What is in Myanmar’s first EITI report?


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.

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.
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.