Republic of the Union of Myanmar
National Unity Government
Ministry of Planning, Finance and Investment

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Statement to TOTAL's Press Release, stopping MGTC's dividend payments

In my capacity as Minister of Planning, Finance, and Investment of Myanmar's civilian-led democratic National Unity Government, I welcome the recent decision made by TOTAL and others to suspend the distribution of dividend payments to all shareholders of the Moattama Gas Transportation Company Ltd (MGTC).

These distributions are a part of the oil and gas revenues are now being used to finance the military's campaign of terror and gross human rights abuses against the people of Myanmar, under the illegitimate State Administration Council (SAC).

We welcome this action as a step in the right direction, with both TOTAL and Chevron having now acknowledged that it is wrong to continue supporting the military. The SAC steals from the people of Myanmar to fund its crimes against the same people of Myanmar.

TOTAL was right to condemn the violence and human rights abuses perpetrated by the Myanmar military. I also note TOTAL's affirmation that the company will comply with applicable sanctions issued by EU and US authorities.

We welcome both TOTAL and Chevron have now publicly acknowledged that facilitating such payments is at odds with their commitment to responsible business practices that respect the law, protect human rights, and benefit the communities in which they work.

However suspending cash distributions to pipeline shareholders will deny the military only a small portion of the substantial revenues that the military receives from TOTAL's ongoing operations in Myanmar.

Based on recent financial data, the dividend payment amounts to roughly USD 40 million per year. This is a very small portion of overall revenues flowing to MOGE and state institutions under SAC's control from the Yadana project operated by TOTAL. In 2020/2021 FY, for instance, an estimated 400 million USD will flow to state institutions that are now under the direct control of the SAC.

It must also be noted that other offshore oil/gas projects provide significant revenue streams to the military, the combined payments from these projects to the MOGE amount to over USD 1 billion per annum.

Despite the action announced by TOTAL, SAC will still receive the vast majority of revenue that accrues to state institutions from the Yadana project, and from the other projects that export of Myanmar's natural resources. This constitutes single most significant flow of funds to SAC, allowing it to use such funds procure weapons, jet fuel, and other strategic necessities as part of its campaign of terror and gross human rights abuses. It does not stop payments that are now accruing to the military through SAC from Myanmar's natural resources, including royalties, production sharing payments and tax obligations.

It bears repeating – while the National Unity Government and I do welcome this decision, it must be understood that this step does little to stop most payments that are now accruing to the military from Myanmar's natural wealth, including royalties, production sharing payments, and tax obligations.

Yet, with actions such as these, the tides are now turning. Cracks are emerging. Some of the largest companies in the world have now acknowledged that it is unacceptable to provide material support that directly benefits the Myanmar military through its present control of the state apparatus.

We are not calling for production to stop, but for payments to be withheld from institutions that are presently under the military's control. This is, in fact, the only way for the oil and gas contractors to honor their obligations to the people of Myanmar.

By acknowledging this reality — that providing financial resources to military-controlled institutions conflicts with their commitment to responsible business practices — TOTAL and Chevron have set a precedent for cutting the junta's access to crucial funds. All who continue to fund the military can and must follow this approach, out of basic respect for human dignity.

With new US government sanctions announced on May 17, 2021, oil and gas companies should be on notice that of there are legal and reputational risks arising from their failure to stop payments to MOGE and other state institutions under the control of the SAC.

There is still a long way to go to protect the people of Myanmar from a military regime which has illegally attempted to seize power from the legitimate government of Myanmar. Denying them funds will ensure that they are unable to maintain their illegal and illegitimate regime. This work is just beginning, but we are confident we will succeed.

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