

POSCO International (PI)'s Financial Ties to Tatmadaw

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● 기자 : 곡사포는 탱크 등 적의 진격을 차단하는 데 효과적으로 사용되는 현대지상전의 기본 무기입니다. 그런데 대우 인터내셔널과 두산 인프라코어 등 7개 업체는 이 곡사포에 장착되는 대전차포탄 제조기술을 미얀마로 몰래 수출했다가 적발됐습니다. 현재 군부가 집권중인 미얀마는 방산물자교역이 엄격한 국제감시를 받고 있는 요주의 국가여서 정상적인 방법으로는 수출이 불가능했습니다. 그래서 이들 업체들은 일반산업기계 수출인 것처럼 위장계약을 꾸몄다고 검찰은 밝혔습니다. 이런 과정을 거쳐 연간 수만발의 포탄을 생산할 수 있는 설비와 기계, 플랜트 일체와 함께 군사기밀인 포탄과 부품 도면 등 핵심기술들이 미얀마로 유출됐습니다.

● 이견주 첨단범죄수사부장 (서울중앙지검) : 우리나라가 이미 가입해 있는 국제규범인 바세나르 협정과 대외무역법 등 관계법령에 의하여 그 수출이 엄격하게 통제되고 있는 전략물자 및 전략기술에 해당됩니다.

● 기자 : 이들 업체들이 미얀마 정부로부터 모두 1600억원을 받기로 하고 현지에 세운 포탄 제조공장은 현재 시험생산을 거쳐 90% 정도 완공된 상태로 알려졌습니다. 유죄가 확정될 경우 관련업체들은 국제협약 위반으로 미국 등 주요 교역국으로부터 수출제한조치도 받을 수 있다며 파장을 우려하고 있습니다. MB C뉴스 박찬정입니다.

2006
illegal arms
export to
Tatmadaw:
PI officials
punished
in Korea

Government revenue in Myanmar

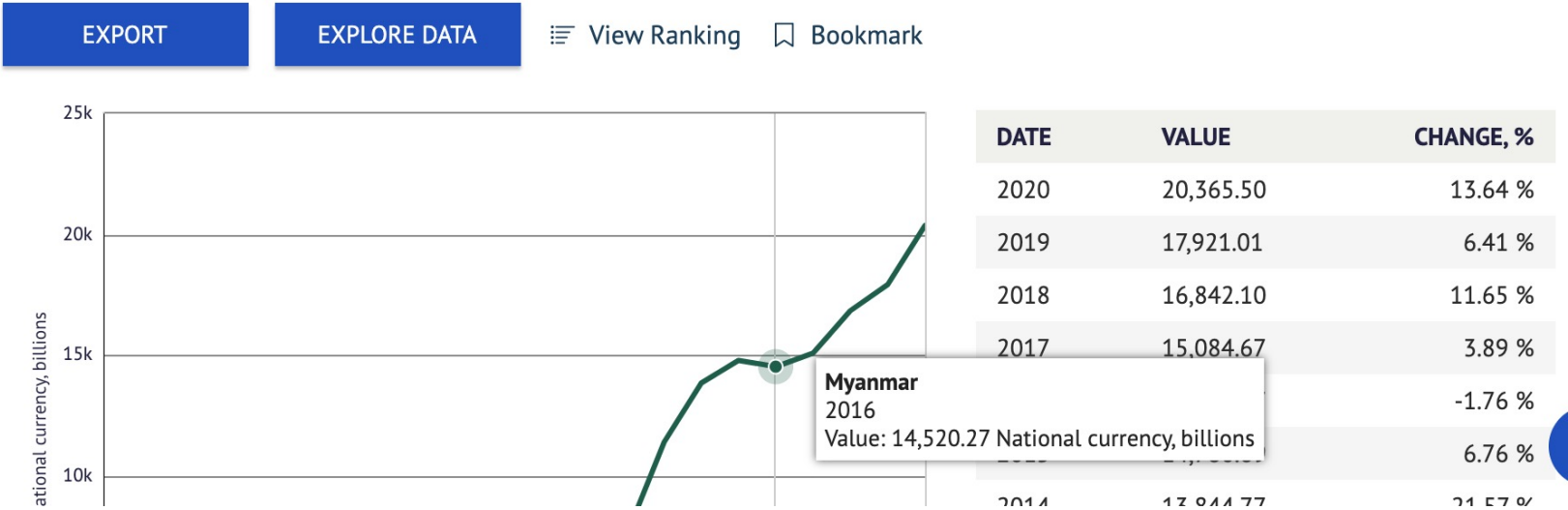
20,365.5

National currency, billions in 2020

= USD 11.5B

Government revenue of Myanmar increased from 396.34 national currency, billions in 2001 to 20,365.5 national currency, billions in 2020 growing at an average annual rate of 24.62%.

The description is composed by our digital data assistant.



June 11 2021

SHWE GAS PROJECT

Gas Companies Must Support Democracy and
Stop Flow of Wealth to the Military Junta



Table 1. Projected (Revenues) Sale Proceeds for Gas in Myanmar for 2021-2022⁴¹

	2021-2022 Forecast (in USD)
Royalty	225,573,770
Profit/Petroleum Split	737,704,918
State contribution	231,770,492
Income tax from Oil and Gas companies	53,114,754
Total sale proceeds for offshore projects	1,230,163,934
State contribution	139,016,393
Income tax from pipeline companies	175,081,967
Total revenue from pipeline projects	314, 098,361
Total inflows from offshore and pipeline projects	1,544,262,295

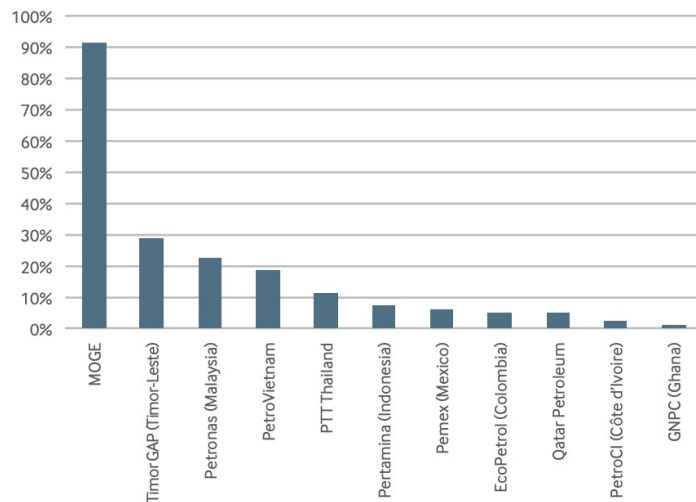
Total Sale Proceeds (USD 1.5B) – Tax (USD 53M
+175M=228M)= MOGE revenue.
MOGE revenue = USD 1.3B



MOGE hoards cash most – 90%

MOGE and other state bodies put money in “Other Accounts” -55%

Figure 2. Share of cash to total assets for selected national oil companies (2015 or most recent)



EXECUTIVE SUMMARY

January 2018

State-Owned Economic Enterprise Reform in Myanmar: The Case of Natural Resource Enterprises

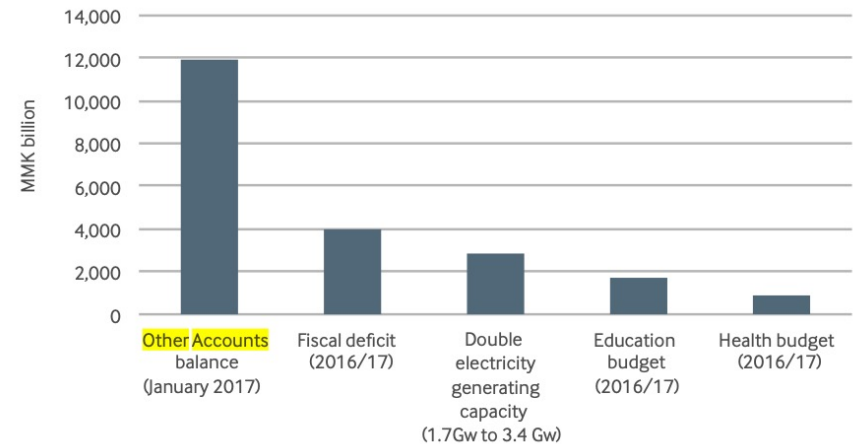


RENAISSANCE
INSTITUTE



Natural
Resource
Governance
Institute

Figure 1. Size of total SEE OA balances relative to **other** Myanmar budgetary figures

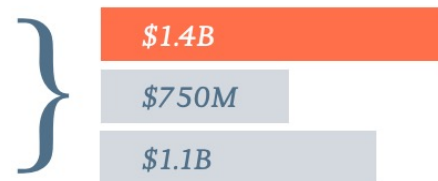


What is “Other Accounts”?

4. Contributions to political patronage

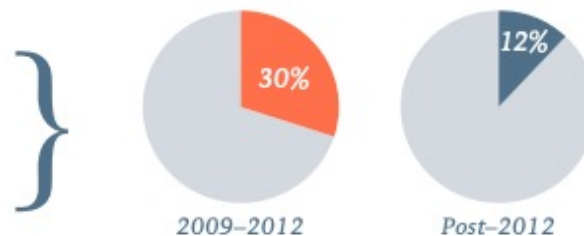
Several interviewees suggested that SEEs are used to spread benefits to a network of private political patrons that support the government.

From April 2013 – March 2014, MOGE deposited more into its “Other Accounts” (\$1.4 billion) than Myanmar spent on health (\$750 million) or education (\$1.1 billion) in FY 2013/14.

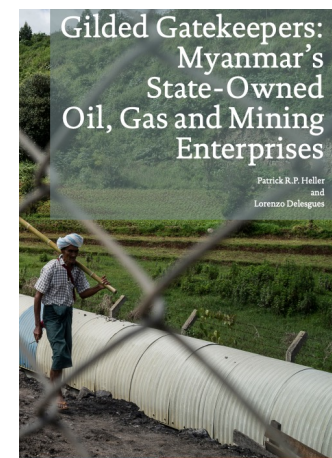


GILDED GATEKEEPERS: MYANMAR'S STATE-OWNED OIL, GAS AND MINING ENTERPRISES

Decrease in share of SOE revenues transferred to the government



Less money into gov, more money into
“other accounts” after NLD takeover



© 2016



30 State owned Enterprises (SOE), such the Myanmar Oil and Gas Enterprise (MOGE) retained 55% of their 'profits' which were held in the Myanmar Economic Bank (MEB), another SOE, in funds called 'Other Accounts'. As of 2016, MOGE's cash in hand "represented more than 3 times revenues and more than 7.5 times expenditures ... MOGE's cash-on-hand also represents the highest share of total assets of any national oil company in the world" and as of March 31, 2018, MOGE's 'Other Accounts' held USD 4.75 billion (see Bauer et al, 'State-owned Economic Enterprise Reform in Myanmar: The Case of Natural Resource Enterprises', Report, Natural Resource Governance Institute, 2018: pg 18.). The absence of transparency means it is unconfirmed, but it is thought that large sums were loaned to military-linked businesses and will never be repaid. Whilst the NLD government ordered that the Other Accounts be closed in 2019, the only civilian government officials that could confirm whether this took place have been detained since the coup.



2019 "Other Accounts" ordered to be closed by NLD-appointed financial minister but after coup, minister detained and replaced by Tatmadaw

MILITARY ACCESS TO GAS SALE PROCEEDS.

Following the attempted coup, the military is likely to once again use MOGE to misappropriate all payments (gas sales proceeds, pipeline dividends and taxes) to sustain its control of the government apparatus, finance its operations against the local population and to seize portions for private gain. As part of its illegal seizure of the powers of state, the military has appointed new "Ministers." The MOEE Minister appointed by the National League for Democracy (NLD) has been arbitrarily detained by the junta and his replacement was Deputy Minister in 2011, a time when billions in financial payments and proceeds were misappropriated. The mil-

Tatmadaw “exchange rate” manipulation



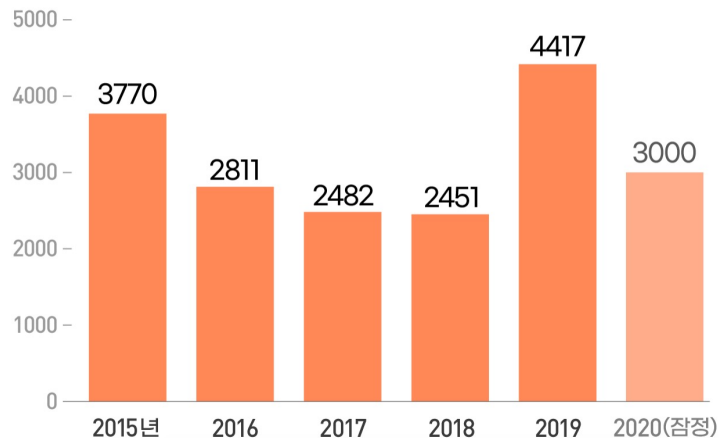
In simplistic terms, the military regime receives revenue for its natural gas exports in US Dollars. It then exchanges that revenue into its national budget at an exchange rate of Kt 6 to the dollar, rather than the more accurate market rate of Kt 1,000 to the dollar. Based on that model, of the US\$4.83 billion in earnings from the Yadana gas since 2000, the Burmese regime would have included Kt 28.98 billion (or US\$28.98 million) in its national budget instead of Kt 4.83 trillion (or US\$4.83 billion). That leaves approximately Kt 4.80 trillion (or US\$4.80 billion) mysteriously unaccounted for in the national budget. That is, **approximately US\$4.80 billion of the US\$4.83 billion of the SPDC's Yadana revenue is not included in the national budget.**

PI(51/25%)'s profit from Shwe Gas – USD 200~400 M →
MOGE's profit (15/7.5%) : USD 60~120 M

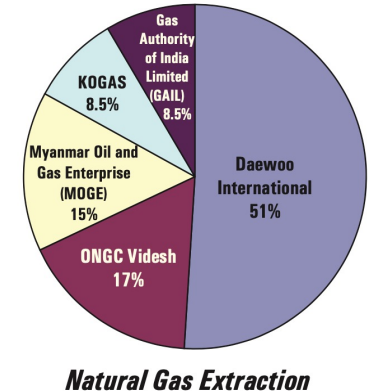
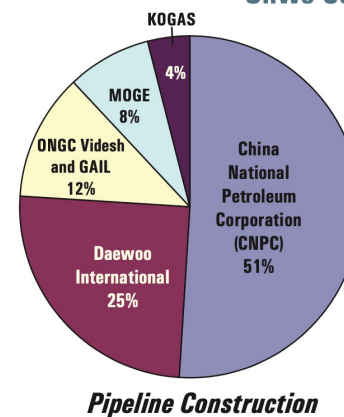
KBS NEWS

분야별 ▼ 시사·다큐 ▼

포스코 인터내셔널
미얀마 가스전 영업이익 추이 (단위:억 원)



Shwe Consortium Companies





Money that PI pays to government including tax – USD 200 ~400M
to MOGE : USD 170~340M

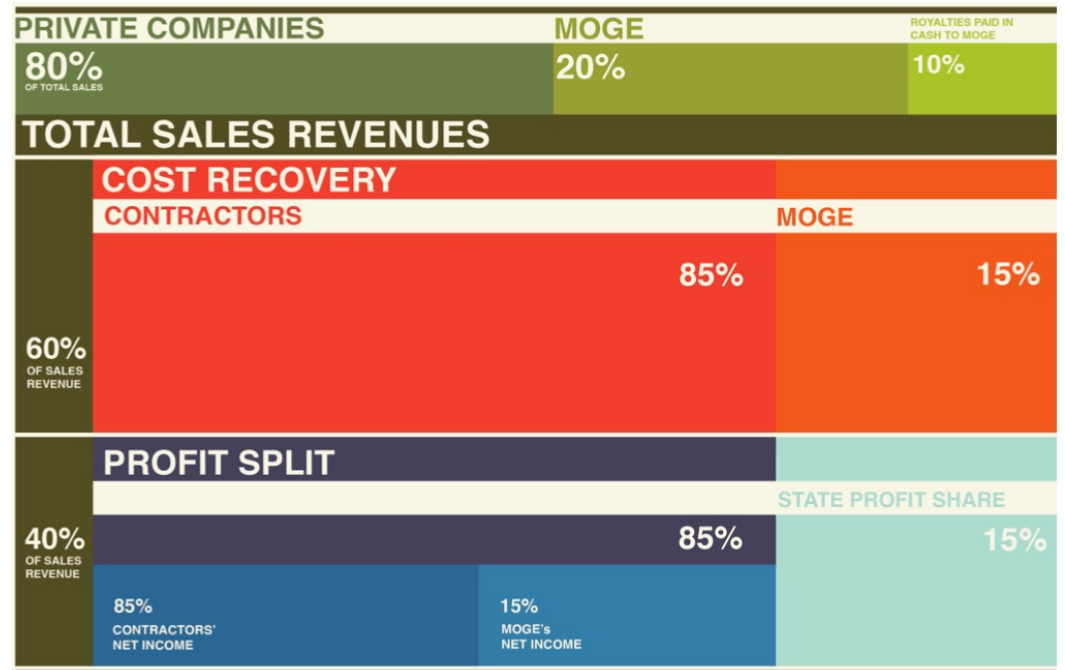
Table 5. POSCO International Yearly Payment to Myanmar Government⁵⁴

Financial Year	MMK (Myanmar Kyat)	US Dollars
2017-2018	262,057,008,872	198,085,346
2016-2017	282,425,388,990	206,247,774
2015-2016	576,644,680,344	475,097,369
2014-2015	398,179,029,859	386,292,800

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SHWE GAS PROJECT

Gas Companies Must Support Democracy and Stop Flow of Wealth to the Military Junta





Total and Chevron (Yadana Gas Operator) stops USD 52M Pipeline
(350M*15%=52M)

Continues Production payment of USD 175M

1 PM

Total and Chevron suspend gasfield dividends to Myanmar junta | Financial Times

On Wednesday Total said that, following a shareholder vote earlier this month, the dividends to MGTC, the pipeline company in which MOGE owns a 15 per cent stake, were being suspended.

Total did not say how much it would amount to. A person familiar with the matter said the total dividends from the gas company were worth about \$350m in 2020.

The whole game here is to keep the gas operations running but

The announcement did not include a vow to withhold taxes or gas deliveries from the field, worth close to \$175m in 2020, according to people briefed on the decision. Total said it was “maintaining the

AMNESTY
INTERNATIONAL



The shareholder report was shared with Amnesty International by Justice for Myanmar, an activist group that campaigns for justice and accountability for the people of Myanmar. The contents of the report are being made public on [the group's website](#)^[1], access to which was blocked in Myanmar on 1 September by the Ministry of Transport and Communications. According to a spokesman for the ministry, the website spreads “fake news”. Justice For Myanmar has responded stating this is a bid to silence critical voices.

The total amount of dividend payments made in this 20-year period to all shareholders was more than 107 billion Myanmar kyat (107,869,519,830) – about 18 billion US dollars according to the official exchange rate. Of this amount, MEHL transferred 95 billion kyat – the equivalent of approximately 16 billion US dollars – to military units.

- Human Rights Watch: “[52M] is only 5% of all state natural gas revenue which is USD 1B/yr”
- Amnesty: MEHL’s dividends to military USD 18B/20 yrs
→ USD 0.9B/yr

HUMAN
RIGHTS
WATCH

Myanmar: Chevron, Total Suspend Some Payments to Junta

Total and Chevron together are the majority owners in Moattama, with 31.2 percent and 28.3 percent of the project, respectively. The military-controlled company Myanmar Oil and Gas Enterprise (MOGE), owns 15 percent, and the Thailand state-owned gas company PTT owns 25.5 percent. Total acts as the “operator” of the Yadana wellheads and Moattama’s pipeline infrastructure. The suspended payments are dividends to these companies based on their ownership share. According to [Moattama financial records](#), the company paid MOGE about \$38 million in 2018 and approximately \$52 million in 2019, consistent with [EITI reporting](#) indicating that MOGE’s overall gas transportation dividends from gas operations are less than 7 percent of overall state revenue from natural gas.

Weight of POSCO
International's
Monetary Contribution

to MOGE:
USD170~340M

to Govt (incl. MOGE):
USD 200~400M

- 1.7~3.5% of total Myanmar government revenue USD 11.5B in 2020)
 - 13~26% of MOGE's all revenue USD 1.3B in 2021
 - Assume 70% of MOGE's revenue in "Other Accounts"
- POSCO Int'l's contribution: USD 119~238M
- MEHL dividends for 20 years USD 18B → average USD 1B
 - Military's slush fund = MEHL's dividends USD 1B + MOGE "Other Accounts" USD 0.91B = USD 1.91B
 - **POSCO Int'l's contribution to Military's slush fund: 6~12%**