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The geopolitical challenge for Myanmar's energy sector

By Soe Myint

INTERNATIONAL financial institutions state that Asia is fast becoming a leader in the world economy. The emergence of Asia as a global powerhouse is fuelled by China, India, Indonesia, Japan, South Korea, Malaysia and Thailand. Although a comprehensive economic growth is stated to have risen from 11.3 percent from the early 1990s to an estimated 21.9 percent in 2011. By 2030, it is expected that the overall energy needs of the region will be 30.6 percent of global GDP by 2050. In parallel to its economic growth, Asia's urbanisation rate is also growing rapidly. As population, economic development and urbanisation rates accelerate, the energy demands of the region mean access to secure reliable energy supplies will become central to national and foreign policy of the region's countries.

With growing energy consumption increasingly exceeding domestic energy production and resource availability, energy security has thus become a central theme for ensuring economic growth. In this situation, Myanmar is well positioned, both geographically and in terms of available resources to help supply the region's energy needs.

It is noteworthy that three of the region's leading economies, India, China and Thailand, happen to be neighbouring countries of Myanmar. India in 2009 was the fourth largest energy consumer in the world after the USA, China and Russia. Petroleum demand in the transport sector is growing as vehicle ownership in India expands. While domestic energy resources base is substantial, India still depends on imports for its energy use.

India's crude oil consumption is 3.2 million barrels of oil per day which produces 9.9 million cubic feet of gas per day. For its deficit, India has to import and in 2010, India became the fifth largest importer of crude oil, importing 70pc of consumption. India has made major discoveries of natural gas in recent years and production is continually increasing. Yet consumption is continually increasing largely in the electric power sector. Natural gas is expected to be an increasingly important component in providing a diversity of energy resources diversification policy and overall energy security policy.

India has been an importer of natural gas since 2004 and in 2010, India's import of natural gas as LNG amounts to 429 billion cubic feet. As India's natural gas import is expected to increase over the years, India aims to increase imports of natural gas through pipelines from neighbouring countries including several Central Asian countries and Myanmar. However, to date, a proposed gas pipeline from Myanmar has failed to materialise because of political-economic issues with Bangladesh.

As Myanmar's big neighbour to the west, India has implemented a "Look East Policy" since the early 1990s China went on to become the world's biggest economy.

Myanmar is how to balance its immediate challenge facing Myanmar is to how to balance its resource-based development. Myanmar needs to be mindful that the price of natural resources also means meeting these competing aspects. Terms with how to effectively implement energy hungry neighbours, and considerable energy resources yet to be exploited, the country has a golden opportunity to make its development task. Myanmar's GDP per capita in 2010 was $2,786 compared to ASEAN average of $3,092, according to ASEAN statistics (2011). Thailand's GDP per capita is $4,735 while Malaysia and Vietnam were $2,842 and $1,238 respectively. Selected basic ASEAN indicators (2011) showed that Myanmar exports in 2009 were $6.4 billion, a mere 0.7pc of the ASEAN region, while trade volume is only 0.66pc of ASEAN's $1.54 billion. The immediate challenge facing Myanmar is how to balance its resource-based development. Myanmar requires its natural resources both to fuel its economy through exports while catering for its own development needs.

Myanmar's consumption of petroleum is about 60,000 barrels of oil equivalence a day, compared to more than one million barrels of oil per day consumption of Thailand. According to released statistics in the state news paper, Myanmar's natural gas consumption is 270 million cubic feet a day while Thailand is consuming 4.3 billion cubic feet a day in 2010.

Myanmar's installed capacity of electric power generation is 3494 MW, generating around 9,711 GWH annually and supplying electricity to 26pc of the country. Thailand's installed electric power generation capacity is 31,466.7 MW, generating more than 160,113 GWH annually. Thailand also plans to expand to 65,547 MW installed capacity by 2030. The government needs to come to terms with how to effectively implement these competing aspects. And finally such exploitation of many natural resources does not mean paying a price environmentally. We have to be mindful that the price we are paying is as minimal as possible.

Abundant natural resources give Myanmar a chance to join Asia's golden age. Let's make that chance a reality.
Three main types of insurance policies in energy sector

General manager of the Myanmar Insurance, Dr Mg Maung Thein discusses with The Myanmar Times reporter Thiha Toe about insurance policies in the energy sector.

Q: HOW MANY TYPES OF THE INSURANCE ARE THERE FOR ENERGY PROJECTS?
A: There are many types of the insurance. The main three policies come during the discovering step, the digging and building step and the production step. When a person discovers petrol and natural gas, he is usually already insured for it. When he digs and builds up to make products, he will be insured there too. So, he makes many types of insurance in these three portions.

Q: AS OUR COUNTRY MOVES TOWARD DEMOCRACY, MANY FOREIGN INVESTMENTS MAY COME TO OUR COUNTRY. IN THIS CONDITION, HOW MANY NEW TYPES OF THE INSURANCE FOR ENERGY PROJECTS WILL MYANMAR NEED TO MAKE?
A: We have no need to make new types of the insurance for the energy sectors. Foreign investments have been coming to our country for 20 years. The types of the insurance will be just the same. However, we need to extend our insurance to wider market than it has right now.

Q: DOES THE MYANMAR INSURANCE HAVE ANY DIFFICULTIES IN THE ENERGY SECTOR? HOW DO YOU SOLVE THESE DIFFICULTIES?
A: Before sanctions from the United States made it difficult to sell insurance, we were working on a report titled, “To improve the market for energy projects, how should foreign insurance experts be involved?” The report is that we have to permit insurance experts to do this the government needs to attract foreign expertise who can bring improved technology.

Q: HOW DO YOU THINK MYANMAR INSURANCE COULD BE IMPROVED?
A: We’re currently working on a report titled, “To improve the market for energy projects, how should foreign insurance experts be involved?” The report is that we have to permit insurance experts to do this the government needs to attract foreign expertise who can bring improved technology.

Three main types of insurance policies in energy sector

One change to the PSC in June was a reduction of income tax from 33 percent to 25pc, said an official of the Ministry of Energy Planning Department. The sector faces conflicts with the new application process and existing laws that raise legal concerns for investors, said a former Myanmar Oil and Gas Enterprise official.

The current application of the production sharing contract (PSC) system in the oil and gas sector differs with the existing oil-field Act (1938) and Oil-Field Rules that determine the concessory system. “Contractors under PSCs have to comply with the Myanmar laws including these existing laws. It may well create conflicts in the future,” he said, adding that amending the laws would take time.

“The need to avoid any controversy, it is better to exclude those laws that are not in conformity with the PSC system,” he said.

U Thian Maung, senior associate of Kelvin Chia Yangon Ltd, an international law firm, said that as oil and gas is the country’s major income generator the laws need to be in line with the current situation.

“There are many things that need to be done,” said U Thian Maung about the country’s overall legal and regulatory regime. He said the amount of work needed to reform has built up because the ministries did not keep updating the laws. Nevertheless, figures from the Ministry of Commerce show that foreign direct investment (FDI) in the oil and gas sector reached $14 billion as of June 30 this year. At 34 pc of all investment to the country, the sector ranked second highest out of $41 billion invested so far.

“The country’s top export earnings come from gas sold to Thailand from the M5 and M6 blocks of the Yadana project offshore Mottama and the Yetagan gas projects M12, M13 and M14 blocks offshore Tanintharyi. Meanwhile allocation for domestic use has increased with a second pipeline drawn from the Yadana project, constructed in 2010, and to supply Yangon. This greatly improved domestic supply.

In addition to the already existing pipelines running from Kanbauk in Tanintharyi Region to Myawaddy across to Kayin State, established in 2001, and from Myawaddy to Yangon, constructed in 2006.

Figures from the Ministry of Energy show that the Yadana project reported about 600 million cubic feet of gas per day (mmcfd) with about 200 mmcfd supplied for domestic use. The Yetagan gas project has been exporting 400 mmcfd since 2000.

The two major projects pruned for export in 2011 are Shwe and Zawtika. The A1 and A3 offshore blocks of the Shwe gas project in Rakhine state is operated by Eneko while the Zawtika gas project will take gas from the M9 block offshore Mottama and is operated by FTTE.

The Shwe project is expected to export about 400 mmcfd to China and 100 mmcfd allocated for domestic use.

To make the most of the lucrative oil and gas sector, Dr Maung Aung, senior economist from the Union of Myanmar Federation of Chambers of Commerce and Industry said the Ministry needs to attract foreign expertise who can bring improved technology.

To do this the government needs to overcome obstacles such as infrastructure and allied remaining fears concerning the country’s political situation. But the government is doing their best to address this, he said. He sounded a warning however, that while the country needs to make the most of its abundant natural resources and geographical location this should not be seen as the sole means to achieve its development.

“The country needs to promote its added values industries. We need to try to create our country be an international business hub. That way, income through natural gas will be important but only to a certain extent,” he said.
Concerns remain over Shwe gas benefits

By Juliet Shwe Gaung

KHIN Maung Thein, a resident of Kyaukphyu township, Rakhine State, recalled a statement he once heard that development is simply a change for the good.

Kyaukphyu sits at the southern end of a pipeline that will transport oil coming from the Middle East as well as gas from the offshore Shwe fields off Rakhine State across the country to supply Myanmar’s energy hungry neighbour China.

U Khin Maung Thein questioned whether he could describe the Shwe gas project as good development for Kyaukphyu.

He said that while the project brings in a lot of money by selling gas and renting the land for the pipelines that will bring benefits to the country, many people where he lives are not so happy about it.

“As the project starts in Kyaukphyu, the media say there’s development for the region. However, in its current state, our roads are not as good as before, the public jetty is now used solely for the ships for the project and we have not received a new one even though it was promised,” said the 53 year old.

Myanmar Oil and Gas Enterprise (MOGE) figures show that Myanmar will get US$9.6 million per year in charges for the right of way for each of the oil and gas pipelines. $1 for every tonne of crude oil will be received in transit fees while the country will also get a share of both crude and gas for domestic use.

“What kind of rule can be used to measure development? Is it right for the country to get the money while nothing has happened for the local residents,” he said.

However, he was optimistic that those who get jobs, mostly as labourers, for the project can be considered fortunate.

The Rakhine Nationalists Development Party vice chairman, U Tin Win, said in February that the quota of 100 million cubic feet of gas a day for domestic use has already been agreed to be allocated for central Myanmar and insisted the Rakhine people also have a right to three gas turbines built in Kyaukphyu with an output capacity of 3.9 megawatt each.

U Win Myo Thu, managing director of EcoDev—a local NGO, said the reason why social problems occur in the region was due to a lack of assessment of the companies’ efforts to resolve them.

“If we ask why such concerns arise, is it not because the efforts to prevent them are not being encouraged, or social impact assessments or environmental impact assessments done right,” he said.

He said it is important for the companies involved to know about the problems arising in the region.

“There could be confusion: The Chinese would think they have provided compensation, and that it is sufficient. But it could all be in vain if it is not effective,” he said.

The allocated funds could be directed poorly without them knowing, he said.

He suggested the problems should be solved in the open and should not be hidden away.

“Even if the villagers want to talk about their complaints, they don’t know where to go. People should know that the way to solve a problem is not just about giving money,” he said, adding that a qualified consultant company could be hired to solve such social problems.

U Zaw Naing Do, a physical resource specialist from the consultancy firm Resource and Environment Myanmar Ltd, pinpointed the lack of environmental laws and regulations in Myanmar as the root to such complaints.

He said that problems arise because of weaknesses inherent in implementing monitoring plans for the project.

“Environmental by-laws have not yet appeared to be able to effectively implement a monitoring plan. If we could have that, it would contain sections such as who should do the monitoring and what kind of groups need to be set up and solve such problems,” said U Zaw Naing Do.

In 2009, Resource and Environment Myanmar Ltd managed to conduct a terrestrial ecological survey for the supply base and jetty, along with ERMI Hong Kong Ltd for Daewoo E&P, and also an environmental baseline data collection and preliminary impact assessment for the Myanmar-China Gas Line on the Myanmar section, together with International Environmental Management Ltd, Thailand.

“Base line data on the physical environment and biological environment have been collected and the effects of the project are being analysed. Efforts are planned to mitigate the impact. Such detailed plans are already drawn up,” he said.

The pipeline is situated in three earthquake zones so there is a need to do the construction carefully according to seismic designs,” he said.

Kyaukphyu is also home to tortoises and the assessment includes that if any tortoise is found anywhere on the project’s construction site, they should be released back into the sea from the onshore gas terminal site.

The monitoring commission needs to focus on whether the plan is followed.

Whether or not the work is achieved depends on the monitoring work, he added. Either the government or a third party can conduct monitoring work in order to adequately identify any weak points in the project. A monitoring commission should also monitor periodically, he said.

However, a spokesperson from the Friends of Association for Myanmar-China Pipeline said their standard of environment assessment works and environment protection regulations have strictly adhered to World Bank standards, including qualified environmental supervisors.

There are also different departments and partners monitoring social problems arising in the region, he said.

“The office of Land Works is in charge of problems of land compensation. For the protection of roads, the Local Ministry of Construction and the government supervise the work (such as ensuring sufficient distance between the pipeline and roads).

For the environmental concerns, we have environmental supervisors working together with the Health, Safety and Environment department,” he said.

Local residents have also been told they can contact any department, including the friendship association, to discuss the problem, he said, adding that the departments have the responsibility to solve the problems.

The friendship association also said that land compensation is being provided to farmers in Kyaukphyu.

External investigations conducted by Pun Lloyd Limited of people assisted by MOGE, show that there are 69 households who require additional land compensation.

“We didn’t expect these farmlands to be affected before the project, so they were not in the compensation plan at first. However, as soon as we found their farmlands were affected, we altered the compensation to make up the loss,” said the friendship association spokesperson.

So far, 31 of the 69 households have already been paid.

There have been calls from NGOs that all parties involved need to work on reducing complaints for the second half of the project’s construction, as well as for the future production years.

As U Khin Maung Thein believed the project only brings money for the country and not his region, U Kya Win, a researcher and Rakhine national, hopes that moves such as a recent request by the government for assistance from the Extractive Industry Transparency Initiative indicate that stake holders are showing signs they will work together to ensure sales of gas be distributed fairly and efficiently for the whole country.
Green Strategy: Parami Energy is committed to creating a green environment by planting 500,000 trees throughout the country before 2015 and by taking a sustainable initiative to provide "solar power for school and hospital" in rural areas.

Corporate Social Program: Being proud of responsible corporate citizen of Myanmar, Parami Energy supports 30% of Monastery Education across the country by 2015 and provides water resources for needy people in remote areas.

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Banking & Finance
Many western oil & gas majors’ number one priority is health, safety, and the environment (HSE), even to the extent that this comes before key economic metrics such as profitability and growth. A tag line that you will often hear western majors say is ‘Do it safely or do not do it at all.’

As a result, the HSE operational discipline that is in place encompasses practices above what is recognised as the industry standard. An example can be observed during the process of offshore development well planning and design.

‘I expect to see a rash of...’

Q: HOW WOULD YOU JUDGE THE CURRENT SITUATION OF INVESTMENTS IN THE ENERGY SECTOR OF MYANMAR?

A: At the moment compared to other countries in the region, the amount of investment I would say is quite limited. However, with the recent political changes such as the easing of sanctions on investments in Myanmar, I would see this situation to rapidly change for the better. In fact, in the petroleum sector, on account of sanctions, major foreign oil & gas companies, which in the past chose not to or could not participate in E&P activities in Myanmar, are now visiting the country and meeting with both government and private entities to discuss potential opportunities for new investments related to both upstream and downstream sectors of the industry.

As part of this increased activity, a new bidding round for both onshore & offshore concession areas is being planned by MOGE and the Ministry of Energy and is expected to take place later in the year. Many industry players including major companies from Australia, the United States and Europe are closely watching, and are all expecting an increase in transparency in the way bidding is handled and contracts awarded.

Q: HOW DO YOU SEE THE ENERGY SECTOR IN THE DEVELOPMENT PROCESS OF THE MYANMAR ECONOMY?

A: The energy sector is a critical component in terms of development of the Myanmar economy. Many Southeast Asian nations in the ASEAN region underwent tremendous growth in a very short period of time partly on account of this sector. Myanmar will very likely undergo vast growth on a similar time scale. However, in comparison, Myanmar is a nation with an abundance of natural resources, particularly in the energy sector. Managing this abundance of natural resources to fuel such growth will be an integral part of both the Myanmar economy and the people of Myanmar.

Furthermore, the energy sector is the key sector that needs massive incentives and investments to be able to fuel the ambitious development program planned by the nation. Gas and hydro-power are so far the best developed, most environmentally friendly, and are the sectors which may grow the fastest, should new reserves be found quickly. Without the discovery and development of new and existing energy resources within Myanmar, it will be difficult and expensive to develop other capital intensive infrastructure projects which are essential to fuel economic growth, hence the need for significant investment in the energy sector.

Q: HOW DO YOU SEE CHANGES IN THE SECTOR IN THE COMING YEARS IN TERMS OF INVESTMENT MADE BY THE GOVERNMENT?

A: The sector may change rapidly as the pace of the reforms keeps up, and if the government is committed to durable changes leading to a complete dismantlement of sanctions.

In fact, the rate of hydrocarbon discoveries and the pace of development projects to fuel the desired growth may be the biggest challenge for the country in the near term.

Nevertheless, I believe there will be increased transparency in the management and administration of the sector which will result in more of the major international corporations seeking opportunities here. There should also be an increase in technological transfer and the training of Myanmar nationals to the level of activities in the sector increases. I also feel there will surely be an increase in regulatory measures to ensure that workers are adequately trained in safety, and that environmental regulations are strictly adhered to.

Q: WHAT ARE THE RISKS YOU TAKE WITH YOUR INVESTMENTS IN THE INDUSTRY? IN YOUR EXPERIENCE, ARE THE CURRENT CHANGES REDUCING THE RISKS AND IMPROVING THE SECTOR?

A: The key risks for MRPL E&P still remain the risks associated with subsurface uncertainties. Having successfully operated in the oil & gas sector in Myanmar as a group for the past 15 years, we are very comfortable with not only the contracts prevalent in the industry, but with MOGE and the Ministry of Energy as well. From our experience, we have long found MOGE and Ministry to be fair and pragmatic in their approach to working with the investor in maximizing the value of the country’s hydrocarbon resource base.

However, for a fresh foreign investor looking at investing in the oil & gas sector in Myanmar changes such as holding an open bidding round with regard to the remaining offshore blocks, is a very positive sign that MOGE and the MoE are further envisaging to create an even more favourable investment climate in terms of transparency and fairness.

The administrative changes as such do not reduce the risk associated with subsurface geology. However, by paving the way for an increase in investment, the opportunity to introduce “state of the art” technology and methodology to the E&P industry in Myanmar, is significantly enhanced.

Q: WHAT WOULD BE YOUR ADVICE TO FOREIGN INVESTORS IN THE INDUSTRY, IN DEALING WITH THE MINISTRY AND MYANMAR BUSINESS PARTNERS?

A: With regard to dealing with the Ministry, I would advise foreign investors not to believe this is a Ministry that is young and naive. Although foreign investment in exploration and production sector of Myanmar may only date back to the early 1990s, Myanmar is a nation where its people have been exploring and producing oil since the time of the monarchs MOGE, together with the Ministry, have been successfully operating the oil and gas sector since after World War II.

Yes, there may be areas, such as the terms of the current deep water offshore PSUs, where there may be room for amendments that may benefit both the foreign investor and the state. The Ministry has long been an advocate of pragmatism working closely with operators in achieving alignment in such matters.

What the Ministry would like to see is for foreign investors, with a long standing successful track record in the industry, to propose such amendments which are fair and equitable to both the investor and the resource owner. But what the Ministry would not like to see is for an investor to take a heavy handed “know-it-all” approach, and I can assure you of the negative consequences that may develop as a result.

Foreign investors need to ensure that any commitments they make concerning work programs are realistic and achievable. MoE recently has been terminating agreements with companies which have failed to meet their contractual commitments. However, MoE is extremely practical and fair, and are prepared to agree to period extensions in order for commitments to be met, provided of course, that the reasons for such requests are practical and technically justifiable, and must be truly followed by a serious commitment to further development in Myanmar.

In terms of dealing with Myanmar investment partners, I would advise foreign investors to perform their technical, legal and accounting due diligence carefully and thoroughly. This will mean becoming the Ministry’s directive in having foreign investors to partner with local companies in order to qualify for onshore and offshore bidding. There are tremendous opportunities for technology and knowledge transfer. However, it is imperative from a long term strategic partnership point of view for companies to align with Myanmar business partners with a proven track record, preferably in the oil & gas sector, and if not, with companies which have transparent and successful track record of managing their business.

Q: WHAT DO YOU SEE ARE THE DIFFERENCES BETWEEN ASIAN INVESTORS AND WESTERN INVESTORS? AND HOW WOULD THE COMPETITION HELP?

A: The key differences between Asian investors and Western investors are adherence to strict industry standards in terms of HSE, less adversity when it comes to taking managed risks, and availability of in-house expertise and technology. Many western oil & gas majors’ number one priority is health, safety, and the environment (HSE), even to the extent that this comes before key economic metrics such as profitability and growth. A tag line that you will often hear western majors say is ‘Do it safely or do not do it at all.’

As a result, the HSE operational discipline that is in place encompasses practices above what is recognised as the industry standard. An example can be observed during the process of offshore development well planning and design.

In Myanmar, there are no stringent offshore well design requirements or criteria that are currently enforced. Even without such constraints, Western majors will often develop a well design concept that consists of contingencies such as a dual barrier well. This provides a fail-safe in case the first barrier fails on account of unforeseen circum-

The potential for Myanmar’s energy sector has never been better in light of the government’s efforts to reform the economy and subsequent lifting of many Western sanctions. Myanmar’s oil man, MPRL E&P CEO U Moe Myint, discusses with The Myanmar Times the potential for investment in the sector and what it means for the country’s development potential.

Two men chat near the Shwe gas pipeline in Kyaukphyu, Rakhine State. PIC: JULIET SHWE GAUNG
stances, where the second barrier prevents hydrocarbons from potentially breaking the wellhead and as a result, contaminating the ocean. Needless to say, this does not mean that everything western companies do is safe. BPs Macondo incident is testament to this. However, such practices result in dramatically reducing the risk of HSE incidents.

Western majors also generally have a larger risk appetite when compared to Asian investors. This is a result of access to larger amounts of financial capital and also because most western majors have been exploring and producing oil & gas since at least the early 20th century. The exploration of oil & gas has long been an extremely high risk area, and being exposed to such high risks for longer allows majors to be more comfortable in making high risks decisions. needless to say, risks are typically well managed through appropriate data acquisition and use of tools such as decision analysis. For example, let’s look at a decision to drill an exploration well where the probability of success is about 20 percent and the cost of such a well is about US$100 million. An Asian investor with less than 10 years of experience in operating in the industry will generally tend to forego such an opportunity. However, a western major, successfully operating in the industry for more than 20 years, may more likely find such risk and capital acceptable.

Today, most western majors invest in hiring top-tier subject matter experts and have even further invested in state of the art research and development. This has allowed western companies to be at the pinnacle of science in the exploration and production arena, a clear example of which can be observed in seismic acquisition and processing. Currently in the industry, there are advanced seismic processing methods where reservoir rock properties such as porosity, fluid migration, and pressure may be inferred based on 3D seismic data. Most small independents, including Asian investors, will typically have to outsource this type of work to a specialist contractor. However, western majors have the resources and capability to perform such work in-house, providing them with a tremendous advantage in terms of data quality control and project scheduling.

Nevertheless, increased competition regardless of where it originates has its benefits. Competition in the form of bidding rounds for the right to explore particular areas is usually beneficial to the state, provided there is a wide range of interest in the areas being offered for bidding.

The opportunity now exists for major international oil companies with access to the latest technology including their own extensive R&D programs to participate in E&P activities in Myanmar. In my opinion, this will lead to improvement in the overall “work practices” of the local E&P sector.

Q: WHERE DO YOU SEE THE MOST POTENTIAL IN MYANMAR’S FUTURE DEVELOPMENT?

A: Although interest in Myanmar’s energy sector and extractive industries such as mining is strong, efforts to boost income from other areas that depend heavily on access to foreign markets, such as agriculture and manufacturing, are still struggling due to both internal and external factors.

We could also face serious problems if it engages in fast economic growth without proper checks and balances. Rapid development financed from abroad can widen wealth gaps and enrich vested interests unchecked by governmental authority.

While Myanmar’s own shortcomings, particularly its weak infrastructure, are a significant hurdle to growth, even the recent suspension of most sanctions by the West has not gone far enough to create a level playing field for Myanmar’s exports. I do believe that the international community could do more to assist our country to ensure the country can progress together with the development of an essential middle class. Among its many resources, it is the human resources of Myanmar which hold the greatest potential for development.

Isolation of the country has been counterproductive. Myanmar needs to dramatically boost investment in its most valuable natural resource, its people, to ensure the country develops its rich natural capital without sacrificing it. Myanmar not only needs a clear vision of how the country wants to develop, but also a strong foundation in place to support this vision — one that is both broad and inclusive.

Myanmar’s road to development needs to be built on robust and committed institutions and officials, with clear and transparent lines of responsibility, and greater capacity to assess projects and priorities in line with the public’s best interests. These initiatives require human capacity and commitment.

They also require time, and there are few easy shortcuts. As Myanmar embarks upon this exciting new chapter of its development, it is imperative that it begin measurably ratcheting up investment in the development of all its people’s skills. If the country’s skill base grows in concert with its economy, its people will be better able to fully reap the benefits of the country’s newfound openness.

At the end of the day, connectivity and capacity are only two pieces in Myanmar’s much larger development puzzle, but they are indispensable pieces. With these building blocks in place, Myanmar will be much better positioned to realise its development goals, and its people’s aspirations.

I also hope that an increase in investment to the Myanmar economy will create opportunities for the many talented Myanmar citizens who have been educated and are working abroad to come back to Myanmar to participate in the development and growth of the nation.

"I expect to see rapid change for the better" - U Moe Myint
Current development of major hydropower projects

AYEYARWADY MAYKAH MALIKHA DAMS

The Myanmar Ministry of Electric Power (MEPE) signed an agreement with China Power Investment Corporation in May 2007 for the implementation of seven large dams along the Ayeyarwady, Maykha and Malikha Rivers in Myanmar. Colloquially, these dams are known as the “Three Rivers Hydropower Complex.” These dams will form the backbone of the Greater Mekong Power Grid. The dams will have a total installed capacity of 1440 MW and will produce electricity for central Myanmar.

TAMANTH DAM

The government signed an MOU with the Japan National Hydroelectric Development Corporation (JNHD) in May 2004 to develop the Tamanth Dam on the Chindwin River in western Sagaing Region. A new agreement was signed in 2008, forming a joint venture to develop Tamanth as well as Shwe-energy dams.

TASANG DAM

The Tasang Dam is the biggest of five proposed dams along the Thanlwin River in eastern Myanmar. In July 1998 Thailand signed an MOU with the Myanmar government. Construction started in May 2007 for the implementation of seven large dams along the Ayeyarwady, Maykha and Malikha Rivers in Myanmar.

YEYWA DAM

The Myanmar government announced plans for the Yeywa Dam in late 2004. In 2005, Egypt and the United States signed an agreement with a consortium of Chinese companies to build the dam on the Yeywa River in Mandalay Division. Yeywa Dam is one of the largest roller-compacted concrete (RCC) dams in the world.

WEIYI DAM

The Electricity Generating Authority of Thailand (EGAT) signed an MOU with Myanmar on December 5, 2005 for the development of Weigyi to provide electricity for Thailand. The dam will be 168 metres high and have an installed capacity of 17,259 megawatts (MW). Investment is estimated at $3 billion. Most of the electricity will be sold to China.

UPPER THANLWIN DAM

The new agreement in Nay Pyi Taw in February 2010. The two sides signed the memorandum of agreement in Nay Pyi Taw in February 2010. The project is under implementation.

HATGYI DAM

Myanmar’s Ministry of Electric Power, EGAT, and China’s Sinohydro signed an agreement in 2009 for the joint implementation of the Hatgyi dam on the Thanlwin River in Karen State. The dam will be 134 metres high, have an installed capacity of 120 MW and an annual production of 7335 GWh. The estimated cost of building the Hatgyi dam is $3 billion. Most of the electricity from the dam is intended for sale to Thailand.

LAWPTA HYDROPOWER PROJECT

Lawptpaw Hydropower Project in Kayin State was initiated in 1990 with a bilateral agreement between Myanmar and Japan. Lawptpaw was the first large-scale hydropower project in Myanmar. The project remains an important source of electricity for central Myanmar, representing 16.4% of Myanmar’s total hydropower capacity.

DAGPIN DAM

The Dapin Dam, being built on the Lower Thanlwin, will serve as a pumped storage facility for the upstream Weigyi Dam. Dapin is estimated at 56 meters high, with an installed capacity of 782 MW.

DAPEYIN DAM

State-owned China Datang Company has agreements to build two dams on the Dapin River near the China border, involving state-owned Myanmar Electric Power Enterprise. The dams will have an installed capacity of 480 MW. Total cost is reportedly 108 million Yuan. Seventy percent of the electricity will be sold to China.

SHWELI DAMS

Myanmar’s Ministry of Electric Power signed its first Build-Operate-Transfer for a hydropower dam on the Shweli River, a tributary of the Ayeyarwady, in northern Shan State in 2006. Two additional dams are planned downstream. The dams will have a total installed capacity of 1440 MW. Investment could reach $4.1 billion. Electricity will be transmitted to China and government-run mining operations in Myanmar.

YWATHI DAM

In January 2014, the Chinese state-owned Datang Corporation signed an MOU with the Myanmar government to build three dams on the Chindwin River in Shan State. The total dam project will have an installed capacity of 408 MW and investment is estimated to reach $600 million. Construction of the Hatgyi dam has begun. Commercial distribution of power was projected to begin in 2013-2014, however, EGAT has announced it will be 2019.

Myitsone should...

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However, villagers from Temprre, Miytson and Lepe villages sent a letter to the state government in March requesting permission to continue their old farming.

“They [state authorities] didn’t take any action despite us returning to our village to farm after sending the letter to the president. As they didn’t say anything officially we are continuing to farm but it is unsafe,” they wrote. “We know they can arrest us at any time,” said U Tso Hkaung.

At present, there are 327 households in Aung Myin Thar Sanpya village housing villagers from Miytson, Temprre and Lepe villages.

“There are 50 households in Temprre village, we go between the new and old villages because we still do our business in the old villages, but live in the new village for education and health services. There is no school or clinic in the old village as they were moved to the new village,” said U Tso Hkaung.

CPI representatives have begun to pay visits to the new village and offer assistance to the villagers. “On April 16, they [CPI] come to our village and asked us what difficulties we face. They explained to us the advantages of building the dam, saying we can get higher incomes and jobs through the project. They promised to support us with donations of rice and in May gave eight pyi [3000 pyi equal 1 US dollar] for each person. We accepted it but we didn’t thank them because they created this suffering first, and I now are they showing their sympathy,” said U Tso Hkaung.

“We ask everyone to help our situation and save the Ayeyarwady. If they build the Miytson dam, we will suffer more difficulties. We don’t agree that the project should be resumed,” said U Tso Hkaung.

During the ‘Our Ayeyarwady Our Future’ talk, Friar Thomas from the Roman Catholic Church in Temprre village requested continued support to ensure the dam project does not negatively affect his community further.

Members of the 88 Generation Students present at the talk pledged to help protect Ayeyarwady as much as they can.

“We plan to do more awareness programs from the grassroots level,” Ko Jimmy said at the talk.

“It is not enough that President U Thein Sein and old politicians support the Miytson dam project in his administration. It is important to advocate having candidates who will guarantee the preservation of the Ayeyarwady River in the upcoming 2015 general election,” he said.
Myitsone should not resume, say experts and locals

By El I Toe Lwin

A tivities and local residents are renewing calls that the Myitsone dam project cannot be allowed to resume in the face of continuing efforts by China to restart.

The Ministry of Electricity Power 1 signed a Memorandum of Understanding with China Power Investment Corporation (CPIC) on December 28, 2006 to implement the US$3.6 billion Myitsone Dam.

It is one of seven dams to be built by CPIC, a Chinese state-owned entity, on the upper reaches of the Ayeyawady River in Kachin State.

The dam would be capable of generating more than 6000 megawatts. However, after a sustained nationwide campaign against the project and its social and environmental consequences, President U Thein Sein announced on September 30 that it would be suspended for at least the five-year term of his government.

But the president remains uncertain whether Myitsone would resume after U Thein Sein’s administration ends in 2015.

China has stated that if Myanmar wants to stop the project completely, it will need to agree to a new international agreement and provide compensation for the contract.

Minister Ko Ko Hlaing, chief political adviser to President U Thein Sein, said the president’s stance on the issue may change once he is re-elected.

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By El I Toe Lwin

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Engineering prospects with energy

By Yhoon Hnin Phyu

Foreign investors from Thailand, China, India, and the USA are currently flocking to Myanmar with one thing on their minds: exploiting Myanmar’s lucrative and largely untapped energy resources. This increase in demand for energy will mean an increase in demand for energy engineers. Just how can the citizens of Myanmar learn the skills of this booming field? The first step is choosing your field. Energy sector engineering jobs can be divided by where employees work, either onshore or offshore. The high demand jobs are mainly geological engineer, civil engineer, mechanical engineer, drilling engineer, electronic engineer, production engineer, chemical engineer, as well as general support engineers.

U Win Khaing, President of the Myanmar Engineering society, said “There are many stages in the operation process of the energy sector. We should understand the stages of energy production. Civil engineers are also responsible for the building of bridge, road, laboratory and others. Then mechanical engineers have to set up the machines that are needed for the drilling. Drilling (mining) engineers are digging and electronic engineers have their own sector to operate.”

U Win Khaing, who is also the chairman of the United Engineering company, said that in onshore work the workers listed above are important but in the oil refining industry, he emphasized that chemical engineers play a key role in the production of oil.

The China & Myanmar Gas and Oil Project recruited 60 graduates and gave them training for nine months starting in February 2012. The first three months focused on learning English, the second 3 months they study subjects related to pipeline work and the final third will be experience on-site.

Work experience is an essential part for engineers who want to work in the energy sector. Candidates who want to work for Total E&P Myanmar need to do an internship program for 11 months to learn the skills of the trade. According to a job description in The Myanmar Alim, the candidates must be able to use a computer, have team spirit and be skilled learners.

For those who are hired, the risks and rewards are high. “Workers in oil and gas industry have a very dangerous job. The are risking their lives so the financial terms are very high,” said U Win Khaing. In addition to large paychecks, employees enjoy the option of working in exotic locales across the globe.

Given the many risks, worker safety is of top concern for many energy companies. In addition to special burn-resistant suits, goggles, and shoes, The United Energy Company keeps a close watch on their workers’ mental health. “Employees don’t have the chance to work over the limited time because this can harm their mental state.”

Only graduates or diploma holders from an engineering school can work as an environmental engineer and must attend training in an environment that is recognized by the energy industry.

Climate change adds challenges

Pinky

As Myanmar makes strides to modernize and join the global community, it finds itself reckoning with a very modern and global problem: climate change. The causes of climate change, both within and outside Myanmar, are varied and complex. They include increasing numbers of vehicles on the road and epidemic levels of deforestation.

Being a developing country dependent mainly on sectors like agriculture, livestock, and forestry, Myanmar is especially vulnerable to the problems associated with climate change. For many, the chief concern is extreme changes in the weather. “Rain may have advantages for the dry zone in central Myanmar,” said Dr U Tun Lwin, lead meteorologist at the Department of Meteorological Hydrology. “On the other hand it rains too much in some other parts of Myanmar like, Shan State, Kayin, Ayeyawady, Yangon and Rangoon, can suffer floods.”

While many states are already suffering from severe flooding, Dr U Tun Lwin went on to say that several years from now when the country is facing drought, citizens will miss the days of heavy rain. The prospect of drought is especially pressing for Myanmar’s electricity grid, which relies in a large part on Hydroelectric Dams.

Electricity is a big part of production as industries both large and small. If they are forced to use other resources like oil or gas to continue production, the costs of their products will increase.

One industry in particular that depends on both electricity and regular rain are the many coastal fisheries. “The amounts of production from last year have been reduced to 50 percent when compared to period years because of climate change and not enough electricity,” said Dr The Nan Dar Tin, chairman of the Anwa Fish Farming and General Trading Company.

The populations of fish and prawn need heavy rain to thrive, and once they’ve caught the workers need constant power to keep them refrigerated. Lacking both of these, this once lucrative business will continue to suffer.

In a counseling session on August 4, U Win Kyaw, the General Secretary of the Myanmar Livestock federation, explained the risks of drought for agriculture “Myanmar has been suffering from both poverty and climate change. Farmers are faced with difficulty when there was no rain. Our country suffers more since we don’t have high technology in production.”
Homeowners pick green designs for energy efficiency

By Htar Htar Khin

ARCHITECTS across Myanmar have long recognized the value of the global movement toward green design. Industry sources have said they are attracted to the energy efficiency and social responsibility of the green movement, and lately homeowners are picking up on the trend.

"Owners ask for energy efficient designs in terms of health, energy factors and to be environmentally friendly. Particularly since 2006," said U Sun Oo, the leading architect of the Design 2000 architecture firm.

U Sun Oo credits the rise in local awareness to a combination of the world wide green movement’s success and the growing demand for energy within Myanmar. "While he is pleased by the progress, he said there are a few constraints that are getting in the way of green development.

The first problem is people turning to untrained companies for their home design, "This means that they can get fake architects like computer graphic designers and auto CAD designers and the problem is they don't understand the theory of the green buildings at all."

Another problem is customers requesting a traditional style for their home, not understanding that this style can conflict with the fundamentals of green design. "I suggest [that] architects should cleverly extract the essence of the passive design and then compose into the design of the modern Myanmar buildings for the preference of home owners," he said. Passive design is a broad term that refers to designing a building in a way that fully uses the local climate to its advantage. Unlike active design, which involves using machines and other technology, passive design takes advantage of the climate through careful placement of windows, shades, and insulation.

U Sun Oo went on to say that cost can be one barrier to homeowners being interested in green design. "For example, putting sunshades and other extra walls are the most expensive properties to regulate [building] temperatures." While green design provides many savings in the long term, it can be difficult for architects to convince customers to pay the start-up costs. For this reason, U Sun Oo sees creating awareness of the long-term benefits as a key part of his job.

Ma Chaw Kalyar, an architect from Statement architect and design firm, said for her clients focus on natural resources like lightning and ventilation is a priority. "What clients focus on is the aesthetic beauty of the house rather than the lighting and ventilation but now what they focus on is saving electricity consumption, and more airy design through windows. They dislike dark feeling rooms," she said. In addition to the ecological benefits of green design, Ma Chaw Kalyar believes people prefer natural air and light on a deep, emotional level. "In my opinion, using natural resources can bring some kind of ease and comfort to the occupants."

By Naw Say Phaw Waa

MYANMAR exports billions of dollars in energy such as natural gas every year. As the country has opened its borders, this amount has only gotten higher. Many citizens as well as Hluttaw representatives have suggested that more of this income should be used in the education and health sectors.

In the fiscal year of 2011-2012, Myanmar got over US$3.563 billion and it has set a record according to the government figures. So far, the majority of that money has gone towards the military.

Union Minister U Hla Tun of the Finance and Revenue reported that Parliament agreed to increase their expenditure on education and health in coming 2012-2013 fiscal year. They have used K310 billion for education and K92 billion for health in the past year, and will grow the budgets to K617 billion for education and K367 billion for health this 2012-2013 fiscal year.

U Saw Than Myint, a second treasurer from Shan Democratic Party, said even though the budget schemes that the president has drawn up said to grant more money to these sectors, it’s still not enough. "How can [the country] be developed if they don’t give the budget for the education and health? Nothing can work out just by talkiing on air."

U Hla Myine, a professor and advisor at Yangon Institute of Technology, said that to get budget to solved the nation’s financial problems will not be easy. For one thing, Universities will have to wait a year to see the government’s new budget. "We can’t wait that long. That’s why we have to ask donation from the companies and some of the alumnus to solve the budgetary problems."

Although the new government said that the budget for health and education is higher than before, the government is only putting 4 to 5% of energy profits toward the sector. "With this amount of budget, I don’t see education and health problems can be well resolved," U Tun Shwe from Unity and Peace Party told the The Myanmar Times.

U Saw Than Myint used to be a middle school headmaster in a small village in Kachin State. "The schools don’t look like school and the teachers don’t look like teachers. As well the hospitals don’t look like universities, the doctors don’t look like doctors."

He blames the poor conditions on the lack of government funding, and wonders how the country’s future leaders can be cared for and trained in this environment.

More funding necessary for education and health sectors
Joint ventures could be key to development success

By Victoria Bruce

5 Myanmar’s oil and gas consortia with foreign investment, incoming firms will need to team up with local partners to tap opportunities in the lucrative industry. An influx of international firms, bringing with them new techniques and technology, could boost the local industry and many Myanmar firms are jostling to team up with international partners, industry experts said.

Some big industry names such as Malaysia’s Petronas and Thaliland venture PPTTFP rose to global prominence through joint ventures, said an executive from American drilling services firm Weatherford.

“Most National Oil Companies in Asia get foreign firms to invest by means of a Production Sharing Contract (PSC) – which is an elegant name for a joint venture,” the executive said.

“JVs are good for the local industry and Weatherford is all for making the local industry stronger and broader,” he said.

Petronas, Pertamina, PPTTFP and PetroVietnam all grew to what they are today through the PSC mechanism, so in my way one could conclude that joint ventures with local partners has been a winning strategy,” the executive said.

Myanmar’s four big offshore ventures in the Yadana, Yetagun, Shwe and the Yadana-Yetagun-Shwe fields all involved JVs with foreign firms, an official from the Myanmar Oil and Gas Enterprise told The Myanmar Times.

“There are more than 60 local companies registered with the Ministry of Energy which can act as local partners in joint venture arrangements with foreign firms, an official from the Myanmar Oil and Gas Enterprise told The Myanmar Times. Previous local firms could enter the industry with 100 percent foreign ownership, the official said however the requirement to take a local partner, on top of a production sharing contract with MOGE, has been in place since President Thein Sein’s government came to power in late 2010. “There are tremendous opportunities for technology and knowledge transfer

Privatisation sees costly improvements

By Myat May Zin

The privatisation of the fuel distribution network has led to a raft of improvements but a steady increase in prices, say motorists.

In mid-2010 the government sold its network of 260 Myanmar Petroleum Products Enterprise (MPPPPE) filling stations to the private sector. Since then, the number of filling stations countrywide has grown to 439, with another 540 being built, according to data provided by MPPPPE.

Motors TV U Myo Kyaw said the best aspect of the privatisation was the absence of long queues, which dogged Yangon and Mandalay in 2010 and 2011.

“Facilities available to motorists have significantly improved since the privatisation, especially in the past 12 months. We don’t have to wait in lines for long periods anymore,” he said.

“There were queues when we had to queue for a long time and we had to pay tea money to the staff if we wanted to save time. Now we need only five minutes to fill the tank,” he said.

Private companies sell imported diesel and high-octane gasoline (petrol) as well as rationed gasoline at a slightly lower price.

However, car drivers have seen prices rise.

“The price of petrol was cheap when the government handled the local industry. But we have to import [octane, premium diesel and diesel] from abroad so we set the price according to the international market, where rationed fuel is sold at a loss to meet the government’s subsidised,” said U Aung Soe Tha, director and majority shareholder.

Immediately after the privatisation in 2010, rationed fuel was set at K5200 a gallon (4.55 litres), while diesel sold for K5300 and octane was K5200.

Prices increased steadily through 2011 to a high in January 2012. Mo- which it has been operating in Myanmar. “the longer a local firm has been operating in Myanmar, the greater the risk of them having links to the international government blacklists,” Dr Thura said. “We would advise them to contact a local company (like Thura Swiss) that offers a due diligence not only on financial matters but also on compliance issues and reputation of possible partners,” Dr Thura said.

The longer a local firm has been operating in Myanmar, the greater the risk of them having links to the international government blacklists, Dr Thura explained, noting Myan-

“In terms of dealing with Myanmar business partners, big international firms could provide new and improved technology as well as knowledge and expertise.”

“After the privatization, fuel prices increased sharply and the government can control the price of gasoline because it is very sensitive,” U Thinn Minn said.

In September 2007 fuel price increased by 112.6 million gallons. the government embarked on a privatisation drive to boost investment in the industry and spread the fuel distribution network, a move that was vindicated when the long-dormant car import market was thrown open in September 2011.

About 145,000 tonnes of diesel and 1200 tonnes of octane are imported each, mainly from Singapore and partially from China and Malaysia. According to Myanmar Petroleum Products Company (MPPPe), the Ministry for Energy, figures for 2010-11 Myanmar acquired about 1,132,531 tonnes per annum of diesel for its refineries from Yadana project (block M-5, 6) in the gulf of Mottama and took imports of 86,593,056 tonnes of crude from its onshore fields.

About 123.9 million gallons of motor spirit (gasoline) were produced. The figure is an increase from 2009-10, when the country acquired about 109.2 million gallons of condensate from Yadana and about 94.6 million gallons of local crude. The production of motor spirit was 112.6 million gallons.
Companies provide support to Myanmar-China pipeline area

By Juliet Shwe Gaung

As the Myanmar-China sister oil and gas pipeline construction work picks up to meet its 2013 completion date, socioeconomic work to benefit those in the areas surrounding the project is already underway.

However, some villagers are disappointed with their lack of input in the decision making process.

The sister pipeline is operated by South East Asia Gas Pipeline Co Ltd (SEAGP) and South East Asian Oil Pipeline Co Ltd (SEAO) who contributed a combined total of US$17 million in 2011 and will continue their contributions annually for the next 30 years.

China National Petroleum Company has contributed $6 million since 2011, said Mr Zhang Ye, supervisor of the project’s socioeconomic department.

The money for socioeconomic projects is for initiatives in Rakhine State, Magwe Region, Mandalay Region and Bago State where the pipeline passes through Myanmar.

SEAGP’s $1 million each year is worked in Northern Shan State and Mandalay Region while SEAO’s work applies in Rakhine State and Magwe Region.

Mr Ye said the improvement works started in June 2011 and focus mainly on the construction of schools and health facilities.

"It is because the Ministry of Energy has given us instructions to focus on these two sectors," he said.

The order from the Ministry urged a top-down approach, one that would not include dialogue with the villagers about what their regions specifically need.

Instructions from the Ministry also included asking to use local companies as contractors for the projects.

"I do the inspection of the raw material and the quality of the building," said Mr Ye probably representing one high school building in Taung Myo, Kyaukgyi in May which is planned to house 2000 students.

He said that currently, sustainable development methods such as teaching technology to villagers is not possible but will be within the next 30 years.

Also, socioeconomic work will soon be given for the township electricity supply where $10 million will be used for setting up Kyaukgyi electricity transmission lines.

An ambulance donation by the Myanmar-China Pipeline Project will take place in Muse.

These development projects have given locals like 19-year-old Ma Sandar Khin from Ywama village in Madae Island a new job.

"She gets a job at a clinic near the project site after finishing high school. Primarily workers from the site visit the clinic," he said.

Ko Kyaw Moe Tun, 20, also from Ywama village joins her and gains medical experience working with a Chinese doctor stationed at the clinic.

"There are at least 10 people from the site who visit the clinic daily," he said.

On Madae Island, a water reservoir can be seen near the pipeline site. "Rain water is collected in the reservoir which is then pumped up the hill and then distributed to all the villages on the island, which has a population of 5000. The water is purified and tested in labs," explained a translator.

An official from the project said in the future, the villagers from the island would be given training in agriculture technologies including vegetable cultivation. An agricultural expert would be presenting the technology and it could give the villagers more choices apart from growing paddy and fishing in the future, he said.

However, some villagers have been put in place to preserve the cleanliness of water in the reservoir.

The Myanmar Ministry of National Resources and Wildlife Authority has set rules where no catte shall be fed near the reservoir, no one should live near it and no trees should be cut so that the water in the reservoir remains clean," the representative said.

Despite the improvements many residents of Madae Island have questioned why they have not been welcomed to participate in the discussions before work began.

U Khin Win, village head of Ywama village on Madae Island said that the water distribution system through the reservoir helped the villagers quickly and easily access water but said, "The villagers on the island had never had insufficient water before.

He also said those who lived on the land on which the reservoir was built were compensated but those who lived on land surrounding the reservoir traditionally used to grow trees and other crops, were not.

He said about 30 villagers have asked for compensation from project officials but have until this point been denied.

"They don’t allow us to care for the trees. They say the area near the reservoir should be green. It is not their land," said U Khin Win.

The village head was not consulted before the socioeconomic works or construction on the pipeline started.

"There was no communication with villagers. I knew about the reservoir’s construction only when the school construction started and only when I asked," he said.

Lessons learned from Jatropha?

By Noe Noe Aung

I n late 2005, the government announced a massive new initiative to cultivate and harvest oil from the Jatropha curcas plant. It said, “The government set its state goal to have bio-diesel fuel meet all of the country’s energy needs. The plan needs four years to reach maturity, and by then the government expects to be using and exporting Jatropha oil in vast quantities.”

A report by the Ethnic Community Development Forum describes the massive support for the new Jatropha program enjoyed. “In 2006, the chief research officer at state-run Myanmar Oil and Gas Enterprise said Burma hoped to completely replace the country’s oil imports of 40,000 barrels a day with home-brewed, jatropha-derived biofuel.”

Under the government’s plan, Jatropha plantations were to cover 8 million acres by 2009, enough plants to cover the nation of Belgium.

Myanmar was not the only country under the spell of Jatropha. Within the decade, there were over 240 active Jatropha projects across the world, mainly concentrated in Asia, Africa, and South America.

“Jatropha was mistakenly promoted as an almost magic crop that ordinary farmers could grow and squeeze the oil out to power their engines,” said Dr Carl Kukkonen, CEO and co-founder of the green energy firm Vaxaой.

Within two years, the size of this mistake had become abundantly clear in Myanmar.

From the growing period of 2006-2007, Jatropha projects in different states were reporting success rates way below the government’s forecasts. Agriculture officials in Rakhine State reported losing about 55 percent of their crops, while locals in Karen State reported failure rates as high as 75 percent.

The Ethnic Community Development Forum’s report credited the plague of crop failure to a combination of poor planning and a poor understanding of the Jatropha plant. While Jatropha is able to grow in poor soil, the plants that grow will be weak and more prone to failure.

Additionally, the villagers tasked with planting the seeds were often not farmers or specialists of any kind. They were normal citizens forced into work by the old government. Teachers, students, children, farmers, nurses, civil servants, and prisoners were forced to plant the tree along roadsides, at schools, hospitals, religious compounds, and on farmland formerly used for producing rice.

There is no official date on when the Jatropha project ended, but it appears to have folded soon after the disastrous first year of production. The military government invested a large amount of money, force, land, and into the project and today there is nothing to show for it.

In the future, the villagers at Ywama village in Madae Island can soon be given for the projects.

The Myanmar Times contacted several people involved with the project, but most declined to comment. A retired director general from the Department of Energy Planning said “Jatropha” didn’t work. No one wanted to do it patiently and people didn’t have a passion to make it a success: “I think that’s why we failed.”

The new civilian government of President U Thein Sein has often promoted their commitment to sustainable energy, and Dr Kukkonen remains optimistic about the prospect of bio-fuel in Myanmar.

“The potential of Myanmar’s land and favourable climate [could] produce not only abundant food, but also dedicated energy biomass crops to produce clean electricity, biofuels and bio-materials, and to provide employment for farmers.”

He only hopes that the new government won’t let themselves be discouraged by the failure of Jatropha.
Social responsibility

PTT EP answers questions from The Myanmar Times about what the company has learned from its long term investments in the country, its reputation as a responsible investor, and its future projects.

Q. PLEASE TELL US BRIEFLY ABOUT YOUR PRESENCE IN MYANMAR AND THE PROJECTS YOU HAVE BEEN INVOLVED IN?
A. PTT EP International Limited (Yangon Branch) is a subsidiary of PTT Exploration and Production Public Company Limited, a Thailand based company it established and opened its office in Yangon in 1996. Currently PTT EP has acquired and operated in 3 offshore blocks: M3, MF and M 11 and 13 onshore blocks. Each of these blocks have been acquired through a Production Sharing Contract with MOGE in June 2012.

For many years, it is now under a development phase known as the Zawthaki Development Project. The gas from this field will be transported through a 28 inch pipeline to a offshore production platform located at Daw, Tanintharyi Region with an approximate production of 300 MMSCFD. The gas from this field will be used for domestic supply and partly exported.

In addition, we are a partner in the Yadana Project, operated by TEP which as well as Yutag Project operated by PCML, with a total joint venture share of 25.5 per cent and 19.317 per cent respectively.

Q. WHAT LESSONS HAVE YOU LEARNT DURING YOUR PRESENCE IN MYANMAR?
A. PTT EP believes that the ultimate standard of conducting business consists of six principles: accountability, responsibility, fairness and integrity, transparency, creation of long-term value to stakeholders and promotion of best practices. Following these principles will lead us to a successful achievement of our business operations in Myanmar.

In over a decade of operations in Myanmar, we have received a great opportunity to expand our business with the recognition and appreciation of our stakeholders. As a consequence, we are convinced that our way of conducting business is appropriate and we will continue to adhere to these principles.

Q. HOW IMPORTANT IS IT FOR A COMPANY TO BE INVOLVED IN SOCIAL RESPONSIBILITY AND WHAT HAVE YOU DONE IN MYANMAR? DO YOU THINK PTT EP IS OPERATING AS A RESPONSIBLE INVESTOR?
A. PTT EP deems it important to operate its business adhering to good corporate governance and code of business conduct, which are the foundations for to achieve a company on a secure and sustainable basis.

The good corporate governance and code of business conduct of PTT EP are in accordance with economic self sufficiency. Also, stakeholders are taken into consideration as well as social and environment responsibilities in order to create balance in society.

Since the beginning of our operations in Myanmar, PTT EP is conducting socio economic program to help improve the social welfare of people in the last decade.

From its start, PTT EP has conducted its business as politically neutral. We take great pride in consistently demonstrating international best practices and being a responsible investor by incorporating social responsibility in our operations with or without law enforcement.

Q. WHAT ARE YOUR FUTURE PLANS IN THE COUNTRY?
A. PTT EP joined the Yadana project as partner in 1995. We will continue to support Yadana gas production to supply natural gas for the country's domestic use until the end of the PSC in 2028.

Recently, PTT EP was awarded a Production Sharing Contract for onshore blocks, PSC C and EP 2. PSC G is the largest block in this bidding round with an approximate block area of 13,333 Kms2 covering Meiktila, Magway, Taungdwingyi and west of Nya Pyi Taw. Block EP 2 has an exploration area of 1,946 Kms2 and is located in the Aunglan area.

Later this year, for upcoming onshore blocks, our team plan to run 2D seismic operations in both blocks and will propose drilling operations if we find any potential. And for the offshore blocks, M3 and M11, we continue our drilling campaign as planned.

By Sandar Lwin

If your’re interested in getting into the energy sector of Myanmar, now is the time to buy. The sector once catered only to millionaires and friends of the government, but now it is more open to the independent businessman. The procedures are much simpler and access to the information is also smoother than it has been in years.

The sector is administered by the Ministry of Energy (MOE), which can reach them at www.energy.gov.mm. The Energy Planning Department (EPD) handles the tenders and has formulated two procedures for onshore and offshore blocks. A simple bidding method is used for onshore oil and gas blocks. To get them, you need at least one local partner that has already registered at MOE or you can choose MOGE, state owned Myanmar Oil and Gas Enterprise.

For offshore blocks, the ministry is still practising the individual direct negotiation method for each block. But the ministry declares that it is open to all interested foreign companies without any tender selection and you can run the operation on your investment alone.

If you would like to bid on the 2012 round of bidding for offshore blocks, which is the most recent round is in February, you must get the right price after you have made your offer. You will need to send a letter of expression of interest and four documents to the ministry, which includes your proposed investment proposal for the project.

However, your documents need to have endorsements from the ministry at the country of your company’s registration. Then, you will be asked to sign a contract for the project. You may also send your proposal via email to myanmar@rptepmail.net.mm or fax 95 87 411 113.

The potential bidders will be placed onto shortlist in line with the internation practices based on technical competency, financial capability, past history and track record, present performance.

Bidding is a simple but fair way for both host and bidders. The host can also get the right market price,” said a coordinator to an Australian energy investor. When bidding, you are responsible to follow the rules and regulations of the host country. If you are on the shortlist, you will get summons and the EPD will provide you the right price, market price, and the tender is more open to the independent businessman.

Then comes the proposal process. You need to submit your proposal on terms and conditions and production sharing contract and conditions and production sharing contract and you will receive responses from the international best practices. The sector is administered by the Ministry of Energy (MOE), which can reach them at www.energy.gov.mm. The Energy Planning Department (EPD) handles the tenders and has formulated two procedures for onshore and offshore blocks. A simple bidding method is used for onshore oil and gas blocks. To get them, you need at least one local partner that has already registered at MOE or you can choose MOGE, state owned Myanmar Oil and Gas Enterprise.

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Bidding is a simple but fair way for both host and bidders.
By Victoria Bruce

East and West eyeing off Myanmar oil wealth

By Victoria Bruce

ESTERN oil and gas firms are tipped to dominate Myanmar's upcoming bidding war for onshore and offshore petroleum blocks.

"There is a forthcoming bid round for a series of on and off shore concession, to be launched by the Ministry of Energy in early September," said Christopher Drew, country manager of Australian exploration firm Twinco Oil. "We expect it to be highly competitive, with a strong showing by the Americans," he said.

Chevron, ExxonMobil and ConocoPhillips were all tipped to be among the first to respond to the Myanmar government's call forExpression and production over the next four years for US$2 billion in Myanmar confirmed a new investment largest gas reserves in South-ern Asia. Western energy firms are certain to lure in big name investors say Myanmar's untapped oil and gas industry will continue to comply with all US laws and regulations," a Chevron spokesman said in an email.

The Ministry of Energy said 23 lucrative offshore blocks will be offered alongside 30 onshore blocks in the next bidding round, and industry insiders say Myanmar's untapped offshore oil and gas reserves are certain to lure in big name Western energy firms.

"US firms are interested in offshore, not onshore," U Ken tun said. "These guys want to play big and the big games are all offshore." Myanmar already hosts a small European presence, including France's Total and Switzerland's Geopetrol, and sources say representatives from BHP Petroleum visited the resource-rich country in June.

"BHP have been revisiting the previous onshore opportunities in the oil and gas sector and no doubt evening off the lack of a competitive offshore market," said a foreign consultant who spoke on condition of anonymity.

An Australian investor, Robert McLeman, said his company Dagan Oil Limited, was keen to hold onto offshore blocks in the next bidding round.

"I'm preparing the letters of intent as we speak," he said during a phone interview, adding his company had made "great inroads" with the Ministry of Energy (MOE) in the past months.

But while Western energy companies are expected to make their presence felt, they won't be tipping the balance against Eastern firms just yet, said Jared Bissinger, a PhD student from Australia's Macqua-rie University who is studying Myanmar's oil and gas sector.

"Myanmar's oil and gas sector has many more firms from Asia than the West, and it will stay that way for quite a while," Mr Bissinger said.

"Part of the reason for this is simply geography - Myanmar's location close to Asia and comparatively far from the US make it more economi-cal to export oil and gas to Asian countries. Remaining sanctions like the import ban play a role too," he says the SED list, Mr Bissinger said.

All foreign firms investing in the oil and gas sector are required to enter into a pro-duction sharing contract and partnership with the Myanmar Oil and Gas Company (MOGE), the government entity which oversees licensing and holds a majority stake in all onshore and offshore blocks.

Under new rules, foreign oil and gas firms starting up in Myanmar must take on a local partner however concerns over lack of capacity and industry expertise mean Myanmar's few legitimate local energy firms will be highly sought after.

Parami Energy recently signed a profit-sharing joint venture agreement with Myanmar's Jubilant Energy and MOGE (the Myanmar Oil and Gas Enterprise) to explore for onshore oil and gas in the PSC-I block in Ayeyawady Region in Southern Myanmar and are teaming up with Vietnamese-Russian oil venture Vietsovpetro to bid for blocks in the upcoming round.

But not all local firms will have the necessary experi-ence or capacity required to appear attractive potential partners to incoming foreign firms, particularly big name multinationals, experts said, pointing out local firms must be approved by the Ministry of Energy.

"I believe there are now up to 60 local companies recognised by the Energy Ministry to satisfy the new local content requirement," Mr Drew from Twinco Oil said. "These local partners don't have to do anything too much - they basically get a free carry of anywhere from 3 per cent to 8 per cent up to the development stage," Mr Drew said.

He said this arrangement might not be so well-received from American energy firms, which have to abide by strict post-sanctions report-ing requirements, including disclosing details of any deals with MOGE, if their investment is more than US$50,000.

"I expect the Yanks may kick up a fuss about this, and we may not be surprised if they get some sort of exemption - let's see," Mr Drew said.

Myanmar's lucrative oil and gas industry has received over 90 per cent of foreign direct investment in past decades mostly from Thailand and China, as its neighbours seek solutions to their growing energy demands, however much of its offshore reserves remains largely unexplored.

"Myanmar has the potential to contribute to satisfying the energy shortage in India and China, but needs a lot of exp-loration work," Mr Drew said, adding the large gas potential was in the offshore Rakhine deep water areas.

"The problem is that there is such little hard data on the area, therefore it's very dif-ficult to justify a big bid in a competitive process," he said.

Although Myanmar's untapped oil and gas industry will no doubt attract substan-tial interest from foreign investors, Western firms may be reluctant to enter a country Transparency International (Germany-based non-profit organisation) ranks as one of the world's most corrupt, despite its recent political and economic reforms.
A-1 and A-3 gas fields

The A-1 natural gas field is located offshore of Rakhine State and the block measures 3885 square kilometres. A Production Sharing Contract (PSC) for the A-1 block was signed between the Myanma Oil and Gas Enterprise (MOGE) and a consortium led by South Korean firm Daewoo in August, 2000. Daewoo discovered the first commercial natural gas deposits at Shwe prospect, in January 2004. An additional gas discovery was later identified at Shwe Shwe in 2005 and at A-1 prospect in 2006. The A-3 gas field is also located off Rakhine State. The size of the block is 6780 square kilometres. The A-3 block was awarded to Daewoo and it partners in 2004 and the company discovered commercial natural gas at the Mya-1 prospect in January 2006. Daewoo, as the operator of both the A-1 and A-3 blocks, has a production-sharing agreement with MOGE and the Natural Gas Corporation with 1pc; Myanmar Oil and Gas Enterprise with 51pc; and South Korea's Daewoo Oil and Gas Corporation with 5pc. In December 2008, Myanmar and China signed MOU with China National Petroleum and Energy Corporation (CNPC) to discuss the feasibility of building a pipeline from Letpanto gas field in Myanmar to China via pipeline. Construction work on the US$2.5 billion project is expected to start from the site soon.

Yetaung gas project

The Yetaung natural gas field was discovered when Appraisal W-1 was drilled by US oil company Texaco at the M-12 offshore block in November, 1992. It is located in the increasingly lucrative Gulf of Mottama region. The oil field was discovered in 1992 and spans area of the M-12, M-13 and M-14 blocks. The project started in 1996-97 but Texaco elected to sell its entire interest and transferred operation to Premier Oil in 1997. Premier Oil sold its entire share to Petronas, a Malaysian oil and gas company, in 2002. Gas from the field started flowing to Thailand in 2000 at about 200mmcfd. In August 2004 this figure doubled after the opening of a new field, overall production climbed to 500mmcfd, with 400mmcfd exported to Thailand. In late April 2005, MOGE and Thailand's PTTEP signed a verbal agreement to sell natural gas from gas to Thailand via pipeline. Survey work on the pipeline route is ongoing and MOGE and PTTEP are talking to the Myanmar government about building the pipeline.

M-3

Aung Singha 2 well in 2011 March found that 154 barrels of condensates & 28.5 million cubic feet of gas per day could be produced and will be used only for domestic exploration well completion.

M-9 offshore block

This newly discovered field in the offshore M-9 block, in the M-9 block was discovered by MOGE in 2004 and the company discovered commercial natural gas at the M-9 block was discovered by Thailand's PTTEP when it conducted an aggressive drilling campaign in the block in 2007. Gas from the newly discovered field in July-December 2013 pipeline will be 220 kilometers long for offshore and 70 km for onshore link to the M-9 block Platform. Agreement between MOGE and PTTEP International Limited and PTY Public Company Limited has been signed in June 2008. Natural gas is expected to start flowing from the site soon. The M-9 block is expected to produce about 300mmcfd (million cubic feet per day), with 150mmcfd exported to Thailand and the balance used domestically.

Yadana gas project

The offshore Yadana gas field was discovered by MOGE in the Gulf of Mottama in 1982 and provides some of Myanmar's energy needs as well as billions of US dollars in foreign currency revenue. French company Total is the operator of the project, which exports 600mmcfd to Thailand. About 2000mmcfd is used to meet Myanmar's domestic needs. Gas exports from the project began in July 1998 and the gas sales agreement signed between Total and the government will run for 30 years, until 2028. Yadana's major shareholders are Total Myanmar Exploration and Production, Unocal (United States), PTTEP International Limited (Thailand) and MOGE.

Nayung gas field

The Nayung gas field is located in Nayungyin township, about 55 kilometres (34 miles) north-east of Yangon, and the field is about 8km long and 2.5km wide. The gas field was discovered by MOGE in 1999 and is the largest onshore gas field discovered so far in Myanmar. The Nayung gas field produces about 70pc of the country's total onshore production and the majority – 48mmcfd and 660 barrels of oil a day (bpd) – comes from the Nayungyin South Prospect. In 2005, production at Nayungyin was about 1600mmcfd.

The field's natural gas reserves are 297 billion cubic feet (bcf) and 117bcf, or 270pc, had been produced to October, 2005, according to MOGE figures. Remaining recoverable reserves are about 10bcfbcf. Total oil in place in the form of condensate is more than 1 million barrels and about 1.5 million barrels had been produced to October 2005. The field has remaining recoverable reserves of 2.3 million barrels. Gas from the Nayungyin fields feeds power plants in Yangon and factories in upper Myanmar.

Aphayik gas field

The Aphayik gas field is located between the towns of Taikyi and Zalun in Yangon Region, about 80km north of Yangon. The gas field, which was discovered in 1991, is almost 17km in length and 5.5km wide and produced about 500mmcfd in 2005. Figures in 2009 show that the field's total gas reserves are 180bcf and to October 2005 about 960 mmcfd had already been produced.

Shwe Pyi Thar oil and gas field

The Shwe Pyi Thar oil and gas field is located offshore of Rakhine State. Production in the field started in 2004 and the company discovered commercial natural gas at the field in 2005. Peak production was 2435bpd in 2004.

Mann oil field

The Mann oil field is located southwest of Naypyidaw, approxi- mately 590 kilometres north of Yangon, and is about 14km long and 3.5km wide. The Mann oil field was discovered in 1970 and there are now 660 wells in the field, 234 of which are producing and the remaining due-in.

Total oil-in-place is 323.013 million barrels and 114.032 mil- lion barrels had been produced to October 2005. Peak pro- duction at the Mann field was 24,714bpd in 1979 and average production in December 2005 was 2260bpd.

Mann oil field

Myanmar Aung oil field

The Myanmar Aung oil field is located offshore of Aungmyarwaddy Region. The field was discovered in 1947 by MOGE and is 6.5km long and 2.5km wide. In 2005 it produced an average of 6.2900mm and 372bpd. Peak production was 9776bpd in 1991. Remaining recoverable gas stands at about 300mmcfd – to October 2005, 91mmcd had already been produced. Figures from previous years show that total oil-in-place is 18.9 million barrels and to October 2005 3.3 million barrels had already been produced.

Yenangyaung oil field

The Yenangyaung oil field is located in Yenangyaung, Magway Region and is about 32km long and 3km wide. It was first drilled in 1887 and has total oil-in-place of 740 million bar- rels, with more than 251 million recoverable. Cumulative production in October 2005 was 228.37 million barrels. Production in 2006 was 18,066,060bpd and average production in December 2013 was 1818bpd.

An Improved Petroleum Recovery Contract was signed between MOGE and Goldwater in October 1996.
Total E&P explains its position and activities

Total E&P has been present in Myanmar since 1993. Deciding to stay in a country despite widespread international criticism over human rights abuses, things maybe coming full circle as Aung San Suu Kyi recently stated that she considered Total to be a responsible investor and called for other companies to emulate their business practice. Total’s General Manager in Myanmar, Namita Shah, presented the company’s position in the country to The Myanmar Times via written Q&A, explaining its social responsibility, local business practices and future developments.

**WHAT LESSONS HAS TOTAL LEARNED FROM THE COMPANY’S 20 YEAR PRESENCE IN MYANMAR?**

From the moment that Total decided to operate in Myanmar, the Group had to do so without compromising its principles, while effectively ensuring that they would be enforced.

The results achieved through critical dialogue with all its stakeholders created a region where economic development and respect for human rights were possible.

Total has no doubt that the right choice was not to return to France to withdraw its presence because of the strong tensions in the country.

The same issue arises for many multinational corpora- tions, in particular those active in the extractive industries, because geological distribution techniques often mean that they operate in countries affected by strong tensions. These tensions may be aggravated by the companies’ presence because of the wealth and envy that they generate. Engagement in such countries involves taking a risk that could adversely affect corporate image. A responsible multinational has to reconcile its contribution to economic development with the respect of human rights where it operates, while refraining from interfering in local politics.

We welcome all opportunities for dialogue and cooperation with the various national and international stakeholders in order to examine the ways we can better serve Myanmar’s development interests. Obviously, the Yadana Socio-Economic Program alone cannot resolve the problems in Myanmar, but the presence of a company like Total can help get everyone moving in the right direction.

**WHAT DO YOU MAKE OF RECENT COMMENTS THAT TOTAL IS A RESPONSIBLE INVESTOR, AND HAS IT HAD ANY POSITIVE IMPACT FOR THE COMPANY?**

As you know, Total has been officialised for its decision to remain in Myanmar, but Total has always believed in responsible economic development.

Total has demonstrated by the work it is doing on the ground that it is a responsible investor along with its consortia partners, and certain organisations are beginning to acknowledge the work of Total. This acknowledgement already improves the morale of the employees of Total, who often face criticism for their work in Myanmar.

At the same time, Total must and will continue to monitor its activities and constantly adjust, grow and improve its CSR activities.

**HOW DOES THE COMPANY INTERPRET RESPONSIBLE INVESTMENT AND DO YOU THINK TOTAL IS SUFFICIENTLY CONSCIOUS OF THE EXPECTED NORMS AS A RESPONSIBLE INVESTOR? HOW?**

Corporate social responsibility is the way in which companies integrate social, environmental and economic concerns in an open and responsible manner with exemplary business practices and creation of wealth and social improvement. It means that companies are responsible for the social as well as the economical consequences of their economic and industrial operations, and it does not stop at the borders of the company but extends to all stakeholders both internal and external to the company (employees, local authorities, service providers, etc.)

**HOW IMPORTANT IS IT FOR A COMPANY TO GET INVOLVED IN SOCIAL RESPONSIBILITY?**

The Group is committed to respecting the environment, ethical practices, safety and corporate social responsibility. Thus Total takes three axes into consideration for the future – as an energy company – Total must find a way to meet the energy needs of the future and addresses climate change, managing our activities and environment – to ensure the safety operations, human health and preserve the environment; contributing to the economic and social development of stakeholders – creating value for the various stakeholders in its operations is one of Total’s major objectives.

The socio-economic program was planned and implemented with respect for traditional customs and practices. Launched in 1993, even before construction fieldwork began, the program has always been considered an integral part of the Yadana project.

At the end of 2010, the Socio-Economic Program (SEP) disbursed some US$26 million covering the Yadana pipeline region. Program costs are shared with the Yadana government, participating in the Yadana project.

In order to ensure that the company attracts and keeps the people it needs, and recruited candidates are offered jobs according to their abilities and experience, the Human Resources Department provides a systematic selection and recruitment service in strict respect of Group Recruitment Policy and TEM Recruitment Procedures.

The high proportion of local recruits is the result of an extensive training program.

Total has total decided to operate in Myanmar for the welfare and the right choice was not to return to France to withdraw its presence because of the strong tensions in the country. Total’s General Manager in Myanmar, Namita Shah, presented the company’s position in the country to The Myanmar Times via written Q&A, explaining its social responsibility, local business practices and future developments.

**WHAT ARE THE LESSONS THAT YOU HAVE EXPERIENCED WHILE WORKING HERE?**

The role of Total in the Yadana gas field is to provide technical and administrative services to the Yadana Gas Development Project, a joint venture between Total and partners.

The Yadana gas project is located in the Yadana block, which covers an area of 5000 square kilometers in the Yadana Sea, about 160 nautical miles off the coast of Myanmar. The Yadana Gas Development Project is developing the Yadana gas field and the Yadana Gas Field is producing about 780 MMSCFD per day of natural gas, around 600 MMSCFD exported to Thailand and 180 MMSCFD supplied to Myanmar. The gas is transported onshore via a 346-kilometer subsea pipeline and to the Thai border via a 41-kilometer onshore pipeline.

The consortium is currently undertaking some investment works, around 600 MMSCFD, including the drilling of wells to maintain the production plateau and a project to maintain the integrity of the Yadana platforms.

**WHAT ARE THE FUTURE PLANS IN MYANMAR, INCLUDING YADANA AND ANY OTHER PROJECTS?**

The total investment outlay was about US$1 billion. With an expected field life of 20 years, Yadana Gas Field is producing about 780 MMSCFD per day of natural gas, around 600 MMSCFD exported to Thailand and 180 MMSCFD supplied to Myanmar. The gas is transported onshore via a 346-kilometer subsea pipeline and to the Thai border via a 41-kilometer onshore pipeline.

The consortium is currently undertaking some investment works, around 600 MMSCFD, including the drilling of wells to maintain the production plateau and a project to maintain the integrity of the Yadana platforms.
YanMar’s energy capacity has increased dramatically since 2010. This is due to the rapid increase in energy projects that have been implemented. The most well known of these is the Myitsone Dam project in Kachin state which is the largest energy project in the country. Despite much enthusiasm for the project with the Myanmar and Chinese governments, after the new government elected in early 2011 local people have demonstrated to halt the project because of severe, long-term social and environmental impacts.

The many environmental campaigns to save the Ayeyarwady River from Myitsone Dam project include ‘Sketch of a river art exhibition’, showcasing images of the Ayeyarwady River taken by local photographers organised by Green Hearts Environment Network started in September last year. Novelists, writers, journalists, poets, cartoonists, artists and photographers cooperated with environmentalists from non-governmental organisations to launch special discussions, publish books and postcards, hold photo exhibitions, and release poems to raise awareness about the issue.

On September 21, Daw Daewi Thant Zin, an environmental activist and chief editor of the monthly Aung Pin Lae magazine, published a book titled Ayeyarwady Ko Tot Ma Lwan Chin Par (I Don’t Want to Miss the Ayeyarwady), which deals exclusively with environmental issues related to the river. “I’m very excited because I understand the public’s desire and their love for the Ayeyarwady, which is wholly owned by Myanmar and we don’t want to lose our heritage. I think other people feel the way I do so I published this book to cooperate with everybody else who loves the Ayeyarwady.”

We have lost our life-earning farmlands as the pipeline has crossed over them

Daw Daewi Thant Zin

Another campaign was launched by a group of Rakhine youths in their traditional tug-of-War or Ratha-Swe-Bwe held in Sittwe in February this year to stop the Shwe gas project. Ratha Swe Bwe is one of the most popular traditional games in Rakhine State and they launched the campaign with the game to raise wider awareness among their own Rakhine people who are being deprived of their rights in their own region. The campaigners were wearing t-shirts that read “Stop the Shwe Gas Project” and “Give 24-hour Electricity to Rakhine”.

Meanwhile, 49 farmers from Kyaukphyu township in Rakhine state sent complaint letters to township administrator, regional Chief Minister, the Chairman of State Parliament, the State administrator, and the Rakhine Nationalities Development Party. The complaints said, “We have lost our life-earning farmlands as the pipeline from the Shwe Gas Project has crossed over them”. The responsible officials responded on 14th Waxing Moon Day of Thadingyut (11 October 2011) with a verbal promise that the remaining amount would be paid after 15 days.

“We would like to request you to take necessary steps for paying the remaining compensations to us with your kind considerations for our difficulties and sufferings.”

Daewoo E&P is the operator of Shwe project expected to export gas in July and oil pipeline in September, 2013. The project started collecting environmental base line data in 2009.