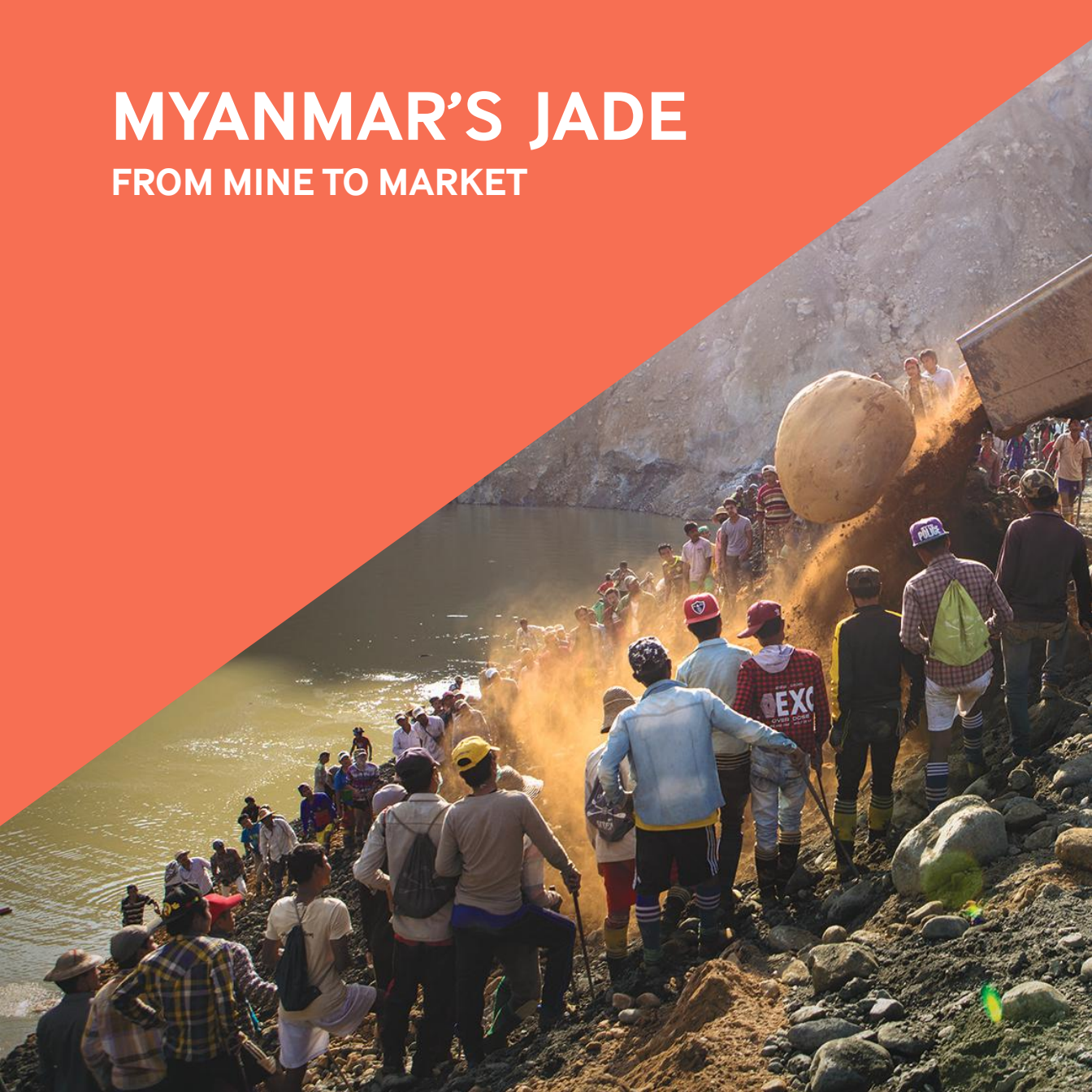


MYANMAR'S JADE

FROM MINE TO MARKET





MYANMAR'S JADE: FROM MINE TO MARKET

Myanmar's jade industry is worth billions of dollars annually, and yet only a small fraction of its profits benefits the country's citizens. Meanwhile, the industry is responsible for environmental damage, corruption, conflict and social problems.

OVERVIEW

WHERE IS MYANMAR'S JADE MINED?

WHO MINES JADE?

WHAT IS THE MYANMAR GEMS ENTERPRISE?

HOW MANY JADE MINING PERMITS ARE THERE?

WHO ARE THE YE MA SAY?

HOW DOES THE INDUSTRY IMPACT LOCAL COMMUNITIES?

HOW IS JADE RELATED TO MYANMAR'S CONFLICTS?

HOW MUCH REVENUE DOES THE GOVERNMENT EARN FROM JADE?

COULD THE GOVERNMENT EARN MORE REVENUE FROM JADE?

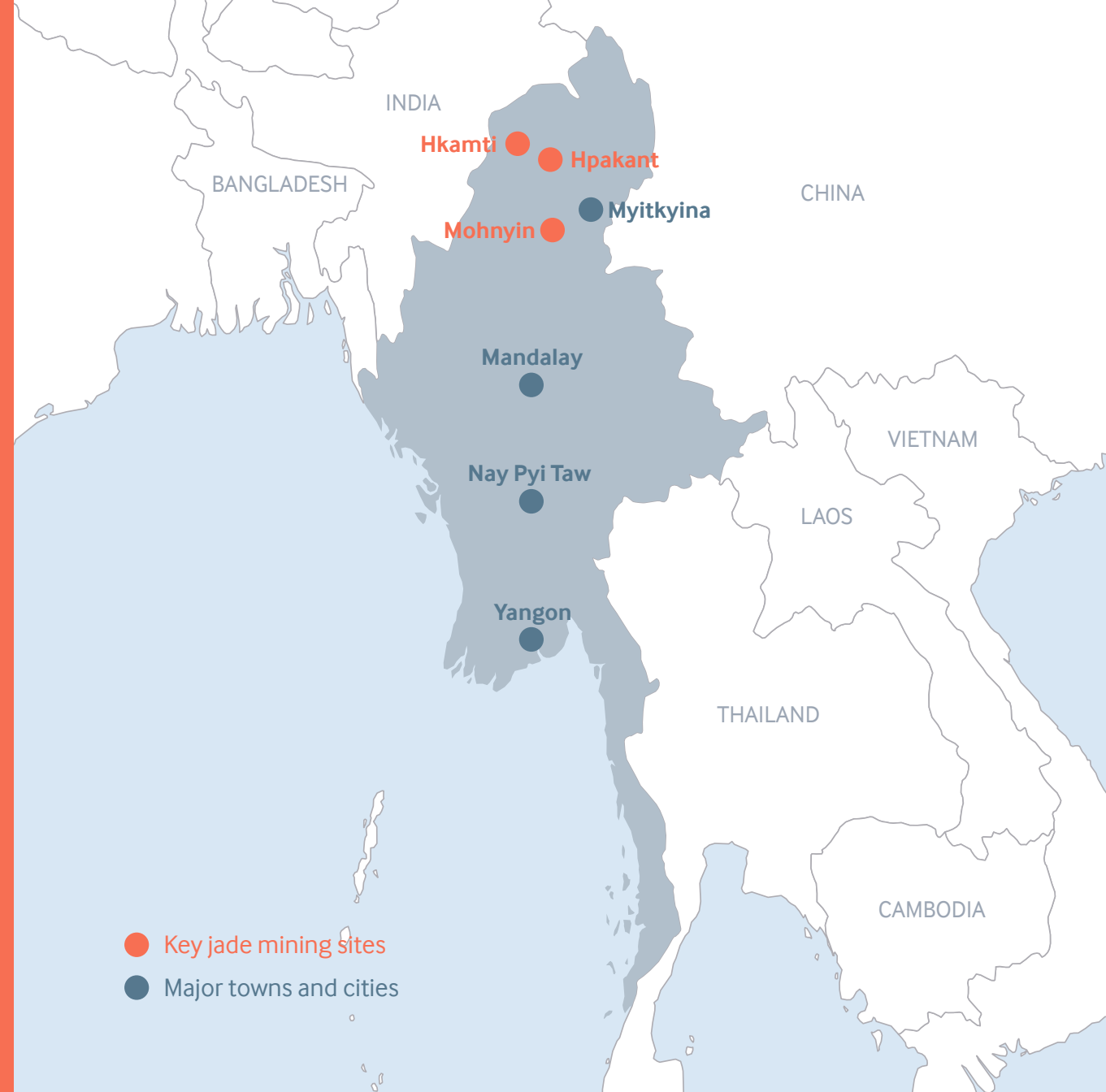
WHERE IS JADE SOLD?

WHO BUYS JADE?

WHAT IS JADE USED FOR?

WHERE IS MYANMAR'S JADE MINED?

Ninety percent of the world's jade is mined in Myanmar. The most important mines are in Kachin State and in Sagaing Region, both in the country's north.





WHO MINES JADE?

Hundreds of companies hold jade mining permits. These companies either operate privately or as joint ventures with the Myanmar Gems Enterprise (MGE).

Joint venture: An agreement in which private or public companies, each with ownership shares, work together at a mining project.

WHAT IS THE MYANMAR GEMS ENTERPRISE?

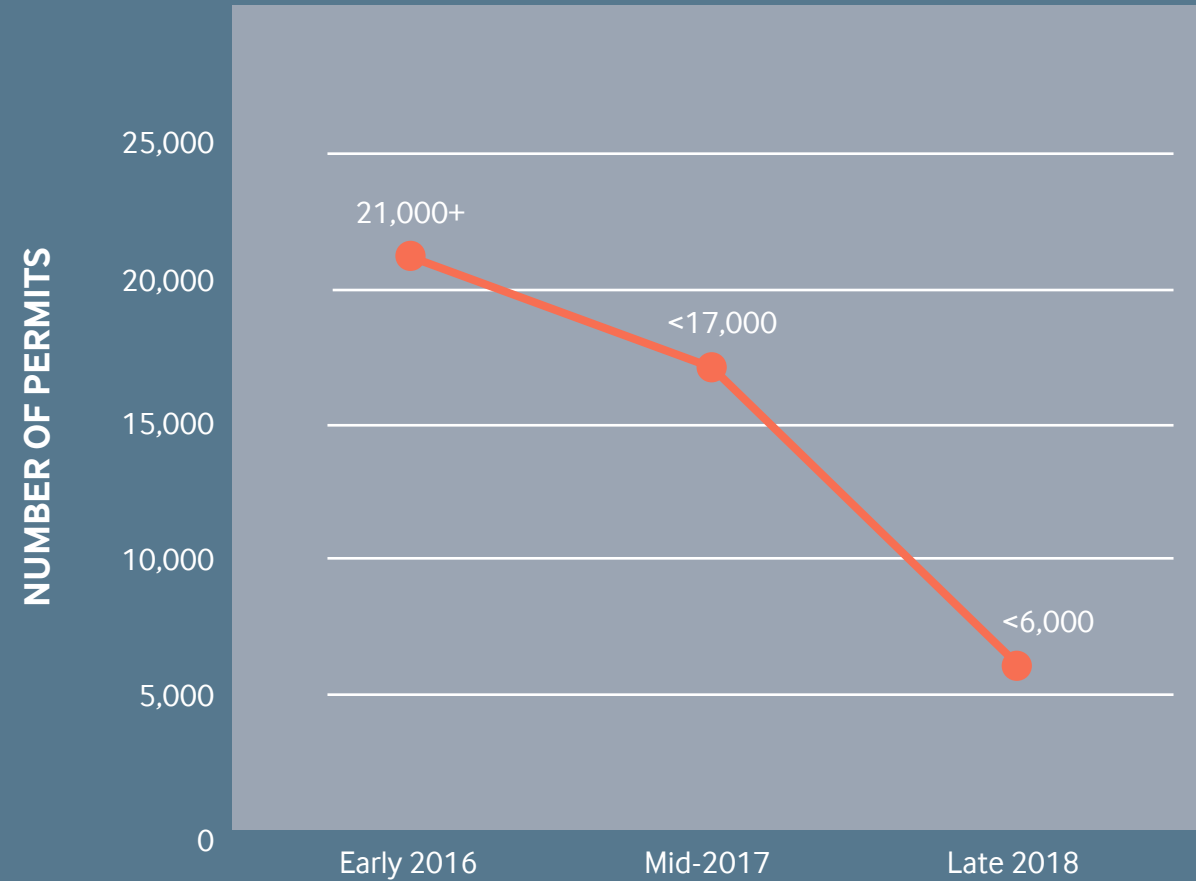
MGE is a state-owned enterprise that operates under the Ministry of Natural Resources and Environmental Conservation. MGE's stake in joint ventures with private companies, its oversight of regulation and its collection of certain revenues make it one of the most important players in the jade industry.



HOW MANY JADE MINING PERMITS ARE THERE?

In early 2016, there were over 21,000 active jade mining permits in Myanmar. This number has been declining since the government stopped issuing new permits or renewals in mid-2016. However, the government is unable to effectively monitor even this diminished number of permits.

CHANGE IN NUMBER OF PERMITS OVER TIME



In the fiscal year 2015/16, jade mining permits covered an area of more than 32,000 acres. That is equivalent to more than 24,000 football pitches.





WHO ARE THE YE MA SAY?

In addition to large mechanised operations, there is significant informal mining. The term *ye ma say* is often used to refer to miners who pick through the piles of waste rock left behind by companies in the hope of finding valuable stones.



Many *ye ma say* are from other parts of Myanmar and have moved to jade mining areas in search of economic opportunities. They often work in extremely dangerous conditions.

HOW DOES THE INDUSTRY IMPACT LOCAL COMMUNITIES?

Many companies mine as much as possible, as quickly as possible, without regard for environmental sustainability or health and safety. This is in part because mining licenses are only granted for very short periods of time. As a result, deadly landslides and flooding are common.





Local communities suffer from a lack of economic opportunities outside the mining sector. Child labor, crime, drug abuse and prostitution are widespread. HIV/AIDS rates are high.



HOW IS JADE RELATED TO MYANMAR'S CONFLICTS?

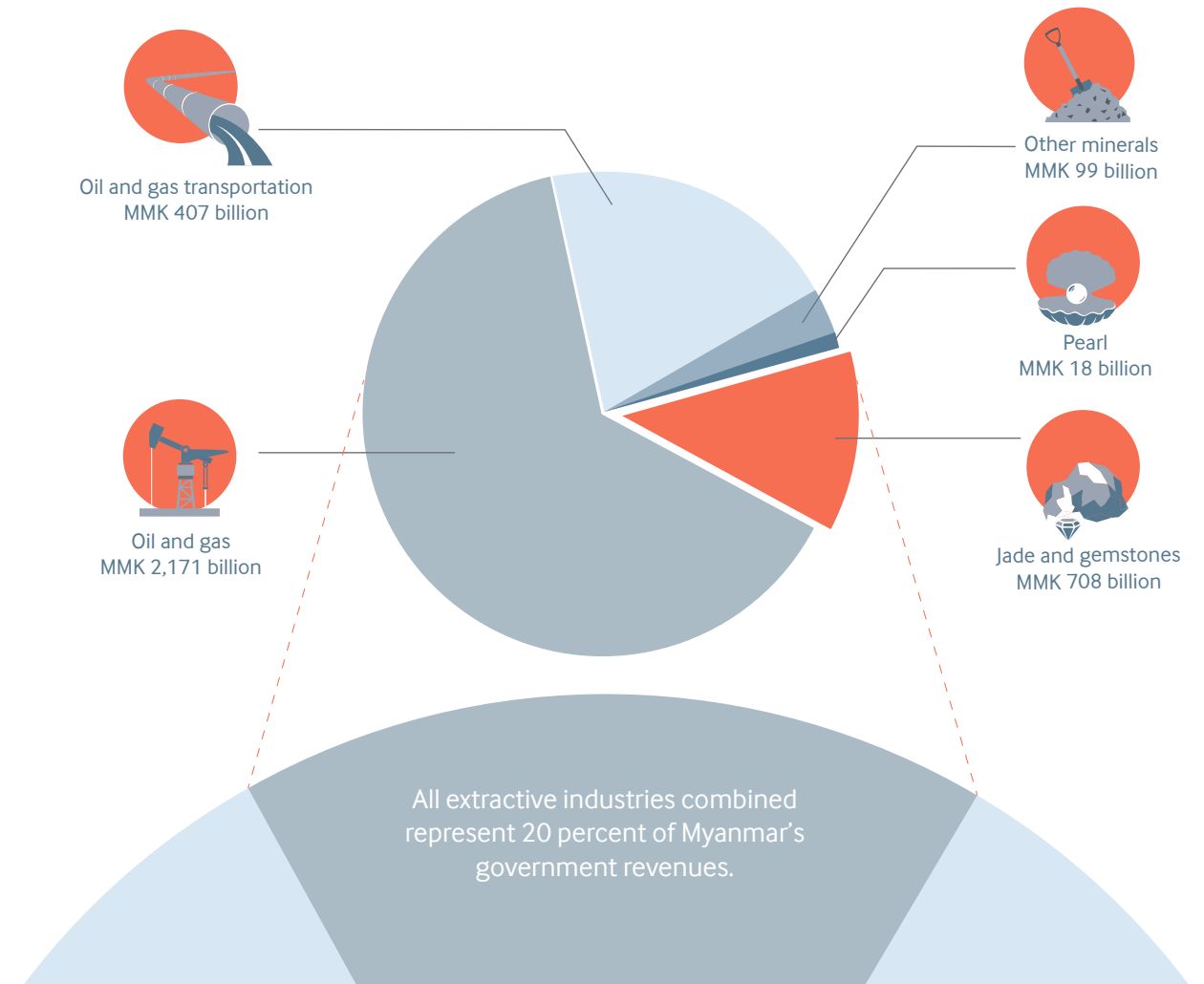
Myanmar's military and several ethnic armed organizations have financial interests in jade mining. These groups earn money through formal and informal investments in jade mining and trading companies. Human rights advocates have alleged that some of these groups, or individuals connected with them, are involved in smuggling and demands for illicit payments.

HOW MUCH REVENUE DOES THE GOVERNMENT EARN FROM JADE?

According to the Myanmar Extractive Industries Transparency Initiative (EITI), in fiscal year 2015/16 jade and gemstone companies paid MMK 708 billion (approximately USD 578 million) in revenues to the government.

This represents only a fraction of the total value of the industry. Many companies routinely evade taxation.

Approximate average exchange rate in fiscal year 2015/16:
USD 1 = MMK 1,225



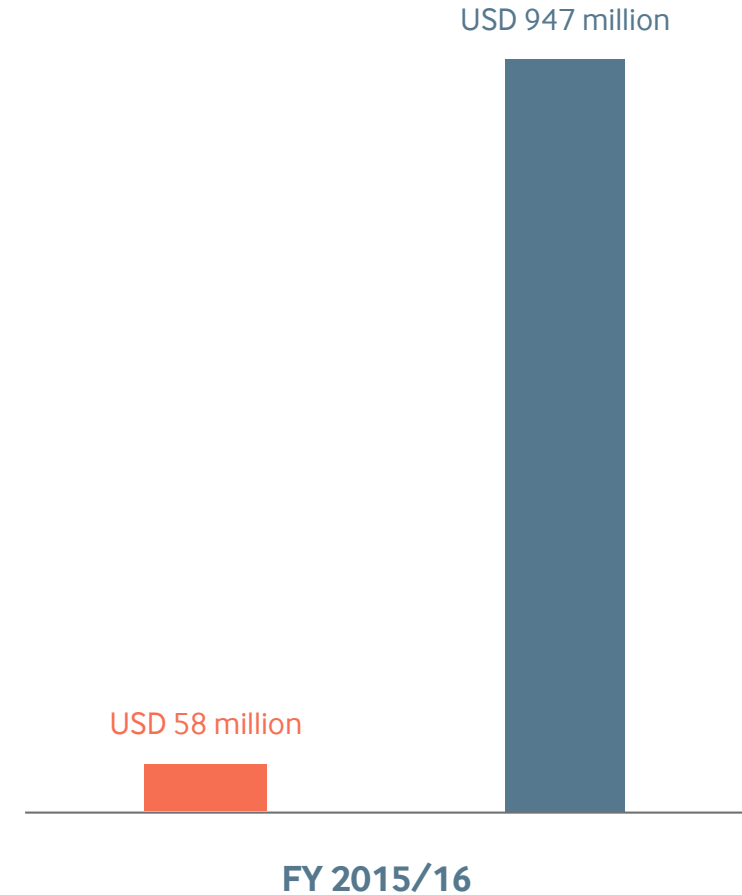
COULD THE GOVERNMENT EARN MORE REVENUE FROM JADE?

Many unearthed jade stones are never reported to the government. Instead, they are sold informally within Myanmar or smuggled out of the country.

When stones are reported, officials often undervalue them. This reduces the amount of royalties companies have to pay.

When stones are sold legally, sellers and buyers often under-report the value of sales to reduce their tax obligations.

Royalty: A payment that a company makes to the government as compensation for the natural resources that have been extracted.



Value of jade declared to MGE for royalty calculations

Value of jade sold at the Myanmar Gems and Jade Emporium

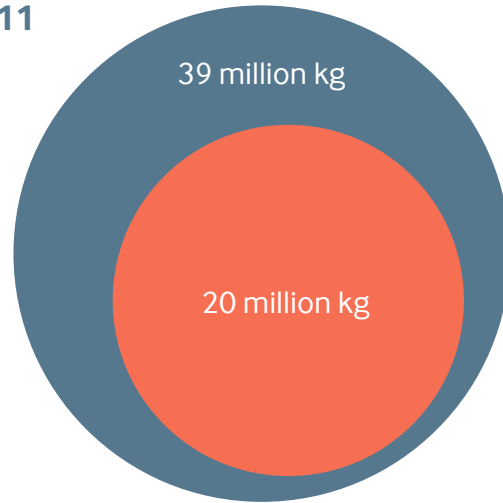
WHERE IS JADE SOLD?

The largest official venue for selling jade is the “Myanmar Gems and Jade Emporium,” held in the capital Nay Pyi Taw up to three times a year. Jade is also sold at smaller trading centers and markets elsewhere in Myanmar, including in Mandalay, Yangon and Myitkyina, the capital of Kachin State.

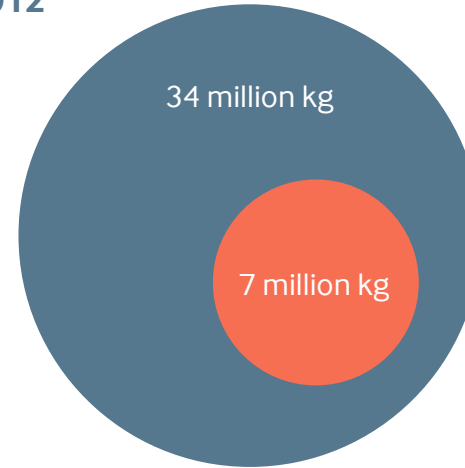


Official sales only represent a fraction of the total volume produced. The rest is smuggled out of the country or sold unofficially within Myanmar.

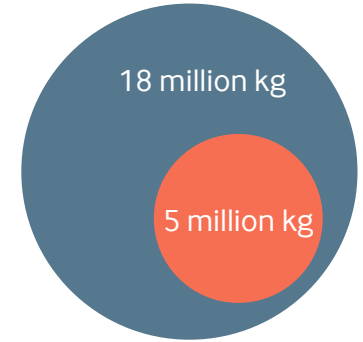
2011



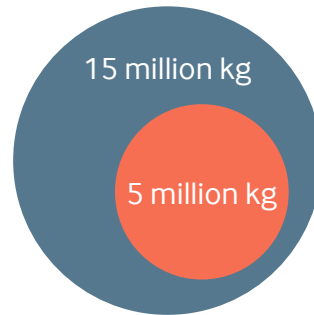
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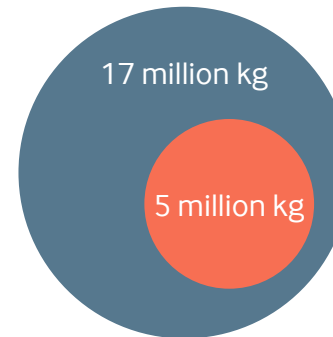
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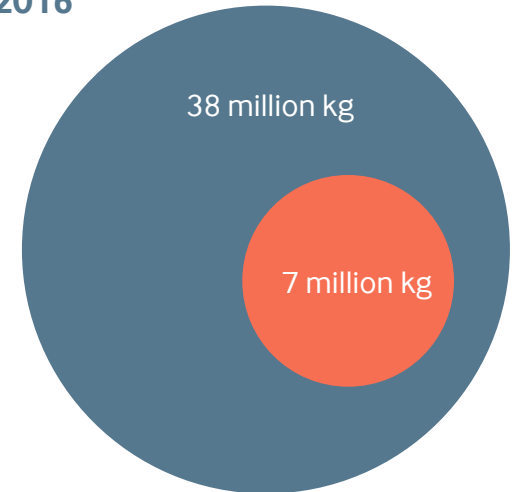
2014



2015



2016



Volume of total production

Volume available at
Nay Pyi Taw emporium

WHO BUYS JADE?

Jade is traditionally highly valued in China, and most stones are bought by Chinese traders. The country consumes the vast majority of jewelry and other luxury products made of jade.





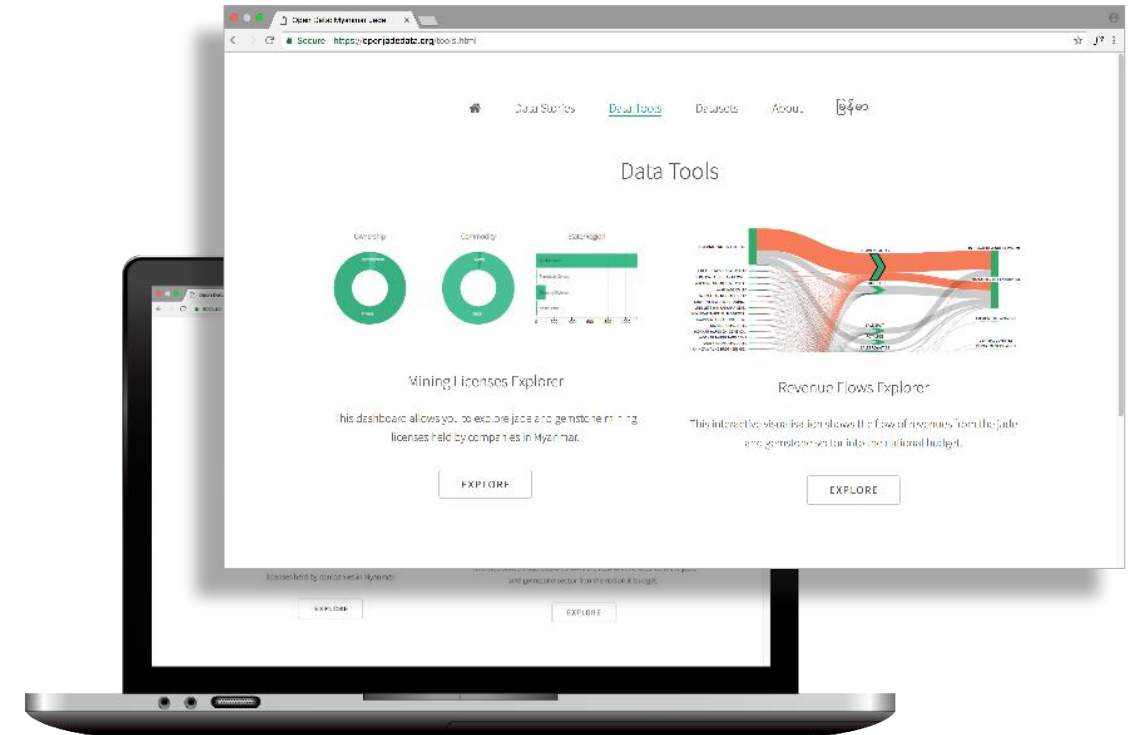
WHAT IS JADE USED FOR?

Low-quality jade is primarily used for decorations like tiles. Medium to high quality jade is typically turned into carvings and jewelry. Most jade processing occurs in China. Myanmar's own cutting and polishing industry remains underdeveloped.

WANT TO KNOW MORE?

Open Jade Data, an online portal, allows you to explore Myanmar's jade industry, including who owns mining permits and how much money the government is making.

www.OpenJadeData.org



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