

IM4DC

Action Research Report

SUMMARY

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Key themes:
Governance and Regulation
Community and Environmental Sustainability
Operational Effectiveness

Key countries:
Burma

Completion:
November 2012

Research aims:
Burma (Myanmar) is a country rich in natural resources. Extractive industries offer key routes to national development and escape from high poverty levels, but only if sound governance, sector management, various reform aspects and factors related to lasting peace are well addressed. This document provides a profile of the current development situation in Burma, a review of mineral and energy production, an understanding of governance and legislation and a list of some of the fields of relevant capacity building.

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Burma (Myanmar) Country Profile

Extractives Summary

Burma (Myanmar) is a country rich in natural resources. Extractive industries currently provide a substantial proportion of the income that is supporting the transition to democracy. Building capacity and improving extractive industry performance in Burma related to governance and institutional frameworks, planning, exploration and production can be considered particularly important and relevant to Burma's development. Addressing the many pending issues relevant to mining and hydrocarbon industry developments, along with social and environmental licence to operate matters, are essential issues.

While nationally the vast majority of the workforce are subsistence farmers, the gas industry and the precious/semiprecious stone mining industries have provided the largest incomes, with gas earning US\$3.6 billion in the 2011/12 year and precious stones earning approximately US\$3.4 billion in the 2010 calendar year from auction sales. The overall GDP projected for 2011/12 is US\$51.9 billion (IMF Article IV). Gas production will more than double in the next six years. Copper, nickel and gold will dominate future values of metals production. Gold production is valued at around US\$100 million/annum, but may be massively understated.

Public officials and civil society are eager to learn more about all aspects of sector improvement, with many recognising that more equitable, transparent and accountable development processes are a key towards creating stability in the country and sector. Many of the natural resources and deposits are located in or require transit through ethnic areas, requiring multidisciplinary approaches for successful projects and lasting wealth generation.

Key aspects of legislative reform are underway (e.g. The Environmental Law has just been released and a revision of the 1988 Investment Law is expected in August). Very positive aspects in the 2009 National Sustainable Development Strategy related to extractives have not yet been incorporated into mining or investment law. Institutional capacity can be considered very weak, with some strong individuals, but poor depth due to education system dysfunctionality and poor systems. Improvements in media freedom are supporting the process.