

Project Finding Program for Management of Environmental Safety, Operations and Quality in the Oil Refining Sector in Myanmar

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1. About Myanmar

The Republic of the Union of Myanmar is a multi-ethnic country with a population of 51 million mainly

engaging in agriculture in a 680,000-km² land area (roughly 1.8 times as large as Japan). It stretches vertically from north to south in the western part of the Indochina Peninsula, and is bordered by many countries, including China to the northeast, Laos to the east, Thailand to the southeast, Bangladesh to the west and India to the northwest. The capital was previously located in Yangon (old name: Rangoon) in the south, but was transferred to Naypyidaw in the central part of the country in 2006.

The country's per capita GDP was 868 dollars in

2012, corresponding to roughly 2% of that in Japan, but with an economic growth rate of 6%, it is garnering expectations of future growth.

2. Development of the Project

JCCP has never implemented a joint technical cooperation project with Myanmar to date, so this project marks the first such undertaking in the country. The counterpart is Myanmar Petrochemical Enterprise (MPE), a national oil company that operates two refineries in central Myanmar (Tambayan, Chauk) and one in southern Myanmar (Yangon), which have a combined refining capacity of 51,000 b/d. The facilities are aging and there are calls for the construction of a new refinery, but at the same time, technical support is sought to achieve efficient operation of existing facilities. Furthermore, as there are also demands to formulate oil product standards in the future, quality management is an important theme for future consideration.

The project finding program has held two meetings so far in Myanmar regarding its implementation as a joint project, and MPE and the participating companies from Japan have exchanged views on issues presently facing Myanmar and MPE, along with ideas for their solution.

In the first meeting held in May, the participating companies examined and discussed the importance of four future themes of the project with MPE, namely 1) quality management, 2) environmental management and standards, 3) safety management, and 4) formulation of future oil and energy demand-supply plans. During the meeting, MPE members explained that Myanmar has been aiming to deliver oil products to end consumers in good quality, and expressed their wish to learn from Japan's initiatives. They then replied to the participating companies that they wish to select "quality management of oil products" as the main theme for the project next year.

In the second meeting, discussions focused on MPE's specific needs regarding quality management. As a result, MPE noted that it mainly wishes to pursue the following topics, and requested future assistance through the project.

(1) Quality management system

International quality management systems, quality management systems employed in Japan, and related initiatives



Meeting with MPE

(2) Quality management policies, etc.

Quality management policies, framework and specific standards in head offices and refineries of Japanese oil companies

(3) Role of quality management departments

Organizational structure of quality management departments in refineries and their focus on assessing quality management

In addition to the above, MPE also requested detailed support in related themes, including oil product storage standards and measures for improvement of gasoline octane rating. Such requests indicated MPE's wide-ranging expectations of Japan's support in this project.

Moreover, as MPE has a close relationship with the Myanmar Ministry of Energy (MOE), technical assistance through this project was also expected to strengthen relationships with governmental institutions in Myanmar.

3. Future Issues

Discussions with MPE have so far revealed that quality management is an issue of pressing concern to MPE. Thus, the four themes presented by the participating companies are themes that should be addressed in Myanmar, and continuous discussions will be held with MPE regarding their importance. It is hoped that by achieving its initial objective, the project will contribute to further promoting the friendly relationship between Myanmar and Japan in the future.

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