

## Press Release for 4<sup>th</sup> and 5<sup>th</sup> MEITI Reports

Yangon

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### 1. Scope of Work

MEITI MSG has been publishing MEITI reports prepared by the independent administrators (IA) which covered the reconciliation of the data from the extractive related government agencies and the data from the extractive companies. Myanmar has now published five MEITI reports covering oil and gas, gems and jade, mineral and pearl from 2013-2014 FY to 2017-2018 FY.

The data, not only fiscal and non-fiscal revenues reported by the related government agencies and extractive companies, cash flows contributed by SOEs to the union budget, in-kind payment but also the social payments by extractive companies, contribution to the socioeconomic development of the states and regions, income tax, production share of SOEs are included in these reports. OGPD, MOGE under Ministry of Electric and Energy, DOM, DGSE, ME1, ME2, MGE, Gems Central Committee, MPE and FD under Ministry of Natural Resources and Environmental Conservation, Budget Department, Treasury, IRD, MCD under Ministry of Planning, Finance and Industry and other relevant departments and organizations such as Trade Department cooperated in the preparation of these reports.

### 2. Main Findings from 4<sup>th</sup> MEITI Report

- (a) The 4<sup>th</sup> MEITI report covered 94% of extractive sector with the participation of 45 oil and gas companies (including transportation companies), 31 mining companies, 11 pearl companies and 84 gems and jade companies. PricewaterhouseCoopers (PwC) Myanmar prepared it under the close oversight and guidance of MEITI – MSG.
- (b) It was the very first report of MEITI to cover the reconciled data for pearl sector.
- (c) Total revenues collected in 2016-2017 FY amounted to US\$ 2,302, 776 with 79% from oil and gas sector, 16% from gems and jade sector, 4% from mining sector and 1% from pearl sector.
- (d) It can be seen in the 4<sup>th</sup> report that the extractive sector contributed 14% of the union budget, 4% of GDP, 20% of exports and 0.3% of employment.
- (e) In 2016-2017 FY, according to the data reported by MOGE, there were 1,793, 798 Barrels of condensate and 652, 807 MMscf of gas from offshore blocks and MOGE produced 1,051, 665 Barrels of condensate and 522, 210 MMscf of gas. There were also 1,384,409 Barrels of oil and 712 MMscf of gas from onshore blocks and MOGE produced 1, 692, 824 Barrels of oil and 17, 201 MMscf of gas.
- (f) In 2016-2017 FY, according to the data reported by MGE, there were 10,147,050 carat and 31,676 kilo of gems, 34,654,993 kilo of jade produced and 41,294 carat and 265 kilo of gems, 1,325,787 kilo of jade exported.
- (g) For mineral sector, there were 7,228,751 metric ton and 46,482 Toz produced and 219,644 metric ton exported. For pearl, 512,335 momme were produced and 297,371 momme were exported.

- (h) The IA of the 4<sup>th</sup> MEITI report, PwC, analyzed the six reasons for differences in the reconciled revenue and revenue disclosed unilaterally by the reporting companies and government agencies in according with the scope:
- Cut-off differences in oil and gas, gems and jade sectors
  - Payments not reported by and absence of supporting documents from the participating entity in oil and gas, gems and jade, mineral sectors
  - Receipts not reported by and absence of supporting documents from the government agencies in oil and gas (including transportation), gems and jade, mineral sectors
  - Non-participation by the companies in oil and gas, mineral sectors
  - Exchange rate difference in in oil and gas transportation sector,
  - Unreconciled due to other reasons in gems and jade, mineral sectors
- (i) There were (16) recommendations included in the 4<sup>th</sup> MEITI report including encouraging the extractive data to be more accessible to enhance transparency.

### 3. Main Findings from 5<sup>th</sup> MEITI Report

- (a) The 5<sup>th</sup> MEITI report covered 97% of extractive sector with the participation of 56 oil and gas companies, 5 oil and gas transportation companies, 94 mining companies, 11 pearl companies and 209 gems and jade companies. BDO LLP prepared it under the close oversight and guidance of MEITI – MSG.
- (b) Total revenues collected in 2017-2018 FY amounted to MMK 1,935,945 million with 72.185% from oil and gas sector, 21.269% from gems and jade sector, 6.417% from mining sector and 0.129% from pearl sector.
- (c) It can be seen in the 5<sup>th</sup> report that the extractive sector contributed 5.2% of the union budget, 4.8% of GDP, 30% of exports and 0.25% of employment.
- (d) In 2017-2018 FY, according to the data reported by MOGE, the production amounted to 1,603, 783 Barrels of condensate, 649,704 MMscf of gas from offshore blocks and 1,317,039 Barrels of oil and 707 MMscf of gas from onshore blocks. The exports amounted to 1,824,806 Barrels of condensate and 512,490 MMscf of gas from offshore blocks
- (e) In 2017-2018 FY, according to the data reported by MGE, there were 6,949,330 carat and 4,882 kilo of gems, 31,677,773 kilo of jade produced and 4,950.80 carat and 96.38 kilo of gems, 3,738,294 kilo of jade exported. There were 23,485 pieces of gems, 2,036,736 pieces of jade and 5,094 packages of jade exported.
- (f) For mineral sector, there were 408,245.28 metric ton and 82,535.54 Toz produced and 81,638.86 metric ton exported. For pearl, 443,136 momme were produced and 353,815 momme were exported.
- (g) There were (9) recommendations included in the 5<sup>th</sup> MEITI report to promote transparency and accountability
- Completeness of Beneficial Ownership Information
  - Publication of loans contracts
  - Including the Myanmar Port Authority in the scope
  - Including mandatory BO disclosure in the process of awarding, and transferring extractive licenses in Myanmar

- Implementation of systematic disclosure of EITI information
- Submission of the reporting templates
- Unavailability of information about the oil and gas artisanal sector
- Calculation of the Other Account and the CSR
- Implementation of the 2019 EITI standards

#### 4. Supplementary of the 5<sup>th</sup> MEITI Report

Now, Myanmar is preparing its very first commodity trading report to be published by September 2020 as the supplementary of the 5<sup>th</sup> MEITI report. The oil and gas downstream sector data will include in that report.

The 4<sup>th</sup> and 5<sup>th</sup> MEITI reports are available on [www.myanmareiti.org](http://www.myanmareiti.org).

(Extractive Industries Transparency Initiatives (EITI) is the global standard which promotes transparency and accountability in good governance of natural resources. There are over 53 countries following EITI standards including Myanmar. Since 2014, Myanmar has been implementing EITI standards and publishing MEITI reports every fiscal year. MEITI implementation has been validated as the meaningful progress by the International EITI Board. Myanmar has now published four MEITI forestry reports.)

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