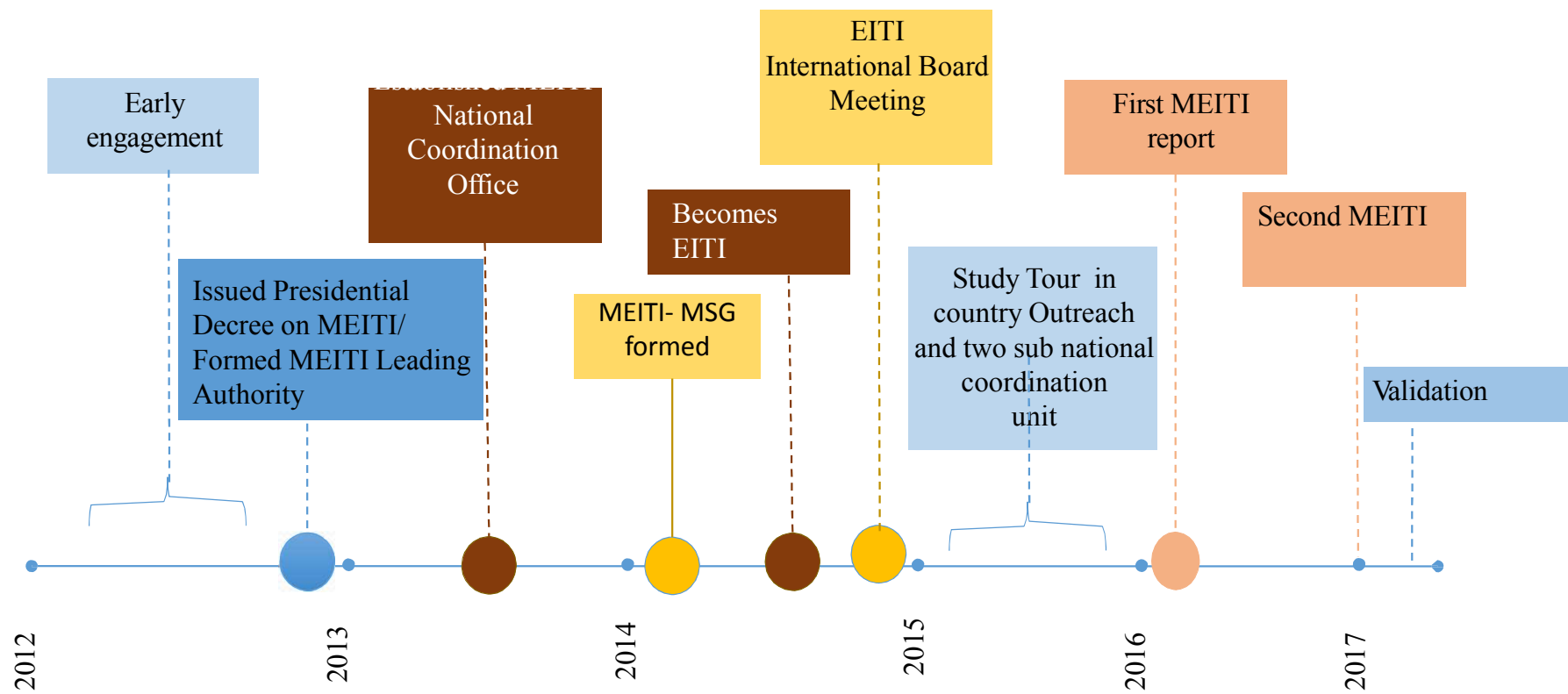


The Object of the MEITI Process

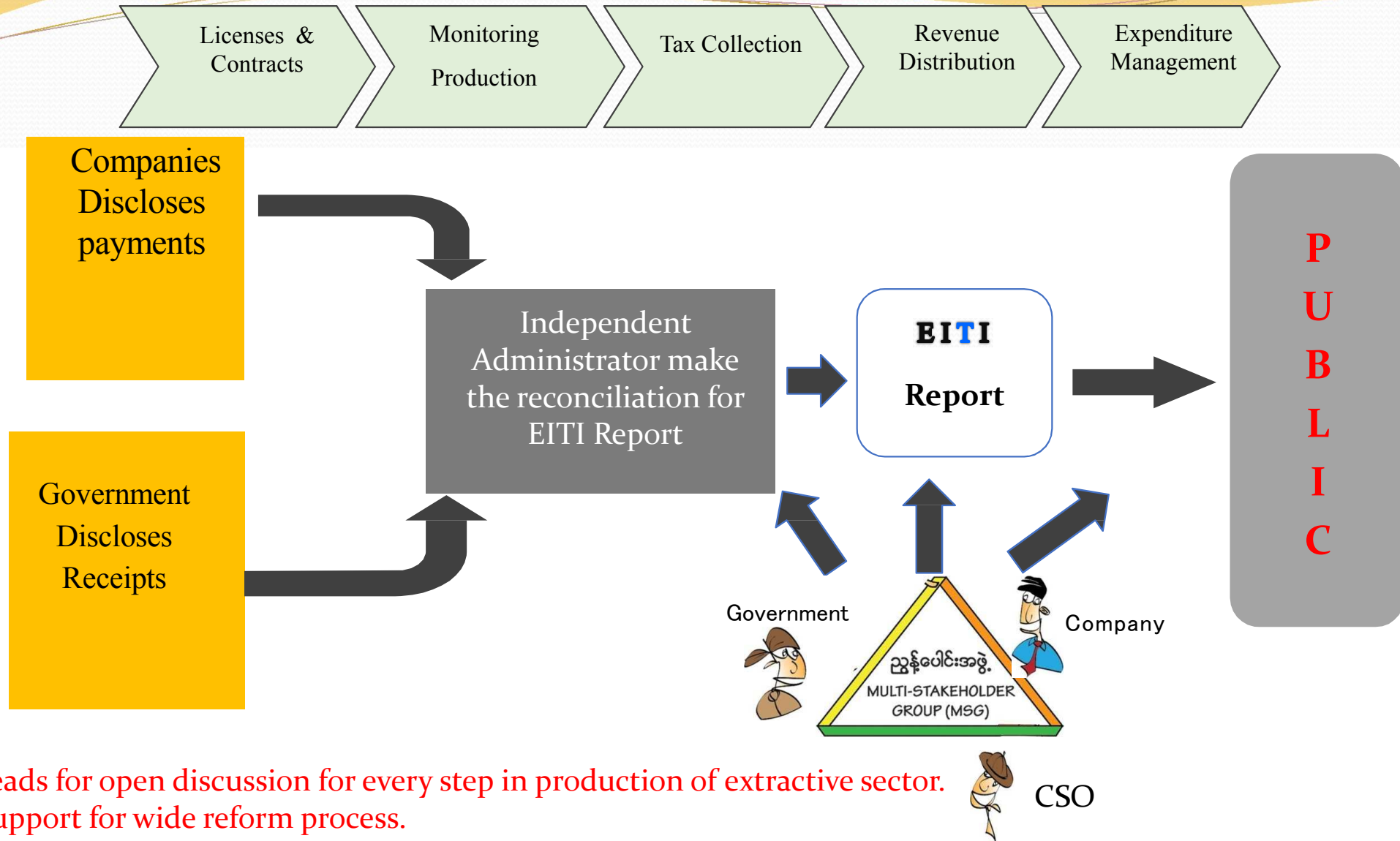


- ❖ To get the **genuine and in time information** about extractive sector management and the revenue information , to disclose these data to the public.
- ❖ To form an **effective environment** for implement the process with **EITI standards**.
- ❖ By the implementation of the EITI Process , **to extend the good governance** reform for extractive sector and sustainable development .

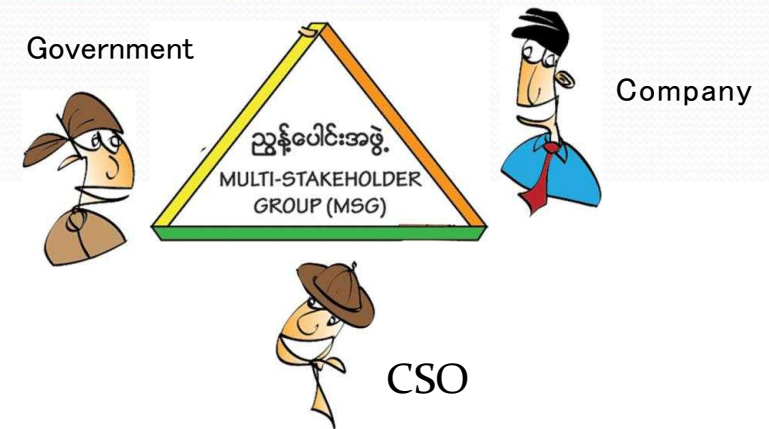
Myanmar EITI Roadmap



EITI Process



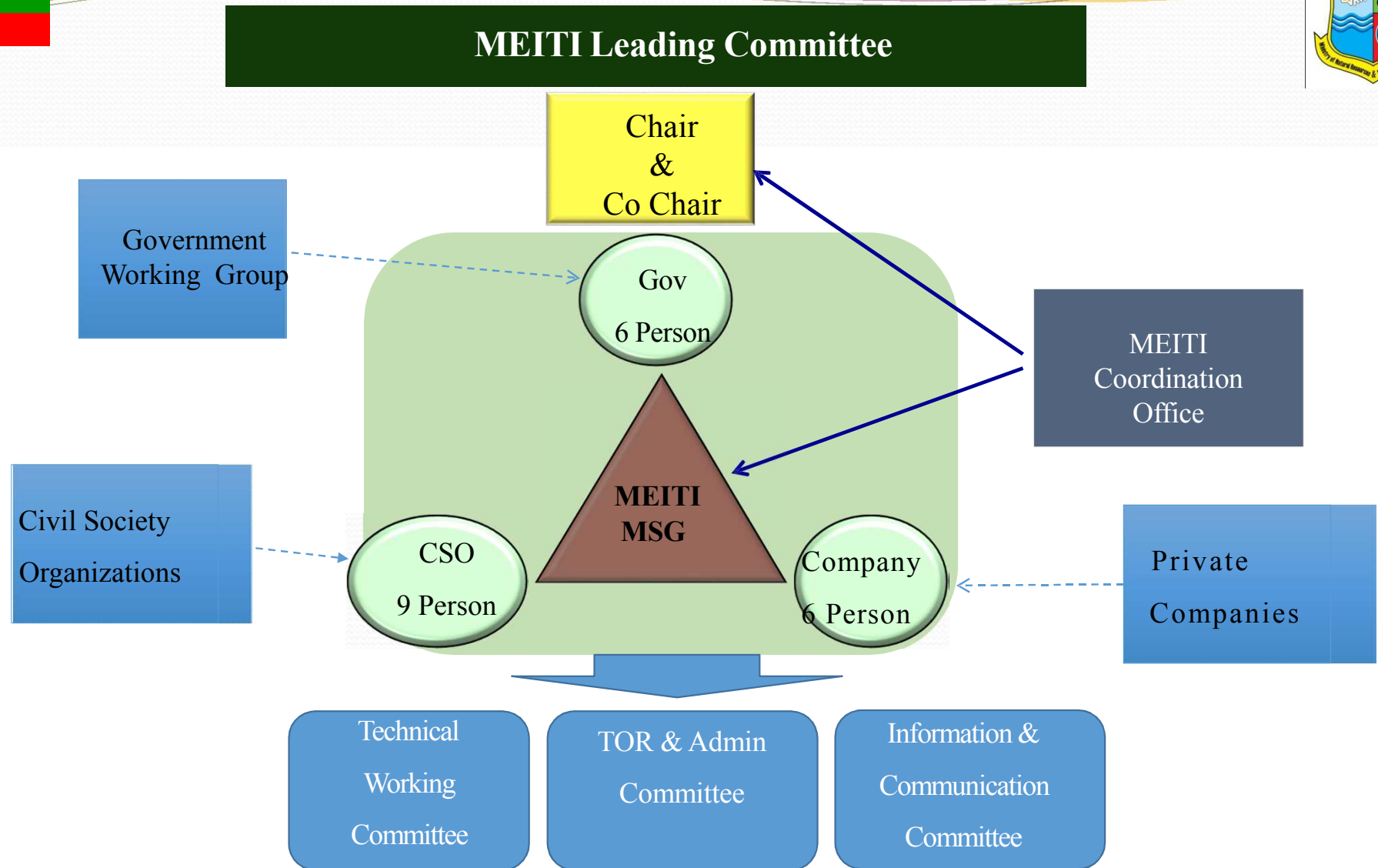
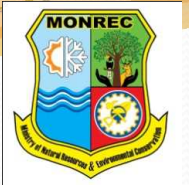
Main Task of 3 Pillars in EITI Process



- ❖ Government and Companies' participation is an important role to disclose the Payment & Information.
- ❖ Government is a important leading role to operate the EITI Process.
- ❖ In extractive sector, the private companies who doing the exploitation have the much experience , that why they are also in important role.
- ❖ The Civil Society Organizations are also very important role because they can recognize the process is right or not.



Formation of MSG and Related Institutions

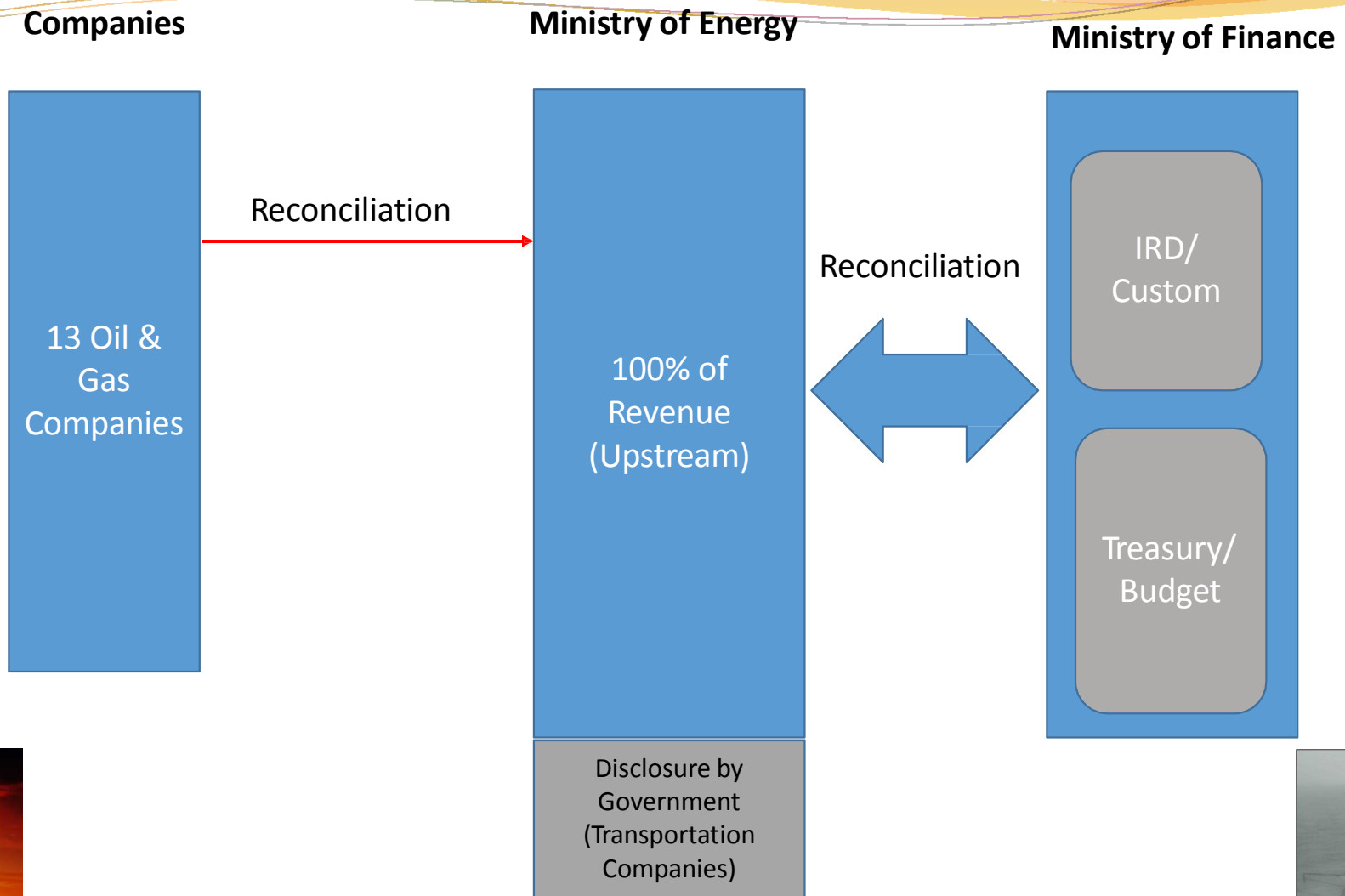


Myanmar EITI Scoping

Responsible Sector: Oil and Gas, Gems and Jade , Other Minerals

Responsible fiscal Year : 1st April of 2013 to 31st March of 2014.

Oil & Gas Sector

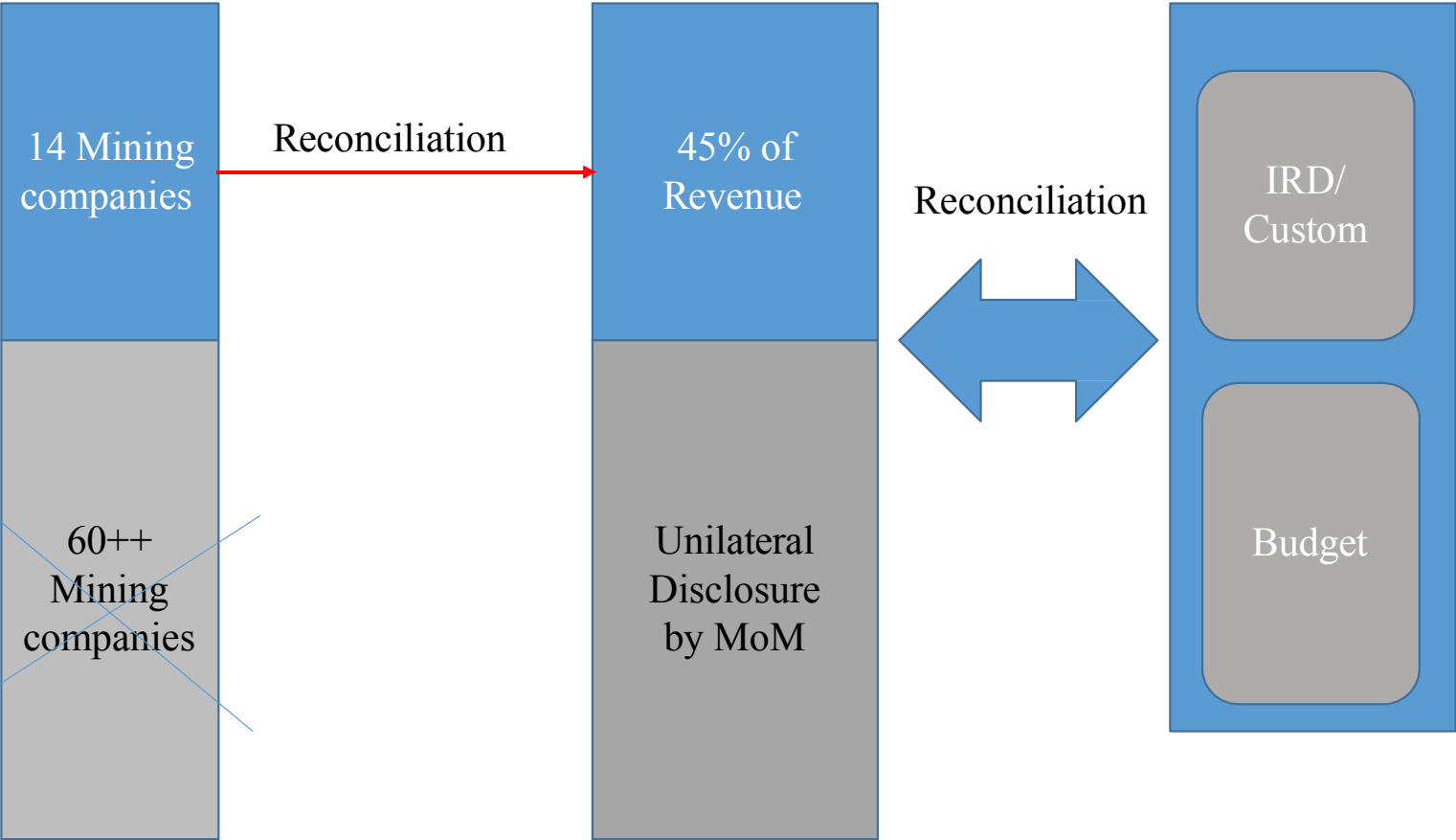


Other Minerals

Companies

Ministry of Mines

Ministry of Finances



Gems and Jade Sector

Companies

Ministry of Mines

Ministry of Finance

30 Jade & Gem companies
(Based on companies sale in emporium)

~~200++ Jade & Gem companies~~

Reconciliation

53% of Revenue

Unilateral Disclosure by MoM

Reconciliation

IRD/
Custom

Budget



MEITI Scoping

AGO

Companies (57)
Oil and Gas (13) +
Mining (14) + Gems
and Jade (30)

Covered 92.5% of revenue
in Extractive Industries

- Additional three companies
- Transportation companies by MOGE
- Legal Ownership

Ministry of Energy

Ministry of Mines

Ministry of
Environmental
Conservation and
Forestry

Ministry of Finance
(Customs department
and Internal Revenue
Department)

Reconciliation

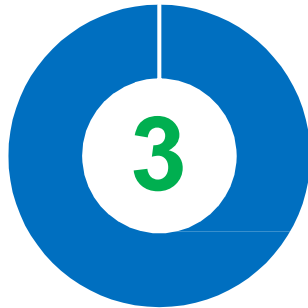
Ministry of Finance
(Treasury/ Budget
department)



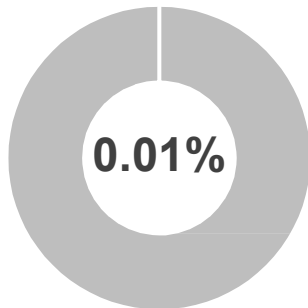
Report Entities



First Report of Myanmar EITI



Represent the three sectors



Final Deviation is 0.01%

Details of Coverage and Number of Companies

| EITI Scope | Coverage | | |
|--------------------------------------|---------------|----------------|------------------|
| | Oil & Gas | Gems and Jade | Other Minerals |
| Covered Sector | | | |
| Number of Companies selected | 13 | 30 | 14 |
| Number of Government Bodies Selected | 3 | 1 | 7 |
| Materiality | All Companies | MMK 10 Billion | MMK 0.25 Billion |
| Coverage of reconciliation exercise | 100% | 53% | 45% |

Total Payment from the extractive industries which were included in the reconciliation

Figures in Million MMK

| Sub- Sector | Tax | Non Tax | Social Contribution | Total Revenue | % |
|----------------|---------|-----------|---------------------|---------------|-------|
| Oil & Gas | 433,285 | 2,129,972 | 5,736 | 2,568,993 | 85% |
| Gems & Jade | - | 380,197 | 8,570 | 388,767 | 13% |
| Other Minerals | 3,303 | 48,203 | 2,017 | 53,523 | 2% |
| Total | 436,588 | 2,558,372 | 16,323 | 3,011,283 | 100 % |

Challenges for Transparency in Mining Sector of Myanmar

Political Stability

- The new government elected on (8.11.2015) and sit on (1.4.2016).
- For a long time, the remote areas are so many conflict. Piece process are started from 31.8.16
- Resource Sharing .

Weakness of Rule & Regulation

- Mining law amended on 24.12.2015 .
- Trying to issue the new mining regulations.
- Not comply with the international practice.

Rule of Laws

- Illegal Mining.
- Regular Inspection and monitoring mechanism.

Fiscal Regime

- Outstanding practice in Production Shearing Contract in Mining Sector.(Production Cost recovery)
- High Dead Rent(land rental fee) and other revenue rates.

Technical Knowhow

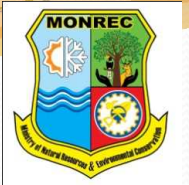
- Generation Gap ,
- Education System

Infrastructure

- Electricity, Transportation and Communication facility, Machinery and other equipment.

Transparency & Accountability

- Beneficiary ownership , Contract disclosure,
- complex Audit procedures in Corporate income Tax



Opportunities

Myanmar EITI is initiated by Government at the beginning of 2012.

All civil society organizations are keenly interested in EITI Activity.

Government representative & CSO attend the 6th EITI Global Conference on May 2013 in Australia.

Established the MEITI National Coordination office at the Mid of 2013 and can take the leading role.

Formed the MSG at the beginning of 2014 and established the trust building within different constituency.

Joint Inspection tour in 2016 February at Sagaing Region and strengthen the mutual understanding.

Mutual technical cooperation within all constituency and sincerity.



Thank you for your kind attention.