

MYANMAR EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (MEITI)

FOURTH EITI REPORT FOR THE FISCAL YEAR 2017/18

FORESTRY SECTOR

April 2020



This report has been prepared at the request of the Multi-Stakeholder Group (MSG) in charge with the implementation of the Extractive Industries Transparency Initiative in Myanmar (MEITI). The opinion expressed in the report are those of the Independent Administrator and did not reflect the official opinion of the MEITI-MSG. This report has been prepared exclusively for use by EITI Myanmar and must not be used by other parties, nor for any purposes other than those for which it is intended. Neither the authors nor BDO LLP accept or assume any responsibility or duty of care to any third party.

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INTRODUCTION

Extractive Industries Transparency Initiative

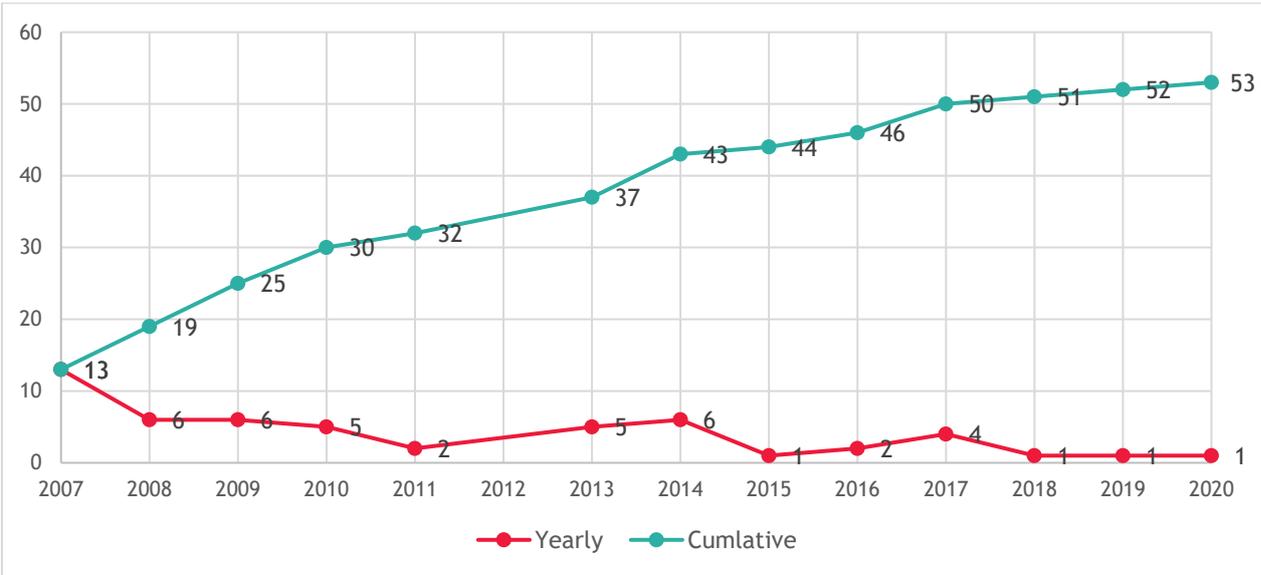
The Extractive Industries Transparency Initiative (EITI) is a global Standard to promote open and accountable management of natural resources. It seeks to strengthen government and company systems, inform public debates and enhance trust. In each implementing country, it is supported by a coalition of governments, companies and civil society organisations working together.

The EITI Standard sets out the requirements which countries need to meet in order to be recognised, through validation, as having made ‘Satisfactory progress’, ‘Meaningful progress’, ‘Inadequate progress’ or ‘No progress’. The Standard is overseen by the International EITI Secretariat, which comprises members from Government Agencies, extractive companies and civil society organisations.¹

EITI was first announced at the World Summit on Sustainable Development in Johannesburg in 2002 (the Earth Summit 2002) and was officially launched in London in 2003. EITI is currently implemented in 53 countries around the world.

Figure 1 below show the evolution of EITI Countries over the years. Niger was the last country to join EITI in February 2020.²

Figure 1: Evolution of EITI Countries (2007 to 2020)



Tables 1 and 2 below show the breakdown of EITI countries by continent and validation status.

¹ <https://eiti.org/>
² <https://eiti.org/news/niger-rejoins-eiti>

Table 1: Breakdown of EITI countries by continent

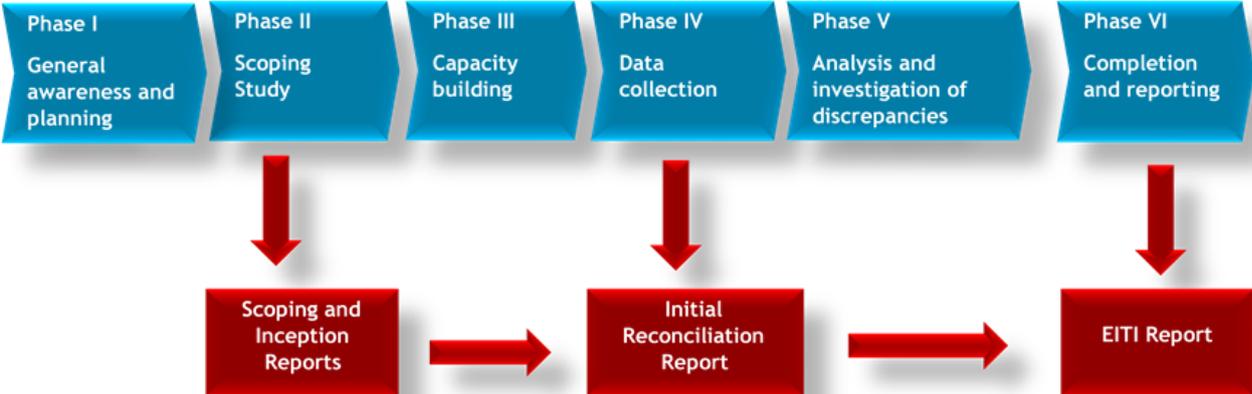
Continent	Africa	Asia	South America	Europe	Oceania
Number	25	10	10	7	1
%	48%	19%	19%	13%	2%
List of countries	<ol style="list-style-type: none"> Burkina Faso Cameroon Central African Republic Chad DRC Ethiopia Ghana Ivory Coast Liberia Madagascar Malawi Mali Mauritania Mozambique Niger Nigeria Republic of Congo Republic of Guinea São Tomé and Príncipe Senegal Seychelles Sierra Leone Tanzania Togo Zambia 	<ol style="list-style-type: none"> Afghanistan Indonesia Iraq Kazakhstan Kyrgyz Republic Philippines Mongolia Myanmar Tajikistan Timor Leste 	<ol style="list-style-type: none"> Argentina Colombia Dominican Republic Guatemala Guyana Honduras Mexico Peru Suriname Trinidad and Tobago 	<ol style="list-style-type: none"> Albania Armenia Germany Netherlands Norway Ukraine United Kingdom 	<ol style="list-style-type: none"> Papua New Guinea

Table 2: Breakdown of EITI countries by validation status

Continent	Satisfactory	Meaningful	Inadequate (suspended)	Yet to be assessed
Number	8	33	6	6
%	15%	63%	11%	11%
List of countries	<ol style="list-style-type: none"> Colombia Germany Mongolia Nigeria Norway Philippines Senegal Timor-Leste 	<ol style="list-style-type: none"> Albania Burkina Faso Cameroon Chad Dominican Republic DRC Indonesia Iraq Ivory Coast Liberia Ethiopia Ghana Guinea Honduras Kazakhstan Madagascar Malawi Mali Mauritania Mozambique Myanmar Papua New Guinea Peru Republic of the Congo São Tomé and Príncipe Seychelles Sierra Leone Tanzania Togo Trinidad and Tobago Ukraine United Kingdom Zambia 	<ol style="list-style-type: none"> Afghanistan Central African Republic Guatemala Kyrgyz Republic Mexico Tajikistan 	<ol style="list-style-type: none"> Argentina Armenia Guyana Netherlands Niger Suriname.

The methodology we followed for this EITI project included six (6) phases as shown in Figure 2 below.

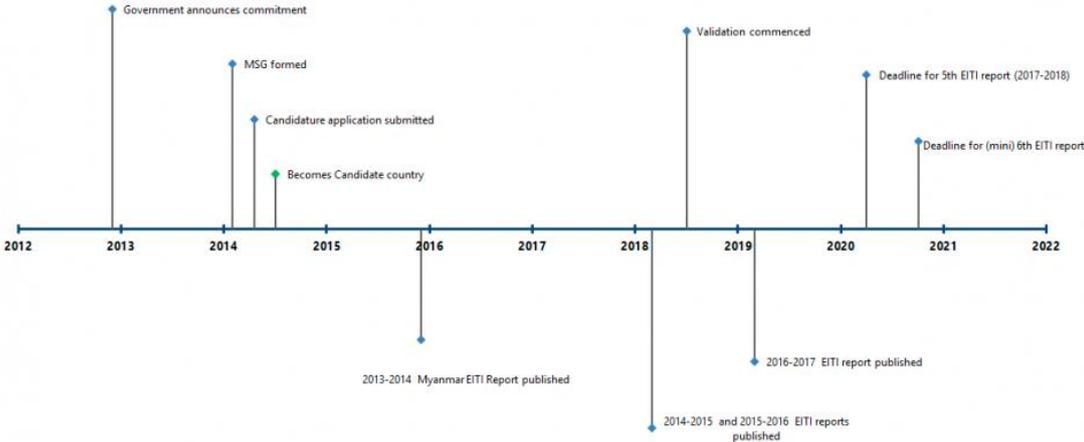
Figure 2: EITI Process



EITI in Myanmar

The EITI timeline in Myanmar (MEITI) is summarised in Figure 3 below.¹

Figure 3: Timeline of MEITI



Myanmar is among the very few EITI countries which include the forestry sector within their reconciliation scope. To date two Reports have been published covering the FYs 2014/15 and 2015/16. The current assignment aims to produce the third and fourth Reports covering the FYs 2016/17 and 2017/18 of the Myanmar Forestry sector.

¹ <https://eiti.org/myanmar>

Objective

The purpose of this Report is to reconcile the data provided by companies operating in the forestry sector (hereafter referred to as “Companies”) with the data provided by relevant Government Ministries and Bodies (hereinafter referred to as “Government Agencies”).

The overall objectives of the reconciliation exercise are to assist the Government of the Union of Myanmar (GOUN) in identifying the positive contribution that the forestry sector makes to the economic and social development of the country and to realise its potential through improved resource governance that encompasses and fully implements the EITI principles and criteria.

Nature and Extent of our work

We have performed our work in accordance with the International Auditing Standards applicable to related services (ISRS 4400 Engagements to perform agreed upon procedures regarding Financial Information). The procedures performed were those set out in the ToR and in the Request for Proposal as approved by MSG.

The reconciliation procedures carried out were not designed to constitute an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements and as a result we do not express any assurance on the transactions beyond the explicit statements set out in this report. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

The Report consists of six sections presented as follows:

1. Executive summary
2. Approach and methodology
3. Non-Financial information
4. Determination of the reconciliation scope
5. Reconciliation results
6. Recommendations

Reported data disaggregated by company, Government Agency and revenue stream are included as Annexes to this Report. The amounts in this Report are stated in **Myanmar Kyat (MMK) million or billion**, unless otherwise stated.

This Report incorporates information received up to **9 April 2020**. Any information received after this date has not been included in the Report.

1. EXECUTIVE SUMMARY

This Report summarises information about the reconciliation of tax and non-tax revenues from the forestry sector in Myanmar as part of the EITI implementation. Additionally, this Report includes the reconciliation of cash flows contributed by MTE to the State budget.

1.1. Revenue Generated from the Forestry Sector

Total revenues collected from the forestry sector amounted to **MMK 437 billion** (or US\$ 322 million) during the FY 2017/18. The revenue stream from the forestry sector comprises mainly timber. The contribution of Non-Timber Forestry Products (NTFP) is less than 1%.

Details of these revenue streams are set out in Table 3 below:

Table 3: Myanmar Forestry revenues by sub-sector (FY 2017/18)

Revenue stream	Reconciliation status	Paid by	Paid to	Total in MMK billion	Equivalent in USD million	%
Income Tax (IT)	Reconciled	MTE	IRD	51.51	37.99	11.80%
State Contribution (SC)	Reconciled	MTE	TD	41.21	30.40	9.44%
Commercial Tax (CT)	Reconciled	MTE	IRD	16.57	12.22	3.80%
Special Goods Tax (SGT)	Reconciled	MTE	IRD	15.95	11.77	3.65%
Royalties	Reconciled	MTE	FD	3.03	2.23	0.69%
Other revenues	Unilateral disclosure	Private	FD	2.03	1.50	0.46%
Dividends	Reconciled	FPJVC	FD	0.03	0.02	0.01%
Total Revenues from Timber				130.33	96.13	29.85%
Total Revenues from NTFP and others	Unilateral disclosure	Private	FD	4.08	3.01	0.93%
			Sub-Total I	134.41	99.14	30.78%
Timber Sales in USD (For Export)	Unilateral disclosure	Private	MTE	186.68	137.69	42.75%
Timber Sales in MMK (For Local)	Unilateral disclosure	Private	MTE	115.56	85.23	26.46%
			Sub-Total II	302.24	222.92	69.22%
			Total	436.65	322.05	100.00%

Source: EITI Data.

The reconciliation covered **95%** of the total Government receipts from the forestry sector as detailed in Section 5.1.1 below. EITI figures indicate that IRD and TD accounted for more than 93% of revenues collected during the FY 2017/18.

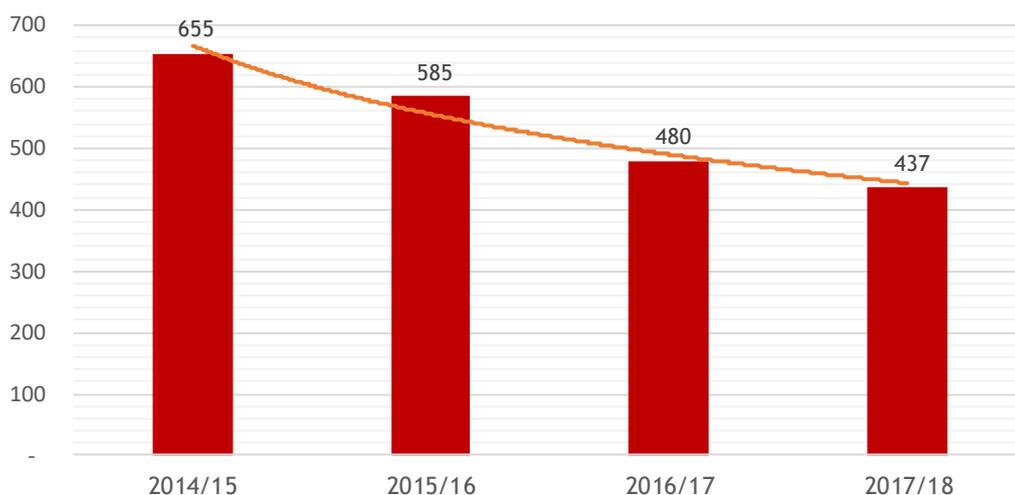
Forestry revenues have been in constant decline since the FY 2014/15 with a negative Compound Annual Growth Rate (CAGR) of **12%** between FY 2014/15 and 2017/18.

Table four and Figure four below set out the evolution of forestry revenues between the FYs 2014/15 and 2017/18.

Table 4: Evolution of forestry revenues (FY 2014/15 to 2017/18)

Total forestry revenues	2017/18	2016/17	2015/16	2014/15	CAGR (2014/15 to 2017/18)
in MMK billion	436.65	480.05	584.94	655.17	-12.65%
Exchange rate US\$/MMK	1,355.82	1,260.60	1,223.58	995.26	10.85%
in US\$ million	322.05	380.81	478.06	658.29	-21.20%

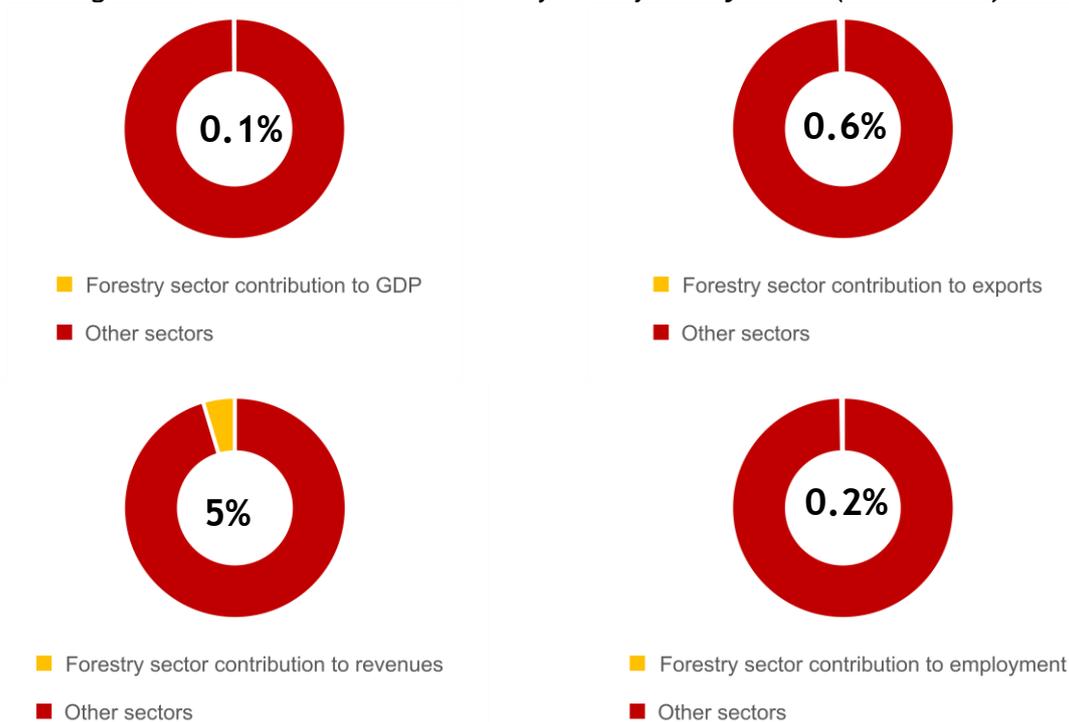
Figure 4: Evolution of forestry revenues (FYs 2014/15 to 2017/18) (Figures in MMK billion)



1.2. Contribution to Myanmar Economy

The contribution of the forestry sector to GDP, State revenues, exports and employment for the FY 2017/18 is presented in Figure 5 below. More details are set out in Section 3.1.4 of the Report.

Figure 5: Macro-economic indicators for the forestry sector (FY 2017/18)¹



It is worth highlighting that although the contribution of the forestry sector to employment is low, 85% of the population depend on firewood and charcoal for cooking, and roughly while 42% of lives in upland areas and depends on forests for their direct livelihoods.

¹ Source: CSO and EITI data.

1.3. Timber Production

MTE has harvested **9,454 trees** (eq.14,943 hoppus tons) of teak during the FY 2017/18, reaching 49% of Annual Allowable Cut (AAC). Hardwood extracted was **148,181 trees** (eq. 324,610 hoppus tons) reaching 25% of the AAC.

It is worth to highlight that these figures exclude illegal logging outside of MTE control (seized and unknown volumes).

Timber production is detailed by state and regions in Sections 3.1.6 of the Report. Myanmar has also produced other minor forestry products as detailed in Annex 1 to the Report.

1.4. Timber Sales

According to the data provided by MTE, timber sales amounted to **US\$ 223 million** during the FY 2017/18.

Table 5 and Figure 6 below show that approximately **62%** of timber sales were made in US\$.

Table 5: Timber Sales (FY 2017/18)

Sales	US\$ million	%
Sales in US\$ (For Export)	137.69	61.77%
Sales in MMK (For Local)	85.23	38.23%
Total	222.92	100%

Figure 6: Timber Sales (FY 2017/18)



Figure 7 below shows the decrease in timber sales since the FY 2014/15 with a negative CAGR of **18%** over the last four fiscal years.

Figure 7: Evolution of Timber sales (2014/15 to 2017/18) Figures in US\$ million



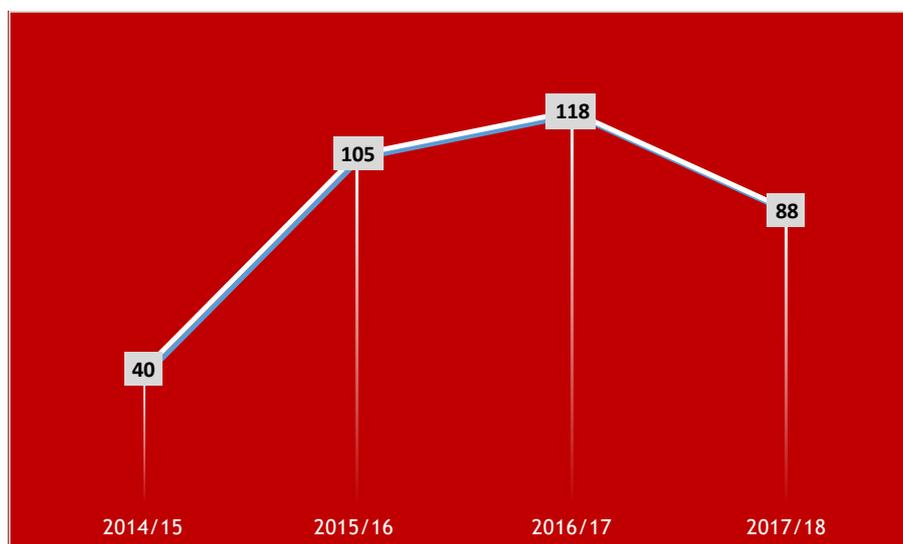
Further details of timber sales are presented in Section 3.1.7 below.

1.5. Timber Exports

According to the data published by the Central Statistical Organization (CSO), timber exports amounted to **US\$ 88 million** during FY 2017/18 of which **US\$ 32 million** (or 37%) were destined for India.

Figure 8 below shows the evolution of timber exports since the FY 2014/15.

Figure 8: Timber exports (FY 2014/15 to 2017/18) (US\$ Million)



Further details of timber exports are presented in Section 3.1.4 below.

1.6. Comprehensiveness and Reliability of Data

1.6.1. Data submission

Both companies and Government Agencies included in the reconciliation scope have submitted their reporting templates (RT) according to the reporting instructions and within the deadline approved by MSG.

1.6.2. Reliability and data submitted

Selected companies

As decided by MSG, RTs should be approved by an authorised company official, supported by details of payments reported and accompanied by a copy of the audit report.

Accordingly, FPJVC followed the agreed instructions.

Government Agencies

With regards to Government Agencies including MTE, RTs should be signed by an authorised officer, supported by details of payments reported and certified by the Office of Auditor General (OAG).

All Government Agencies submitted signed RTs, supported by details of payments reported.

OAG has certified RTs provided by MTE and all other Government Agencies.

1.6.3. Summary

We did not audit the figures presented and relied solely on assurances given by reporting entities. FPJVC submitted a copy of its audited financial statements for the FY 2017/18.

We concluded that the final assessment of the overall comprehensiveness and reliability of reconciled financial data from the companies, MTE and Government Agencies is **satisfactory**.

1.7. Summary of the Reconciliation Results

Income tax, State contribution and Dividends were reconciled, with the figures agreeing and no adjustments deemed necessary. However, we made some adjustments to SGT, commercial tax and royalties totalling **MMK 2.42 billion** (or US\$ 1.78 million). Payments were fully reconciled as detailed in table 6 below.

Table 6: Reconciliation Adjustments (FY 2017/18)

Figures	in MMK billion			
	MTE and FPJVC	IRD, TD and FD	Discrepancy	%
Initial	128.31	125.89	2.42	1.92%
IA adjustments	-	2.42	-2.42	-100%
Final	128.31	128.31	-	-

Source: EITI data.

1.8. Findings and Recommendations

We raised six (6) findings and have made recommendations with a view to improve the EITI process in Myanmar and revenue management. Table 7 below sets out the recommendations we proposed.

Table 7: New recommendations

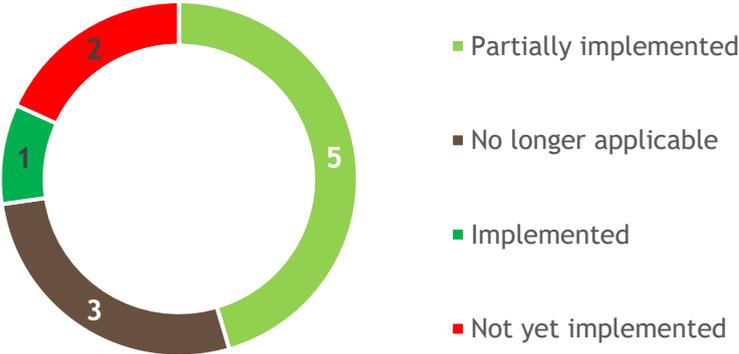
N°	Recommendations
Management of the Forestry Sector	
1	Update the SOE law
2	Update the Forest Policy
3	Improve the Efficiency of the Sales Process
4	Improve the Disclosure of the Sales Data
EITI implementation	
5	Improve the Data Collection
6	Improve the Accuracy of Exports Data

Table 8 and Figure 9 below show the follow-up of the implementation of previous recommendations made in the first and second Reports.

Table 8: Follow-up of the implementation of previous recommendations

N°	Recommendations	Implementation Status
Governance of the Forestry Revenues		
1	Lack of Unique Taxpayer Identification Number	Partially implemented
2	Lack of Resource Revenue Sharing System for Forestry Revenues	Not yet implemented
3	Lack of distinction between Forestry and Non-Forestry Revenues	No longer applicable
Management of the Forestry Sector		
4	Lack of Timber Trade and Traceability	Partially Implemented
5	Regulatory Framework and Law Enforcement	Partially implemented
6	Improving Governance of MTE	Partially implemented
EITI implementation		
7	Completeness of the data reported on License Register	No longer applicable
8	Award of contracts	No longer applicable
9	Lack of Reporting System for Employment data	Partially implemented
10	Lack of reporting at project level	Implemented
11	Lack of EITI Reporting Regulations	Not yet implemented

Figure 9: Follow-up of the implementation of previous recommendations



These findings and the associated recommendations are detailed in Section 6 of this Report.

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14 April 2020

2. APPROACH AND METHODOLOGY

The reconciliation of revenues from the forestry sector consisted of the following steps:

- conduct a scoping study to determine the scope of the reconciliation exercise;
- preparation of a RT and reporting instructions;
- collection of payment and other data from Government Agencies and companies which provide the basis for reconciliation;
- comparison of payments and other data reported by Government Agencies and companies to determine if there are discrepancies between the amounts reported as being received by the authorities and the amounts reported as being paid by taxpayers; and
- contact Government Agencies and companies to investigate and resolve identified discrepancies.

2.1. Scoping Study

Under the ToR for the Engagement, we were required to carry out a scoping study which eventually determined the scope of the second MEITI Report for forestry sector, including a proposal of:

- the materiality threshold for receipts and payments;
- taxes and revenues to be included;
- companies and Government Agencies to be included in the report; and
- assurances to be provided by reporting entities to ensure credibility of the data being reported.

The financial flows to be included in the reconciliation, the Government Agencies and companies which were required to report were determined by MSG based on the scoping study we conducted.

The scope of the EITI Report as decided by MSG during their meeting of 27 November 2019 is described in Section 4 of this Report.

2.2. Data Collection

A standard RT and instructions were designed to facilitate the process for the reporting entities. The RT was designed to include the revenue streams paid to each Government Agency and was formatted in such a way that companies could easily identify and determine the appropriate amounts to be disclosed. The RTs were sent electronically to the reporting entities.

We held a three-day workshop between 11-13 December 2019 in Yangon and Nay Pyi Taw to assist companies and Government Agencies in understanding the EITI process and completing the reporting package within the agreed timeframe.

Companies and Government Agencies were required to report directly to the IA and to submit a breakdown of payments by date and by receipt in the supporting schedules. They were also requested to direct any questions on the RTs to the IA.

The MSG has agreed that the deadline for submission of the RTs by companies would be 27 December 2019 for the soft copies and 10 January 2020 for the signed hard copies.

It was also agreed that the Government Agencies should submit their templates certified by the OAG by 28 January 2020. This was to give enough time to OAG for the certification.

2.3. Reconciliation and Investigation of Discrepancies

The reconciliation exercise was carried out on-site and remotely as follows:

1-17 January 2020	21-31 January 2020	1-20 February 2020
Remotely	On site (Yangon)	Remotely

In carrying out the reconciliation, we performed the following procedures:

2.3.1. Initial Reconciliation Procedures

Figures reported by companies were compiled item by item and compared with figures reported by Government Agencies. As a result, all discrepancies identified have been listed by item in relation to each Government Agency and company.

In cases where the revenue reported by Government Agencies agreed with a company's reported payment data, with deviation within the allowable variance as described in Section 2.3.2 below, the Government figures were confirmed and no further action was undertaken.

In cases where the reported revenue data from Government Agencies did not agree with a company's reported payment data and the difference was not within the allowable variance, discrepancies were identified for each company and Government Agency and the discrepancies were subject to further investigations before completing the initial reconciliation report.

2.3.2. Reconciliation Variance and Level of Effort

As part of the RT finalisation, a variance threshold of MMK 8 million was set to help determine an acceptable level of effort to be spent in attempting to resolve discrepancies.

In cases where the reported revenue data from Government Agencies did not agree with the company's reported payment data, and the discrepancies were at or below the variance threshold, we concluded that the discrepancies were not material to the MEITI Report.

2.3.3. Follow-up Procedures to Investigate Differences

In cases where the reported revenue data from Government Agencies did not agree with the company's reported payments and the discrepancies were outside the variance, we considered the discrepancies to be material and further investigations were performed in a bid to resolve these discrepancies. In such instances, the Government Agencies and companies were requested to provide supporting documents and/or confirmations in respect of any adjustments to the data provided in the original RTs.

We contacted the reporting entities and arranged meetings with relevant officials. We also reviewed additional supporting documentation evidencing the payments reported. In instances where we were unable to identify the reasons for the discrepancies following the review of additional supporting evidence, we concluded that the discrepancies were "undetermined / unexplained". The results of our work are presented in Section 5 of this Report.

2.4. Reliability and Credibility of Data Reported

2.4.1. Initial assessment of assurance procedure

The EITI Standard requires that a credible assurance process applying international standards should be in place. The approach adopted for the 2017/18 MEITI Report considered existing barriers in Myanmar and shortcomings noted during the previous reconciliation exercises.

We applied our professional judgement to assess the extent to which reliance could be placed on the Existing Controls and Audit Framework (ECAAF) of the companies, MTE and Government Agencies. This step helped in determining the Initial Assessment of Assurance (IAA) for each of the reporting template. In short, when the AF is rated low, the IAA is rated low (i.e. low assurance).

The assessment is based on key factors such as accounting standards adopted (international standards, local reliable standards, other standards), existing governance and internal controls, audit standards applied where the entities are audited and the reliability of the auditor where an auditor has been appointed.

In order to comply with Requirement 4.9 of the EITI Standard (2016) which aims to guarantee the credibility of the data submitted by reporting entities, MSG agreed the following approach for the preparation of the 2017/18 MEITI Report.

a. Companies

The classification was made based on the accounting standards adopted (see Section 3.9.1), auditing standards applied where the companies are audited. ECAAF and IAA for the companies were considered low.

Companies selected in the scope were requested to submit their RTs:

- signed by a person authorised to represent the company; and
- supported by details of payments reported.

Companies which were audited were also requested to provide us with a copy of their audited financial statements.

b. Government Agencies and MTE

Usually, in most developing countries central Government Agencies and SOEs are in a low range of the rating for ECAAF and thus for IAA.

Based on the above, MSG agreed that for the 2017/18 Report all Government Agencies and MTE selected in the scope should submit a RT:

- signed by a person authorised to represent the Government Agency;
- accompanied by payment details reported; and
- certified by OAG.

2.4.2. Final assessment of assurance procedures

We have analysed the data received from Government Agencies and from companies as described in the above section and applied the following criteria for assurance:

- non-submission of a RT signed by a person authorised to represent the Government Agency, MTE or the company reduced the level of assurance;
- non-submission of payment details for the amounts reported also reduced the level of assurance;
- lack of audit reports or reporting reduced the level of assurance.

Thus, the level of assurance for each entity selected was categorised as follows:

- Low: entities which are not audited and did not provide signed copies of the RT;
- Medium: entities which provided audit reports but not signed copies of the RT; and
- High: entities which provided signed copies of the RT as well as audit reports.

We can assess the level of assurance for companies within **high range** as all companies have submitted signed copies of the RT together with copies of their audit reports for the FY 2017/18.

We can assess the level of assurance for Government Agencies and MTE within **high range** as they have submitted signed copies of the RT together with OAG's certification.

2.4.3. Assessment of the overall comprehensiveness and reliability of reconciled data

We concluded that the final assessment of the overall comprehensiveness and reliability of reconciled financial data from companies, MTE and Government Agencies were **satisfactory**.

2.5. Basis and Period of Reporting

In order to comply with Requirement 2 of the 2016 EITI Standard, MSG agreed that the 2017/18 MEITI Report would be based on data for the FY 2017/18.

MSG defined the reporting period as the FY. For the 2017/18 MEITI Report, the reconciliation has been carried out on data for FY 2017/18, which is 1 April 2017 to 31 March 2018.

The revenue streams included in the reconciliation scope relate only to the payments made by companies and revenues received by Government Agencies during the FY 2017/18. The period in which companies incurred the fees is not relevant, but rather the period in which the fees were actually paid.

The reporting currency is million Myanmar Kyats (MMK million) unless stated otherwise.

Where actual rates were not available or not disclosed, we applied the average rate for the period as published by the Central Bank of Myanmar.¹ The average rate used was **US\$ 1 = MMK 1,355.82**.

2.6. Procedures for the Management and Protection of the Data Collected

In order to protect the confidentiality of the data collected from the reporting entities, the following measures have been applied:

- only the data required by the EITI Standard, ToR and reconciliation exercise have been requested. Any irrelevant information inadvertently communicated has been deleted and/or destroyed;
- data collected is processed on password-protected laptops and e-mail communications are done via secure messaging servers;
- reporting entities were requested to address the completed RT and any information considered sensitive or confidential directly to the IA's generic email address: (MEITI@bdo.co.uk); and
- all requests for additional information from Government Agencies or companies for the reconciliation purposes were processed in accordance with the above protocol.

¹ <https://www.cbm.gov.mm/foreign-exchange-market>

3. NON-FINANCIAL INFORMATION

3.1. Forestry Sector in Myanmar

3.1.1. Forest Lands and Ownership

Myanmar is the largest country on mainland South East Asia with a total area of 67 million hectares. Forested areas accounts approximately for 44% of the country's surface area.¹ Despite a high proportion of remaining forest cover, the country has seen substantial deforestation and forest degradation over recent decades, with annual deforestation rates of approximately 1.8% between 2010/2015. The remaining primary forests ecosystems are of global significance due to their high biodiversity.

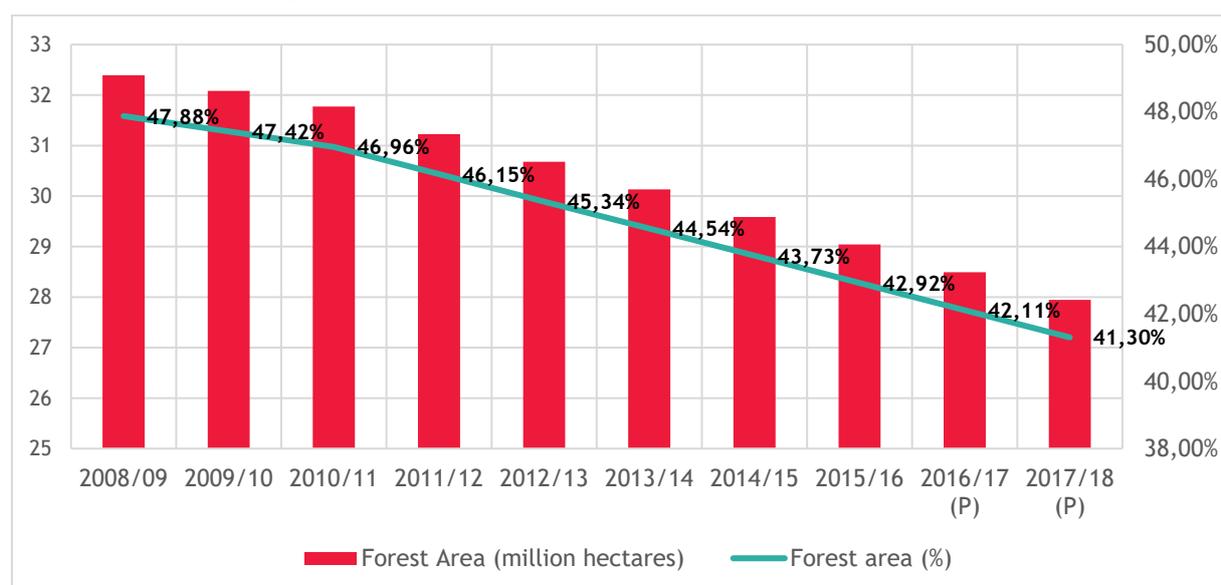
Table 9 and Figure 10 below show the decrease of forest area between 2008/09 and 2017/18.

Table 9: Evolution of forest area over the last decade

N°	FY	Total area (million hectares)	Forest Area (million hectares)	Forest area (%)
1	2008/09	67.66	32.39	47.88%
2	2009/10	67.66	32.08	47.42%
3	2010/11	67.66	31.77	46.96%
4	2011/12	67.66	31.23	46.15%
5	2012/13	67.66	30.68	45.34%
6	2013/14	67.66	30.13	44.54%
7	2014/15	67.66	29.59	43.73%
8	2015/16	67.66	29.04	42.92%
9	2016/17 (P)	67.66	28.49	42.11%
10	2017/18 (P)	67.66	27.95	41.30%

Source: The FD.

Figure 10: Evolution of forest area over the last decade



¹ FD, Myanmar Agricultural Statistics (2008/09 to 2017/18) and FAO Global Forest Resource Assessment 2015.

According to the Forest Department (FD),¹ the main reason of losing forest cover in Myanmar are:

1. Conversion of land use to other purposes;
2. Over-logging in the formal sector;
3. Increase in population and extension of villages and towns;
4. Increase in demand for timber and woods for fire-wood, charcoal, and other products of local; household daily use and living; and
5. Over-logging and illegal timber extraction in the informal sector.

According to Forest Trends, deforestation hotspots in Myanmar in the 1990s were in the Ayeyarwady Delta Region (mangrove deforestation - clearing for paddy and shrimp and fuelwood) and in northern central dry zone - areas with some of the highest population density in the country. However, since the 2000s, the deforestation hotspots have shifted to the forest frontiers in ethnic states, primarily Kachin State and Tanintharyi Region. These are very low population density areas - which suggests that the country’s deforestation rate increase the past two decades is not due to population growth (and other population-related demands). Instead it is likely that the big increase is due to large scale agriculture/plantations, legal and illegal over-exploitation and insecure land and forest tenure for local people.²

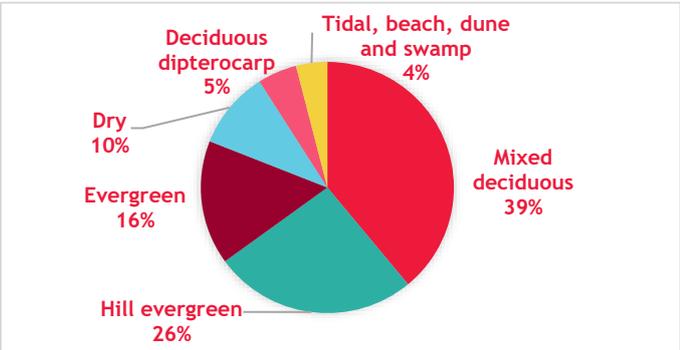
For further information about the forestry sector in Myanmar including a map for forest and protected areas, please visit the FD website on <https://www.forestdepartment.gov.mm/eng>.

Because of Myanmar’s wide geographical spread, its forests are very varied. Table 10 and Figure 11 below present the forest types in Myanmar.

Table 10: Forest types in Myanmar

Forest type	in million hectares	%
Mixed deciduous	11	39%
Hill evergreen	8	26%
Evergreen	5	16%
Dry	3	10%
Deciduous dipterocarp	1	5%
Tidal, beach, dune and swamp	1	4%
Total	29	100%

Figure 11: Forest types in Myanmar



Myanmar is well known for its natural Teak (*Tectona grandis*) forests, which are classified among the mixed deciduous forests.³ Of the world’s 19 million hectares of natural Teak forests, more than 16 million are found in Myanmar.⁴

¹ Stakeholder Mapping, August 2016, FLEGT Action Plan of Myanmar.

² Daw Khin Saw Htay, Policy Analyst, Forest Trends.

³ http://myanmartimberassociation.org/about_myanmar.html

⁴ ITTO, 2011.

Table 11 below highlights some key indicators about the Forestry sector in Myanmar.

Table 11: Key indicators about the Forestry sector in Myanmar

Land area	67 million hectares ¹
Forest area	29 million hectares (44%) ⁵
Protected areas	4.8 million hectares (16%) ²
Forest type	11% primary ⁵ 86% regenerated ⁵
Forest ownership	99% State-owned
VPA Status	No ³
Chain of Custody Certification	FSC certification: 1 CoC Certificate (2018)
Raw logs export ban	Since 1 April 2014
Temporary one-year logging ban	From 1 April 2016 to 31 March 2017
10-year logging ban in the Bago Yoma region	From May 2016 to April 2026
Prohibition of exports of products based on confiscated timber	Since 1 April 2017
EU/UN sanctions on timber exports or imports	No ⁴

Natural production forest represents the main source of timber and currently the only source of timber for export. There is no timber coming from the Natural Forest Conversion, Community Forests and Forest Plantations established by the FD. Teak and hardwood harvested so far come from the natural forests. We present below the five broad sources of timber in Myanmar.

- **Natural production forests under State management**

These form the main source of timber and currently the only source of timber for export. They are managed by FD using the Myanmar Selection System (MSS). The harvest is allocated by AAC and timber harvest and sales are conducted by MTE. This category includes:

- Reserved Forests (RF)
- Protected Public Forests (PPF)
- Un-classified Forests (UCF)

- **Natural Forest Logging Concessions**

Although provided in the Forest Law (1992), these are not currently being awarded.

- **Natural Forest Conversion**

This includes timber from land clearing operations in concessions awarded for agricultural or infrastructure development. The FD has oversight for assessing commercial volumes and MTE has formal responsibility for extraction and sales of commercial timber.

- **Plantations**

This includes timber sourced from tree farms although this is not yet a source of timber for export.

¹ FAO, FAO Country Profiles: Myanmar (2018). Available at: <http://www.fao.org/countryprofiles/index/en/?iso3=MMR>
² UNEP-WVMC. Protected Area Profile for Myanmar from the World Database of protected Areas (2018). Available at <https://www.protectedplanet.net/country/MM>
³ http://www.fiapng.com/PDF_files/MIS_16-31_Jan2020.pdf
⁴ While there are no EU sanctions, Myanmar is considered by European Competent Authorities (CA) to be “high risk” https://ec.europa.eu/environment/forests/pdf/Briefing%20note%20March-April%202019_public.pdf

- **Community Forests**

Production currently includes timber produced for non-commercial use from forests co-managed with FD by rural communities. The Community Forestry Instructions (CFI) allows communities to commercialise some of the timber they produce.

- **Imports**

This represents a relatively minor source, but steep reductions in the domestic harvest and a recent elimination of import duties on raw timber is likely to increase this source of timber.

Around 20.5 million ha (70%) of the forests are designated for production. In 2013, the area of planted forests was 944,000 ha (roughly 4% of production forest), including plantations established for timber production, village wood supply, and watershed management.

In Myanmar, the State owns all lands. The responsibility for management of forest resources rests with the FD, a division of the Ministry of Natural Resources and Environmental Conservation (MONREC). By law, MTE, the state-owned forest enterprise, has the monopolistic right to extract timber. Teak and other valuable hardwoods are ‘reserved species’ in the forest policy. This means that they are owned by the State and that only the State has permission to harvest them and profit from their sale.

The CFI (2016) gives legal backing for rural communities to co-manage forests. The overall principles of CFI are for local communities to fulfil basic livelihood needs for firewood, farm implements and small timber, as well as reforest degraded forestlands. The role of community forests in the county’s commercial forestry sector is very small.

GOM has adopted the following actions to address forest loss and degradation:

- 2014 raw log export ban;
- 2016/17 temporary one-year logging ban;
- 10-year logging ban in the Bago Yoma region starting from May 2016; and
- reduction of the AAC.

3.1.2. Main actors

FD and MTE are the main two actors operating in the forestry sector in Myanmar:

- **The Forest Department (FD)** falls under MONREC and is responsible for the management and conservation of forests and the regulation of the forestry sector; and
- **Myanma Timber Enterprise (MTE)**, a State-Owned Enterprise, which is solely responsible for the extraction and sale of timber. It also operates timber processing facilities.

Ethnic groups have also a substantial role in the forestry sector.

The government needs the cooperation of ethnic armed groups across the country to fight deforestation. U Ye Myint Swe, Deputy Minister of Natural Resources and Environmental Conservation, said the Government needs all the help it could get in its fight against the scourge of forest destruction.

It is impossible to do by the ministry or Myanmar government alone. It will be successful only if there is the cooperation of all concerned,” he said at a workshop on forest protection in September 2019.¹

Seizure

The Kayah State government is officially permitting 10,000 tons of timber to be sold after being harvested illegally from the eastern bank of the Salween River. The logs were cut from lands controlled by armed groups. During 2019, with official permission from Government bodies, the Karenni National People’s Liberation Front, known as the Karenni Border Guard Force, produced 5,000 tons of timber.²

¹ <https://www.mmtimes.com/news/officials-want-enlist-ethnic-armed-groups-deforestation-fight.html>

² <https://en.kantarawaddytimes.org/?p=1426>

Trade

According to the Tropical Timber Market Report (TTMR), Myanmar exported, in November 2019, some 100 tons of teak sawn wood to Thailand via a cross trade arrangement being the first of around 1,100 tons set to be shipped. The export process was witnessed by Minister Ohn Win and supervised by the FD, the GAD, the MCD, the Immigration Department and the Myanmar Police.¹

According to the FD, Tin Myint Yee Company has bought 2,812.208 tons of teak through a contract from MTE. The volume allowed for export through Myanmar-Thai Bridge from Tachileik to Masai in Thailand was for 1,112.9657 tons. This has been approved by the Union Ministry of Natural Resources and Environmental Conservation dated 26 March 2019.

The export process was observed and approved by a Monitoring Group including representatives from the FD, MTE, MCD, Myanmar Police Forces, the Trade Department, GAD and the Immigration Department.

Two batches were exported so far detailed as follows:

Batch	Date	Volume (in tons)	Cumulated volume (in tons)
1	21 November 2019	99.7830	99.7830
1	27 November 2019	99.2006	198.9836
2	20 March 2020	201.4456	400.4292

On 31 March 2020, the FD has confirmed that there were no timber export through the borders during the FYs 2016/17 and 2017/18.

3.1.3. Forest management and products

Myanmar's formal forest management system was originally established during the British colonial era to manage its vast teak (*Tectona grandis*) forests. The management system is based on sustainable utilisation of forest resources, defined by the estimated growth and yield of the forests and the AAC. To ensure the sustained yield of the forests, the volume of timber extracted should be lower than the AAC, which is defined by FD. Forests are managed following a 30-year Master Plan for the period from 2001 to 2031, 10-year forest district management plans and annual operational plans.

During recent decades, the formal management system has not been fully implemented, which has resulted in significant deforestation and degradation of the country's forests.² For a long time, the volumes harvested have exceeded the AAC defined by the FD. The development has been driven by the timber production targets set by the government, which have arisen from political and financial pressures and not from the actual AAC. Based on these state revenue requirements, target production volumes were calculated which have subsequently been translated downwards into logging quotas for each logging district.

Until early 2016, MTE subcontracted a significant part (up to 70%) of extraction tasks to private sector subcontractors, which partially resulted in poor law enforcement and non-transparent supply chains of timber.

Following major political reforms in Myanmar, the forestry and timber sector is also currently undergoing a reform process. This is indicated by several policy changes, most significantly the 2014 log export ban which made it illegal to export unprocessed logs, the 2016 logging ban which halted all timber extraction in the country for one logging season, and the 10-year logging ban in the Bago Yoma region. Furthermore, the government's engagement in a Voluntary Partnership Agreement (VPA) process with the European Union's Forest Law Enforcement Governance and Trade (EU FLEGT) initiative, requires transparency and compliance improvements within the sector. Myanmar is also

¹ http://www.fiapng.com/PDF_files/MIS_16-31_Jan2020.pdf

² EU FLEGT Facility, Baseline Study 4, Myanmar: Overview of Forest Law Enforcement, Governance and Trade, August 2011.

engaged in the REDD+ process, an initiative to reduce emissions from deforestation and forest degradation and foster conservation, sustainable management of forests, and enhancement of forest carbon stocks.

A significant step towards sustainability and improved transparency of the forestry sector was seen in early 2017, when MTE announced further decreases in timber production targets, and agreed that all future timber extraction would be carried out directly by MTE. Due to the lack of harvesting and transport equipment within MTE, contractors are still being used for extraction, but they are now operating under MTE and will be paid in cash instead of in-kind timber allocations.¹ MTE's production target for the FY 2017/18 for teak is 15,000 hoppus tons (27,000 m³) and for other hardwood 350,000 hoppus tons (631,000 m³). This is only around 10% of the volume of teak extracted in Myanmar between 2006 and 2014, and around 40% of the volume of other hardwoods extracted during the same period. Most of the timber is sourced from natural forests.

The following data related to Establishment of Plantation and Conservation of Natural Forest:

Designation	From 1 April 2017 to 31 March 2018	From 1 April to 30 September 2018	From 1 October 2018 to 30 September 2019	Total
Establishment of Plantation				
Area (Acre)	24,395	30,892	30,093	85,380
Expenditure (MMK million)	14,779	12,177	15,388	42,344
Conservation of Natural Forest				
Area (Acre)	249,237	16,016	113,682	378,935
Expenditure (MMK million)	4,521	1,461	2,836	8,818

Source: FD

The volumes of teak and hardwood extracted from 2008 to 2018 are presented in Table 12 and Figure 12 below.² The official volumes do not account for the illegal extraction of timber, which has been reported to be widespread especially in areas close to China. This can also be seen from MTE's timber sales statistics, where a significant source of revenue has been confiscated (i.e. illegally extracted timber). To mitigate the risks of illegal cross-border timber trade, the Myanmar government has made significant attempts to ensure that all timber is transported to and exported out of Yangon's ports. Furthermore, the extracted volume does not account for the timber extracted when clearing land prior to development of land concessions (i.e. agricultural plantations, hydropower, mines and road projects).

¹ Current Situation of MTE and the Future Plans & Documentation for Myanmar Timber Export, August 2017.

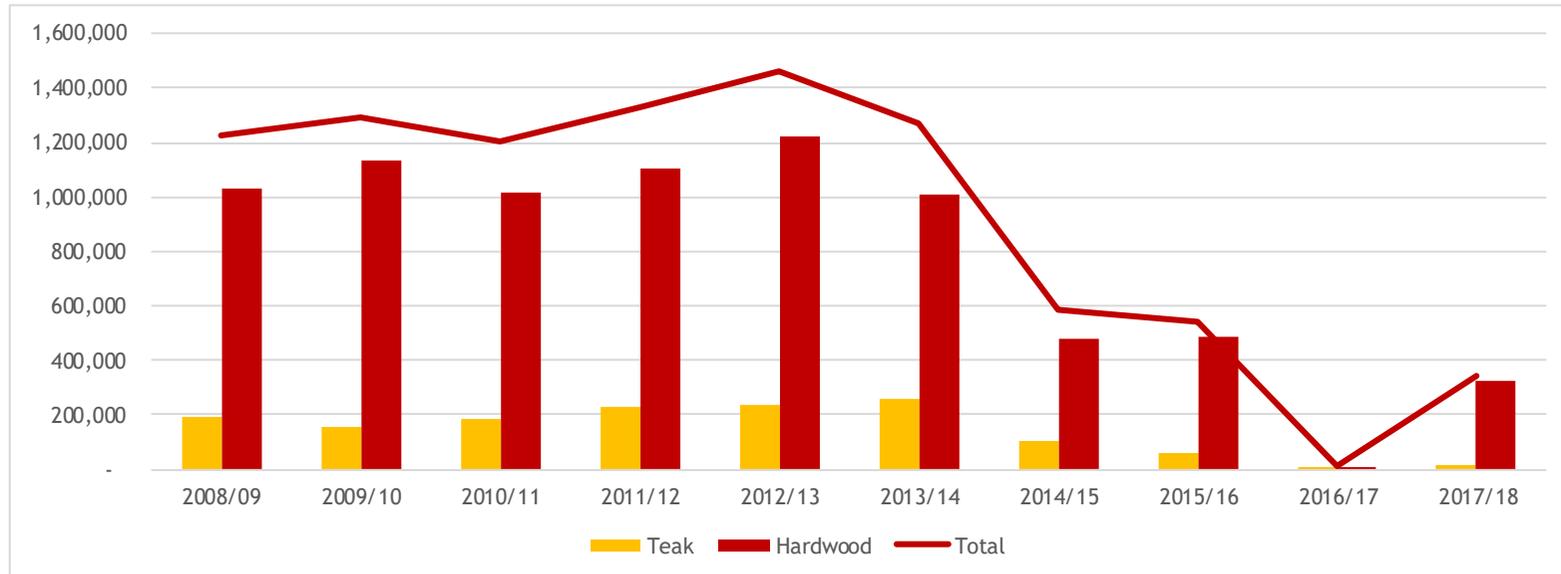
² Myanmar Agricultural Statistics, CSO. 2017.

Table 12: Teak and Hardwood Logs extraction in Myanmar (2008 to 2018)

Product	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	Hoppus ton
											CAGR (%) 2013/14 to 2017/18
Teak	194,481	158,110	182,618	225,639	235,685	258,643	100,704	55,627	1,247	15,416	-50.59%
Hardwood	1,033,890	1,136,986	1,019,357	1,103,575	1,223,732	1,008,784	481,863	487,921	9,587	325,012	-24.66%
Total	1,228,371	1,295,096	1,201,975	1,329,214	1,459,417	1,267,428	582,567	543,547	10,834	340,428	-28.01%

Source: MTE.

Figure 12: Teak and Hardwood Logs Extraction in Myanmar (2008 to 2018) in Hoppus ton



Source: MTE.

The most valuable and commonly harvested species has traditionally been teak, but the country is also a source of several other high-valued tropical hardwood species, such as rosewoods. While the teak resources have depleted, the role of other hardwoods has increased. Timber remains a significant source of revenue for the government, although relatively less as the oil, gas, hydropower and other energy related business surge.

Until 2014, most of the logged timber has been exported as roundwood logs, with the largest export destinations being India, China, and Thailand. It is highly likely that Myanmar wood is being re-exported from these countries, although it is difficult to track this information systematically. The 2014 log export ban was announced to stop roundwood exports and support of the domestic wood processing industries to capture more value before export. However, the wood processing industry in Myanmar is still relatively undeveloped and consists mostly of small-scale sawmills and a small number of plywood and other wood processing factories. In general, the capacity to process timber further to produce higher value products is limited, and most of the extracted timber is now exported mostly in rough sawn and semi-finished format. Very little information can be found about the domestic supply and demand for wood products.¹

For further information about MTE sawmills, please visit: <http://www.mte.com.mm/index.php/en/sawmills-factories/sawmills>.

In addition to timber, the forests in Myanmar provide other goods and services, especially for rural communities. The main commercial NTFP extracted include charcoal, rattan and bamboo poles. Furthermore, more than 70% of the Myanmar population resides in rural areas and depend heavily on forests for basic needs. Moreover, harvesting and utilisation of NTFP and hunting support rural people for their sustenance and additional income.²

We understand that it is illegal to produce charcoal in Myanmar for commercial use, so figures of cross-border trade are sketchy at best. A 2017-2018 Mongabay investigation found that approximately US\$ 10 million worth of charcoal was being smuggled from Katha (northern Myanmar) into China.³

Details of production of Minor Forest Products between 2008/09 and 2017/18 can be found in Annex 1 to this report.

3.1.4. Myanmar timber chain of custody process

MONREC published its timber Chain of Custody (CoC) including the process, documents and the actors in 2018.⁴ The document describes all checks from the declaration of the AAC to the export point including all the relevant documents. It aims to:

- assist operators who trade in timber products to demonstrate that the timber has been legally sourced, and the products have been legally produced; and
- provide operators with documents required to prove traceability of timber purchased from Myanmar.

¹ EU FLEGT Facility, Baseline Study 4, Myanmar: Overview of Forest Law Enforcement, Governance and Trade, August 2011.

² Source: Forest landscape restoration for Asia-Pacific forests, Bangkok, 2016.

³ <https://news.mongabay.com/2017/10/burning-down-the-house-myanmars-destructive-charcoal-trade/>

⁴ <https://www.forestdepartment.gov.mm/books/other/myanmar-timber-chain-custody-process-documents-and-actors>

Table 13 below sets out the 30 steps of the CoC.

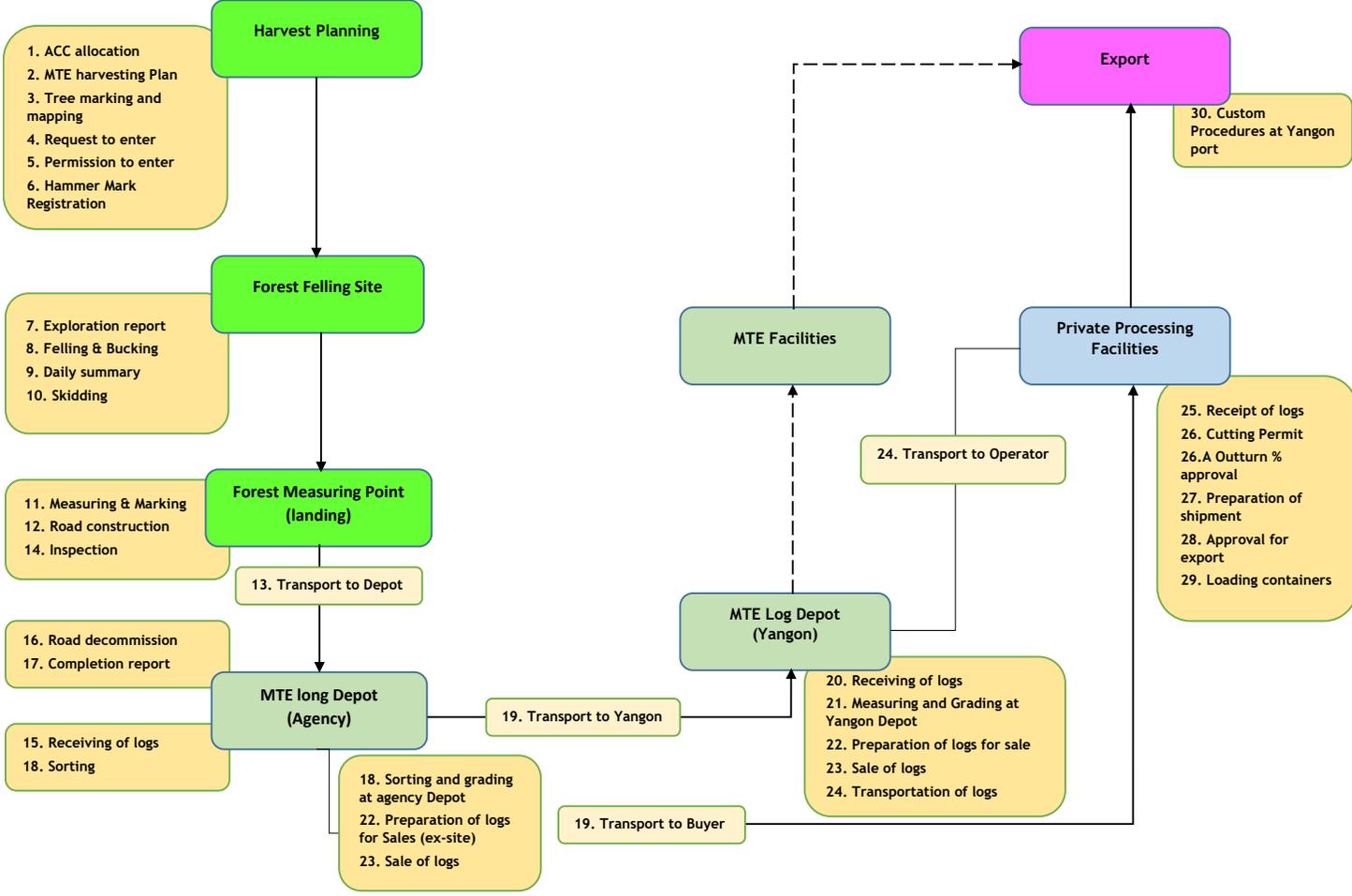
Table 13: Summary of Steps, related documents and responsible actors

Step	Activity	Documents	Actors
Step 1	Annual Allowable Cut Allocation	* Notification of AAC * Tree marking plan for states and regions	FD
Step 2	MTE Annual Harvesting Plan	* AHP	MTE
Step 3	Tree Marking	* Standing tree notebook or tree marking notebook (form S-32) * Tree marking map	FD
Step 4	Request to enter the forest and to conduct harvesting operations	*Letter from MTE to FD requesting permit to enter the forest and conduct harvesting operations	FD
Step 5	Permit to enter the forest and to conduct harvesting operations	*Permit to enter the forest and conduct harvesting operations from FD to MTE	FD
Step 6	Hammer Mark Registration	* Hammer Mark Registration	MTE EXT
Step 7	Exploration Report	* Form AC or Exploration Report	MTE EXT
Step 8	Tree Felling and Bucking	* Form AG or Felling Order * Instructions for felling * Form B	MTE EXT
Step 9	Daily summary and compilation of form C	* Form C * Form F	MTE EXT
Step 10	Skidding logs to the Measuring Point	* N/A	MTE EXT
Step 11	Measuring and Marking of logs by FD and MTE	* Form D * Form S- 18	FD/MTE
Step 12	Forest road construction	* Progress report on road construction	MTE EXT
Step 13	Transportation of Logs from Measuring Point to Agency Depot	* Trucking note	MTE EXT
Step 14	FD inspection during and after felling	* Form 1 * Form 2 * Form 3	FD
Step 15	Receiving Logs at-MTE Agency Depot	* Register log list * Depot entry ledger book	MTE EXT
Step 16	Forest road construction and delivery of compartment to FD	* Road decommission report * Road decommission map * Road decommission pictures	MTE EXT
Step 17	Preparation of Completion Report	* Form AJ or Completion Report	MTE EXT
Step 18	Logs Sorting		MTE EXT
Step 19	Log transportation from MTE Agency Depot to another MTE Extraction Agency Depot or to MTE Export Depot in Yangon	* See below step 19 A.1, 19 A2 and 19 A.3	MTE EXT
Step 19A.1	Transportation of logs by truck	* Trucking note	MTE EXT
Step 19 A.2	Transportation of logs by barge/raft/train	* Form AT * Form AU	MTE EXT
Step 19A.3	Transportation of logs by barge/raft/train	* Form AS	MTE EXT
Step 20	Receipt of logs at Yangon Depot	* Form T1 or statement of daily teak log receipt * Form T2 or daily teak log receipt	MTE EXT
Step 21	Log Measuring and Grading	* Form T4 or daily log measurement and grading registry	MTE EXT
Step 22	Preparation of logs for sale	* Specifications old form * Specifications current form * Specifications new form	MTE EXT
Step 23	Sale of logs	* Sale contract * Commercial invoice * Delivery order * Advance information for parcel transfer * Reference parcel transfer * Purchase confirmation letter	MTE EXT

Step	Activity	Documents	Actors
Step 24	Transportation of logs after sale	* MTE material transfer note * Removal Pass	Buyer
Step 25	Receipt of logs at private log yard	* Buyer's acceptance letter	Buyer/FD
Step 26	Permission to process Timber	* Permit to cut	FD
Step 26 A	Out-turn Percentage Approval	* Out-turn permit	FD
Step 27	Preparation of timber Products for shipment	* Packing list * Certificate of liguity of Timber Products	Buyer/TCFPE
Step 28	Aproval for export of timber products	* Export Licence * Export Declaration	Buyer/Department of Commerce and Consumer Affairs Custom Department
Step 29	Loading Containers	* Report with Photos	Buyer/TCFPE
Step 30	Timber products at Yangon Port-Customs Procedures		TCFPE Custom Department

Figure 13 below presents the flow chart for private export of timber products¹

Figure 13: Flow chart for private export of timber products



¹ <https://www.forestdepartment.gov.mm/books/other/myanmar-timber-chain-custody-process-documents-and-actors>

3.1.5. Contribution in the Economy

a. Gross Domestic Product (GDP)

The forestry sector accounted for approximately 0.1% to the country's GDP during FY 2017/18. Table 14 shows the breakdown of Myanmar's GDP by sector:

Table 14: Breakdown of Myanmar's GDP by sector (FYs 2016/17 and 2017/18)

Sectors	FY 2016/17 in MMK million	%	FY 2017/18 in MMK million	%
Agriculture	20,313,708	25.5%	21,106,493	23.3%
Agriculture	13,748,224	17.2%	13,964,771	15.4%
Livestock and Fishery	6,506,757	8.2%	7,058,572	7.8%
Forestry	58,727	0.1%	83,150 ¹	0.1%
Industry	27,940,921	35.0%	32,828,745	36.3%
Processing and Manufacturing	2,669,961	3.3%	3,422,785	3.8%
Construction	835,280	1.0%	902,025	1.0%
Energy	18,189,397	22.8%	21,575,921	23.9%
Electric Power	1,112,366	1.4%	1,207,150	1.3%
Mining	5,133,917	6.4%	5,720,864	6.3%
Services	31,505,468	39.5%	36,515,710	40.4%
Trade	8,944,506	11.2%	10,003,830	11.1%
Transportation	1,638,900	2.1%	1,785,085	2.0%
Social and Administrative Services	239,804	0.3%	297,897	0.3%
Rental and Other Services	2,806,429	3.5%	2,920,447	3.2%
Communications	2,159,037	2.7%	2,718,801	3.0%
Financial Institutions	15,716,793	19.7%	18,789,651	20.8%
Gross Domestic Product	79,760,097	100.0%	90,450,949	100.0%

Source: Central Statistical Organization, 2018 Myanmar Statistical Yearbook, Table 8.01.

b. Revenues

The forestry sector accounted for approximately 5% to the country's revenues during FY 2017/18. Table 15 shows the breakdown of Myanmar's revenues by source.

Table 15: Breakdown of Myanmar's revenues by source (FY 2017/18)

Designation	MMK billion	%
Taxes	6,481.01	68.74%
Receipts from All SOEs	511.61	5.43%
Other current receipts	481.98	5.11%
Interest receipts	71.64	0.76%
Grant receipts	9.50	0.10%
Capital receipts	33.13	0.35%
Receipts from Foreign Aids	583.35	6.19%
Loans	1,253.60	13.30%
Receipts from investment in Organisations	3.05	0.03%
Total State Receipts	9,428.89	100%
Total State Receipts from the forestry sector	436.65	4.63%

Source: Union Budget Law 2017.

¹ This very low compared to the EITI data amounting to MMK 436.65 billion (or 0.5% of total GDP).

c. Exports

FD data

Timber exports amounted to US\$ 279 million and US\$ 174 million during respectively during FY 2016/17 and FY 2017/18 representing 2.36% and 1.17% of total Myanmar export during the same periods. These figures were approved by the FD.

Figure 14: Timber Exports (FYs 2016/17 and 2017/18) (FD data)

N°	Category	Unit	FY 2016/17		FY 2017/18	
			Volume	Value in US\$	Volume	Value in US\$
A	Teak		35,668	113,943,936	28,470	81,214,631
1	Rough Sawn	CBT	25,976	83,379,025	10,799	33,054,272
2	Flitches for Veneer	CBT	2,457	9,431,307	3,422	10,947,276
3	Finished Products	CBT	3,185	10,010,945	3,061	9,593,091
4	Plywood	CBT	15	105,101	0	0
5	Veneer	CBT	532	2,332,008	755	3,817,894
6	Scantling	CBT	3,331	8,193,989	10,231	23,105,498
7	S4S	CBT	162	453,660	182	606,940
8	Layer	CBT	10	37,900	20	89,659
B	Hardwood		22,799	40,783,616	13,605	20,437,488
1	Rough Sawn	CBT	22,306	39,385,591	13,505	20,260,240
2	Flitches for Veneer	CBT	327	1,137,241	17	59,235
3	Finished Products	CBT	153	243,553	62	89,536
4	Scantling	CBT	-	-	22	28,476
5	S4S	CBT	12	17,230	-	-
C	Other		167,451	122,248,191	98,833	68,797,817
1	Rough Sawn	CBT	5,447	4,349,654	3,377	3,580,959
2	Flitches for Veneer	CBT	3	3,931	92	90,766
3	Finished Products	CBT	225	290,516	222	233,894
4	Plywood	CBT	6,875	5,156,321	8,635	6,653,458
5	Veneer	CBT	154,826	112,366,478	86,135	57,869,872
6	Scantling	CBT	69	67,249	-	-
7	S4S	CBT	7	14,043	373	368,868
D	MFP			1,855,281		3,883,669
I	Bamboo			495,131		397,865
	Bamboo Splits	(Nos)	7,566,400	234,375	6,198,000	223,922
	Bamboo Stick	(Kg)	72,625	30,506	87,761	58,209
	Mat	(Sheet)	30,000	63,250	60,004	72,709
	Pole	(Pole)	1,183,500	167,000	142,560	43,025
II	Bark Powder	(M/T)	20	4,851	24	5,887
III	Bird Nest	(Viss)			4,326	1,613,775
IV	Cutch			223,905		269,718
	Block	(M/T)	81	93,292		
	Cutch Block/ Liquid	(M/T)	183	118,187	441	269,718
	Liquid	(M/T)	75	12,426		
V	Dried Nipa Palm	(Kg)			5,003	20,292
VI	Natural Lacquer	(M/T)	936	14,034		
VII	Rattan			1,117,360		1,576,132
	Finish Products	(Pcs)	449,915	1,019,346	514,635	1,495,732
	Pole	(Pole)	88,540	46,874	54,250	51,600
	Rattan Cores	(Nos)	133,500	34,660	308,000	0
	Rattan Peel	(Nos)	885,000	16,480	295,000	28,800
Total Exports (A+B+C+D)				278,831,023		174,333,604

Source: FD

The breakdown of exports by company and destination is presented in Annex 2 to this Report.

CSO data

Timber exports amounted to **US\$ 118 million** and **US\$ 88 million** during FYs 2016/17 and FY 2017/18 respectively, representing less than 1% of total Myanmar export during the same periods:

Table 16: Timber Exports (FYs 2016/17 and 2017/18)

Designation	(in US\$ million)	
	FY 2016/17	FY 2017/18
Total exports	11,952	14,851
Timber exports	118	88
%	0.99%	0.59%

Source: Myanmar Statistical Book, 2018, Table 14.04¹

❖ Details by product

The following table sets out the breakdown of exports by product during FYs 2016/17 and FY 2017/18.

Table 17: Breakdown of exports by product (FYs 2016/17 and 2017/18)

Product	FY 2016/17		FY 2017/18	
	Quantity in CBT ('000)	Value in US\$ million	Quantity in CBT ('000)	Value in US\$ million
Teak	36	81	35	63
Hardwood	31	37	25	25
Total	67	118	60	88

Source: Myanmar Statistical Book, 2018, Table 14.04

❖ Details by destination

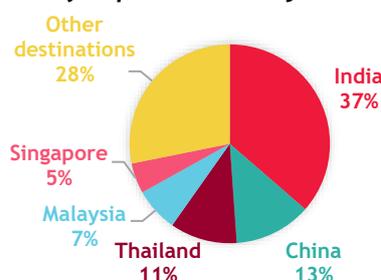
Almost half of timber volume were exported to India during FYs 2017/18. The top 5 countries contributed to 72% of total timber export value during the FY 2017/18. Table 18 and Figure 15 below present the breakdown of exports by destination.

Table 18: Breakdown of exports volume and value by destination (FYs 2016/17 and 2017/18)

N°	Destination	FY 2016/17				FY 2017/18			
		Volume in CBT	%	Value in US\$ million	%	Volume in CBT	%	Value in US\$ million	%
1	India	26	39%	35	30%	27	45%	32	37%
2	China	6	9%	16	14%	6	10%	11	13%
3	Thailand	12	18%	19	16%	7	12%	10	11%
4	Malaysia	5	7%	10	9%	5	8%	6	7%
5	Singapore	4	6%	8	7%	2	3%	4	5%
	Top 5	53	79%	89	75%	47	78%	63	72%
	Other destinations	14	21%	29	25%	13	22%	24	28%
	Total	67	100%	118	100%	60	100%	88	100%

Source: Myanmar Statistical Book, 2018, Table 14.06

Figure 15: Breakdown of exports value by destination (FY 2017/18)



¹ http://www.mmsis.gov.mm/sub_menu/statistics/fileDb.jsp

Comparison between FD and CSO data

The tables below show some discrepancies on exports data between the FD and CSO hence the need to set up new procedures between those Government Agencies to ensure the data accuracy.

FY 2016/17

N°	Category	FD		CSO		Difference	
		Volume in CBT ('000)	Value in US\$ million	Volume in CBT ('000)	Value in US\$ million	Volume in CBT ('000)	Value in US\$ million
1	Teak	36	114	36	81	0	33
2	Hardwood	23	41	31	37	-8	4
3	Other	167	122	nc	nc	-	-
4	MFP		2	nc	nc	-	-
Total			279	67	118	-9	37

FY 2017/18

N°	Category	FD		CSO		Difference	
		Volume in CBT ('000)	Value in US\$ million	Volume in CBT ('000)	Value in US\$ million	Volume in CBT ('000)	Value in US\$ million
1	Teak	28	81	35	63	-7	18
2	Hardwood	14	20	25	25	-11	-5
3	Other	99	69	nc	nc	-	-
4	MFP		4	nc	nc	-	-
Total			174	60	88	-18	14

3.1.6. Employment

The following table sets out key figures of labour force statistics in 2017, the latest available information.

Table 19: Employment data in Myanmar (2017)

Designation	in million		
	Male	Female	Total
Working age population (15 years and above)	(a) 16.62	19.77	36
Labour force	(b) 12.79	9.46	22
Labour force participation rate	(b) / (a) 76.96%	47.85%	61.14%
Employment	12.66	9.36	22
Unemployment	(d) 0.13	0.1	0
Unemployment rate	(d) / (b) 1.02%	1.06%	1.03%
Monthly average wage (in MMK '000)	224.6	165.8	390.4

Source: Myanmar Labour Force, Child Labour and School-to-Work Transition Survey-2017.

The forestry sector's contribution to employment represents 0.2% of the total Country's 2017 labour force. It comprises staff working at FD, MTE and companies and detailed in the table below:

Table 20: Employment in the forestry sector (FY 2017/18)

FY 2017/18	Domestic employees	Foreign employees	Total
FD	8,825	0	8,825
MTE	18,634	0	18,634
Selected companies	4,342	46	4,388
Total	31,801	46	31,847

Source: EITI Data.

Employment data are detailed by company and gender in Annex 3 to this Report.

3.1.7. Timber harvesting

a. Hardwood and Teak

Table 21 below indicates that **Sagaing** region contributed for 44% to the total hardwood harvested during the FY 2017/18.

Table 21: Volumes of teak harvested by region/state (FY 2017/18)

No.	State / Region	Volumne in Hoppus Ton	%
1	Sagaing	6,796	44%
2	Shan	3,843	25%
3	Kachin	2,051	13%
4	Magway	2,001	13%
5	Chin	725	5%
	Total	15,416	100%

Source: MTE.

Table 22 below indicates that **Sagaing** region contributed for 64% to the total hardwood harvested during the FY 2017/18.

Table 22: Volumes of hardwood harvested by region/state (FY 2017/18)

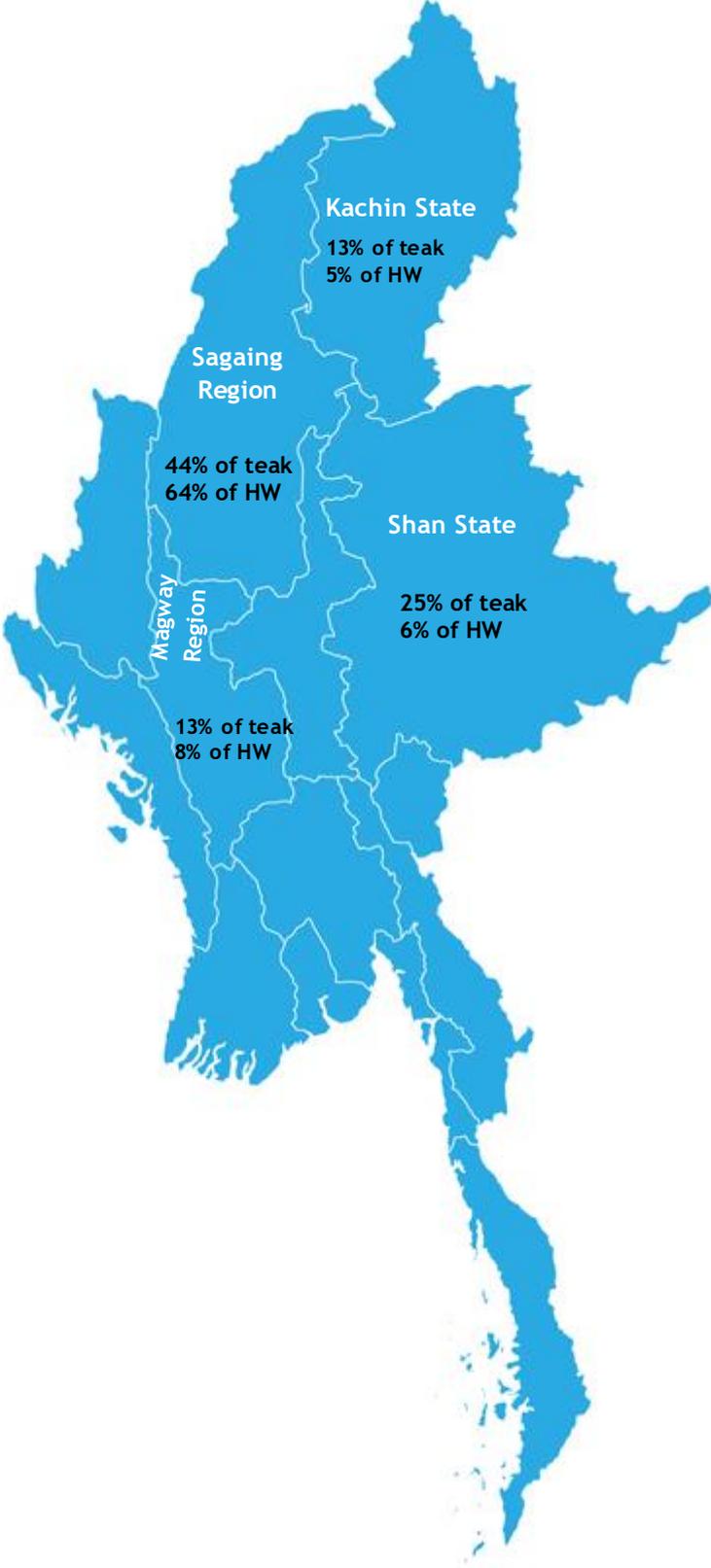
No.	State / Region	Volumne in Hoppus Ton	%
1	Sagaing	208,439	64%
2	Magway	25,525	8%
3	Shan	18,492	6%
4	Kachin	17,608	5%
5	Ayayarwaddy	12,660	4%
6	Rakhine	9,314	3%
7	Mandalay	8,983	3%
8	Naypyitaw	6,780	2%
9	Chin	6,615	2%
10	Tanintharyi	6,096	2%
11	Bago	4,500	1%
	Total	325,012	100%

Source: MTE.

The Production data provided by MTE is detailed by product, extraction agency, region and state in Annex 4 to the Report.

Figure 16 below shows the main geographical distribution of production of hardwood (HW) and teak during FY 2017/18 across the territory of Myanmar.

Figure 16: Main geographical distribution of production of hardwood and teak (FY 2017/18)



b. Comparison of the actual production with Annual Allowable Cut

Table 23 below shows that the actual logging made during FY 2017/18 for both teak and hardwood was lower than the AAC.

Table 23: Comparison of the actual production with the AAC

Product	Number of trees		
	AAC (1)	Logging (2)	Performance (2) / (1)
Hardwood	592,330	148,181	25.02%
Teak	19,210	9,454	49.42%

Source: FD and MTE

Actual logging was lower than the AAC. Logging was banned in the whole country during the FY 2016/17 when the NLD Government came to power and due to the reduction of the production targets during the FY 2014/15 to 15,000 and 350,000 tons for teak and hardwood respectively, logging targets were much lower than the AAC.

c. Stock at the beginning and end of each period

Table 24 below presents the stocks of teak at the beginning and end of FYs 2016/17 and 2017/18 disaggregated by State/Regions.

Table 24: Stock of teak at the beginning and end of FYs 2016/17 to 2017/18

No	Region and State	Stock Balance as at 31 March 2016	Production FY 2016/17	Stock Balance as at 31 March 2017	Production FY 2017/18	Stock Balance as at 31 March 2018
1	Kachin State	1,160			2,051	
2	Kayah State	2,929	731	170		
3	Kayin State					
4	Chin State	4,027		542	725	709
5	Sagaing Region	35,735	517	9,931	6,796	9,270
6	Tanintharyi Region					
7	Bago Region	2,074		452		167
8	Magway Region	3,330		154	2,001	1,230
9	Mandalay Region	5,227		7,256		4,763
10	Mon State					
11	Rakhine State					
12	Shan State	45,792		39,444	3,843	41,641
13	Ayeyarwady Region					
14	Nay Pyi Taw	317		161		
	Total	100,591	1,247	58,109	15,416	57,780

Source: MTE.

Table 25 below presents the stocks of hardwood at the beginning and end of FYs 2016/17 and 2017/18 disaggregated by States/Regions.

Table 25: Stock of hardwood at the beginning and end of FYs 2016/17 to 2017/18

No.	Region and State					<i>Hoppus tons</i>
		Stock Balance as at 31 March 2016	Production FY 2016/17	Stock Balance as at 31 March 2017	Production FY 2017/18	Stock Balance as at 31 March 2018
1	Kachin State	13,276		810	17,608	0
2	Kayah State	4,768	489	547		55
3	Kayin State	1,623		26		0
4	Chin State	7,241		3,837	6,615	182
5	Sagaing Region	474,936	750	127,869	208,439	7,673
6	Tanintharyi Region	26,773	7,879	7,828	6,096	1,080
7	Bago Region	18,819		1,400	4,500	0
8	Magway Region	31,751	300	18,789	25,525	454
9	Mandalay Region	30,258	169	58,019	8,983	3,086
10	Mon State	1,093		0		0
11	Rakhine State	8,346		699	9,314	0
12	Shan State	52,149		13,733	18,492	9,915
13	Ayeyarwady Region	20,231		2,735	12,660	0
14	Naypyidaw	4,757		525	6,780	0
	Total	696,020	9,587	236,817	325,012	22,446

Source: MTE.

Figures listed in both tables 24 and 25 related to the volumes managed by the extraction Department under MTE. The overall stock balance of teak and hardwood is presented by department in Annex 5 to this Report.

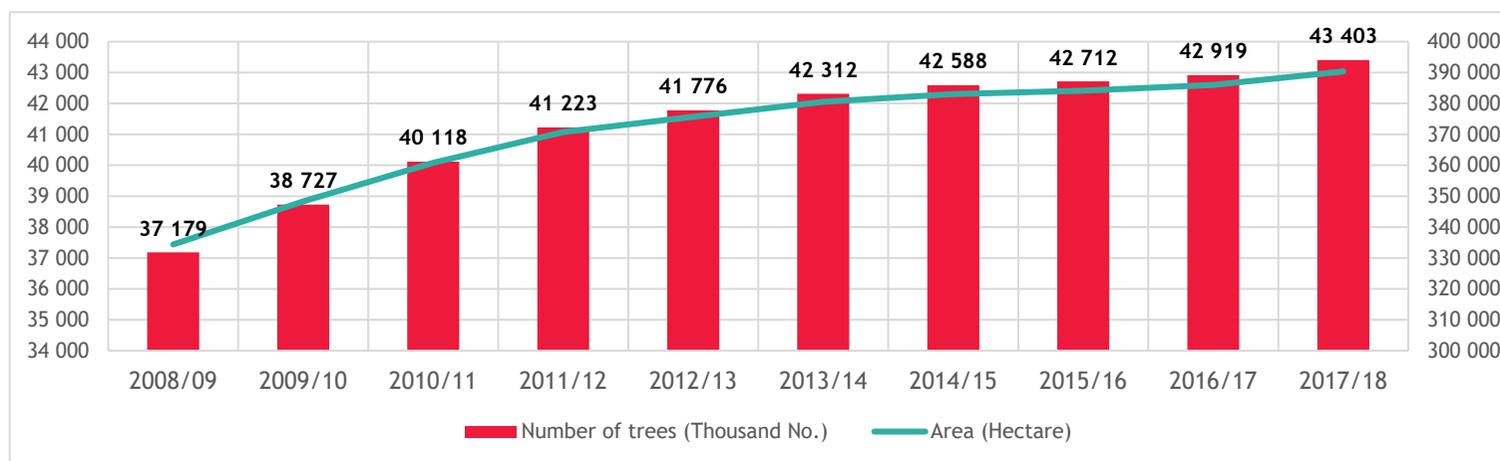
Plantation of teak trees¹

Table 26 and Figure 17 below show the evolution of plantation of teak trees between 2008/09 and 2017/18.

Table 26: Evolution of plantation of teak trees between 2008/09 and 2017/18

N°	Description	Unit	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (p.a)
1	At the beginning of the year											
	Number of trees	Thousand No.	35,710	37,179	38,728	40,118	41,222	41,776	42,311	42,588	42,712	42,919
	Area	Hectare	321,156	334,370	348,291	360,790	370,726	375,704	380,520	383,008	384,121	385,983
2	Planted during the year											
	Number of trees	Thousand No.	1,469	1,548	1,390	1,105	554	536	277	124	207	484
	Area	Hectare	13,213	13,922	12,499	9,935	4,978	4,816	2,489	1,113	1,862	4,359
3	At the end of the year											
	Number of trees	Thousand No.	37,179	38,727	40,118	41,223	41,776	42,312	42,588	42,712	42,919	43,403
	Area	Hectare	334,370	348,291	360,790	370,726	375,704	380,520	383,008	384,121	385,983	390,342

Figure 17: Evolution of plantation of teak trees between 2008/09 and 2017/18



¹ Myanmar Agricultural Statistics (2008/09 - 2017/18), pp 148-149.

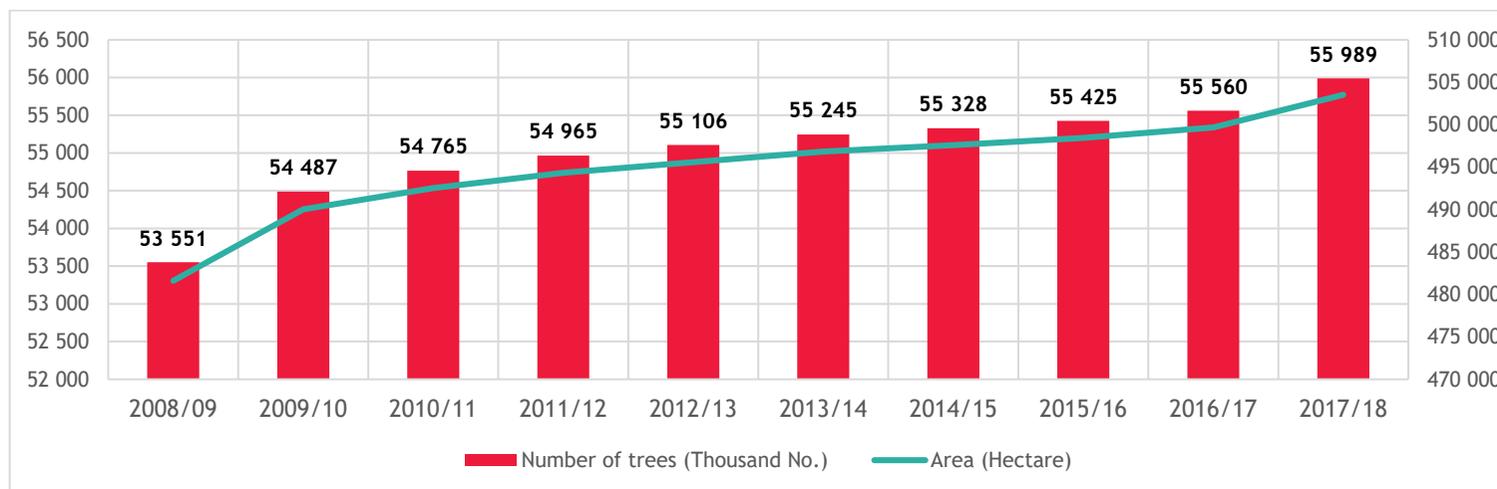
Plantation of hardwood trees¹

Table 27 and Figure 18 below show the evolution of plantation of hardwood teak trees between 2008/09 and 2017/18

Table 27: Evolution of plantation of hardwood trees between 2008/09 and 2017/18

N°	Description	Unit	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (p.a)
1	At the beginning of the year											
	Number of trees	Thousand No.	52,320	53,551	54,487	54,765	54,966	55,105	55,245	55,328	55,425	55,560
	Area	Hectare	470,532	481,605	490,023	492,524	494,325	495,579	496,834	497,583	498,453	499,667
2	Planted during the year											
	Number of trees	Thousand No.	1,231	936	278	200	140	140	83	97	135	429
	Area	Hectare	11,073	8,418	2,501	1,801	1,255	1,255	749	870	1,214	3,857
3	At the end of the year											
	Number of trees	Thousand No.	53,551	54,487	54,765	54,965	55,106	55,245	55,328	55,425	55,560	55,989
	Area	Hectare	481,605	490,023	492,524	494,325	495,579	496,834	497,583	498,453	499,667	503,524

Figure 18: Evolution of plantation of hardwood trees between 2008/09 and 2017/18



¹ Myanmar Agricultural Statistics (2008/09 - 2017/18), pp 154-155.

Standing Orders for Extraction Staff

MTE extraction department is responsible for timber harvesting for the supply of logs both for local and export markets. In order to run the process of extraction activities smoothly, MTE's Head Office is established in Yangon There are also 27 agencies throughout the country: 25 extraction agencies and two rafting agencies. Several sections are sub-divided with regards to human resources, elephant, mechanical strength, management, budget, planning, and work.

All staff should abide by the rules, regulations, orders and instructions by his own department, in addition to Forests Laws and Rules. SOS can be prescribed for the staff to facilitate office matters as well as the harvesting operations.

SOS includes twelve chapters listed as follows:¹

No.	Chapter
1	General introduction
2	Disciplines and Procedures
3	Diaries
4	Preparation for Timber Extraction
5	Felling of Teak and Logging
6	Measurement of logs
7	Facilitating smooth flow of dry teak logs in the streams and counting logs stranded along floating streams
8	Extraction of Logs
9	Log deport and Log landings
10	Transportation of logs by railway and depots
11	General Instructions for Extraction
12	Instructions for Hardwood Extraction

SOS is publicly available on: <https://www.dropbox.com/s/82b5uwe8n9gd9rg/SOS.pdf>.

MTE has exclusive rights to harvest timber in Myanmar. This was made through its own facilities and its sub-contractors until 1 April 2016. GOUM has banned timber harvesting during the FY 2016/17. Harvesting resumed from 1 April 2017 with MTE's facilities only.

¹ Unofficial brief translation from Myanmar Language to English made by the NCS.

3.1.8. Timber Sales

Before 1 April 2016, two options were applied for timber sales:

- direct sales upon approval of the Ministerial Executive Committee; and
- contractor sales: MTE allowed its private sub-contractors to buy a portion of the timber extracted (Timber sharing system).

Starting from the FY 2016/17, open tender had become the only way to sell timber.

Table 28 and Figures 19-20 below set out the breakdown of MTE’s timber sales detailed by product and market (currency).

Table 28: Breakdown of Timber sales

Type	Unit	Sales in USD (For Export)				Sales in MMK (For Local)					Total		
		Volume		US\$ million		Volume		MMK million		US\$ million	Volume	US\$ million	%
		1	1/5	2	2/6	3	3/5	4	4/6	5=1+3	6=2+4	6=2+4	
Hardwood Log	Hoppus Tons	130,474	45%	67.28	59%	157,866	55%	63,875.26	47.11	41%	288,340	114.4	51%
Teak Log	Hoppus Tons	37,079	71%	52.52	84%	14,837	29%	13,561.74	10.00	16%	51,916	62.52	28%
Hardwood conversion	Cubic tons	93	0%	0.03	0%	28,085	100%	29,204.33	21.54	100%	28,178	21.57	10%
Teak conversion	Cubic tons	7,046	66%	9.54	67%	3,565	34%	6,507.06	4.80	33%	10,611	14.34	6%
Woodbase and others				8.31	82%			2,409.06	1.78	18%		10.09	5%
Total Sales				137.69	62%			115,557	85.23	38%		222.92	100%

Source: MTE.

Figure 19: Breakdown of timber sales by product

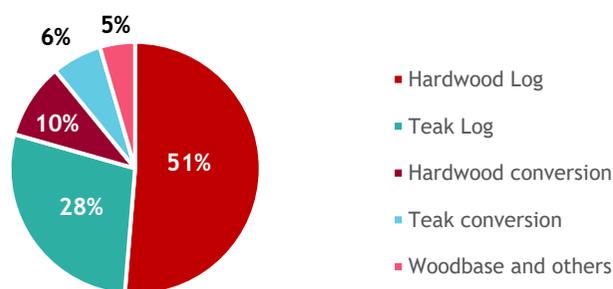
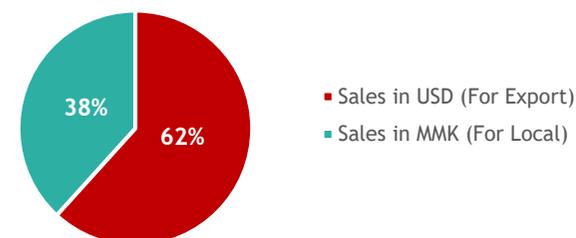


Figure 20: Breakdown of timber sales by Currency



Timber is bought by private companies from MTE through open tenders. Tables 29 and 30 below highlight Top 5 buying companies in US\$ and MMK respectively.

Table 29: Top 5 - Sales in US\$ (For Export) Figures in US\$ million

Teak Log				Hardwood Log				Teak conversion				Hardwood conversion			
N°	Buying company	Total sales	%	N°	Buying company	Total sales	%	N°	Buying company	Total sales	%	N°	Buying company	Total sales	%
1	M R T	6.68	13%	1	MYAT NOE THU	4.38	7%	1	TIMBER LUX SDN BHD	0.85	9%	1	THEIN THAN HTUN	0.01	45%
2	TIN MYINT YEE	6.25	12%	2	GLOBAL WOODCRAFT	4.30	6%	2	WORLD BEST	0.78	8%	2	EVER FORWARD MYANMAR	0.01	41%
3	FPJVC	5.20	10%	3	GREEN PLY	4.05	6%	3	RANGOON INV;	0.67	7%	3	FUTURE WIN	-	15%
4	KAYAH HTAR NI	3.50	7%	4	MAK(MYANMAR)	3.37	5%	4	NORTH WOOD	0.63	7%				
5	SK WOOD	2.95	6%	5	WIN & WIN	3.29	5%	5	SCK WOODEN	0.55	6%				
Total top 5		24.58	47%	Total top 5		19.40	29%	Total top 5		3.48	36%	Total top 3		0.03	100%
Total others		27.93	53%	Total others		47.89	71%	Total others		6.06	64%	Total others		-	0%
Total		52.52	100%	Total		67.28	100%	Total		9.54	100%	Total		0.03	100%

Source: MTE.

Table 30: Top 5 - Sales in MMK (For Local) Figures in US\$ million

Teak Log				Hardwood Log				Teak conversion				Hardwood conversion			
N°	Buying company	Total sales	%	N°	Buying company	Total sales	%	N°	Buying company	Total sales	%	N°	Buying company	Total sales	%
1	National Wood Industry	0.97	10%	1	Future Win Trading	2.78	6%	1	Sai Kham Naw	0.34	7%	1	Central Luck	0.49	2%
2	Zabu Hlwan	0.50	5%	2	Win & Win	2.78	6%	2	Future Win Trading	0.19	4%	2	Sheng Xing Da	0.42	2%
3	San May Trading	0.34	3%	3	Myat Noe Thu	2.18	5%	3	KKN Enterprise Co; Ltd	0.16	3%	3	Nyi Paung Export Import	0.41	2%
4	Jewellery Teak Timber	0.26	3%	4	Kan Kaung Chin Yadana	1.26	3%	4	FPJVC	0.14	3%	4	Mahar Yadanar Man Aung	0.40	2%
5	Mahar Yadanar Man Aung	0.25	2%	5	Saw Trading	1.12	2%	5	San May Trading Co., Ltd	0.13	3%	5	Triangle Power Trading	0.40	2%
Total top 5		2.31	23%	Total top 5		10.12	21%	Total top 5		0.96	20%	Total top 5		2.12	10%
Total others		7.69	77%	Total others		36.99	79%	Total others		3.83	80%	Total others		19.42	90%
Total		1-	100%	Total		47.11	100%	Total		4.80	100%	Total		21.54	100%

Annex 6 to this Report sets out the breakdown of timber sold during FY 2017/18 disaggregated by product type, buying company, volume and unit price.

Review of timber sales process

We attended the open tender session held on Monday 27 January 2020 in Yangon and reviewed a sample of twenty (20) sale transactions. We did not raise any material findings but suggested some improvements to the open tender process (please refer to Section 7 below).

Tables 31 and 32 below summarise the review of timber sales we performed.

Table 31: List of Sales in USD (For Export) reviewed

N°	FY	Name of Buying company	Product type	Volumes sold		Revenues received (P)			1. Open tender notice	2. Sale confirmation	3. Specification	4. Sale Contract	5. Delivery Order (DO)	6. Invoice
				Total	Unit	Unit Price	Amount	Currency						
1	2016/17	SK Wood Industries Ltd.	Teak Log	33.294	H. Tons	1,745	58,098	USD	15 Oct. 2016	1 Nov. 2016	9 Nov. 2016	23 Nov. 2016	26 Dec. 2016	26 Dec. 2016
2	2016/17	MYAT KYAW KYAW, CO Ltd	Teak Log	24.764	H. Tons	3,754	92,964	USD	15 Nov. 2016	2 Dec. 2016	5 Dec. 2016	23 Dec. 2016	2 Feb. 2017	2 Feb. 2017
3	2016/17	ROYAL RIVER TDG;	Teak Conversion	1.6713	Tons	568	949	USD	14 June 2016	1 July 2016	15 July 2016	12 July 2016	22 August 2016	22 August 2016
4	2016/17	KUDUSON Trade Services Pte, Ltd	Teak Conversion	3.6821	Tons	5,510	20,288	USD	5 April 2016	5 May 2016	20 May 2016	17 May 2016	21 July 2016	27 June 2016
5	2016/17	LOTUS WOOD Industries	Hardwood Log	1183.864	H. Tons	332	392,538	USD	04 April 2016	3 May 2016	11 May 2016	11 May 2016	31 May 2016	31 May 2016
6	2017/18	THARAPHU DÉCOR, Co Ltd	Teak Log	25.172	H. Tons	3,608	90,821	USD	11 June 2017	30 June 2017	12 June 2017	21 July 2017	18 August 2017	18 August 2017
7	2017/18	Win Enterprise, Co Ltd	Teak Log	28.834	H. Tons	2,511	72,402	USD	11 July 2017	7 August 2017	10 July 2017	10 August 2017	20 Sept. 2017	20 Sept. 2017
8	2017/18	MGP Trading Co. Ltd	Teak Conversion	2.2658	Tons	1,955	4,430	USD	8 Sept. 2017	9 Oct. 2017	20 Oct. 2017	17 Oct. 2017	10 Nov. 2017	10 Nov. 2017
9	2017/18	CHOON BOK WOOD Industries, Pte, Ltd	Teak Conversion	6.6441	Tons	1,509	10,028	USD	8 Sept. 2017	9 Oct. 2017	19 Oct. 2017	17 Oct. 2017	27 Nov. 2017	31 Oct. 2017
10	2017/18	SHWE WOOD Industry Co. Ltd	Hardwood Log	303.518	H. Tons	357	108,356	USD	10 March 2017	28 March 2017	6 April 2017	31 March 2017	1 June 2017	1 June 2017

Table 32: List of Sales in MMK (For Local) reviewed

N°	FY	Name of Buying company	Product type	Volumes sold		Revenues received (Price)			1. Open tender notice	2. Specification	3. Summary of winners	4. Payment	5. Delivery Order (DO)	6. Payment Order PO (to pay back the guarantee)
				Total	Unit	Unit Price	Amount	Curr						
1	2016/17	Boston. Co. Ltd	Teak Log	9.41	H. Ton	1,500,000	14,115,000	MMK	25-27 October 2016	25 October 2016	27 October 2016	22 November 2016	22 November 2016	8 December 2016
2	2016/17	Maha Nadi Co.,Ltd	Teak Conversion	7.5342	Ton	1,805,102	13,600,000	MMK	25-27 October 2016	25 October 2016	27 October 2016	15 November 2016	15 November 2016	17 November 2016
3	2016/17	Super Smile	Teak Conversion	7.7962	Ton	2,049,973	15,982,000	MMK	25-27 October 2016	25 October 2016	27 October 2016	15 November 2016	15 November 2016	17 November 2016
4	2016/17	Moe Ma Kha Naing Co.,Ltd	Teak Conversion	5.3064	Ton	2,020,014	10,719,000	MMK	25-27 October 2016	25 October 2016	27 October 2016	1 November 2016	1 November 2016	3 November 2016
5	2016/17	Win & Win Co.,Ltd	Teak Conversion	17.7358	Ton	4,005,007	71,032,000	MMK	25-27 October 2016	25 October 2016	27 October 2016	31 October 2016	31 October 2016	3 November 2016
6	2016/17	Shwe Chain Co.,Ltd	Hardwood Conversion	2.7484	Ton	3,555,159	9,771,000	MMK	25-27 October 2016	25 October 2016	27 October 2016	1 November 2016	3 November 2016	10 November 2016
7	2016/17	San Thit Lwin Co.,Ltd	Hardwood Conversion	13.9498	Ton	6,557,513	91,476,000	MMK	25-27 October 2016	25 October 2016	27 October 2016	17 November 2016	17 November 2016	8 December 2016
8	2017/18	Mother Trading Co.,Ltd	Hardwood Log	61.062	H. Ton	400,511	24,456,000	MMK	7-09 October 2017	Not dated	9 November 2017	11 December 2017	14 December 2017	24 January 2018
9	2017/18	Hight United Co., Ltd	Teak Log	18.636	H. Ton	863,114	16,085,000	MMK	18 November 2017	Not dated	7 December 2017	19 January 2018	24 January 2018	23 March 2018
10	2017/18	Jewellery Luck Co;Ltd	Hardwood Log	75.15	H. Ton	405,323	30,460,000	MMK	9-10 January 2018	Not dated	11 January 2018	2 February 2018	7 February 2018	26 February 2018

3.1.9. Transportation of Timber

Following a meeting held with MTE officials, we were informed that the transportation of timber was done by service providers (local entrepreneurs) who own freight boats, barges and the boat pulling rafts.

In return, MTE paid them transportation fees in cash after deduction of 2% withholding tax that will be subsequently transferred to the IRD.

Financial terms of the transportation cost are found in the contract.

3.1.10. Non-Timber Forest Products

a. Brief information on harvesting of forest product

Forest Produce means trees, leaves, flowers and fruits grown on or found in forest land or land at the disposal of the Government and their by-products. This expression also includes wild animals and insects, their parts and their by-products.¹

Minor Forest Produce means forest produce declared as a minor forest produce under this Law.²

The Director-General may, with the approval of the Minister, determine the following in respect of the permission for extraction of forest produce:³

- variety of minor forest produce;
- rate of royalty and other fees;
- extraction volume of each forest produce;
- penalty for any breach of the permit's conditions; and
- terms and conditions.

¹ Forest Law 1992, Article 2, Sub-article (e).

² Forest Law 1992, Article 2, Sub-article (f).

³ Forest Law 1992, Article 20.

b. Variety of minor forest product

Table 33 below shows the list of 58 items derived from minor forest products:

Table 33: List of minor forest products

N°	Name	N°	Name	N°	Name
1	Kanyin Resin (Resin of <i>Dipterocarp</i>)	21	Taunktarphu (Bud of <i>Kaempferia candida</i>)	41	Variety of Grass
2	Kalamet (<i>Black Sandalwood</i>)	22	Taung-htan (<i>Livistona speciose</i>)	42	Cutch (<i>Acacia catechu</i>)
3	Caraway (<i>Cinnamomum impressinervium</i>)	23	Htamathaing (<i>Thysanolaena agrostis</i>)	43	Bat's Guano
4	Kyu Phyar (Reed mat)	24	Turpentine (<i>Pinis insularis and Pinus Khasya</i>)	44	Shaw (Fibre)
5	Khaingpyint (Flower of <i>Minesithea striata</i> , Wild Grasses)	25	Da-yin-gauk root, Roots of Fern-leaf tree (<i>Filicium decipiens</i>)	45	Elephant foot yam or white yam or Konjac (dry/fresh)
6	Kyaukkyaw	26	Dani/Thetke (<i>Thatch</i>)	46	Bamboo Products
7	Lac	27	Danon (<i>Calamus arborescens</i>)	47	Bamboo Leave
8	Gamone U (<i>Rhizome</i>)	28	Turmeric root (<i>Curcuma longa</i>)	48	Thanaka (<i>Limonia acidissima</i>)
9	Ginger (<i>Zingiber officinale</i>)	29	Nathaphyu, Sandalwood (<i>Santalum album</i>)	49	Thabaw phyar (mat)
10	Pepper (<i>Piper longum</i>)	30	Nathani, Red Sandalwood (<i>Pterocarpus santalinus</i>)	50	Thin (<i>Schumannianthus dichotomus</i>)
11	Salu (<i>Licuala peltata</i> , <i>Thatching palm</i>)	31	Nat Myar	51	Thitsi, Lacquer (<i>Melanorrhoea usitata</i>)
12	Salu Bud (Bud of <i>Licuala peltata</i>)	32	Variety of Lien	52	Orchid
13	Se-gandama (<i>Tanacetum cinerariifolium</i>)	33	Bee Wax	53	Bark (for tanning)
14	Se-myinkywa (<i>Hydrocotyle rotundifolia</i>)	34	Natural Honey	54	Variety of Nut
15	Ta-zaung (<i>Euphorbia neriifolia</i>)	35	Peik-chin, Long Pepper (<i>Piper cubebe</i>)	55	Indwe/Pwenyet (Resin of <i>Dipterocarpus tuberculatus</i>)
16	Tabin-shwe-hti (<i>Jatropha podagrica</i>)	36	Elephant foot yam or white yam or Konjac	56	Leaf of <i>Dipterocarpus tuberculatus</i>
17	Te Juice (Juice of <i>Diospyros burmanica</i>)	37	Bomma-Yaza (<i>Rauvolfia serpentina</i>)	57	Globular Fungi under the <i>Dipterocarpus tuberculatus</i>
18	Taw-shauk-root (Roots of <i>Citrus medica</i>)	38	Marlar rymzone /bud, Aromatic herbs	58	Edible bird's nest and others.
19	Taung -kyar Leaf (Leaf of <i>Stephania discolor</i>)	39	Dry mushroom		
20	Taung-tangyi (<i>Premna integrifolia</i>)	40	Bamboo Shoot		

Source: FD data.

A brief description of the main products along with some pictures provided by the FD are included in a separate Annex to be published with this EITI Report.

Edible bird's nest

❖ Successful bidder

The successful bidder was U Kyaw Than Htay (Myanmar Economic Holding Company Limited, MEHPCL) in the following four areas:

- Kawthaung Township (Kawhnar/ Ka Saing Hla Tract)
- Palaw township (Mali island)
- Launglon Township (Moscos Island tract)
- Kyunsu Township (Yay Aye Island tract)

❖ Production

Edible bird's nest harvested by MEHPCL during the bird's nest harvesting season 2017/2018 (which runs from 1 December 2017 to 30 November 2018) totalled 1,441 viss (Eq. 2,353 kg) as detailed below:

District / Townships	Island / companion	1 st Time			2 nd Time			3 rd Time			4 th Time			Total		
		White	Black	Total	White	Black	Total	White	Black	Total	White	Black	Total	White	Black	Total
Palaw Township	Mali bird's nest island	73.80	-	73.80	112.68	-	112.68	74.60	150.84	225.44	-	30.20	30.20	261.08	181.04	442.12
Kawthaung District	Ka Saing Hal bird's nest island	13.94	-	13.94	12.24	-	12.24	10.00	744.86	754.86	-	217.81	217.81	36.18	962.67	998.85
	Total	87.74	-	87.74	124.92	-	124.92	84.60	895.70	980.30	-	248.01	248.01	297.26	1,143.71	1,440.97

in Viss

Source : FD.

❖ Income tax collected

Income tax collected amounted to **MMK 19.82 million** (Eq. US\$ 15 thousands).

c. Commercial harvesting of minor forest produce and issuing of license

A private person shall extract minor forest produce for commercial purpose. He/she may apply for a license for collecting of minor forest produce at the Township Forest Office. After receiving the application, the beat officer of that forest range shall observe the availability of the product, following which permission can be granted, he/she shall pay revenue for collection of forest products.

d. Revenue collecting system for minor forest produce

Prevailing price of minor forest produce is usually determined by the FD with the approval of District General Administration Department.

The revenue for minor forest produce is levied at 25% of the prevailing price.

3.1.11. Hardwood species

There are eighty-three species of hardwood in Myanmar divided into five groups as follows:

- Group 1 (6 species)
- Group 2 (26 species)
- Group 3 (23 species)
- Group 4 (17 species)
- Group 5 (11 species)

Details of these species are presented in Annex 7 to the Report.

3.1.12. Illegal logging¹

FLEGT defines illegal logging as the harvesting, processing, transporting, buying or selling of timber in contravention of national and international laws.²

Despite the efforts made by the FD and other Government Agencies, illegal logging continues to be a reality in Myanmar. The volume of illegal timber seized by FD and other related departments amounted to 48,681 Hoppus tons during FY 2017/18, representing 14% of the volume produced.

Table 34 below provides the breakdown of timber seized by Authority during FY 2016/17 and 2017/18.

**Table 34: Breakdown of timber seized by Authority
(FY 2016/17 and 2017/18)**

in Hoppus tons

No	Authority	FY 2016/17	%	FY 2017/18	%
1	Forestry Department	43,347	87%	37,812	78%
2	Forest Police Force	3,034	6%	0	0%
3	Defence	2,842	6%	10,377	21%
4	Myanmar Police Force	802	2%	477	1%
5	Mobile Team	2	0%	0	0%
6	MCD	0	0%	15	0%
Total		50,027	100%	48,681	100%

Source: FD

¹ The FD has provided more detailed data about the timber confiscated during the FYs 2016/17 and 2017/18. We are still waiting for its translation into English.

² <http://www.euflegt.efi.int/illegal-logging>

Table 35 and Figure 21 below show the evolution of timber seized over the last five years.

Table 35: Evolution of Timber Seized

FY	in Hoppus tons
2013/14	45,466
2014/15	51,725
2015/16	46,153
2016/17	50,027
2017/18	48,681

Source: FD

Figure 21: Evolution of Timber Seized



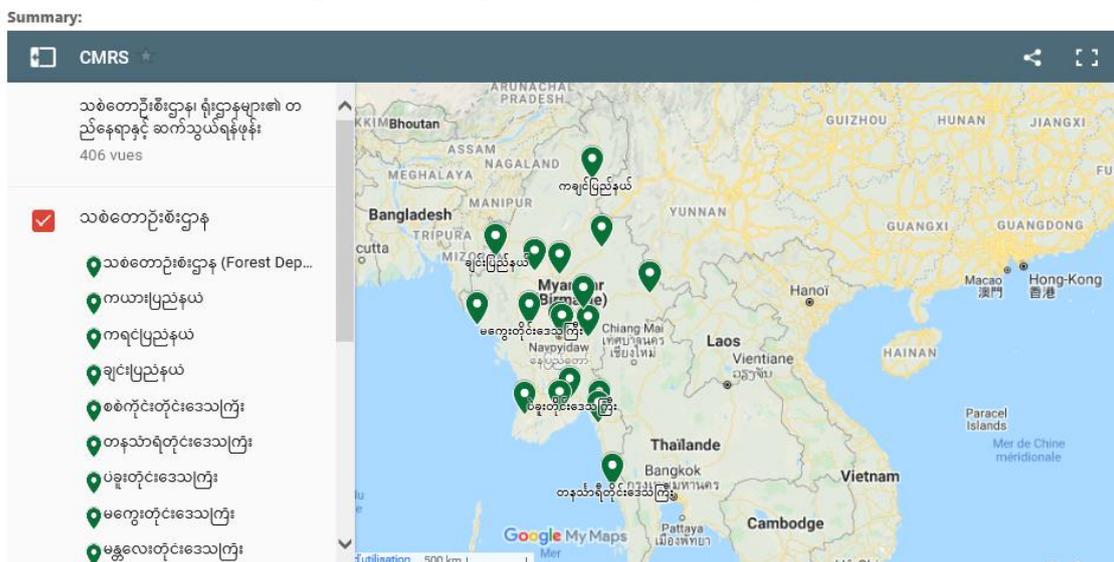
The breakdown of timber seized during the FY 2017/18 is detailed by product in Annex 8 to the Report.

Community Monitoring and Reporting System

The FD confiscated **15,412 hoppus tons** between September 2017 to August 2019 with people participation by using the Community Monitoring and Reporting System (CMRS).¹

Local communities are invited to inform FD of any trade in illegal timber and forest products.

Figure 22: Geographic distribution of CMRS²



¹ <https://www.forestdepartment.gov.mm/node/24072>

² <https://www.forestdepartment.gov.mm/node/24072>

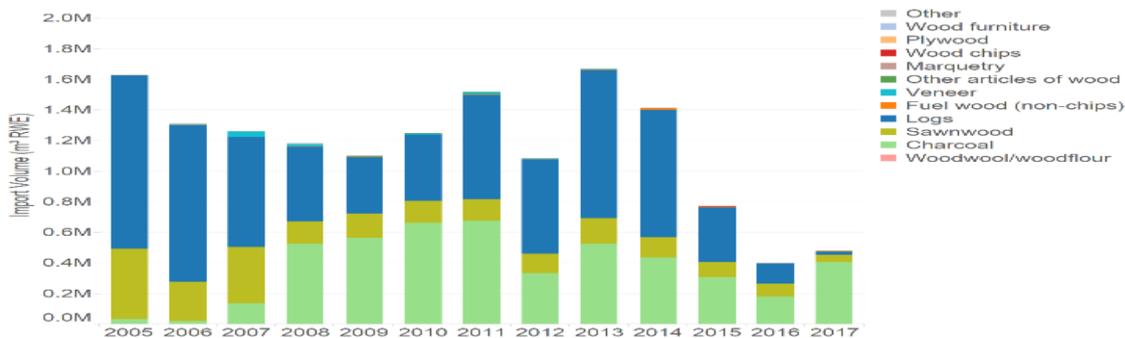
Figure 23: Pictures of seizure operations¹



Figure 24 below shows that a significant portion of China Timber products imported from Myanmar during FY 2015/16 were in the form of logs despite the ban on log exports.² Nevertheless, the volumes have decreased significantly between 2013 and 2017.

This was mainly due to illegal logging and undeveloped wood processing industry, hence a significant shortfall for Myanmar which could have been avoided or reduced by improving the management of the forestry sector. (Please see recommendations we made in Section 6 of the Report).

Figure 24: China's Imports of Timber Products from Myanmar (2005-2017)



A Memorandum of Understanding (MOU) for cooperation on the forestry sector between MONREC and the State Forestry Administration (SFA) of China was signed on 10 April 2018. This MOU aims to:

- make common efforts against illegal timber extraction and trade including Sustainable Forest Management, promotion of timber legal trade, forest law enforcement and effective management and exchange of information;
- prevent and control forest fires in border areas;
- fulfil the requirement of timber for wood-based industries and other industries on a sustainable supply, investment from China for setting up forest plantation shall be encouraged in line with Myanmar Investment Law, regulations and procedures;
- reduce dependency on extraction of timber in Myanmar;
- enhance industrial cooperation and scientific research in sustainable forest management; and
- encourage the use of rattan and bamboo resources.

¹ Source: FD.

² Source: China Customs statistics as compiled by Forest Trends. Myanmar/China Forest Products Trade, Forest Trends, February 2018.

The FD-SFA Joint Working Group (JWG) be composed of thirteen (13) members including:

- 1 member from MONREC;
- 6 members from the FD (including the Director General);
- 1 member from MTE;
- 1 member from MCD;
- 1 member from The Department of Trade;
- 1 member from The Directorate of Investment and Company Administration (DICA);
- 1 member from forest police department; and
- 1 member from Myanmar Fire Services Department (FSD).

Although initially planned in China between 24-28 June, the FD-SFA JWG met for the first time in Mansi Township (Kachin State) between 25 and 29 September 2019 to monitor the implementation of the activities listed above.

3.1.13. Governance Indices

The World Bank (WB)

The WB published the updated Worldwide Governance Indicators (WGI) updated in 2018.¹

The Worldwide Governance Indicators (WGI) are a research dataset summarising the views on the quality of governance provided by many enterprises, citizens and expert survey respondents in industrial and developing countries. These data are gathered from several survey institutes, think tanks, non-governmental organisations, international organisations and private sector firms. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group (WBG) to allocate resources. Table below defines each indices.

Table 36: Definition of the WGI

N°	Indice	Description
1	Control of Corruption	Reflects perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.
2	Voice and Accountability	Reflects perceptions of the extent to which a country's citizens can participate in selecting their government, as well as freedom of expression, freedom of association and a free media.
3	Political Stability - No Violence	Measures perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism.
4	Government Effectiveness	Reflects perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
5	Regulatory Quality	Reflects perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.
6	Rule of Law	Reflects perceptions of the extent to which agents have confidence in and abide by the rules of society, and the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.

Source: WBG.

¹ <http://info.worldbank.org/governance/wgi/#home>

Table 37 below shows that Myanmar is ranked amongst the lowest nations when it comes to good governance despite some improvement between 2008 and 2018.

Table 37: Worldwide Governance Indicators (2018, 2017 and 2008)

N°	Indice	2018	2013	2008
1	Control of Corruption			
	Highest	Finland, Rank 1, Score = 100	Denmark, Rank 1, Score = 100	Denmark, Rank 1, Score = 100
	Myanmar	Rank = 146, Score = 30.29	Rank = 178, Score = 16.11	Rank = 205, Score = 0.97
	Lowest	Somalia, Rank 209, Score = 0	Equatorial Guinea, Rank 212, Score = 0	Somalia, Rank 207, Score = 0
2	Voice and Accountability			
	Highest	Norway, Rank 1, Score = 100	Norway, Rank 1, Score = 100	Norway, Rank 1, Score = 100
	Myanmar	Rank = 156, Score = 23.65	Rank = 197, Score = 7.98	Rank = 208, Score = 0.48
	Lowest	Korea, Dem. Rep., Rank 204, Score = 0	Korea, Dem. Rep., Rank 214, Score = 0	Korea, Dem. Rep., Rank 209, Score = 0
3	Political Stability - No Violence			
	Highest	Greenland, Rank 1, Score = 100	Greenland, Rank 1, Score = 100	Luxembourg, Rank 1, Score = 100
	Myanmar	Rank = 189, Score = 10.48	Rank = 182, Score = 14.22	Rank = 177, Score = 15.38
	Lowest	Yemen, Rep., Rank 211, Score = 0	Somalia, Rank 212, Score = 0	Somalia, Rank 209, Score = 0
4	Government Effectiveness			
	Highest	Singapore, Rank 1, Score = 100	Finland, Rank 1, Score = 100	Singapore, Rank 1, Score = 100
	Myanmar	Rank = 183, Score = 12.50	Rank = 203, Score = 4.27	Rank = 201, Score = 2.91
	Lowest	South Sudan, Rank 209, Score = 0	Somalia, Rank 212, Score = 0	Somalia, Rank 207, Score = 0
5	Regulatory Quality			
	Highest	Hong Kong SAR, China, Rank 1, Score = 100	Singapore, Rank 1, Score = 100	Hong Kong SAR, China, Rank 1, Score = 100
	Myanmar	Rank = 162, Score = 22.60	Rank = 201, Score = 5.21	Rank = 206, Score = 0.49
	Lowest	Korea, Dem. Rep., Rank 209, Score = 0	Korea, Dem. Rep., Rank 212, Score = 0	Somalia, Rank 207, Score = 0
6	Rule of Law			
	Highest	Finland, Rank 1, Score = 100	Norway, Rank 1, Score = 100	Norway, Rank 1, Score = 100
	Myanmar	Rank = 177, Score = 15.38	Rank = 193, Score = 9.86	Rank = 202, Score = 3.37
	Lowest	Venezuela, RB, Rank 209, Score = 0	Somalia, Rank 214, Score = 0	Somalia, Rank 209, Score = 0

Source: WBG

Financial Action Task Force (FATF)

Myanmar has been added to the list of countries on the money laundering “grey-list” of the Paris-based Financial Action Task Force (FATF), an intergovernmental financial monitoring group.¹

The listing was considered necessary as the efforts by Myanmar to curb these illegal acts have failed, according to FATF. This will mean that Myanmar will be subject to increased monitoring by FATF and member governments.

Aside from drugs, illegal jade mining and illegal logging is also a major problem in the country.

In February 2020, Myanmar made a high-level political commitment to work with the FATF and Asia/Pacific Group (APG) to strengthen the effectiveness of its Anti-Money Laundering / Countering the Financing of Terrorism (AML/CFT) regime.

Since the completion of its Mutual Evaluation Report (MER) in September 2018,² Myanmar has proactively made progress on a number of its MER recommended actions to improve technical compliance and

¹ <https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-february-2020.html#myanmar>

² <https://www.fatf-gafi.org/media/fatf/documents/reports/fur/APG-Follow-Up-Report-Myanmar-2019.pdf>

effectiveness, including by introducing various legislative measures and establishing a regulatory framework for the registration of hundi operators.

Myanmar will work to implement its action plan, including by:

- (1) demonstrating an improved understanding of ML risks in key areas;
- (2) ensuring the supervisory body for DNFBPs is sufficiently resourced, onsite/offsite inspections are risk-based, and hundi operators are registered and supervised;
- (3) demonstrating enhances in the use of financial intelligence in LEA investigations, and increasing operational analysis and disseminations by the FIU;
- (4) ensuring that ML is investigated/prosecuted in line with risks;
- (5) demonstrating investigation of transnational ML cases with international cooperation
- (6) demonstrating an increase in the freezing/seizing and confiscation of criminal proceeds, instrumentalities, and/or property of equivalent value;
- (7) managing seized assets to preserve the value of seized goods until confiscation; and
- (8) demonstrating implementation of TFS related to PF, including training on PF sanctions evasion.

3.2. Legal Framework

3.2.1. Government Agencies

The main Government Agencies involved in the forestry sector in Myanmar are:

- the Ministry of Planning, Finance and Industry; and
- the Ministry of Natural Resources and Environmental Conservation.

a. Ministry of Planning and Finance

The Ministry of Planning and Finance (MoPF)¹ aims to formulate and implement effective fiscal policies to meet political, economic, social, and other development objectives laid down by the State.

Further information on MoPF is available on its website <https://www.mopfi.gov.mm/>

The main departments under MoPF that are involved in the forestry sector are detailed as follows:

❖ Budget Department

The Budget Department (BD) formulates and implements Annual State Budget within a macroeconomics framework under the guidance of MoPF for a given period.

According to Section five of the State Constitution, BD is responsible to draw the Union Budget and State/Region Budgets. To fulfil this responsibility, BD opened fourteen State/Regional Budget offices, one Self-Administered Division Budget office and five Self-Administered Zone Budget offices in year 2010 and every State/Region Budget Office formed two Sections, (1) Admin, Cash and State/Region fund and (2) Budget.

❖ Internal Revenue Department

The Internal Revenue Department (IRD) offers taxpayers education programmes and other services so they understand their tax obligations. Furthermore, IRD contributes towards the building of a new, modern and developed nation by collecting relevant tax revenues.

¹ Currently, Ministry of Planning, Finance and Industry (MoPFI).

From the FY 2011/12 onwards, IRD has been collecting the following taxes and duties:

No.	Tax	Relevant Law
1	Income tax	Income Tax Law (1974)
2	Commercial tax	Commercial Tax Law (1990)
3	Stamp duty	Myanmar Stamp Act (1899)
4	State Lottery	Directives Pertaining to State Lottery
5	Specific Goods Tax	Specific Goods Tax Law (2016)

❖ Customs Department

The Myanmar Customs Department (MCD) aims to enhance trade facilitation through simplification of customs procedures while at the same time ensuring proper collection of customs duties and taxes. MCD collects customs duties pursuant to the Sea Customs Act (1878)¹ and the Land Customs Act (1924) as amended in 2015 and December 2018.²

❖ Treasury Department

The Treasury Department's (TD) main objectives are to strengthen financial reporting system and develop cash management and debt management effectively. It comprises the following six divisions:

- (1) Cash Management;
- (2) Debt Management;
- (3) Accounting and Reporting;
- (4) Treasury Policy and Quality Promotion;
- (5) Information Technology; and
- (6) Administration and Accounts.

❖ Central Statistical Organization

The Central Statistical Organization (CSO) is the national statistical authority of GOUM. Its mission is to build a coherent National Statistical System in Myanmar that produces comprehensive, accurate and socio-economic statistics.

Further information on CSO is available on its website: <https://www.csostat.gov.mm/>.

Statistical information can either be purchased in hard copies from CSO or can be downloaded in electronic version from Myanmar Statistical Information Service (MMSIS) platform: www.mmsis.gov.mm/.

b. Ministry of Natural Resources and Environmental Conservation

The Ministry of Natural Resources and Environmental Conservation (MONREC) comprises six departments and five (5) enterprises. Table 38 and Figure 25 below show MONREC's organisational structure.

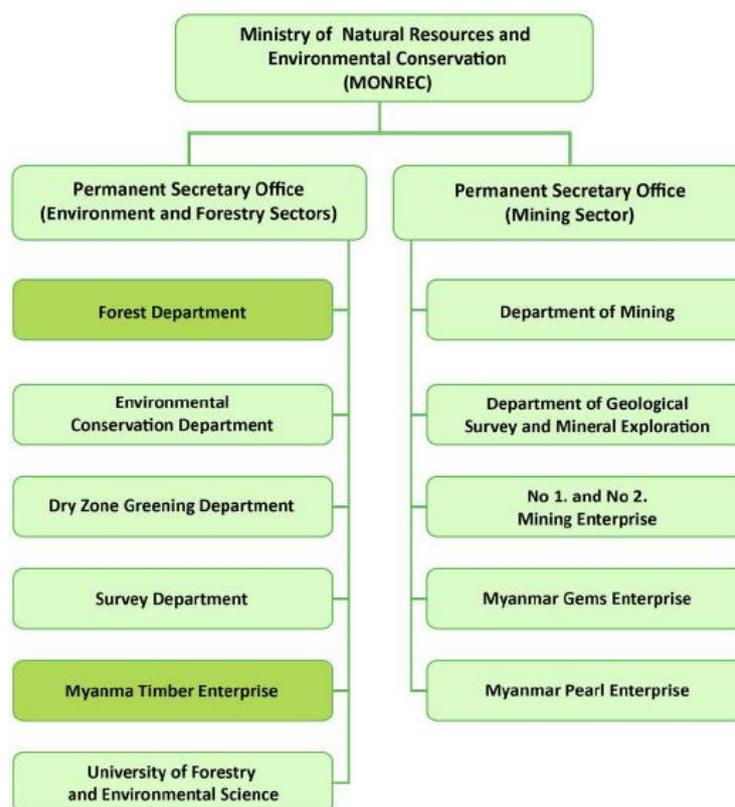
Table 38: MONREC's organisation structure

N°	Department	N°	Enterprise
1	Forest Department	1	Myanma Timber Enterprise
2	Dry Zone Greening Department	2	No.1 Mining Enterprise
3	Environmental Conservation Department	3	No.2 Mining Enterprise
4	Survey Department	4	Myanmar Gems Enterprise
5	Department of Mines	5	Myanmar Pearl Enterprise
6	Department of Geological Survey and Mineral Explorer		

¹ This law is publicly available on: [https://www.myanmarcustoms.gov.mm/pdf/Sea%20Customs%20Act%20\(27.7.2015\).pdf](https://www.myanmarcustoms.gov.mm/pdf/Sea%20Customs%20Act%20(27.7.2015).pdf).

² This law is publicly available on: [https://www.myanmarcustoms.gov.mm/pdf/The%20Land%20Customs%20Act%20\(27.7.2015\)-1.pdf](https://www.myanmarcustoms.gov.mm/pdf/The%20Land%20Customs%20Act%20(27.7.2015)-1.pdf).

Figure 25: MONREC's organisation structure¹



Further information on **MONREC** is available on its website <http://monrec.gov.mm/>.

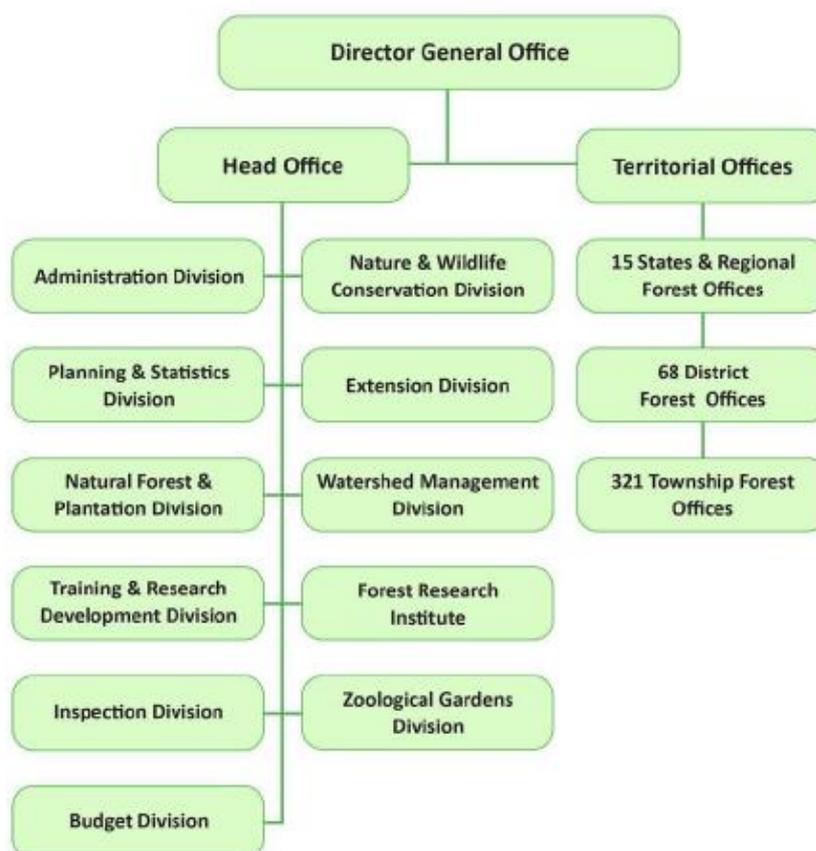
The main departments within **MONREC** which are involved in the forestry sector are detailed as follows:

¹ Source: Myanmar Timber Chain of Custody Process, June 2018.

❖ Forest Department

Figure 26 below shows MONREC's organisation structure.

Figure 26: FD's organisation structure¹



The functions and responsibilities of the FD are as follows:²

- implementation of Government's forestry policies;
- implementation of the plans relating to conservation of water, soil, biodiversity and environment, sustained yield of forest products and protection of forest covered land;
- management of forest lands;
- submit proposals to the Minister of Natural Resources and Environmental Conservation to determine, alter or cancel of reserved forest, protected public forest and species of reserved trees;
- set up and manage schools and training courses relating to the forestry sector and send trainees abroad;
- administer a Forestry Institute;
- carry out inventory of forest resources; and
- carry out forest research.

❖ Myanma Timber Enterprise

Myanma Timber Enterprise (MTE) is the unique SOE operating in the forestry sector in Myanmar.

¹ Source: Myanmar Timber Chain of Custody Process, June 2018.

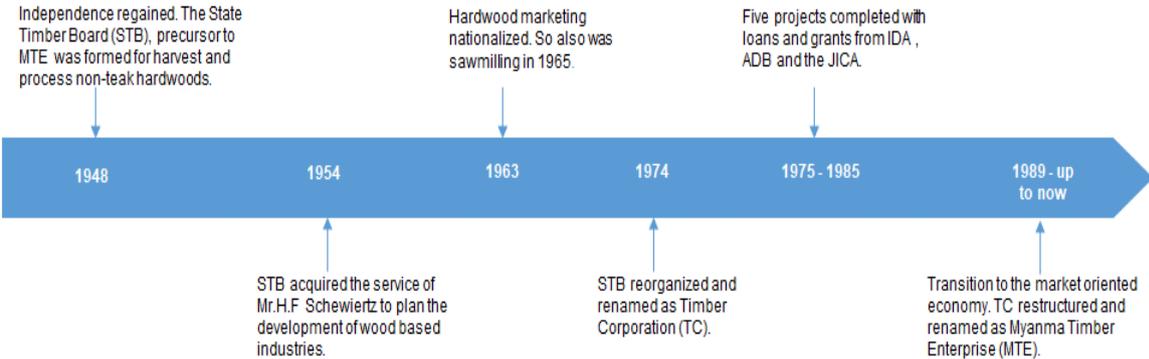
² Source: Forest Law, Chapter IV, Article 9.

It plans harvesting operations, carries out forest road construction, logging and skidding operations and transport of logs forest (measuring or landing) points to depots in Yangon and other regional agencies. MTE is solely responsible for timber sales either at agencies (ex-site) or in Yangon.

Brief History

Figure 27 below presents a brief history about how MTE was formed.

Figure 27: Brief history of MTE



Organisation

MTE comprises eight departments as detailed in Figure 28 below.

Figure 28: Organisation of MTE



Figure 29: Extraction department's organisation structure

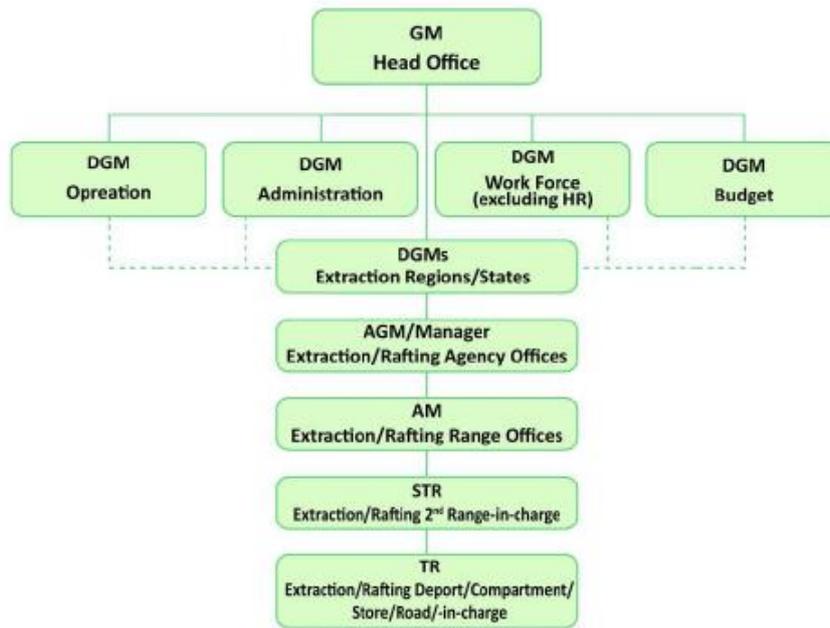
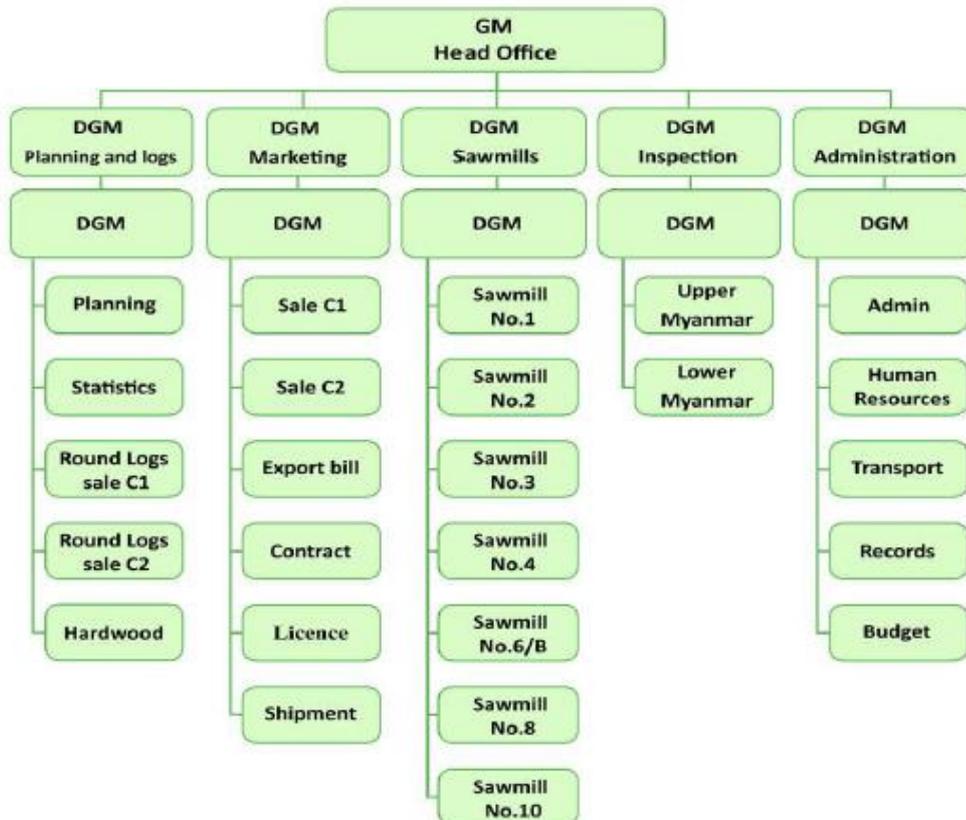


Figure 30: Export Marketing and Milling Department's organisation structure



Local Sales and Milling Department

Local Sales and Milling Department aims to:

- fulfil the annual internal revenue project by accepting the logs transferred from logging department, cutting it into teak conversion, distribution and selling of teak conversion, selling the log/teak conversion through open tender system.
- contribute the development of the private sector, starting from FY 2013/14, teak (log/conversion) is sold through the open tender system transparently for all Micro, Small and Medium Enterprises (MSME) as well as Large Enterprises in those timber production area/no timber production area depending on the region situation. There are no longer any direct sales.

The rare varieties of wood, high price wood types and high-quality log/teak conversion from State/Region are sold through **open tender** held at MTE head office, Yangon once a month.

The medium quality log and the remaining teak conversion are sold through **local open tender** held at State/Region depending on the needs of local people, local development businesses and local Wood Based Industries. The private project is developing for MSME starting from FY 2018/19.

Additionally, MTE has opened in 2018 three public sales shops for teak conversion in Mandalay Region, Monywa (Sagaing Region) and Southern Shan State to fulfil the needs of local people.

There is no selling under the name of region development program.

Figure 31: MTE Agencies map



Main Tree Species in Myanmar

The following table shows the main Tree Species in Myanmar.

Table 39: Major Tree Species in Myanmar

No.	Local Name	Scientific Name
1	Teak	Tectona grandis
2	Pyinkado	Xylia dolarbriformis
3	Padauk	Pterocarpus Macrocarpus
4	In / Kanyin	Dipterocarpus tuberculus
5	Thinwin	Mellettia pendula
6	Yemane	Gmelina arborea
7	Hnaw	Adina cordifolia
8	Thitya	Shorea oblongifolia
9	Taukkyant	Terminalia tomentosa
10	Thadi	Protium serratum

Source: MTE.

Round Logs Process

Table 40 below shows the seven phases that comprise the round logs process:

Table 40: Round Logs Process

Phase	Description
1 - Transportation	Green teak logs and hardwood logs are carried CB, rail and trucks.
2 - Receiving	Counting / Measuring / Checking.
3 - Measuring	Line up / measuring tape in feet-inches / girth at mid-length of log in feet-inches / length of two extreme ends of log in feet / volume measurement in hoppus ton / measurement imperial system.
4 - Classification	<ul style="list-style-type: none"> - teak veneer quality (Special, 1st, 2nd, 3rd, 4th Quality) - teak sawing grade quality (SG-1, 2, 3, 4, 5, 6 and 7) - padauk (Grade 1, 2, 3, 4, 5, and 6) - hardwood (export quality and non-exportable quality)
5 - Grading	Prescribed export grading rules / based on defects of the log / teak veneer quality / teak sawing grades quality.
6 - Parcel Preparation	Species wise, quality wise, grade wise / piling, stacking / numbering / paint marking / pieces per lot.
7 - Preparation of specification	Prepared lot by lot / contract no. / merchandise / grade / measurement / pieces / hoppus ton / revenue no., royalty mark, standing tree no. / price, buyer, destination.

Sales Systems

MTE has three organised committees:

- Local and Export Sales Committee;
- Open Tender Sales Committee; and
- Pricing Committee.

Teak logs, hardwood logs, teak conversion and hardwood conversion are sold as follows:

Tender type	Open Tender	Special Open Tender
Product sold	Higher grade teak logs	Lower grade teak logs and hardwood logs / Teak and hardwood conversions
Frequency	Monthly	Monthly
Sales currency	US\$	US\$
Basis	Ex-depot	Ex-site

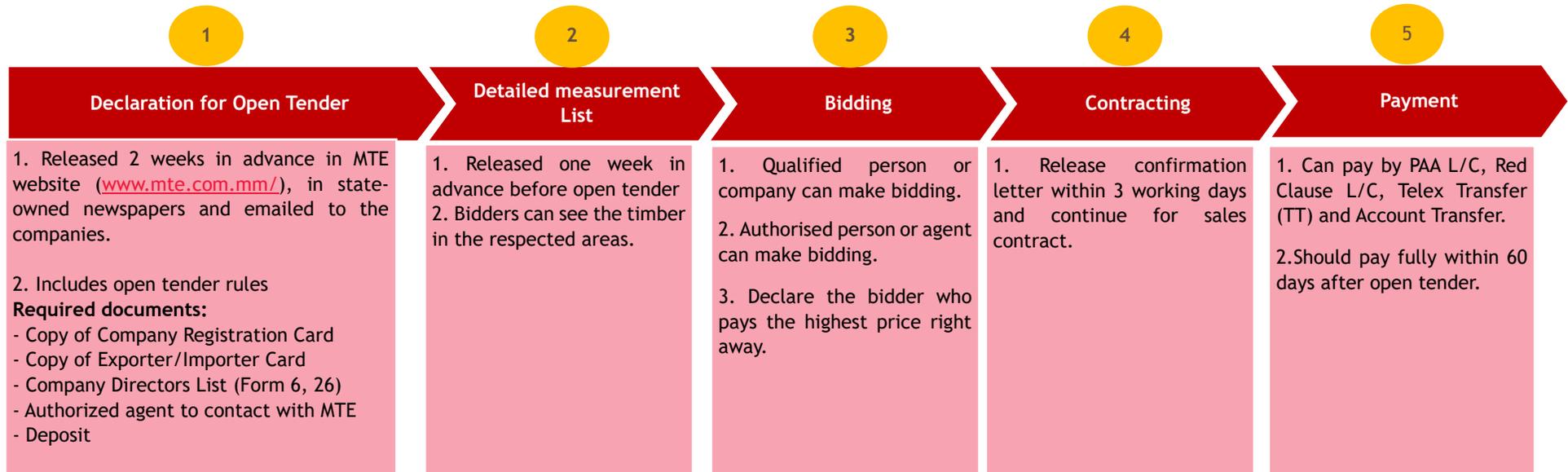
❖ Open Tender rules

1. Foreign companies must make a deposit of US\$ 10,000 while local companies need to deposit US\$ 5,000 to participate in any monthly open tender process.
2. Deposits should be accompanied by Bank Guarantees valid up to four months from the date of Open Tender Sale. Cash deposit or remittance are not accepted.
3. Sales system:
 - Monthly open tender (Yangon): Ex-Depot Basis in US\$).
 - Monthly open tender (Other townships): Ex-site Basis in US\$.
4. Payment and Payment Terms: Payment by PAA LC with TT reimbursement/ Red Clause L/C, Telex Transfer (TT) and Account Transfer are also acceptable.
5. Should pay within 60 days after winning open tender by PAA L/C, Red Clause L/C, Telex Transfer (TT), Account Transfer.
6. If payment fails within 60 days from the date of Open Tender Sales, deposit will be seized, and the defaulting company will be suspended for future sales for a certain period.
7. Carrying of cargo must be made within (90) days of the successful tender being announced.
8. Delivery Order (DO) will be issued once payment made and can be transported freely within Myanmar except to some restricted regions.
9. Timber with DO can be sold locally or exported. However, they cannot be exported as logs, Baulk Square and Boule cut-logs.
10. Export of timber finished products is to be made as Private Shipper.
11. MTE assumes that the bidders have checked and approved the type of timbers, grade, measurements and volume.

❖ Sales process

Figure 32 below summarises the timber sales process followed by MTE:

Figure 32: Sales process



❖ **Harvesting practices**

FD (district level) and MTE (agency level) agreed to exercise the Annual Contract System for timber harvesting transparently. Harvesting is done using MTE's own resources without any sub-contractors. But due to its limited assets and resources, MTE contacted Local Service Owners who can hire and provide equipment, elephants and transportation carriers for the following five types of activities and hired the necessary equipment, elephants and transportation carriers for each Regions and States to finish the activities in time according to the Departmental Instruction Number (39) and selected by State and Regional Management Committee:

- Felling;
- Stumping;
- Road construction;
- Trucking; and
- Loading and unloading.

Payment for these services is payment in cash.

MTE's sub-contractors could harvest timber until 31 March 2016. Starting from 1 April 2016, MTE can rely on service providers for some specific activities only.

The contract templates used by MTE are attached in Annex 9 to this Report in Burmese Language.

❖ **Selection criteria for service providers**

If MTEs' own facilities alone cannot meet the needs for timber, service providers can be called upon to fulfil its mandate.

There are four categories of services:

- rental of elephants;
- road construction;
- trucking; and
- felling;

We present below the selection criteria, in force starting from the FY 2019/20, for each service.

Selection criteria for rental of elephants

The procurement committee should:

- (A) check whether the application documents are complete;
- (B) check the ability of the elephant to perform the extractive work;
- (C) review the applicant's extractive experience;
- (D) inspect the performance of elephants;
- (E) check whether the applicant meets the business requirements;
- (F) evaluate the documents submitted by the applicant;
- (G) follow a rating system on a 50-point scale to evaluate the proposals as follows (Top three scores will be selected):
 - previous experience (20 points);
 - qualification (10 points);
 - strength of elephants, (5 points);
 - elephant Leader (5 points);
 - proof of tax payment (5 points); and
 - frequency (5 points).
- (H) select the lowest rate.

Selection criteria for road construction

The procurement committee should:

- (A) check whether the application documents are complete;
- (B) examining the strength of the applicant to carry out the road construction work;
- (C) examine the applicant's road construction experience;
- (D) inspect the robustness and performance of the machinery;
- (E) check whether the applicant meets the business requirements;
- (F) evaluate the documents submitted by the applicant;
- (G) follow a rating system on a 50-point scale to evaluate the proposals as follows (Top three scores will be selected):
 - previous experience (20 points);
 - qualification (5 points);
 - oil storage status, (5 points);
 - robustness of the machinery (5 points);
 - driving skills (5 points);
 - availability of the machinery (5 points); and
 - proof of tax payment (5 points).
- (H) select the lowest charge our rate for 8 hours.

Selection criteria for trucking

The procurement committee should:

- (A) check whether the application documents are complete;
- (B) Examine the applicant's car permit;
- (C) Examine the applicant's car experience;
- (D) Inspect the performance of vehicles;
- (E) check whether the applicant meets the business requirements;
- (F) evaluate the documents submitted by the applicant
- (G) follow a rating system on a 50-point scale to evaluate the proposals as follows (Top three scores will be selected):
 - previous experience (20 points);
 - qualification (5 points);
 - oil storage status (5 points);
 - strength of the wooden vehicle (5 points);
 - driving skills (5 points);
 - car repair plan (5 points); and
 - proof of tax payment (5 points).
- (H) select the lowest fare per mile.

Selection criteria for felling

The procurement committee should:

- (A) check whether the application documents are complete;
- (B) examine the strength of the applicant to proceed with timber logging;
- (C) Examine the applicant's logging experience;
- (D) inspect the robustness and performance of the machinery;
- (E) check whether the applicant meets the business requirements;
- (F) evaluate the documents submitted by the applicant
- (G) follow a rating system on a 50-point scale to evaluate the proposals as follows (Top 50 scores will be selected):
 - previous experience (20 points);
 - robustness of the machinery (5 points);
 - oil storage status (5 points);
 - strength of the sawmill (5 points)
 - driving skills (5 points);
 - car repair plan (5 points); and
 - proof of tax payment (5 points).
- (H) select the lowest logging rate per ton.

Financial statements

Income statement

Table 41: MTE income statement

FY		MMK billion				US\$ million			
		2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18
Total income	a	395.68	465.10	364.91	298.66	397.56	380.11	289.48	220.28
Total expenses	b	159.42	147.58	142.65	107.04	160.18	120.61	113.16	78.95
Profit before tax	c	236.26	317.52	222.26	191.62	237.38	259.50	176.32	141.33
%	c/a	60%	68%	61%	64%	60%	68%	61%	64%
Commercial Tax	d	73.73	87.31	18.16	13.67	74.08	71.36	14.41	10.09
Specific Goods Tax	e	-	-	59.39	12.83	-	-	47.12	9.47
Income Tax	f	40.63	57.55	36.18	41.28	40.82	47.03	28.70	30.44
Profit after tax		121.89	172.65	108.53	123.83	122.47	141.10	86.09	91.33
State Contribution	g	32.51	46.04	28.94	33.02	32.66	37.63	22.96	24.36
Net Profit		89.39	126.61	79.59	90.81	89.81	103.48	63.14	66.98
Income tax rate	f/(c-d-e)	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
State contribution rate	g/(c-d-e)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%

Source: MTE.

Balance sheet

Table 42: MTE's Balance Sheet

FY	MMK million		USD million	
	2016/17	2017/18	2016/17	2017/18
ASSETS				
NON - CURRENT ASSETS				
TOTAL PROPERTY & EQUIPMENT	28,085.06	28,971.41	22.28	21.37
TOTAL OTHER ASSETS	7,460.57	6,930.66	5.92	5.11
TOTAL INVESTMENT	1,324.94	1,324.94	1.05	0.98
TOTAL CURRENT ACCOUNT	-13,204.43	-13,197.57	-10.47	-9.73
TOTAL NON -CURRENT ASSETS	23,666.13	24,029.44	18.77	17.72
CURRENT ASSETS				
TOTAL CURRENT ASSETS	291,320.81	213,239.10	231.10	157.28
TOTAL ASSETS	314,986.94	237,268.55	249.87	175.00
EQUITY & LIABILITIES				
TOTAL CAPITAL & RESERVE	192,797.47	123,494.47	152.94	91.08
TOTAL LONG TERM LIABILITIES	236.67	453.12	0.19	0.33
TOTAL NON-CURRENT LIABILITIES	193,034.14	123,947.59	153.13	91.42
TOTAL CURRENT LIABILITIES	121,952.80	113,320.95	96.74	83.58
TOTAL EQUITY & LIABILITIES	314,986.94	237,268.55	249.87	175.00

Source: MTE.

SEE's Profit and Loss account and MTE's detailed financial statements are presented respectively in Annexes 10 and 11 to this Report.

Further information on MTE are available on its website <http://www.mte.com.mm/>

3.2.2. Laws and Regulations

Table 43 below lists out the legislations applicable to the forestry sector in Myanmar.

Table 43: Laws and regulations governing the forestry sector in Myanmar

N°	Management	N°	Environment	N°	Investment	N°	National Plans
1	Forest Law, 1992 and 2018	1	Protection of Wildlife and Conservation of Natural Areas Law, 1994	1	SOEs Law, 1989	1	National Forest Master Plan (2001-2002 to 2030-2031)
2	Forest Policy, 1995	2	National Environmental Conservation Rule, 1994	2	Investment Law, 2016	2	National Comprehensive Development Plan (2011/12 to 2030/31)
3	Community Forestry Instruction, 2016	3	Myanmar Agenda 21, 1997	3	Investment Guidebook of Forestry Sector in Myanmar, 2016	3	National Biodiversity Strategy and Action Plan (NBSAP) 2015-2020
4	National Land Use Policy, 2016	4	Rules relating to the Protection of Wildlife and conservation of Natural Areas, 2002			4	Myanmar Reforestation and Rehabilitation Plan (MRRP) (2017/18 to 2026/27)
5	FD instruction, 2015	5	Environmental Conservation Law, 2012				
6	Conservation of Biodiversity and Protected Areas Law (2018)						

a. Management

❖ Forest Law

1992

This Law highlights forest protection, environmental and biodiversity conservation. It also expands coverage of permanent forest estates and protected areas and encourages stronger community participation-based approach towards managing natural forests and plantations.¹

The law aims to:

- implement Government's forestry policies;
- implement Government's environmental conservation policies;
- promote public co-operation in implementing Government's forestry and environmental conservation policies;
- develop Myanmar's economy, satisfy public food, clothing, and shelter needs, and ensure enjoyment of the forests;
- carry out policies relating to conservation of forests and of environment in accordance with international agreements;
- prevent the dangers of forest destruction and biodiversity loss, fire outbreaks, insect infestation, and plant diseases;
- carry out natural forest conservation and forest plantations development; and
- contribute towards the fuel requirement of the country.

This law is publicly available on: <http://www.burmalibrary.org/docs11/Forest-Law-1992.pdf>

¹ Source: <http://www.forestlegality.org/risk-tool/country/myanmar>

New forest Law (2018)¹

With the objective of putting deforestation and degradation activities in check, the new Forest Law 2018 was passed on 20 September 2018, replacing the old Forest Law 1992. The Law includes certain objectives to ensure long-lasting forest management and sustainable development. It is directed towards implementation of the forest policy and environmental conservation policy and endeavours to reduce the occurrence of natural disasters in line with international standards.

The MONREC may further issue relevant rules and regulations with the approval of the Union Government. The MONREC and the FD may also issue Notifications, Orders and Directives, as required. However, any such rules and regulations shall be in line with the Law.

The Law sets out two types of permit for carrying out the below stated business activities:

- extraction of forest produce; and
- establishment of wood-based industry.

The permit for extraction of forest produce can be obtained from the relevant Forestry Department. We are informed that forest produce permits may be granted without going through competitive bidding. However, the process of application is yet to be tested.

The permit for establishment of wood-based industry can be obtained from the relevant Forest Officer for the purpose of carrying out activities involving sawmills, sawpits, tongue-in-groove mills, plywood mills, veneer mills or wood-based industries.²

For the first time the Law provided a formal delegation of legal authority to MONREC and to FD to establish CF (carried out in accordance with the Community Forestry Instructions) thus recognising the CFI previously endorsed by the ministry and making them applicable to all ministries and institutions. The Law clearly states that it is the responsibility of FD to support and supervise CF implementation. Additionally, the amendments allow for the extraction of forest produce from CF areas without the use of competitive bidding restrictions found elsewhere in the Law. The Law now also permits, with authorisation from the Ministry, ownership of teak and other restricted trees in areas where CF has been established.³

❖ Forest Policy (1995)⁴

Forest policy focuses on sustainable production, satisfying basic needs, institutional strengthening, and improvements in efficiency, forest and biodiversity protection, and participatory forestry. It also formalised the commitment and intent of the Government to ensure sustainable development of forestry resources while conserving wildlife, plants and ecosystems.¹

The rules deal with reserved forest, the declaration of areas as protected public forest, the management of forest lands, the establishment of forest plantations, and the procedures for obtaining permission to extract forestry products. They also cover procedures for:

- harvesting forest products;
- establishing and operating timber depots;
- establishment of wood-based industries;
- investigation of violations;
- administrative actions, such as imposing fines and confiscating the timber, to penalize violations; and
- offences and penalties.

¹ http://myanmar-law-library.org/IMG/pdf/_forestry_law_no29_2018.pdf

² <https://newsviews.thuraswiss.com/new-forest-law-deforestation-degradation/>

³ <http://documents.worldbank.org/curated/en/296791560179425744/Myanmar-Country-Environmental-Analysis-Environmental-Impact-Assessment-Systems-Diagnostic>

⁴ http://www.burmalibrary.org/docs20/1995-Forest_Policy+1996-Forest_Policy_Statement-en-tu.pdf

❖ Community Forestry Instructions (1995, 2016 and 2019)

1995

In exercising the power conferred by Section 70 (b) of the Forest Law 1992, MONREC has issued the Community Forestry Instructions (CFI) in 1995 to provide a regulatory framework to promote community forestry in the country as a policy response to the widespread forest degradation and increased demand of growing rural communities for forest products and services.

2016

CFI has been repealed by a new instruction in 2016,¹ which aims to:²

- support basic forestry related needs such as wood and NTFP for local communities;
- reduce rural poverty through employment and income opportunities for local communities;
- increase forest cover area and ensure sustainable utilisation of forestry products;
- promote forest management system with people participation; and
- enhance environmental services that can support climate change mitigation and adaption by protecting against deforestation and forest degradation.

2019

Myanmar passed a new CFI in 2019³ that strengthens the role of villagers in protecting forests, as part of the government's plan to create community forests on **920,000 hectares**.⁴

This CFI aims to:

- provide forest and tree related basic needs such as timber and non-timber forest products for local communities;
- enhance employment and income opportunities for local community and reduce poverty;
- increase forest covered area in a sustainable manner and to ensure sustainable use;
- promote participation in forest management system; and
- enhance environmental services that can support climate change mitigation and adoption through preventing deforestation and forest degradation.

Community Forestry means all sustainable forest management and utilisation activities, in which the local community itself is involved. This includes establishing new plantations and managing existing forests 1) to create employment and income opportunities, 2) to generate food, 3) to stabilise ecosystem and 4) to improve the environment conditions.

Community Forest User Group (CFUG) or user Group means a group formed by households who have lived continuously for five (5) years in or within five (5) miles from the periphery of the forest.

Achievements of Community Forestry

Figures 33 and 34 present the Achievements of Community Forestry as of 31 March 2019.⁵

Figure 33: Figure Achievements of CF

CF	User Groups	Members
248,819 hectares	4,707	120,005

¹ <http://www.share4dev.info/kb/documents/5360.pdf>

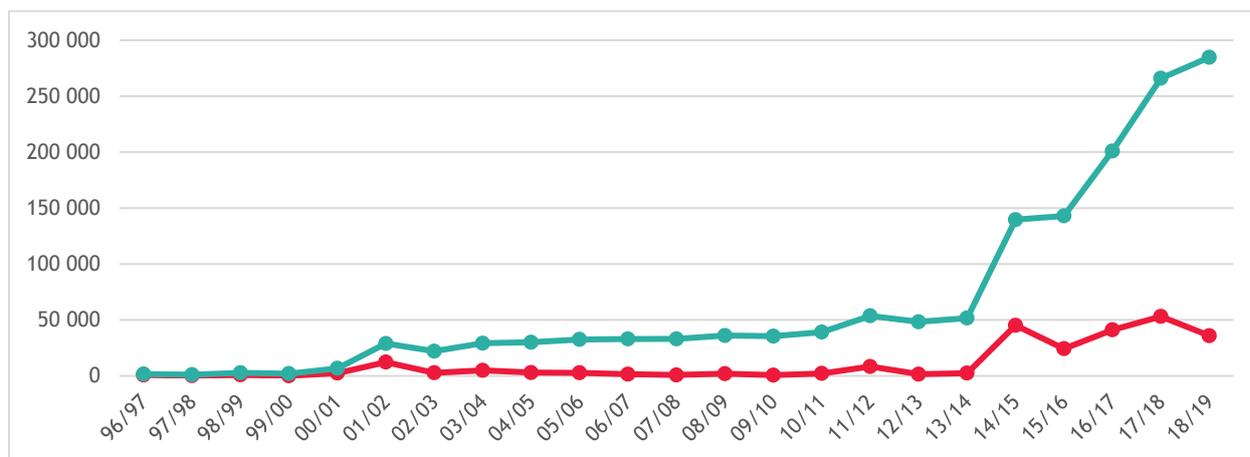
² Source: Community Forestry Instructions, Notification N° 84/2016, 16 August 2016.

³ <https://www.pointmyanmar.org/en/lawsandpolicies/community-forestry-instructions>

⁴ <https://www.recoftc.org/projects/asfcc/news/asean-officials-tackle-legal-reforms-forestry>

⁵ Source: FD.

Figure 34: CF area (Hectares) in Myanmar (1996/97 - 2018/19)



While the recent scale up of CF is impressive, many CFUGs are considered inactive and progress is below the NFMP target of 920,000 ha by 2030/31.¹

Additional information about can be found in the Myanmar Country Environmental Analysis issued by the WB in June 2019.²

❖ **National Land Use Policy (2016)³**

This National Land Use Policy aims to implement, manage and carry out land use and tenure rights in the country systematically and successfully, including both urban and rural areas, in accordance with the objectives of the Policy and shall be the guide for the development and enactment of a National Land Law, including harmonisation and implementation of the existing laws related to land and issues to be decided by all relevant departments and organisations relating to land use and tenure rights.

The objectives of the National Land Use Policy are to:

- promote sustainable land use management and protection of cultural heritage areas, environment, and natural resources for the interest of all people in the country;
- strengthen land tenure security for the livelihoods improvement and food security of all people in both urban and rural areas of the country;
- recognise and protect customary land tenure rights and procedures of the ethnic nationalities;
- develop transparent, fair, affordable and independent dispute resolution mechanisms in accordance with rule of law;
- promote people centred development, participatory decision making, responsible investment in land resources and accountable land use administration in order to support the equitable economic development of the country; and
- develop a National Land Law in order to implement the above objectives of National Land Use Policy.

¹ Myanmar Country Environmental Analysis, 2019.

<http://documents.worldbank.org/curated/en/426331560178787853/pdf/Myanmar-Country-Environmental-Analysis-Forest-Resources.pdf>

² Myanmar Country Environmental Analysis - Sustainability, Peace, and Prosperity : Forests, Fisheries, and Environment Management - Assessing the Opportunities for Scaling Up Community Forestry and Community Forestry Enterprises in Myanmar: Myanmar - Country Environmental Analysis : Environmental Impact Assessment Systems Diagnostic, <http://documents.worldbank.org/curated/en/296791560179425744/Myanmar-Country-Environmental-Analysis-Environmental-Impact-Assessment-Systems-Diagnostic>

³ <http://extwprlegs1.fao.org/docs/pdf/mya152783.pdf>.

❖ **FD instruction on confiscated timber (2015)**

This instruction to the FD, dated on 9 October 2015, regulates the management of confiscated timber. FD should comply with the following procedure:

- determine the volume of damaged timber;
- inform MTE of the remaining balance within twenty days;
- transfer the balance to MTE within ten days; and
- make public sales if MTE refuses to accept the confiscated timber or in case of no response within the twenty days.

❖ **Conservation of Biodiversity and Protected Areas Law (2018)¹**

The Conservation of Biodiversity and Protected Areas Law was enacted by the National Assembly in May 2018. Like the new Forest Law, this legalisation makes direct reference to the establishment of CF. The Law states that CF may be established in defined buffer zones. The Law defines buffer zones as the designated area in or next to the border of a Protected Area defined by this Law..., in which natural resource utilisation and development activities can be allowed through sustainable methods without having any adverse impacts on the core zone.

b. Environment

❖ **Protection of Wildlife and Conservation of Natural Areas Law (1994)²**

This law aims to:

- implement Government policies for wildlife protection;
- implement Government policies for natural areas conservation;
- carry out the protection and conservation of wildlife, ecosystems and migratory birds in accordance with International Conventions;
- protect endangered species of wildlife and their natural habitats;
- contribute to the development of research on natural science; and
- protect wildlife by the setting up zoological and botanical gardens.

❖ **National Environmental Policy (1994)**

This Policy was drafted by the National Commission for Environmental Affairs (NCEA) in 1994 to ensure sound environment policies, utilisation of water, land, forests, mineral, marine resources and other natural resources, in order to conserve the environment and prevent its degradation.¹

❖ **Myanmar Agenda 21 (1997)**

Myanmar Agenda 21 was developed in 1997 and was a collaborative effort made by several government agencies including NCEA in order to form the National Land Commission (NLC) to steer a process of sustainable land use management. It is divided into four parts and nineteen chapters and it reviews policies to be undertaken for improving environmental protection in Myanmar. It also aims at creating a national framework legislation on the environment to improve coordination and cooperation between ministries on issues related to the environment and creating legislation that requires environmental impact assessments to be done before any development project is undertaken.

¹ https://www.pointmyanmar.org/sites/pointmyanmar.org/files/document/new-the_protection_of_biodiversity_and_conservation_areas_law.pdf

² <http://www.burmalibrary.org/docs15/1994-Protection-of-Wildlife-and-Conservation-of-Natural-Areas-Law-1994.pdf>.

The objective of the Agenda 21 framework are as follows:¹

- strengthening protected area management;
- promoting international cooperation;
- developing a national database of biodiversity;
- strengthening laws and legislation for biodiversity conservation management;
- protecting threatened and endangered species of plants and animals;
- strengthening sustainable use of natural resources;
- enhancing institutional capacity for biodiversity conservation and management;
- promoting education awareness and involvement of local communities in biodiversity conservation and management; and
- studying the economic issues related to biodiversity.

❖ **Rules relating to the Protection of Wildlife and conservation of Natural Areas (2002)**

These rules were implemented in October 2002 to support the previous law published in 1994. The purposes of these rules are detailed as follows:²

- to define criteria of how determining natural areas;
- how to set up zoological gardens or botanical gardens;
- how determine the wildlife that should be protected; and
- to determine rights, prohibitions and duties relating to natural areas and wildlife protected.

❖ **Environmental Conservation Law n° 9 (2012)³**

The Law is designed to reclaim ecosystems as may be possible which are starting to degenerate and disappear and to ensure that the relevant Government Agencies and organisations shall, in accordance with the guidance of the Union Government and the Committee, carry out the conservation, management, beneficial use, sustainable use and enhancement of regional cooperation of forest resources.

c. Investment

❖ **State-owned Economic Enterprises (SEE) Law (1989)⁴**

The SEE Law sets out twelve economic activities that can only be carried out by the GOUM:

1. extraction and sale of teak in Myanmar and abroad;
2. cultivation and conservation of forest plantations, with the exception of village-owned firewood plantations cultivated by the villagers for their personal use;
3. exploration, extraction and sale of petroleum and natural gas and production of products of the same;
4. exploration, extraction and exportation of pearls, jade and precious stones;
5. breeding and production of fish and prawns in fisheries that have been reserved for research by the GOUM;
6. postal and telecommunications services;
7. air and railway transport services;
8. banking and insurance services;
9. broadcasting and television services;
10. exploration, extraction and exportation of metals;

¹ Source: <http://www.forestlegality.org/risk-tool/country/myanmar#tab-laws>

² Source: Rules relating to the Protection of Wildlife and Conservation of Natural Areas, Notification n° 37/2002, October 2002.

³ <http://www.altsean.org/Docs/Laws/Environmental%20Conservation%20Law.pdf>.

⁴ <http://www.burmalibrary.org/docs12/SOEAct.pdf>.

11. electricity generating services, other than those permitted by law to private and cooperative electricity generating services; and
12. manufacture of products relating to security and defence which the GOUM has, from time to time, prescribed by notification.

❖ Myanmar Investment Law (2016)¹

In October 2016, the Government passed a new Myanmar Investment Law (MIL),² which supersedes the previous 2012 Foreign Investment Law (MFIL)³ and the 2013 Myanmar Citizens Investment Law⁴ to create a single law for both foreign and domestic/citizen investors. In March 2017, the Myanmar Investment Rules (MIR) were adopted.⁵ The new Law introduces several changes to the previous 2012 Foreign Investment Law, including:

- An ‘endorsement’ process, instead of a full Myanmar Investment Commission (MIC) permit:

There are now types of permit possible, one being a ‘full’ MIC Permit, and the other an approval or ‘Endorsement’ for permission to use land; the second process supposedly being a faster process. Full MIC Permits will be necessary for strategic, large or environmentally or socially impactful projects (Section 36 MIL, defined further in Article 3-11 of the MIR).

- The Law applies to all investors:

The previous 2012 MFIL applied only to those foreign investors holding an MIC permit. Under the new Law, everyone who invests in Myanmar is an investor subject to the 2016 MIL, irrespective of whether they hold an MIC permit or not.

- Tax incentives have changed:

The 5-year tax holiday which was previously automatically granted to foreign investors receiving an MIC permit has been removed. The granting of tax holidays is now at the discretion of MIC. Several other tax incentives have also changed.

- Myanmar law has been brought in line with international investment laws:

The new law includes common international standards of protection for investors found in many bilateral investment treaties, including national treatment, most favoured nation, and fair and equitable treatment. This is in line with Myanmar’s obligations in some of its existing bilateral investment treaties.

- New protections for workers:

The law includes a new set of employer obligations regarding workers: investors can only cease or close their business after compensating workers; workers need to be paid during a temporary closure; and investors must pay compensation for workplace injury, sickness, death or loss of limbs.

How these new provisions will play out in practice remains to be seen and there are several aspects that warrant further clarification/elaboration in subsequent regulation or notifications to the Law, including:

- defining what types of projects will fall under Article 36, i.e. be classified as types of projects that will require a full MIC permit because they inter alia have a large potential impact on the environment and the local community;
- defining how the provisions and definitions of the new Law relate to connected legal requirements; for example, how community consultation and consent provisions pursuant to Article 5 of the 2015 Law on Protection of the Rights of Ethnic Nationalities and Environmental Investigation Agency (EIA) requirements outlined in the 2012 Environmental Conservation Law and 2015 EIA Procedure are reflected in MIC decision-making processes regarding the granting of permits and approvals;

¹ Updates provided Myanmar Centre for Responsible Business (MCRB).

² VDB, [Client Briefing Note: What Changes in Practice Under the New Investment Law?](#), 8 October 2016.

³ [2012 Foreign Investment Law](#).

⁴ [2013 Myanmar Citizens Investment Law](#).

⁵ [Myanmar Investment Rules](#), MIC Notification 35/2017, 31 March 2017.

- clarifying what types of projects will trigger the Article 46 requirement for national parliamentary approval for projects;
- elaborating the role of state/region governments in permitting decision-making, including provisions for consultation with the local communities who are potentially impacted by a project early in the permitting decision-making, e.g. through a requirement that MIC must seek comments from regional/state governments who in turn are obliged to consult with the relevant local communities.

In April 2017, MIC issued an updated list of Restricted Investment Activities¹ under Chapter 10, which restated the previous approach and that in the 2015 Amended Mining Law.

The 2016 MIL and 2017 Rules include transparency and information disclosure provisions for projects seeking MIC permits but these have yet to be properly implemented. According to Rule 45 the Commission will, after screening a Proposal for a Permit (which should probably happen at Feasibility stage for the mine), publish a summary of this within 10 working days. Rule 196 requires the investor to publish online an annual report giving details on the investment.

The 2016 MIL does not contain requirements for local content or employment of Myanmar nationals.² The previous 2012 MFIL contained thresholds for minimum percentage appointments of Myanmar nationals and the requirement that foreign and Myanmar workers holding the same qualifications ought to be paid the same salary.

In most circumstances, land cannot be sold or transferred to a foreign individual or company by a private transaction. However, the Government may allow exemptions from these restrictions. Furthermore, private investors cannot acquire Vacant, Fallow and Virgin (VfV) land rights or farmland through private transactions without the permission of the Government. Under the 2016 MIL, foreign investors with a Permit or Endorsement can obtain leases for up to 50 years, extendable for 10 years twice.³ Foreign investors are prohibited from leasing religious lands or areas of cultural or natural heritage.⁴

❖ Investment Guidebook of Forestry Sector in Myanmar (2016)

The investment Guidebook of Forestry Sector was implemented to support foreign companies or investors wishing to invest in the forestry sector in Myanmar, such as the setting up plantation, management and trade with the existing laws, policies, rules and regulations by using as the reference book as a guide.

This guidebook aims at:⁵

- controlling illegal timber trade in Myanmar;
- understanding existing laws, rules and regulations related to plantation, management, trade and investment for the foreign investment company or investors;
- guiding the investment company or investor on the utilisation of forest resources and in accordance with existing laws, rules and regulations, and to develop their investment;
- enhance the mutual understanding and goodwill between the host and investor, and
- get mutual benefits in technology and employment opportunities for both host and investor countries.

d. National Plans

The forestry sector is also governed by:

- National Forest Master Plan (NFMP) (2001/02 to 2030/31)
- National Comprehensive Development Plan (NCDP) (2011/12 to 2030/31)

¹ MIC Notification 15/2017, [List of Restricted Investment Activities](#) 10 April 2017.

² VDB, [What Changes in Practice Under the New Investment Law](#), 8 October 2016, p. 7.

³ VDB, [What Changes in Practice Under the New Investment Law](#), 8 October 2016, p. 2.

⁴ Government of the Republic of the Union of Myanmar, Notification 11/2013, [Foreign Investment Rules](#), 31 January 2013, Chapter 15, paragraph 125.

⁵ Investment Guidebook of Forestry Sector in Myanmar, June 2016.

- National Biodiversity Strategy and Action Plan (NBSAP) (2015/20)
- Myanmar Reforestation and Rehabilitation Plan (MRRP) (2017/18 to 2026/27)¹

NFMP	NCDP
<p>The NFMP outlines the long-term plan for the sector development between 2001 and 2030. It is comprehensive and covers natural forest management, forest plantation development, forest protection, forest regeneration and rehabilitation, environmental conservation, and watershed management.</p> <p>It sets out Community Forestry as an integral part of the strategy to achieve sustainable forest management and to obtain forestry products on a sustainable basis.</p> <p>The NFMP includes a target of increasing Reserved Forest (RF) and Protected Public Forest (PPF). The aim is to increase RF and PPF to 30% of total land area by 2030 (up from 24.5%). (Source: Myanmar Country Environmental Analysis, 2019)</p>	<p>The NCDP prepared by FD outlines the long-term plan for the sector development between 2011 and 2030 in order to maintain sustainable land management and implement environmentally sound policies and practices.</p>
NBSAP	MRRP
<p>The NBSAP prepared by FD with the collaboration of the International Union for Conservation of Nature (IUCN) and published in October 2015. The revised NBSAP takes advantage of a wealth of new data and information to set targets that preserve the species and habitats that are truly irreplaceable and influence decisions across multiple sectors that impact biodiversity conservation.</p> <p>The targets were designed to be specific and realistic given the five-year timeframe and available human resources. Some of the key targets relate to:¹</p> <ul style="list-style-type: none"> • launching an initiative to restore millions of hectares of forest that are commercially exhausted and subject to conversion to plantations or agriculture; • expanding the protected area network to cover 30% of the country's coral reefs and key gaps in the terrestrial system, including mangrove forests, through both government and community-based approaches; • developing an ecosystem-based fisheries management plan with private sector and civil society participation and endorsement and developing an inter-agency system to control illegal and destructive fishing in the Myeik Archipelago; and • ensuring that national law recognises customary tenure as a way to protect indigenous knowledge and genetic plant resources and provide a practical incentive for community participation in biodiversity conservation. <p>NBSAP is publicly available on: https://www.cbd.int/doc/world/mm/mm-nbsap-v2-en.pdf.</p>	<p>The MRRP aims to:</p> <ul style="list-style-type: none"> • rehabilitate forests and make silviculture operations with appropriate methods; • strengthen the private companies to invest in establishment of forest plantation; • support in Agroforestry, Orchard and Community Forestry; • develop the Myanmar Forest Plantation Policy through consultation with stakeholders; • develop the work plan for establishing of the forest and to strengthen local people to participate in monitoring the illegal logging. <p>The MRRP includes ambitious targets to restore close to 1 million ha of degraded and deforested forest with the PFE by 2026. The plan is to achieve this through a combination of plantations, community forestry, assisted natural regeneration and enrichment planting projects. (Source: Myanmar Country Environmental Analysis, 2019)</p> <p>For further information about MRRP, please visit: https://www.myanmarwaterportal.com/repository/413-myanmar-reforestation-and-rehabilitation-programme-2017-2026.html</p>

¹ <https://www.myanmarwaterportal.com/repository/413-myanmar-reforestation-and-rehabilitation-programme-2017-2026.html>

3.2.3. Ongoing reforms

a. Quick Response (QR) Code

MTE has introduced the QR Code (Quick Response) system for teak extracted from natural forests starting from the FY 2018/19. Several information relate to the timber have been accessible to the public such as:

- Forest Administration Township;
- Reserved and Compartment;
- Agency;
- Range;
- Depot;
- Extraction Year;
- Species;
- Standing Tree No./Log No;
- Revenue Number;
- Revenue Mark (Akauk);
- Standing Tree Location;
- Log Measurement.

b. Establishment of Plantation Department

MTE has established a new department responsible for plantation in some areas requested by the FD (e.g. Bago, Tharwaddy, Pathein, etc.).

c. Establishment of the Elephant-Conservation Based Tourism (ECBT)

Since 2016, MTE has opened twenty-two (22) ECBT with the intention of:

- promoting the understanding of the elephants' habit and behaviour;
- supporting the conservation of natural landscape and maintain the habitat of elephants through the reforestation programme;
- creating alternative job opportunities for elephant staff (Mahout) and local community; and
- providing the economy with an additional source of income through the collection of entrance and riding fees.

Further information on ECBT is available on its website <http://www.myanmarelephantcamp.com/>.

d. Myanmar REDD+ process, including the Roadmap

Myanmar joined the UN-REDD Programme (United Nations collaborative initiative on Reducing Emissions from Deforestation and Forest Degradation in developing countries) in 2011. The REDD+ Core Unit was set up at the Ministry of Environmental Conservation and Forestry. A REDD+ Readiness Roadmap has been prepared.

The REDD+ Readiness phase is putting in place capacities, infrastructure and systems necessary to conduct accurate national forest inventories, monitoring of forest cover and cover change, and measurement, reporting and verification (MRV) of forest-based greenhouse gas (GHG) emissions. Myanmar is taking actions in line with the REDD+ Roadmap. Preparatory studies have been completed or initiated.

In 2015, Myanmar submitted at the twelfth session of the Conference of the Parties to the United Nations Convention to Combat Desertification (UNCCD COP12) the Intended Nationally Determined Contribution (INDC), that identified mitigation actions and policies in the primary areas of forestry and energy they

will deliver both reductions in GHG emissions and significant development co-benefits, and based the 2030 target on the National Forestry Master Plan targets summarised above.

The 10th meeting of the Myanmar REDD+ Task Force was held at the Forest Department in Nay Pyi Taw, with the main purpose to report progress on Myanmar REDD+ and some important updates to members of the Task Force.

Additional information about Myanmar REDD+ process is available at <http://www.myanmar-redd.org/>

e. EU FLEGT and its VPA

Myanmar is committed to the FLEGT process. It joined the programme in 2014, and officially entered the preparation stage at the beginning of 2015. The purpose of the preparation phase is to prepare and establish strong foundations for a successful negotiation should Myanmar pursue the VPA.

A FLEGT Interim Task Force (ITF) has been set up and is currently transitioning towards a multi-stakeholder group (MSG). It has taken steps to develop a negotiation roadmap but a clearer understanding of the commitments is still being worked out. The first legality definition workshop took place in December 2017 and the existing chain of custody for timber in Myanmar is being mapped out, which are all important steps towards the development of the TLAS. The future TLAS will be expected to cover elements and controls related to compliance with legislation on taxation, royalties, duties, etc. As part of the preparation phase, the ITF (future MSG) is also discussing institutional reform needs and synergies with the peace process.

There are significant synergies between VPAs and EITI. Transparency is a key objective of VPAs, which include a specific annex on transparency and disclosure of information. The inclusion of Myanmar's timber sector into EITI reporting and the FLEGT process reinforce each other because they strengthen stakeholders' understanding on the need for greater transparency and expand multi-stakeholder engagement. Work on transparency as part of EITI reporting is expected to improve the understanding of transparency needs, which will facilitate and focus discussions once the VPA transparency annex is developed.¹

International Alert² has published this Conflict-Sensitivity Analysis³ in October 2017, it provided an overview analysis of forest governance in Myanmar to inform the process of negotiating the VPA.⁴

The main key forest governance issues identified in this analysis are listed as follows:

- Political economy of the timber trade;
- Illegal logging and timber legality system challenges;
- Community-driven action against illegal logging; and
- Land rights governance.

Additional information about EU FLEGT in Myanmar is available at <http://www.euflegt.efi.int/myanmar>

During our field visit in March 2020, we understood that VPA negotiations are no longer underway.

f. Forest Certification

The Myanmar Forest Certification Committee (MFCC) and PEFC International have announced in June 2019 the conclusion of PEFC membership for the MFCC. The MFCC is the latest and 51st national member of the PEFC Alliance.

¹ Source: European Union, Myanmar.

² International Alert is a non-profit organisation focusing on peacebuilding activities.

³ According to International Alert, "Conflict sensitivity" is a term that refers to recognising the two-way dynamics of the impact of an intervention on the context in which is undertaken, as well as the impact of context on interventions, such as governance reform.

⁴ http://www.international-alert.org/sites/default/files/Myanmar_ForestGovernanceTrade_EN_2017.pdf.

Currently, Myanmar does not have any internationally recognised forest certification standard, such as Forest Stewardship Council (FSC) of the Programme for the Endorsement of Forest Certification (PEFC).

Myanmar Forest Certification Committee (MFCC) has been formed and is currently formulating the Myanmar Forest Certification Scheme, which will include independent Timber Certification Bodies or Auditors. PEFC International has recently announced a joint initiative with MFCC to work on sustainable forest management in the country.

Furthermore, MFCC is implementing a project funded by Prince Albert II Monaco foundation to become a member of PEFC. MFCC is now under processing to seek endorsement of Forest Management scheme by PEFC and it would be in this year 2020.

Myanmar Forest Certification Committee (MFCC) has developed the Myanmar Timber Legality Assurance System (MTLAS) in 2013. It was based on the ASEAN Criteria and Indicators for Legality of Timber. Independent third-party Certification Bodies (CB) are carrying out compliance against MTLAS. Currently MFCC have assessed the four Certification Bodies as competent by based upon the minimum requirements set out in MFCC's Policy 5 Certification Body Requirements. MFCC will publish registers of Certified entities, consignments and Certification Bodies, update these registers monthly, and make all information available on the MFCC website, <https://www.myanmarforestcertification.org>.

- Nature Watch
- United Forestry Services
- Double Helix Tracking Technology

3.2.4. Latest Analysis

Table 44 below sets out the main key findings raised in the Stakeholder Mapping Report (2016) with regards to the forestry sector in Myanmar.

Table 44: Key findings of the Stakeholder Mapping Report (2016)

N°	Key findings	Description
1	Unseen and disguised players	There are players such as brokers, agents, catalysts, international buyers behind local names, big buyers of informal sectors from border trade, etc., are found out. While there are some players obviously identified and visible in the market, there are other unnoticed players behind the scenes.
2	Informal sector is not separate but intertwined with the formal one	<p>The complex links between the formal and informal sectors can be seen in the Timber Flow Chart (Figure 5). The informal sector is parallel to the formal and in places intertwined with the formal sector. These are the main factors that contributed to informal timber flows:</p> <ol style="list-style-type: none"> 1. Large demand by buyers from neighbouring countries, using the power of advanced payments which allow the informal suppliers to be able to invest and compete to get the quality products; 2. Huge domestic demand for timber and wood-based products from basic household needs to industrial demand and construction; 3. Livelihoods and socio-economic situation of communities in forest areas who mainly depending on timber and other forest products due to the lack of alternative options for their scarcity of other job opportunity, capital, technical know-how, education and awareness, etc.; 4. Easy access of equipment, supplies and informal supporting industry; 5. Incomplete system of legislation, rules and regulations for the industry; 6. Failure in rule of law, corruption, and mismanagement; and 7. Less/No control in the remote areas due to the security situation. (It is how the whole situation has been considered currently from the side of Union Government. On the other hand, to see the situation from the other side, it is rather political and it is based on the improvement of the peace building process which hopefully would be able to lead to a clearer decision of allocation and management of natural resource in those areas).
3	The Government sector has many players	<p>Many players who can influence the process are in the Government sector. Myanmar military and people's police forces are also counted in many roles significantly. Some of the Government players have primary roles in formal supply chains: i.e., in policy formulation, regulation and actual management while some of them are in the secondary roles such as law enforcement and security.</p> <p>However, some also have secondary roles, with a high level of influencing power and interest in the process. The likely reason is their role in regulation and management and the incomplete</p>

N°	Key findings	Description
		system of legislation, rules and regulations for the industry, as well as weak rule of law, corruption, and mismanagement.
4	Crony players remain in the High-Power - High-Interest group	The group recognised as “Cronies” remain in the system, despite policy having recently been changed to end sub-contracting by MTE for timber extraction. These players fall in the High-Power - High-Interest group due to their possession of financial, technical, material and human resources, as well as their access and relationship to power actors in the formal sector. One more interesting finding in this mapping is their involvement which used to be with formal system in the timber flow.

3.2.5. Types of permits

a. Permits for Timber Extraction

MTE has the exclusive right to harvest timber in Myanmar and starting from 1 April 2016 this has been carried out by its own means. Hence, there are currently no permits for Timber Extraction.

b. Permits for Extraction of Forest Produce

Forest produce may only be extracted after obtaining a permit. However, if it is for domestic or agricultural or piscatorial use not on a commercial scale, forest produce may be extracted in amounts not exceeding the stipulated quantities, without obtaining a permit.

In permitting the extraction of forest produce, FD shall apply the competitive bidding system if the extraction is on a commercial scale. However, extraction for the following purposes may be permitted without using the competitive bidding system:

- where extraction of forest produces and sales in and outside the country are carried out as a SEE;
- where the Minister is empowered by the GOUM in respect of the extraction of forest produce;
- where minor forest produce is permitted to be extracted on a commercial scale; and
- where forest produce to be used in the following works not on a commercial scale is permitted to be extracted:
 - research and education work; and
 - work beneficial to the public or religious work.

In respect of permission for extraction of forest produce on a commercial scale:

- the Minister may grant permission for a period of **five years and above**;
- DG may grant permission for a term extending from **over two years to four years**; and
- the State/Divisional Forest Officer may grant permission for a term which may extend to **one year**.

The person granting permission for extraction of forest produce may, for enough reason, extend the term of the permit for not more than **six months** at a time and not more than twice.¹

c. Permits for household use²

A citizen has the right to produce and use the woods which are not prohibited to produce and grown naturally outside of reserved forest within 20 miles from their residing place in accordance with the Forest Law.

The types of wood that are prohibited from producing are:

- Teak, Pyinkado or Iron wood (*Xylia xylocarpa*);
- Thitya or yellow balau (*Shorea oblongifolia*);
- Ingyin (*Pentacme Siamensis*);
- Thingan (*Hopea odorata*);

¹ Source: Forest Law, Chapter VI.

² Source: Notification N° 31/88 issued by the Ministry of Agriculture and Forestry.

- Padauk or Rose wood (*Pterocarpus macrocarpus*);
- Tamalan or Rose wood (*Dalbergia oliveri*);
- Thitka or Melunak (*Pentace Burmanica*);
- Thitsho (*Pentace griffithii*);
- Shar;
- Thayaw (*Grewia tiliaefolia*); and
- Pine.

After the applications are verified by the FD, a maximum of 10 Hoppus tons of wood logs may be permitted to be produced for household use per year in compliance with the directives. The provisions in the forest law and by laws shall be complied exactly for household use of woods.

d. Establishment of Forest Plantation

The Director General (DG) of the FD may, with the approval of the Minister, set up the following plantations on a forest land or land at the disposal of GOUM:

- commercial plantation;
- industrial plantation;
- environmental conservation plantation;
- local supply plantation;
- village firewood plantations; and
- other plantations.

If permission is obtained from GOUM:

- any person or any organisation has the right to carry out plantation activities in joint venture; and
- any person or any organisation has the right to carry out in accordance with the stipulation, cultivation and maintenance of forest plantations apart from village-owned firewood plantations cultivated by the villagers for their use.

DG may grant permission to set up with stipulation the following village-owned firewood plantations in a reserved forest or protected public forest or on land at the disposal of the government in the vicinity of the village:

- firewood plantation set up by FD for one year and then transferred to be maintained and used as village-owned; and
- village-owned firewood plantation set up, maintained and used by the villages by collective labour.

An individual holding the rights to extract forest produce on a commercial scale who has the responsibility of setting up forest plantations or carrying out natural regeneration under a permit for the State shall carry out the same at his own expense and in accordance with stipulation.¹

e. Establishment of Wood-based Industry

A private entrepreneur who is desirous of establishing a sawpit, sawmill, tongue-and groove mill, plywood mill, veneer mill or a wood-based industry with the exception of wood-based cottage industries and furniture industries has to seek a permit from the Forest Officer empowered for this purpose.

DG may, with the approval of the Minister, determine the rates of royalties, and terms and conditions of the permit.²

¹ Source: Forest Law, Chapter V.

² Source: Forest Law, Chapter IX.

3.2.6. Local content and social payments

We understand that currently, there is no specific law relating to CSR in Myanmar. MTE confirmed the lack of any CSR activity. We have reviewed some of MTE's accounts and CSR expenditure do not appear to have been incurred during the FY 2017/18.

3.3. Fiscal Regime

3.3.1. Tax administration

a. Tax period

The taxable period of a company is the same as its financial year, which starts on 1 April and ends on 31 March.

b. Tax returns

In general, annual income tax returns must be filed within three months from the end of the financial year, i.e. by 30 June of the financial year.

c. Payment of tax

Advance corporate tax payments are made in quarterly instalments within **ten days** from the end of the relevant quarter throughout the income tax year based on the estimated total income for the year. The advance payments and any taxes withheld can be credited against the final tax liability. The date for settling the final tax liability is specified in the notice of demand issued by IRD.

3.3.2. Common taxes

Table 45 below sets out the list of main common taxes applicable in Myanmar:

Table 45: Definition of common taxes

N°	Taxes	Description
1	Income Tax	IT rates depend on whether the joint venture company is a 'resident' (i.e. formed under Myanmar law) or a non-resident formed under a law other than Myanmar law, such as a 'branch office'. For resident companies, the income tax rate is 25% of profits. For non-resident companies, the income tax rate has been 25% since April 2015. For enterprises or individuals permitted and operating under the Myanmar Investment Law (MIL), and foreign organisations engaged by special permission in a state-sponsored project, enterprise or undertaking, the income tax is 25% .
2	Capital Gains Tax (CGT)	The sale, exchange or transfer of capital assets are levied for income tax purposes on gains calculated based on the difference between gross sales and the purchase cost of assets plus any additions less depreciation . Capital assets for income tax purposes are defined as lands, buildings, vehicles, or any other asset owned by an entity including shares, bonds and intangibles. CGT is levied at 10% on the capital gain and payments are required to be made within 30 days from the date of disposal of the capital assets.
3	Commercial Tax (CT)	Commercial tax (CT) is levied on the sales of goods and services and applied to certain transactions as defined in the Commercial Tax Law. CT is applied to the gross sales of goods and services. For imported goods, CT is calculated on the cost, insurance and freight (CIF) value of goods plus customs duties. CT levied on the export is at zero percent except for electricity (8%) and crude oil (5%). The application for registration should be completed in the prescribed form one month before the commencement of business.
4	Stamp Duty	Stamp duties collected from the sale of judicial and non-judicial stamps. Judicial stamps represent fees payable under the Court Fees Act. Non-judicial stamp duty is levied on various types of instruments required to be stamped under the Myanmar Stamp Act.
5	Import duties	Goods imported in Myanmar are subject to Customs Duties and are required to be declared to MCD accordingly. Currently, Customs Duties levied on imported goods. The rate range from 0% to 40% . No export duties are levied on exported goods.

N°	Taxes	Description
6	Withholding Tax (WHT)	<p>WHT is a tax where any person or company making certain payments is required to deduct from such payments and remit to the Government Agencies. The tax withheld must be paid to IRD within seven days from the date of withholding. Tax withheld from payments to residents will be set off against the tax due on their final tax assessments. Tax withheld from payments to non-resident companies (except the branches registered in Myanmar) is a final tax.</p> <p>Latest updates: Notification 51/2017 dated on 22 May 2017 WHT is not applicable to payments made in local currency of less than MMK 500,000 within a financial year. WHT is not applicable to payments made among Government Agencies, SEE or interest payments made to branches of foreign banks.</p> <p>Notification 47/2018 dated on 18 June 2018 Notification N° 51/2017 has been replaced by Notification N° 47/2018 starting from 1 July 2018. The main change is the removal of withholding tax on payments for goods and services to residents. However, payments made by the Government are still subject to a 2% withholding tax. In the new notification, for payment made by the government under paragraph (c) of the withholding tax rates table below, MoPF states the payment exemption threshold of MMK 1 million in a year. It is also stated that no withholding tax is required for payments made between the government agencies.</p>
7	Specific Goods Tax (SGT)	<p>SGT is payable on 1) imported goods, 2) manufacturing goods that are produced in the domestic market and 3) exported goods. There are seventeen (17) specific goods with tax rates from 5% to 80%. The specified tax rates on the specific good:</p> <ul style="list-style-type: none"> - Natural gas: 8% - Raw Jade: 15% - Raw ruby, sapphire and precious stone: 10% - Finished products of jade, ruby, sapphire, and other precious stones jewellery made by finished products of jade, ruby, sapphire, and other precious stones: 5% - The exported log different type of timber: 10% <p>The specific goods tax is not levied on the exports except from the above five specific goods.</p>

The table below sets out the changes to the rates of WHT:

Payment	Payer	Percentage to be withheld from payments to:					
		Resident citizens and Resident foreigners			Non-resident foreigners		
		Starting from 1 July 2018	Between 1 April 2017 and 30 June 2018	Residents Until 31 March 2017	Starting from 1 July 2018	Between 1 April 2017 and 30 June 2018	Non-residents Until 31 March 2017
Interest.	(a) All	0%	0%	0%	15%	15%	15%
Royalties.	(b) All	10%	10%	15%	15%	15%	20%
Payment for the purchase of goods, work performed or supply of services, and hiring arrangements within the country under a tender, contract, quotation or other modes.	(c) Union level organisations - Union Ministries - Naypyitaw Council - Regional or State Government - SOEs - Municipal organisations.	2%			2.50%		
	(d) Businesses which are performed in the form of JV with the Govt - The Partnership - JV - Company - Association of individuals - Organisation or association - Cooperative society and foreign companies - Foreigner owned enterprises.	0%	2%	2%	2.50%	2.50%	3.50%

3.3.3. Specific tax

The main specific tax paid by MTE is royalty on extraction paid to the FD. Table 46 below sets out the latest update of royalties' tariffs.

Table 46: Royalties' tariffs

No.	Product	Unit	Rates		
			Up to 30 April 2015	Between 1 May 2015 and 30 September 2017 ¹	Starting from 1 October 2017 ²
1	Teak	Hoppus Ton	3,750	15,000	30,000
	Hardwood (Group 1)				
2	Padauk/Tamalan	Hoppus Ton	1,875	15,000	30,000
	Except Padauk/Tamalan	Hoppus Ton	1,875	8,000	20,000
3	Hardwood (Group 2)	Hoppus Ton	938	4,000	10,000
4	Hardwood (Group 3)	Hoppus Ton	625	3,000	6,000
5	Teak Post	Hoppus Ton	200	500	800
6	Hardwood Log	Hoppus Ton	100	300	500
7	Pole (100)	Hoppus Ton	200	500	1,000

MMK

Source: FD.

3.3.4. Overview of extractive SOEs

a. MTE

As other SEEs, MTE must allocate its profit as follows:

- Income Tax (25%) to be paid to IRD;
- State contribution (20%) to be paid to MoPF; and
- the residual profit (55%) to be held in other accounts.³

The template of Profit and Loss Statement used by SEEs is presented in Annex 10 to the Report.

b. Forest Products Joint Venture Corporation Ltd (FPJVC)

MTE and FD hold 45% and 10% respectively of the FPJVC's capital. The latter regularly distributes dividends.

FD has confirmed that dividends received from FPJVC are deposited annually to the Government Budget (the Union Fund).

c. FD

The FD collects other forestry revenues as follows:

- Land rental fees;
- Fees: Sawmill license fees, elephant registration fees and premium fees for land;
- Fines: Fines from forest offences, compensation fees for clearing of trees by development projects; and
- Confiscation: Income from selling of seized forest products other than timber.

¹ Royalties' tariffs issued by the FD on 27 April 2015.

² Royalties' tariffs issued by the FD on 2 August 2017.

³ Other Accounts are used by SEEs to manage their own-source revenue under the supervision of Parliament.

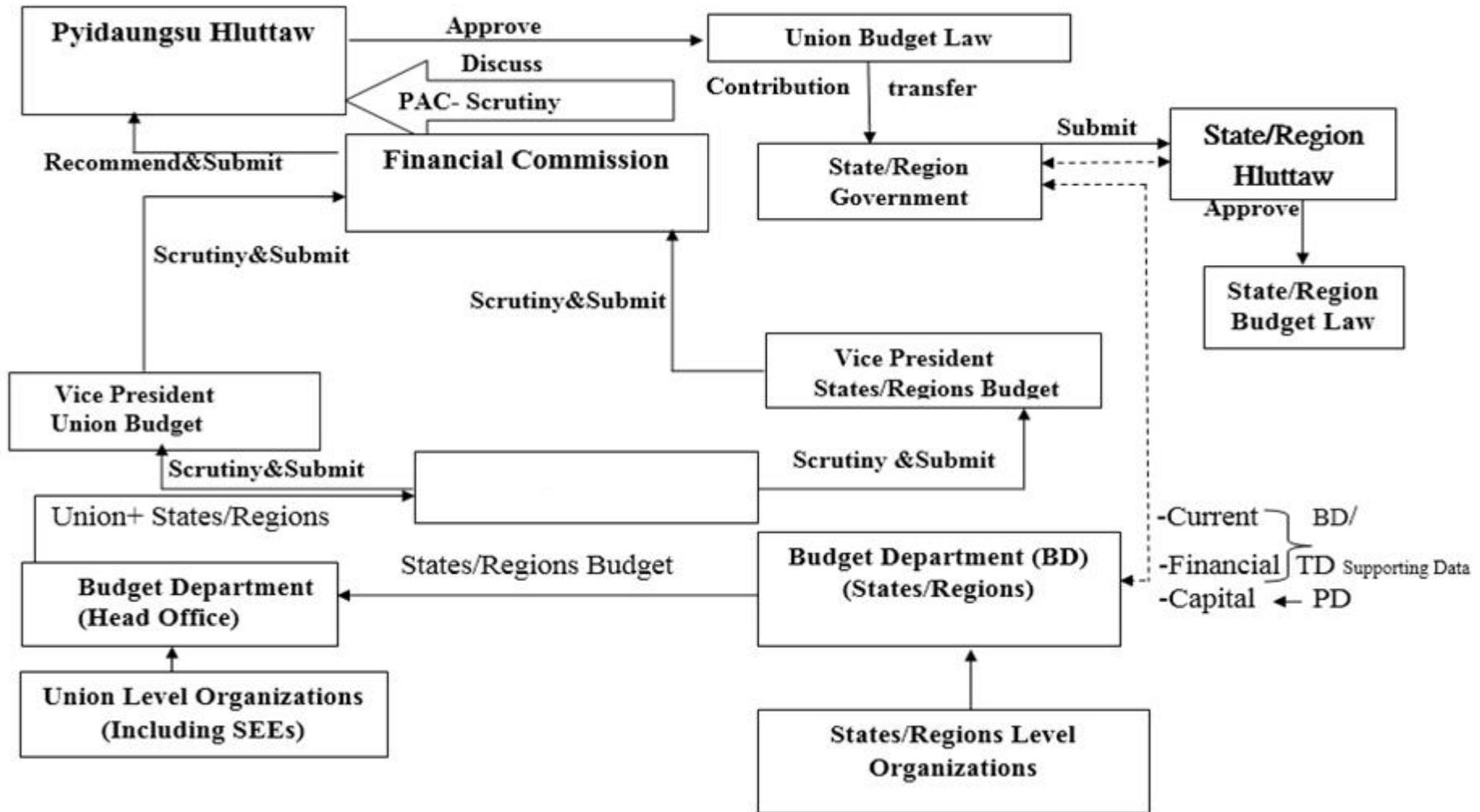
3.4. Budget Process

In Myanmar, the fiscal year runs from 1 April to 31 March. MoPF issues the Budget Calendar to the Government Agencies. The Union level Organisations (including SEEs) submit their budget proposal to the BD (Head Office). BD is responsible for current expenditure. The Planning Department (PD) is responsible for capital expenditure and TD is responsible for financial expenditure. BD then compiles the current, capital and financial expenditure which it submits to the Deputy Minister of Planning and Finance. The Deputy Minister reviews the budget for each department after preliminary reviews. Then, Minister of Planning and Finance reviews and submits to Vice Presidents for their review. After the reviews by Vice Presidents, the proposed budget is submitted to the Financial Commission for further reviews and discussion. MoPF on behalf of the Union Government submits the Union Budget Bill and Budget Proposal to Pyidaungsu Hluttaw¹ with the recommendations of the Financial Commission. After discussion and approval by Pyidaungsu Hluttaw, the President signs the Union Budget Law (UBL) and it is enacted. It is published in newspapers and MoPF website (<https://www.mopfi.gov.mm/>). BD issues the Budget sanction to Government Agencies according to UBL. UBL includes the funds transfer from Union to States/Regions. Parliamentary discussions on Budget sanction can be found on TV channels and local newspapers.

The budget preparation process can be presented as follows:

¹ Assembly of the Union.

Figure 35: Budget Preparing Process



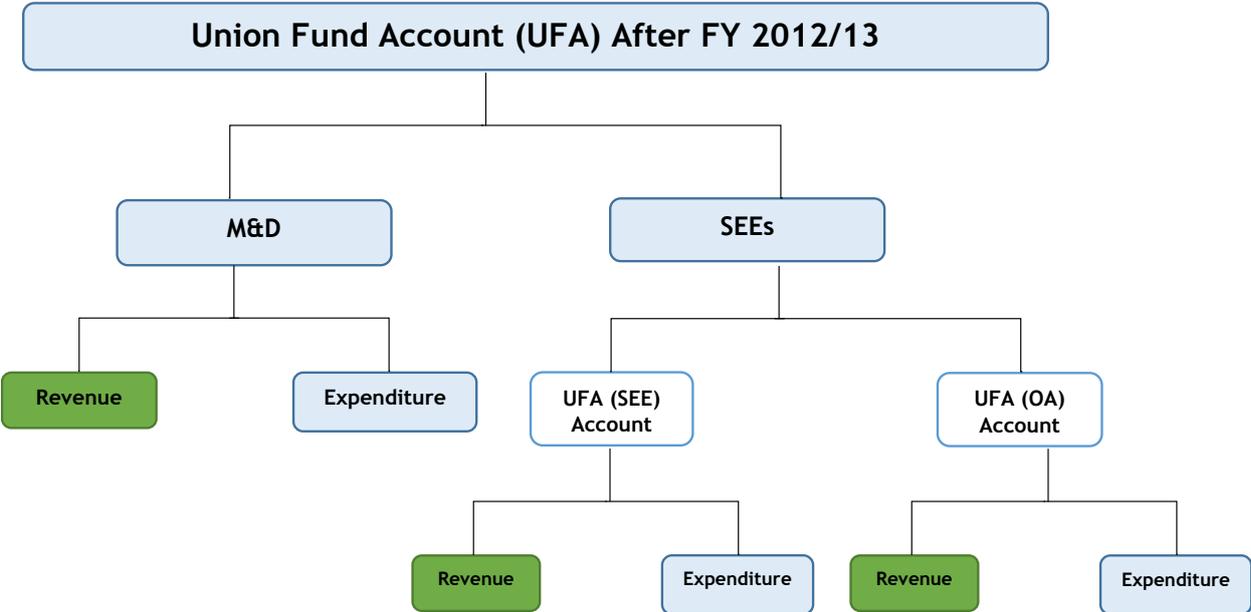
In Myanmar, Government accounting is on a cash basis, following the single-entry system. The budget of Myanmar is financed by funds from four primary sources:

- tax revenues;
- revenues from natural resources;
- income from SEEs; and
- other non-tax revenue (various government fees and charges).

As from FY 2012/13, there have been significant budgetary developments in Myanmar which include changes in the ways in which SEEs are financed and how they contribute to the budget. SEEs are required to find their own funding to finance raw materials, fuel and other direct costs of production, and they can borrow the money at an interest rate of 4% from MEB when needed. This is expected to increase overall fiscal space, as well as fiscal space of the social sector.

Although SEEs budget is included in the State Budget, some parts of their budgets run with their own funds. Financing of the budget deficit of SEEs will be provided or loaned from Union Fund which approved by cabinet of Union Government.¹ According to our interviews with BD representatives, the structure of the Union Fund for FY 2012/13 can be presented in Figure 36 below.

Figure 36: Structure of the Union Fund Account (UFA) for FY 2012/13



In 2015/16, if SEEs make profit, 100% of the purchase of raw materials, Commercial Tax, Income Tax and State Contribution under the current expenditure shall be carried out their own fund and the rest of current expenditure, capital expenditure and financial expenditure shall be carried out the Union Fund. If SEEs make losses, 100% of the cost of raw materials and commercial taxes under the current expenditure shall be incurred out their own funds and the remaining current expenditure, capital expenditure and financial expenditure shall be incurred out the Union Fund.

Moreover, according to UBL 2015, Section 16 (a) “the State-owned Economic Organisations shall, with their own budget programmes, incur purchase of raw materials, income tax, contribution to the State and commercial tax under the required current expenditure for production of goods, services and trading according to the organisations as the working capital for carrying out their functions in

¹ <http://www.mof.gov.mm/en/content/budget-department>

*accordance with the stipulation of the MoPF in carrying out commercially and in accordance with the principle of subsistence on their own fund. If the working capital for carrying out their functions is not enough to carry out with their own budget programmes, it may take a loan from the State-owned banks established under the Myanmar Financial Institutions Law”.*¹

Section 16 (b) of UBL 2015 stipulates that “*The State-owned Economic organisations shall carry out current expenditure other than the expenditure mentioned in section 16 (a), relating to the repayment of loans and capital expenditure within the Union Budget Programme*”.

Section 17 of UBL 2015 stipulates that “*For the purpose of compiling the debit and credit of the State-owned Economic Organisations, it shall be shown in the accounts of the Union Fund*”.

From the above section of UBL and following our interviews with BD representatives, we understand that all the receipts and expenditure of the SEEs, including those carried from their Other Accounts are consolidated under the Union Budget.

Since 2011, the Parliament has set up two specialised committees for the purpose of providing oversight of the Government’s public finances:

- The Public Accounts Committee (PAC) has a bipartisan membership and vets the budget bill and the audit report; and
- The Planning and Finance Development Committee is responsible for reviewing the national development plan and legislative matters relating to the financial sector.

Since 2012/13 these committees have reviewed and rationalised the executive budget proposal significantly and have been instrumental in having the approved Budget Law published in the local press.

In order to coordinate and integrate state and regional budgets with the Union Budget, the Government has also set up the Financial Commission and the National Planning Commission. Since 2011, the new planning and budgeting practices has resulted in a decentralisation of Public Financial Management (PFM) policy functions from the President’s Office to the Ministry of Finance and the Ministry of National Planning and Economic Development (MNPED) respectively.

When it comes to the account of the Union Government, Union Fund Account (UFA) is opened and kept at MEB and Union Government Deposit Account (UGDA) is opened and maintained at CBM.

All the branch offices of MEB must consolidate the balances of the accounts of the Government. Thus, the Head Office of MEB must consolidate the UFA surplus or deficit balances, prepare a total consolidated balance of UFA surplus and deficits and go through the accounts with CBM weekly and monthly.

The funds that are deposited or drawn from UGDA at CBM are:

- Net surplus or deficit of the Union Fund Account;
- Contributions and return of the State-Owned economic enterprises to the Union;
- Sales or redemption of treasury bills;
- Sales or redemption of treasury bonds;
- Subsidies for budget deficits to the Region or State; and
- Net Surplus or deficit of Government Treasury’s Offices.

Figures 37, 38 and 39 below set out the operation of UFA and UGDA.

¹ http://www.mof.gov.mm/sites/default/files/Budget%20Law%20English%20PDF_0.pdf

Figure 37: Operation of UFA

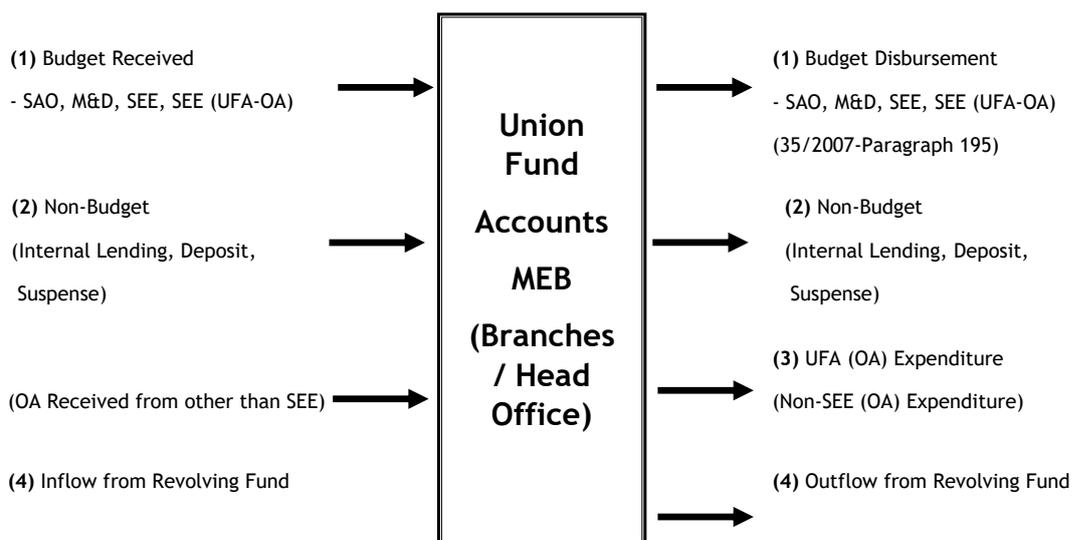


Figure 38: Operation of UFA and UGDA

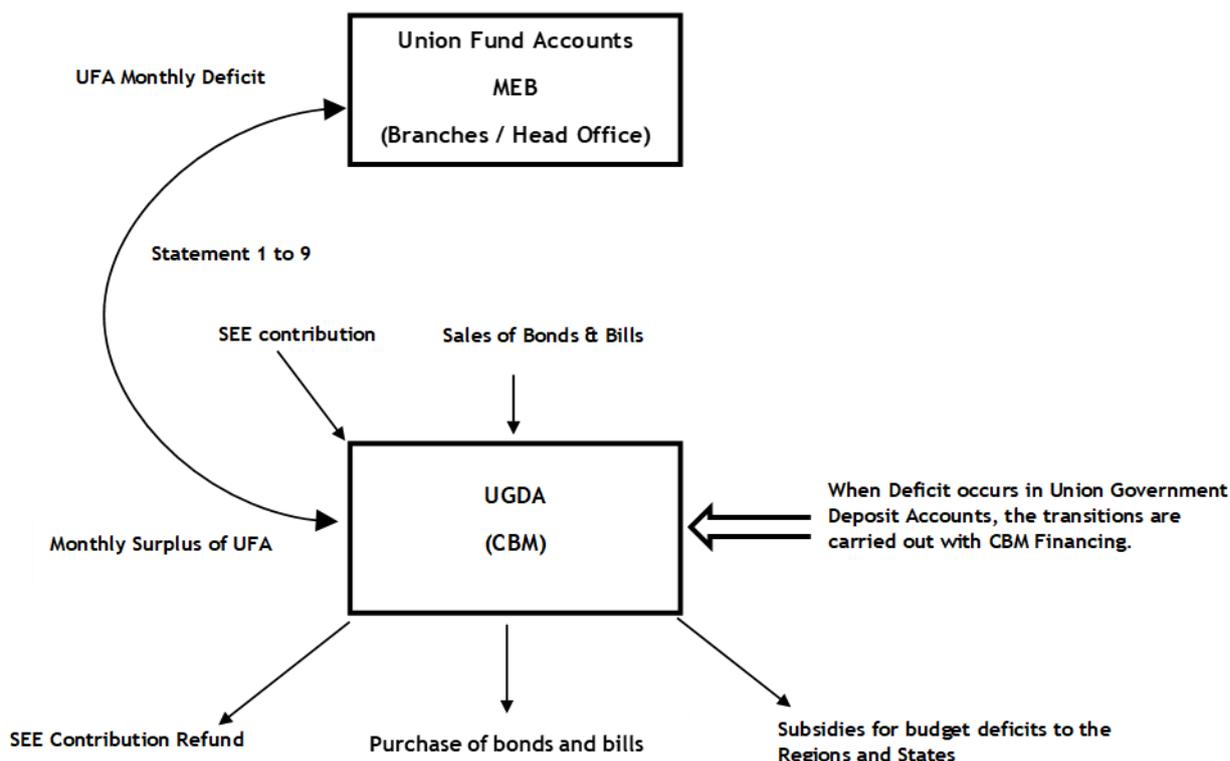
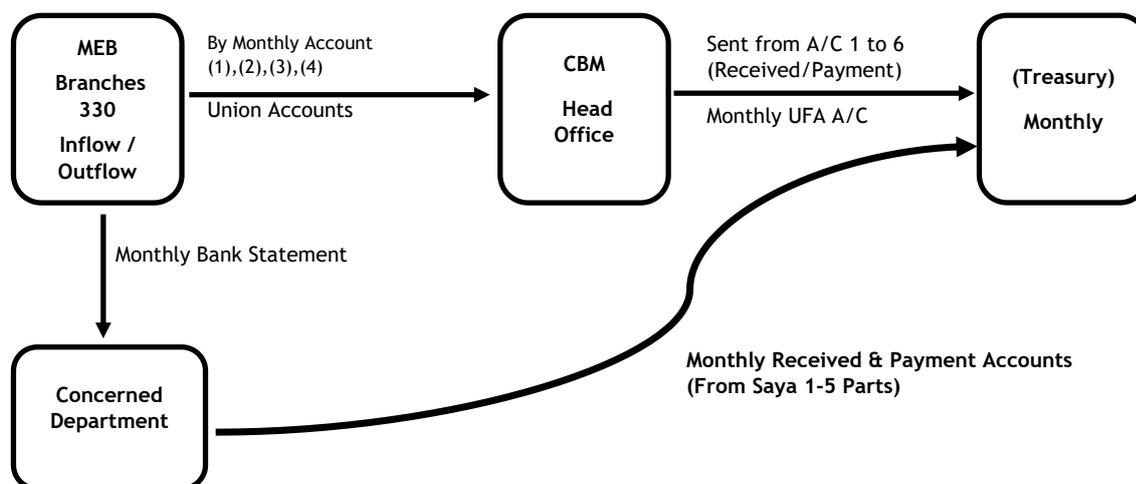


Figure 39: Monthly consolidated A/C of UFA



Further information on the Budget process are available on the MoPF website <https://www.mopfi.gov.mm/en/content/budget-news>

3.5. Public Finance and Revenues Management Reforms

3.5.1. Public Finance Management reform in Myanmar

The World Bank's Board of Executive Directors approved a US\$ 30 million credit from the International Development Association (IDA) for Myanmar's Modernisation of Public Finance Management Project in 2014. The Australian Government (US\$ 5 million) and the UK's Department for International Development (DfID) (US\$ 15 million) co-financed the project through a multi-donor trust fund for Myanmar.

The project aims to support efficient, accountable and responsive delivery of public services through the modernisation of Myanmar's Public Finance Management Systems. The project will also help strengthen revenue administration, which will increase the effectiveness of tax and non-tax revenue mobilisation. Increased revenues in turn will create fiscal space for increasing expenditure on public services that will help reduce poverty and promote shared prosperity.

The main steps achieved can be summarised as follows:

- assessment on Public Expenditure and Financial Accountability in Myanmar and publication of Public Financial Management Performance Report in 2013 with the collaboration of the World Bank;
- setting up of PFM Reform Strategy (2013) and adoption of a revised PFM Strategy in 2018;
- setting-up a Public Expenditure Review (PER) in order to analyse the resulting expenditure patterns and related sector outcomes from PFM System with the aim of assessing public resources achieving the desired development objective. There are six areas in PER's first phase: Macro Fiscal Context, Broad Revenue and Expenditure, Intergovernmental Fiscal Relation, Electric Power and Energy, Health and Education.
- setting-up a PFM Sub-Sector Working Group (SWG) under Public Administration Working Group among seventeen SWGs (Nay Pyi Taw Accord); and
- setting-up Myanmar Modernisation of Public Finance Management Project (MMPFMP), a five-year project from 2014 to 2019.

The PFM modernisation project has five components:

1. Improving Revenue Mobilisation;
2. Supporting Responsive Planning and Budgeting;
3. Supporting Effective Budget Executing and Financial Reporting;
4. Fostering External Oversight and Accountability; and
5. Establishing a Sustainable Institutional Platform and Skill-Base for PFM.

Improving Revenue Mobilisation

The following reforms are in progress:

- formulating Tax Policy and Tax Administration Reform;
- Set up Large Taxpayer Office (LTO) and Medium Taxpayer Office (MTO 1, 2 & 3);
- Transform Official Assessment System (OAS) into Self-Assessment System (SAS) and start to practice SAS at LTO and MTO;
- Identify Specific Goods Tax and Enact Specific Goods Tax Law in 2016;
- Change Commercial Tax to Value added tax and special commercial tax;
- Update information technology system;
- Installation of IT Equipment; and
- Increased Tax to GDP ratio year by year.

Supporting Responsive Planning and Budgeting

The following reforms are being implemented in the budget preparation and planning:

- Separate the consolidated State Fund into the Union Fund and States/ Regions Fund since 2011;
- Practice Medium Term Fiscal Framework (MTFF) since FY 2015/16 in order to improve the budget formulation process year by year and to support macroeconomic stability and development;
- Allocate more expenditure to the Social Sector such as Education & Health by setting up the top point in Expenditure Policies with respect to prioritized areas of the country;
- Provide subsidies and fiscal transfers to the States/Regions by practising MTFF (six indicators: total population, poverty index, area, per capita GDP, urban population as percent of total state population and per capita tax collection);
- Develop a system of top-down budgeting and bottom-up planning;
- The Budget Department implements the MTFF process;
- Improved fiscal decentralization;
- Improved fiscal transparency:
 - Enacted Budget Law published in newspapers and MoPF website,
 - Citizen's Budget and Year-End Budget Reports published in MoPF website starting from FY 2015/16,
 - In-Year Budget Reports published in MoPF website starting from FY 2016/17,
 - Mid-Year Budget Review published in MoPF website starting from FY 2017/18.
- Updated Financial Rules and Regulation.

3.5.2. IRD Strategic plan 2014-2020

Table 47 sets out the objectives of IRD strategic plan 2014/20.

Table 47: Objectives of IRD strategic plan (2014/20)

No.	Objectives	Description
1	Develop a robust legal Framework within which the IRD can operate effectively	Legislation will be reviewed and updated to support the new administrative approaches such as self-assessment. A tax administrations procedures code will be developed and the revenue acts will be re-written. Value-Added Tax (VAT) legislation system will be introduced.
2	Re-organise IRD to fit with the new administrative approaches	The organisation will be restructured based on functions (taxpayer service, return and payment processing, return filing compliance and arrears, Audit, Disputes resolution, Legal and tax rulings) with a strong taxpayer segment (LTO, MTO and STO) orientation. Headquarters will be reorganized to better guide and direct the organisation.
3	Modernize the process for assessing taxation	Move from an official assessment system (OAS) where the IRD calculates the tax to a self-assessment system (SAS) where the taxpayer calculates the tax payable within strict guidelines. Introduce a VAT system of indirect taxation.
4	Streamline and simplify all business process and procedures and make full use of technology	All business processes will be reviewed, and technology will be utilized throughout the tax administration functions.
5	Balance services and enforcement approaches to address revenue risk	Develop capacity to focus on the management of systemic and segment-related risks. A range of taxpayer services will be developed based on the needs of taxpayers and the revenue. Enhance enforcement activity to ensure those who do not comply will be identified and dealt with.
6	Develop our people and maximise their potential	All human resource systems, processes and procedures will be reviewed and modified to support the new administrative approaches. Development programs will be established for segments, functions and individuals to bring skill levels in line with the changes.
7	Develop and implement leadership and governance arrangements to manage the changes	Capacity will be developed and put procedures in place to manage these significant changes as they impact on our systems, our people and stakeholders. Processes will be put in place to ensure engagement occurs with our people and key stakeholders.
8	Build transparency and accountability into all aspects of the administration	External and internal transparency and accountability structures will be built. These structures will help create an environment of public trust in the integrity of the tax system.

IRD uses the following approaches to manage the reforms:

- reforms will be managed and led by the Republic of the Union of Myanmar Internal Revenue Department;
- new approaches will be implemented progressively;
- all reforms will be implemented in LTO initially before being applied to the rest of IRD;
- headquarters will be re-organised to better support the new approaches, guide and direct the organisation;
- international best practices adjusted for Myanmar environment will be applied to the reforms;
- all projects and activities will be planned;
- project management disciplines will be applied to all activities; and
- all projects when completed will have a post implementation review undertaken so lessons can be learned.

3.5.3. IRD reform journey - a plan to mobilise domestic revenues 2017/18 to 2021/22

IRD commenced the process of transforming to a modern tax administration in 2012. The main changes are as follows:

- the national headquarters have been restructured along functional lines;
- a reform programme governance mechanism has been introduced;
- the Large Taxpayer Office has been established to manage high value taxpayers under a system of self-assessment;

- preparations have commenced for the first of Medium Taxpayer Offices to extend the self-assessment system to more taxpayers
- changes have been made to the tax policy and legislation framework with an excise tax (known as specific goods tax (SGT)), a unified Tax Administration Law (TAL) has been drafted and proposals are underway to modernise the Income Tax law;
- an interim IT system has been developed (Tax Revenue Management System) to support the LTO;
- implementation of a data centre to network key IRD offices and provide email, desktop applications and document sharing is nearing completion;
- improvements in service to taxpayers;
- improvements in enforcement activity; and
- steps taken to combat corruption.

Table 48 below sets out the strategic outcomes of the IRD reform journey.

Table 48: IRD reform journey's strategic outcomes

No.	Outcomes	Description
1	Maximise revenue	Maximise revenue collection over time and within the law.
2	Broaden the tax base	All those who should be in the system, are in the system. Indirect taxes in the form of VAT will be a feature of the tax system.
3	Maintain and improve compliance	Taxpayers will understand their obligations and comply voluntarily. Enforcement activity is targeted at those who choose not to comply. Systems and processes are aligned to ensure all taxpayers are treated equally and information is available.
4	Modernise Tax administration	Tax administration is modernised and based on international best practice tailored for the needs of Myanmar.

Integrity, transparency and accountability

Integrity, transparency and accountability will be achieved through several programmes such as modern tax laws, human resource management, technology and streamlined processes and procedures. The work outlined will build on the work done to date within IRD to address integrity issues. However, expanding the focus of Internal Audit and establishing the Internal Affairs Unit are tangible steps IRD will take to ensure the integrity of its operations.

The outcomes expected by 2022 are as follows:

- the Internal Audit Directorate has been set up and focuses on ensuring integrity of accounting and operational procedures and manage enterprise risks;
- the Internal Affairs unit has been set up to identify and take action against corrupt behaviour;
- Segregation of duties to minimise opportunities for corrupt behaviour;
- public perceptions of integrity have improved;
- the operational activities are monitored against an agreed set key performance indicators;
- extensive use of data to monitor IRD's core tax functions; and
- a taxpayer charter and staff code of conduct in place.

Modern Tax Laws

The tax laws need to be updated to meet good practice in tax administration and to support a system of self-assessment. The laws need to help taxpayers understand their obligations and compliance responsibilities. They must also ensure that we have the authority to collect taxes due under the law. Enacting a uniform tax procedure law, an updated income tax law and in time a new value added tax law will position Myanmar as a truly modern tax regime.

The outcomes expected by 2022 are as follows:

- Tax Administration and Procedures Law enacted;
- Income Tax Law rewritten; and
- VAT policy developed.

Functional based organisation with segmentation

Modern tax administrations have strong management team at its headquarters. IRD has made some important changes to organise its headquarters along functional lines. New directorates are building their capacity and capability. Further units/directorates will be added to the headquarters and it intends to enhance its management of both the delivery of its current operations, as well as the delivery of the changes detailed in this plan.

The outcomes expected by 2022 are as follows:

- headquarters structure and governance mechanisms strengthened;
- new headquarters units will be established: DDG Reform, Internal Affairs, Communications, Office of the Director General, Risk and Intelligence Unit;
- taxpayer segments accurately identified; and
- proposal for expansion of self-assessment to small and micro taxpayers developed.

Large Taxpayer Office

IRD established an LTO based in Yangon. This group has paved the way for implementing a system of self-assessment for a selected group of large companies. They have also developed new processes and procedures for administering the tax laws. These processes and procedures will form the basis for the MTOs. However, over time the LTO needs to evolve to be the group responsible for all aspects of tax liabilities for the high value taxpayers in Myanmar.

The outcome expected by 2022 is to strengthen LTO to be able to manage all large taxpayers for all main tax types.

Medium Taxpayer Office

Building on the success of the Large Taxpayer operations IRD is establishing the MTOs. The first of the MTOs will start assessing returns based on the same approach as the LTO for the 2017/18 processing year (2016/17 income year).

The outcome expected by 2022 is to make MTOs operational in Yangon, Mandalay and other key sites.

Effective change management

Delivering the changes set out in a systematic and timely manner is crucial for the integrity of IRD going forward.

The outcomes expected by 2022 are as follows:

- Reform strategy, operational plans and key performance indicators reflect changes required;
- Progress is monitored and used to help decision making; and
- Staff and key stakeholders (members of parliament, tax agents and taxpayers).

People and Human Resources

A key focus is the development of human resources. As IRD becomes a more modern tax administration so too do the needs and capabilities of staff change. Recruiting new staff, developing existing staff and providing clear statements of its expectations of the roles and responsibilities of the staff of IRD are critical aspects for the next phase of reform.

The outcomes expected by 2022 are as follows:

- HR strategy for recruitment and retention of skilled staff, appropriate remuneration policies and practices to reduce corrupt behaviour will be developed and implemented; and
- Workforce planning and training programmes will be in place.

Streamlined processes and procedures

IRD needs to move away from paper-based processes and leverage the opportunities that technology provides. Streamlining processes will allow IRD to work in more rewarding jobs and ensure that its services and operations are effective and efficient.

The outcomes expected by 2022 are as follows:

- efficiencies in key areas: taxpayer services unit established, centralised data capture team and telephone services especially for LTO and MTO taxpayers;
- processes and procedures reflect good international practice and leverage technology; and
- headquarters monitor compliance across IRD with mandated processes.

Risk based service and enforcement

A self-assessment tax regime is supported by education of taxpayers who want to do the right thing and strict enforcement of the law where taxpayers do not comply with their legal obligations. To encourage compliance, IRD needs to have a balance between service and enforcement, a key characteristic of self-assessment systems. A Compliance Improvement Strategy based on analysis of data received directly by IRD and sourced from third parties will guide its service and enforcement strategies.

The outcome expected by 2022 is to use Risk based compliance (based on accurate data) to improve on-time filing, on-time payment and accurate reporting of tax liabilities for self-assessed taxpayers.

Technology

Technological improvements will be a key feature of this phase of the reform journey. Implementation of a data centre and networking the computers will enable staff to use an internal email domain (name@ird.gov.mm), share documents and communicate electronically. The implementation of the new core IT system (ITAS) will provide the platform for registration, processing, accounting, and case work.

The outcomes expected by 2022 are as follows:

- integrated tax administration system operating in key sites headquarters, Yangon, and Mandalay; and
- new and updated e-services: IRD intranet and email domain, website, telephone services, e-file and e-pay mandated for large and medium taxpayers.

System of Self-Assessment

A key feature of a modern tax administrations is the shift to self-assessment. IRD commenced this with its LTO and is in the process of expanding this to the first of its MTOs. In future VAT will depend on its ability to manage a system of self-assessment couple with a good information technology system.

The outcomes expected by 2022 are as follows:

- self-assessment taxpayers account for 80-90 percent of revenue collected; and
- more public information material is available in a variety of media (brochures and website).

3.5.4. Custom Reform and Modernisation Strategy 2017/21

Custom Reform and Modernisation Strategy (CRMS) is intended to guide MCD towards fulfilling its vision and mission, and thus to contribute to Government outcomes. CRMS promotes the progressive development of organisational capability in all the functions for which the Department is responsible, supported by the modernisation of systems, resources, and working practices. This will be achieved through a well-trained, flexible workforce that meets the highest standards of integrity and public service. CRMS reflects the reform objectives of the GOUM and is aligned with all relevant legislative frameworks.

Both the strategy and the strategic action plan will enable the MCD to:

- enhance revenue collection, and prevent tax evasion and loss of revenues, by implementing effective fiscal control measures on the one hand, whilst introducing a range of measures to facilitate trade on the other;
- protect society and the environment by implementing effective control measures to prevent smuggling of prohibited and restricted goods;
- modernise and standardise Customs procedures to bring them in line with international standards and best practices;
- collect data for compilation of statistics on foreign trade;
- co-operate with other customs administrations and law enforcement agencies; and
- promote public trust by enhancing the integrity of Customs personnel.

Table 49 below sets out the focus areas and strategic objectives of the CRMS:

Table 49: Focus areas and strategic objectives of the CRMS

No.	Focus areas	Strategic objectives
1	Implementation of modern international customs practices	<ul style="list-style-type: none"> - Achieve compliance with the Standards of the Revised Kyoto Convention; - Introduce an authorised economic operator scheme; - Introduce post clearance audits; - To develop and apply a comprehensive and coherent system of risk management in all areas of customs control; - To introduce an effective system of prevention, deterrence, investigation and enforcement; - To implement controls over the value of imported goods which are fully and consistently compliant with the World Trade Organization's Valuation Agreement; - To meet the customs standards in the WTO Trade Facilitation Agreement; and - To develop and introduce a modern system of customs warehousing.
2	Establishment of a Modern IT Environment	<ul style="list-style-type: none"> - Establish, Staffs and Equip a New IT Division within the Department; - Continue the Rollout of MACCS and MCIS; - Contribute to the Development of a National Single Window; - Upgrade the Myanmar Customs Department Website; - Develop and Introduce a range of New IT Systems and Applications; and - Develop a Myanmar Customs Intranet.
3	Reforming the Organisation, and Developing its Human Resources	<ul style="list-style-type: none"> - To introduce and progressively allocate staff to a new organisation structure; - To develop and introduce Human Resource Management (HRM) Systems and Procedures which will support the implementation of the strategy and organisation structure; and - To develop and introduce Human Resource Development (HRD) Systems and Procedures which will support the implementation of the strategy and organisation structure.
4	Creating and Nurturing Effective Partnerships	<ul style="list-style-type: none"> - To develop effective relationship with the private sector; - To develop effective cooperation arrangements with Other Government Departments and Customs Administrations.

3.5.5. Myanmar Sustainable Development Plan

The draft of Myanmar Sustainable Development Plan (MSDP) has been issued in February 2018. MSDP is conceived as an overarching national development policy framework for the Government that localises the global SDG agenda along with Myanmar's other regional and global commitments. It is also strategically linked to the development of general project screening and prioritisation framework for national development projects under the rubric of the new initiative known as Public Investment Programme (PIP).

MSDP is founded upon the objective of giving coherence to the policies and institutions necessary to achieve genuine, inclusive and transformational economic growth. The product of the work of multiple agencies and individuals in Myanmar and the active consultation of a myriad of stakeholders.

MoPF will serve as the focal entity responsible for overseeing implementation of MSDP and for housing the MSDP Implementation Unit (MSDP-IU), including the oversight of the creation of necessary implementation structures, coordination frameworks and monitoring mechanisms.

MSDP sets out an action plan for improving land governance and sustainably managing resource-based industries. Speeding up the compliance with the EITI requirements was defined as one of the actions to be implemented.

Myanmar Development Assistant Policy (MDAP), which is available online - Ministry of Information (MOI) web portal, has been prepared by the Development Assistance Coordination Unit together with the Foreign Economic Relations Department of MOPF. MDAP is the policy to implement the Sustainable Developments Goals, which are stated in the MSDP.

3.6. Fiscal Devolution

Under the current system, as Union government spending is recorded in the budget by sector ministry rather than by location, the total levels of Union government expenditure in each state or region are not available.¹

State and regional Governments in Myanmar were created by the 2008 Constitution and set up in March 2011. Myanmar today comprises seven states and seven regions, five self-administered zones, one self-administered division, and Nay Pyi Taw as a Union territory. State and regional Governments are led by chief ministers who are appointed by the President from among members of the state/region Hluttaw (parliament).

Under the 2008 Constitution, state and regional Governments are empowered to enact laws and collect taxes from the extractive sector, but only for marginally significant types of operation. In each state or region, there is a unicameral Hluttaw (with two elected members per township, and 25% of the parliament sourced from the Defense Services), as well a Chief Minister and a Cabinet. The Chief Minister is selected by the President and confirmed by the Hluttaw. The sub-national Hluttaw is entitled to set its own budgets (under Article 252), based on the threshold set by the annual Union budget.

Below regions and states there are several layers of sub-national authorities, including districts, townships, towns, villages and urban wards. These lower layers of administration have vague mandates and are controlled by the central government's General Administration Department (GAD) of the Ministry of Home Affairs (MOHA).²

¹ The deconcentrated channel of funds for states and region departments of union ministries are not presented in national budget documents; the parent union ministry is the primary budget unit, and there is not currently a secondary budget classification that clearly breaks out state/region spending at union level. Together, these factors mean that it is currently very difficult to answer the most basic question about fiscal decentralization: how much of Myanmar's public spending is decentralized, and to what levels? (Nixon and Joelene, 2014).

² World Bank (2015) Myanmar Public Expenditure Review 2015. World Bank Group, September 2015.

Under the 2008 Constitution, sub-national involvement in natural resource management and revenue collection is limited. The legislative areas and administrative responsibilities of state and region Governments are listed in Schedule Two of the 2008 Constitution.

Schedule Five of the 2008 Constitution stipulates the taxes collected by states and regions. These include taxes on allowed timber species and forest products collected by the FD.

State and regional Governments may levy excise taxes, land taxes, water taxes, road tolls and taxes, and royalties on fisheries. They may also sell or lease state or regional government property and make profits on state or regional government-owned enterprises.

Self-administered zones and divisions operate differently according to Schedule Three of the 2008 Constitution. Revenues for self-administered zones and division are drawn from Union, regional and state budgets.

Amounts taxable on natural resources-paid to Union ministries or IRD are not generally reported to MoPF according to their region of origin. A company, for example, would pay income tax from its company headquarters to the township officer of IRD.

At present, the transfers made to the regions are not based on a revenue sharing formula. The only exception to this principle has been the 5% of fiscal transfers allocated to 'development funds' which are divided based on poverty incidence rates.¹

3.7. Revenues Collection

3.7.1. Public financial management

The Assembly of the Union (Parliament) and the Union Government are the main entities that oversee the management of the state financial system. GOUM prepares the projection of revenues and expenditure in the annual budget proposal and presents it to Parliament.

According to UBL, the national budget revenue consists of tax and non-tax revenues. Non-tax revenues include:

- Receipts from the State-owned Economic Organisations;
- Current receipts;
- Interest receipts;
- Grant receipt;
- Capital receipts;
- Receipts from foreign aids;
- Receipts from investment in organisations; and
- Receipts from saving.

In Myanmar, there is no single system for public financial management (PFM). Instead, Government Agencies and institutions each maintain separate systems and hence a lack of synergy. For example, there is no internal audit system in most ministries, meaning that in many cases there is no way of verifying compliance of applied process and transaction. Sub-national Governments are not informed of the size of fiscal transfers in a timely manner, resulting in inadequate planning of their budgets.

According to the World Bank's Public Expenditure and Financial Accountability (PEFA) assessment and the International Budget Partnership's Open Budget Survey, Myanmar's budgeting process has traditionally been one of the World's most opaque. Basic information on revenues and expenditure, debt stocks, financial assets and budget outcomes are not disclosed to the public. Audits and contracts on large capital projects have generally remained secret.

¹ <https://asiafoundation.org/publication/local-development-funds-in-myanmar/>

The ongoing Modernisation of the Public Financial Management project supported by the World Bank and the Australian and UK Governments is working to address several of these issues. The initiatives include:

- set up a Large Taxpayers' Office;
- implement a medium-term fiscal framework that includes the sub-national level;
- set up a single computerised financial management system to store and organise information;
- set up common procurement rules and practices;
- set up a Public Account Committee Office to undertake independent analysis of the budget; and
- improve the capacity of OAG.

3.7.2. Revenues collection

Currently, Myanmar employs a range of tax instruments. The most important are Commercial Tax, Income Tax and Specific Goods Tax.

Some of the revenues from the forestry sector are passed on to the Union Government and some are retained by MTE as shown in graphic below.

MTE contributes to the Union's budget through two main fiscal instruments. The first is the income tax applicable to all enterprises (both public and private) at a rate of 25%. The second instrument is a form of Union Dividend, consisting in a direct transfer of 20% of its profit to the Government budget. The remaining share is either used to self-finance investment or is transferred to the Union.

a. Revenues Collected by Regions or States

According to article 254 (a) of the Constitution of the Republic of the Union of Myanmar, 2008, the Region or State shall collect the taxes and revenues listed in schedule five in accordance with the law and deposit them in the Region or State fund.¹

The Region or State has the right to spend the Region or State fund in accordance with the law.

The list of taxes collected by regions or States as stated in schedule five is not yet provided.

b. Revenues Collected by the Union

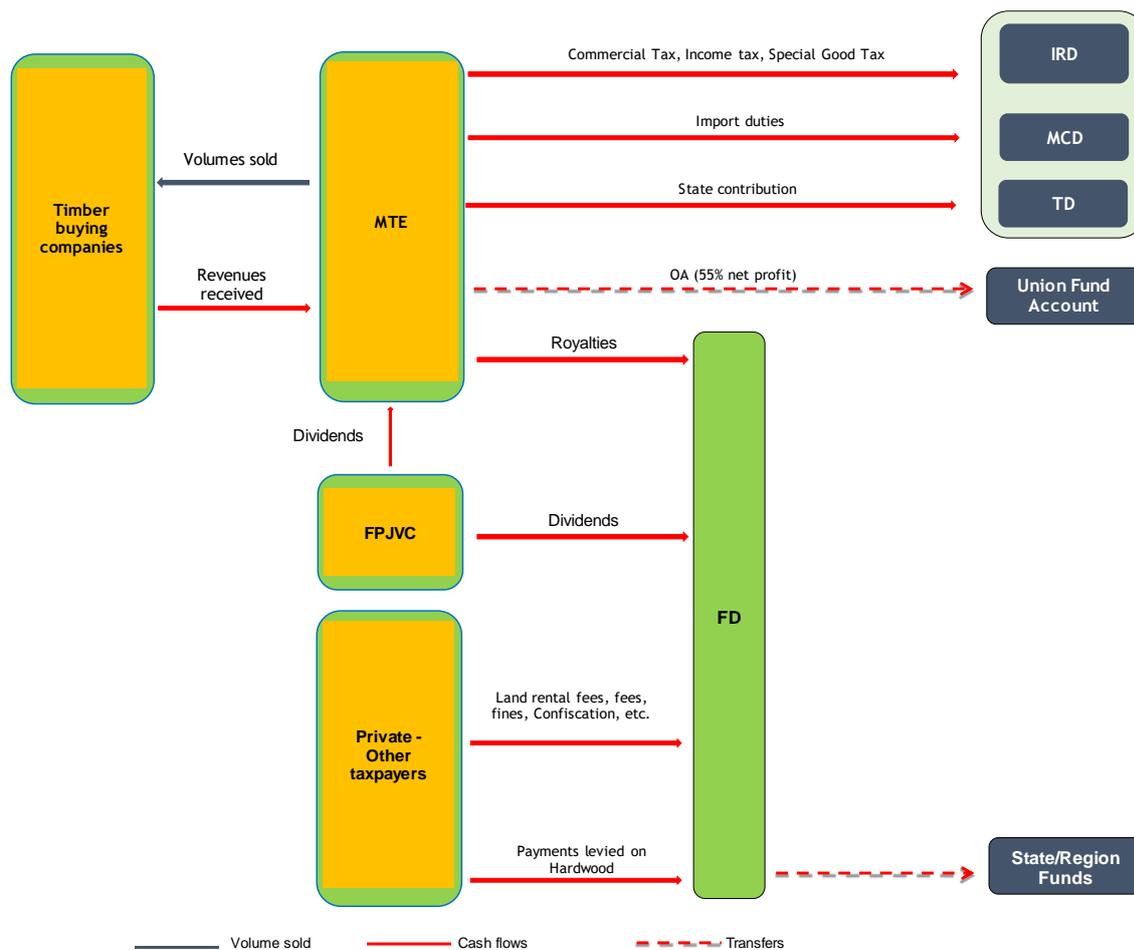
According to article 231 of the Constitution, the Union shall, with the exception of the taxes and revenues listed in schedule five to be collected by Regions or States, collect all other taxes and revenues in accordance with the law and deposit them in the Union Fund.

The Union has the right to spend the Union Fund in accordance with the law.

Pursuant to the notification n° 17/2013 from MONREC dated on 14 February 2013, some revenue levied for Teak and Hardwood total are to be deposited in the Union Fund while others will be deposited in the State/Region Funds starting from 1 April 2013.

¹ Source: http://www.burmalibrary.org/docs5/Myanmar_Constitution-2008-en.pdf.

Figure 40: Revenue flow chart



3.7.3. Revenues allocation

In the diagrams above, the Budget and Treasury Departments within MoPF coordinate the receipt of information on the types on tax and non-taxes received from MTE and its sub-contractors.

Meanwhile, IRD and MCD, under MoPF, collect taxes such as income tax (including withholding taxes), commercial tax, capital gains tax, stamp duties and customs duties either in Myanmar currency.

MTE is required to submit reports about their revenue sources and expenditure in cash and in kind at the time of the budget review on an annual basis.

Forestry revenue payments in cash are transferred by the taxpayer or the contractually responsible entity to the Myanmar Economic Bank (MEB) when the payment is in national currency and to the Myanmar Foreign Trade Bank (MFTB) when it is in foreign currency. Both MEB and MFTB are state owned commercial banks and are controlled by the Central Bank of Myanmar as well as by MoPF through its reporting line process.

Allocation of SOE Other Accounts

Pursuant to the notification n° 547/2012 of MoPF, SEE has been allowed to open SEE Accounts and Other Accounts (OA). It was mainly based on two policies. The first policy is to operate their business activities more commercially and the other is to become financially devolved. These policies were introduced and implemented so that SEEs become more commercially in line with the market economic system as opposed to a financial burden on the State. It differs in the fact that SEE account has strict regulations for transactions and SEE OA can facilitate transactions quickly.

The SEE OA has been opened at MEB to receive all the incomes including the revenues generated and to pay all expenditure incurred.

We understand that all expenditure paid out of the SEE OA account are submitted to the prior approval of the Union Government to Pyidaungsu Hluttaw (Union Parliament). If SEEs need amend their expenditure in accordance with their operations, they can do so after obtaining the prior approval from the Union Government to Pyidaungsu Hluttaw (Union Parliament). We also understand that SEEs OA are used under the supervision of MoPF.

After paying income tax in accordance with the Income Tax Law, State contribution, the remaining balance of SEE OA can be carried forward to the next FY. If SEEs have surplus funds, these can only be invested in Treasury Bills. But such investment can only be made after the SEEs have already paid in full any revolving funds borrowed from MEB, State contribution and taxes. An Economic Enterprise cannot lend the funds to another.

According to MoPF, SEEs OA are part of the Union Fund and therefore part of the Union Budget. As a result, SEEs OA are consolidated with the budget accounts and are used for make up the budget deficit which means that OA surplus are in fact spent for SEEs as well as the expenditure of non-revenue making ministries such as Education, Health and Sport, Social Welfare, Relief and Resettlement.

List of withdrawers

According to MTE, the list of withdrawers is presented by agency as follows:

Agency	Withdrawer
Department/State/ Region/ Factory	Drawing Officer
Departments	General Manager (or) Deputy General Manager
DGM Office (State/ Region)	Deputy General Manager (State/ Region)
Extraction Agencies	Assistant General Manager (or) Manager
Milling & Marketing Agencies	Assistant General Manager (or) Manager
Factories	Manager (or) Assistant Manager

Transfers (departments)

Starting from FY 2012/13, SMEs can work as economically. According to the State financial management plan, SEEs should open the Union Budget Fund (commercial capital) (Other Account) at Myanmar Economic Bank (MEB) as per the instruction of MoPF.

The Union Budget Fund is transferred using “transfer account” method to the respective Other Account of the Department/State/ Region/ Factories as per the budget rules. Withdrawal and use as made as per the budgeted general and capital expenditures. There is no additional transfer to other departments.

3.8. Beneficial Ownership

3.8.1 Legal and Regulatory Framework Governing Companies

The legal framework governing companies incorporated in Myanmar is the Companies Act (1914) and subsidiary legislations including: Myanmar Companies Rules (1940), Myanmar Companies Regulations (1957) and Special Companies Act (1950) (if joint venture with government enterprise) (together, the “Companies Legislation”).

The Companies Legislation provides guidelines for the formation, administration, and winding up of registered corporate bodies. The Companies legislation is expected to be reformed soon to include further transparency and disclosure provisions in the law.

There are various types of companies which can be formed in Myanmar; namely limited by shares, limited by guarantee and unlimited companies. Furthermore, in Myanmar a company can be classified either as

a private company or a public company. A “private company” means a private company limited by shares, a company limited by guarantee or an unlimited company. On the other hand, a “public company” means a company incorporated as such, being a company satisfying §13A of the Companies Act (1914).

As the country moves towards compliance for this EITI Requirement, a roadmap was developed by the MSG that would address the definition of beneficial ownership and the threshold or percentage of ownership to be considered material. The roadmap is available at: https://eiti.org/sites/default/files/documents/bo_roadmap_-_myanmar.pdf.

3.8.2 Definition of Beneficial Owner

MSG has defined the beneficial owner as follows:

- an individual who holds, directly or indirectly, 5% or more of the shares in the public or private company or corporate entity;
- an individual who holds, directly or indirectly, 5% or more of the voting rights in the public or private company or corporate entity;
- an individual who holds the right, directly or indirectly, to appoint or remove a majority of the board of directors of the public or private company or corporate entity;
- an individual who has the right to exercise, or exercises, significant influence or control over the public or private company or corporate entity; and
- for SOEs and their subsidiaries, disclose the parent ministry and country; and
- for publicly listed entities, disclose the name of the stock exchange and insert a web link to the stock exchange.

3.8.3 Definition of Politically Exposed Persons

The Myanmar Beneficial Ownership Taskforce and the MSG have defined Politically Exposed Persons (PEPs) as individuals who are or were entrusted with prominent public functions, either domestically or internationally.

The coverage also includes:

- family members defined as individuals related to a PEP, by common ancestry, through marriage or similar forms of partnership; and
- close associates defined as those who are closely connected to a PEP in their public roles, either socially or professionally.

Table 50 sets out the list of PEPs in Myanmar.

Table 50: List of PEP

N°	PEP category	Suggested rank (to be decided by the BO Taskforce)
1	Heads & Deputy Heads of Union Government	<ul style="list-style-type: none"> ▪ President ▪ Vice President ▪ State Counsellor
2	Union Government Ministers	<ul style="list-style-type: none"> ▪ Union Minister ▪ Deputy Union Minister
3	Heads & Deputy Heads of State and Regional Governments	<ul style="list-style-type: none"> ▪ Chief Minister ▪ Head of special regions (NPT Union Territory; Self-administered Zones, etc)
4	State and Regional Government Ministers	<ul style="list-style-type: none"> ▪ State and Regional government ministers
5	Members of Union Legislatures	<ul style="list-style-type: none"> ▪ Member, Pyithu Hluttaw ▪ Member, Amyotha Hluttaw
6	Members of States and Regional Legislatures	<ul style="list-style-type: none"> ▪ Member, State/ Regional Legislature
7	Senior Civil Servants of Union Government	<ul style="list-style-type: none"> ▪ All senior positions equivalent to Director level and up

N°	PEP category	Suggested rank (to be decided by the BO Taskforce)
8	Senior Civil Servants of State and region	▪ All senior positions equivalent to Director level and up
9	Senior Members of the Armed Forces	▪ All senior positions the rank of Lt-Lieutenant-Colonel and up
10	Senior Members of the Police Services	▪ All senior positions the rank of Lt-Lieutenant-Colonel and up
11	Senior Members of the Secret Services	▪ All senior positions the rank of Lt-Lieutenant-Colonel and up
12	Senior Members of the Judiciary	▪ Union Attorney General and Judges ▪ Attorney Generals of all States and Regions ▪ Judges of the Constitutional Tribunal ▪ Judges of High Court ▪ All District Judges
13	City Mayors	▪ Mayors and deputy mayors of all cities ▪ Members of YCDC, MCDC and NPT Council
14	Embassy & Consular Staff	▪ Ambassador ▪ Deputy Ambassador or Chargé affairs ▪ Attaches
15	Religious Leaders	▪ Leaders of all major religious organizations
16	Political Party Officials	▪ Central executive committee members
17	International Organization Officials	▪ Heads and deputy heads of international organisations, including sporting organisations
18	Political Pressure and Labour Group Officials	▪ Central executive committee members of these groups (unions, etc.)
19	National NGO officials	▪ Central executive committee members
20	Ethnic Armed Group Leaders (signatories; non-signatories; militia)	▪ Central executive committee members ▪ All senior positions Lieutenant-Colonel and up
21	Foreign PEPs	▪ Individuals who hold equivalent positions in their country to PEPs in Myanmar as defined above
22	Relatives	▪ Immediately family (parents, children, siblings, grandparents, grandchildren, spouse, in-laws, etc)
23	Close associates	▪ (personal assistants/ secretaries to the PEPs listed above, etc.)
24	Key influencers	▪ Individuals who can influence politically, economically and socially

3.8.4 Beneficial ownership declaration

According to the above proposed definition, the companies to be selected for reporting information on their beneficial ownership would be required to submit a beneficial ownership declaration. Accordingly, the following information should be made available:

- **Name of beneficial owner.** full name(s) of the company's beneficial owner(s) and information on their identity (ies) including:
 - **Name of any politically exposed person**, where any owner is also a 'politically involved person', this should be mentioned.
 - **Identifying details.** Additional details are required in order to narrow down a beneficial owner to one individual.
- **Contact.** Means of contacting the beneficial owner such as business address.
- **Means of control.** A description of how the beneficial owner and any politically engaged persons exercise control over the company. If there is a chain of companies between the beneficial owner and the natural resource asset, for example, this would mean the name of every company within the chain. In some cases, there may be an additional link, such as a private agreement between the beneficial owner and the owner of the last company in the chain, in which case this additional link should also be declared. Third parties should then be able to verify some, if not all, information declared in the shareholder registers.
- **Signed statement of accuracy:** a senior official from the company should sign a statement to confirm that the information provided is accurate.

3.9. Audit and Assurance Practices

3.9.1. Private companies

Under the Myanmar Companies Act (MCA) companies must keep proper books of accounts at their registered office. Financial statements must be prepared in accordance with Myanmar Accounting Standards (MAS).

Accounting practices in Myanmar have been historically based on British accounting standards and Generally Accepted Accounting Principles (GAAPs). For several years, Myanmar adopted International Accounting Standards (IAS) for reporting purposes, while the Myanmar Accountancy Council (MAC), through the Myanmar Institute of Certified Accountants (MICPA) has adopted the majority of International Accounting Standards that existed in 2003 and 2004. In 2010, MAC withdrew all thirty International Accounting Standards and replaced them with twenty-nine new Myanmar Accounting Standards and eight new Myanmar Financial Reporting Standards (MFRS) that were identical to the 2010 International Financial Reporting Standards (IFRS). Such standards were published in the Official Gazette and became effective on 4 January 2011.

Public companies and financial institutions are required to apply MFRS (which are a word-for-word equivalent of IFRS). Small and Medium Enterprises (SMEs) must apply MFRS for SMEs (word-for-word equivalent of IFRS for SMEs).

Recently, Myanmar Accountancy Council has signed the agreement for the Supply of Data for the Adoption and Publication of IFRS Standards between Myanmar Accountancy Council and IFRS Foundation Cooperation in order to adopt International Financial Reporting Standards (IFRS) in Myanmar. Notifications on adoption IFRS will be issued later. After issuing the notification, all Public Interest Entities (PIEs) are required to apply IFRSs from effective date.

The tax assessment year runs from 1 April to 31 March. This is mandatory even for branches of foreign companies which may have a different financial year-end.

The Myanmar Companies Act 1914 and subsidiary legislation (Myanmar Companies Rules 1940 and Myanmar Companies 18 Detailed Report Regulations 1957) (together, the Companies Legislation) govern the conduct of companies and company affairs in Myanmar today. The Companies Legislation contains annual reporting requirements for companies registered in Myanmar, including the preparation of statutory reports setting out the share capital and details of the receipts and payment of a company (Section 77 of the Companies Act) and financial reports containing balance sheets and profit and loss statements (Section 131 of the Companies Act). Such reports are required to be audited and sent to the Companies Registrar as well as members of the companies. The Companies Legislation also imposes certain auditing requirements for companies in which the Government holds shares (Section 145A of the Companies Act). The Myanmar Companies Act also requires companies to appoint an auditor and companies are required to submit audited financial statements to the tax authorities annually by 30 June.

Section 145(1) of the Myanmar Companies Act requires an auditor to report to the members of a company on the financial statements examined by the auditor at the annual general meeting. The auditor's report must state, amongst others, whether or not in their opinion the balance sheet and profit and loss account referred to in the auditor's report are drawn up in accordance with law, whether or not the balance sheet gives a true and fair view of the state of affairs of the company. The opinion should also state whether the company's accounting records have been kept by the company as required by law.

In practice, however, the financial reporting and auditing provisions of the Companies Legislation are not comprehensively or consistently applied and there is limited transparency on the financial affairs of

companies in Myanmar today. According to Pwint Thit Sa 2018 report published by MCRB,¹ most public companies are failing to meet their legal requirements.

Myanmar Companies Law was enacted by the Pyidaungsu Hluttaw on 6 December 2017, replacing the Myanmar Companies Act of 1914. The requirements of Financial Reports and Audit are prescribed in Division 24 of the Law. The requirement of Repeal of certain existing Regulations and continued effect of others is prescribed in Articles 471 and 472 of the Law.

The Yangon Stock Exchange (YSX) was established under Chapter 8 of the 2015 Securities Exchange Rules and is supervised by the Securities and Exchange Commission of Myanmar (SECM). It was launched in March 2016 as a partnership between Japanese investment bank Daiwa Securities Group and majority-owner Myanmar Economic Bank (MEB).

Five companies are currently listed on YSX, none of them directly involved in the forestry sector (First Myanmar Investment Co, Myanmar Thilawa SEZ Holdings Public Ltd, Myanmar Citizens Bank Ltd, First Private Bank Ltd, TMH Telecom Public Co Ltd).

3.9.2. Public sector and SEEs

In Myanmar there is an oversight body - Office of the Auditor General of the Union (OAGM) - the supreme audit institution of Myanmar, which is accountable to the President and the Parliament simultaneously. This body carries out controls over the execution of the State's budget and payment of taxes and other mandatory payments, including payments from SEEs and partners.

OAGM was set up under the 2008 Constitution as an independent agency, for the appointment of the Auditor General. This was made by the President with the approval of the Parliament.

OAGM performs audits consistent with Generally Accepted Auditing standards comparable with International Organisation of Supreme Audit Institutions (INTOSAI) audit standards.

All SOEs are required to submit bi-annual financial reports which have been prepared in accordance with Generally Accepted Accounting Standards to OAGM. According to OAGM, the annual audit includes all tax and non-tax payments made by all partners to the extractive industries sector project. Other Accounts, held by the SEEs, are state fund accounts that are audited by the OAGM, as are all the state accounts held at MEB.

We received MTE audited financial statements for the years ended 31 March 2017 and March 2018.

Union Auditor General has the authority to audit government ministries, SOEs and to give comment on the appointment of their Joint Ventures auditors. According to the amendment of Union Auditor General Law (2018), Union Auditor General has a duty to audit the Joint Ventures companies jointly owned by the Government if necessary. The Myanmar Economic Corporation (MEC), a military-affiliated company, remains exempt from auditing or taxation. Union Auditor General also has a duty to re audit the accounts of private companies which have been already audited by a certified public accountant and practicing accountant relating to taxes and revenues to be paid to the Union if necessary, but currently lacks the capacity and the resources to do so. OAG's effectiveness and capacity to hold government ministries, SEEs and the Parliament to account has yet to be determined, and its reports are not disclosed to the public.

OAGM submits report on audit findings to the President of the Union of Myanmar and Pyidaungsu Hluttaw (Union Parliament) simultaneously. However, there are no penalties for late submissions.

The Union General is also the Chairman of the Myanmar Accountancy Council which deals with accounting standards in Myanmar. Accounting standards have been developed for the commercial sector which is also applicable to SOEs in the "commercial" form of their accounts. But, to date, there are no standards

¹ http://www.myanmar-responsiblebusiness.org/pdf/TiME/2018-Pwint-Thit-Sa_en.pdf

or statements of practice that apply to the Government's financial statements which include SOEs activities prepared on a cash basis in parallel.

Government departments maintain their accounting system on cash basis and SEEs maintain their accounting system in accruals basis, however, the current form of the financial statements does not fully reflect the IPSAS requirements.

4. DETERMINATION OF THE RECONCILIATION SCOPE

The payment flows to be included in the reconciliation and the Government Agencies and companies which were required to report were determined by MSG based on the scoping study we performed before the reconciliation exercise.

4.1. Selection of Payment Flows

4.1.1. MTE

MSG agreed on 27 November 2019 to reconcile all payments made by MTE during the FY 2017/18.

4.1.2. Companies

MSG agreed to:

- reconcile payments made by forestry companies regardless their amounts;
- reconcile dividends distributed by the Forest Products Joint Venture Corporation Ltd (FPJVC) to the FD; and
- reconcile a sample of private entities which paid Land rental fees, fees and fines to the FD along with some other Government Agencies which have bought timber from the FD.

According to the above, seven revenues streams were included in the 2017/18 reconciliation scope detailed by taxpayer as follows:

No.	Revenue stream	Paid by			
		MTE	Forestry companies	FPJVC	Private
1	Specific Good Tax	✓	✓		
2	State Contribution	✓			
3	Income tax	✓	✓	✓	
4	Import duties	✓			
5	Commercial Tax (CT)	✓	✓	✓	
6	Land rental fees				✓
7	Income from timber sale to the Government Agencies				✓
8	Fees				✓
9	Fines				✓
10	Other Accounts (OA)	✓			

The description of each payment flow detailed as follows, are set out in Annex 12 to the Report.

4.1.3. Sale of the State' Share of production

For the sale of the State's Share of production, MSG decided to disclose the revenues received by MTE without reconciling with the trading companies.

The latter was requested to report details of timber sales during FY 2017/18 including the breakdown by:

- product type,
- buying company,
- volume,
- price, and
- market (USD for Export and MMK Local sales)

4.2. Selection of Companies

Based on the agreed approach twenty-seven (27) companies were included in the reconciliation scope and formed part of the reconciliation exercise for the EITI Report for FY 2017/18. These companies are presented as follows:

No.	Company	No.	Company
1	Chin Su Myanmar Co., Ltd	15	Myanmar Korea Timber International Ltd
2	Concorde Industries Ltd	16	Myanmar Peltier Bois Company Limited
3	FPJVC	17	Myanmar Rice Trading Co., Ltd (MRT)
4	Global Star Co.,Ltd	18	Myanmar SLP Wood Company Limited
5	Global Woodcraft Industries Ltd	19	Myat Noe Thu Co., Ltd.
6	Golden Flower Co.,Ltd	20	Myat Zaw & Young Brother Co.,Ltd
7	Htoo Trading Co., Ltd	21	Nature Timber Trading Co.,Ltd
8	Khaing Su Thu Industrial Co.,Ltd	22	Northwood Industries Ltd
9	KKN Enterprise Co., Ltd	23	San May Trading Co.,Ltd
10	Lucre Wood Co., Ltd	24	Tin Myint Yee Trading Co.,Ltd
11	Ma Naw Phyu Co.,Ltd	25	Tin Win Tun International Co., Ltd
12	MAK (Myanmar) Plywood Industries Private Ltd	26	Tin Win Tun Production Co., Ltd
13	MGP Trading Co., Ltd	27	Win Enterprise Ltd
14	Momentun Trading Enterprise Ltd		

4.3. Selection of SOE

Based on the agreed approach, MTE, the State-Owned Enterprise, was included in the reconciliation scope and formed part of the reconciliation exercise for the EITI Report for FY 2017/18.

4.4. Selection of Government Agencies

Based on the proposed approach of companies and payments flows selected for 2017/18 EITI Report, five (5) Government Agencies were required to report the revenues collected from forestry sector as follows:

No.	Government Agencies
1	Forest Department (FD)
2	Internal Revenue Department (IRD)
3	Treasury Department (TD)
4	Budget Department (BD)
5	Myanmar Customs Department (MCD)

4.5. Fiscal Year

The period covered by the fourth EITI Report for Myanmar is the FY 2017/18. Therefore, payment flows made between 1 April 2017 and 31 March 2018 should be reported by companies and Government Agencies in the 2017/18 EITI Report.

The dates to be considered are those mentioned on the flag receipts or the dates of the cheques/bank transfers.

4.6. Level of Disaggregation

MSG agreed that RTs and the data are submitted:

- by company;
- by Government Agency or SEE for each company selected in the reconciliation scope; and
- by tax and by type of payment flows as detailed in the RT.

For each payment flow reported, companies and Government Agencies should produce details by receipt payment, by date and by beneficiary.

The companies were also requested to provide:

- information on their beneficial ownership; and
- the audited financial statements for FY 2017/18.

4.7. Other Considerations

4.6.1. Sub-national payments

Based on the information collected and meetings held with Government focal points no revenue stream was paid by companies directly to subnational Government Agencies (EITI Requirement 4.6).

As a result, sub-national payments are not applicable in the context of forestry sector in Myanmar.

4.6.2. Sub-national transfer

We understand that 5% of income tax are transferred to the regional states.

We were informed on 6 March 2018, that the 5% of income tax transferred by IRD to the fund of State and Regional Government¹ related to income taxes paid by individuals only, hence falling outside the reconciliation scope.

4.6.3. Social expenditures

Based on the information received and meetings held with Government focal points no social expenditure was made by companies (EITI Requirement 6.1).

As a result, social expenditure is not applicable in the context of the forestry sector in Myanmar.

4.6.4. Infrastructure provisions and barter arrangements

Based on the data collected and meetings held with Government focal points, no infrastructure provisions and barter arrangements (including loans, grants and infrastructure works) took place or were ongoing during the FY 2017/18 (EITI Requirement 4.3).

As a result, infrastructure provisions and barter arrangements are not applicable in the context of the forestry sector in Myanmar.

4.6.5. Quasi fiscal expenditures

Quasi-fiscal expenditure includes arrangements whereby SEE(s) undertake public social expenditure such as payments for social services, public infrastructure, fuel subsidies and national debt servicing, etc. outside of the national budgetary process (EITI Requirement 6.2).

The MSG decided that MTE discloses unilaterally any quasi fiscal expenditure made during FY 2017/18 despite the fact no such expenditures appear as per its Consolidated Income Statement.

¹ Source: Income Tax Law, Article 59, Notification No. (49/2012), Nay Pyi Taw, dated on 22 June 2012.

5. RECONCILIATION RESULTS

We present below detailed results of the reconciliation exercise:

5.1. Forestry Revenues

5.1.1. Coverage rate

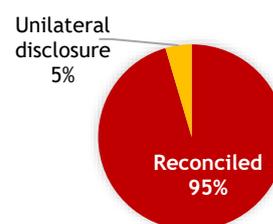
We have reconciled approximately 95% of tax payments as detailed below:

Table 51: Reconciliation Coverage Rate

No.	Payment flow	MTE and FPJVC (MMK billion)	IRD, TD and FD (MMK billion)	Discrepancy	%	Equivalent (USD million)
1	Reconciliation	128.31	128.31	-	-	94.63
2	Unilateral disclosure	-	6.11	-	-	4.50
Total		128.31	134.41	-6.11	-5%	99.14

Source: EITI Data.

Figure 41: Reconciliation coverage rate



5.1.2. Initial figures before reconciliation adjustments

No.	Payment flow	Paid by	Paid to	As per the taxpayer (MMK billion)	As per Government Agencies (MMK billion)	Discrepancy	%	Equivalent (USD million)
1	SGT	MTE	IRD	15.95	17.13	-1.18	-6.87%	12.64
2	CT	MTE	IRD	16.57	13.00	3.57	27.49%	9.59
3	IT	MTE	IRD	51.51	51.51	-	-	37.99
4	SC	MTE	IRD	41.21	41.21	-	-	30.40
5	Royalties	MTE	FD	3.03	3.00	0.02	0.76%	2.22
6	Dividends	FPJVC	FD	0.03	0.03	-	-	0.02
Sub-total I (Reconciliation)				128.31	125.89	2.42	1.92%	92.85

Source: EITI Data.

5.1.3. Final figures after reconciliation adjustments

No.	Payment flow	Paid by	Paid to	As per the taxpayer (MMK billion)	As per Government Agencies (MMK billion)	Discrepancy	%	Equivalent (USD million)
1	SGT	MTE	IRD	15.95	15.95	-	-	11.77
2	CT	MTE	IRD	16.57	16.57	-	-	12.22
3	IT	MTE	IRD	51.51	51.51	-	-	37.99
4	SC	MTE	TD	41.21	41.21	-	-	30.40
5	Royalties	MTE	FD	3.03	3.03	-	-	2.23
6	Dividends	FPJVC	FD	0.03	0.03	-	-	0.02
Sub-total I (Reconciliation)				128.31	128.31	-	-	94.63

Source: EITI Data.

5.1.4. Final figures including unilateral disclosure

No.	Payment flow	Paid by	Paid to	As per the taxpayer (MMK billion)	As per Government Agencies (MMK billion)	Discrepancy	%	Equivalent (USD million)
Reconciliation								
1	SGT	MTE	IRD	15.95	15.95	-	-	11.77
2	CT	MTE	IRD	16.57	16.57	-	-	12.22
3	IT	MTE	IRD	51.51	51.51	-	-	37.99
4	SC	MTE	TD	41.21	41.21	-	-	30.40
5	Royalties	MTE	FD	3.03	3.03	-	-	2.23
6	Dividends	FPJVC	FD	0.03	0.03	-	-	0.02
Sub-total I (Reconciliation)				128.31	128.31	-	-	94.63
Unilateral disclosure								
7	Land rental fees	Private	FD	-	3.27	-	-	2.41
8	Income for selling of seized forest products and Income from timber sale to the Government Agencies	Private	FD	-	2.03	-	-	1.50
9	Fees	Private	FD	-	0.51	-	-	0.38
10	Fines	Private	FD	-	0.17	-	-	0.13
11	Entrance fees for Parks, Departmental Instructions	Private	FD	-	0.05	-	-	0.04
12	Other income (Return from extra payment+Confiscations)	Private	FD	-	0.04	-	-	0.03
13	Income from selling old newspapers	Private	FD	-	-	-	-	-
14	Income from selling tender forms	Private	FD	-	0.01	-	-	0.004
15	Revenue for tender sale	Private	FD	-	0.03	-	-	0.02
a	Firewood	Private	FD	-	-	-	-	-
b	Charcoal	Private	FD	-	-	-	-	-
c	Bamboo	Private	FD	-	0.03	-	-	0.02
d	Non-timber forest product	Private	FD	-	-	-	-	-
Sub-total II (Unilateral disclosure)				-	6.11	-	-	4.50
Total				128.31	134.41	-6.11	-5%	99.14

Source: EITI Data.

5.2. Breakdown by Government Agencies

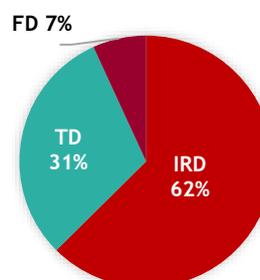
Table 52 and Figure 42 present the breakdown of tax payments by Government Agency.

Table 52: Breakdown of tax payments by Government Agencies

No.	Government Agencies	Total in MMK billion	Equivalent in USD million	%
1	IRD	84.04	61.99	62.52%
2	TD	41.21	30.40	30.66%
3	FD	9.16	6.76	6.82%
	Total	134.41	99.14	100%

Source: EITI Data.

Figure 42: Breakdown of tax payments by Government Agencies



5.3. Breakdown by Taxpayer

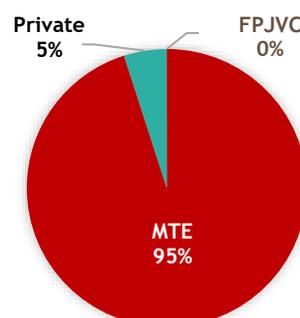
Table 53 and Figure 43 present the breakdown of tax payments by taxpayer.

Table 53: Breakdown of tax payments by Taxpayer

No.	Taxpayer	Total in MMK billion	Equivalent in USD million	%
1	MTE	128.28	94.61	95.44%
2	Private	6.11	4.50	4.54%
3	FPJVC	0.03	0.02	0.02%
	Total	134.41	99.14	100%

Source: MTE and FD.

Figure 43: Breakdown of tax payments by Taxpayer



5.4. Breakdown by Payment Flow

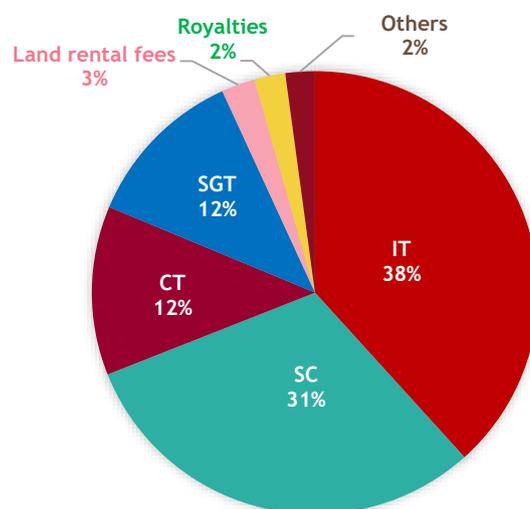
Table 54 and Figure 44 present the breakdown of tax payments by Government Agency.

Table 54: Breakdown of tax payments by payment flow

No.	Payment flow	Total in MMK billion	Equivalent in USD million	%
1	IT	51.51	37.99	38.32%
2	SC	41.21	30.40	30.66%
3	CT	16.57	12.22	12.33%
4	SGT	15.95	11.77	11.87%
5	Land rental fees	3.27	2.41	2.43%
6	Royalties	3.03	2.23	2.25%
7	Income for selling of seized forest products and Income from timber sale to the Government Agencies	2.03	1.50	1.51%
8	Fees	0.51	0.38	0.38%
9	Fines	0.17	0.13	0.13%
10	Entrance fees for Parks, Departmental Instructions	0.05	0.04	0.04%
11	Other income (Return from extra payment+Confiscations)	0.04	0.03	0.03%
12	Revenue for tender sale	0.03	0.02	0.02%
13	Dividends	0.03	0.02	0.02%
14	Income from selling tender forms	0.01	-	-
15	Income from selling old newspapers	-	-	-
	Total	134.41	99.14	100%

Source: EITI Data.

Figure 44: Breakdown of tax payments by payment flow



5.5. Analysis of Forestry Revenues

5.5.1. Royalties

Royalties paid by MTE to the FD amounted to **MMK 3.03 billion** (eq. USD 2.23 million) during the FY 2017/18. Shan State, Sagaing and Bago Regions contributed to approximately **75%** of total royalties.

Table 55 and Figure 45 disaggregate the royalties by state and region.

Table 55: Breakdown of royalties by State and Region

No.	Region and State	Royalties (MMK million)	Royalties (Eq. In USD)	%	Production (Hoppus ton)		
					Teak	Hardwood	Total
		1	2	3	4	5	6 = 4 + 5
1	Shan State	1,259.59	929,022.78	41.62%	3,843	18,492	22,335.00
2	Sagaing Region	704.41	519,542.27	23.28%	6,796	208,439	215,235.00
3	Bago Region	290.92	214,573.23	9.61%	0	4,500	4,500.00
4	Kachin State	200.46	147,854.08	6.62%	2,051	17,608	19,659.00
5	Magway Region	182.31	134,462.06	6.02%	2,001	25,525	27,526.00
6	Mandalay Region	139.05	102,558.29	4.60%	0	8,983	8,983.00
7	Mon State	78.41	57,833.33	2.59%	0	0	-
8	Yangon Region	43.52	32,102.25	1.44%	0	0	-
9	Kayah State	42.03	31,001.53	1.39%	0	0	-
10	Tanintharyi Region	37.56	27,706.23	1.24%	0	6,096	6,096.00
11	Naypyidaw Union Territory	29.96	22,099.81	0.99%	0	6,780	6,779.98
12	Chin State	8.43	6,219.81	0.28%	725	6,615	7,340.00
13	Kayin State	2.98	2,197.23	0.10%	0	0	-0.00
14	Ayeyarwady Region	2.94	2,170.65	0.10%	0	12,660	12,660.00
15	Rakhine State	3.46	2,551.71	0.11%	0	9,314	9,314.000
	Total	3,026.05	2,231,895.28	100%	15,416	325,012	340,427.98

Source: MTE.

We should be able to determine the average royalties per hoppus ton once we collect the details of royalties by product (i.e. teak and hardwood). But we understand that royalties were high in some State and Regions because of the valuable seized timber.

Figure 45: Breakdown of royalties by State and Region

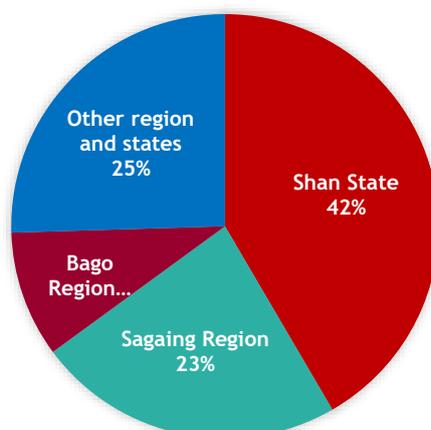
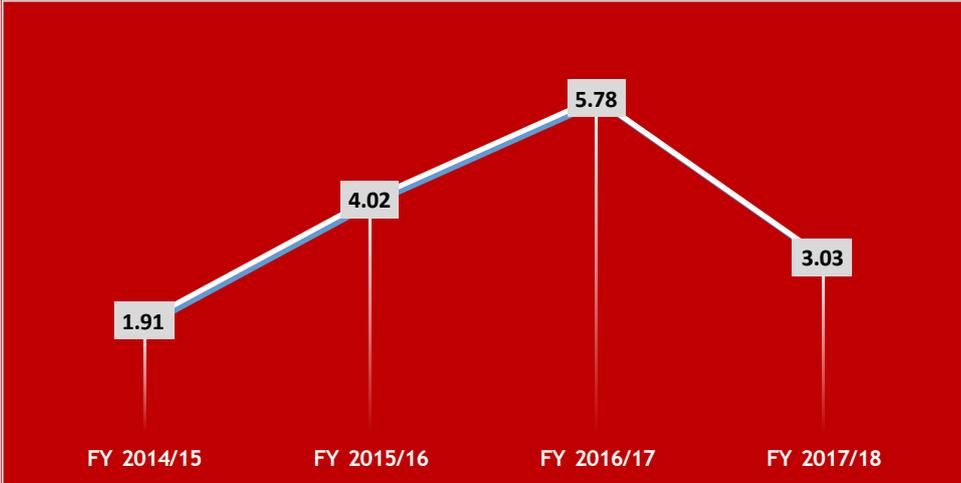


Figure 46 below shows the evolution of royalties between 2014/15 and 2017/18.

Figure 46: Evolution of royalties between 2014/15 and 2017/18 (in MMK billion)



5.5.2. Commercial tax

CT paid by MTE to IRD amounted to **MMK 16.57 billion** (eq. USD 12.22 million) during the FY 2017/18. Shan State, Sagaing and Mandalay Regions contributed to **76%** of total CT.

Table 56 and Figure 47 disaggregate the CT by state and region.

Table 56 : Breakdown of commercial tax by State and Region

No.	Region and State	CT (MMK million)	CT (USD million)	%
1	Sagaing Region	8,510.82	6.28	51.35%
2	Mandalay Region	2,102.62	1.55	12.69%
3	Shan State	1,964.66	1.45	11.85%
4	Magway Region	1,019.70	0.75	6.15%
5	Bago Region	946.54	0.70	5.71%
6	Tanintharyi Region	589.24	0.43	3.56%
7	Kachin State	337.87	0.25	2.04%
8	Rakhine State	329.13	0.24	1.99%
9	Yangon Region	303.89	0.22	1.83%
10	Ayeyarwady Region	227.81	0.17	1.37%
11	Naypyidaw Union Territory	147.63	0.11	0.89%
12	Mon State	94.63	0.07	0.57%
Total		16,574.54	12.22	100%

Source: IRD.

Figure 47: Breakdown of commercial tax by State and Region

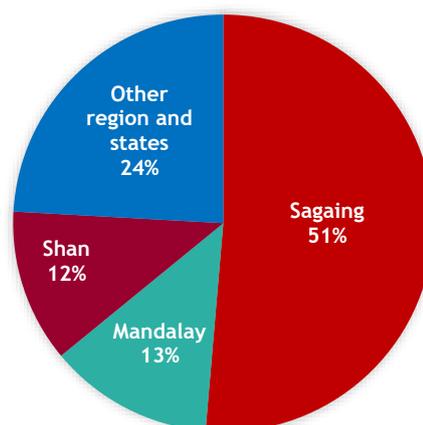
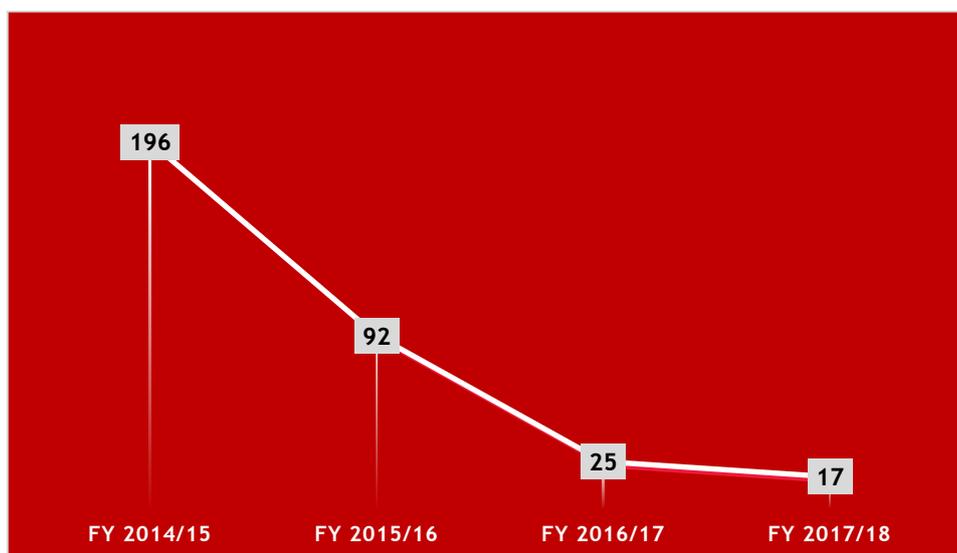


Figure 48 below show the evolution of commercial tax between 2014/15 and 2017/18.

Figure 48: Evolution of Commercial tax between 2014/15 and 2017/18 (in MMK billion)



5.5.3. Income tax

IT paid by MTE to the IRD amounted to **MMK 51.51 billion** (eq. USD 38 million) during the FY 2017/18.

Table 55 disaggregates the CT by quarter.

Table 57: Breakdown of Income tax by quarter

No.	Designation	IT (MMK billion)	IT (USD million)	%
1	First quarter - April to June - FY 2017/18	2.00	1.48	3.88%
2	Second quarter - July to September - FY 2017/18	2.00	1.48	3.88%
3	Third quarter - October to December - FY 2017/18	4.97	3.66	9.64%
4	Fourth quarter - January to March - FY 2017/18	4.43	3.27	8.61%
5	Payment related to FY 2015/16.	38.11	28.11	73.99%
	Total	51.51	37.99	100.00%

Source: MTE & IRD.

Figure 49 below show the evolution of income tax between 2014/15 and 2017/18.

Figure 49: Evolution of Income tax between 2014/15 and 2017/18 (in MMK billion)



5.5.4. State contribution

SC paid by MTE to the TD amounted to **MMK 41.21 billion** (eq. USD 30.40 million) during the FY 2017/18. Table 56 disaggregates the SC by quarter.

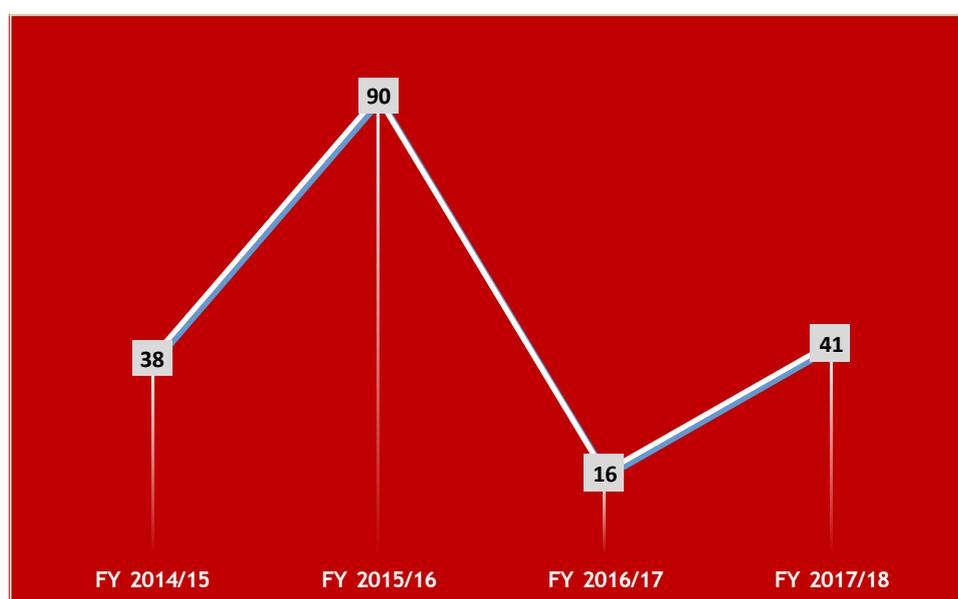
Table 58: Breakdown of State Contribution by quarter

No.	Designation	SC (MMK billion)	SC (USD million)	%
1	First quarter - April to June - FY 2017/18	9.23	6.81	22.40%
2	Second quarter - July to September - FY 2017/18	9.23	6.81	22.40%
3	Third quarter - October to December - FY 2017/18	11.37	8.39	27.60%
4	Fourth quarter - January to March - FY 2017/18	11.37	8.39	27.60%
Total		41.21	30.40	100.00%

Source: MTE & TD.

Figure 50 below show the evolution of State Contribution between 2014/15 and 2017/18.

Figure 50: Evolution of State contribution between 2014/15 and 2017/18 (in MMK billion)



5.5.5. Dividends

Dividends paid by FPJVC to the FD amounted to **MMK 30 million** (eq. USD 22 thousands) during the FY 2017/18.

Total participation of FD in FPJVC's capital amounted to **MMK 100 million** (or 10%) since 11 September 2015, while its initial subscription dates to 26 January 1995 as detailed below:

N°	Subscription	Date	Amount in MMK million
1	First call (50%)	26/01/1995	50.00
2	Second Call (25%)	31/12/2002	25.00
3	Final Call (25%)	11/09/2015	25.00
Total			100.00

Source: The FD.

Total dividends received from FPJVC amounted **MMK 481 million** over 24 years (from FY 1994/95 to 2017/18) as detailed below:

N°	FY	Amount in MMK million
1	1994/95	0.80
2	1995/96	12.00
3	1996/97	15.00
4	1997/98	15.00
5	1998/99	15.00
6	1999/00	15.00
7	2000/01	15.00
8	2001/02	17.50
9	2002/03	22.50
10	2003/04	22.50
11	2004/05	18.75
12	2005/06	22.50
13	2006/07	22.50
14	2007/08	22.50
15	2008/09	22.50
16	2009/10	22.50
17	2010/11	22.50
18	2011/12	22.50
19	2012/13	22.50
20	2013/14	22.50
21	2014/15	22.50
22	2015/16	26.88
23	2016/17	30.00
24	2017/18	30.00
Total		480.93

Source: The FD.

It is worth to highlight that MTE is also receiving dividends from FPJVC along with other companies. Dividends collected amounted to **MMK 981 million** (eq. USD 778 thousands) and **MMK 333 million** (eq. USD 245 thousands) during the FYs 2016/17 and 2017/18 respectively.

in MMK million

N°	Company Name	Received during FY 2016/17	Related to FY		Received during FY 2017/18	Dividends related to FY			
			2014/15	2015/16		2013/14	2014/15	2015/16	2016/17
1	International Business Centre	674.21	-	674.21	45.70	-	-	-	45.70
2	MKTI	176.09	176.09	-	-	-	-	-	-
3	FPJVC	123.75	-	123.75	135.00	-	-	-	135.00
4	City Furniture	4.83	-	4.83	3.08	-	-	-	3.08
5	FPJVC South Dagon (3.23 Acres)	0.34	0.34	-	1.93	-	-	1.03	0.90
6	FPJVC Shwepyithar (10 Acres)	0.34	0.34	-	2.07	-	-	1.10	0.97
7	Htoo Internatinal Company	0.33	0.33	-	-	-	-	-	-
8	FPJVC Amarapuya (4 Acres)	0.33	0.33	-	0.68	-	-	0.33	0.35
9	Myanmar Peltier Bois	0.31	-	0.31	0.30	-	-	-	0.30
10	Myanmar Tokiwa Corporation Ltd.	-	-	-	2.61	-	-	1.96	0.66
11	Concorde Industries Co.	-	-	-	141.15	31.01	96.45	13.69	-
Total		980.55	177.44	803.10	332.52	31.01	96.45	18.11	186.95

Source: MTE.

5.5.6. Revenues collected by the FD

a. Land rental fees

Land rental fees collected by the FD amounted to **MMK 3,270 million** (eq. USD 2.4 million) during the FY 2017/18, Sagaing Regions contributed to approximately **45%** of total fees.

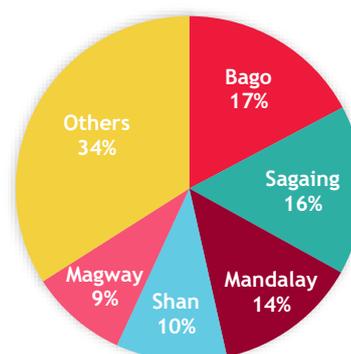
Table 59 and Figure 51 disaggregate the CT by state and region.

Table 59: Breakdown of Land Rental Fees by State and Region

No.	Region and State	In MMK million	In US\$ ('000)	%
2	Sagaing	1,458.63	1,075.83	44.61%
2	Office of Director General	523.67	386.24	16.02%
3	Mandalay	337.09	248.62	10.31%
4	Thanintharyi	174.50	128.70	5.34%
5	Mon	126.40	93.23	3.87%
Top Five		2,620.28	1,932.62	80.14%
-	Others	649.49	479.04	19.86%
Total		3,269.77	2,411.66	100%

Source: FD.

Figure 51: Breakdown of Land Rental Fees by State and Region



a. Income for selling of seized forest products and Income from timber sale to the Government Agencies

No.	Region and State	Other income MMK million	Other income USD ('000)	%
1	Sagaing	913.36	673.66	45.04%
2	Bago	480.01	354.03	23.67%
3	Magwe	165.10	121.77	8.14%
4	Mandalay	132.64	97.83	6.54%
5	Yangon	57.54	42.44	2.84%
	Top Five	1,748.65	1,289.74	86.22%
-	Others	279.42	206.09	13.78%
	Total	2,028.07	1,495.83	100%

Source: FD.

b. Fees

No.	Region and State	Other income MMK million	Other income USD ('000)	%
1	Office of Director General	369.46	272.50	72.03%
2	Mandalay	41.55	30.64	8.10%
3	Yangon	38.49	28.39	7.50%
4	Nay Pyi Taw	23.18	17.10	4.52%
5	Ayarwaddy	20.36	15.02	3.97%
	Top Five	493.05	363.65	96.13%
-	Others	19.86	14.65	3.87%
	Total	512.91	378.30	100%

Source: FD.

c. Fines

No.	Region and State	Fines MMK million	Fines USD ('000)	%
1	Bago Region	29.72	21.92	17.21%
2	Sagaing Region	27.42	20.22	15.88%
3	Mandalay Region	23.17	17.09	13.42%
4	Shan State	17.83	13.15	10.33%
5	Magway Region	15.72	11.60	9.11%
6	Chin State	15.55	11.47	9.00%
7	Yangon Region	14.96	11.04	8.67%
8	Rakhine State	6.29	4.64	3.64%
-	Others	22.01	16.23	12.75%
	Total	172.67	127.36	100%

Source: FD.

d. Other income (Return from extra payment+Confiscations)

No.	Region and State	Other income MMK million	Other income USD ('000)	%
1	Kayin State	12.40	9.15	35.00%
2	Shan State	6.55	4.83	18.47%
3	Mandalay Region	5.41	3.99	15.26%
4	Ayeyarwady Region	4.55	3.36	12.84%
5	Rakhine State	3.20	2.36	9.02%
	Top Five	32.10	23.68	90.60%
-	Others	3.33	2.46	9.40%
	Total	35.43	26.13	100%

Source: FD.

e. Income from selling tender forms

No.	Region and State	Income MMK ('000)	Income USD	%
1	Office of Director General	2,839.85	2,094.56	56.33%
2	Shan State	560.00	413.03	11.11%
3	Magway Region	540.00	398.28	10.71%
4	Mandalay Region	484.00	356.98	9.60%
5	Naypyidaw Union Territory	411.00	303.14	8.15%
	Top Five	4,834.85	3,565.99	95.90%
-	Others	206.81	152.53	4.10%
	Total	5,041.65	3,718.53	100%

Source: FD.

f. Revenue for tender sale

No.	Region and State	Firewood (MMK)	Charcoal (MMK)	Bamboo (MMK)	Non-timber forest product (MMK)	Income MMK (‘000)	Income USD	%
1	Nay Pyi Taw	688,605.60	1,646,928.00	26,061,000.00	2,960,325.00	31,356.86	23,127.60	99.53%
2	Shan	-	-	-	147,00-	147.00	108.42	0.47%
	Total	688,605.60	1,646,928.00	26,061,000.00	3,107,325.00	31,503.86	23,236.02	100%

Source: FD.

5.6. Information about other companies

Following meetings with companies included in the reconciliation process between 21 and 24 January 2020, we understand that none of them operate in the forestry sector (i.e. logging). All of them confirmed that they did not make any business activity with MTE between the FYs 2016/17 and 2017/18, except buying timber through open tender just like any other firm.

As a result, they are out of the extractive sector and should be excluded from the EITI Report. However, as we collected and reconciled most of the payments it is worth to list them out here.

Payments made by these companies amounted to **MMK 5,633 million** (or US\$ 4.15 million)

In MMK million	Companies	Government Agencies	Difference	%
Initial figures	4,737.40	5,863.23	-1,125.84	-19.20%
Reconciliation adjustments	1,037.49	-230.08	1,267.57	-550.93%
Final figures	5,774.88	5,633.15	141.73	2.52%

The breakdown of these payments by company and tax is presented in Annex 13 to the Report.

5.7. Review of Other Accounts

As at March 31, 2018, MTE's OA shows a closing balance of **MMK 1,794 billion** (or US\$ 1,323 million). An amount reported by MTE, supported by MEB statements and confirmed by the BD.

Table 58 below shows the monthly evolution of MTE's OA between April 2017 and March 2018.

Table 60: Monthly evolution of MTE's OA (FY 2017/18)

N°	Month	MMK billion				US\$ million			
		Opening	Deposit	Withdrawl	Closing	Opening	Deposit	Withdrawl	Closing
1	April 2017	1,712.78	1.00	19.72	1,694.06	1,263.28	0.74	14.54	1,249.47
2	May 2017	1,694.06	16.95	44.61	1,666.40	1,249.47	12.50	32.90	1,229.07
3	June 2017	1,666.40	28.86	14.06	1,681.20	1,229.07	21.29	10.37	1,239.99
4	July 2017	1,681.20	18.23	16.64	1,682.79	1,239.99	13.45	12.28	1,241.16
5	August 2017	1,682.79	22.22	3.62	1,701.39	1,241.16	16.39	2.67	1,254.88
6	September 2017	1,701.39	29.58	12.24	1,718.73	1,254.88	21.82	9.03	1,267.66
7	October 2017	1,718.73	21.96	17.39	1,723.29	1,267.66	16.20	12.83	1,271.03
8	November 2017	1,723.29	26.29	4.27	1,745.31	1,271.03	19.39	3.15	1,287.27
9	December 2017	1,745.31	27.28	19.91	1,752.69	1,287.27	20.12	14.68	1,292.71
10	January 2018	1,752.69	25.27	17.91	1,760.05	1,292.71	18.64	13.21	1,298.14
11	February 2018	1,760.05	23.75	15.06	1,768.74	1,298.14	17.52	11.11	1,304.56
12	March 2018	1,768.74	47.21	21.73	1,794.23	1,304.56	34.82	16.03	1,323.35
Total			288.62	207.17			212.87	152.80	

Source: MTE

6. RECOMMENDATIONS

The recommendations below are based on the findings and weaknesses that we noted during the scoping and reconciliation phases for the preparation of the third and fourth EITI Reports on the forestry sector for the FY 2016/17 and 2017/18.

We also followed up of the recommendations made during the preparation of the first and second Reports.

6.1. New Recommendations

6.1.1. Management of the Forestry Sector

a) Update the SOE law

The current SOE Law¹ has been in existence for more than thirty years. There is an urgent need to update that legislation or replace it with a new one in order to keep up with developments in the sector.

The objective of the SOE law reform is to make SOEs (i.e. MTE for the forestry sector) more efficient and profitable.

Recommendation

The new Law should focus on improving the governance of SOEs operating in Myanmar. It should, inter alia:

- define the governance structure and responsibilities of each department;
- define the list of key financial reports and KPIs to be prepared. The public disclosure of these reports should also be in line with the activity;
- set up internal controls and external audits to ensure the reliability of the data made available for the reconciliation;
- find an alternative treatment to avoid/reduce illegal logging. The current legislation stipulates that when FD seizes illegal timber, it can sell it back. The new Law may propose using such seizures for social projects such as schools, hospitals, etc.

MTE comments (March 2020)

MTE has no right to update the SOE Law. MTE is currently following the existing laws, rules and regulations and notifications. Such changes need to be performed at union level.

Further IA comment

We take note of your comments, but we maintain our recommendation. NCS and MSG are encouraged to pass this recommendation on to the appropriate legislative body.

¹ https://www.burmalibrary.org/docs15/1989-SLORC_Law1989-09-State-Owned_Enterprise_Act-en.pdf

b) Update the Forest Policy

Myanmar Forest Policy was formulated by the Forest Department (Ministry of Forestry) in 1995 and approved at the Cabinet Meeting of the Government of Union of Myanmar (n° 27/95) on 20 July 1995. We understand that the Forest Policy has been prepared with the support of FAO but with limited consultation process.

The Forest Policy includes six chapters, namely, 1) Protection, 2) Sustainability, 3) Basic needs, 4) Efficiency, 5) Participation and 6) Public Awareness. Its thrust was on sustainable and intensive forest management for environmental and economic prosperity of the people of Myanmar.

The current Forest Policy has been then in existence for nearly twenty-five years. There is an urgent need to update that legislation or replace it with a new one on order to keep up with developments in the sector.

With a dynamic population, the Forest Policy cannot remain static. There for, it should be reviewed and revised periodically in order to consider socio-political environment as well as to determine the strengths and weaknesses of the strategies in place, hence the identification of new strategy options.

Recommendation

The new/revised Policy should focus on improving the governance of the forestry sector in Myanmar. It should take into account the recent changes in the forestry sector such as:

- the log export ban starting from April 2014;
- the huge drop in the annual allowable cut for teak to less than 20,000 trees;
- the reorganization of MTE;
- the logging ban during the FY 2016-2017 for the whole Myanmar and 10-year logging ban in the Bago Range.

Furthermore, the government's engagement in a VPA process with the EU FLEGT initiative, requires transparency and compliance improvements within the sector. Myanmar is also engaged in the REDD+ process. On the other hand, increasing exploitation of forest resources (legal and illegal logging), and clearing of forest areas due to expansion of commercial agriculture, monoculture plantations (rubber, teak, eucalyptus) and infrastructure projects such as roads and hydropower dams are implemented. Drivers from other sectors, increasing large-scale farming, plantation agriculture and associated pressures for land use change, for mining, strong land use changes in virgin rural areas, conflicts over land ownership and use are severely affecting Myanmar forests as well as pollution of rivers and destruction of landscapes, soil pollution, and human health impacts are widespread.

As the forest policy is involving the entire range of environmental and development issues and opportunities, including the right to socio-economic development on a sustainable basis, the largest possible number of actors should take part in the reform process. This aims to reach an agreement among all stakeholders who have interests in the forest sector including obviously, the Government.

According to The FAO stated in 2010, a national forest policy should not be unilaterally imposed by the government.¹

¹ <http://www.fao.org/3/i1679e/i1679e00.pdf>

c) Improve the efficiency of the sales process

We understand that MTE has stopped direct sales, and accordingly all timber sales are now made through open tenders. However, we note that such calls for tenders are only made on MTE website and local papers and as a result, the target audience is rather restricted.

Recommendation

To increase its revenues, MTE should, inter alia,

- ensure a close follow up of timber sales over the time by monitoring the price by commodity and grade. This will allow the comparison with the trends in market prices for a systematic adjustment of the minimum price when it comes to the upcoming open tender;
- improve the communication so that more people are aware about the dates for the open tender in good time. The information is currently published in MTE website and two state newspapers. MTE should consider using other communication tools (e.g. e-mails, text message, etc.); and
- improve the transparency of the open tenders by inviting other stakeholders (e.g. CSOs, experts, journalists, etc.).

MTE comments (March 2020)

Open tenders are published transparently on government newspapers and submitted to regional government organisation, MTE, relevant regions, lumber mills and others. Anyone who is interested in attending the open tender sessions, can request a permission from the relevant authority.

MTE is using the Electronic Documents Management System (EDMS), Government Personal Management System (GPMS), Human Resource Management System (HRMS), Vehicle and Fuel Management System, Inventory Control System and Timber Extraction System (TES).

There is send the office letter with Email and maintain data in EDMS system, recording the staff personal profile data in GPMS and HRMS system, systematically recorded the vehicle and stock data and those facts can retrieve in application and there is recorded the timber which based on the quality of timber in TES Software in relation to implement the e-Government system and implemented the change in timber ownership and traceability which included the FLEGT VPA procedure. There is collaborate with MFCC to trade timber legally according to MTLs procedure.

Further IA comment

We take note of your comments, but we maintain our recommendation. It is encouraged to set up a close follow up of timber sales over the time by monitoring the price by commodity and grade.

d) Improve the Disclosure of the Sales Data

Timber Sales included in Annex 6 below were detailed by:

- Buying company;
- Product (i.e. teak log, teak conversion, hardwood log, hardwood conversion and others);
- Volume; and
- Value.

We understand that MTE do not monitor timber sales by grade.

Recommendation

In order to give more detailed breakdown, MTE is encouraged to publish timber sales by grade. This will allow close follow up of the pricing mechanisms by commodity and grade.

6.1.2. EITI implementation

a) Improve the Data Collection

The data collection has taken more time than expected. This is mainly due to lack of a computerised system for the exchange of information between different Government Agencies and between different department under the same Agency. Data were then collected manually.

In some instances, we were provided with several versions of the same data, each being different from the other. Hence, an extra time spent to make the necessary adjustments. This includes inter alia, extraction data, timber sales, etc.

We also faced challenges reconciling the data between companies and Government Agencies including IRD, FD and MCD. The reconciliation would not have been possible without a field visit involving the IA, companies, Government Agencies and the NCS team.

Recommendation

In order to speed up the EITI process, it is highly recommended that all Government Agencies and SOEs implement computerised systems.

In the meantime, GOUM needs to:

- encourage all the relevant ministries to collaborate together to improve data collection;
- appoint a focal point from NCS team at each Government Agency and SOEs, whose role is to collect data in a systematic manner; and
- arrange mini workshops for Government Agencies and SOEs with the objective of making the EITI requirements clear and dynamic, with the support of the IA if required.

FD Comment (March 2020)

The FD provided all information required for the EITI Report.

BD Comment (April 2020)

On the Ministry's website, the BD is publishing Myanmar Fiscal Data Summary, Executive's Budget proposal and its supporting documents reported by the Union Government when submitting the Budget report to Pyidaungsu Hluttaw (Union Parliament) which are publicly disclosed. The supporting documents are listed below:

- a. Budget Summary Book;
- b. Budget and Budget Bill;
- c. Minister Budget Speech;
- d. Financial Commission Endorsement and Excerpt;
- e. State Economic Enterprise's (SEE's) profit and loss; and
- f. Budget Brief.

Moreover, after the Budget Law has been issued, Citizen Budget reports are published annually on the website since the FY 2015/16, in order to raise the public financial awareness.

Quarterly Budget Report, bi-annual Budget Report, year-end Budget Report and mid-year financial assessment reports are also uploaded on the website.

The BD has prepared the budget templates with electronic system and conducted training workshops to the relevant government departments.

The financial information for six years has been disclosed with GFS Manual 2014 at the Ministry website.

Central Statistical Organization Comment (April 2020)

CSO is implementing the Common Data Platform Project in collaboration with UNDP in order to get the statistical data at one place.

It has disclosed the Annual Myanmar Statistical Bulletin (Books and CD), Monthly Economic Index Bulletin and the books published by CSO, Survey Reports and other Reports and Market Prices at the website <https://www.csostatat.gov.mm>. CSO is also submitting the Annual Myanmar Statistical Bulletin (Books and CD), Monthly Economic Index Bulletin and the books published by CSO, Statistical Data, Survey Reports, the reports prepared by local and international organizations at the website <https://www.mmsis.gov.mm> respectively.

NCS comment (March 2020)

Myanmar is setting up an e-Government Integrated Data Center (e-GIDC).

In connection with the E-Government Leading Committee Meeting held on 27 February 2019, the State Counsellor said she is expecting work to be proceeding swiftly now that the working committee has been formed. E-Government Implementation Committee Meeting was held on 2 May 2019.

If e-Government procedures succeed, each government agency will exchange information openly among people and government.

Several information about the forestry sector and others are publicly available as follows:

N°	Agency	Website
General information		
1	Ministry of Planning, Budget and Industry	https://www.mopfi.gov.mm/
2	Myanmar Statistical Information Service	http://www.mmsis.gov.mm/
3	Aid Information Management System	https://mohinga.info/en/
4	Myanmar Portal	https://www.myanmar.gov.mm/
5	Myanmar Companies Online (MyCO) (Register company and find information on all companies that are registered in Myanmar)	https://myco.dica.gov.mm/ (https://www.dica.gov.mm/en/link/ministry-investment-and-foreign-economic-relations-mifer)
Forestry sector		
6	Myanma Timber Enterprise	http://www.mte.com.mm/
7	Forest Department	https://www.forestdepartment.gov.mm/
Mining Sector		
8	Ministry of Natural resources and Environmental Conservation	http://www.mining.gov.mm/Minister_Office_mm/Default.asp
9	Department of Mines	http://www.mining.gov.mm/DM_mm/Default.asp
10	Mining Enterprise No. 1	http://www.mining.gov.mm/ME-1_mm/Default.asp
11	Department of Geological Survey and Exploration	http://www.mining.gov.mm/DGSE_mm/Default.asp
12	Myanmar Gem Enterprise	http://www.mining.gov.mm/MGE_mm/Default.asp
13	Mining Enterprise No. 2	http://www.mining.gov.mm/ME-2_mm/Default.asp
14	Myanmar Pearl Enterprise	http://www.mining.gov.mm/MPE_mm/Default.asp

Further IA comment

We take note of the comments provided by the FD and BD, but we maintain our recommendation.

We believe that it is crucial to appoint a focal point from NCS team at each Government Agency and SOEs, whose role is to collect relevant data for the EITI process to boost EITI systematic disclosure.

b) Improve the Accuracy of Exports Data

In accordance with the EITI Standard, implementing countries must disclose information about exports from the forestry sector in absolute terms and as a percentage of total exports (EITI Requirement 6.3 (c)).

We noted an unreconciled discrepancy on export data reported by the FD when compared with that of CSO, detailed as follows:

FY 2016/17

Teak and Hardwood	FD	CSO	Difference	%
Volume in CBT ('000)	58	67	-9	-13%
Value in in US\$ million	155	118	37	31%

FY 2017/18

Teak and Hardwood	FD	CSO	Difference	%
Volume in CBT ('000)	42	60	-18	-30%
Value in in US\$ million	102	88	14	16%

Recommendation

We recommend that the FD and CSO set up their own mechanisms, processes and procedures to collect and control exports data.

It is also recommended that the FD and CSO carry out periodic reconciliations of the export volumes declared by companies with the data reported by each agency. These reconciliations should be done at least quarterly and any significant discrepancies should be fully investigated and reported to the relevant agencies including NCS.

FD comment (March 2020)

The value of timber and products provided by the FD for EITI purposes were based on the prices which have been applied for export license together with sale contract and invoice.

The FD is not able to scrutinize the value of timber products, it can only make endorsement for the legality of timber with species, volume and measurement.

Further IA comment

We take note of your comments. We understand that the FD data are more accurate.

6.2. Follow up of the Previous Recommendations

6.2.1 Governance of the Forestry revenues

a) Lack of the Unique Taxpayer Identification Number

During the scoping phase, we noted that the statements of revenues received from IRD and MCD do not include the Taxpayer Identification Number (TIN) of the companies. The names of some companies have been spelt differently from one Government Agency to another. These differences may be also due to the translation of these statements from Burmese to English.

Moreover, we noted that IRD and MCD do not hold a comprehensive list of the extractive companies neither do they have any specific identification number for the forestry companies.

IRD and MCD identified the revenues based on the list of forestry companies provided by MTE only, which emphasises the risk regarding the comprehensiveness of their statements of revenues.

Recommendation

We recommend that all Government Agencies use a unique TIN to record the payments received from the extractive companies. This will require a perpetual and close cooperation among all Government Agencies in order to address the situation of the existing companies.

For the new companies, the TIN should be allocated at the time they are incorporated, and their TIN should be communicated to all Government Agencies. Their use should be mandatory for EITI reporting.

IRD Initial Comments (December 2018)

IRD has started using the TIN at Large Taxpayer Office (LTO) using the computerised system since FY 2014/15 and the use of TIN is being expanded phase by phase at Medium Taxpayer Office (MTO). It is intended that the new tax management system will be applied comprehensively across IRD on 1 April 2019 during the FY 2019/20. On the other hand, not only the extractive industries but also other Government Agencies related to IRD should use the same TIN number used by IRD.

In order to use the same TIN and develop the system, the network system must be installed as well as the new law needs to be enacted in compliance with the EITI Standard.

IRD Updated Comments (February 2020)

IRD coordinated with the Directorate of Investment and Company Administration (DICA), Trade Department and Customs Department so that Single Registration can be done among these departments. As a result, Trade Department is using TINs as a Unique ID instead of Importer/Exporter Registration Number starting from 5 January 2020 via Myanmar TradeNet 2.0 Online Licensing system.

IRD is conducting initial meetings with e-ID system working group of Ministry of Labour, Immigration and Population in order to issue TINs to individual taxpayers. The e-ID system issues a specific number once a person is enrolled as a resident. This specific number will be used as individual TIN for tax purposes.

Implementation status

Partially implemented

b) Lack of Resource Revenue Sharing System for Forestry Revenues

Forestry revenues are generated in nearly every state and region in Myanmar and mainly in the regions of Sagaing, Bago, Tanintharyi, Magway, Ayeyarwady, and states of Shan, Kayah and Chin. In these areas and others, extracted resources from forested areas have significantly impacted livelihoods of local inhabitants as well as the environment.

Although there are some payments made to these Region/State funds, the largest share is deposited in the Union Fund.

Recommendation

We recommend that the Government considers setting up a special fund arising from revenues earned from forestry companies or revenue sharing mechanisms so that these may be allocated towards projects that would contribute to:

- the rehabilitation and development of communities impacted by land-based operations;
- mitigate or prevent violent conflicts;
- respond to local claims for benefits, based on ideas of local ownership; and
- promote regional income equality between resource and non-resource rich regions.

For better transparency and efficiency, the revenue sharing system would require stakeholder consensus on any revenue sharing formula.

Initial Comments of the Technical and Reporting Sub-committee meeting held on 31 July 2018 and the 15th MSG Meeting held on 3 August 2018

Revenues of the FD are remitted to the Union Fund as well as State/Region funds.

FD Updated Comments (March 2020)

The FD is conducting the Revenue collection on Timber and NTFP for the forestry sector according to the constitutional provisions and is also paying the collected tax to Regional and State Fund. State/Regional Government and Union Parliament are allocating the budget following the approval of Pyidaungsu Hluttaw representatives. Although the recommendation is good, we will not be able to implement it according to the current law provisions.

MTE Updated Comments (March 2020)

MTE cannot create such fund. The Union Government is allocating the budget following the approval of Pyidaungsu Hluttaw representatives.

Further IA comment

We take note of your comments, but we maintain our recommendation. It is encouraged to set up a special fund or a revenue sharing system with a clear revenue sharing formula. Myanmar can learn from the experience of other countries that have already implemented similar funds.

The new regulations should inter alia:

- provide mechanisms that assist Myanmar to sustainably manage its forestry revenue;
- detail the parameters for operating and managing the forestry fund;
- govern the collection and management of receipts associated with the forestry fund; and
- regulate transfers to the State Budget.

Implementation status

Not yet implemented

c) Lack of distinction between Forestry and Non-Forestry Revenues

During the scoping phase we identified some companies making material payments to IRD despite their relatively low volume of production.

We understand that these companies operate in both forestry and non-forestry activities, thus their payments are not entirely related to the extractive sector.

It is therefore not currently possible for IRD to determine how much of each payment relates to forestry activities and how much relates to non-forestry at the time the payment is made.

Recommendation

When making payments to IRD, companies are highly encouraged to segregate forestry from non-forestry payments so that the payments can be allocated to the appropriate tax stream.

It is also highly recommended that IRD seeks to make amendments to its data recording systems to enable this distinction and include the information about the company activity(ies).

IRD Initial Comments (December 2018)

Based on total sale proceeds and receipts from services as well as total income received by the taxpayer within the income year, an assessment for income and commercial taxes is made in accordance with the tax rate defined in the Union Taxation Law. If the taxpayer carries out more than one activity, the tax is chargeable on the total amount generated from all activities that the taxpayer is operating within the income year. The tax chargeable cannot be identified for each activity and therefore it is not possible for IRD to distinguish how much of each payment relates to the extractive sector.

IRD does not currently distinguish between forestry income and other income for individual taxpayers participating in the forestry sector. Income is reported on an aggregate basis and as such there is no practical way of reporting the forestry income from existing records.

It would not be practical to change our processes to collect this information as it would involve the commitment of substantial resources in redesigning tax return forms and IT systems.

The best method would be to collect the data using an industry code and accept that there will be some element of non-forestry income (which could be eliminated by applying a discount, i.e. assume that 5% or 10% of the total income reported is forestry income).

Further IA comment

The elimination of a certain percentage for non-forestry incomes without clear basis will not ensure an exact assessment of forestry revenues. Accordingly, we maintain our recommendation.

IRD Updated comments (February 2020)

Based on total sale proceeds and receipts from service as well as total income received by the taxpayer within the income year, an assessment for income tax and commercial tax is made in accordance with the tax rate imposed in accordance with the Union Taxation Law. If the taxpayer carries out more than one activity, the tax is chargeable on the total amount generated from all activities that the taxpayer operates within the tax year. The tax chargeable cannot be identified for each activity and therefore it is not possible for IRD to distinguish how much of each payment relates to the extractive sector.

IRD does not currently distinguish between forestry income and other income for individual taxpayers participating in the forestry sector. Income is reported on an aggregate basis and as such there is no practical way of reporting the forestry income from existing records.

Nor would it be practical to change our processes to collect this information as it would involve the commitment of substantial resources in redesigning tax return forms and IT systems.

The best method would be to collect the data using an industry code and accept that there will be some element of non-forestry income (which could be eliminated by applying a discount-i.e. assume that 5% or 10 % of the total income reported is forestry income).

Implementation status

No longer applicable

6.2.2 Governance of the Forestry Revenues

a) Need to improve Timber Trade and Traceability

The complexity relating to the transfer of logs from harvest sites to the export site is a challenge for the Myanmar forestry sector. Although a log tracking system is in place, the actual log transport and ownership transfers are complex and involve multiple transactions where the risks for human errors and weak compliance of procedures can take place. Additionally, the current data collection system does not provide enough details of the origin of the wood. The current log tracking and reporting system does not separate timber from sustainably managed natural forests and tree plantations (both Government and private) properly. The system is unable to distinguish between the timber flows and as a result confiscated timber and timber originating from illegal conversion of forest lands could easily be mixed with timber from sustainably managed natural forests.

Recommendation

We therefore recommend, that the efforts towards improved chain-of-custody (CoC), data collection and reporting systems are strengthened. This includes investments in modern log-tracking systems as well as capacity building of relevant FD staff, MTE and Companies.

Over the past decade, several major timber product consumer regions and countries have put into place new regulations aimed at curtailing the import of illegally sourced wood products (e.g. the Lacey Act in the US, EU Timber Regulation (EUTR), the Australian Illegal Logging Prohibition Act). Illegal logging, as defined in these three regulations, is the harvesting of timber in contravention of the laws and regulations of the country of harvest. The main requirements of these regulations can be summarised as follows:

- illegal timber should not be placed on the international market; and
- due diligence is required, including calls for importers to:
 - provide access to information about the origin and legality of the material;
 - conduct risk assessment that timber originates from illegal sources; and
 - mitigate any significant risks.¹

These new regulations have changed the timber markets, providing challenges to timber exporting countries such as Myanmar.²

In order to remain abreast of developments in the international timber markets and to ensure market access for the export industry, we recommend that the Government of Myanmar adopts these new regulations. Some initiatives already exist to ensure compliance with the relevant standards (e.g. the development of Myanmar's Timber Legality Assurance System, MTLAS), but more effort is still required to the practical implementation of the standards (i.e. capacity building and reporting systems).

FD and MTE Initial Comments (December 2018)

Myanmar Timber Legality Assurance System (MTLAS) has been in place in timber extraction and marketing process for FD and MTE. FLEGT Programme has been implemented with the support of FAO and funded by EU and DFID, participating with FD, MTE and private sector.

Log tracking and reporting system will be improved.

MTE admits that it has many issues that have affected its supply chain process. Accordingly, a publication has been released in August 2017 to draw attention of its customers about the new

¹ Tackling Timber Regulations: A Guide for Myanmar, Forest Trends, 2013.

² <http://www.flegt.org/news/content/viewItem/swedish-court-rules-myanmar-timber-documentation-inadequate-for-eu-importers/15-11-2016/57>

National Export Strategy. The main objectives were to improve timber chain-of-custody and its legality. This publication publicly available on: <http://www.marineteakwood.com/2017/MTE.pdf>.

FD and MTE Updated Comments (March 2020)

The FD and MTE are working in close cooperation with other stakeholders. Several activities were recently undertaken:

- CoC released in 2018 in coordination with the European Union (EU).
- QR Code System was implemented starting from the FY 2018/19 to track teak extracted from natural forests.
- New Form 8 was implemented in 2016 to prevent the inclusion of illegal timber. In fact, any illegal timber seized by the FD should be transferred to MTE for local use only, following the instruction of the Ministry of Natural Resources and Environmental Conservation, dated on 30 November 2016.
- As the export of timber by land was banned in 2017, MTE is currently trying to better implement the Supply Chain process and improve the CoC (i.e. logging and logistics)
- MTE is following Myanmar Timber Legality Assurance System (MTLAS), which guarantees that new timber is officially produced.
- Myanmar is currently engaging in a close negotiation with EU towards concluding the Forest Law Enforcement Governance and Trade - Voluntary Partnership Agreements (FLEGT - VPA).

Further IA comments

We take note of the updated comments, we upgrade then the implementation status from “Not implemented” to “Partially implemented”.

We understand that the Government is actively working towards ensuring that only legally verifiable teak from the country enters the international market. However, in the absence of an airtight system to do that, effectively no Myanmar teak can be brought to the EU because of the high risk of it being illegally sourced. MTE documentation certifying legality is not enough because they are still not considered credible.¹

Implementation status

Partially implemented

¹ <https://news.mongabay.com/2019/12/tainted-timber-from-myanmar-widely-used-in-yachts-seized-in-the-netherlands/>

b) Regulatory Framework and Law Enforcement

❖ Forest Law

In paper, the current legislation and regulations for harvesting and transportation of forest products seem to form a relatively solid framework for the sustainable utilisation of Myanmar's forest resources. However, in practice it has been acknowledged that the framework governing forest resources appears inadequate to fully ensure legal and sustainable forest management. Therefore, the Forestry Law is currently being revised. It is important to ensure that the new law is in line with international best practices and promotes all aspects of sustainable forest management.

Recommendation

To ensure this, we recommend that the Government of the Union of Myanmar (GOUM) follows an international consultation process in the law's revision which involves international and non-governmental organisations as well as the private sector including EITI MSG Members.

FD Initial Comments (December 2018)

The revision of 1992 Forest Law was scrutinised by the Pyithu Hluttaw (Lower House). Currently the Amyothar Hluttaw (Upper House) is reviewing the Forest Law with the consultation with relevant Government Agencies and Civil Society Organisations.

❖ Law enforcement

Forest Law enforcement in Myanmar is weak. FD is continuously making efforts to improve law enforcement and fight illegal timber trade, but its resources are extremely limited. Although the theoretical framework for sustained yield forest management exists, the policies, laws and rules do not appear to be followed in practice. FD does not have a presence in many areas where illicit timber trafficking occurs (especially along the border with China¹), and there is a general lack of resources to investigate possible crimes. This allows organised crime, as well as low/mid-level players, to continue trafficking timber with minimal fear of prosecution.

Recommendation

We recommend that the Government of Myanmar allocates more resources to FD and focuses on building its institutional capacity to improve forest law compliance. Guidance for this can be found, for example, from the FAO, which has gathered best practices to improve legal compliance in the forestry sector, based on the experiences of countries in Asia, Latin America and Africa, and supports countries in the efforts through the FAO-EU FLEGT Programme.

FD Initial Comments (December 2018)

The new forest law was already submitted to the parliament for approval. The draft version provided for the:

- intensification of penalties for forest offences particularly for illegal logging and trade;
- setting up of a community-based information system for illegal logging; and
- setting up of forest police force at the FD to improve law enforcement.

FD carries out systematically the following forest law enforcement operations:

1. special operations along the two major rivers;
2. special operations on the adjacent boundaries between the Naypyitaw, Bago and Magawe Divisions;
3. special operations on wood smuggling routes to neighbouring countries;

¹ Analysis of the China-Myanmar Timber Trade, Forest Trends, 2014.

4. special operations with the cooperation of the armed forces; and
5. routine operations.

FD also carries out other forest law enforcement operations in strategic potential area such as border, water way, junction, etc. in cooperation with Police, Military and other line agencies and actions are taken accordingly.

Moreover, FD is initiating the community monitoring and reporting system to get the information for the control of the illegal activities.

Because of these efforts, 51,725 Hoppus tons and 46,153 Hoppus tons of illegal timbers were seized during FY 2014/15 and FY 2015/16 respectively.

On the other hand, Myanmar is involved in the EU-FLEGT VPA process to eradicate the illegal timber and trade to EU, to get the good forest governance and manage the forest sustainably and to export Myanmar legal timber to EU.

Further IA comments (March 2020)

We acknowledge the efforts made by Myanmar over the last couple of years, and especially the adoption of the new Forest Law. However much work needs to be done to strengthen the regulatory framework for the forestry sector. This covers, inter alia, the control of illegal timber, the extraction procedures and the governance for CF and private.

It is highly recommended to establish effective co-ordination mechanisms between all stakeholders involved in the forestry sector and mainly MTE, the FD, GAD, MoALI and the Department of Trade. This will ensure timely and accurate data is generated (e.g. production, sales, exports, etc.) and help enforce law and rules.

Furthermore, we recommend also to revise the Forest Policy (1995) to be in line with the new Forest Law (2018)¹. Even the latter should be updated on a regular basis in order to consider any new development or if a difficulty should arise in its application.

It is encouraged to proceed with any reform process through national and international consultation process to ensure the provision of high-quality regulations in line with Myanmar's context.

Implementation status

Partially implemented

¹ Please refer to recommendation 6.1.1 (a) above).

c) Improving Governance of MTE

We understand that MTE must restructure to become a business enterprise. This will avoid conflicts of interests, improve its governance and will lead to better and longer-term regulations in the forestry sector.

Recommendation

We recommend that this restructuring is completed as soon as possible. It is also recommended that MTE publishes regular statistical reports including key financial indicators including revenues collected, profit margins, cash flow from forestry activities, gross investment, as well as transfers to the Government.

MTE Initial Comments (December 2018)

MTE can provide statistical report and it will be available on MTE website (<http://www.mte.com.mm/>).

With reference to the recommendations on statistics reports including financial indicators, that would be concerned with the policies of the government not only MTE but also other SOEs.

MTE is initiating the plan of reform process.

MTE Updated Comments (March 2020)

MTE operates in compliance with applicable laws and regulations. In order to improve its government, MTE has made the following actions:

- update of the Harvesting Standard Operating Procedures (SOP) in 2019;
- ongoing EU-FLEGT-VPA process for enhancing the forest management and the legality of timber;
- cooperation with the EITI Multi-Stakeholder Group (MSG) and other NGOs;
- implementation of the QR Code System during the FY 2018/19 to track all new timber produced. (including illegal timber);
- compliance with the Reduced Impact Logging (RIL) Guidelines, which has the least environmental impact in the extractive industries; and
- use of open tenders for all timber sales.

Further IA comments (March 2020)

While we acknowledge the efforts made so far by MTE, we recommend a set up an ad hoc committee in charge to monitor changes in its governance. For instance, MTE may consider assigning timber sales to a single department.

Furthermore, MTE should consider the new requirements set in the 2019 EITI Standard and applicable to SOEs. For instance, MTE is expected to publicly disclose their audited financial statements or main financial items (i.e. balance sheet, cash flows) (EITI Requirement 2.6.b).

Implementation status

Partially implemented

6.2.3 EITI Implementation

a) Completeness of the data reported on License Register

The EITI Standard requires implementing countries to maintain publicly available registers or cadastral systems including comprehensive information regarding each of the licenses relating to companies selected in the EITI Report (EITI Requirement 2.3-b).

This register should include the following information:

- i. license holder(s);
- ii. coordinates of the license area;
- iii. date of application, date of award and duration of the license; and
- iv. in the case of production licenses, the commodity being produced.

We note that license registers do not include all information about application dates, award dates, duration and coordinates of the licensed areas.

Recommendation

We recommend that MTE and FD systematically update these data in the register and that the register is made accessible to the public via their websites.

MTE Initial Comments (December 2018)

MTE has contracts for timber extraction and timber transportation. The data can be available on MTE website covering state/region wise, reserved forests, compartment, application date, graded date and expiry date.

MTE has already provided an example of contract. MTE does not have any information on the coordinates.

MTE Updated Comments (March 2020)

MTE has announced that it has ceased hiring of sub-contractors for the logging starting from 2016-2017. When using service providers, MTE collects the following information:

- license holdings; Borrowed Users
- Area Map Index
- time allowed for the operation
- type of work permitted

The above information are published on its new website. <http://www.mte.com.mm/>

Implementation status

No longer applicable

b) Award of contracts

The information we received from MTE on the licensing process for timber does not disclose clearly the technical and financial criteria used to evaluate the license application.

Even though MTE follows an internal instruction for selecting sub-contractors for timber extraction, we note that this instruction has not been updated for approximately 60 years.

Permits have been awarded to sub-contractors based mainly on their production capacities and experience without clear technical and financial criteria.

Although, MTE no longer uses sub-contractors for timber extraction, it nevertheless uses external providers for equipment, elephants and transportation.

Recommendation

We recommend that these contracts are awarded following open and competitive processes. The evaluation of the bidders should be based on clear technical and financial criteria. MTE must disclose the identity of all the candidates and should investigate and record the beneficial owners of the licenses.

We also recommend that these contracts are made publicly available given that there is no legislation that prevents their publication.

MTE Initial Comments (December 2018)

MTE must hire the required resources from outside as the capacity of timber extraction is not enough.

When hiring sub-contractors, MTE has been performing in line with the background of the contractors and other restrictions, and in accordance with the departmental directives and rules and regulations. Technical criteria, candidate's requirements, facilities and experiences, work efficiency are also considered.

There is no similarity with the selection of sub-contractors for other works in the selection of sub-contractors for timber extraction. As the work is done on the basis of the land topography which is annually not similar, permits are awarded to those (i) who are experienced, (ii) who are not black list persons, (iii) who are not violating the forest law and (iv) who are performing their works stage by stage in their relevant areas.

Consequently, sub-contractors are not selected only based on volume of capital, number of elephants and number of heavy machineries.

Money and extracted timber may be lost and/or timber cannot be timely extracted if permits are awarded otherwise.

For example, Tin Win Tun Company has 40 years of experience on timber extraction. For several years, there have been elephant owners, buffalo owners and sub-contractors. The names of these persons were even stated in the Extraction Manual for the staff of the Extraction Department.

The appraisal of sub-contractors and the award of contracts are then performed regardless the existence of a legal elephant grant issued by the FD and heavy machineries which comply with the required standards.

Furthermore, the Departmental Instruction (DI) N° 39 states clearly that there are two types of sub-contractors for timber extraction that can operate with the extraction department.

Those types are listed as follows:

- **First class:** It includes those who have worked for seven years with this department; and
- **Second class:** It includes others who have not yet worked for seven years with this department.

By differentiating the two classes, it is not assumed that the selection will be based on the length of experience only. It is also prescribed that other facts should be considered such as competence, integrity, satisfactory performing of the works given annually and repayment of debt.

Implementation status

No longer applicable

c) Lack of Reporting System for Employment data

The EITI Standard stipulates that implementing countries must disclose information about employment in the forestry sector in absolute terms and as a percentage of the total employment (EITI Requirement 6.3 (e)).

We note that neither FD nor MTE has a system providing data on the direct impact of employment in the forestry sector. Thus, employment data collected and stated in this Report is partial and does not reflect the comprehensive forestry sector contribution to the country's total workforce.

Recommendation

In order to improve the accuracy and accessibility of contextual information, we recommend that FD and MTE periodically (at least annually) update their system with data on employment in the forestry sector.

MTE Initial Comments (December 2018)

A reporting system for employment data in the forestry sector will be set up at FD and MTE.

For the current report, companies have reported their employment data. This represents approximately 80%.

FD Updated Comments (March 2020)

According to the information from MEITI-NCS Office, although the FD gives the employment data for forest conservation activities, the data for the extraction activities is still required. MTE will send the employment data for the extraction and State and Regional Government is supervising the revenue of NTFP of Forest Department and collecting the tax according to the 2018 Constitution Law. On the other hand, there is no tender system for extraction and the local community performed individually and paid the tax to Forest Guard Office. So, it is difficult to provide employment data from Forest Department.

MTE Updated Comments (March 2020)

MTE has provided the employment data and daily labour records for permanent staff. The information that was lacking was for seasonal staff.

Implementation status

Partially implemented

d) Lack of reporting at project level

In accordance with EITI Requirement 4.7, reporting at project level is required in certain circumstances.

The MEITI Report does not contain this level of disaggregation because Government Agencies, MTE and companies do not allocate revenue streams between projects.

Recommendation

We recommend that Government Agencies, MTE as well as companies assess how to disaggregate revenue streams between projects wherever possible, in order to report these revenue streams at project level.

MTE Initial Comments (December 2018)

MTE has a system covering 64 financial accounts for production and financial data for each state/region and industry. These data were already provided to the IA.

MTE Updated Comments (March 2020)

MTE performs the timber production on annual plan and report the progress of operation on monthly, quarterly and bi-annual basis.

It prepares also a quarterly report for management unit level while the regional extraction agency are preparing a separate regional annual report.

Implementation status

Implemented

e) Lack of EITI Reporting Regulations

EITI has been adopted by Presidential Decree n° 99/2012 of December 2012 in Myanmar, which formally states the Government's intention and commitment to implement EITI.

However, we understand that the EITI reporting obligations are not covered by any existing law in the country aimed at organising the process of collection. This can lead to delays in submitting EITI RTs by some companies and the lack of contextual information covering the forestry sector in Myanmar.

Recommendation

We recommend the strengthening of the legal framework for EITI in Myanmar, by enacting an EITI act that can be harmonised with existing legislations. The EITI act can include provisions relating to:

- reporting obligations for companies and Government Agencies, while specifying the level of disaggregation of the data to be submitted; and
- a time schedule for updating and publishing RTs and instructions as well as the selection of the reporting entities to be included within the scope and submission of declarations and completion of the reconciliation exercise.

NCS Initial Comments (December 2018)

The MEITI Work Plan includes the following two activities:

- Research to recommend legal options to EITI institutionalisation; and
- Developing a draft EITI Law or amendments to Sectoral Laws.

The 11th MSG meeting held on 14 and 15 February 2018 decided to conduct a review of the existing policies and legislation to explore formulation of EITI policy and legislation. The draft TOR for this project was prepared and discussed at the 12th MSG meeting held on 16 March 2018 and sub-committee meetings. There are more than 30 policies and legislations related to Extractive Industries. The reviewing of existing policies and legislation will be organised in last quarter of 2018.

The amendment for existing laws as well as promulgation of new law is being undertaken at the Parliament. Recently amendment for Environmental Conservation Law was initiated at the Phyithu Hluttaw (Lower House). The developing a draft EITI Law or amendments to Sectoral Laws will be undertaken after reviewing the existing policies and legislation.

In addition, the Cabinet of the Government of the Union of Myanmar issued a notification dated on 29 June 2018 to support the implementation of MEITI process.

It states that "MEITI is a process that supports the country economic policy to raise financial resources with strong and transparent public financial management system. Furthermore, respective ministries, State and Regional Governments, private sectors and civil society organisations were being urged to participate deeply in MEITI process as a mainstreaming because MEITI is implementing practical, beneficial and sustainable forwarding reform actions for the country and public.

Therefore, respective Union Ministries, State and Regional Governments, union level government organisations were being urged to cooperate with MEITI Leading Committee, Working Committee, MEITI Multi-stakeholder Group and National Coordination Secretariat office in order to implement MEITI process and activities for sustainable development of Myanmar."

FD Updated Comment (March 2020)

We will be able to implement this recommendation once the EITI Law is enacted.

Implementation status

Not yet implemented

7. ANNEXES

Annex 1: Production of Minor Forest Products (2008/09 to 2017/18)¹

N°	Description	Unit	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (P)
1	Firewood	(000) Cubic Ton	22,542	23,166	20,683	22,466	22,747	23,020	23,320	20,911	21,001	21,175
2	Charcoal	(000) Cubic Ton	266	210	212	201	216	229	231	233	180	166
3	Bamboo	(000)No.	1,279,727	1,303,078	1,346,156	1,264,282	1282873 r	1,291,093	1,308,804	1,213,301	1,164,285	1,172,205
4	Rattan	(000)No.	42,831	39,111	38,506	35715 r	40327 r	37,690	40,944	35,769	31,697	32,986
5	Teak and Hardwood post	No.	71,443	63,087	131,031	-	-	-	-	-	-	-
6	Teak and Hardwood pole	No.	204,057	104,405	105,210	-	-	-	-	-	-	-
7	Cutch	(000) Viss	331	330	406	403	365	336	172	153	179	143
8	Indwe-Pwenyet	(000) Viss	297	261	223	249	221	230	258	260	198	197
9	Kanyin Resin	Viss	650	650	663 r	650	650	660	665	675	470	470
10	Turpentine	(000) Viss	31	40	45	2	1	0	13	1	2	-
11	Dani-Thetkye	(000) Byit	1,016,005	1,040,231	1,064,007	1,002,820	1,003,902	1,022,295	1,037,315	932,263	920,010	921,705
12	Honey	(000) Viss	38	41	43	47	49	50	51	51	47	52
13	Bees-Wax	Viss	1,036	1,025	1,120	1,102	1,101	1,128	1,147	1,193	2,646	1,101
14	Bat's Guano	(000) Viss	434	379	350	376	360	366	337	379	240	195
15	Orchids	(000)No.	23	203	24	81 r	20	15	22	20	-	-
16	Edible Bird's Nest	Viss	1,088	1,104	1,376	1,517	1,622	1,702	1,550	1,512	1,365	1,588
17	Lac	(000) Viss	83	60	116	108	102	80	81	66	41	44
18	Barks	(000) Viss	-	-	1,417	1,517	1,362	1,300	1,298	1,227	925	771
19	Thanatkha	(000) Viss	-	-	283	283	283	284	270	249	163	88
20	Jute	(000) Viss	-	-	83	73	61	73	81	77	30	27
21	Bastard Sandal Wood	(000) Viss	-	-	5	5	4	7	4	8	2	2
22	Cardanon	(000) Viss	-	-	498	1,315	1,118	1,069	1,016	58	85	43
23	Serpent Wood	(000) Viss	-	-	32	37	27	31	31	31	27	25
24	Lacquer	(000) Viss	-	-	31	34	31	31	32	33	31	31

¹ Myanmar Agricultural Statistics (2008/09 - 2017/18), pp 156-157.

Annex 2: Breakdown of Exports by Product and Destination (2016/17 to 2017/18)¹

Breakdown of teak

FY 2016/17²

N°	Company Name	Volume in CBT
1	Myanmar Rice Trading Co., Ltd	3,418.90
2	Green Hardwood Enterprise Ltd;	3,417.91
3	Pacific Timber Enterprise	2,556.79
4	Concorde Industries Ltd	2,263.85
5	Tharaphu Décor Co., Ltd	2,162.01
6	National Wood	1,944.70
7	SK Wood	1,581.83
8	Myanmar Teak Wood Industries Co., Ltd	1,138.76
9	K.K.N Enterprise Co., Ltd	785.95
10	Asia Win Manufacturing	745.24
11	North Wood Industry Ltd	732.42
12	Win & Win Co., Ltd	729.44
13	Thein Than Htun Manufacturing Co., Ltd	718.60
14	KMI Co.,Ltd	679.02
15	Tropical Wood Co., Ltd	600.47
16	Great Timber World Co.,Ltd	590.65
17	Yangon Touch Wood Co., Ltd	558.54
18	Htet Myat Hlaing International Co;ltd	537.48
19	Maha Nadi Maritimes Services Co;ltd	526.02
20	Praise International Mining Co;ltd	504.10
21	Myat Noe Thu Co.,ltd	498.03
22	San May Trading Co., Ltd	426.93
23	United Wood Industry Co., Ltd	420.05
24	M.G.P Trading Co., Ltd	409.63
25	Myanmar Technologies Industry Co., Ltd	404.43
26	Win Enterprise Ltd	381.65
27	Royal River Trading Co.,Ltd	355.01
28	Golden Pollen	316.39
29	Fudak Enterprise Co., Ltd	306.97
30	MC Coy Trading Co.,Ltd	277.13
31	Than Lwin Co.,Ltd	263.74
32	Ba Oh Family Manufacturing Co., Ltd	251.66
33	Tin Win Tun Co;ltd	251.26
34	Moe Htet Myint Moh	243.88
35	Saung Hnin Cherry	240.13
36	Mogok Pride Trading Co., Ltd	228.56
37	Zambu Yadana Co., Ltd	208.69
38	Diamond Mercury Wood Product Ltd	207.74

¹ Source: FD.

² Details by value and destination are missing.

N°	Company Name	Volume in CBT
39	Myanmar Beans & Timber Trading Co., Ltd	177.11
40	Nagani Group Co., Ltd	174.19
41	Toe Tet Dana Co;ltd	163.10
42	Nature Timber Trading Co., Ltd	155.29
43	Hein Soe Co., Ltd	128.67
44	Hanuman International Trading	125.24
45	Win Marlar Aung Trading Co., Ltd	121.51
46	Oak Thar Kyaw Co., Ltd	120.80
47	Moe Han Oo Trading Co;ltd	117.97
48	Green Laurel Pharmaceutical Trading Co;ltd	114.88
49	Nway Moe Saung	113.40
50	Jewellery Teak Timber Co.,Ltd	105.51
51	Kanbawza Thitsar Hlaing Co., Ltd	95.91
52	Sai Khan Naw Mining Co.,Ltd	90.34
53	Smart Export & Import Co., Ltd	89.84
54	Central Luck Co.,Ltd	86.47
55	Green Mast Trading Co., Ltd	85.61
56	Power Wing Co.,Ltd	85.31
57	Triangle Power Trading	78.75
58	Myanmar Tokiwa	77.54
59	Taw Win Thu Co.,Ltd	76.44
60	Khaing Su Thu Co;ltd	70.61
61	Pro Myanmar	70.50
62	Shwe Zalot Co., Ltd	69.74
63	U Maung Sein Family Co;ltd	62.96
64	Myitmakha International Co., Ltd	61.84
65	Lin Win Co., Ltd	60.75
66	Zabu Hlwan	57.64
67	N.W.S Co., Ltd	54.15
68	Lay Pyay Hnyin Trading Co.,Ltd	53.96
69	Myanmar 81 Co., Ltd	53.66
70	Aspen International Co.,Ltd	53.34
71	New Brother Ltd	51.80
72	Myanmar May Kaung Wood Based Industry Co., Ltd	49.88
73	Sheng Xing Da	45.68
74	Kaung Myint Mo Trading Co.,Ltd	39.95
75	Asia Wood Co., Ltd	39.49
76	Da Fong Co.,Ltd	38.99
77	Labh Phyto Thit Co;ltd	36.12
78	Golden One Star Co.,Ltd	34.16
79	Green Art	29.65
80	La Min Aye International Co.,Ltd	28.85
81	Unilite Industrial & General Service Co., Ltd	28.14
82	Banner Wood Based Co;ltd	27.25
83	Jayson International Co.,Ltd	26.75
84	Sinma Furnishing	26.20
85	Phyo Teak International Co., Ltd	25.08

N°	Company Name	Volume in CBT
86	New Wave Wood Based Manufacturing Co., Ltd	25.07
87	Kaung Kabar Kyaw Construction Co.,Ltd	17.69
88	Chin Su	17.69
89	YN Wood Co.,Ltd	15.30
90	Yadi Shinn Thant Co., Ltd	15.28
91	Global Geo Industry	15.02
92	Nan Hteik Khaung Co.,Ltd	13.22
93	Family Win	12.58
94	Shwe Wood Industries Co., Ltd	10.48
95	KK Myanmar Co.,Ltd	1-
96	Ma Naw Phyu Co;ltd	9.97
97	Wood Deiwi Co.,Ltd	9.81
98	Chit Po Co.,Ltd	9.27
99	Myat Kyaw Kyaw Co., Ltd	6.96
100	United Eastern Commerce ltd	6.35
101	Zin Yu Cho	4.53
102	Opal International Co.,Ltd	3.24
Total		35,668.04

FY 2017/18¹

N°	Company Name	Volume in CBT
1	Concorde Industries Ltd	3,318.90
2	Myanmar Rice Trading Co., Ltd	2,762.06
3	Green Hardwood Enterprise Ltd;	1,907.36
4	National Wood	1,629.22
5	Thein Than Htun Manufacturing Co., Ltd	1,079.60
6	SK Wood	1,015.54
7	Tharaphu Décor Co., Ltd	806.01
8	Myat Noe Thu Co.,Ltd	770.59
9	North Wood Industry Ltd	712.82
10	Tin Myint Yee Trading Co.,Ltd	607.02
11	Tropical Wood Co., Ltd	592.89
12	K.K.N Enterprise Co., Ltd	577.18
13	Pacific Timber Enterprise	559.01
14	Central Luck Co.,Ltd	536.86
15	Win & Win Co., Ltd	441.45
16	Unilite Industrial & General Service Co., Ltd	412.58
17	San May Trading Co., Ltd	402.84
18	Myanmar Teak Wood Industries Co., Ltd	400.85
19	Win Enterprise Ltd	379.73
20	United Wood Industry Co., Ltd	373.58
21	Ma Naw Phyu Co;ltd	319.66
22	Pro Myanmar	298.19
23	KMI Co.,Ltd	297.96
24	Htet Min Hlaing Co.,Ltd	285.65
25	Toe Tet Dana Co;ltd	283.82
26	Royal River Trading Co.,Ltd	277.26
27	U Maung Sein Family Co;ltd	268.95
28	Sai Thuriya Co.,Ltd	252.13
29	Jewellery Teak Timber Co.,Ltd	243.02
30	Maha Nadi Maritimes Services Co;ltd	234.25
31	Zambu Yadana Co., Ltd	231.71
32	Yadi Shinn Thant Co., Ltd	212.97
33	Myanmar Technologies Industry Co., Ltd	201.36
34	M.G.P Trading Co., Ltd	200.07
35	Kanbawza Thitsar Hlaing Co., Ltd	195.59
36	Htet Myat Hlaing International Co;ltd	190.74
37	Moe Htet Myint Moh	187.62
38	Nagani Group Co., ltd	178.86
39	Mogok Pride Trading Co., Ltd	176.06
40	Ba Oh Family Manufacturing Co., Ltd	172.27
41	Than Lwin Co.,Ltd	171.57
42	Jewellery Lucky Production Co., Ltd	163.91
43	Yangon Touch Wood Co., Ltd	159.93

¹ Details by value and destination are missing.

N°	Company Name	Volume in CBT
44	Mahar Myanmar Mother Land	159.33
45	Asia Win Manufacturing	158.92
46	Shwe Than Thar Hein Co.,Ltd	151.33
47	Ayeyar Phoenix Trading Co., Ltd	149.82
48	Da Fong Co.,Ltd	137.71
49	Myanmar Global Impex Co.,Ltd	132.75
50	Lucre Wood Co.,Ltd	128.60
51	Praise International Mining Co;ltd	128.38
52	Wah Wah Win Co.,Ltd	120.41
53	MC Coy Trading Co.,Ltd	108.12
54	Chit Po Co.,Ltd	107.07
55	Super Smiles Enterprise	95.24
56	Power Wing Co.,Ltd	91.81
57	Great Timber World Co.,Ltd	90.62
58	Triangle Power Trading	90.29
59	Jayson International Co.,Ltd	89.70
60	Aspen International Co.,Ltd	89.42
61	Tin Win Tun Co;ltd	84.89
62	Win Marlar Aung Trading Co., Ltd	83.92
63	Golden Pollen	83.04
64	Khaing Su Thu Co;ltd	82.20
65	Saung Hnin Cherry	77.82
66	Hanuman International Trading	76.33
67	Hlaing Myinttar Co., Ltd	73.77
68	Sai Khan Naw Mining Co.,Ltd	71.53
69	Htoo International Industry Co.,Ltd	70.51
70	Global Geo Industry	68.85
71	Fudak Enterprise Co., Ltd	67.14
72	Green Laurel Pharmaceutical Trading Co;ltd	62.27
73	Kayah Phoo Group Co.,Ltd	61.49
74	Hein Soe Co., Ltd	56.86
75	Sheng Xing Da	49.57
76	YPN Group Co.,Ltd	49.35
77	Phyo Sithu Trading Co.,Ltd	48.29
78	Moe Htet Kyal Co.,Ltd	47.32
79	Pa Pa Wadi Co.,Ltd	47.02
80	Green Mast Trading Co., Ltd	42.16
81	Kaung Myint Mo Trading Co.,Ltd	42.15
82	Lin Win Co., Ltd	38.38
83	Wood Deiwi Co.,Ltd	38.27
84	Nature Timber Trading Co., Ltd	37.60
85	YN Wood Co.,Ltd	36.06
86	Myanmar SLP Wood Co;ltd	35.95
87	Galaxy7 Trading	34.80
88	Mahar Yadanar Man Aung Co.,Ltd	34.37
89	Nan Hteik Khaung Co.,Ltd	31.77
90	Asia Wood Co., Ltd	27.79

N°	Company Name	Volume in CBT
91	Myanmar Beans & Timber Trading Co., Ltd	26.63
92	Kripa Traders Co.,Ltd	25.99
93	Kaung Kabar Kyaw Construction Co.,Ltd	25.82
94	Myanmar Tokiwa	24.84
95	Smart Export & Import Co., Ltd	24.20
96	Diamond Mercury Wood Product Ltd	22.45
97	Myanmar May Kaung Wood Based Industry Co., Ltd	20.35
98	Htay Kyaw Co.,Ltd	20.31
99	La Wun Yadana Co.,Ltd	19.97
100	Oak Thar Kyaw Co., ltd	17.46
101	Myat Kyaw Kyaw Co., Ltd	15.66
102	Pathein Moe Ayar Kyaw Co.,Ltd	13.33
103	KKN	13.31
104	Myitmakha International Co., Ltd	9.47
105	Orchid International Co., Ltd	5.80
106	Zabu Hlwan	2.30
107	Chin Su	1.07
108	Paribawga Co.,Ltd	0.73
Total		28,470.28

Breakdown of other wood

FY 2016/17

N°	Company Name	Volume in CBT
1	Win & Win Co., Ltd	14,410.59
2	Centuryply Myanmar Private Ltd	14,264.66
3	Fine Ply Myanmar Private Ltd	12,841.36
4	Greenply Industries Myanmar PVT Ltd	10,663.27
5	Austingly Myanmar PVT Ltd	8,387.97
6	MAK	7,786.77
7	Global Woodcrafts Co., Ltd	6,857.06
8	Myanmar Rice Trading Co., Ltd	6,477.12
9	Myat Noe Thu Co.,Ltd	5,923.15
10	Chin Su	5,786.78
11	North Wood Industry Ltd	4,920.38
12	Win Shwe Sin Co., Ltd	4,445.30
13	Nature Timber Trading Co., Ltd	4,302.93
14	Myanmar Veneer & Plywood Private Ltd	4,174.95
15	Ruby Lion Manufacturing Co., Ltd	3,820.02
16	Bamaw Veneer	3,282.66
17	Lotus Wood Industries Ltd	3,240.59
18	MC Coy Trading Co., Ltd	3,199.87
19	Green Hardwood Enterprise Ltd;	3,177.13
20	Myanmar Evergreen Gurjan Wood Co., Ltd	2,969.75
21	Wartayar Veneer Industries	2,952.30
22	Prime Pacific Co., Ltd	2,921.38
23	Golden Pollen	2,458.34
24	Wood Land Co., Ltd	2,392.35
25	Kaung Myat Co., Ltd	2,347.88
26	Bamaw Veneer and Timber Products Co., Ltd	1,967.70
27	Veneer International Myanmar Co., Ltd	1,575.16
28	Myanmar May Kaung Wood Based Industry Co., Ltd	1,547.01
29	Prime Veneers Co., Ltd	1,494.59
30	Golden Veneer Co., Ltd	1,362.80
31	Myanmar Beans & Timber Trading Co., Ltd	1,317.10
32	Jewellery Lucky Production Co., Ltd	1,123.26
33	Boin Ma Wadi Co., Ltd	1,021.87
34	Zabu Hlwan	972.75
35	Puri Timber Co., Ltd	962.30
36	Myanmar Korea Timber	960.19
37	Bhagwati Veneer PVT Ltd	890.57
38	Nova Lifestyle Holdings Co., Ltd	887.23
39	Hlaing Myinttar Co., Ltd	864.65
40	Golden Myanmar Forwards Forest Products Co., Ltd	857.34
41	Myeik Plywood Co., Ltd	703.79
42	New Brother Ltd	569.36
43	CO2 Solutions Co; Ltd	463.21
44	Innocent Cherry Co., Ltd	416.12

N°	Company Name	Volume in CBT
45	Gurjan Veneer Ltd	384.89
46	Brahma Bhummi Co.,Ltd	353.28
47	Concorde Industries Ltd	346.31
48	U Maung Sein Family Co;ltd	298.28
49	Pacific Timber Enterprise	188.32
50	Moe Htet Myint Moh	161.83
51	Myanmar Teak Wood Industries Co., Ltd	160.67
52	Sinma Furnishing	146.95
53	Htet Myat Hlaing International Co;ltd	142.48
54	Unilite Industrial & General Service Co., Ltd	130.84
55	New Wave Wood Based Manufacturing Co., Ltd	126.06
56	Kanbawza Thitsar Hlaing Co., Ltd	125.07
57	Win Marlar Aung Trading Co., Ltd	103.92
58	Famous Excellence Co.,Ltd	96.35
59	SCK Co.,Ltd	92.45
60	Great Timber World Co.,Ltd	85.62
61	Asia Win Manufacturing	60.42
62	Pro Myanmar	59.80
63	Nan Hteik Khaung Co.,Ltd	57.22
64	Oak Thar Kyaw Co., ltd	56.05
65	Pyi Phyo Tun International	43.17
66	Myanmar Technologies Industry Co., Ltd	40.57
67	Myat Mekin Co;ltd	39.25
68	Win Enterprise Ltd	33.57
69	Shwe Zalat Co., Ltd	31.25
70	Hein Soe Co., Ltd	25.82
71	New Wave Co., Ltd	22.65
72	Beautiful Wood Industry Co:ltd	21.34
73	Shwe Wood Industries Co., Ltd	13.51
74	Green Art	12.90
75	Aspen International Co.,Ltd	9.93
76	National Wood	8.89
77	United Wood Industry Co., Ltd	5.13
78	Shwe Kye Co., Ltd	4.44
Total		167,450.78

FY 2017/18

N°	Company Name	Volume in CBT
1	Myat Noe Thu Co., Ltd	8,039.93
2	Fine Ply Myanmar Private Ltd	7,719.28
3	Win & Win Co., Ltd	7,056.56
4	Greenply Industries Myanmar PVT Ltd	6,411.37
5	Centuryply Myanmar Private Ltd	6,221.24
6	Global Woodcrafts Co., Ltd	6,020.30
7	MAK	5,443.20
8	Myanmar Veneer & Plywood Private Ltd	3,817.80
9	Myanmar Rice Trading Co., Ltd	3,755.91
10	Austinply Myanmar PVT Ltd	3,254.71
11	Myanmar Evergreen Gurjan Wood Co., Ltd	3,102.11
12	Green Hardwood Enterprise Ltd;	2,903.77
13	Win Shwe Sin Co., Ltd	2,526.52
14	Lotus Wood Industries Ltd	2,302.84
15	Bamaw Veneer	2,047.27
16	Golden Pollen	1,981.51
17	Prime Pacific Co., Ltd	1,824.75
18	Brahma Bhummi Co., Ltd	1,637.98
19	Wartayar Veneer Industries	1,534.33
20	Boin Ma Wadi Co., Ltd	1,493.67
21	Veneer International Myanmar Co.,Ltd	1,325.37
22	Pantec Co.,Ltd	1,318.92
23	MC Coy Trading Co.,Ltd	1,278.10
24	North Wood Industry Ltd	969.81
25	Myanmar May Kaung Wood Based Industry Co., Ltd	957.58
26	Jewellery Lucky Production Co., Ltd	948.97
27	Myanmar Korea Timber	931.99
28	Wood Land Co., Ltd	817.55
29	Jewellery Teak Timber Co.,Ltd	782.60
30	Gurjan Veneer Ltd	715.09
31	G-Cos Ltd	666.76
32	Nature Timber Trading Co., Ltd	659.59
33	Kaung Myat Co., Ltd	564.74
34	Great Pole Star Co.,Ltd	536.42
35	Pyi Phyo Tun International	488.50
36	Moe Htet Myint Moh	448.43
37	Chin Su	440.62
38	Zabu Hlwan	425.80
39	Sai Thuriya Co.,Ltd	385.89
40	Bhagwati Veneer PVT Ltd	381.85
41	Honda Myanmar International Co.,Ltd	318.64
42	U Maung Sein Family Co;ltd	291.27
43	Ruby Lion Manufacturing Co., Ltd	290.78
44	Our Bleasing Co.,Ltd	287.85
45	CO2 Solutions Co;ltd	281.40
46	Tin Win Tun Co;ltd	277.61
47	Puri Timber Co., Ltd	261.95

N°	Company Name	Volume in CBT
48	Concorde Industries Ltd	229.82
49	Shwe Wood Industries Co., Ltd	221.98
50	Great Timber World Co.,Ltd	220.38
51	Unilite Industrial & General Service Co., Ltd	208.98
52	Myanmar Technologies Industry Co., Ltd	201.28
53	Sinma Furnishing	172.12
54	Myanmar Beans & Timber Trading Co., Ltd	143.29
55	Cubic Star Co.,Ltd	134.80
56	Kyaw Zin Thein Co.,Ltd	134.02
57	Asia Win Manufacturing	108.51
58	Htet Min Hlaing Co.,Ltd	97.76
59	Kanbawza Thitsar Hlaing Co., Ltd	96.55
60	Peng Sheng Export & Inport	91.60
61	Pacific Timber Enterprise	69.87
62	Super Smiles Enterprise	62.27
63	Lay Pyay Hnyin Trading Co.,Ltd	54.71
64	Hlaing Myinttar Co., Ltd	53.10
65	Central Luck Co.,Ltd	53.08
66	Nyein Hsu Latt Co.,Ltd	48.68
67	Htet Myat Hlaing International Co;ltd	48.21
68	Shwe Zalat Co., Ltd	45.11
69	Prowess Myanmar Co.,Ltd	41.21
70	SCK Co.,Ltd	34.22
71	Win Marlar Aung Trading Co., Ltd	23.95
72	Myanmar Tokiwa	20.03
73	Horizon Star Co., Ltd	19.32
74	Shwe Kye Co., Ltd	14.48
75	Sambo Timber & Arts Co.,ltd	11.90
76	Nan Hteik Khaung Co.,Ltd	11.40
77	United Wood Industry Co., Ltd	6.79
78	Oak Thar Kyaw Co., ltd	4.35
Total		98,832.94

Details of exports of other wood by destination

N°	Country	FY 2016/17			FY 2017/18		
		Volume in CBT	Value US\$	Value %	Volume in CBT	Value US\$	Value %
1	India	158,045.06	115,028,693.02	94.09%	93,744.01	64,045,821.75	93.09%
2	China	2,463.53	1,728,381.89	1.41%	1,316.07	1,437,206.66	2.09%
3	Malaysia	1,107.43	984,790.69	0.81%	700.49	787,028.76	1.14%
4	Thailand	946.73	791,243.83	0.65%	798.88	608,649.77	0.88%
5	Singapore	849.26	779,732.13	0.64%	412.12	287,036.39	0.42%
6	Bangladesh	1,008.72	761,286.05	0.62%	455.29	377,606.15	0.55%
7	Hong Kong	887.54	538,192.18	0.44%	54.03	20,423.66	0.03%
8	Korea	802.20	496,329.20	0.41%	311.74	244,076.07	0.35%
9	Nepal	488.50	387,291.41	0.32%	73.41	35,405.33	0.05%
10	Japan	421.62	300,610.50	0.25%	587.98	560,049.70	0.81%
11	New Zealand	247.14	270,736.00	0.22%	117.93	124,781.65	0.18%
12	Sri Lanka	70.33	81,746.24	0.07%	14.73	13,846.74	0.02%
13	Pakistan	77.99	60,731.90	0.05%	-	-	-%
14	UAE	19.46	15,153.31	0.01%	81.32	88,562.51	0.13%
15	Germany	7.36	11,454.00	0.01%	-	-	-%
16	Taiwan	2.77	5,872.50	-%	56.23	40,200.62	0.06%
17	Belgium	4.61	5,432.17	-%	3.85	3,851.90	0.01%
18	France	0.52	512.87	-%	-	-	-%
19	Netherland	-	-	-%	101.93	120,330.40	0.17%
20	Denmark	-	-	-%	2.43	2,434.80	-%
21	USA	-	-	-%	0.50	503.90	-%
	Total	167,450.78	122,248,189.90	100%	98,832.94	68,797,816.76	100%

Annex 3: Employment Data

Companies	Domestic employees				Foreign employees		All				
	Permanent		Non-permanent		Permanent		Male	%	Female	%	Total
	Male	Female	Male	Female	Male	Female					
	1	2	3	4	5	6	7= (1+3+5)	8 = (2+4+6)	7+8		
Chin Su Myanmar Co., Ltd	49	9	28	37	5	1	82	64%	47	36%	129
Concorde Industries Ltd	118	73	0	0	4	0	122	63%	73	38%	195
FPJVC	127	93	0	0	0	0	127	58%	93	42%	220
Global Star Co., Ltd	19	2	0	0	0	0	19	90%	2	10%	21
Global Woodcraft Industries Ltd	54	13	46	159	31	0	131	43%	172	57%	303
Htoo Trading Co., Ltd	123	62	0	0	0	0	123	66%	62	34%	185
Khaing Su Thu Industrial Co., Ltd	12	0	0	0	0	0	12	100%	0	0%	12
K K N Enterprise Co., LTD	90	42	0	0	0	0	90	68%	42	32%	132
Lucre Wood Co., Ltd	0	0	0	0	0	0	0	na	0	na	0
Ma Naw Phyu Co., Ltd	16	15	0	0	0	0	16	52%	15	48%	31
MGP Trading Co., Ltd	1	1	40	10	0	0	41	79%	11	21%	52
Myanmar Korea Timber International Ltd	253	229	0	0	4	0	257	53%	229	47%	486
Myanmar Peltier Bois Company Ltd	7	3	1	0	1	0	9	75%	3	25%	12
Myanmar Rice Trading Co., Ltd	14	2	0	0	0	0	14	88%	2	13%	16
Myanmar SLP Wood Co., Ltd	0	0	4	0	0	0	4	100%	0	0%	4
Myat Noe Thu Co., Ltd	234	229	0	0	0	0	234	51%	229	49%	463
Myat Zaw & Young Brother Co., Ltd	30	15	3	4	0	0	33	64%	19	36%	51
Nature Timber Trading Co., Ltd	95	52	256	380	0	0	351	45%	432	55%	783
Northwood Industries, Ltd	21	7	6	7	0	0	27	66%	14	34%	41
San May Trading Co., Ltd	29	10	54	44	0	0	83	61%	54	39%	137
Tin Myint Yee Trading Co., Ltd	7	3	279	21	0	0	286	92%	24	8%	310
Tin Win Tun International Co., Ltd	67	13	0	0	0	0	67	84%	13	16%	80
Tin Win Tun Production Co., Ltd	87	9	107	205	0	0	194	48%	214	52%	408
Win Enterprise, Ltd	54	15	0	0	0	0	54	78%	15	22%	69

Companies	Domestic employees				Foreign employees		All				
	Permanent		Non-permanent		Permanent		Male	%	Female	%	Total
	Male	Female	Male	Female	Male	Female					
1	2	3	4	5	6	7= (1+3+5)	8 = (2+4+6)	7+8			
Htoo International Industry Group Co., Ltd	200	48	0	0	0	0	200	81%	48	19%	248
Total companies (I)	1,707	945	824	867	45	1	2,575	59%	1,813	41%	4,388
FD (II)	6,399	1,551	453	422	0	0	6,852	78%	1,973	22%	8,825
MTE (III)	12,035	3,667	2,436	496	0	0	14,471	78%	4,163	22%	18,634
Total (I+II+III)	20,141	6,163	3,713	1,785	45	1	23,898	75%	7,949	25%	31,847

Annex 4: Detail of Production (FY 2017/18)

Agency	Region / State	Compartment	Hoppus Ton	
			Hardwood	Teak
Naypyitaw (South)	Naypyitaw	Byinkyee(8,9),Nancho (12),Nancho UCF	6,780	-
Myitkyinar	Kachin	Mawhan(44,54,55 Aand B,53,75,)	7,881	-
Myitkyinar	Kachin	Namp hin RF (96,97,98,99)	0	2,051
Bhamow	Kachin	Namphar(2,5,6,8,44,48,49,50,52,53),Zimbon UCF	9,727	-
Kalay	Chin	Naychinsayar coupe II,Mawchaung (20,23,24)	6,615	-
Kalay	Chin	Maw Chaung RF 20	-	725
Homalin	Sagaing	Nanhteinkun UCF XIII A,B,Nanphae 62,75,72 A,B	25,003	-
Mawlaik (west)	Sagaing	Mawcuu RF (7,17C,18A,18B,21,45,51,52)	18,615	-
Mawlaik (west)	Sagaing	Maw kuu RF (7,21),Bhone RF 82A,Ma htuu RF 25	-	942
Mawlaik (East)	Sagaing	Taungdugg (177,121,122,120,123,119)	119,426	-
Mawlaik (East)	Sagaing	Namp htein kun Extension RF (15,16),Sander RF 89	-	264
Katha (East)	Sagaing	PyinTae RF (37,38,39,40,45,46),	6,708	-
Katha (West)	Sagaing	Manmaw RF (26,27,32,86),Nantankun RF(7,11,12,13,14,19)	9,998	-
Kawlin	Sagaing	Kaingshae RF(194,195,196,197,201,202,203,204)	15,051	-
Kawlin	Sagaing	Kaing shae RF(194,195,196),	-	5,590
Shwebo	Sagaing	Nangyithar RF (12,28,29),Pyauungtwé RF (70,73,88)	5,670	-
Monywa	Sagaing	Shwekyin RF (30 J,31 B,30 K,31 A)	7,968	-
Myeik	Tanintharyi	Nwarlaboe RF (14), Pawa Phoemae UCF (A,B)	6,096	-
Pyay	Bago	Buyoe RF (41,41 A,46,42,43)	4,500	-
Thayet	Magway	Mindome Yoma RF (25,26,27,28,30),Mindome UCF (51)	7,461	-
Thayet	Magway	Min dome Yoma RF (25,27),Min dome UCF (51)	-	464
Minbu	Magway	Phaine RF (112,113,116),Seme RF (87,91,93)	4,827	-
Gangaw	Magway	Launghtaung RF (18,20,21,24),Sithnee RF(37,42)	13,237	-
Gangaw	Magway	Laung htaung RF (21,24), Kun Zae RF (65,31,37)	-	1,537
Pyinoolwin	Mandalay	Upper Mathayar RF (40,41), Nanpantaenee RF (17,18,F)	8,983	-
Thandwe	Rakhine	Shwehlae UCF 43 C,43 B, Taungnyo PUCF	9,314	-
Loi-Lem	Shan (South/East)	Maing kan RF I,II	-	3,843
Taunggyi	Shan (South/East)	Paunglaung RF (134,158,168)	7,820	-
Momeik	Shan(North)	Mabain UCF XXIII,XXIV,XXV-B,XXV-C,	8,204	-
Shwele-Mabain	Shan(North)	Nampmae RF (9,10,97),Ohndoke RF (13,14,19,20,21)	2,467	-
Pathein	Ayayarwaddy	Bawmi UCF	7,717	-
Hintada	Ayayarwaddy	Hminwartaung RF (120,121,126,118,189)	4,943	-
			325,012	15,416

Source: MTE.

Annex 5: Stock balance of Teak and Hardwood (FY 2017/18)

Product / Department	Opening Balance	Production	Received from Extraction				Received from Others	Distribution				Transfer to others	Logs used		Closing Balance
			TaHaYa (production)	BaBaYa / Saw Mill (Export)	BaDaYa (Local)	TaKhaKha (WBI)		BaBaYa (Export)	BaDaYa / Saw Mill (Local)	Showroom / Others	TaKhaKha (WBI)		Saw Mill	Sell	
<i>Hoppus Ton</i>															
Teak															
Extraction	58,109	14,943					5,198	13,368	1,151		721	5,198			57,780
Export Marketing & Milling	68,278		15,655	98		669			1,827	39	678		10,678	35,615	35,863
Local Marketing & Milling	1,504		13,646	1,827									962	14,837	1,178
Wood Based Industry (WBI)	6,571		721	1,847									2,031		7,108
Total	134,462	14,943	30,022	3,772	0	669	5,198	13,368	2,978	39	1,399	5,198	13,671	50,452	102,402
Hardwood															
Extraction	236,817	324,610					217,954	53,668	145,837		31,079	220,408			328,389
Export Marketing & Milling	79,901		57,616			382			1,184	10				130,537	6,168
Local Marketing & Milling	35,312		173,195	1,184									36,649	157,866	15,176
Wood Based Industry (WBI)	11,102		32,047	1,255									26,736	1,386	16,282
Total	363,132	324,610	262,858	2,439	0	382	217,954	53,668	147,021	10	31,079	220,408	63,385	289,789	366,417

Annex 6: Breakdown of Timber Sales (FY 2017/18)

Sales in USD (For Export)

N°	Name of Buying company Product type	Volumes sold		Revenues received (USD)	
		Total	Unit	Unit Price	Total receipts
	Teak Log				
1	M R T	4,493	H.Ton	1,486	6,675,688
2	TIN MYINT YEE	5,709	H.Ton	1,095	6,250,570
3	F J V	3,015	H.Ton	1,725	5,200,208
4	KAYAH HTAR NI	4,195	H.Ton	835	3,500,571
5	SK WOOD	1,282	H.Ton	2,304	2,953,387
6	THARAPHU DÉCOR	1,377	H.Ton	1,408	1,939,165
7	TIN WIN TUN	1,200	H.Ton	1,591	1,909,511
8	THAI SAWAT	1,150	H.Ton	1,625	1,869,237
9	GREEN HARDWOOD	851	H.Ton	1,576	1,341,471
10	MT WOOD	1,444	H.Ton	765	1,105,010
11	WIN ENT;	433	H.Ton	2,248	972,459
12	AH SHAE THAN LWIN	1,293	H.Ton	738	953,716
13	NATIONAL WOOD	424	H.Ton	2,202	932,487
14	PRAISE INT'L	642	H.Ton	1,410	905,282
15	JEWELLERY TEAK TIMBER	468	H.Ton	1,910	893,359
16	MAHAR YADANAR MAN AUNG	580	H.Ton	1,482	859,609
17	UNILITE	516	H.Ton	1,664	858,493
18	K K N	522	H.Ton	1,549	809,210
19	MYAT KYAW KYAW	379	H.Ton	1,780	675,407
20	SAN MAY	364	H.Ton	1,854	674,800
21	NORTH WOOD	454	H.Ton	1,334	605,887
22	HTET MYAT HLAING	377	H.Ton	1,586	598,023
23	TROPICAL WOOD	237	H.Ton	2,263	535,942
24	THEIN THAN HTUN	352	H.Ton	1,435	505,700
25	PACIFIC TIMBER	319	H.Ton	1,535	490,266
26	Mc COY	322	H.Ton	1,250	401,895
27	HTOO TDG;	143	H.Ton	2,753	394,015
28	HTOO NAY CHI	234	H.Ton	1,627	380,421
29	MA NAW PHYU	162	H.Ton	2,303	373,065
30	MOE HTET MYINT MOH	242	H.Ton	1,502	363,472
31	YADI SHINN THANT	185	H.Ton	2,332	431,248
32	WIN & WIN	222	H.Ton	1,562	346,273
33	THAN LWIN UNITY	153	H.Ton	2,176	332,272
34	SAI THURIYA CO	207	H.Ton	1,554	322,174
35	PA PA WA DI	67	H.Ton	4,799	320,712
36	ZAMBUYADANA	215	H.Ton	1,456	312,440
37	MYAT NOE THU	250	H.Ton	1,250	311,913
38	NAN HTIKE KHAUNG	188	H.Ton	1,596	299,927
39	UNITED WOOD	207	H.Ton	1,408	292,130
40	ORCHID INT'L	193	H.Ton	1,410	272,498
41	NAGANI GROUP	171	H.Ton	1,553	265,061
42	PHYO SI THU	154	H.Ton	1,700	261,681
43	TRIANGLE POWER	140	H.Ton	1,775	248,278
44	KAUNG KABAR KYAW	113	H.Ton	1,770	199,908
45	KRIPA TRADERS	57	H.Ton	3,412	193,128
46	LIN WIN	127	H.Ton	1,521	192,633
47	CHIT PO	71	H.Ton	2,595	184,630

N°	Name of Buying company Product type	Volumes sold		Revenues received (USD)	
		Total	Unit	Unit Price	Total receipts
48	MGP TRG;	98	H.Ton	1,718	168,978
49	GREAT TIMBER WORLD	65	H.Ton	2,137	139,422
50	WIN MARLAR AUNG	87	H.Ton	1,436	125,406
51	BA OH	77	H.Ton	1,500	114,924
52	MYANMAR EASTERN INT'L	58	H.Ton	1,805	105,465
53	NAY WUN MYAT	62	H.Ton	1,655	102,249
54	DIAMOND MERCURY WOOD	70	H.Ton	1,316	92,574
55	AUNG AUNG LWIN	96	H.Ton	901	86,400
56	GOLDEN POLLEN	38	H.Ton	2,068	77,591
57	GREEN EMERALD	36	H.Ton	2,046	73,292
58	GOLDEN ONE STAR	47	H.Ton	1,500	69,780
59	PAN THARAPHY	44	H.Ton	1,553	68,717
60	MAY THU HTIKE	28	H.Ton	2,400	66,552
61	ROYAL RIVER TDG;	41	H.Ton	1,498	62,050
62	CONCORDE	81	H.Ton	735	59,322
63	MYITMAKHA INT'L	36	H.Ton	1,579	56,658
64	YPN GROUP	27	H.Ton	1,975	53,234
65	CHIN SU	29	H.Ton	1,750	50,404
66	MOGOK PRIDE	39	H.Ton	1,250	48,610
67	KMI CO., LTD.	12	H.Ton	3,711	43,782
68	GALAXY 7	57	H.Ton	735	41,749
69	SHENG XING DA	17	H.Ton	2,340	40,856
70	GOLD TEAK	21	H.Ton	1,668	35,535
71	KAYAH PHOO	17	H.Ton	963	16,277
Sub-Total I (Teak Log)		37,079			52,515,058
Hardwood Log					
72	MYAT NOE THU	8,316	H.Ton	526	4,378,015
73	GLOBAL WOODCRAFT	10,385	H.Ton	414	4,304,309
74	GREEN PLY	7,967	H.Ton	508	4,051,005
75	MAK(MYANMAR)	6,433	H.Ton	524	3,373,151
76	WIN & WIN	5,874	H.Ton	560	3,288,738
77	FINE PLY	5,245	H.Ton	541	2,837,135
78	WIN SHWE SIN	4,521	H.Ton	487	2,201,258
79	F J V	3,603	H.Ton	541	1,949,130
80	M K T I	4,068	H.Ton	473	1,924,299
81	CENTURYPLY MYANMAR	3,213	H.Ton	591	1,898,856
82	N T C	2,559	H.Ton	610	1,559,901
83	BAMAW VENEER	2,887	H.Ton	530	1,529,018
84	BOIN MA WA DI	3,004	H.Ton	503	1,510,084
85	PACIFIC TIMBER	2,609	H.Ton	559	1,458,163
86	GOLDEN POLLEN	2,847	H.Ton	493	1,404,341
87	MYANMAR VENEER & PLY WOOD	2,804	H.Ton	500	1,400,804
88	GREEN HARDWOOD	2,876	H.Ton	480	1,381,215
89	Mc COY	2,489	H.Ton	515	1,281,656
90	GREAT POLE STAR	2,793	H.Ton	428	1,194,220
91	PANTEC	1,767	H.Ton	612	1,081,775
92	SAW TDG;	2,846	H.Ton	342	973,961
93	SHWE WOOD	1,358	H.Ton	711	965,133
94	NATURE TIMBER	1,009	H.Ton	905	912,797
95	WARTAYAR VENEER	1,618	H.Ton	563	911,388
96	JAYSON INT'L CO.	1,387	H.Ton	562	779,627
97	SHWE PIYUNI	1,300	H.Ton	590	767,150

N°	Name of Buying company Product type	Volumes sold		Revenues received (USD)	
		Total	Unit	Unit Price	Total receipts
98	PRIME PACIFIC	1,230	H.Ton	605	744,140
99	GURJAN VENEER	1,496	H.Ton	447	668,181
100	TROPICAL WOOD	982	H.Ton	668	656,202
101	GREAT TIMBER WORLD	1,560	H.Ton	408	637,155
102	VENEER INT'L MYANMAR	1,213	H.Ton	520	631,315
103	TIN MYINT YEE	890	H.Ton	675	600,971
104	JEWELLERY LUCKY	1,352	H.Ton	437	590,077
105	MYANMAR EVERGREEN GURJAN WOOD	1,056	H.Ton	553	583,935
106	SHWE BAWIN	1,114	H.Ton	511	569,537
107	NORTH WOOD	1,361	H.Ton	368	500,872
108	CO2 SOLUTION	580	H.Ton	812	471,019
109	CONCORDE	919	H.Ton	505	463,834
110	CHAN MYA SHWE YEE	1,141	H.Ton	363	413,769
111	PYI PHYU TUN	1,025	H.Ton	400	409,963
112	MAHA NADI MARITIME SERVICES	622	H.Ton	630	392,139
113	AUSTINPLY	702	H.Ton	541	379,795
114	ASIA WIN	524	H.Ton	706	369,623
115	EXCELL WOOD	407	H.Ton	871	354,640
116	JEWELLERY TEAK TIMBER	588	H.Ton	603	354,218
117	LOTUS WOOD	700	H.Ton	501	350,645
118	TULSI INT'L	428	H.Ton	808	345,885
119	MA NAW PHYU	691	H.Ton	491	339,710
120	OUR BLESSING	206	H.Ton	1,619	333,195
121	ZUN LIN EAIN	826	H.Ton	446	368,996
122	PRO MYANMAR	886	H.Ton	370	327,873
123	KAUNG MYAT	581	H.Ton	556	322,857
124	GALAXY 7	630	H.Ton	502	316,604
125	FUTURE WIN	899	H.Ton	346	311,053
126	RUBY GREEN	87	H.Ton	3,568	309,654
127	ZABU HLWAN	600	H.Ton	505	302,838
128	KANBAWZA THITSAR HLAING	880	H.Ton	332	292,267
129	KYAW ZIN THEIN	430	H.Ton	661	284,486
130	TRIANGLE POWER	74	H.Ton	3,810	281,104
131	YN WOOD	738	H.Ton	367	271,056
132	HTET MYAT HLAING	494	H.Ton	539	266,319
133	BRAHMA BHUMMI MINING	517	H.Ton	487	252,220
134	ZAMBUYADANA	264	H.Ton	867	228,635
135	PHADO U KYAW	389	H.Ton	550	213,805
136	G COS	312	H.Ton	652	203,771
137	ZIN YU CHO	644	H.Ton	310	199,596
138	EVER FORWARD MYANMAR	564	H.Ton	331	186,711
139	WOOD LAND	366	H.Ton	478	174,990
140	SHENG XING DA	52	H.Ton	3,240	168,960
141	RUBY LION	284	H.Ton	523	148,436
142	AUNG KYAW THEIN	417	H.Ton	347	144,584
143	THEIN THAN HTUN	414	H.Ton	327	135,343
144	WIN MARLAR AUNG	213	H.Ton	607	128,914
145	MT WOOD	474	H.Ton	230	109,104
146	HEIN YE SOE	110	H.Ton	900	98,651
147	PAN THARAPHY	157	H.Ton	551	86,203
148	M R T	169	H.Ton	500	84,342
149	CENTRAL LUCK	181	H.Ton	396	71,632

N°	Name of Buying company Product type	Volumes sold		Revenues received (USD)	
		Total	Unit	Unit Price	Total receipts
150	WORLD BEST	146	H.Ton	415	60,758
151	BHAGAWATI	119	H.Ton	413	49,058
152	PA PA WA DI	128	H.Ton	356	45,396
153	NYEIN HSU LATT	10	H.Ton	4,518	45,272
154	GOLDEN VENEER	106	H.Ton	401	42,573
155	THIT MIN YADANAR	135	H.Ton	285	38,547
156	ROYAL KYI KYI	100	H.Ton	351	35,160
157	MOTHER TDG;	101	H.Ton	342	34,498
158	SHWE ZALAT	71	H.Ton	450	31,797
159	PROWESS MYANMAR	80	H.Ton	360	28,814
160	SAN MAY	42	H.Ton	682	28,775
161	ZABU HTEIN LINN	67	H.Ton	325	21,613
162	WAH YINT	70	H.Ton	309	21,560
163	CHIN SU	62	H.Ton	251	15,634
164	YPN GROUP	20	H.Ton	735	14,719
165	MYANMAR ASIA EXPRESS	2	H.Ton	290	689
Sub-total II (Hardwood Log)		130,474		67,283,819	
Teak conversion					
166	TIMBER LUX SDN BHD	851	C.Ton	995	846,246
167	WORLD BEST	409	C.Ton	1,908	779,713
168	RANGOON INV;	153	C.Ton	4,399	673,481
169	NORTH WOOD	648	C.Ton	964	625,247
170	SCK WOODEN	446	C.Ton	1,241	553,365
171	JAI TIMBER CO	545	C.Ton	970	529,115
172	HORIZON STAR	325	C.Ton	1,588	516,123
173	MOGOK PRIDE	266	C.Ton	1,534	407,977
174	GLOBAL ASIA	326	C.Ton	1,246	406,036
175	GREAT TIMBER WORLD	309	C.Ton	1,206	372,831
176	NATURE WOOD	189	C.Ton	1,800	341,000
177	K K N	239	C.Ton	1,258	301,195
178	HANA	350	C.Ton	847	295,930
179	THAI SAWAT	305	C.Ton	883	269,131
180	BDS TIMBER	133	C.Ton	1,866	247,939
181	DEXTER IND;	103	C.Ton	2,360	244,059
182	FRIENDS TIMBER	104	C.Ton	2,170	225,220
183	OLAM INT'L	173	C.Ton	1,182	204,807
184	KUDUSON	98	C.Ton	2,023	197,381
185	CHOON BOK WOOD	81	C.Ton	2,295	185,433
186	THEIN THAN HTUN	151	C.Ton	1,138	171,552
187	TESA RESOURCES	45	C.Ton	2,865	130,233
188	GOLD TEAK	24	C.Ton	4,941	116,258
189	WATERLAND	61	C.Ton	1,733	106,512
190	KAMALSONS	78	C.Ton	1,084	84,723
191	ROYAL RIVER TDG;	47	C.Ton	1,683	78,812
192	YPN GROUP	83	C.Ton	738	60,876
193	UNITED WOOD	49	C.Ton	1,054	51,183
194	TRENDS DESIGN FUIROI SHING	26	C.Ton	1,831	47,387
195	ZAMBUYADANA	38	C.Ton	1,241	46,675
196	SK WOOD	39	C.Ton	1,175	45,972
197	CONCORDE	36	C.Ton	1,169	42,192
198	WIN & WIN	7	C.Ton	6,009	41,720
199	PAN THARAPHY	50	C.Ton	722	35,754

N°	Name of Buying company Product type	Volumes sold		Revenues received (USD)	
		Total	Unit	Unit Price	Total receipts
200	SHWE ZALAT	38	C.Ton	918	35,002
201	RUBY GREEN	36	C.Ton	945	33,834
202	INDRA THAN TDG;	27	C.Ton	1,002	27,191
203	SANTI FORESTRY	24	C.Ton	1,152	27,087
204	WANIBE	20	C.Ton	1,265	25,402
205	NATIONAL WOOD	30	C.Ton	800	23,842
206	WOOD DEIWI	27	C.Ton	800	21,268
207	NAM YANG TIMBER	16	C.Ton	1,313	20,851
208	GREEN HARDWOOD	15	C.Ton	1,152	17,238
209	HTET MYAT HLAING	15	C.Ton	1,100	16,438
210	VIDARBHA TIMBER SUPPLYING	8	C.Ton	1,088	9,077
211	ZUN LIN EAIN	3	C.Ton	467	1,617
212	HTOO TDG;	1	C.Ton	1,489	799
213	MYAT KYAW KYAW	1	C.Ton	1,350	680
214	YN WOOD	1	C.Ton	436	241
215	PACIFIC TIMBER	1	C.Ton	200	133
Sub-total III (Teak Conversion)		7,046			9,542,778
Woodbase					
216	WIRASON CORP;	4,994	C.Ton	585	2,922,520
217	WASON PRIVATE	1,711	C.Ton	677	1,159,339
218	GREEN LINKS	1,475	C.Ton	559	824,345
219	GOLDEN NOBEL	1,509	C.Ton	545	822,701
220	Mc COY	989	C.Ton	596	589,525
221	ALKEMAL S'PORE	273	C.Ton	1,214	331,270
222	GREAT TIMBER WORLD	201	C.Ton	1,463	293,570
223	GLOBAL ASIA	169	C.Ton	1,180	199,139
224	DIGITAL IMPEX	192	C.Ton	916	176,247
225	WORLD BEST	51	C.Ton	3,249	167,035
226	HORIZON STAR	60	C.Ton	2,642	159,619
227	NATURE WOOD	147	C.Ton	962	141,488
228	MOGOK PRIDE	76	C.Ton	1,479	113,086
229	JEWELLERY TEAK TIMBER	88	C.Ton	816	71,879
230	WIN & WIN	229	C.Ton	284	65,028
231	BDS TIMBER	17	C.Ton	3,760	64,220
232	MT WOOD	125	C.Ton	424	52,841
233	K K N	19	C.Ton	1,624	30,496
234	PAN THARAPHY	39	C.Ton	746	29,088
235	CENTURYPLY MYANMAR	81	C.Ton	355	28,847
236	YPN GROUP	31	C.Ton	800	24,587
237	ZABU HLWAN	66	C.Ton	284	18,825
238	MGP TRG;	8	C.Ton	1,885	14,785
239	GREAT POLE STAR	3	C.Ton	2,989	10,342
240	SHWE ZALAT	2	C.Ton	716	1,541
241	KAMALSONS	1	C.Ton	823	1,108
Sub-total IV (Woodbase)		12,558			8,313,472
Hardwood Conversion					
242	THEIN THAN HTUN	47	C.Ton	294	13,969
243	EVER FORWARD MYANMAR	31	C.Ton	404	12,699
244	FUTURE WIN	14	C.Ton	321	4,603
Sub-total V (Hardwood Conversion)		93			31,270
Total (I+II+III+IV+V)					137,686,397

Sales in MMK (For Local)

N°	Name of Buying company	Volumes sold		Revenues received	
		Total	Unit	Unit price (MMK)	Total receipts (MMK Million)
Teak Log					
1	National Wood Industry Co;Ltd	1,096	H.Ton	1,195,138	1,310
2	Zabu Hlwan Co;Ltd	700	H.Ton	965,691	676
3	San May Trading Co., Ltd	320	H.Ton	1,447,606	464
4	Jewellery Teak Timber Co;Ltd	349	H.Ton	1,001,160	350
5	Mahar Yadanar Man Aung Co; Ltd	197	H.Ton	1,713,150	337
6	KMI Co; Ltd.	311	H.Ton	1,079,890	336
7	Myat Noe Thu Co;Ltd	426	H.Ton	688,044	293
8	Future Win Trading Co., Ltd	300	H.Ton	953,950	287
9	Hight United Co., Ltd	251	H.Ton	1,066,203	267
10	Golden Pollen Myanmar Co;Ltd	204	H.Ton	1,036,467	211
11	Win Enterprise Co;Ltd	99	H.Ton	1,350,007	134
12	Forest Product Joint-Venture Ltd	102	H.Ton	1,087,718	111
13	Shwe Tha Pyay Co;Ltd	96	H.Ton	1,095,185	105
14	Toe Pwa Co;Ltd	88	H.Ton	1,183,593	105
15	Sein Soe San Co;Ltd	69	H.Ton	1,341,177	93
16	Fudak Enterprise Co;Ltd	76	H.Ton	1,217,481	93
17	Hti Bwar Trad;Co., Ltd	53	H.Ton	1,480,005	79
18	Win & Win Co;Ltd	71	H.Ton	1,111,015	79
19	Pacific Gold Co;Ltd	75	H.Ton	776,787	58
20	Kyaw Zin Thein Co;Ltd	56	H.Ton	992,462	55
21	Shwe Than Thar Hein Co;Ltd	42	H.Ton	1,231,023	52
22	Saung Hinn Cherry Co;Ltd	55	H.Ton	801,011	44
23	Red Dragon Group Co;Ltd	48	H.Ton	720,002	35
24	Pearl Gabar Co;Ltd	25	H.Ton	1,360,044	35
25	Zin Lin Eain Co;Ltd	56	H.Ton	526,924	29
26	Phaung Kham Co;Ltd	33	H.Ton	883,287	29
27	Nagani Group Co;Ltd	33	H.Ton	671,815	22
28	KT - Nine Co ; Ltd	31	H.Ton	681,659	21
29	Moe Makha Naing Co; Ltd.	40	H.Ton	383,630	15
30	Win Htet Myanmar Co; Ltd	19	H.Ton	755,039	15
31	Tin Myint Yee Co., Ltd	13	H.Ton	1,123,000	14
32	Win Myat Thandar Co;Ltd	9	H.Ton	1,000,000	9
33	Mother Trading Co,ltd	3	H.Ton	610,801	2
34	Public Sales	9,491	H.Ton	821,763	7,799
Sub Total I (Teak Log)		14,837			13,562
Hardwood Log					
35	Future Win Trading Co., Ltd	8,833	H.Ton	427,313	3,775
36	Win & Win Co; Ltd.	7,780	H.Ton	483,662	3,763
37	Myat Noe Thu Co;Ltd	7,616	H.Ton	388,924	2,962
38	Kan Kaung Chin Yadana Co; Ltd	3,947	H.Ton	431,548	1,703
39	Saw Trading Co;Ltd	3,683	H.Ton	413,034	1,521
40	Crown Venner Co; Ltd	3,464	H.Ton	404,416	1,401
41	M.K.T.I Co;Ltd	2,274	H.Ton	465,649	1,059
42	High United Co; Ltd	1,078	H.Ton	889,755	959
43	Ever Forward Myanmar Co; Ltd	2,504	H.Ton	356,647	893
44	Pyae Phyo Tun Co., Ltd	2,256	H.Ton	395,848	893
45	Mother Trading Co; Ltd	2,173	H.Ton	377,910	821

N°	Name of Buying company	Volumes sold		Revenues received	
		Total	Unit	Unit price (MMK)	Total receipts (MMK Million)
46	Myanma Voliant Co; Ltd.	2,339	H.Ton	349,318	817
47	Chan Mya Shwe Yi Co;Ltd	2,488	H.Ton	323,815	806
48	Aung Kyaw Thein	2,084	H.Ton	34,564	720
49	Royal Kyi Kyi Co;Ltd	1,745	H.Ton	411,229	718
50	Jewellery Teak Timber Co; Ltd.	1,220	H.Ton	510,761	623
51	Global Wood Craft Industries	991	H.Ton	513,756	509
52	Myanmar Kaung Co;Ltd	1,113	H.Ton	444,176	494
53	Lotus Wood Co;Ltd	1,028	H.Ton	405,107	417
54	Central Luck Co;Ltd	212	H.Ton	1,815,431	386
55	Golden Pollen Myanmar Co;Ltd	697	H.Ton	543,822	379
56	Moe Ma Kha Naing Co;Ltd	859	H.Ton	411,419	353
57	WAH YINT Co; Ltd.	784	H.Ton	378,943	297
58	PACIFIC GOAL Co; Ltd.	499	H.Ton	502,682	251
59	Shwe Than Thar Hein Co., Ltd	415	H.Ton	541,458	225
60	Aung Than Tun Co;Ltd	516	H.Ton	376,009	194
61	Royal Kaung Tha Pyay Co.,Ltd	136	H.Ton	1,337,862	183
62	Thit Min Yadanar Co;Ltd	460	H.Ton	388,930	179
63	Htun Myat Aung Co;Ltd	468	H.Ton	346,001	162
64	Pantec Co; Ltd.	320	H.Ton	499,575	160
65	Shwe Yoma Yadanar Co; Ltd.	401	H.Ton	335,200	134
66	Jewellery Luck Co;Ltd	378	H.Ton	353,306	134
67	Beautiful Wood Co;Ltd	101	H.Ton	1,325,325	134
68	Kyaw Zin Thein Co.,Ltd	303	H.Ton	436,299	132
69	U Aung Than Tun Co ;Ltd	405	H.Ton	286,973	116
70	Zabu Htun Co;Ltd	331	H.Ton	334,039	111
71	Zabu Hlwan Co;Ltd	312	H.Ton	331,858	104
72	Win Kaday Co; Ltd.	378	H.Ton	260,769	99
73	Zun Lin Eain Co;Ltd	227	H.Ton	409,187	93
74	Lucky Wealth Co;Ltd	181	H.Ton	385,002	70
75	SHENG XING DA Co; Ltd.	130	H.Ton	410,773	53
76	Phaung Kharn	21	H.Ton	2,510,545	53
77	Honda Myanmar	131	H.Ton	380,004	50
78	Win Htet Myanmar Co; Ltd.	124	H.Ton	371,636	46
79	Praise In't Mining Co; Ltd.	95	H.Ton	462,010	44
80	SEIN SOE SAN Co; Ltd.	161	H.Ton	262,058	42
81	Wood Htwe Trading WHT Co.,Ltd	128	H.Ton	314,404	40
82	Shwe Chain Co; Ltd.	20	H.Ton	1,855,004	37
83	Kan Bawga Thitsar Hlaing Co., Ltd	105	H.Ton	324,628	36
84	Co-operative Society Syndicate	128	H.Ton	227,421	29
85	San May Trading Co., Ltd	66	H.Ton	305,018	20
86	Fudak Enterprise Co;Ltd	82	H.Ton	242,001	20
87	KLM Master Timber Excel Co.,Ltd	65	H.Ton	301,012	20
88	Asia Htoo Htet	25	H.Ton	6,011,038	15
89	Kyaw Kyar Kaung Mon Co.,Ltd	95	H.Ton	93,004	9
90	Public Sales	89,486	H.Ton	386,791	34,612
Sub Total II (Hardwood Log)		157,866			63,875
Teak Conversion					
91	Sai Kham Naw Co;Ltd	109	C.Ton	4,237,214	463
92	Future Win Trading Co., Ltd	140	C.Ton	1,815,536	255
93	KKN Enterprise Co;Ltd	113	C.Ton	1,971,536	222

N°	Name of Buying company	Volumes sold		Revenues received	
		Total	Unit	Unit price (MMK)	Total receipts (MMK Million)
94	Forest Product Joint Venture Ltd	85	C.Ton	2,259,289	193
95	San May Trading Co., Ltd	78	C.Ton	2,248,329	175
96	Mahar Yadanar Man Aung Co; Ltd	98	C.Ton	1,420,043	139
97	National Wood Industry Ltd	75	C.Ton	1,778,660	133
98	Myat Kyaw Kyaw Co;Ltd	69	C.Ton	1,885,671	131
99	Orchid International Co;Ltd	28	C.Ton	1,893,746	53
100	Pearl Gabar Co;Ltd	27	C.Ton	1,676,693	45
101	Fudak Enterprise Co;Ltd	32	C.Ton	1,303,884	41
102	Oak Thar Kyaw Co;Ltd	21	C.Ton	1,737,011	36
103	Jewellery Teak Timber Co;	15	C.Ton	1,999,933	30
104	Diamond Mercury Wood Industry	21	C.Ton	1,253,381	26
105	Mother Trading Co;Ltd	12	C.Ton	1,976,657	24
106	AyeYar Phoenix Trading Co;Ltd	9	C.Ton	2,250,081	21
107	Htoo International Industry Group Co.,Ltd	8	C.Ton	2,600,000	20
108	Royal Kaung Tha Pyay Co; Ltd.	9	C.Ton	2,057,642	19
109	Opal International Trading Co;Ltd	10	C.Ton	1,687,891	17
110	SHENG XING DA Co., Ltd	11	C.Ton	1,530,059	16
111	Sei Soe San Co., Ltd	7	C.Ton	2,101,607	15
112	Kyaw Zin Thein Co.,Ltd	6	C.Ton	1,226,044	8
113	Pacific Gold Co;Ltd	7	C.Ton	1,020,024	7
114	Moe Ma Kha Naing Co; Ltd.	4	C.Ton	1,260,186	6
115	United Wood Industries Co;Ltd	3	C.Ton	180,005	5
116	Phaung Kham Co;Ltd	3	C.Ton	1,260,131	4
117	Zun Lin Eain Co; Ltd.	0	C.Ton	619,195	0
118	Public Sales	2,564	C.Ton	1,717,351	4,403
Sub Total III (Teak Conversion)		3,565			6,507
Hardwood Conversion					
119	Central Luck Co;Ltd	225	C.Ton	2,938,194	661
120	Sheng Xing Da Co; Ltd.	116	C.Ton	4,931,349	570
121	Nyi Paung Export Import Co., Ltd	126	C.Ton	4,382,946	553
122	Mahar Yadanar Man Aung Co.,Ltd	136	C.Ton	4,014,229	545
123	Triangle Power Trading Co; Ltd.	124	C.Ton	4,391,653	544
124	Myit Wah Industry Co; Ltd.	98	C.Ton	4,730,554	465
125	Sai Kham Naw Co;Ltd	79	C.Ton	461,283	363
126	Royal Kaung Tha Pyay Co;Ltd	124	C.Ton	2,650,127	328
127	Htoo Nay Chi Co;Ltd	67	C.Ton	4,856,612	323
128	Moe Ma Kha Naing Co;Ltd	76	C.Ton	3,254,189	249
129	Our Blessing Co.,Ltd	56	C.Ton	4,204,450	235
130	Sein Soe San Co;Ltd	35	C.Ton	3,947,436	138
131	Phaung Kharn Co.,Ltd	35	C.Ton	3,610,003	125
132	Myat Kyaw Kyaw Co.,Ltd	42	C.Ton	2,844,307	118
133	Future Win Trading Co.,Ltd	58	C.Ton	2,029,623	117
134	La Wun Yadanar Aung Co;Ltd	23	C.Ton	4,747,323	110
135	Beautiful Wood Co;Ltd	20	C.Ton	4,500,090	90
136	Diamond Mercury Wood Industry	85	C.Ton	626,753	53
137	Myanmar May Kaung Co;Ltd	9	C.Ton	4,510,047	42
138	Soe Lwin Aung Co; Ltd.	67	C.Ton	550,002	37
139	Taw Win Nan Myint Co; Ltd.	15	C.Ton	576,000	9
140	Win Htet Myanmar Co; Ltd.	12	C.Ton	550,069	7

N°	Name of Buying company	Volumes sold		Revenues received	
		Total	Unit	Unit price (MMK)	Total receipts (MMK Million)
141	San May Trading Co;Ltd	1	C.Ton	754,034	1
142	Public Sales	26,457	C.Ton	889,017	23,521
Sub-total IV (Hardwood Conversion)		28,085			29,204
Others					
143	Teak Sawmills - TEAK CONVERSION	238	C.Ton	988,891	236
144	Teak Sawmills - HARDWOOD CONVERSION	5	C.Ton	242,600	1
145	Teak Sawmills - Shapping Board	90	C.Ton	255,637	23
146	Teak Sawmills - Fire Wood	3,646	C.Ton	44,558	162
147	Teak Sawmills - Saw Dust	1,273	C.Ton	15,908	20
148	Other (Export M & M) -	815	C.Ton	142,662	116
149	Wood Based Industry - HARDWOOD LOG	1,386	C.Ton	115,617	160
150	Wood Based Industry - HARDWOOD CONVERSION	27	C.Ton	506,667	14
151	Wood Based Industry - HARDWOOD PLY	6,919	Sheet	7,932	55
152	Wood Based Industry - TEAK CONVERSION	52	C.Ton	512,689	26
153	Wood Based Industry - TEAK PLY	10	Sheet	13,000	0
154	Wood Based Industry - PARQUET	140	C.Ton	1,859,233	261
155	Wood Based Industry - FURNITURE	14	C.Ton	2,292,664	33
156	Other (Wood Based) -	18,145	C.Ton	71,860	1,301
Sub-total V Others					2,409
TOTAL					115,557

Annex 7: Details of Hardwood species¹

N°	Group 1 (6 species)	N°	Group 2 (26 species)	N°	Group 3 (23 species)	N°	Group 4 (17 species)	N°	Group 5 (11 species)
1	Pyinkado	1	Kanyin	1	Kanyaung	1	Kokhe	1	Kyunbo
2	Padauk	2	Karaway	2	Gangaw	2	Chinyoke	2	Kuthan
3	Thingan (Thingan Net)	3	Kashit (Thikar)	3	Khaunghmu	3	Gwe	3	Phyaukseik
4	Thiya	4	Kokko	4	Kywelan	4	Setkadone	4	Myaukchaw
5	Ingyin	5	Kyana	5	Sandawar	5	Sawphyar	5	Myauklote
6	Tamalan	6	Sagawar (Sagar)	6	Nyan	6	Didu	6	Lamu
		7	Sit	7	Talinegaung	7	Nabe	7	Leza
		8	Taungtamar	8	Taw Thayet	8	Baing	8	Tayaw
		9	Htinshyu	9	Taung Paine	9	Maulettanshe	9	Thitphyu
		10	Knaw	10	Taung Thayet	10	Myaukngo	10	Ohnton
		11	Pinle Kanaso	11	Htauk Kyan	11	Lekoke	11	Other species
		12	Binga	12	Paine Pho	12	Letpan		
		13	Magyipwe	13	Pyinma	13	Laylun		
		14	Hnanthin	14	Phankar	14	Setshaw		
		15	Yinmar	15	Maniuga	15	Thito		
		16	Yamane	16	Yinkhat	16	Odein		
		17	Yinteik	17	Yone	17	Other softwood species		
		18	Thadi	18	Thapyae				
		19	Thinwon	19	Tharaphi				
		20	Thitkadoe	20	Thingadu				
		21	Thitkayar	21	Thitcha				
		22	Thisi	22	Thite				
		23	Thimagyi	23	Aukchinzarni				
		24	Thisho						
		25	Anan						
		26	Inn						

¹ Source: MTE.

Annex 8: Details of Timber seized during the FY 2017/18 by product

No	Regions/ States	Teak		Hardwood		Other		Total			
		Log	Lumber	Log	Lumber	Log	Lumber	Log	Lumber	All	%
1	Shan State	1,392.06	1,230.38	1,075.62	3,841.35	7,779.97	1,767.60	10,247.65	6,839.33	17,086.99	35.10%
2	Sagaing Region	1,653.37	729.82	228.72	2,526.29	2,272.98	2,211.34	4,155.07	5,467.46	9,622.52	19.77%
3	Bago Region	972.48	1,265.21	267.33	1,295.69	375.81	1,079.42	1,615.62	3,640.33	5,255.95	10.80%
4	Kachin State	555.16	1,821.05	72.19	290.13	1,944.81	192.00	2,572.16	2,303.18	4,875.34	10.01%
5	Mandalay Region	323.09	178.87	204.97	910.78	432.28	403.07	960.33	1,492.73	2,453.06	5.04%
6	Tanintharyi Region	0.38	3.42	0.88	458.87	316.08	1,302.83	317.34	1,765.12	2,082.46	4.28%
7	Magway Region	99.18	375.97	14.49	841.21	99.34	520.64	213.00	1,737.82	1,950.83	4.01%
8	Rakhine State	9.02	68.59	1.36	105.96	78.28	980.17	88.66	1,154.72	1,243.39	2.55%
9	Ayeyarwady Region	4.60	18.63	2.11	74.88	141.68	998.55	148.38	1,092.07	1,240.45	2.55%
10	Yangon Region	25.26	62.06	21.98	274.55	112.40	340.21	159.64	676.81	836.45	1.72%
11	Naypyidaw Union Territory	42.41	33.50	8.28	102.45	163.08	356.49	213.77	492.44	706.21	1.45%
12	Chin State	41.94	23.85	26.43	133.82	5.40	185.29	73.77	342.96	416.73	0.86%
13	Kayah State	27.34	43.44	27.29	241.37	22.26	31.57	76.90	316.37	393.27	0.81%
14	Mon State	0.29	42.88	0.00	233.48	14.82	53.03	15.11	329.39	344.50	0.71%
15	Kayin State	0.00	12.25	0.00	58.49	65.63	36.59	65.63	107.34	172.96	0.36%
	Total	5,146.59	5,909.92	1,951.65	11,389.34	13,824.80	10,458.82	20,923.04	27,758.07	48,681.12	100.00%

Source: The FD.

Breakdown of hardwood by species

No	Regions/ States	Hoppus Ton															
		Pyinkadoe		Thiyar		Ingyin		Padauk		Tamalan		Thingan		Total			
		Log	Lumber	Log	Lumber	Log	Lumber	Log	Lumber	Log	Lumber	Log	Lumber	Log	Lumber	All	%
1	Shan State	13.9	3.3	4.1	1.4	187.4	65.2	861.6	3,601.5	8.6	169.9	0.0	0.0	1,075.6	3,841.4	4,917.0	36.86%
2	Sagaing Region	75.3	260.7	15.9	216.4	45.1	80.4	71.5	1,033.7	20.9	935.0	0.0	0.0	228.7	2,526.3	2,755.0	20.65%
3	Bago Region	258.0	1,041.0	3.4	7.0	1.1	2.6	4.7	242.5	0.0	0.3	0.0	2.3	267.3	1,295.7	1,563.0	11.72%
4	Mandalay Region	84.2	39.2	23.0	11.9	54.7	25.9	41.3	696.1	1.7	136.6	0.0	1.1	205.0	910.8	1,115.7	8.36%
5	Magway Region	10.7	216.0	1.4	7.4	1.8	77.8	0.6	527.4	0.0	12.6	0.0	0.0	14.5	841.2	855.7	6.41%
6	Tanintharyi Region	0.9	2.9	0.0	0.0	0.0	0.0	0.0	451.6	0.0	0.0	0.0	4.4	0.9	458.9	459.8	3.45%
7	Kachin State	0.0	0.0	0.0	0.0	0.0	0.0	66.4	68.4	1.9	220.4	3.9	1.3	72.2	290.1	362.3	2.72%
8	Yangon Region	22.0	85.3	0.0	0.0	0.0	0.0	0.0	162.9	0.0	26.4	0.0	0.0	22.0	274.5	296.5	2.22%
9	Kayah State	6.2	3.1	9.5	17.4	4.0	4.2	7.6	216.7	0.0	0.0	0.0	0.0	27.3	241.4	268.7	2.01%
10	Mon State	0.0	5.6	0.0	0.0	0.0	0.0	0.0	225.9	0.0	1.9	0.0	0.0	0.0	233.5	233.5	1.75%
11	Chin State	13.1	24.3	0.0	0.0	11.7	83.2	1.6	26.3	0.0	0.1	0.0	0.0	26.4	133.8	160.3	1.20%
12	Naypyidaw Union Territory	1.5	52.7	1.6	1.9	0.0	2.5	5.2	45.0	0.0	0.0	0.0	0.3	8.3	102.4	110.7	0.83%
13	Rakhine State	1.4	26.6	0.0	0.0	0.0	0.0	0.0	51.3	0.0	0.0	0.0	28.0	1.4	106.0	107.3	0.80%
14	Ayeyarwady Region	1.8	38.3	0.0	0.0	0.3	0.0	0.0	36.6	0.0	0.0	0.0	0.0	2.1	74.9	77.0	0.58%
15	Kayin State	0.0	2.0	0.0	0.0	0.0	0.0	0.0	56.5	0.0	0.0	0.0	0.0	0.0	58.5	58.5	0.44%
	Total	489.0	1,801.2	59.0	263.4	306.2	341.9	1,060.4	7,442.3	33.2	1,503.1	3.9	37.4	1,951.6	11,389.3	13,341.0	100.00%

Source: The FD.

Annex 9: Contract Templates

မြန်မာ့သစ်လုပ်ငန်း၊ သစ်ထုတ်ရေးဌာန

-----ဒေသ

နှင့်

ကန်ထရိုက်တာတို့မှ ချုပ်ဆိုသည့် သစ်ခုတ်လုပ်ငန်းစာချုပ်

စာချုပ်အမှတ်- /AD / 2017-2018

ရက်စွဲ။ ၂၀၁၇ ခုနှစ်၊ -----လ-----ရက်

ဤစာချုပ်ကို-----ခုနှစ်၊-----လ၊ -----ရက်နေ့တွင် မြန်မာ့သစ်လုပ်ငန်း၊ သစ်ထုတ်ရေးဌာန ကိုယ်စား-----သစ်ထုတ်ရေးဒေသ၊ လက်ထောက်အထွေထွေမန်နေဂျာ/ မန်နေဂျာ ဦး-----၊ အမျိုးသားမှတ်ပုံတင်အမှတ် ----- (နောင်တွင် "ဌာန" ဟု ဖော်ပြခေါ်ဆိုရမည်ဖြစ်ပြီး၊ ယင်းစကားရပ်တွင် ၎င်း၏ဆက်ခံသူများနှင့် ဥပဒေအရ လွှဲအပ်ခံရသူများပါဝင်သည်ဟု မှတ်ယူရမည်) က တစ်ဖက်

နှင့်

ဦး-----၊ သစ်ခုတ်လုပ်ငန်းရှင်၊ အမျိုးသားမှတ်ပုံတင်အမှတ်----- (နောင်တွင် "ကန်ထရိုက်တာ" ဟု ခေါ်ဆိုရမည်ဖြစ်ပြီး၊ ယင်းစကားရပ်တွင် ၎င်း၏ တရားဝင်ကိုယ်စားလှယ်များ၊ ဆက်ခံသူများနှင့် ဥပဒေအရလွှဲအပ်ခံရသူများ ပါဝင်သည်ဟု မှတ်ယူရမည်) က အခြားတစ်ဖက်တို့သည် အောက်အပိုဒ်(က)ပါသစ်ခုတ်ခြင်းလုပ်ငန်းကို အပိုဒ်(ခ) ပါသစ်ခုတ်လုပ်ငန်းရှင်မှဆောင်ရွက်ပေးရန် တာဝန်များအတိုင်း လိုက်နာဆောင်ရွက်ရန် သဘောတူညီ၍ စာချုပ်ကို ချုပ်ဆိုပါသည်။

(က) သစ်ခုတ်ခြင်းလုပ်ငန်း

- (၁) သစ်ထုတ်ရေးဒေသ -
- (၂) သစ်ခုတ်လုပ်ငန်းဆောင်ရွက်ရမည့်
သစ်တောခရိုင်/ကြီးပိုင်း/ကြီးပြင်/သစ်ကွက် -
- (၃) သစ်ခုတ်ရမည့် သစ်မျိုး -
အပင်အရေအတွက် -
ခန့်မှန်းတန် -
- (၄) ဆောင်ရွက်ရန် လုပ်ငန်းကာလ -

(ခ) သစ်ခုတ်လုပ်ငန်းကန်ထရိုက်တာမှ ဆောင်ရွက်ရန်တာဝန်များနှင့် လိုက်နာရန် စည်းကမ်း သတ်မှတ်ချက်များ

- (၁) သက်ဆိုင်ရာ သစ်ထုတ်ရေးဒေသရှိ နယ်တာဝန်ခံ၏ သစ်ခုတ်လှဲခွင့်ပြုမိန့် (ပုံစံ-ကဆ) ရရှိမှသာ ကွင်းဝင်ခုတ်လှဲခြင်းဆောင်ရွက်ရန်၊
- (၂) သစ်တောဦးစီးဌာနမှ ရိုက်မှတ်ပေးထားသော ကျွန်း/သစ်မာ ပင်ထောင်များကိုသာ ခုတ်လှဲပိုင်းဖြတ်ခြင်း ဆောင်ရွက်ရန်၊
- (၃) လုပ်ငန်းသုံး သစ်ခုတ်ကိရိယာများတွင် စက်လွှဲသုံးစွဲခဲ့သည်ဖြစ်ပါက သက်ဆိုင်ရာ သစ်တောဦးစီးဌာနတွင် တရားဝင်မှတ်ပုံတင်ထားပြီးဖြစ်သော စက်လွှဲကိုသာ သုံးစွဲခွင့်ပြုသည်။
- (၄) သစ်ခုတ်ကန်ထရိုက်တာနှင့် ၎င်း၏သစ်ခုတ်လုပ်သားများသည် နိုင်ငံသားစိစစ်ရေး ကိရိယာဖြင့်ဖြစ်သူ (သို့မဟုတ်) နိုင်ငံသားဖြစ်ကြောင်း အထောက်အထားတင်ပြ နိုင်သူများ ဖြစ်ရမည်။
- (၅) မှတ်ပင်ထောင်များအား ခုတ်လှဲရာတွင် မှတ်ပင်ထောင်အနီးဝန်းကျင်ရှိ ကျွန်းနှင့် တန်ဘိုးရှိ သစ်မာချန်ပင်များ ထိခိုက်ပျက်စီးမှုမရှိစေရေး ဂရုစိုက်ဆောင်ရွက်ရန်၊ မှတ်ပင်ခုတ်လှဲမှုကြောင့် ချန်ပင်များပျက်စီးမှုရှိခဲ့ပါက ကျွန်းတစ်ပင်လျှင် ၁၅၀၀/- ကျပ်နှင့် သစ်မာတစ်ပင်လျှင် ၇၅၀၀/-ကျပ် ဒဏ်ကြေးငွေပေးဆောင် ရမည်။
- (၆) မှတ်ပင်ထောင်များခုတ်လှဲရာတွင် သစ်တောဦးစီးဌာနမှ မှတ်တံဆိပ်ရိုက်မှတ်ထား သော အောက်မှန်ထစ်၏ အထက်မှကပ်၍ခုတ်လှဲရန်နှင့် ၎င်းအမြင့်အား (၂)ပေ ထက် ကျော်လွန်ခုတ်လှဲခြင်းမပြုရန်၊ (အောက်မှန်ထစ်သည် သစ်တောတွင် ကျန်ရှိ နေစေရမည်။)
- (၇) ၎င်းအမြင့် (၂)ပေထက်ကျော်လွန်ခုတ်လှဲခြင်း တွေ့ရှိရပါက သတ်မှတ်ဒဏ်ကြေး ငွေပေးသွင်းရမည် ဖြစ်ပါသည်။
- (၈) ခုတ်လှဲပိုင်းဖြတ်မည့် သစ်လုံးများအား ဖြတ်ပိုင်းပေးအရာရှိက ဖြတ်ချက်ပေးချိန် တွင် လက်ခံမည့်သစ်လုံး၏အပိုင်းတိုင်း၌ လက်ခမောင်းမှန်ထစ်ငယ်နှင့် ပယ်မည့် အပိုင်းတွင် ပယ်တံဆိပ်ရိုက်မှတ်ရန် မှန်ထစ်ငယ်ပြုလုပ်ပေးရမည်။
- (၉) ခုတ်လှဲပြီး မှတ်ပင်ထောင်များအား ပိုင်းဖြတ်ခြင်းလုပ်ငန်းကို သစ်ထုတ်ရေးဌာန ၏ တာဝန်ပေးခြင်းခံရသော ဝန်ထမ်းမှ ဖြတ်ပိုင်းပေးသတ်မှတ်သည့် ဖြတ်ချက် နေရာအတိုင်း ပိုင်းဖြတ်ရမည်။

- (၁၀) သစ်ခုတ်လုပ်ငန်းများ စတင်ဆောင်ရွက်ချိန်တွင် ထည့်သွင်းမည့် သစ်ခုတ်အင်အား အတိုင်း လုပ်ငန်းပြီးဆုံးချိန်အထိ အင်အားဖြည့်သွင်းဆောင်ရွက်ရမည်။
- (၁၁) မှတ်ပင်ထောင်များ ခုတ်လှဲရာတွင်လည်းကောင်း၊ ပိုင်းဖြတ်ရာတွင်လည်းကောင်း၊ ပေါ့လျော့စွာဆောင်ရွက်မှုကြောင့် သစ်အရည်အသွေး ကျဆင်းခြင်းဖြစ်ပေါ်ခဲ့ပါက သင့်လျော်သည့်ဒဏ်ကြေးငွေအား ပေးဆောင်ရပါမည်။
- (၁၂) နယ်တာဝန်ခံမှထုတ်ပေးသည့် သစ်ခုတ်လှဲမိန့် (ပုံစံ-ကဆ) တွင် ပါဝင်သည့် မှတ်ပင်ထောင်အားလုံးကို ခုတ်လှဲပိုင်းဖြတ်ခြင်း ဆောင်ရွက်ရပါမည်။
- (၁၃) ဖြတ်ပိုင်းပေးအရာရှိမှ ဖြတ်ပိုင်းပေးလုပ်ငန်းဆောင်ရွက်ရာတွင် ရှင်းလင်းမြင်သာစွာ ကြည့်ရှုနိုင်ရန် လှဲပြီးပင်ထောင်များ၏ပတ်ဝန်းကျင်ရှိ ခြုံနွယ်နှင့်ကိုင်းများအား (၃)မျက်နှာ ရှင်းလင်းထားရမည်။ နွယ်နှင့်ညောင်ပတ်များ ဖြတ်တောက်ရှင်းလင်းထားရမည်။
- (၁၄) ခုတ်လှဲပိုင်းဖြတ်ပြီးသစ်လုံးများတွင် မြိတ်ဆာများ ကျန်ရှိမနေစေရ။
- (၁၅) တရားမဝင်သစ်ကိစ္စ၊ မူးယစ်ဆေးဝါးကိစ္စနှင့် လက်နက်ကိစ္စများတွင် ပါဝင်ပတ်သက်ခြင်း မရှိစေရ။
- (၁၆) သက်ဆိုင်ရာသစ်ထုတ်ရေး သစ်ကွက်တာဝန်ခံ၊ နယ်တာဝန်ခံ၊ ဒေသတာဝန်ခံနှင့် ပြည်နယ်/တိုင်းတာဝန်ခံတို့၏ ကြီးကြပ်ညွှန်ကြားမှုများအား လိုက်နာဆောင်ရွက်ရမည်။
- (၁၇) သစ်ခုတ်စရန်ငွေ ထုတ်ယူထားခဲ့ခြင်းရှိလျှင် စရန်ကျေသည်အထိ လုပ်ငန်းဆောင်ရွက်ရမည့်အပြင် ဤစာချုပ်တွင် တာဝန်ပေးအပ်ထားသည့် လုပ်ငန်းပမာဏကို ပြီးပြတ်သည်အထိ ဆောင်ရွက်ပေးရမည်။ ဆောင်ရွက်ခြင်းမရှိလျှင် တရားဥပဒေအရ အရေးယူခြင်းခံရမည်။
- (၁၈) သစ်ခုတ်လှဲပိုင်းဖြတ်ခြင်းလုပ်ငန်းအား ပေါ့လျော့စွာဆောင်ရွက်ခဲ့မှုကြောင့် သစ်တောဦးစီးဌာနမှ ချမှတ်သည့်ဒဏ်ကြေးငွေများကို လုပ်အားခမှ ခုနိမ်ဖြတ်တောက်သွားခြင်းကို လက်ခံရမည်။
- (၁၉) သစ်တောဦးစီးဌာနမှ တားမြစ်ထားသော တောရိုင်းတိရစ္ဆာန်များအား ဖမ်းဆီးသတ်ဖြတ်ခြင်းမပြုရ။
အထက်ဖော်ပြပါ အချက်များကိုဖော်ရှာ၍ သေချာရှင်းလင်းစွာ သဘောပေါက်နားလည်ပြီး လိုက်နာဆောင်ရွက်မည်ဟု တစ်ဖက်ဖော်ပြပါ သက်သေလူကြီးများရှေ့တွင် လက်မှတ်ရေးထိုးကြပါသည်။

မြန်မာ့သစ်လုပ်ငန်း၊ သစ်ထုတ်ရေးဌာန

-----ဒေသ

နှင့်

ကန်ထရိုက်တာတို့မှ ချုပ်ဆိုသည့် ငှက်ထုတ်လုပ်ငန်းစာချုပ်

စာချုပ်အမှတ်- /AD / 2017-2018

ရက်စွဲ။ ၂၀၁၇ ခုနှစ်၊ -----လ-----ရက်

ဤစာချုပ်ကို-----ခုနှစ်၊-----လ၊ -----ရက်နေ့တွင် မြန်မာ့သစ်လုပ်ငန်း၊ သစ်ထုတ်ရေးဌာန ကိုယ်စား-----သစ်ထုတ်ရေးဒေသ၊ လက်ထောက်အထွေထွေမန်နေဂျာ/ မန်နေဂျာ ဦး-----၊ အမျိုးသားမှတ်ပုံတင်အမှတ် -----(နောင်တွင် "ဌာန" ဟု ဖော်ပြခေါ်ဆိုရမည်ဖြစ်ပြီး၊ ယင်းစကားရပ်တွင် ၎င်း၏ ဆက်ခံသူများနှင့် ဥပဒေအရ လွှဲအပ်ခံရသူများပါဝင်သည်ဟု မှတ်ယူရမည်) က တစ်ဖက်

နှင့်

ဦး-----၊ ငှက်ထုတ်လုပ်ငန်းရှင်၊ အမျိုးသားမှတ်ပုံတင်အမှတ်----- (နောင်တွင် "ကန်ထရိုက်တာ" ဟု ခေါ်ဆိုရမည်ဖြစ်ပြီး၊ ယင်းစကားရပ်တွင် ၎င်း၏ တရားဝင်ကိုယ်စားလှယ်များ၊ ဆက်ခံသူများနှင့် ဥပဒေအရလွှဲအပ်ခံရသူများ ပါဝင်သည်ဟု မှတ်ယူရမည်) က အခြားတစ်ဖက်တို့သည် အောက်အပိုဒ်(က)ပါ ငှက်ထုတ်ခြင်းလုပ်ငန်းကို အပိုဒ်(ခ) ပါ ငှက်ထုတ်လုပ်ငန်းရှင်မှဆောင်ရွက်ပေးရန် တာဝန်များအတိုင်း လိုက်နာဆောင်ရွက်ရန် သဘောတူညီ၍ စာချုပ်ကို ချုပ်ဆိုပါသည်။

(က) ငှက်ထုတ်ခြင်းလုပ်ငန်း

- (၁) သစ်ထုတ်ရေးဒေသ -
- (၂) ငှက်ထုတ်လုပ်ငန်းဆောင်ရွက်ရမည့် သစ်တောခရိုင်/ကြီးပိုင်း/ကြီးပြင်/သစ်ကွက် -
- (၃) ငှက်ထုတ်ပေးရမည့် သစ်မျိုး -
 - အပင်အရေအတွက် -
 - ခန့်မှန်းတန် -
- (၄) ဆောင်ရွက်ရန် လုပ်ငန်းကာလ -

(ခ) ငှက်ထုတ်လုပ်ငန်းကန်ထရိုက်တာမှ ဆောင်ရွက်ရန်တာဝန်များနှင့် လိုက်နာရန် စည်းကမ်း သတ်မှတ်ချက်များ

- (၁) သစ်ထုတ်ရေးဒေသတာဝန်ခံနှင့် နယ်တာဝန်ခံတို့ထံမှ ခွင့်ပြုချက်ရရှိမှသာလျှင် လုပ်ငန်းဆောင်ရွက်မည့် သစ်ကွက်များအတွင်းသို့ စတင်ဝင်ရောက်ဆောင်ရွက် ရမည်။
- (၂) လုပ်ငန်းခွင် ဝင်ရောက်ဆောင်ရွက်မည့် ပုဂ္ဂလိကပိုင်ဆိုင်များသည် သက်ဆိုင်ရာ သစ်တောဦးစီးဌာနတွင် မှတ်ပုံတင်(ဂရန်) ပြုလုပ်ပြီး၊ ဂရန်သက်တမ်းမကုန်ဆုံး သေးသော ဆင်များဖြစ်ရမည်။
- (၃) ငှက်ထုတ်ကန်ထရိုက်တာနှင့် ၎င်း၏ငှက်ထုတ်လုပ်သားများသည် နိုင်ငံသားစိစစ် ရေးကဒ်ရရှိပြီးဖြစ်သူ (သို့မဟုတ်) နိုင်ငံသားဖြစ်ကြောင်း အထောက်အထား တင်ပြနိုင်သူများ ဖြစ်ရမည်။
- (၄) ငှက်ထုတ်လုပ်ငန်းဆောင်ရွက်ရမည့် ကျွန်း/သစ်မာ သစ်တန်ပမာဏအရ ဌာန၏ တာဝန်ရှိသူမှထည့်သွင်းရန် ညွှန်ကြားထားသည့် သတ်မှတ်ဆင်ကောင်ရေနှင့် ဆင်ဝန်ထမ်းဦးရေကို ထည့်သွင်းဆောင်ရွက်ရမည်။
- (၅) တရားမဝင်သစ်ကိစ္စ၊ မူးယစ်ဆေးဝါးကိစ္စနှင့် လက်နက်ကိစ္စများတွင် ပါဝင် ပတ်သက်ခြင်း မရှိစေရ။
- (၆) ငှက်ထုတ်လုပ်ငန်းဆောင်ရွက်မည့် သစ်ကွက်အတွင်း စခန်းချနေထိုင်ရာတွင် နီးစပ်ရာ ပုဂ္ဂလိကဆင် (သို့မဟုတ်) ဌာနပိုင်ဆိုင်များနှင့် ဆင်အချင်းချင်း ရန်မှု တိုက်ခိုက်ခြင်းမဖြစ်ပေါ်စေရေး အထူးဂရုပြုဆောင်ရွက်ရမည်။
- (၇) ပိုင်းဖြတ်ပြီးသစ်လုံးများအား သက်ဆိုင်ရာသစ်ကွက်တာဝန်ခံ၏ ဆွဲတံဆိပ် ရိုက်မှတ်ပြီးမှသာ ငှက်ထုတ်လုပ်ငန်းဆောင်ရွက်ရမည်။
- (၈) ဌာနမှသတ်မှတ်ပေးထားသော တိုင်းဆိပ်များ၌သာ သစ်လုံးများဆွဲယူစုပုံရန်နှင့် သစ်တစ်ပုံလျှင် သစ်လုံးရေ (၅၀)ထက်မနည်း စုပုံဆောင်ရွက်ရမည်။
- (၉) တိုင်းဆိပ်၌ သစ်လုံးများစုပုံရာတွင် ဆုံးတုံးခံ၍ ထိပ်တစ်ဘက်ညီ စနစ်တကျစုပုံ ရမည်။
- (၁၀) တိုင်းဆိပ်များကို သစ်လုံးများ စနစ်တကျထားနိုင်ရန် နေရာအကျယ်အဝန်းအလိုက် ခြုံ၊ နွယ်၊ ပိတ်ပေါင်းများ ခုတ်ထွင်ရှင်းလင်း၍ သစ်များကို တစ်လုံးနှင့်တစ်လုံး (၂)ပေကွာခန့်စီ၍ အရှည်လိုက် အတန်းပြုလုပ်ထားရှိရမည်။ ရှေ့တန်းသစ်ထိပ်၊ နောက်တန်းသစ်ထိပ်ကြားတွင် (၅)ပေခန့်ခွာ၍ ထားရမည်။

- (၁၁) တိုင်းဆိပ်၌ သစ်လုံးများ စနစ်တကျဆွဲယူစုပုံပြီးပါက အကောက်ရိုက်တိုင်းသိမ်းလုပ်ငန်းဆောင်ရွက်ရန်အတွက် သစ်လုံးများပေါ်တွင် မှန်ထစ်များပြုလုပ်ပေးခြင်း၊ ခါးလည်လုံးပတ်နေရာ၌ အခွံခွာ၍ နှီးပတ်ထိုးထားတို့ ဆောင်ရွက်ပေးရမည်။
- (၁၂) ငုတ်ထုတ်လုပ်ငန်းဆောင်ရွက်စဉ် သစ်လုံးများအား ဆင်များအောင်းချခြင်းကြောင့် သော်လည်းကောင်း၊ ချောက်၊ မြောင်များအတွင်းသို့ လိမ့်ကျခြင်းကြောင့်သော်လည်းကောင်း၊ ပေါ့လျော့စွာဆောင်ရွက်ခြင်းကြောင့်သော်လည်းကောင်း ကျွန်း/သစ်မာ သစ်လုံးများ ပျက်စီး/ဆုံးရှုံးပါက သစ်တန်ဘိုးအတိုင်း ပေးလျော်ရမည် ဖြစ်ပြီး၊ ငုတ်ထုတ်ခမု ခုနှိမ်သွားမည်။
- (၁၃) တိုင်းဆိပ်တွင် သစ်လုံးများရောက်ရှိစုပုံပြီးပါက သစ်ပုံပတ်ပတ်လည်တွင် (၁၀)ပေ ခန့်အကွာအထိ ခြုံ၊ နွယ်၊ ပိတ်ပေါင်း အမှိုက်သရိုက်များအား ရှင်းလင်းထားရမည်။
- (၁၄) လုပ်ငန်းဆောင်ရွက်ရမည့်ကာလအတွင်း ငုတ်ထုတ်လုပ်ငန်းများအား ပြီးပြတ်အောင် ဆောင်ရွက်ရမည်။
- (၁၅) သစ်တောဦးစီးဌာနမှ တားမြစ်ထားသော တောရိုင်းတိရစ္ဆာန်များအား ဖမ်းဆီးသတ်ဖြတ်ခြင်းမပြုရ။
- (၁၆) ငုတ်ထုတ်လုပ်ငန်းဆောင်ရွက်ပြီးဖြစ်၍ တိုင်းဆိပ်တွင်စုပုံထားသော ကျွန်း/သစ်မာ သစ်လုံးများအား ကားတိုက်လုပ်ငန်းဆောင်ရွက်ပြီးစီးချိန်အထိ မီးလောင်ခြင်း၊ ခိုးယူခံရခြင်း၊ ရေမျောခြင်း၊ အခြားအကြောင်းများကြောင့်ဆုံးရှုံးခြင်း မရှိစေရေး တာဝန်ယူ ထိန်းသိမ်းဆောင်ရွက်ရမည်။ ဆုံးရှုံးပျက်စီးမှုဖြစ်ပေါ်ခဲ့ပါက ဌာနမှ သတ်မှတ်သည့် သစ်တန်ဘိုးပေးလျော်ရမည်ဖြစ်ပြီး ငုတ်ထုတ်ခမုခုနှိမ်သွားမည်။
- (၁၇) သစ်ဆွဲလမ်းတစ်လျှောက် အဖိုးတန်အပင်ငယ်များ ထိခိုက်ပျက်စီးမှုနည်းအောင် ဆောင်ရွက်ရမည်။ အဖိုးတန်သစ်များနှင့် ချန်ပင်များ မလိုအပ်ဘဲ ထိခိုက်ပျက်စီးမှုများအတွက် သတ်မှတ်တန်ဘိုးပေးလျော်ရမည်ဖြစ်ပြီး ငုတ်ထုတ်ခမုခုနှိမ်သွားမည်။
- (၁၈) ငုတ်ထုတ်ကန်ထရိုက်တာသည် ဤစာချုပ်အရ ဆောင်ရွက်ရန်ရှိသောအလုပ်များကို အချိန်ပြည့် ကိုယ်တိုင်ကြီးကြပ်ဆောင်ရွက်ရမည်။

- (၁၉) ငှက်ထုတ်ကန်ထရိုက်တာသည် မိမိ၏ကိုယ်စားလှယ်များ၊ အလုပ်သမားများ၏ ဆောင်ရွက်မှုများကို တာဝန်ယူရမည်။ လုပ်ငန်းဆောင်ရွက်မှုကြောင့် အလုပ်သမားများ၊ တိရစ္ဆာန်များ ထိခိုက်ဒဏ်ရာရခြင်း၊ သေဆုံးခြင်း စသည်များအတွက် ကန်ထရိုက်တာတွင် တာဝန်ရှိစေရမည်။
- (၂၀) သက်ဆိုင်ရာသစ်ထုတ်ရေး သစ်ကွက်တာဝန်ခံ၊ နယ်တာဝန်ခံ၊ ဒေသတာဝန်ခံနှင့် ပြည်နယ်/တိုင်းတာဝန်ခံတို့၏ ကြီးကြပ်ညွှန်ကြားမှုများအား လိုက်နာဆောင်ရွက်ရမည်။
- (၂၁) ငှက်ထုတ်ကန်ထရိုက်တာသည် ငှက်ထုတ်ခရစ်နှစ်ထုတ်ယူထားခဲ့ခြင်းရှိလျှင် စရန်ကျေသည်အထိ လုပ်ငန်းဆောင်ရွက်ရမည်ဖြစ်ပြီး၊ စရန်မကျေပါက တရားဥပဒေအရ အရေးယူခြင်းခံရမည်။
 အထက်ဖော်ပြပါ အချက်များကိုဖတ်ရှု၍ သေချာရှင်းလင်းစွာ သဘောပေါက်နားလည်ပြီး လိုက်နာဆောင်ရွက်မည်ဟု တစ်ဖက်ဖော်ပြပါ သက်သေလူကြီးများရှေ့တွင် လက်မှတ်ရေးထိုးကြပါသည်။

မြန်မာ့သစ်လုပ်ငန်း၊ သစ်ထုတ်ရေးဌာန

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နှင့်

ဦး----- (လုပ်ငန်းရှင်) တို့မှ ချုပ်ဆိုသည့် သစ်တင်/သစ်ချ လုပ်ငန်းစာချုပ်

စာချုပ်အမှတ်- / 2017-2018 ရက်စွဲ။ ၂၀၁၇ ခုနှစ်၊ -----လ-----ရက်

ဤစာချုပ်ကို-----ခုနှစ်၊-----လ၊ -----ရက်နေ့တွင် မြန်မာ့သစ်လုပ်ငန်း၊ သစ်ထုတ်ရေးဌာန ကိုယ်စား-----သစ်ထုတ်ရေးဒေသ၊ လက်ထောက်အထွေထွေမန်နေဂျာ/ မန်နေဂျာ ဦး----- အမျိုးသားမှတ်ပုံတင်အမှတ် ----- (နောင်တွင် "ဌာန" ဟု ဖော်ပြခေါ်ဆိုရမည်ဖြစ်ပြီး၊ ယင်းစကားရပ်တွင် ၎င်း၏ဆက်ခံသူများနှင့် ဥပဒေအရ လွှဲအပ်ခံရသူများပါဝင်သည်ဟု မှတ်ယူရမည်) က တစ်ဖက်

နှင့်

ဦး-----၊ သစ်တင်/ချလုပ်ငန်းရှင်၊ အမျိုးသားမှတ်ပုံတင်အမှတ်----- (နောင်တွင် "ကန်ထရိုက်တာ" ဟု ခေါ်ဆိုရမည်ဖြစ်ပြီး၊ ယင်းစကားရပ်တွင် ၎င်း၏ တရားဝင်ကိုယ်စားလှယ်များ၊ ဆက်ခံသူများနှင့် ဥပဒေအရလွှဲအပ်ခံရသူများ ပါဝင်သည်ဟု မှတ်ယူရမည်) က အခြားတစ်ဖက်တို့သည် အောက်အပိုဒ်(က)ပါ သစ်တင်/သစ်ချလုပ်ငန်းကို အပိုဒ်(ခ) ပါ သစ်တင်/သစ်ချ လုပ်ငန်းရှင်မှဆောင်ရွက်ပေးရန် တာဝန်များအတိုင်း လိုက်နာဆောင်ရွက်ရန် သဘောတူညီ၍ စာချုပ်ကို ချုပ်ဆိုပါသည်။

(က) သစ်တင်/သစ်ချခြင်းလုပ်ငန်း

အောက်ဖော်ပြပါ ဒေသမှ သစ်များကို သတ်မှတ်ကာလအတွင်း ဌာနမှညွှန်ကြားချက်အတိုင်း သစ်တင်/သစ်ချခြင်း လုပ်ငန်းပြီးစီးအောင်ဆောင်ရွက်ရန် "ကန်ထရိုက်တာ" မှ သဘောတူပြီး၊ "ဌာန" မှ လုပ်ငန်းအပ်နှံရန် သဘောတူကြပါသည်-

- (၁) သစ်ထုတ်ရေးဒေသ -
- (၂) သစ်တင်/ချ ပေးရမည့် နယ်/သစ်ကွက် -
- (၃) သစ်တင်/ချ ပေးရမည့် သစ်ဆိပ် -
- (၄) သစ်တင်/ချရန် သစ်မျိုး -
- (၅) ဆောင်ရွက်ရန် လုပ်ငန်းကာလ -

(ခ) သစ်တင်/ချလုပ်ငန်းကန်ထရိုက်တာမှ ဆောင်ရွက်ရန်တာဝန်များနှင့် လိုက်နာရန် စည်းကမ်း သတ်မှတ်ချက်များ

- (၁) ကန်ထရိုက်တာသည် မည်သည့်အကြောင်းနှင့်မျှ သစ်တင်စက်အား (၂)ရက်ထက် မပျက်စေရပါ။
- (၂) သစ်ထုတ်ရေးနယ်တာဝန်ခံ၊ ဒေသတာဝန်ခံတို့၏ အချိန်နှင့်တပြေးညီ စစ်ဆေးကြီးကြပ်ခြင်းကို ခံယူရပါမည်။
- (၃) နယ်တာဝန်ခံမှ တိုင်းသိမ်းလက်ခံပြီးသာ သစ်လုံးများကိုသာ တင်ခြင်းလုပ်ငန်း ဆောင်ရွက်ရမည်ဖြစ်ပြီး၊ တရားမဝင်သစ်များ တင်ဆောင်ခြင်း လုံးဝ (လုံးဝ) မပြုလုပ်ရပါ။
- (၄) သစ်တိုက်ရာသီချိန်အတွင်း သစ်တင်/သစ်ချခြင်းလုပ်ငန်းကို အချိန်နှင့်တပြေးညီ တင်/ချခြင်း လျင်မြန်စွာ ဆောင်ရွက်ပေးရမည်။
- (၅) ဒေသတာဝန်ခံနှင့် နယ်တာဝန်ခံ၏ ခွင့်ပြုချက်ရမှသာ သစ်ကွက်အတွင်းသို့ ဝင်ရောက်ရမည်။
- (၆) သစ်တင်စက်မောင်းနှင်သူများသည် ကျွမ်းကျင်လက်မှတ်ရရှိပြီးသော ယန္တရားမောင်းများ ဖြစ်ရမည်။
- (၇) ကန်ထရိုက်တာအနေဖြင့် သတ်မှတ်ကာလအတွင်း စာချုပ်ပါ သစ်တန်ပမာဏကို တင်ခြင်း/ချခြင်းအား ပြီးစီးအောင် ဆောင်ရွက်ပေးနိုင်ရမည်။ ဆောင်ရွက်ခြင်း မပြုနိုင်ပါက ဌာနမှပေးအပ်သည့်ပြစ်ဒဏ်ကို ကျေလည်စွာခံယူရမည်။
- (၈) သစ်တင်/ချ ဆောင်ရွက်ရာတွင် သစ်လုံးများပျက်စီးမှုမရှိအောင် ဂရုပြုဆောင်ရွက်ရမည်။

အထက်ဖော်ပြပါ အချက်များကိုဖတ်ရှု၍ သေချာရှင်းလင်းစွာ သဘောပေါက်နားလည်ပြီး လိုက်နာဆောင်ရွက်မည်ဟု တစ်ဖက်ဖော်ပြပါ သက်သေလူကြီးများရှေ့တွင် လက်မှတ်ရေးထိုးကြပါသည်။

မြန်မာ့သစ်လုပ်ငန်း၊ သစ်ထုတ်ရေးဌာန

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နှင့်

ကန်ထရိုက်တာတို့မှ ချုပ်ဆိုသည့် လမ်းဖောက်လုပ်ငန်းစာချုပ်

စာချုပ်အမှတ်- /AE / 2017-2018

ရက်စွဲ။ ၂၀၁၇ ခုနှစ်၊ -----လ-----ရက်

ဤစာချုပ်ကို-----ခုနှစ်၊-----လ၊ -----ရက်နေ့တွင် မြန်မာ့သစ်လုပ်ငန်း၊ သစ်ထုတ်ရေးဌာန ကိုယ်စား-----သစ်ထုတ်ရေးဒေသ၊ လက်ထောက်အထွေထွေမန်နေဂျာ/မန်နေဂျာ ဦး-----၊ အမျိုးသားမှတ်ပုံတင်အမှတ် ----- (နောင်တွင် "ဌာန" ဟု ဖော်ပြ ခေါ်ဆိုရမည်ဖြစ်ပြီး၊ ယင်းစကားရပ်တွင် ၎င်း၏ဆက်ခံသူများနှင့် ဥပဒေအရ လွှဲအပ်ခံရသူများပါဝင်သည်ဟု မှတ်ယူရမည်) က တစ်ဖက်

နှင့်

ဦး-----၊ အငှားကားတိုက်လုပ်ငန်းရှင်၊ အမျိုးသားမှတ်ပုံတင်အမှတ်----- (နောင်တွင် "ကန်ထရိုက်တာ" ဟု ခေါ်ဆိုရမည်ဖြစ်ပြီး၊ ယင်းစကားရပ်တွင် ၎င်း၏ တရားဝင်ကိုယ်စားလှယ်များ၊ ဆက်ခံသူများနှင့် ဥပဒေအရလွှဲအပ်ခံရသူများ ပါဝင်သည်ဟုမှတ်ယူရမည်)က အခြား တစ်ဖက်တို့သည် အောက်အပိုဒ်(က)ပါလမ်းဖောက်ခြင်းလုပ်ငန်းကို အပိုဒ်(ခ)ပါလမ်းဖောက်ကန်ထရိုက်တာမှ ဆောင်ရွက်ပေးရန် တာဝန်များအတိုင်း လိုက်နာဆောင်ရွက်ရန် သဘောတူညီ၍ ဤစာချုပ်ကို ချုပ်ဆိုပါသည်။

(က) လမ်းဖောက်ခြင်းလုပ်ငန်း

အောက်ဖော်ပြပါဒေသမှ သစ်များကို သတ်မှတ်ကာလအတွင်း ကားတိုက်နိုင်ရန်အတွက် လမ်း ဖောက်လုပ်ငန်းများ ဆောင်ရွက်ပေးရန် "ကန်ထရိုက်တာ" မှ သဘောတူပြီး၊ "ဌာန" မှ လုပ်ငန်း အပ်နှံရန် သဘောတူကြပါသည်-

- (၁) သစ်ထုတ်ရေးဒေသ -
- (၂) လမ်းဖောက်လုပ်ငန်း ဆောင်ရွက်ရမည့် သစ်တောခရိုင်/ကြိုးပိုင်း/ကြိုးပြင်/သစ်ကွက်များ -
- (၃) ဖောက်လုပ်ပေးရန် လမ်းများ -

- (၃) သစ်ထုတ်ရေးဒေသတာဝန်ခံ၏ခွင့်ပြုချက်ရရှိမှုသာ သစ်ကွက်အတွင်းသို့ စတင်ဝင်ရမည်။
- (၄) သစ်တောဦးစီးဌာနမှ သတ်မှတ်ထားသော အဖိုးတန်ရှားပါးအပင်များနှင့် တားမြစ်ရာပါ သစ်ပင်များကို လမ်းဖောက်ရာတွင် ထိခိုက်ခြင်းမရှိစေရပါ။
- (၅) သဘာဝပတ်ဝန်းကျင်ကို ထိခိုက်မှု အသက်သာဆုံးနည်းဖြင့်သာ လမ်းဖောက်လုပ်ငန်းကို ဆောင်ရွက်ရမည်။ RIL စည်းကမ်းချက်များနှင့်အညီ ဆောင်ရွက်ပေးရမည်။
- (၆) လိုအပ်သောနေရာများတွင်တံတားများကို ဆောက်လုပ်ပေးရမည်။တံတားဆောက်လုပ်ရာ တွင်လည်း RIL စည်းကမ်းချက်များနှင့်အညီ ရေးစီးရေလာကို မထိခိုက်အောင် တည် ဆောက်ပေးရမည်။
- (၇) လယ်ကွင်းများတောင်ယာများ၊ ကျေးရွာများကို မလွဲမရှောင်သာဘဲ ကားလမ်းဖောက်လုပ် ရပါ က ဒေသခံများနှင့်အဆင်ပြေအောင် စီစဉ်ဆောင်ရွက်ပေးရမည်။
- (၈) နှစ်ကုန်ပြီးသစ်အားလုံး ထွက်ပြီးနောက်တွင် လမ်းပိတ်သိမ်းခြင်းလုပ်ငန်းများအား ဆောင်ရွက်ပေးရမည်။
- (၉) ဌာနမှ သတ်မှတ်ထားပြီး သစ်လုံးရေအနည်းဆုံး(၅၀)လုံးစုပုံထားသော တိုင်းဆိပ်နေရာ များကို လမ်းဖောက်လုပ်ငန်းဆောင်ရွက်ရမည်။သစ်တိုက်နိုင်သည့် အနေအထားအထိ လမ်းများကို ဖောက်လုပ်ပေးရန် တာဝန်ရှိပါသည်။
- (၁၀) သစ်တိုက်နေဆဲ ပျက်စီးသွားသော တံတားနှင့်လမ်းများကို ပြန်လည်ပြင်ဆင်ပေးရန် တာဝန်ရှိပါသည်။

အထက်ဖော်ပြပါ အချက်များကို ဖတ်ရှု၍ သေချာရှင်းလင်းစွာ သဘောပေါက်နားလည်ပြီး၊ လိုက်နာဆောင်ရွက်မည်ဟု တစ်ဖက်ဖော်ပြပါ သက်သေလူကြီးများရှေ့တွင် လက်မှတ်ရေးထိုးကြ ပါသည်။

မြန်မာ့သစ်လုပ်ငန်း၊ သစ်ထုတ်ရေးဌာန

-----ဒေသ

နှင့်

ဦး----- (လုပ်ငန်းရှင်) တို့မှ ချုပ်ဆိုသည့် ကားတိုက်လုပ်ငန်းစာချုပ်

စာချုပ်အမှတ်- /AE / 2017-2018 \

ရက်စွဲ။ ၂၀၁၇ ခုနှစ်၊ -----လ-----ရက်

ဤစာချုပ်ကို-----ခုနှစ်၊-----လ၊ -----ရက်နေ့တွင် မြန်မာ့သစ်လုပ်ငန်း၊ သစ်ထုတ်ရေးဌာန ကိုယ်စား-----သစ်ထုတ်ရေးဒေသ၊ လက်ထောက်အထွေထွေမန်နေဂျာ/ မန်နေဂျာ ဦး-----၊ အမျိုးသားမှတ်ပုံတင်အမှတ် ----- (နောင်တွင် "ဌာန" ဟု ဖော်ပြခေါ်ဆိုရမည်ဖြစ်ပြီး၊ ယင်းစကားရပ်တွင် ၎င်း၏ ဆက်ခံသူများနှင့် ဥပဒေအရ လွှဲအပ်ခံရသူများပါဝင်သည်ဟု မှတ်ယူရမည်) က တစ်ဖက်

နှင့်

ဦး-----၊ အငှားကားတိုက်လုပ်ငန်းရှင်၊ အမျိုးသားမှတ်ပုံတင်အမှတ်----- (နောင်တွင် "ကန်ထရိုက်တာ" ဟု ခေါ်ဆိုရမည်ဖြစ်ပြီး၊ ယင်းစကားရပ်တွင် ၎င်း၏ တရားဝင်ကိုယ်စားလှယ်များ၊ ဆက်ခံသူများနှင့် ဥပဒေအရလွှဲအပ်ခံရသူများ ပါဝင်သည်ဟု မှတ်ယူရမည်) က အခြားတစ်ဖက်တို့သည် အောက်အပိုဒ်(က)ပါ အငှားကားတိုက်လုပ်ငန်းကို အပိုဒ်(ခ) ပါ ကန်ထရိုက်တာမှ ဆောင်ရွက်ပေးရန် တာဝန်များအတိုင်း လိုက်နာဆောင်ရွက်ရန် သဘောတူညီ၍ ဤစာချုပ်ကို ချုပ်ဆိုပါသည်။

(က) ကားတိုက်ခြင်းလုပ်ငန်း

အောက်ဖော်ပြပါ ဒေသမှ သစ်များကို သတ်မှတ်ကာလအတွင်း ဌာနမှ ညွှန်ကြားချက်အတိုင်း ကားတိုက်ပြီးစီးအောင် ဆောင်ရွက်ရန် "ကန်ထရိုက်တာ" မှ သဘောတူပြီး၊ "ဌာန" မှ လုပ်ငန်းအပ်နှံရန် သဘောတူကြပါသည်-

- (၁) သစ်ထုတ်ရေးဒေသ -
- (၂) ကားတိုက်ပေးရမည့် နယ်/သစ်ကွက် -
- (၃) ရောက်ရှိရမည့် သစ်ဆိပ် -
- (၄) ကားတိုက်ရန် သစ်မျိုး -
- (၅) ဆောင်ရွက်ရန် လုပ်ငန်းကာလ -

(ခ) "ကန်ထရိုက်တာ"မှ ဆောင်ရွက်ရန်တာဝန်များ

(၁) ကန်ထရိုက်တာသည်-

(ကက) မည်သည့်အကြောင်းကြောင်းနှင့်မျှ သစ်ကွက်များတွင် ကားတိုက်ရမည့် သစ်များ မကျန်စေရပါ။

(ခခ) သစ်များမကျန်စေရန် မိမိသစ်တိုက်ထားသော သစ်တန်း၊ မိမိငှားရမ်းထားသော သစ်တိုက်ကားအရေအတွက်၊ ဝေးကွာသော သစ်တိုက်ခရီးမိုင်တို့ကို Safely Factor ထည့်သွင်းတွက်ချက်၍ လိုအပ်ပါက သစ်တိုက်ကား အင်အားထပ်မံထည့်သွင်း ဆောင်ရွက်ရမည်။

(ကဂ) သစ်များကျန်ရှိပါက ကန်ထရိုက်တာ၏ တာဝန်ဖြစ်သည်။

(၂) သစ်ထုတ်ရေးဒေသတာဝန်ခံမှ ခွင့်ပြုချက်ရရှိလျှင် ရရှိချင်း သစ်တိုက်လုပ်ငန်း စတင်ဝင်ရောက်ဆောင်ရွက်ရမည်။

(၃) သစ်ထုတ်ရေးဒေသတာဝန်ခံမှ သတ်မှတ်သည့် အနည်းဆုံးထား၍ အသုံးပြုရမည့် သစ်တိုက်ကားအင်အားထက် မလျော့နည်းစေဘဲ သတ်မှတ်ကာလအတွင်း ထည့်သွင်းဆောင်ရွက်ရမည်။

(၄) ကားတိုက်ရန်စာချုပ်ထားသည့် သစ်လုံးများအားလုံးကို လုံးဝ(လုံးဝ)မကျန်စေဘဲ ဤစာချုပ်သက်တမ်းမကုန်ဆုံးမီ သစ်ထုတ်ရေးဒေသတာဝန်ခံမှ သတ်မှတ်ပေးသည့် သစ်အပ်ဆိပ်အရောက် ကားတိုက်ပေးအပ်ရမည်။ လုံးဝမကျန်စေရပါ။ အကယ်၍ ကျန်ရှိခဲ့လျှင် အဆိုပါသစ်များကို မည်သည့်အကြောင်းနှင့်မျှ ဆုံးရှုံးမှုမဖြစ်ရအောင် တာဝန်ယူထိန်းသိမ်းပေးရမည်။ ဆုံးရှုံးမှုဖြစ်လျှင် ဌာနမှ သတ်မှတ်သည့် ဆုံးရှုံးမှု တန်ဖိုးအတိုင်း ပေးလျော်ရမည်။

(၅) ထုတ်ပေးရမည့်သစ်အားလုံးကို (သစ်ဆိပ်) သို့ အပ်နံ့ပေးခြင်းမပြုရသေးမီကာလ အတွင်း မီးလောင်ခြင်း၊ ခိုးယူခံရခြင်း၊ ရေမျောခြင်း၊ ဆွေးမြေ့ခြင်း၊ အခြား အကြောင်းများကြောင့် ဆုံးရှုံးပျက်စီးခြင်း မရှိစေရေးအတွက် တာဝန်ယူထိန်းသိမ်း ဆောင်ရွက်ရမည်။

(၆) ကားတိုက်ခကို ပြည်နယ်/တိုင်း ဒုတိယအထွေထွေမန်နေဂျာမှ စိစစ်တင်ပြချက် အပေါ် မြန်မာ့သစ်လုပ်ငန်း၊ သစ်ထုတ်ရေးဌာန၊ စီမံခန့်ခွဲရေးအဖွဲ့၏ ဆုံးဖြတ်ချက် နှုန်းအတိုင်း သတ်မှတ်ပေးချေခြင်းကို လက်ခံသဘောတူရမည်။

- (၇) ကန်ထရိုက်တာသည် ဤစာချုပ်အရ ဆောင်ရွက်ရန်ရှိသောအလုပ်ကို အချိန်ပြည့် ကိုယ်တိုင်ကြီးကြပ်ဆောင်ရွက်ရမည်။ (သို့မဟုတ်) ဤကိစ္စအတွက် သစ်ထုတ်ရေး ဒေသတာဝန်ခံက သဘောတူသူတစ်ယောက်ကို မိမိကိုယ်စား ခန့်ထားနိုင်သည်။ ဤသို့ ကိုယ်စားခန့်ထားခြင်းဖြင့် ဤစာချုပ်အရ "ကန်ထရိုက်တာ"သည် မိမိက "ဌာန"အပေါ်တွင်ရှိသောတာဝန်ကို လျော့ပါးထိခိုက်ခြင်း မရှိစေရပါ။
- (၈) "ကန်ထရိုက်တာ"သည် မိမိ၏ကိုယ်စားလှယ်များ၊ အလုပ်သမားများ၏ ဆောင်ရွက်မှုများကို တာဝန်ယူရမည်။ ပစ္စည်းများ ပျက်စီးခြင်း၊ မိမိ၏လုပ်ငန်းဆောင်ရွက်မှုကြောင့် အလုပ်သမားများ၊ လူများ၊ တိရစ္ဆာန်များ ထိခိုက်ဒဏ်ရာရခြင်း၊ သေဆုံးခြင်း၊ လမ်းတံတားပျက်ခြင်း စသည်များအတွက် ကန်ထရိုက်တာ၌ တာဝန်ရှိရမည်။
- (၉) သက်ဆိုင်ရာ သစ်ထုတ်ရေးနယ်တာဝန်ခံ၊ ဒေသတာဝန်ခံနှင့် ပြည်နယ်/တိုင်းတာဝန်ခံတို့၏ ကြီးကြပ်ညွှန်ကြားမှုများအတိုင်း လိုက်နာဆောင်ရွက်ရမည်။
- (၁၀) ဒေသအာဏာပိုင်အဖွဲ့အစည်းများ၊ သစ်တောဦးစီးဌာနနှင့် "ဌာန"ဝန်ထမ်းများမှ စစ်ဆေးမှုများကို ခံယူရမည်။
- (၁၁) မိမိသစ်တိုက်သည့်ဧရိယာအတွင်း တရားမဝင်သစ်ခိုးထုတ်မှုများ မရှိစေရေးအတွက် ပူးပေါင်းကာကွယ်ခြင်း၊ သက်ဆိုင်ရာသို့ အမြန်ဆုံး သတင်းပေးပို့ခြင်း ဆောင်ရွက်ရမည်။ မိမိကိုယ်တိုင် ပါဝင်ပတ်သက်မှု လုံးဝမရှိစေရပါ။
- (၁၂) ဥပဒေ၊ စည်းကမ်းနှင့် လုပ်ထုံးလုပ်နည်း ဖောက်ဖျက်ကျူးလွန်မှုများနှင့် ဤစာချုပ်ပါ တာဝန်ပျက်ကွက်မှုများအတွက် ဌာနမှ သတ်မှတ်သည့်ပြစ်ဒဏ်ကို လိုက်နာရန် သဘောတူရမည်။
- (၁၃) သစ်တိုက်လုပ်ငန်းဆောင်ရွက်ရာတွင် ဌာနပိုင် ကျွန်း/သစ်မာ သစ်လုံးများမှအပ အခြားမည်သည့်တရားမဝင် သစ်တောထွက်ပစ္စည်းများကို လုံးဝ(လုံးဝ) တင်ဆောင်ခြင်းမပြုရ။
- (၁၄) သစ်တိုက်လုပ်ငန်းဆောင်ရွက်မည့် သစ်တိုက်ယာဉ်အားလုံးသည် ကုန်းလမ်းပို့ဆောင်ရေးညွှန်ကြားမှုဦးစီးဌာနတွင် တရားဝင်မှတ်ပုံတင်ထားရှိပြီး သက်တမ်းတိုးဆောင်ရွက်ထားရှိသော ယာဉ်များဖြစ်ရမည့်အပြင် ယာဉ်မောင်းများသည်လည်း သတ်မှတ်ယာဉ်မောင်းလိုင်စင် ရှိရမည်။
- (၁၅) သစ်တိုက်လုပ်ငန်းဆောင်ရွက်မည့် သစ်တိုက်ယာဉ်အားလုံးတွင် မြန်မာ့သစ်လုပ်ငန်းနှင့် သစ်တောဦးစီးဌာနမှ ပူးပေါင်းထုတ်ပေးထားသော တောဝင်ခွင့်ကဒ်များ ပါရှိမှသာ တောဝင်၍ သစ်တိုက်လုပ်ငန်းဆောင်ရွက်ခွင့်ရှိသည်။

- (၁၆) သစ်တိုက်လုပ်ငန်းဆောင်ရွက်ရန် ချုပ်ဆိုထားသော ဒေသ/နယ်၏ လုပ်ငန်းဆောင်ရွက်နေစဉ်ကာလအတွင်း အခြားဒေသ/နယ်သို့ ပြောင်းရွှေ့၍ လုပ်ငန်းဆောင်ရွက်ခြင်းမပြုလုပ်ရ။
- (၁၇) ဤလုပ်ငန်းစာချုပ်သည် -----ခုနှစ်၊ ဇွန်လ(၁)ရက်နေ့မှ -----ခုနှစ်၊ မေလ(၃၁)ရက်နေ့အထိ သစ်ထုတ်ရာသီ (၁)နှစ် အတွက်သာဖြစ်သည်။
အထက်ဖော်ပြပါ အချက်များကိုဖတ်ရှု၍ သေချာရှင်းလင်းစွာ သဘောပေါက်နားလည်ပြီး လိုက်နာဆောင်ရွက်မည်ဟု တစ်ဖက်ဖော်ပြပါ သက်သေလူကြီးများရှေ့တွင် လက်မှတ်ရေးထိုးကြပါသည်။

Annex 10: SEE's Profit and Loss Statement¹

Calculation Procedures	
1	Proceeds of sales of goods or of services
2	Production Cost or Cost of Services
3	Gross Profit (+) or Loss (-) (1-2)
4	Administrative Expenditure
5	Sales and Distribution Expenditure
6	Invention and Research Expenditure
7	Export Expenditure
8	Commercial Tax
9	Total Expense (4+5+6+7+8)
10	Profit or Loss {3-9}
11	Other Income
12	Financial Cost and Write off
13	Net Profit (+) / Loss (-) {10+(11-12)}
14	Income Tax {13x25%}
15	State Contribution {13x20%}
16	Total Revenue (1+11)
17	Total Expenditure (2+9+12)
Operating Ratio (Excluding Interest) (17/16)%	

¹ Source: MTE.

Annex 11: MTE's Financial Statements

Income Statement

FY	MMK billion				USD million				
	14/15	15/16	16/17	17/18	14/15	15/16	16/17	17/18	
Export Sales	263.26	298.31	161.09	19.18	264.52	243.81	127.79	14.15	
Local Sales (in USD)	-	-	66.27	160.06	-	-	52.57	118.05	
Local Sales	106.80	127.47	124.43	113.79	107.31	104.18	98.70	83.93	
Nawali Cutting Charges	1.90	3.58	3.00	1.77	1.90	2.93	2.38	1.30	
Total income	371.96	429.36	354.79	294.80	373.73	350.91	281.45	217.43	
Less: Cost of Good Sold	136.78	118.06	114.71	73.95	137.43	96.49	90.99	54.55	
Gross Profit	235.18	311.30	240.09	220.85	236.30	254.42	190.46	162.89	
(-)									
Marketing & Distribution Expenses	2.38	2.59	3.10	2.99	2.39	2.12	2.46	2.20	
Share Of MTE O/H	3.34	6.06	2.19	2.16	3.35	4.95	1.74	1.59	
General Administrative Expenses	8.17	7.03	8.14	12.11	8.21	5.75	6.46	8.93	
Operating Profit	221.30	295.62	226.66	203.59	222.35	241.60	179.80	150.16	
(+)									
Other Income	23.21	35.49	9.82	2.95	23.32	29.01	7.79	2.18	
Other Income (Grant)	-	-	0.22	0.34	-	-	0.18	0.25	
Recoveries of Logs, Timber & Others	0.05	0.23	-	0.02	0.05	0.19	-	0.01	
Service Charges For Local Sale	0.46	0.01	0.07	0.53	0.46	0.01	0.05	0.39	
ECBT Income	-	-	-	0.02	-	-	-	0.01	
(-)									
Other Expenses	0.02	0.03	0.03	0.06	0.02	0.03	0.02	0.05	
Losses of Logs, Timber & Others	-	-	-	-	-	-	-	-	
Interest Expenses	0.04	0.03	0.01	-	0.05	0.02	-	-	
Elephant Expenses (Grant)	-	-	0.06	0.06	-	-	0.05	0.05	
Pension and Gratuity	8.69	13.77	14.41	15.19	8.73	11.26	11.43	11.20	
Forest Plantation Expenses	-	-	-	0.41	-	-	-	0.30	
ECBT Expenses	-	-	-	0.10	-	-	-	0.08	
Profit Before Tax	a	236.26	317.52	222.26	191.62	237.38	259.50	176.32	141.33
Commercial Tax	b	73.73	87.31	18.16	13.67	74.08	71.36	14.41	10.09
Specific Goods Tax	c	-	-	59.39	12.83	-	-	47.12	9.47
Income Tax	d	40.63	57.55	36.18	41.28	40.82	47.03	28.70	30.44
Profit After Tax		121.89	172.65	108.53	123.83	122.47	141.10	86.09	91.33
State Contribution	e	32.51	46.04	28.94	33.02	32.66	37.63	22.96	24.36
Net Profit		89.39	126.61	79.59	90.81	89.81	103.48	63.14	66.98
Income tax rate	$d/(a-b-c)$	25%	25%	25%	25%	25%	25%	25%	25%
State contribution	$e/(a-b-c)$	20%	20%	20%	20%	20%	20%	20%	20%

Source: MTE

Balance sheet

Assets

FY	MMK million		USD million	
	2016/17	2017/18	2016/17	2017/18
ASSETS				
NON - CURRENT ASSETS				
PROPERTY & EQUIPMENT (NET OF ACCUMULATED DEPRECIATION)				
Land and Log Pond	45.16	36.74	0.04	0.03
Office and Residential Building	17,908.83	19,018.01	14.21	14.03
Construction Equipment	-	-	-	-
Road Construction Equipment	8.57	8.67	0.01	0.01
Logging Equipment	50.90	63.50	0.04	0.05
Hauling Trucks	5.01	8.30	-	0.01
Motor Launches and Boats	7.59	11.56	0.01	0.01
Saw Mill Machineries & Equipment	457.13	505.96	0.36	0.37
Furniture Machineries & Equipment	3.17	4.43	-	-
Motor Vehicles	298.79	394.85	0.24	0.29
Workshop Equipment	27.43	34.44	0.02	0.03
Sawshop Equipment	7.50	8.72	0.01	0.01
Marketing Equipment	13.30	14.25	0.01	0.01
Veneer Machineries & Equipment	611.17	668.52	0.48	0.49
Plywood Machineries & Equipment	4.38	5.22	-	-
Miscellaneous Tools & Equipment	-	-	-	-
Drykiln Plant & Equipment	136.64	148.45	0.11	0.11
Timber& Squares Preparation Plant	0.74	1.36	-	-
Log Gantry & Rail Siding	0.34	0.42	-	-
Steaming Vats	-	-	-	-
Boiler Plant	239.23	257.28	0.19	0.19
Saw Doctor Plant & Equipment	0.10	0.14	-	-
Block Board Plant	-	-	-	-
Office Equipment	356.97	254.64	0.28	0.19
Furniture & Fitting	22.40	23.71	0.02	0.02
Forest Road (Access)	10.18	52.34	0.01	0.04
Road and Fences	512.64	420.03	0.41	0.31
Grant	330.23	-	0.26	-
Sawmill Road	23.25	24.91	0.02	0.02
Sundry Assets	1.22	1.22	-	-
Empty Drum	8.44	9.87	0.01	0.01
River Shore Retaining	-	-	-	-
People's Square	0.49	53.86	-	0.04
People's Work (Bokepyin)	53.37	-	0.04	-
Construction in Progress	7.80	7.80	0.01	0.01
Construction in Progress (Civil Work)	0.06	0.06	-	-
Construction in Progress (Agency Building)	0.02	0.02	-	-
WORKING ANIMALS (Net of Accumulated Mortality Reserves)	-	-	-	-
Elephant	24,658.18	24,222.29	19.56	17.87
Buffaloes, Hores & Donkeys	0.01	0.01	-	-
Accu:Mortality Reserve Elephant	-17,726.13	-17,290.13	-14.06	-12.75
TOTAL PROPERTY & EQUIPMENT	28,085.06	28,971.41	22.28	21.37

FY	MMK million		USD million	
	2016/17	2017/18	2016/17	2017/18
OTHER ASSETS				
Union Consolidated Fund	61.65	61.65	0.05	0.05
Misappropriation - Cash	0.04	0.04	-	-
Transfer and Adjustment	6,428.40	6,554.23	5.10	4.83
Range Transfer	137.65	-55.03	0.11	-0.04
Suspense A/C	5.22	5.22	-	-
Other Debit Balances	160.49	160.19	0.13	0.12
Agency Debit Balances	470.03	-	0.37	-
Deferred Expenses Land Use Premium	197.08	218.20	0.16	0.16
Accu:Dep; Land Used	-	-13.84	-	-0.01
TOTAL OTHER ASSETS	7,460.57	6,930.66	5.92	5.11
INVESTMENT ACCOUNT				
Forestry Project I (I.D.A) Investment	52.69	52.69	0.04	0.04
Forestry Project I (A.D.B) Investment	77.75	77.75	0.06	0.06
Forestry Project II (I.D.A) Investment	129.02	129.02	0.10	0.10
Wood Industries I (I.D.A) Investment	416.36	416.36	0.33	0.31
Forestry Project II (A.D.B) Investment	12.65	12.65	0.01	0.01
Wood Industries II (I.D.A) Investment	8.19	8.19	0.01	0.01
Plywood Factory IV Investment	71.84	71.84	0.06	0.05
Timber Distribution Project Investment	0.90	0.90	-	-
Furniture Factory IV (Lamparquet) Investment	0.53	0.53	-	-
Furniture Factory V (Fingerjoint) Investment	0.54	0.54	-	-
Furniture Factory VI (Pleasure Boat) Investment	0.96	0.96	-	-
Joint Venture Investment	553.53	553.53	0.44	0.41
TOTAL INVESTMENT	1,324.94	1,324.94	1.05	0.98
CURRENT ACCOUNT				
Kachin State Current A/C	-	-	-	-
Kayah State Current A/C	-	-	-	-
Kayin State Current A/C	-0.03	-0.03	-	-
Chin State Current A/C	-55.83	-55.83	-0.04	-0.04
Mon State Current A/C	-	-	-	-
Rakhine State Current A/C	-120.83	-120.83	-0.10	-0.09
Shan State (North) Current A/C	369.72	369.72	0.29	0.27
Shan State (South) Current A/C	-	-	-	-
Sagaing Division Current Account	-8,645.73	-8,645.73	-6.86	-6.38
Bago Division (West) Current Account	46.40	46.40	0.04	0.03
Bago Division (East) Current Account	-8,418.52	-8,418.52	-6.68	-6.21
Mandalay Division Current Account	-13,209.44	-13,227.44	-10.48	-9.76
Magwe Division Current A/C	1,264.26	1,264.26	1.00	0.93
Tannitharyi Division Current A/C	-0.40	-0.40	-	-
Yangon Division Current A/c	-169.21	-169.21	-0.13	-0.12
Ayeyarwaddy Division Current A/C	0.12	0.12	-	-
Naypyitaw Council Current Account	10,950.83	16,060.32	8.69	11.85
Wood Industry Project (1) Current A/C	376.92	376.92	0.30	0.28
Wood Industry Project (2) Current A/C	1,016.56	1,016.56	0.81	0.75

FY	MMK million		USD million	
	2016/17	2017/18	2016/17	2017/18
No (1) Sawmill Current A/C	63.84	63.84	0.05	0.05
No (2) Sawmill Current A/C	-48.66	-48.66	-0.04	-0.04
No (3) Sawmill Current A/C	-	-	-	-
No (4) Sawmill Current A/C	326.24	326.24	0.26	0.24
No (4-B) Sawmill Current A/C	-11.26	-11.26	-0.01	-0.01
No (6) Sawmill Current A/C	4.69	4.69	-	-
No (6-B) Saw Mill Current A/C	-0.32	-0.32	-	-
No (8) Saw Mill Current A/C	-0.08	-0.08	-	-
No (9) Saw Mill Current A/C	116.83	116.83	0.09	0.09
No (10) Sawmill Current A/C	-99.69	-99.69	-0.08	-0.07
No (14) Saw Mill Current A/C	0.32	0.32	-	-
No (103) Sawmill Current A/C	338.51	338.51	0.27	0.25
No (104) Sawmill Current A/C	-967.72	-967.72	-0.77	-0.71
Veneer Factory - Monywa Current A/C	38.24	38.24	0.03	0.03
Veneer Factory (2) Taungote Current A/C	-34.91	-34.91	-0.03	-0.03
Veneer Factory - 2 (Wataya) Current Account	-	-	-	-
Veneer Factory (3) Current A/C	-	-	-	-
No(1)Plywood Factory Current A/C	14.99	2.34	0.01	-
No(2)Plywood Factory Current A/C	-38.14	-38.14	-0.03	-0.03
No(3)Plywood Factory Current A/C	-10.24	-10.24	-0.01	-0.01
No(4)Plywood Factory Current A/C	1.15	1.15	-	-
No(5)Plywood Factory Current A/C	-409.92	-409.92	-0.33	-0.30
No(1) Furniture Factory Current A/C	-3.19	-3.19	-	-
No(2) Furniture Factory Current A/C	-5.16	-5.16	-	-
No(3) Furniture Factory Current A/C	-15.92	-15.92	-0.01	-0.01
No(4) Furniture Factory Current A/C	273.82	273.82	0.22	0.20
No(4) Furniture Factory (Garden)Current A/C	-271.04	-271.04	-0.22	-0.20
No(5) Furniture Factory Current A/C	-2.02	-2.02	-	-
No(6) Furniture Factory Current A/C	-1.36	-1.36	-	-
No(7) Furniture Factory Current A/C	-	-	-	-
No(8) Furniture Factory Current A/C	73.00	73.00	0.06	0.05
No(8) Furniture Factory (MDY) Current A/C	-	-	-	-
No(9) Furniture Factory Current A/C	26.42	26.42	0.02	0.02
Furniture Factory (10) Current Account	-	-	-	-
Moulding Factory (1) Current Account	1.31	1.31	-	-
Moulding Factory (2-A) Current A/C	5.33	5.33	-	-
Moulding Factory (2-B) Current A/C	-1,844.84	-1,844.84	-1.46	-1.36
Static Workshop (Oakkyin) Current A/C	-	-	-	-
Swa Workshop Current Account	1,398.02	1,398.02	1.11	1.03
Static Workshop (Pyay) Current Account	-	-	-	-
Static Workshop (MDY) Current Account	-	-	-	-
Base Workshop (NPT) Current Account	5,109.49	-	4.05	-
Upper Myanmar Dockyard Current Account	-	-	-	-
Central Workshop KMD Current A/C	-16.67	-214.80	-0.01	-0.16
Marine & Transport Current A/C	1.34	1.34	-	-
Base Workshop - Pyinmana Current A/C	33.57	33.57	0.03	0.02
Round Log Depot Current A/c	-	0.43	-	-
Round Log Sale (1) Current A/c	-	65.52	-	0.05

FY	MMK million		USD million	
	2016/17	2017/18	2016/17	2017/18
Round Log Sale (2) Current A/c	-	2.68	-	-
Round Log Sale (3) Current A/c	-	-42.06	-	-0.03
Round Log Sale (Teak) Current Account	68.62	-	0.05	-
Round Log Sale (HW) Current Account	-42.06	-	-0.03	-
T D P Current A/C	-112.92	-112.92	-0.09	-0.08
Glue Plant Current Account	-19.43	-19.43	-0.02	-0.01
Glue Factory (Wartayar) Current A/C	-17.26	-17.26	-0.01	-0.01
Plastic Bag Factory Current A/c	1.38	1.38	-	-
MTE Main Current A/C	-575.44	-562.78	-0.46	-0.42
HQ Branch Current A/C	41.92	263.38	0.03	0.19
Training School No (4) Current Account	1.29	1.29	-	-
Old Current A/C	-1.31	0.23	-	-
TOTAL CURRENT ACCOUNT	-13,204.43	-13,197.57	-10.47	-9.73
TOTAL NON -CURRENT ASSETS	23,666.13	24,029.44	18.77	17.72
CURRENT ASSETS				
Cash in Hand	0.80	0.80	-	-
Cash in Bank	9.42	-4,714.32	0.01	-3.48
Cash in Bank (Operating Account)	1,712,779.41	1,576,643.04	1,358.70	1,162.87
Demonetized Currency Note	2.05	2.05	-	-
Government A/C (1) Initial Investment	-9,986.70	4,939.51	-7.92	3.64
Government A/C (1) Initial Investment (Zero Setting)	-	-1,198.98	-	-0.88
Government A/C (2) Operating Investment	-578,266.40	-573,545.00	-458.72	-423.02
Union Fund Account	-873,909.39	-880,217.87	-693.25	-649.21
Union Fund Account (Old)	-59,003.29	-52,094.99	-46.81	-38.42
Union Fund Account (Capital)	1,581.01	-4,788.04	1.25	-3.53
Cash in Bank (Operating Account)(Bank Adjustment)	158.71	970.84	0.13	0.72
Joint Venture Cash [Foreign Exchange] In Bank	0.14	0.14	-	-
Accounts Receivable	3,883.87	3,809.89	3.08	2.81
Other Receivable	19.48	19.48	0.02	0.01
State Contribution Receivable (31.3.89)	217.12	217.12	0.17	0.16
Commodity & Services Tax Receivable (31.3.89)	281.96	281.96	0.22	0.21
Inventory of Logs, Timber & Other Products	79,208.77	114,309.77	62.83	84.31
Work in Progress - Product Inventory	-	474.27	-	0.35
Foreign Store Procurement	36.43	36.43	0.03	0.03
Plywood Inventory	85.10	1,610.48	0.07	1.19
Stores Inventory	12,319.27	22,652.11	9.77	16.71
Veneer Inventory	8.72	523.80	0.01	0.39
Advances	2,786.33	2,767.60	2.21	2.04
Deposit	-926.92	-751.37	-0.74	-0.55
Prepaid Expenses	32.84	1,288.29	0.03	0.95
Dagon Myothit Land Reclamation	-	-	-	-
Privatization Committee A/C	2.07	2.07	-	-
TOTAL CURRENT ASSETS	291,320.81	213,239.10	231.10	157.28
TOTAL ASSETS	314,986.94	237,268.55	249.87	175.00

Equity & Liabilities

FY	MMK million		USD million	
	2016-2017	2015-2016	2016-2017	2015-2016
EQUITY & LIABILITIES				
CAPITAL & RESERVE				
Government of Myanmar Capital	160.86	184.65	0.13	0.14
MTE Capital	532.51	529.02	0.42	0.39
Capital(Fixed Assets Disposal-MEC)	-26.81	-66.80	-0.02	-0.05
Capital Reserve	1,954.32	1,741.76	1.55	1.28
Capital Contribution	-38.57	18,674.39	-0.03	13.77
MOECAAF Welfare Contribution	-	356.00	-	0.26
Capital (ECC)	-	-	-	-
Columbo Plan Capital (Pinyinana B.W.S)	2.43	2.43	-	-
B.E.D.C / B.T.P(No.10 Sawmill)	0.75	0.75	-	-
B.E.D.C / G.T.C (Firewood)	3.27	3.27	-	-
B.E.D.C / A.R.D.C(Orchid)	0.02	0.02	-	-
A.R.D.C / Turpentine Distillery Plant	0.08	0.08	-	-
Nationalized Sawmill Capital	1.30	1.30	-	-
Hardwood Sawmill Capital	10.60	-	0.01	-
J.I.C.A Grant	-	33.68	-	0.02
FINIDA Grant	-	38.77	-	0.03
Trade Council Granted Log Contribution	-	19,667.89	-	14.51
FPJVC Contribution	-	1,034.09	-	0.76
Dam Clearing Contribution	-	91.32	-	0.07
Company Contribution - Asia World	-	824.51	-	0.61
Company Contribution - CIFG	-	242.30	-	0.18
Joint Venture Capitalization	62.77	62.77	0.05	0.05
Union Consolidated Fund	106.97	107.69	0.08	0.08
Retained Earning [Old]	-0.60	188.17	-	0.14
Retained Earning [Surplus/ Deficit]	190,027.57	79,776.40	150.74	58.84
TOTAL CAPITAL & RESERVE	192,797.47	123,494.47	152.94	91.08
NON -CURRENT LIABILITIES	-	-	-	-
LONG TERM LIABILITIES	-	-	-	-
Thai Loan	-	217.18	-	0.16
A.I.D Loan (Oakkyin Saw Mill)	1.63	1.63	-	-
M.E.B (I.F.D) Loan	219.51	219.51	0.17	0.16
U C F Loan	7.24	6.52	0.01	-
Subsidiary Loan	8.29	8.29	0.01	0.01
TOTAL LONG TERM LIABILITIES	236.67	453.12	0.19	0.33
TOTAL NON-CURRENT LIABILITIES	193,034.14	123,947.59	153.13	91.42
CURRENT LIABILITIES				
Accounts Payable	1,092.87	1,372.59	0.87	1.01
Ded: Withheld From Officers & Staff	3.28	3.53	-	-
Accrued Expenses	4,115.68	20,111.86	3.26	14.83
Royalty Payable	21.06	3,053.72	0.02	2.25

FY	MMK million		USD million	
	2016-2017	2015-2016	2016-2017	2015-2016
Freight Payable	180.34	269.19	0.14	0.20
Customer Deposit	424.27	1,014.90	0.34	0.75
Timber Sales Deposit	1,028.27	4,202.52	0.82	3.10
Other Deposit	428.71	457.54	0.34	0.34
Commodity & Service Tax Payable	1.50	1.50	-	-
State Contribution Payable (old)	251.40	251.40	0.20	0.19
State Contribution Payable (2014-2015)	-	4.16	-	-
State Contribution Payable (2015-2016)	30,490.25	30,463.64	24.19	22.47
State Contribution Payable (2016-2017)	13,135.75	-	10.42	-
Sales Tax Payable	366.63	366.63	0.29	0.27
Income Tax Payable (Old)	139.40	139.40	0.11	0.10
Income Tax Payable (2014-2015)	-	5.20	-	-
Income Tax Payable (2015-2016)	38,112.06	38,078.84	30.23	28.09
Income Tax Payable (2016-2017)	16,419.71	-	13.03	-
Commercial Tax Payable	6,945.55	6,011.61	5.51	4.43
Transfer & Adjustment	4,809.20	7,158.19	3.82	5.28
Stores Valuation	341.57	316.79	0.27	0.23
Other Liabilities	23.29	35.48	0.02	0.03
Land Used Premium	171.65	-	0.14	-
Deferred Income(Grant)	3,414.72	-	2.71	-
Other Credit Balance	35.64	-	0.03	-
Other Current (Old)	-	1.54	-	-
Nationalized Teak & Hardwood Log Suspenses	-	0.72	-	-
TOTAL CURRENT LIABILITIES	121,952.80	113,320.95	96.74	83.58
TOTAL EQUITY & LIABILITIES	314,986.94	237,268.55	249.87	175.00

General Administrative Expenses (2017/18)

No	State and Region	MMK	USD	%
1	Headquarters	3,948,565,677	2,912,308	32.60%
2	Bago Region (East)	2,512,284,220	1,852,963	20.74%
3	Round Log (Hardwood) Unit	672,994,911	496,375	5.56%
4	Union Area Naypyitaw	601,668,846	443,767	4.97%
5	Sagaing Region	504,615,943	372,185	4.17%
6	Mandalay Region	431,465,930	318,232	3.56%
7	Ayeyarwaddy Region	370,462,813	273,239	3.06%
8	Magway Region	277,776,971	204,877	2.29%
9	No(8) Sawmill	246,435,343	181,761	2.03%
10	Shan State (North)	192,737,387	142,156	1.59%
11	Yangon Region	181,100,261	133,572	1.50%
12	No(10) Sawmill	155,136,784	114,423	1.28%
13	Shan State (South)	150,614,482	111,087	1.24%
14	No(2) Plywood	148,178,633	109,291	1.22%
15	No(1) Sawmill	140,144,523	103,365	1.16%
16	No(4) Sawmill	121,791,232	89,828	1.01%
17	Kachin State	103,524,735	76,356	0.85%
18	No (6-B) Sawmill	102,140,077	75,335	0.84%
19	Kayin	98,330,470	72,525	0.81%
20	No(3) Sawmill	91,452,005	67,451	0.76%
21	Round Log (Teak)Unit	87,250,730	64,353	0.72%
22	No(4) Furniture factory	74,313,841	54,811	0.61%
23	Rakhine state	68,472,040	50,502	0.57%
24	Mon State	66,525,088	49,066	0.55%
25	No(2) Furniture factory	58,508,847	43,154	0.48%
26	Tanintharyi Region	56,759,610	41,864	0.47%
27	No(1) Plywood	56,164,186	41,425	0.46%
28	No(9) Sawmill	55,762,880	41,129	0.46%
29	No(5) Furniture factory	54,822,743	40,435	0.45%
30	No(1) Veneer	51,421,465	37,926	0.42%
31	No(5) Plywood	48,900,417	36,067	0.40%
32	No(7) Furniture factory	47,998,127	35,402	0.40%
33	No(2) Sawmill	40,767,240	30,068	0.34%
34	No(1) Furniture factory	38,479,602	28,381	0.32%
35	Glue Factory	37,524,614	27,677	0.31%
36	No(3) Veneer	32,079,544	23,661	0.26%
37	No(1) Molding	31,678,877	23,365	0.26%
38	No(3) Furniture factory	31,009,732	22,872	0.26%
39	No(6) Furniture factory	28,465,559	20,995	0.24%
40	No(4) Plywood	28,270,961	20,852	0.23%
41	Kayah State	26,468,978	19,522	0.22%
42	No(9) Furniture factory	16,161,078	11,920	0.13%
43	No(2) Veneer	12,640,877	9,323	0.10%
44	No(2-A) Moulding	6,346,571	4,681	0.05%
45	No(2-B) Moulding	3,699,733	2,729	0.03%
46	No(10) Furniture factory	850,000	627	0.01%
Total		12,112,764,582	8,933,903	100%

Source: MTE.

General Administrative Expenses (2016/17)

No	State and Region	MMK	USD	%
1	Headquarters	3,594,913,490	2,851,752	44.17%
2	Bago Region (East)	512,759,633	406,759	6.30%
3	Mandalay Region	424,022,082	336,366	5.21%
4	Union Area Naypyitaw	338,275,509	268,345	4.16%
5	Ayeyarwaddy Region	331,333,426	262,838	4.07%
6	Sagaing Region	295,213,928	234,186	3.63%
7	Shan State (North)	242,051,458	192,013	2.97%
8	Magway Region	190,669,565	151,253	2.34%
9	Yangon Region	186,254,698	147,751	2.29%
10	No(10) Sawmill	163,838,907	129,969	2.01%
11	Bago Region (West)	154,326,970	122,424	1.90%
12	No(1) Sawmill	148,400,815	117,723	1.82%
13	Shan State (South)	123,740,268	98,160	1.52%
14	No(4) Sawmill	122,924,411	97,513	1.51%
15	No(4) Furniture factory	110,294,800	87,494	1.36%
16	No (6-B) Sawmill	104,535,674	82,925	1.28%
17	No(8) Sawmill	94,010,416	74,576	1.16%
18	Kachin State	89,070,444	70,657	1.09%
19	No(2) Sawmill	86,116,061	68,314	1.06%
20	No(2) Plywood	62,488,463	49,570	0.77%
21	No(2) Furniture factory	62,387,560	49,490	0.77%
22	No(9) Sawmill	55,128,099	43,732	0.68%
23	Rakhine State	54,719,743	43,408	0.67%
24	No(1) Veneer	51,487,681	40,844	0.63%
25	No(5) Furniture factory	49,773,010	39,484	0.61%
26	Tanintharyi Region	45,883,570	36,398	0.56%
27	No(3) Sawmill	44,031,168	34,929	0.54%
28	Glue Factory	43,689,430	34,658	0.54%
29	No(5) Plywood	42,803,013	33,955	0.53%
30	No(1) Plywood	38,324,904	30,402	0.47%
31	No(1) Furniture factory	37,357,894	29,635	0.46%
32	No(1) Moulding	36,399,961	28,875	0.45%
33	Round Log Sale(Hardwood)	36,147,400	28,675	0.44%
34	Kayah State	32,250,892	25,584	0.40%
35	No(7) Furniture factory	27,863,130	22,103	0.34%
36	No(4) Plywood	25,291,970	20,063	0.31%
37	No(6) Furniture factory	22,319,094	17,705	0.27%
38	No(3) Furniture factory	21,245,416	16,853	0.26%
39	Kayin State	16,403,655	13,013	0.20%
40	Mon State	10,019,547	7,948	0.12%
41	No(2-A) Moulding	6,219,118	4,933	0.08%
42	No(10) Furniture factory	1,499,550	1,190	0.02%
43	No(9) Furniture factory	1,456,100	1,155	0.02%
Total		8,137,942,924	6,455,619	100%

Source: MTE.

Annex 12: Payment Flows Description

N°	Payment flows	Definition
1	Capital gains tax	
2	Commercial Tax (CT)	Commercial tax is levied on the gross sales of timber as defined in the Commercial Tax Law (Schedule 5). For imported goods, commercial tax is calculated via the "cost, insurance and freight" (CIF) value of goods. Commercial tax is levied at 5%.
3	Dividends	Dividends received for participation in FPJVC's capital.
4	Entrance fees for Parks, Departmental Instructions	
5	Fees	Sawmill license fees, elephant registration fees and premium fees for land, Departmental Instructions
6	Fines	Fines from forest offences, compensation fees for clearing of trees by development projects, Departmental Instructions
7	Imports Duties	Goods imported in Myanmar are subject to Customs Duties on importation and are required to be declared to the MCD accordingly.
8	Income for selling of seized forest products	
9	Income from selling tender forms	
10	Income from timber sale to the Government Agencies	Income for selling of timber with flow price for governmental organizations, regional development projects (religious purposes and infrastructure). Income from tender sale, standing orders by MONREC
11	Income Tax	An enterprise registered under the Myanmar Companies Act, an entity registered under the Myanmar Foreign Investment Law (MFIL) and a registered Myanmar branch of a foreign entity which enjoys incentives under MFIL are subject to income tax at 25%.
12	Land rental fees	Land rental fees, Departmental Instructions
13	Other accounts	Other accounts: 55% of MTE's profit to be transferred to Budget Department (BD)
14	Revenue for tender sale Firewood Charcoal Bamboo Non-timber forest product	
15	Royalty	It is levied on timber extraction and paid by MTE to the FD.
16	Specific Goods Tax	Specific Goods Tax is levied on uncut log and sawn timber :5% (import and local sales) & 10% (export sales) in accord with the Union Taxation Law 2017.
17	Stamp duties	
18	State Contribution	MTE pay 20% of its profit to MoFP as a state contribution.

Annex 13: Information about other companies¹

Breakdown of payments by companies

Figures in MMK million

No.	Company	Initial figures			Adjustments			Final figures		
		Company	Govt	Difference	Company	Govt	Difference	Company	Govt	Difference
1	FPJVC	1,240.00	1,394.34	-154.34	144.34	-10.00	154.34	1,384.34	1,384.34	
2	Htoo Trading Co., Ltd	49.72	1,403.90	-1,354.18	1,298.91		1,298.91	1,348.63	1,403.90	-55.28
3	Myat Noe Thu Co., Ltd	833.22	728.75	104.47				833.22	728.75	104.47
4	Myanmar Korea Timber International Ltd	583.49	324.20	259.29				583.49	324.20	259.29
5	Myanmar Rice Trading Co., Ltd (MRT)	579.87	579.88	-0.01				579.87	579.88	-0.01
6	Tin Win Tun Production Company Ltd	119.48	206.38	-86.90	86.90		86.90	206.38	206.38	
7	Nature Timber Trading Co., Ltd	176.42	162.00	14.43		14.47	-14.47	176.42	176.47	-0.05
8	Manaw Phyu Company Limited	140.31	135.09	5.23	3.62	4.08	-0.46	143.94	139.17	4.77
9	Northwood Industries Ltd	137.99	137.99					137.99	137.99	
10	San May Trading Co., Ltd	126.33	120.75	5.58		5.60	-5.60	126.33	126.35	-0.02
11	K K N Enterprise Co., LTD	67.43	73.60	-6.17	11.41	5.23	6.17	78.84	78.84	
12	Win Enterprise Ltd	52.94	49.51	3.42	-3.42		-3.42	49.51	49.51	
13	MGP Trading Co., Ltd	44.65	44.65					44.65	44.65	
14	Tin Myint Yee Trading Co., Ltd	44.62	44.62					44.62	44.62	
15	Khaing Su Thu Industrial Co., Ltd	523.78	17.39	506.40	-505.51	0.89	-506.40	18.27	18.27	
16	Tin Win Tun International Trading Company Ltd	6.39	5.67	0.73		0.73	-0.73	6.39	6.39	
17	Global Woodcraft Industries Ltd	3.07	3.07					3.07	3.07	
18	Myanmar SLP Wood Company Ltd	2.70	2.70					2.70	2.70	
19	Concorde Industries Ltd	1.09	2.34	-1.25	1.25		1.25	2.34	2.34	
20	Chin Su Myanmar Co., Ltd	1.80	1.80					1.80	1.80	
21	Myanmar Peltier Bois Company Ltd	1.03	1.03					1.03	1.03	
22	Global Star Company Ltd	0.58	5.03	-4.45		-4.45	4.45	0.58	0.58	
23	Myat Zaw & Young Brother Co., Ltd	0.46		0.46				0.46		0.46
24	Lucre Wood Co., Ltd		18.52	-18.52					18.52	-18.52
25	MAK (Myanmar) Plywood Industries Private Ltd		153.39	-153.39					153.39	-153.39
Total payments		4,737.40	5,863.23	-1,125.84	1,037.49	-230.08	1,267.57	5,774.88	5,633.15	141.73

¹ Source: EITI Data.

Breakdown of payments by tax

Figures in MMK million

N°	Government agency / Payment flow	Initial figures			Adjustments			Final figures		
		Company	Govt	Difference	Company	Govt	Difference	Company	Govt	Difference
	Internal Revenue Department (IRD)	4,714.63	5,810.28	-1,095.65	1,025.63	-224.14	1,249.78	5,740.26	5,586.13	154.13
1	Income tax	2,640.14	2,626.48	13.67	94.84	-125.29	220.13	2,734.99	2,501.19	233.80
2	Commercial tax (CT)	793.00	2,064.40	-1,271.39	950.74	-109.66	1,060.40	1,743.74	1,954.74	-210.99
3	Specific Good Tax (SGT)	1,263.04	1,113.08	149.96	-21.28	10.80	-32.08	1,241.75	1,123.88	117.87
4	Stamp duties	14.38		14.38				14.38		14.38
5	Capital gains tax	3.17	5.43	-2.26	1.33		1.33	4.50	5.43	-0.93
6	Import duties	0.89	0.89					0.89	0.89	
	Myanmar Customs department (MCD)	22.76	52.95	-30.19	11.86	-5.93	17.79	34.62	47.02	-12.40
7	Import Duties	22.76	52.95	-30.19	11.86	-5.93	17.79	34.62	47.02	-12.40
	Total payments	4,737.40	5,863.23	-1,125.84	1,037.49	-230.08	1,267.57	5,774.88	5,633.15	141.73

Breakdown of payments by companies and tax¹

Figures in MMK million

No.	Company	Income tax	CT	SGT	Stamp duties	Capital gains tax	Import duties	Total
1	FPJVC	861.14	523.20					1,384.34
2	Htoo Trading Co., Ltd	502.30	836.78	1.33			8.22	1,348.63
3	Myat Noe Thu Co., Ltd.	570.59	70.92	191.70				833.22
4	Myanmar Korea Timber International Ltd	307.03	123.77	117.87	13.03	3.17	18.63	583.49
5	Myanmar Rice Trading Co., Ltd (MRT)			579.87				579.87
6	Tin Win Tun Production Company Ltd	199.41		6.97				206.38
7	Nature Timber Trading Co.,Ltd	60.33	113.71	-			2.39	176.42
8	Manaw Phyu Company Limited	26.44	56.28	57.48	1.35		2.39	143.94
9	Northwood Industries Ltd			137.99				137.99
10	San May Trading Co.,Ltd	64.25	5.60	54.73			1.75	126.33
11	K K N Enterprise Co., LTD	29.79	1.74	46.85			0.46	78.84
12	Win Enterprise Ltd	20.40	4.32	24.80				49.51
13	MGP Trading Co.,Ltd	29.96		14.70				44.65
14	Tin Myint Yee Trading Co.,Ltd	44.62						44.62
15	Khaing Su Thu Industrial Co.,Ltd	9.48		8.79				18.27
16	Tin Win Tun International Trading Company Ltd	5.67	0.73					6.39
17	Global Woodcraft Industries Ltd	0.27	2.36				0.43	3.07
18	Myanmar SLP Wood Company Ltd		2.70					2.70
19	Concorde Industries Ltd	0.03	1.06				1.25	2.34
20	Chin Su Myanmar Co., Ltd		1.80					1.80
21	Myanmar Peltier Bois Company Ltd		1.03					1.03
22	Global Star Company Ltd	0.58						0.58
23	Myat Zaw & Young Brother Co.,Ltd		0.46					0.46
	Total payments	2,732.29	1,746.45	1,243.08	14.38	3.17	35.52	5,774.88

¹ According to the IRD, the Special Goods Tax (SGT) paid by Myanmar Korea Timber International Ltd corresponded to the amount deducted by MTE on purchases of timber during the FYs 2016/17 and 2017/18. The company was registered in Myanmar as a producer of slabs and paid taxes to IRD accordingly (i.e. with the exemption of SGT). SGT could not be offset with other taxes. There was a difference due to the reported commercial tax on import by company in FY 2017/018.

Annex 14: Calendar for Open Tender Sales for the FY 2017/18 (Teak/Hardwood, Logs/Conversions)¹

N°	Date
1	Friday 26 May 2017
2	Monday 29 May 2017
3	Friday 23 June 2017
4	Monday 26 June 2017
5	Friday 28 July 2017
6	Monday 31 July 2017
7	Friday 25 August 2017
8	Monday 28 August 2017

N°	Date
9	Friday 22 September 2017
10	Monday 25 September 2017
11	Friday 27 October 2017
12	Monday 30 October 2017
13	Friday 24 November 2017
14	Monday 27 November 2017
15	Friday 15 December 2017
16	Tuesday 19 December 2017

N°	Date
17	Friday 26 January 2018
18	Monday 29 January 2018
19	Friday 23 February 2018
20	Monday 26 February 2018
21	Friday 23 March 2018
22	Monday 26 March 2018

¹ Source: MTE.

Annex 15: Persons Contacted or Involved

Persons involved

Independent Administrator (IA) BDO LLP	
Tim Woodward	Partner
Ben Toorabally	Mission Director
Hédi Zaghouni	Team Leader
Helmi Ben Rhouma	Audit Senior
Olfa Marzougui	Audit Senior
Joe Yew	Local Mission Director
Nang Hnin Thet Htwe	Local Senior Executive
Su Mon Aung Crystal	Local Senior Executive

Persons contacted

National Coordination Secretariat (NCS)	
U Soe Win	National Coordinator
U Aung Khine	Deputy National Coordinator
U Htun Paw Oo	Technical Specialist
Daw Zin Mar Myaing	Programme and Technical Advisor
Daw Hnin Htet Htet Aung	Program Manager
U Hein Htet Soe	Technical Officer
U Nay Min Maung	Technical Coordinator
Budget Department (BD)	
Daw Khin Khin Lwin	Director
Daw Khin Pa Pa Khaing	Assistant Director
Daw Phyu Phyu Thant	Assistant Director
Daw Thwe Thwe Tun	Deputy Director
Budget Department (SEE)	
Daw War War Tun	Director
Daw Swe Zin Oo	Assistant Director
Daw Cho Cho Win	Assistant Director
Daw Moe Thuzar Win	Assistant Director
Daw Chaw Su Khine	Deputy Director

Forest Department (FD)

Dr. Nyi Nyi Kyaw	Director General
U Kyaw Kyaw Lwin	Deputy Director General
U Tin Tun	Director
U Aung Win Htun	Director
U Khin Maung Win	Director
U Kyaw Myo Htwe	Deputy Director
U Phyo Zin Mon Naing	Assistant Director
U Hla Htay Aung	Assistant Director

Myanma Timber Enterprise (MTE)

U Saw John Shwe Ba	Managing Director
U Nyi Nyi Tun	General Manager (Planning)
U Hla Moe Aung	General Manager (Extraction)
Daw Theingi Win	General Manager (Finance)
U Gyaw Thet Aung	Deputy General Manager (Marketing)
Daw Tin Tin Oo	Assistant General Manager

Treasury Department (TD)

Daw Hay Mar Hnin	Staff Officer
------------------	---------------

Internal Revenue Department (IRD)

Daw Mu Mu Saw	Director (Statistics Directorate)
Daw Myat Theingi	Staff Officer
U Aung Lwin	Assistant Director
U Ne Lin Aye	Deputy Director
Daw Ei Ei Khaing	Deputy Staff officer

Myanmar Customs Department (MCD)

U Than Swe Tint	Assistant Director
U Zaw Zaw	Assistant Director
Daw Shwe Sin Win	Custom Inspector
Daw May Yadanar Tun	Custom Inspector
Daw Win Win Than	Deputy Custom Inspector

Office of the Auditor General (OAG)

Daw Khaing Khaing Ag	Director General
Daw San San Win	Deputy Director General
Daw Hla Hla Kyein	Director
Daw San San Myint	Director
Daw Hla Than	Deputy Director (Natural Resources)
Daw Mary	Assistant Director
Daw Kywat Kywat Htun	Assitant Director

The Nature Conservancy

Dr. Tint Lwin Thuang	Country Director
----------------------	------------------

Central Statistical Organization (CSO)

U Than Zaw	Deputy Director General
Daw Khin Moe Moe	Director
Daw Cing Lun Hwai	Director
Daw Hla Myo Khaing	Staff officer
Daw Thein Htet Htet Wai	Deputy Staff Officer
Daw Phu Pwint Phyu	Deputy Staff Officer
Daw Ei Thandar Soe	Deputy Staff Officer
U Yan Myo Aung	Deputy Staff Officer

Natural Resource Governance Institute (NRGI)

Maw Htun Aung	Myanmar Country Manager
Hosana Chay	Myanmar Officer
Daw Aye Kyithar Swe	Myanmar Senior Officer

Myanmar Alliance for Transparency and Accountability (MATA)

U Myo Min Thant	Program Coordinator (EITI)
U Htoo Aung	Program Coordinator (EITI / Communication)
U Ye Thein Oo	Member of MATA
U Naing Lin Htut	Member of MATA

World Bank Group (WBG)

Shona Kirkwood	EITI Implementation Support Coordinator
Tinzar Htun	EITI Implémentation Support Consultant

Forest Products Joint-Venture Corporation Ltd. (FPJVC)

U Khin Maung Oo Vice Chairman

U Kyaw Win General Manager

Daw Mya Myitzu Maung Deputy General Manager

Sone Sie

Dr. Yazar Minn Strategic Advisor - Forestry

Spectrum

David Allan

Myanmar Forest Products Merchant Federation (MFPMF)

Dr Sein Win Chairman

Ministry of Commerce - Department of Trade

U Minn Minn Director General

Daw Cho Thet Mu Deputy Director

Forest Trends

Daw Khin Saw Htay Policy Analyst

Annex 16: Glossary of terms

Abbreviation	Meaning
AAC	Annual Allowable Cut
AML	Anti-Money Laundering
APG	Asia/Pacific Group
BD	Budget Department
CA	Competent Authorities
CAGR	Compound Annual Growth Rate
CBM	Central Bank of Myanmar
CBT	Cubic ton
CF	Community Forestry
CFI	Community Forestry Instructions
CFT	Countering the Financing of Terrorism
CFUG	Community Forest User Group
CGT	Capital Gains Tax
CMRS	Community Monitoring and Reporting System
CoC	Chain-of-Custody
COP	Conference of the Parties
CRMS	Custom Reform and Modernisation Strategy
CSO	Civil Society Organisation and Central Statistical Organization
CSR	Corporate Social Responsibility
CT	Commercial Tax
DfID	Department for International Development
DG	Director General
DICA	Directorate of Investment and Company Administration
ECAF	Existing Controls and Audit Framework
ECBT	Elephant Conservation Based Tourism
e-GIDC	e-Government Integrated Data Center
EIA	Environmental Investigation Agency
EITI	Extractive Industries Transparency Initiative
EU	European Union
EU FLEGT	European Union's Forest Law Enforcement Governance Trade
EUTR	EU Timber Regulation
FAO	Food and Agriculture Organization
FATF	Financial Action Task Force
FD	Forest Department
FPJVC	Forest Products Joint-Venture Corporation Ltd.
FSC	Forest Stewardship Council
FSD	Fire Services Department

Abbreviation	Meaning
FY	Fiscal Year
GAD	General Administration Department
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GOUM	Government of the Union of Myanmar
IA	Independent Administrator
IAA	Initial Assessment of Assurance
IAS	International Accounting Standard
IDA	International Development Association
IEE	Initial Environmental Examination
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
INDC	Intended Nationally Determined Contribution
IPSAS	International Public Sector Accounting Standards
IRD	Internal Revenue Department
ISRS	International Standards for Related Services
IT	Information Technology or Income Tax
ITF	Interim Task Force
ITTO	International Tropical Timber Organization
LTO	Large Taxpayer Office
MAC	Myanmar Accountancy Council
MAS	Myanmar Accounting Standard
MCA	Myanmar Companies Act
MCD	Myanmar Customs Department
MCRB	Myanmar Centre for Responsible Business
MDAP	Myanmar Development Assistant Policy
MEB	Myanmar Economic Bank
MEC	Myanmar Economic Corporation
MEITI	Myanmar EITI
MER	Mutual Evaluation Report
MFCC	Myanmar Forest Certification Committee
MFIL	Myanmar Foreign Investment Law
MFP	Multi Function Panel
MFRS	Myanmar Financial Reporting Standard
MFTB	Myanmar Foreign Trade Bank
MIC	Myanmar Investment Commission
MICPA	Myanmar Institute of Certified Accountants
MIL	Myanmar Investment Law

Abbreviation	Meaning
MIR	Myanmar Investment Rules
MMK	Myanmar Kyat
MMK billion	One billion (1,000,000,000) Myanmar Kyat
MMK million	One million (1,000,000) Myanmar Kyat
MMPFMP	Myanmar Modernization of Public Finance Management Project
MMSIS	Myanmar Statistical Information Service
MNPED	Ministry of National Planning and Economic Development
MoALI	Ministry of Agriculture, Livestock and Irrigation
MoHA	Ministry of Home Affairs
MOI	Ministry of Information
MONREC	Ministry of Natural Resources and Environmental Conservation
MoPF	Ministry of Planning and Finance
MoPFI	Ministry of Planning, Finance and Industry
MOU	Memorandum of Understanding
MRRP	Myanmar Reforestation and Rehabilitation Plan
MRV	Measurement, Reporting and Verification
MSDP	Myanmar Sustainable Development Plan
MSG	Multi-Stakeholder Group
MSS	Myanmar Selection System
MTE	Myanma Timber Enterprise
MTE EXT	Myanma Timber Enterprise Extraction Department
MTFF	Medium Term Fiscal Framework
MTLAS	Myanmar Timber Legality Assurance System
MTO	Medium Taxpayer Office
MyCO	Myanmar Companies Online
NA	Not Applicable
NBSAP	National Biodiversity Strategy and Action Plan
NC	Not communicated
NCDP	National Comprehensive Development Plan
NCEA	National Commission for Environmental Affairs
NCS	National Coordination Secretariat
NFMP	National Forest Master Plan
NGO	Non-governmental organisation
NLC	National Land Commission
NRGI	Natural Resource Governance Institute
NTFP	Non-Timber Forest Products
OA	Other Accounts
OAGM	Office of the Auditor General of the Union
OAS	Official Assessment System

Abbreviation	Meaning
PAC	Public Accounts Committee
PD	Planning Department
PEFA	Public Expenditure and Financial Accountability
PEFC	Programme for the Endorsement of Forest Certification
PEP	Politically Exposed Person
PFM	Public Finance Management
PIE	Public Interest Entity
PIP	Public Investment Program
PPF	Protected Public Forests
QR	Quick Response
RF	Reserved Forests
RIL	Reduced impact logging
RT	Reporting template
SAS	Self Assessment System
SC	State Contribution
SECM	Securities and Exchange Commission of Myanmar
SEE	State Economic Enterprise
SEZ	Special Economic Zone
SFA	State Forestry Administration
SGT	Specific Goods Tax
SME	Small and Medium Enterprise
SOE	State-Owned Enterprise
SOS	Standing Orders for Extraction Staff
STO	Small Taxpayer Office
SWG	Sub-Sector Working Group
TAL	Tax Administration Law
TD	Treasury Department
TIN	Taxpayer Identification Number
TLAS	Timber Legality Assurance System
ToR	Terms of Reference
TT	Telex Transfer
UBL	Union Budget Law
UCF	Un-classified Forests
UFA	Union Fund Account
UGDA	Union Government Deposit Account
UK	United Kingdom
UNCCD	United Nations Convention to Combat Desertification
UNEP	United Nations Environment Programme

Abbreviation	Meaning
UN-REDD	United Nations collaborative initiative on Reducing Emissions from Deforestation and Forest Degradation in developing countries
US \$	United States Dollars
US\$ million	One million (1,000,000) US\$
VAT	Value-Added Tax
VFV	Vacant, Fallow and Virgin
VPA	Voluntary Partnership Agreement
WBG	World Bank Group
WBI	Wood Based Industry
WGI	Worldwide Governance Indicators
WHT	Withholding Tax
WTO	World Trade Organization
YSX	Yangon Stock Exchange

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