

Publish What You Pay Press Release

Rio Tinto takes step towards transparency by publishing payments to governments

London, 29 April 2009: Rio Tinto, the global mining company, has taken an important step towards transparency by voluntarily disclosing, for the first time, the total tax and royalty payments that it makes to 13 of the countries where it operates, Publish What You Pay (PWYP) said today.

Publish What You Pay is a global civil society coalition with over 300 member groups who work together for greater transparency in the oil, gas and mining industries. Revenue transparency is a crucial first step towards insuring that revenues from these industries are used properly to reduce poverty, not wasted or lost to corruption.

In an online supplement to its 2008 annual report, Rio Tinto has published its total tax and royalty payments to each of 13 countries where these payments totalled USD \$10 million or more. In the 2007 supplement the company only disclosed this data by continent, not by country.

“We welcome this progressive step which shows recognition that more openness serves the enlightened-self interest of big corporations,” said Radhika Sarin, Publish What You Pay International Coordinator. “We would encourage Rio Tinto to go further next year and break down the different types of payments to each country, so that citizens of these countries can have a full picture of financial transfers to their governments by the company.”

In addition to these 13 countries, Rio Tinto also has investments in other countries – including Argentina, Ghana, Guinea and Zimbabwe – but did not break down the value of its payments to each of these countries in the 2008 supplement. Publish What You Pay urges Rio Tinto to disclose its payments to all the countries where it has investments, on a per-country basis.

Rio Tinto joins a small number of major oil and mining companies, such as Norway's StatoilHydro, Canada's Talisman Energy, US-based Newmont Mining Corporation and UK-based Anglo American, which disclose information about revenue payments that they make to governments on a per-country basis. Unfortunately, many of the biggest extractive companies do not publish such data, claiming obstacles such as “contract confidentiality”, a nebulous concept that is often cited as a reason for keeping payments secret.

Soon to be introduced in the United States Congress, the Extractive Industries Transparency Disclosure Act (EITDA) would require all companies registered with the U.S. Securities and Exchange Commission to publish how much they pay each government for oil, gas and minerals. The EITDA would apply to American and foreign companies including 9 out of ten of the biggest international oil companies and 8 out of ten of the top mining firms.

“Because not all companies are willing to voluntarily publish their payments to governments, there need to be industry-wide rules and regulations such as the EITD Act,” said Sarin. “Companies like Rio Tinto are showing that far from being bad for business, greater openness is likely to improve a company's reputation, credibility and ultimately its profit margin.”

Media contact:

Joseph Williams, PWYP Information and Advocacy Officer
+44 7775 751 170 (mobile)
+44 20 7031 1616

jwilliams@publishwhatyoupay.org