

**Press Statement of MEITI Multi-stakeholder Group
for the MEITI Forestry Reports (2014-2015 & 2015-2016 Fiscal Years)**

July 11, 2019
Yangon

Myanmar and EITI

Extractive Industries Transparency Initiative (EITI) is the global community's boldest response to under development, conflict and deprivation which have become characteristics of natural resource dependent countries. Its mission is to promote transparency and accountability in the generation and use of extractive sector revenues.

At the 27th EITI board meeting in Mexico in July 2014, Myanmar was approved as the 45th EITI Candidate Country. Since then, Myanmar has formed the Multi-Stakeholder Group (MSG) comprising representatives from the Government, private sector and civil society organizations (CSOs), and been implementing the EITI process in accordance with the EITI Standard.

Myanmar EITI (MEITI) reports are published to promote better natural resources governance and to inform public about the tax revenues and other relevant data from the extractive industries transparently. The 1st MEITI report (2013 – 2014 Fiscal Year) covered oil and gas, gems and jade, and mineral sectors and the 2nd, 3rd and 4th MEITI reports covered oil and gas including transportation companies, gems and jade, mineral and pearl sectors. The 1st and 2nd MEITI Forestry reports have been published on January, 2019.

MEITI Forestry Reports

In accordance with EITI Standards, the independent administrator, Moore Stephens, reconciled the data provided by companies operating in the forestry sector with the data provided by relevant Government agencies such as Forest Department (FD), Myanma Timber Enterprise (MTE), Internal Revenue Department (IRD), Budget Department (BD), Treasury Department (TD), Customs Department (MCD) with data from the companies. Myanmar is the second country to publish forestry report among the EITI implementing countries.

Scope of the 1st & 2nd MEITI Forestry Reports

The companies paid taxes more than MMK 100 million and timber production of 10,000 Hoppus Tons and above, nineteen companies are included in the 1st MEITI Forestry report (2014-2015 Fiscal Year). The companies paid taxes payment more than MMK 100 million and timber production of 10,000 Hoppus Tons and above, sixteen companies are included in the 1st MEITI Forestry report (2015-2016 Fiscal Year).

Findings of MEITI Forestry Sector Reports

1. The contribution of the forestry sector to GDP is 0.2% of total Myanmar GDP with 698,834 million in FY 2014-2015 and MMK 714,663 million in FY 2015-2016.
2. The allocation of revenues transferred from MTE during FY 2014-2015 were MMK 47,945 million to IRD, MMK 38,356 million as state contributions, and MMK 408,401 million to Other Accounts of MTE opened at Myanmar Economic Bank and during FY 2015-2016 were MMK 112,520 million to IRD, MMK 90,015 million as state contributions and MMK 407,153 million to Other Accounts of MTE.
3. During FY 2014-2015, there were 54% of the teak production by MTE and 46% by contractors companies and 30% of hardwood production by MTE and 70% by contractors companies. During FY 2015-2016, there were 34% of the teak production by MTE and 66% by contractors companies and 31% of hardwood production by MTE and 69% by contractors companies.
4. The annual production target during FY 2014-2015 were 58,250 Hoppus Tons of teak and 678,000 Hoppus Tons of hardwood, and the actual production were 44,360 Hoppus Tons of teak, i.e. 76%, and 627,652 Hoppus Tons of hardwood, i.e. around 93%. The annual production target during FY 2015-2016 were 53,000 Hoppus Tons of teak and 653,150 Hoppus Tons of hardwood, and the actual production were 60,051 Hoppus Tons of teak, i.e. 113%, and 619,742 Hoppus Tons of hardwood, i.e. around 95%. In FY 2015-2016, the actual teak production was higher than the annual production target and other productions were within the annual production target.
5. MEITI Forestry reports data stated that Sagaing Region harvested 46% of the total teak harvested in Myanmar and 66% of the total hardwood harvested in Myanmar followed by Shan State as the second highest harvested quantities with 27% teak harvested and 6% hardwood harvested.

Recommendations of MEITI Forestry Reports

There are (11) recommendations in two MEITI forestry reports with (3) recommendations for governance of the forestry revenues, (3) recommendations for management of the forestry sector and (5) recommendations for EITI implementation.

(The full MEITI Forestry Reports are accessible on www.myanmareiti.org)

Way Forward

The 5th MEITI report for FY 2017-2018 will cover not only oil and gas including transportation companies, gems and jade, mineral, and pearl but also the forestry sector (FY 2016-2017 and 2017-2018).

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