

# Myanmar



## 2005 Country Review

**COUNTRY WATCH**

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# CountryWatch

## COUNTRYWATCH REVIEW 2005 EDITION

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# Table of Contents

Country Overview.....	1
Key Data.....	1
Political Overview .....	7
History .....	7
Government Functions .....	10
Government Structure.....	11
Political Conditions.....	13
Foreign Relations .....	22
National Security .....	24
Principal Government Officials .....	26
Leader Biography .....	28
Defense Forces .....	32
Economic Overview .....	35
Economic Conditions .....	35
Macroeconomic Data .....	37
Key Sector Data .....	44
Investment Overview .....	61
Investment Climate.....	61
Taxation .....	65
Key Enterprises.....	66
Stock Market.....	66
Social Overview .....	69

People .....	69
Cultural Etiquette .....	70
Health Advisory .....	71
Environmental Overview .....	77
Environmental Issues .....	77
Pollution Trends .....	78
Appendices .....	81
Data Table Sources .....	81
Abbreviations .....	85
Alphabetical List of Countries .....	85

# **Chapter 1**

## **Country Overview**

## Country Overview

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### Key Data

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Region:	Asia
Population:	52,804,800 as of 2004
Total Area:	678,500 Sq. Km.
Total Land:	657,740 Sq. Km.
Coastline:	1,930 km
Climate:	Tropical monsoon; cloudy, rainy, hot, humid summers (south-west monsoon, June to Sept.); less cloudy, scant rainfall, mild temperatures, lower humidity during winter (northeast monsoon, Dec. to April)
Average Daily Temperature:	
Capital:	Rangoon (Yangon)
January:	25°C / 77
July:	26.9°C / 80.4
Annual Rainfall:	2505.6mm / 98.6
Languages:	Burmese
Currency:	1 kyat (K) = 100 pyas
National Holiday:	Independence Day, 4 January (1948)
Capital City:	Rangoon (Yangon)
Boundaries:	China: 2,185 km Thailand: 1,800 km India: 1,463 km Laos: 235 km Bangladesh: 193 km
Largest Cities:	
City:	Yangon (Rangoon)
Population:	4,454,500
Year:	2004



City: Mandalay  
Population: 1,176,900  
Year: 2004

City: Mawlamyine  
Population: 405,800  
Year: 2004

Ethnic Groups:

68%.....Burman

9%.....Shan

7%.....Karen

5%.....Other

4%.....Rakhine

3%.....Chinese

2%.....Mon

2%.....Indian

Religions:

89%.....Buddhist

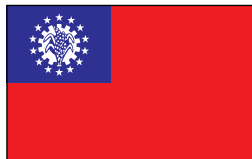
4%.....Christian

4%.....Muslim

2%.....Other

1%.....Animist beliefs

Flag:



# Myanmar

## Country Map



## Asia

## Regional Map



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## **Chapter 2**

# **Political Overview**

## Political Overview

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### History

Please Note:

The military authorities ruling this country have changed the historic name - Burma - to Union of Myanmar or Myanmar. Although the new name is used in conventional practice today, it was never endorsed by a sitting legislature. CountryWatch references this country by both the historic and conventional names in its materials, however, the lack of legitimization in regard to the conventional usage should be duly noted.

#### Early History

Between the first century B.C.E. and the ninth century C.E., speakers of Tibeto-Burman languages known as the Pyu were establishing city-kingdoms in Burma (now known as Myanmar). To the south of the Pyu lived the Mon who founded the ancient city of Thaton, and they became dominant in southern Burma during this period.

Between the first and fourth centuries C.E., the overland trade route between China and India passed through Burma's borders, and as a result, Thaton's prosperity and importance increased. While the Indian merchants brought with them precious cargoes, they also brought to Burma their religious, political and legal ideas. This influx of foreign influence, however, did not change Burma. Given its geographic isolation-surrounded by mountains on three sides and the sea on a fourth-Burma was able to withstand assimilation and keep its culture largely intact.

In mid-11<sup>th</sup> century, Anawrhta came to the throne in northern Burma and the core of modern-day Burma had been united into a single kingdom centered at Pagan. Late in the 13<sup>th</sup> century, the Pagan kingdom was divided and in 1486 the Ava dynasty was firmly established. The Ava dynasty put its priority on unifying the Burmese, Shan and Mon peoples of the region, but internal disunity left this goal unrealized.

By the end of the 16<sup>th</sup> century, the Ava dynasty was resurrected, which led to the unification of Burma in the 17<sup>th</sup> century. Meanwhile, the British and the Dutch came to Burma vying with the Portuguese and the French for dominance of the region. During the next century, Burma was at war with all these European powers and with Siam (now Thailand) and China as well.

In the 19<sup>th</sup> century, there were three Anglo-Burmese wars with the British invading Burma for its wealth. In the 1819 war, the British obtained some Burmese territory, and in 1852 the British controlled the lower Burma.

In 1885, Burma was finally annexed to the British Empire and became a province of India, a colony of the British itself. The British colonization of Burma decimated Burmese society. The British sent Thibaw, the last Burmese king, into exile, and eliminated the Burmese monarchy. Initiation of the British political system in Burma put an end to the distinct traditional social system of the country.

### The Push for Independence

Refusing to accept the British victory as final, many Burmese joined guerrilla wars led by former officers of the Burmese royal army against the British colonial rule. By 1890, the military fight was over with the British as victors.

In 1906, the Burmese who attended new schools founded the Young Men's Buddhist Association, also known as the YMBA. In 1920, when it was found that Burma was excluded from new constitutional reforms introduced in India, the leaders of the YMBA led the Burmese people in a nationwide protest fighting for independence.

The constitutional reforms were finally granted to Burma in 1923, but the leaders of the independence movement were split because of different views. A radical student group of the University of Rangoon began organizing protests known as the "Thakin Movement." Late in 1930s, the Burmese peasants also rose in rebellion.

In 1936, the university students led by Thakin Nu and Aung San (father of present-day National Democracy League general secretary, Aung San Suu Kyi) went on strike again and they later joined the Thakin Movement. Consequently, the British government separated Burma from India and granted it a constitution, thus providing some measure of self-government in 1937.

During World War II, the Burmese leaders at first relied on Japan for its independence. When the Japanese troops reached Thailand in December 1941, they promised independence for Burma, but instead of implementing their promise, the Japanese occupied Burma by the end of 1942.

In March 1945, Aung San and his army joined the British side. In the meantime, Aung San and the Thakins formed a coalition of political parties called the Anti-Fascist People's Freedom League, or AFPEL.

After the Japanese were defeated in Burma in May 1945, the British military administration and members of the pre-war government who returned from exile demanded that Aung San be tried as a traitor. In regard of Aung San's popular support, the Allied Commander in Southeast Asia, Lord Mountbatten, appointed the more conciliatory Sir Hubert Rance to head the administration.

When the war ended, the military administration withdrew and the former civilian governor who formed a cabinet consisting of older and more conservative politicians replaced Rance. The new administration arrested Aung San and charged him with treason. To calm down the popular anger and possible rebellion for Aung San's arrest, the British government replaced the governor with Rance again. Rance formed a new cabinet including Aung San, and they began discussion for a peaceful transfer of power as well as Burma's independence.

In June 1947, the British agreed to Burma's independence and its departure from the Commonwealth. However, these agreements met with opposition from the communists and conservatives in the AFPEL. The communists went underground. In July, gunmen sent by the former Prime Minister U Saw assassinated Aung San and most members of his cabinet. Thakin Nu became new leader of the AFPEL and he formed a new cabinet.

On Jan. 4, 1948, Burma finally became a sovereign, independent republic. In 1950, Nu, along with Prime Minister Nehru of India, President Sukarno of Indonesia, President Tito of Yugoslavia and President Nasser of Egypt, co-founded the Movement of Non-Aligned States. Despite desperate need for peace after independence, Burma was not to see peace in its new republic.

Although the AFPEL consolidated its control of the government, uprisings by the communists, ethnic minorities and members of the former government continued. There were also disagreements within the AFPEL itself, and as a result, the AFPEL split in 1958. Amid the rumor of a military takeover, U Nu (called Thakin Nu in the past) invited Ne Win, the army chief of staff, to be the premier.

In 1960, U Nu returned to office with an absolute majority in the general elections. Conflict was, however, brewing as U Nu's policies were at odds with the military, most especially in regard to democratic rule and the Buddhist religion.

In March 1962, Ne Win led a coup d'etat and arrested U Nu. He suspended the 1947 constitution and organized a Revolutionary Council consisting of senior military officers. With its purpose of making Burma a truly socialist state, Burma Socialist Program Party, or BSPP, the one-party system was established.

In April 1972, Ne Win and other members of the Revolutionary Council retired from the army, but they still retained positions in the BSPP. In January 1974 the new constitution was promulgated and the new government took office in March with U Ne Win (as he was called after leaving the army) as president.

U Ne Win retired as president and chairman of the Council of State in November 1981 but remained in power until July 1988, when he resigned as chairman of the BSPP amid violent protests in the country. Throughout the 1980s, because of the failing socialist policies, student and worker unrest erupted periodically.



In September 1988, amid the intensified protests, the armed forces led by General Saw Maung seized control of the government. Demonstrations were suppressed by the military, and thousands of unarmed protesters were killed. Martial law was imposed over most of the country, and a new government organization, the State Law and Order Restoration Council, or SLORC, was established with Saw Maung as the chairman and prime minister.

In May 1990, the first multiparty elections were held in Burma, and the opposition party called the National League for Democracy (NLD) won with a landslide victory. The NLD was led by Aung San Suu Kyi, the daughter of the slain Aung San. Despite the NLD's overwhelming victory, the SLORC prevented the democratically elected government from taking office since. Over a decade later, Burma remains under military rule.

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## Government Functions

### Please Note:

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In 1989, the official English name of the country was changed from the Union of Burma to the Union of Myanmar, and the English name of the capital was changed from Rangoon to Yangon. The military government of Myanmar stated that the change of the names was due to the recognition of the country by its original name. In the Burmese language the country has been known as Myanmar since the 13<sup>th</sup> century. The British colonial administration renamed it Burma, as well as renaming Yangon to Rangoon. The military government also stated that the name change of the country was needed in order to include all non-ethnic Burmese. Regardless, the name change was not legitimized by a sitting assembly.

Myanmar gained independence from Britain in 1948 and adopted an independence constitution in 1974. According to the 1974 constitution, the country's governing power was vested in the unicameral People's Assembly, with authorities in legislative, executive and judicial areas. From 1962 to 1988, the Burma Socialist Program Party, or BSPP, was the official political party in Myanmar, and the president of the country was the chairman of the BSPP. In September 1988, the armed forces in Myanmar took control of the government, and since then Myanmar has been under the rule of the military junta with the constitution in abeyance.

Under the military regime, a new ruling body, the State Law and Order Restoration Council (SLORC), was created. All the former state organs were abolished, and the SLORC assumed all their duties. In 1997, the SLORC was dissolved and replaced by the State Peace and Development Council, or SPDC. Gen. Than Shwe has been the prime minister and chairman of the SPDC (the former SLORC) since 1992.

In order to consolidate its political power by promising a democratic election, the military regime abolished the law of keeping the BSPP as the sole political party, and new parties were encouraged to register for general elections to a new Constituent Assembly. In May 1990, multi-party elections were held, with more than 90 parties participating in the elections. The main opposition party, the National League for Democracy, or NLD, won an overwhelming majority of seats to the assembly. However, the new assembly has not since convened, because the ruling military regime has refused to give up power to the NLD.

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## Government Structure

### Names:

*conventional long form:*

Union of Myanmar

*conventional short form:*

Myanmar

*former:*

Burma; Union of Burma

### Note:

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### Type:

Military regime

### Executive Branch:

#### Chairman of Ruling Council:

Chairman of the State Law and Order Restoration Council (SLORC) Gen. THAN SHWE (since 1992); in 1997 SLORC changed its name to the State Peace and Development Council (SPDC).

**Head of Government:**

Prime Minister Khin Nyunt (since 2003)

**Note:**

Aung San Suu Kyi, as leader of the National League for Democracy, which won the last elections in 1990 with over 82 percent of all parliamentary seats, is actually the democratically elected leader of the country. SLORC, however, refused to recognize the results of the election.

**Legislative Branch:****Unicameral People's Assembly (Pyithu Hluttaw):**

485 seats in Assembly

**Elections:**

Last held May 27, 1990, but assembly never convened due to circumstances noted above

**Election results:**

Percent --

NLD 82 percent;

Seats (485 total) --

NLD 396

NUP 10

other 79

**Judicial Branch:**

Limited; remnants of the British-era legal system in place, but there is no guarantee of a fair public trial; the judiciary is not independent of the executive

**Constitution:**

Jan. 3, 1974 (suspended since Sept. 18, 1988); national convention started on Jan. 9, 1993 to draft a new constitution; chapter headings and three of 15 sections have been approved

**Legal System:**

Does not accept compulsory ICJ jurisdiction

**Administrative Divisions:**

Seven divisions\* (yin-mya, singular - yin) and seven states (pyine-mya, singular - pyine); Chin State, Ayeyarwady\*, Bago\*, Kachin State, Kayin State, Kayah State, Magway\*, Mandalay\*, Mon State, Rakhine State, Sagaing\*, Shan State, Tanintharyi\*, Yangon\*

**Political Parties and Leaders:**

Union Solidarity and Development Association (USDA; pro-regime), THAN AUNG, secretary

National Unity Party (NUP), pro-regime, THA KYAW

National League for Democracy (NLD), AUNG SAN SUU KYI, general secretary

Eight minor legal parties

**Suffrage:**

18 years of age; universal

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**Political Conditions**

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Late 1980s to early 1990s

Present day political conditions or disharmony in Burma find its epicenter in 1988. In that year, as a result of an unsuccessful socialist policy, civil unrest reverberated throughout the nation.

On Sept. 18, 1988, a coup d'etat initiated by the military and the State Law and Order Restoration Council, or SLORC, was formed, resulting in all state organs, including the legislature, judiciary and cabinet, being abolished. Demonstrations were banned, a curfew was imposed, and the country was placed under martial law.

Despite these measures, opposition movements protested, and a bloody massacre involving the deaths of thousands of protestors ensued.

Once some stability had been recovered, the regime military pledged to hold multi-party elections when law and order was established, and in the interim, it allowed the formation of new political parties. Two principal parties emerged, the National Unity Party, or NUP, which was essentially the BSPP under a new name, and the National League for Democracy or NLD.

In 1989, the name of the country was changed by the military authorities to the "Union of Myanmar" (Myanma Naing-ngan) on the grounds that the previous title conveyed the impression that the population consisted solely of ethnic Burmese. The name change, however, was never legitimized by the country's assembly in any equivalent of a parliamentary procedure.

As well, the SLORC formed a nine-member government, with Saw Maung as the leader. Although the SLORC announced its intention to act as an interim body until the democratic election of a permanent government, it prevented public gatherings, and placed a number of political activists under house arrest, including NLD leader, Aung San Suu Kyi. The SLORC based the rationale for these arrests upon the "endangerment of the State."

Nevertheless, multi-party elections were held a year later, in 1990. The results showed that the NLD had won a clear victory with almost 60 percent of the votes cast, and the acquisition of 396 of the 485 seats being contested.

The NLD then demanded that the process toward popular rule be initiated. The SLORC, however, refused to relinquish control. It claimed that the election was not intended to provide a legislature, but a constituent assembly. This constituent assembly was to draft a constitution establishing "strong government," which would then have to be approved by the SLORC before the transfer of power could take place.

Further protests followed and resulted in the death of four protestors, including two Buddhist monks. By early 1991, a number of opposition groups and parties were banned and the vice-chairman of the SLORC, Than Shwe, officially announced that the military regime would not transfer power to the constituent assembly, as the political activists and parties involved were "subversive" and "unfit to rule." Over the next while, more than 80 elected representatives of the constituent assembly had been killed, imprisoned or forced in to exile, by the SLORC.

In the latter part of 1991, despite her party having won the election the year before, Aung San Suu Kyi remained under house arrest. In November, she won the Noble Peace Prize for her relentless effort to democratize Myanmar (Burma). She was awarded the Nobel Peace Prize "in absentia," and the presentation of the award in Norway symbolized de facto recognition of the democratically elected representatives of the country, in the eyes of the international community.

Spurred by this international recognition, another student demonstration ensued, in protest of Aung San Suu Kyi's continued detention. Thousands of people were then sent to re-education camps and Amnesty International announced that a total of 1,500 persons had been detained by the SLORC.

In 1992, Than Shwe replaced Saw Maung and became the new leader of the SLORC. The SLORC continued to refuse the convention of the elected government, keeping Aung San Suu Kyi under house arrest. Than Shwe also announced that he would be meeting with her personally to discuss her future. A meeting with opposition representatives took place that year on the matter of the new constitution. For their part, the opposition parties described the meeting as "a lecture" laden with heavy recriminations for daring to criticize the SLORC.

By early 1993, the SLORC responded negatively to what it perceived as continued "opposition intransigence" and suspended all further conciliatory measures. Another round of summary arrests followed.

In 1994, further guidelines for the constitution were adopted. Significantly, the constitution initiated reforms, which would make it impossible for Aung San Suu Kyi to take power, stipulating the inclusion of representatives of the military within all branches of government, and granting legitimacy to future military takeovers.

Later that year, after a series of official visits from members of the United States Congress and mediation between the SLORC and a senior Buddhist monk, it was announced that Aung San Suu Kyi would be released following the completion of the new constitution.

In early 1995, the SLORC held talks with an envoy of the United Nations secretary-general. Following this event, 31 political prisoners were released, and Aung San Suu Kyi was finally discharged from house arrest. It was widely believed that her release was enacted in order to placate international opinion and to attract foreign investment.

#### Mid-1990s to Late 1990s

Following her release, Suu Kyi made a conciliatory speech urging a spirit of compromise between democracy activists and the military dictatorship; however, she cautioned the international community against any hasty rapprochement with the SLORC.

Then, the United Nations published a report claiming that the SLORC was using forced labor for infrastructure projects. The SLORC denied the accusation stating that it was a Buddhist tradition to donate one's labor.

In 1996, the United Nations issued a further report claiming that forced labor, as well as arbitrary executions, torture and rape by the military, was widespread in Myanmar. Further charges were also directed against the military dictatorship over the persecution of ethnic minorities.

In 1998, an investigation by the United Nation's International Labor Organization, or ILO, concluded with the condemnation of the Myanmar government to treat the civilian population as an unlimited pool of unpaid forced laborers and servants. The ILO banned Myanmar from participating in its activities and receiving assistance in 1999.

In view of its continuing violation of human rights by using forced labor, in March 2000, the ILO decided to take drastic measures against Myanmar under the ILO constitution. The Myanmar government again denied the charge saying that the ILO's action was politically motivated, unjust, and that it ignored the positive steps taken by the country regarding labor affairs.

For their part, the SLORC continued to marginalize Aung San Suu Kyi, and refused to open talks with the NLD and other opposition parties. In addition, the SLORC methodically eliminated all opposition groups, and in 1996, it arrested several hundred members of the NLD to prevent them from convening in private. Other measures included the disconnection of Aung San Suu Kyi's telephone line, in order to prevent her from delivering her weekly speech, and the establishment of a roadblock, with the purpose of preventing other forms of public access to her speeches.

Late in 1996, the largest pro-democracy movement took place since the massacre in 1988. Although the crowd dispersed peacefully, in early 1997, 14 people, including five members of the NLD, were convicted of involvement in the unrest. They were sentenced to imprisonment for seven years. In 1997, the military presence of the government forced tens of thousands of people to flee the country, and Aung San Suu Kyi's freedom of movement and association were once again restricted. Another bout of arrests followed with harsh sentences being imposed on more NLD members.

Later that year, however, under pressure from the United States and the European Union, the SLORC allowed a meeting of up to 700 NLD members to take place. On Nov. 15, 1997, the SLORC was dissolved, and an immediate replacement was created called the State Peace and Development Council, or SPDC. Despite the inclusion of some younger military personnel in the SPDC, most senior officials of the former SLORC retained their positions. Than Shwe continued to act as the leader of the new "advisory council." In December 1997 the SPDC announced a further cabinet reshuffle.

The name change and cabinet reorganization were perceived as efforts to gain international approval. Similarly, in 1998, the day before the anniversary of the bloody massacre, the government invited Aung San Suu Kyi for talks with the home affairs minister. It was speculated that the invitation was due to international pressure, particularly by an eight-nation appeal to begin dialogue with the pro-democracy movement.

In June 1998, the NLD demanded the government convene the parliament that had been democratically elected in the election, setting a deadline of 60 days. This demand was ignored by the military government. In September 1998, the NLD unilaterally formed the 10-member Committee Representing the People's Parliament, or CRPP, and set up the "People's Parliament."

In July 1999, the Myanmar government called for cooperation from the NLD by retracting its 10-member CRPP. The government said that the committee's declaration it would act as an interim parliament would not lead to a stable democracy, but to institutional confusion, social chaos and genuine political crisis. The government stressed that it had been in the process of exchanging views with a number of NLD members since September 1998. But in the eyes of the NLD, the biggest difference for the dialogue issue between the government and the NLD was the NLD insisting on the inclusion in dialogue of Aung San Suu Kyi and the government sticking to the exclusion of her.

In 1999, the NLD showed signs of internal dispute when several hundred members of the NLD resigned reportedly due to pressure from the SPDC. In January, the NLD filed a lawsuit against the military intelligence for forcing its members to resign. In March, another 145 members of the NLD were detained and pressured to resign. The British Broadcasting Corporation reported in May 1999 that there was a split in the party when 25 members called for dialogue with the military leadership and criticized the leadership of the NLD and its policies. The NLD leaders accused the dissidents of being "lackeys" for the military government.

Throughout 1998 and early 1999, the SPDC continued to suppress pro-democracy demonstrators as well as ethnic minorities engaged in rebel activity. The Spanish news agency EFE reported that in 1998, over 3000 people were killed in conflicts during pro-democracy demonstrations. In February 1999, 300 pro-democracy activists, including more than 200 students, received harsh jail sentences of seven and 14 years.

It was also reported that from May 1998 more than 400 Shan villagers had died from the poisoning of the Prawn River by SPDC soldiers. The Shan are one of several ethnic minority groups, such as the Mo,



Karen and the Kareni, that have been engaged in rebel activity against the SPDC. Over the course of 1998 and 1999, it had been reported that members of the ethnic rebel groups had been surrendering to the SPDC, including 150 of the Mong Tai Army in October and December 1998. In January, several thousand Myanmar soldiers began an offensive against these groups near the western border of Thailand.

### 2000 to 2002

In early 2000, there were reports of anti-government ethnic armed groups surrendering to the SPDC. In January 2000, 42 members of the three anti-government armed groups in Myanmar surrendered to the SPDC. These three groups were the Shan-State United Revolutionary Army, or SURA, All Burma Students' Democratic Front, or ABSDF, and Kayin National Union, or KNU.

In early February 2000, 74 remnant members of the Mong Tai Army, also known as MTA, surrendered to the Myanmar government. Up to now, a total of 17 anti-government ethnic armed groups as well as the MTA, led by former drug warlord Khun Sa, have reached cease-fire agreements with the Myanmar government.

The death of Aung San Suu Kyi's British husband, Michael Aris, brought additional attention to the situation in Myanmar. He was dying of prostate cancer but was denied a visa to visit Aung San Suu Kyi, whom he had not seen in three years. The SPDC received considerable international pressure to grant the visa but claimed that they believed him to be too ill to travel. The SPDC offered Aung San Suu Kyi a visa to travel to the United Kingdom to visit her husband but she refused on the grounds that she believed that she would not be allowed to re-enter the country.

Michael Aris died on March 27, 1999. In April and May 1999, Suu Kyi's two sons, Kim Htein Lin Aris and Alexander Aris came to Myanmar from the United Kingdom to meet their mother after their father died. The Myanmar government had kept their visits as low-key as possible to avoid political complications. Both of Aung San Suu Kyi's sons had been stripped of their passports by the military junta and had been traveling on British documents. As for Aung San Suu Kyi, although not under house arrest, her movements had been strictly controlled by the government.

In the year 2000, conflicts between the Myanmar government and the NLD saw no signs of diminishing. In March 2000, the NLD leader Aung San Suu Kyi issued her challenge in response to a speech made by Gen. Than Shwe. The military leader had threatened to eliminate the opposition. In the speech Gen. Than Shwe said, "those that disturb stability and damage the development of the nation should be eliminated as if they were common enemies."

Aung San Suu Kyi called on the opposition to persevere in the struggle to restore democracy. The NLD said the government still refused to implement the result of the 1990 multi-party general election, and warned that the only way out to tackle Myanmar's present overall crisis was to follow the people's desire and transfer back the state power to the people's representatives.

On Aug. 24, 2000, the NLD leader Aung San Suu Kyi and 14 members of the NLD tried to meet supporters and the party's youth wing outside Rangoon, the capital, but were stopped and barred by the police from traveling further. After nine days of roadside confrontation with the military authorities, Suu Kyi was forced to return to Rangoon. This was her first attempt in two years to leave the capital. After she was brought back to Rangoon on Sept. 2, Aung San Suu Kyi was confined to her home for 12 days.

Again on September 21, Suu Kyi and several of her supporters were blocked from leaving Rangoon at the train station. Suu Kyi and other leaders of the NLD were put under house arrest on September 27, the day they had planned to celebrate the party's 12<sup>th</sup> anniversary. Since then, they have been confined to their homes under house arrest.

In December 1996, all colleges and universities in Myanmar were closed by the military government who saw the campuses as breeding grounds for dissent. In July 2000, thousands of college students returned to their classes for the first time in three years after the ban was quietly lifted. The returning students and their parents had to sign declarations that they would not become involved in political activity. Student unions were banned. During the three-year closure, some students traveled abroad to study, but others were unable to do so.

To break the 10-year deadlock between Myanmar's military leaders and the pro-democracy opposition led by Aung San Suu Kyi, the United Nations has been involved in trying to bring the two sides to dialogue. However, successive envoys to Myanmar had made little progress until late 2000 when the two sides began talks.

The year 2001 saw some signs of changes by the military government of Myanmar. Since October 2000, sponsored by the United Nations through its special envoy Razali Ismail, the NLD leader Suu Kyi had held secret talks with the military government. Although the talks appeared to be progressing slowly, there were signs of improvement. Since January 2001, the military government has released more than 300 political prisoners, including several senior NLD leaders, and the NLD has been given permission to reopen 18 of its offices. Significantly, these events all happened after Aung San Suu Kyi and the military government started secret talks.

Still, according to human rights groups, there are about 1,500 political prisoners who remain in jail. Some diplomats in Myanmar believe that the military government's goal in releasing political prisoners was merely to deflect international criticism of their human rights record, and to lessen their international isolation.

On May 6, 2002, the MLD leader, Aung San Suu Kyi, was granted unconditional release after 20 months of continuous confinement. On the day of her release, she left her house for the first time since 2000 and went to the headquarters of the National League for Democracy. She was greeted by cheering crowds in the streets of the capital city, Rangoon.

Aung San Suu Kyi's release came on the heels of a visit from United Nations envoy, Razali Ismail (noted above), who, during a recent visit to Myanmar, insinuated that her confinement might soon come to an end. The actualization of her release was hailed by the international community as a significant indicator that the military regime might truly be ready to make some tentative steps in the direction of democratization.

As reported by the *Associated Press*, the members of the government of Myanmar stated they would recommit themselves to allowing all of the country's citizens to participate freely in the political process. Aung San Suu Kyi herself called for a "new dawn" in the country.

While the release of Aung San Suu Kyi was applauded by the international community, it did not singlehandedly result in the desired effect of attracting the much-needed Western capital to stave off a looming economic crisis. The United States, European Union and other Western countries remained deeply troubled by the poor human rights situation and the extremely slow pace of democratization in Myanmar. The country's image was further tainted by reports from the International Labor Organization (ILO) that forced labor was still rampant in the country. Until that issue and other human rights concerns are domestically addressed, it remained unlikely foreign companies will want to tarnish their image in this global economy.

Aside from political reconciliation, Myanmar has also been facing growing unemployment, a major AIDS epidemic and drug trafficking.

### 2003

In terms of government, in 2003, the chairman of the State Law and Order Restoration Council (SLORC) -- which in 1997 became the State Peace and Development Council (SPDC) -- General Than Shwe -- continued in the role as head of the ruling body of Myanmar. He was succeeded by Khin Nyunt as prime minister.

In other political developments, following clashes between supporters of the National League for Democracy (NLD) party and the military government of Myanmar, the party's leader, Aung San Suu Kyi, was detained and once again taken into "protective custody." She was held at a military guest-house in the capital city of Rangoon.

Up to 200 people, including pro-democracy activists and members of the National League for Democracy, were arrested, while an estimated 70 people were reported to have been killed in violent altercations with the military. (The actual number of dead, however, remained unconfirmed and according to *Reuters*, the government claims that neither U Tin Oo nor Aung San Suu Kyi were hurt). In addition, the National League for Democracy office was shut down and telephone lines were severed. Fearing arrest and other consequences for political activism, many supporters of the National League for Democracy went into hiding.

Since Aung San Suu Kyi's arrest, the United Nations envoy to Myanmar (Burma), Razali Ismail, met with the country's military leadership regarding the situation. He expressed the hope that she would soon be released; subsequently, reports emerged suggesting that her release would not be immediate.

The international community summarily condemned Myanmar (Burma) for its arrest of Aung San Suu Kyi. Notably, the European Union installed harsher sanctions against Myanmar's regime, while members of the South East Asian regional forum (ASEAN) issued a rare criticism of Myanmar (Burma), which is one of its member states.

As noted above, Aung San Suu Kyi had been released from house arrest in 2002 and it was hoped that her discharge would signify the start of democratic reforms. No such political changes actually ensued, thus spurring criticism by pro-democracy factions. These criticisms, coupled with intensified public protests, presumably threatened the military government's grip on power and resulted in the crack-down. Indeed, reports have registered a considerable increase for Aung San Suu Kyi's support base and for the pro-democracy movement. In particular, there was a surge of support from student activists and Buddhist monks. For its part, the military leadership of the country said that the opposition party provoked both the confrontation and the latest acts of repression.

In September 2003, Aung San Suu Kyi remained under house arrest and was conducting a hunger strike. Human rights activists and the United Nations envoy continued to work toward her release.

In November 2003, following a six-day visit to Myanmar (Burma), United Nations Human Rights Envoy Paulo Pinheiro (who was later killed during the war in Iraq) said that Aung San Suu Kyi was still in her home, which was without telephone service but surrounded by security forces. A declaration by the government that she was not being held by law had no effect on her circumstances because Aung San Suu Kyi said she would not accept privileges until her supporters were also released from detention. At that time, close to 30 individuals had been imprisoned since May when violent clashes between the pro-democracy movement and the government forces led to their arrests (as discussed above).

### Recent Developments

In May 2004, pro-democracy parties and ethnic minority groups decided to boycott the government's convention on a new constitution. The new constitution would act as the foundation for the restoration of democracy. Although the national convention was, in principle, supposed to include varied political factions and religious groups, critics said that participants had been selected by the ruling military government. As a measure of protest, the National League for Democracy (NLD) -- which won the last democratic elections -- refused to participate in the convention unless its leader, Aung San Suu Kyi, was released from detention. Political experts said that without the participation of the country's democratically elected leader and other key opposition voices, the constitutional convention was unlikely to be viewed with credibility.

The military government brought the national convention to a close in July 2004. A month later in August 2004, United Nations Secretary General Kofi Annan echoed the calls of the NLD by demanding that Aung San Suu Kyi be freed from house arrest. In this regard, he noted that the military government's reform program would be viewed as a farce without the participation of both the NLD and

its leader. In his statement, Annan said, "Unless and until the views of the National League for Democracy and other political parties are sought and considered, the national convention and the road-map process will be incomplete, lacking in credibility, and therefore unable to gain the full support of the international community, including the countries of the region." The Secretary General also said that the military government should allow the United Nations Special Envoy, Razali Ismail, to return to Burma (Myanmar) for the purpose of helping with the movement toward democracy. (Ismail's visa application was rejected earlier in 2004.)

-- August, 2004

Editor's Note: Aung San Suu Kyi's National League for Democracy won a landslide victory in the country's elections of 1990; however, the military -- which has controlled Myanmar (Burma) since 1962 -- refused to transition the country to civilian democratic rule. For her part, Aung San Suu Kyi has spent most of the last decade under house arrest for her political efforts.

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## Foreign Relations

### Please Note:

The military authorities ruling this country have changed the historic name - Burma - to Union of Myanmar or Myanmar. Although the new name is used in conventional practice today, it was never endorsed by a sitting legislature. CountryWatch references this country by both the historic and conventional names in its materials, however, the lack of legitimization in regard to the conventional usage should be duly noted.

### General Relations

Since 1948, strict neutralism was the cornerstone of the foreign policy of Burma (now known as Myanmar). As such, Myanmar became a founding member of the Non-aligned Movement, but withdrew in 1979. It maintains bilateral relations with other Southeast Asian nations, and became a member of ASEAN in 1997.

After the 1962 military takeover, Myanmar's contacts with other countries were sharply reduced. Nonetheless, it maintained continuous membership within the United Nations and other U.N.-associated organizations.

### Bilateral Relations

Myanmar became the center of one diplomatic row between the European Union and ASEAN when the European Union would not allow Myanmar to attend the talks between the two groups. ASEAN responded by saying that it would not attend the talks without Myanmar.

Myanmar was the first country to recognize the People's Republic of China in 1949, but relations deteriorated during the mid-1960s when support for the "Cultural Revolution" by some ethnic Chinese led to anti-Chinese riots. Relations between the two countries improved over the next two decades. In early 2000, after the Taiwan presidential election, the Myanmar government reiterated its stand to abide by "One-China" principle no matter how the leadership changes in Taiwan, stressing that Myanmar will not establish official links with Taiwan in any form.

As a result of the military takeover in 1988, and the violent suppression of anti-governmental demonstrations, Japan and many countries of the West halted all assistance to Myanmar. A number of other countries have also taken steps to limit their contact with the regime.

In recent years, Myanmar has shared good relations with Japan, which included the recipient of a large aid donor program until 1988. In recent years, Myanmar has strengthened its economic cooperation with Japan. In February 1998, Myanmar and Japan reached an agreement on the establishment of an economic cooperation committee between the two countries to enhance bilateral economic cooperation. In December 1999, the two countries jointly held an economic conference in Myanmar to promote the economic cooperation.

### Regional Relations

Myanmar and Thailand had made considerable efforts to overcome their border and fishing disputes in 1999. After two Thai coast guards and three Myanmarese navy men were killed in two separate disputes over fishing rights, leaders from both countries met in March in an attempt to resolve their disputes and work out a plan to curb the drug trade in the region. On March 18, 1999, an agreement concerning procedures to avoid marine conflict was reached which included the mandatory flying of the national flag and a dedicated radio frequency for emergency use. The regional border committee also met in mid-March. As of early 2000, relations between Myanmar and Thailand had seen signs of normalization following a hostage-taking incident at Myanmar Embassy in Bangkok in October 1999, in which five Myanmar hostage takers were flown by the Thai side to the Thai-Myanmar border and set free. In March 2000, Thailand and Myanmar announced that the two countries would hold talks on fishery cooperation and reopening the Myanmar waters to Thai fishermen. Myanmar closed its waters to Thai fishermen in October 1999 because of the hostage incident.

Myanmar and Thailand have entered a new relationship since Thaksin Shinawatra became the Thai prime minister in early 2001. In June, the new Thai prime minister made a two-day visit to Myanmar, and he said then that the two countries were now back on track. Prime Minister Thaksin criticized the policy of "flexible engagement" by the previous Thai government led by Chuan Leekpai. Under such a policy, Thailand had often been critical of Myanmar, and had not always supported it in international forums like the United Nations or the International Labor Organization. As a result, exchange visits of senior leaders of both sides had been suspended. Under the new Thai government's "forward engagement" policy towards Myanmar, exchange visits of senior officials have resumed. In September, Myanmar's head of military intelligence Lieutenant-General Khin Nyunt visited Thailand with the goal of soothing tensions over drug smuggling and border fighting. There had been heavy exchanges of fire across the border of Myanmar and Thailand for several weeks, and several Thai and Burmese refugees were killed. According to a military source in Myanmar, several hundred Burmese soldiers also died in

the fighting. Now with the visit by Khin Nyunt, both sides agreed that the two countries need cooperation from all sides to effectively suppress drug trafficking. The two sides also talked about business cooperation. Myanmar is eager to get financial support from Thailand to help sustain its crumbling economy. For Thailand, as the Thaksin government is committed to expanding the country's economy that involves strengthening bilateral ties, Myanmar is a high priority for the new Thai government's policies.

### Other Significant Relations

Although the United States provided aid to Myanmar in the past, including military funding and anti-narcotics equipment, as well as overseas private investment programs, ever since the 1988 coup, all such assistance has been halted indefinitely. The status of other bilateral projects such as development consultancy projects as well as cultural and educational exchange programs are also suspended.

On the diplomatic front, the United States downgraded its representation in Myanmar from Ambassador to Charge d'Affairs.

In February 2000, the U.S. government announced that it planned to continue sanctions on Myanmar.

In December 2000, President Clinton awarded the Presidential Medal of Freedom, America's highest civilian honor, to Myanmar's pro-democracy leader Aung San Suu Kyi. But Suu Kyi was unable to collect the award in person as she has been under house arrest, and the award was presented to her son, Alexander Aris. When presenting the award, President Clinton said that although Suu Kyi is unable to speak to her people or the world, her struggle continues and her spirit still inspires us.

The U.S. government has stated that relations between the two countries can be improved only on the basis of Myanmar's transformations on three fronts: democratization, human rights and counter-narcotics efforts. Since the liberation of Suu Kyi in May of 2002, it appeared that some measure of transformation in the area of democracy and human rights might be anticipated. As noted in the "Political Conditions" of this review, however, as of 2004, no such transformation has ensued.

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## National Security

### **External Threats**

Burma's relations with Thailand are strained, but have showed signs of improvement. There is disagreement over the precise alignment of their mutual boundary. Military forces from both nations have been posted along the border to protect their respective country's territorial integrity and occasionally clash. Nationals seeking employment and/or refugee status frequently cross the border from Burma into Thailand, exacerbating the friction between the two countries. Likewise, the presence of armed Burmese insurgents just across the border in Thailand has agitated Burmese officials. The government of Burma officially closed the border for several months in the summer of 2000. Despite the tainted history, the respective governments of Burma and Thailand have recently demonstrated an eagerness to ease tensions. Economic ties between the two countries remain strong. Outside of tension with Thailand, the reputation of Burma's ruling military junta for brutal suppression of political opposition has

placed it on the radar screens of global human rights watchdogs. It has also earned the enmity of the United States, which has had a negative impact on Burma's economic development.

### **Crime**

The persistence of a thriving narcotics industry poses an ongoing threat to Burma's national security. Burma is the second largest producer of illicit opiates. It is also a significant source of methamphetamines. The drug trade has ensnared the nation's government, law enforcement apparatus and general public in a web of corruption and violence. It has contributed to the prevalence of money laundering, bribery and insurgent movements that derive financial support from the profits it yields. Though Burma's central government hailed the 1996 surrender of drug lord Kung Sa and his Mong Tai army as a major success, it has generally demonstrated a lack of will and ability to effectively combat the drug trade. In addition to failing to adequately address the production and trafficking of narcotics, the Burmese government has not taken sufficient measures to prevent the laundering of drug trafficking proceeds. Outside of drug-related crime, Burma has a relatively low crime rate.

### **Insurgencies**

Armed insurgencies and political unrest have posed an ongoing threat to Burma's ruling military regime. One cause for the insurrection has been the government's own disregard for democracy. In 1988 the regime jailed and/or killed thousands of pro-democracy activists. Two years later it refused to relinquish power, even though the opposition had won a national election by an overwhelming majority. Major anti-government demonstrations occurred in 1996 and 1998.

The military junta's treatment of Aung San Suu Kyi has been particularly inflammatory. Her integral role in Burma's democratic movement has made her a target of government oppression. As of mid-2004, she had spent nine of the previous fourteen years under house arrest. Aung San Suu Kyi is immensely popular, both at home and outside of her native Burma. She is the daughter of the late Burmese nationalist, General Aung San, a driving force behind the nation's post-Second World War independence movement. Her efforts to foster democracy and a respect for human rights in Burma earned her the Noble Prize for Peace in 1991. Popular unrest and violence ensued in the aftermath of an attack perpetuated by government affiliates on her convoy in May 2003 that left dozens dead or injured.

While some who oppose Burma's government have adopted peaceful means to affect change, others have chosen to express their discontent through violence. Over the course of the last decade, anti-government sentiment has given rise to a series of premeditated, armed attacks. In addition to striking a natural gas pipeline, the perpetrators have also bombed family members of senior military officials in Rangoon. Two small bombs were detonated in downtown Rangoon in the spring of 2003. Burmese authorities reported finding other explosive devices in 1999 and 2000 before they were detonated. The government enhanced security at Rangoon's international airport in Rangoon after two rocket-propelled grenades devices were discovered nearby in early 2002.

Burma's government has also faced significant opposition from various ethnic minority groups. The border with Thailand remains a hotbed of ethnic insurgencies. Fighting between government forces and various armed militias has periodically occurred in the Chin and Rakhine states near that border, as well as in Burma's southern Shan, Mon, and Karen states. Crossfire killed several people and stranded a group of tourists in the town of Tachileik, Shan in February 2001.

### **Terrorism**

The government of Burma has demonstrated a desire to cooperate with global initiatives to combat international terrorism. It has made several public statements to that effect. In so doing, it has made specific reference to its willingness to share information relevant to the success of counterterrorist initiatives. It has also begun to enact legislation that will facilitate the blocking of terrorist assets. Burma has adopted five of the twelve international conventions and protocols pertaining to terrorism.

Burma has also suffered from domestic terrorism. As mentioned in the "Insurgencies" section, while some who oppose Burma's government have adopted peaceful means to affect change, others have chosen to express their discontent through violence. Over the course of the last decade, anti-govern-



ment sentiment has given rise to a series of premeditated, armed attacks, some of which have placed non-combatants in harm's way. The government is also contending with several ethnic insurgent movements (see above section on insurgencies). The U.S. State Department alleges that at least one such group may have ties to South Asian extremists.

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## Principal Government Officials

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### Leadership and Cabinet of Burma (Myanmar)

Prime Minister KHIN NYUNT, Gen.

Chmn., State Peace and Development Council THAN SHWE, Sr. Gen.

Vice Chmn., State Peace and Development Council MAUNG AYE, Vice Sr. Gen.

Secretary 1, State Peace and Development Council SOE WIN, Lt. Gen.

Secretary 2, State Peace and Development Council THIEN SEIN, Lt. Gen.

Min. of Agriculture & Irrigation NYUNT TIN, Maj. Gen.

Min. of Commerce PYI SONE, Brig. Gen.

Min. of Communications, Post, & Telegraph THEIN ZAW, Brig. Gen.

Min. of Construction SAW TUN, Maj. Gen.

Min. of Cooperatives HTAY OO, Maj. Gen.

Min. of Culture KYI AUNG, Maj. Gen.

Min. of Defense THAN SHWE, Sr. Gen.

Min. of Education THAN AUNG,

Min. of Electric Power TIN HTUT, Maj. Gen.

Min. of Energy LUN THI, Brig. Gen.

Min. of Finance & Revenue HLA TUN, Maj. Gen.

Min. of Foreign Affairs WIN AUNG,

Min. of Forestry THEIN AUNG, Brig. Gen.

Min. of Health KYAW MYINT, Dr.

Min. of Home Affairs TIN HLAING, Col.

Min. of Hotels & Tourism THEIN ZAW, Brig. Gen.

Min. of Immigration & Population SEIN HTWA, Maj. Gen.

Min. of Industry 1 AUNG THAUNG,

Min. of Industry 2 SAW LWIN, Maj. Gen.

Min. of Information KYAW HSAN, Brig. Gen.

Min. of Labor TIN WINN,

Min. of Livestock Breeding, & Fisheries MAUNG MAUNG THEIN, Brig. Gen.

Min. of Military Affairs THIHA THURA TIN AUNG MYINT,

Min. of Mines OHN MYINT, Brig. Gen.

Min. of National Planning & Economic Development SOE THA,

Min. of Progress of Border Areas, National Races, & Development Affairs THEIN NYUNT, Col.

Min. of Rail Transport AUNG MIN, Maj. Gen.

Min. of Religious Affairs THURA MYINT MAUNG, Brig. Gen.

Min. of Science & Technology U THAUNG,

Min. of Social Welfare, Relief, & Resettlement SEIN HTWA, Maj. Gen.

Min. of Sports THURA AYE MYINT, Brig. Gen.

Min. of Transport HLA MYINT SWE, Maj. Gen.

Min. in the Office of the Prime Min. KO LAY, Col. (Ret.)

Min. in the Office of the Prime Min. THAN SHWE,

Min. in the Office of the Prime Min. THEIN SWE, Maj. Gen.

Governor, Central Bank of Burma KYAW KYAW MAUNG,

Ambassador to the US LINN MYAING,

Permanent Representative to the UN, New York KYAW TINT SWE ,

-- as of 2004

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## Leader Biography

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## **LEADERSHIP**

Myanmar's democratically elected leader is Aung San Suu Kyi of the National League for Democracy. Myanmar, however, is under military control. The military leader is Than Shwe. His biography is noted below, and is followed by that of Aung San Suu Kyi.

### **THAN SHWE:**

**Name:** Than Shwe

**Date of Birth:** 1933

**Place of Birth:** Kyaukse

### **Education**

**1953** Officer's Training School's 6th Course

**Previous Positions**

**1963** Instructor, Central Institute of Political Science

**1980** Commander of the 88th Light Infantry Division

**1983** Head of Southwest Regional Command

Chairman of the Regional Committee of the Burmese Socialist Program Party

**1985** Promoted to Major General, Deputy Chief of Staff of the Army

**1988** Named Vice-Chairman of State Law and Order Restoration Council (SLORC), Deputy Minister of Defense, Army Chief of Staff, after coup

**1990** Promoted to General

**1992** Minister of Defense

**Present Positions**

**April 1992-Present** Chairman of SLORC (later called State Peace and Development Council or SDPC) and Prime Minister until 2003

**AUNG SAN SUU KYI:**

Aung San Suu Kyi biography, as stated by the National Coalition Government of Burma in Exile:

"Daw Aung San Suu Kyi was born in Rangoon, Burma, on June 19, 1945. She is the daughter of Daw Khin Kyi, Burma's only woman ambassador (to India and Nepal), and late national leader General Aung San, the architect of Burma's independence, who was assassinated in Rangoon on July 19, 1947, along with six members of his pre-independence cabinet.

Daw Aung San Suu Kyi was educated in Rangoon until the age of 15 and continued her studies at Delhi University when she accompanied her Ambassador mother to New Delhi. She completed her BA in philosophy, politics, and economics at St. Hugh's College, Oxford University, and was elected Honorary Fellow in 1990.

From 1969 to 1971, Daw Aung San Suu Kyi was the Assistant Secretary, Advisory Committee on Administrative and Budgetary Questions, United Nations Secretariat, New York.

In 1972, Daw Aung Suu Kyi worked as the Research Officer at the Ministry of Foreign Affairs, Bhutan, and got married to a British scholar Dr. Michael Aris. Daw Aung San Suu Kyi has two sons, Alexander, born in London (1973), and Kim in Oxford in 1977.

She studied at the Center of Southeast Asian Studies, Kyoto University, as a visiting scholar (1985-86).

In 1987, Daw Aung San Suu Kyi completed her fellowship at the Indian Institute of Advanced Studies, Simla.

In 1988, Daw Aung San Suu Kyi returned to Burma to attend to her ailing mother. When nationwide mass demonstrations for democracy started in August, Daw Aung San Suu Kyi took a leading role in the movement, addressing half a million people at the famous Shwedagon rally on 23 August.

September 1988: The National League for Democracy (NLD) was founded with Daw Aung San Suu Kyi as general secretary following an announcement by the military, which took control of the country in a 18 September coup, that "fair and free" elections would be held on May 27 1990. In asserting control, the military gunned down hundreds of demonstrators and formed the State Law and Order Restoration Council.

Following the coup and until July 1989, Daw Aung San Suu Kyi as NLD leader delivered over a hundred public addresses, encouraging people to fight for their rights despite their fears, and extensively toured the whole country, including Rangoon, Pegu, Magwe, Sagaing, Mandalay, Moulmein, Tavoy, Mergui, Pakkoku, Taunggyi, Kyaukpadaung, Monywa, Myinmu, Myitkyina, and so forth.

July 1989: The military placed Daw Aung San Suu Kyi under house arrest. Amnesty International declared Daw Aung San Suu Kyi a prisoner of conscience. (Under pressure from the junta and as a move to prevent the junta from using legal loopholes to ban the party, the NLD announced Daw Aung San Suu Kyi was no longer the general secretary of the party)

May 1990: Despite her continuing detention, and the arrest of other NLD leaders, the party won the election by a landslide, securing 82 percent of the seats, but the military junta refused to honor the election results.

October 12 1990: Thorolf Rafto Foundation of Norway honored Daw Aung San Suu Kyi with the first international award--Thorolf Rafto Award for Human Rights.

July 10, 1991: The 1990 Sakharov Prize (Human Rights Award of the European Parliament) was awarded to Daw Aung San Suu Kyi.

August 10, 1991: The military regime retroactively amended the law under which Daw Aung San Suu Kyi was held to extend her house arrest for up to five years without charge or trial.

October 14, 1991: The Nobel Peace Committee awarded Daw Aung San Suu Kyi the 1991 Nobel Peace Prize.

December 10, 1991: Daw Aung San Suu Kyi's "Freedom From Fear" and other works were published in London.

1992: The Nobel Committee revealed that Daw Aung San Suu Kyi would use the \$1.3 million prize money to establish a health and education trust in support of the Burmese people.

January 21, 1994: The military junta announced that Daw Aung San Suu Kyi could be detained for up to six years under martial law. The regime said an extra year could be added if a three-member committee comprising the Ministers of Foreign Affairs, Home Affairs, and Defense decided to do so.

February 14, 1994: For the first time, people from outside Daw Aung San Suu Kyi's family were allowed to meet her. UN Resident Representative Jehan Raheem, US Congressman Bill Richardson and New York Times reporter Philip Shenon visited Daw Aung San Suu Kyi.

September 20, 1994: Junta chairman Than Shwe and Lt Gen Khin Nyunt met Daw Aung San Suu Kyi for the first time since her house arrest.

October 28, 1994: A second meeting was held at the State Guest House between Lt Gen Khin Nyunt and Daw Aung San Suu Kyi.

July 10, 1995: Daw Aung San Suu Kyi was released from house arrest.

July 11, 1994: Daw Aung San Suu Kyi told reporters she was still dedicated to the restoration of democracy in Burma. She called for a dialogue between SLORC, democracy movement, and non-Burman ethnic nationality groups. She also urged foreign businessmen thinking of investing in Burma to wait until democracy was restored.

October 10, 1995: The NLD defied junta's ban on changes in party leadership positions and reappointed her as the party's General Secretary.

November 28, 1995: Daw Aung San Suu Kyi, saying that the NLD did not believe that the National Convention being held by the junta would lead the country to democracy, announced that the party was withdrawing from the National Convention.

March 27, 1999: Daw Aung San Suu Kyi's husband Michael Aris died of prostate cancer in London. His last request to visit Daw Aung San Suu Kyi, whom he had last seen in 1995, was rejected by the military junta which said if Daw Aung San Suu Kyi wanted to leave the country she could do so. Daw Aung San Suu Kyi refused the offer or to leave her Rangoon home.

1996--2000: Daw Aung San Suu Kyi defied travel bans imposed against her and continually tried to leave for places outside Rangoon. In March 1996, she boarded the train bound for Mandalay but citing a "last minute problem" the coach she was in was left behind at the station. In July 1998 and August 1998, Daw Aung San Suu Kyi tried to meet NLD members outside Rangoon but police stopped her car on the road to Bassein. On both occasions, she was forced to spend days on the road. After several days they usually seize her car, force her to return home, and drive her car back.

In August 2000, Daw Aung San Suu Kyi was once again prevented from visiting NLD youth members in Dala. On 2 September, around 200 riot police surrounded Daw Aung San Suu Kyi's motorcade near Dala and forced them to return to Rangoon after a nine-day standoff. On 21 September, Daw Aung San Suu Kyi and NLD Vice Chairman U Tin Oo were arrested together with their supporters when they tried to leave for Mandalay by train.

October 2000: Daw Aung San Suu Kyi began secret talks with the military junta. Substance of the talks remains secret, and UN Special Envoy Razali is acting as a facilitator."

Source: National Coalition Government of Burma in Exile

## Defense Forces

Burma (Myanmar) Defense Forces Military Strength/Expenditures					
	1997	1998	1999	2000	2001
Expenditures (USD 1997 Millions)	2,012	2,167	2,117	1,995	1,020
Armed Forces (1000 persons)	321	435	429	344	344





## **Chapter 3**

# **Economic Overview**

## Economic Overview

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### Economic Conditions

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#### Overview

Myanmar's economy is now in the second decade of what has become a difficult transition from a centrally-controlled socialist system to a market economy designed to encourage private activity and attract foreign investment. Despite the presence of a broad range of significant natural resources, Myanmar remains one of the poorer countries in the world on a per capita basis. Following promising real economic growth rates of six to eight percent in the mid-1990s, Myanmar's GDP contracted at the close of the decade, triggered by the general crisis in the region. However, unlike many neighboring countries, Myanmar's economy has not recovered well from the Asian crisis of 1997-8 as western economic sanctions compound a general slowing of foreign investment from the developed world to the ASEAN region. Human rights concerns have led to Myanmar being shunned by international financial institutions and have brought new direct foreign investment to a standstill.

One revealing assessment of the Myanmar economy is that it has been ranked at the bottom of world league tables in terms of economic freedom. The ruling junta often arrests currency traders and businessmen, blaming them for the collapsing value of the kyat in the unofficial markets. Statistical analysis of Myanmar's economy is obscured by lack of competent government data collection and by the large underground economy. Persistent current account deficits, in light of dwindling capital inflows and foreign currency reserves, appear to be funded through the narcotics trade amongst other black market activities. Capital formation has stagnated and now represents less than 10 percent of gross domestic product. Foreign currency reserves are adequate for only slightly more than one month of imports. While Myanmar's long-term economic prospects remain positive due to an ample resource base, the current economic situation, compounded by political and structural instability, must be characterized as precarious.

The military clique that rules Myanmar has tried to impose economic regulations that do not give workers the right to form a union, and independent labor activity is ruthlessly suppressed. Myanmar is infamous for its systematic use of forced labor. For the first time in its history in early 2001, the International Labor Organization, or ILO, has called on member governments to "review their relations with Myanmar" and to act "to ensure that such relations do not perpetuate the system of forced or compulsory labor in that country." The ILO is urging members to isolate Myanmar, after independent investigations have confirmed what the dictatorship denies: "widespread and systematic" use of forced labor.

Many nations have joined in the global denunciation of the Myanmar junta's human-rights practices. In May 1997, U.S. President Clinton barred all new investment in Myanmar. While U.S. apparel companies have reportedly increased their imports from Myanmar, watchful consumer groups report that members of the junta jointly own many of the factories exporting to the U.S. A report by Human

Rights Watch concluded that the "current system to regulate global commerce leaves little or no room for human rights and other social values."

While the government has reported that more than 500,000 tourists visited Myanmar in 2002, most of them were 'day visitors' from China and Thailand. Investment in tourism-related facilities has tremendous potential and there has been some outside investment in the sector in the past, but in 2002, foreign direct investment generally fell sharply in the country. The kyat fell to as low as K1,300/US\$ during the year and the gap between the official exchange rate of K6.7/US\$ is at all time highs. The business climate in Myanmar is marred by the government's propensity to arrest businessmen and currency traders whose activities are deemed 'speculation' but who are frequently only trying to protect their businesses from a currency that continually loses it value.

### **Economic Performance:**

Many observers today say that economic conditions in Myanmar are comparable to the 'bad old days' of 1987-8, just before the coup that brought the current military government to power. Shortages and rationing of rice, grains, and cooking oil and rationing programs for those commodities and other everyday essentials, along with regular interruption of electric power service and fast rising inflation make for a very difficult economic environment for the average citizen of the country.

The country's rampant inflation has caused people to frantically seek to buy dollars, gold and imported cars as a hedge against price increases. The fall in the local currency, the kyat is also forcing the prices of imported goods such as medicines to rise. An increase in the price of certain food products has been a huge burden on the consumers. There is an expected business exodus from Myanmar. Many Singaporean businesses (Singapore is the largest foreign investor in Myanmar) and other ASEAN country investors have sharply reduced their activity in the country. The military government is increasingly worried about the country's spiraling inflation and the falling value of the kyat. Analysts believe the government's conciliatory attitude towards the international community has been prompted by the realization that only international financial assistance, increased foreign trade and investment can save Myanmar from economic collapse.

### **Regional Situation:**

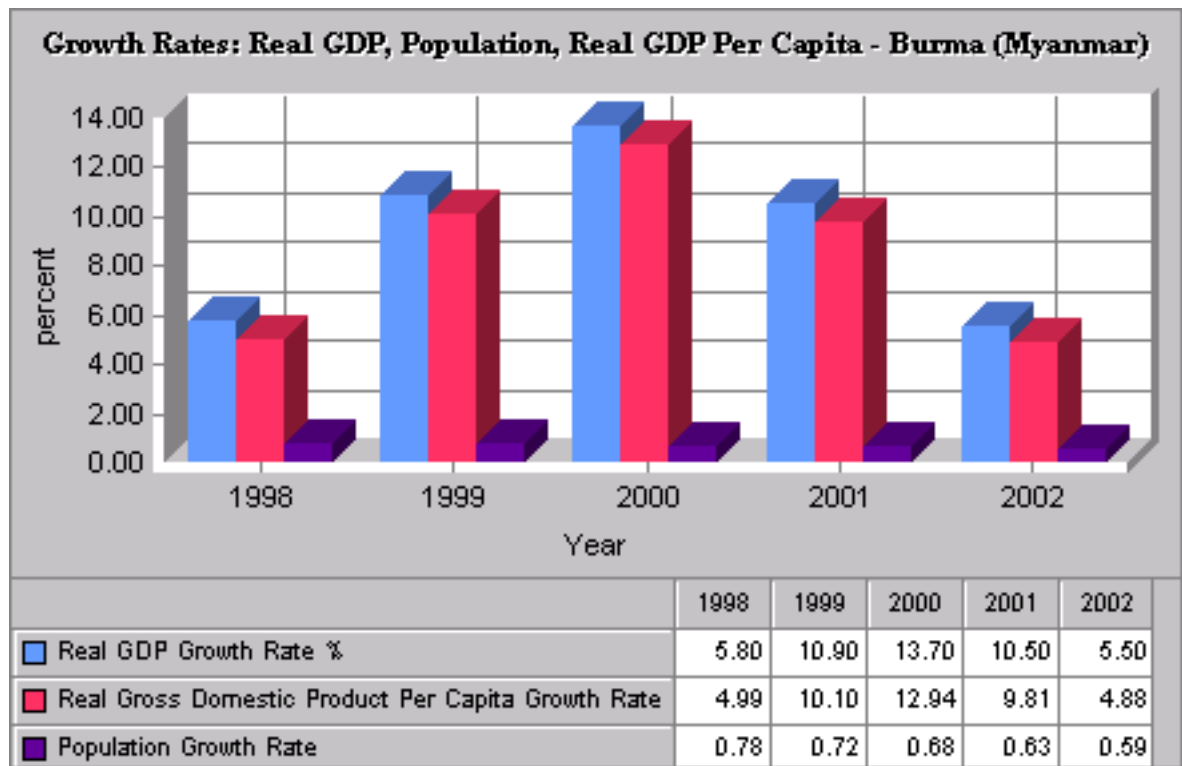
During the Third Association of Southeast Asian Nations - Mekong Basin Development Cooperation Ministerial Meeting , or AMBDC in October 2001, Countries in the Mekong River region were urged to step up efforts in economic cooperation to mitigate the affects of the bearish global economy and the impact of U.S. military strikes on Afghanistan. Another key issue at the meeting was a report on the progress of the cash-rich pan-Asia railway project, which is a major development plan for Mekong River region by linking Singapore, Malaysia, Thailand, Cambodia, Laos, Myanmar, Vietnam and China. Participants also agreed to accept Japan and South Korea as its new members, making the meeting a 13-nation bloc. The first AMBDC was held in 1996 in Malaysia and has developed into an important cooperation mechanism for countries in the region. However, it had been suspended for nearly two years after the outbreak of the Asian financial crisis and was finally reassembled in 1999. The Mekong River was originated in China and travels some 4, 425 kilometers along Myanmar, Laos,

Thailand, Cambodia and Vietnam, before reaching the South China Sea. The Mekong region covers 655,000 square kilometers and is abundant in natural resources.

*January 2003*

## Macroeconomic Data

Burma (Myanmar) Macroeconomic Activity Real GDP Per Capita (Purchasing Power Parity Method)					
	1998	1999	2000	2001	2002
Real GDP (Millions of 1995\$US)	44,109	48,917	55,618	61,458	64,839
Total Population (Millions-Mid Year Average)	41.193182	41.490909	41.771657	42.035224	42.28186
Real GDP Per Capita (1995\$US Per Capita)	1,071	1,179	1,331	1,462	1,533
*See appendix for sources and additional information.					

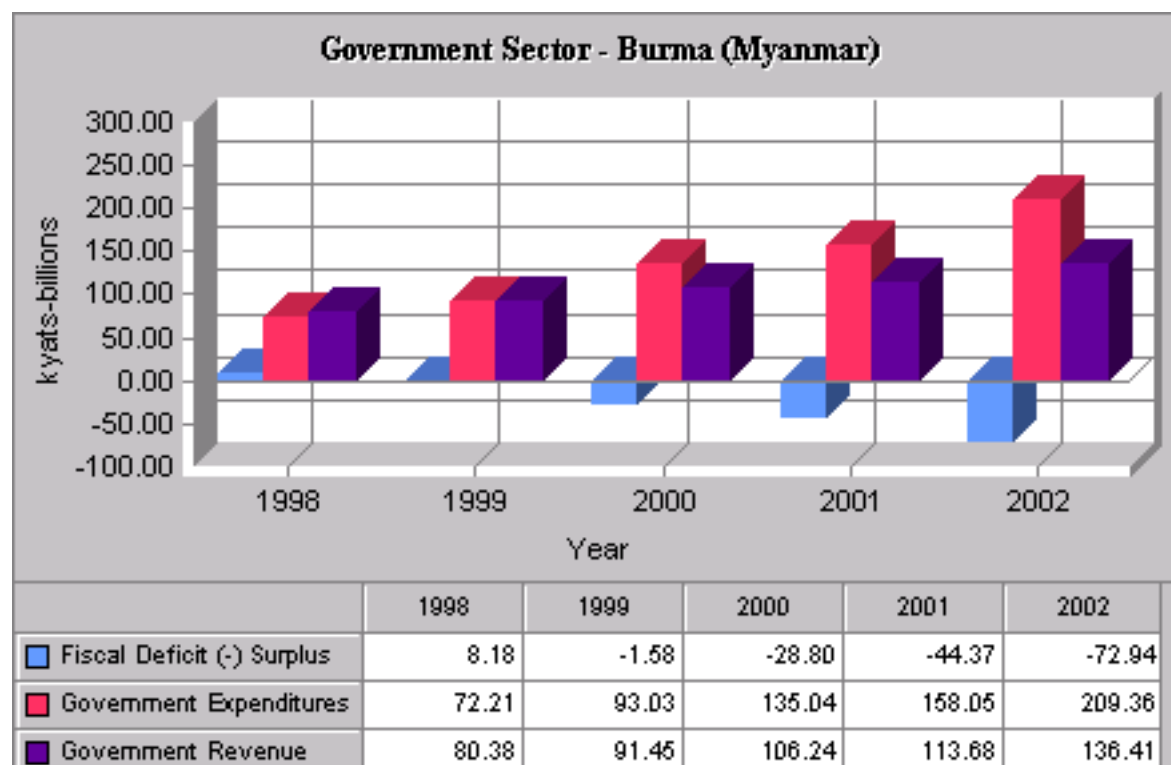


Burma (Myanmar) Macroeconomic Activity GDP/Employment By Sector of Origin		
Sector	% GDP	% Employment
Agriculture	59	65.9
Industry	11	14.8
Services	30	19.3
Total	100%	100%
Year of Estimate	1997	1998
*See appendix for sources and additional information.		

Burma (Myanmar) Macroeconomic Activity Money Supply, Interest Rates and Foreign Exchange Reserves					
	1998	1999	2000	2001	2002
Money Supply M1 (kyats-billions)	282	346	465	701	877 E
Money Supply - M2 (kyats-billions)	433	562	801	1,152	1,440 E
Growth Rate - M1 %	28.2%	22.6%	34.5%	50.8%	25.0% E
Growth Rate - M2 %	34.2%	29.7%	42.4%	43.9%	25.0% E
Interest Rates					
central bank rate	15.00%	12.00%	10.00%	10.00%	10.00%
lending rate	16.50%	16.13%	15.25%	15.00%	15.00%
Foreign Exchange Reserves (\$US Millions)	315	266	223	401	470
*See appendix for sources and additional information.					

Burma (Myanmar) Macroeconomic Activity Prices and Exchange Rates					
	1998	1999	2000	2001	2002
Consumer Prices Period Average 1995=100	228.5	270.5	270.2	327.2	392.6 E
Annual % Growth	51.5%	18.4%	-0.1%	21.1%	20.0% E
Exchange Rate Period Average kyats / \$US	193.49	233.07	289.25	530.00	636.00
Annual % Growth	31.40 E	20.46 E	24.10 E	83.23 E	20.00 E
*See appendix for sources and additional information.					

<b>Burma (Myanmar)</b> <b>Macroeconomic Activity</b> <b>Gross Domestic Product</b> <b>kyats-billions</b>					
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
Private Consumption	1,206.8	1,620.2	2,039.9 E	2,810.0 E	4,355.7 E
Gross Fixed Capital Formation	206.9	241.7	304.3 E	419.2 E	649.8 E
Increase/Decrease(-) in Stocks	-7.604	48.3	60.8 E	83.8 E	129.9 E
Government Consumption	213.0	285.9	360.0 E	495.9 E	768.6 E
Exports of Goods & Services	7.700	9.394	11.8 E	16.3 E	25.3 E
Imports of Goods & Services	16.9	15.1	19.1 E	26.3 E	40.7 E
Gross Domestic Product	1,609.8	2,190.4	2,757.8	3,798.9	5,888.5
GDP Growth Rate (%)	30.5%	26.5%	14.0% E	12.7% E	20.0% E
*See appendix for sources and additional information.					



Burma (Myanmar) Macroeconomic Activity External Debt Position (\$US Millions)					
	1997	1998	1999	2000	2001
External Debt	5,074	5,680	5,999	6,046	5,670
Debt Service	116	93	97	87	93
Exports*	43	40	40	41	31
Debt Service/Exports %	271.6%	233.7%	240.7%	212.8%	301.1%
External Debt/Exports %	11,879.1%	14,273.3%	14,884.1%	14,786.1%	18,444.9%
Notes: * Includes Goods and Services See appendix for sources and additional information.					



<b>Burma (Myanmar)</b> <b>Macroeconomic Activity</b> <b>Trade Balance (Goods &amp; Services), National Income Products Account</b> <b>(\$US Millions)</b>					
	1998	1999	2000	2001	2002
Exports	40	40	41 E	31 E	40 E
Imports	88	65	66 E	50 E	64 E
Trade Balance	-48	-25	-25 E	-19 E	-24 E
*See appendix for sources and additional information.					

<b>Burma (Myanmar)</b> <b>Macroeconomic Activity</b> <b>Balance of Payments</b> <b>(Billions of \$US)</b>						
	1997	1998	1999	2000	2001	2002
<b>Current Account Balance</b>	-0.412	-0.494	-0.282	-0.210	-0.306	0.238 E
Goods and Services	-1.054	-1.125	-0.660	-0.351	-0.226	-0.015 E
Net Investment Income	-0.014	-0.000	-0.003	-0.131	-0.363	-0.035 E
Net Current Transfers	0.655	0.631	0.381	0.272	0.283	0.288 E
<b>Capital and Financial Account</b>	0.469	0.535	0.248	0.160	0.365 E	0.155 E
<b>Net Errors and Omissions</b>	-0.026	0.019	-0.012	-0.023	0.088	0.058 E
<b>Overall Balance</b>	0.031	0.060	-0.046	-0.073	0.148	0.451 E
<b>Official Reserves Stock</b>	0.250	0.315	0.266	0.223	0.401	0.470
<b>Current Account (Percent of GDP)</b>	-5.4%	-5.9%	-3.0%	-2.2%	-4.3%	2.6% E
*See appendix for sources and additional information.						

<b>Macroeconomic Activity Major Trading Partners (\$US Millions)</b>					
	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
<u>Imports</u>					
China	627	586	447	546	610
Singapore	777	501	460	480	466
Korea, South	n.a.	164	206	318	255
Malaysia	408	323	258	254	225
Japan	232	205	203	216	200
<u>Exports</u>					
United States	112	159	222	443	456
India	169	215	227	261	289
China	67	56	92	113	141
Thailand	n.a.	n.a.	n.a.	148	735
Singapore	157	109	90	100	102
*See appendix for sources and additional information.					

## Key Sector Data

<b>Burma (Myanmar)</b> <b>Key Sectors</b> <b>Agriculture/Food: Production of Primary Crops</b> <b>(Metric Tons)</b>					
Product	1998	1999	2000	2001	2002
BANANAS	0	0	0	0	0
BARLEY	2	2	2	2	2
COCOA BEANS	0	0	0	0	0
COCONUTS	245,805	250,261	225,310	275,000	275,000
COFFEE, GREEN	1,913	1,714	1,814	2,016	2,016
MAIZE	308,259	349,111	364,623	524,000	660,000
POTATOES	236,680	244,619	254,708	318,585	318,585
RICE, PADDY	17,077,692	20,126,038	21,323,868	21,900,000	21,900,000
SOYBEANS	74,546	85,279	98,952	110,274	114,700
SUGAR BEETS	0	0	0	0	0
SUGAR CANE	5,136,744	5,429,418	5,449,305	5,893,657	6,333,000
WHEAT	93,461	117,166	93,582	103,000	103,000
Total Production	23,175,100	26,603,606	27,812,162	29,126,532	29,706,301
Growth Rates (%)	-	15%	5%	5%	2%
*See appendix for sources and additional information.					

<b>Burma (Myanmar)</b> <b>Key Sectors</b> <b>Agriculture/Food: Production of Meat</b> <b>(Metric Tons)</b>					
Product	1998	1999	2000	2001	2002
Beef and Veal	100,680	100,800	102,000	104,400	108,000
Buffalo Meat	19,856	20,230	20,400	20,910	21,250
Camel Meat	0	0	0	0	0
Chicken Meat	132,914	154,143	175,503	195,649	230,373
Donkey Meat	0	0	0	0	0
Duck Meat	19,410	20,359	21,375	22,658	24,189
Game Meat	0	0	0	0	0
Goose Meat	1,812	1,877	1,930	1,985	2,041
Goat Meat	6,654	6,829	7,026	7,262	7,779
Horse Meat	0	0	0	0	0
Meat Nes	0	0	0	0	0
Mule Meat	0	0	0	0	0
Mutton and Lamb	1,863	1,911	1,967	2,033	2,177
Pig Meat	91,349	106,781	112,910	121,000	122,724
Rabbit Meat	0	0	0	0	0
Turkey Meat	6	6	6	6	6
Total Production	374,544	412,936	443,117	475,903	518,539
Growth Rates (%)	-	10%	7%	7%	9%
*See appendix for sources and additional information.					

<b>World Key Sectors Agriculture/Food: World Agriculture Prices</b>						
Product		1998	1999	2000	2001	2002
Banannas	\$/mt	490.00	374.00	424.00	583.00	529.00
Barley	\$/mt	2	2	2	2	2
Beef	\$/mt	1,730.00	1,840.00	1,932.00	2,129.00	2,127.00
Chicken	\$/mt	3,703.77	2,513.27	1,997.39	2,358.06	2,462.87
Cocoa	\$/mt	1,680.00	1,140.00	906.00	1,069.60	1,778.00
Coconut Oil	\$/mt	658.00	737.00	450.30	318.10	421.00
Coffee	\$/mt	2,980.00	2,290.00	1,920.00	1,373.00	1,357.00
Fish Meal	\$/mt	662.00	393.00	413.00	486.70	605.90
Lamb	\$/mt	2,750.00	2,610.00	2,619.00	2,912.00	3,303.00
Maize	\$/mt	102.00	90.00	88.50	89.50	99.30
Pork	\$/mt	862.56	907.04	864.53	826.73	848.60
Potatoes	\$/mt	114.76	114.76	110.82	112.99	110.24
Rice	\$/mt	304.00	248.00	202.40	172.80	191.90
Soybeans	\$/mt	243.00	202.00	211.80	195.80	212.70
Sugar	\$/mt	490.00	470.00	427.60	470.50	461.40
Wheat	\$/mt	126.00	112.00	114.10	126.80	148.10
Wood(logs)	\$/mt	117.44	135.56	137.74	159.10	163.40
*See appendix for sources and additional information.						

<b>Burma (Myanmar)</b> <b>Key Sectors</b> <b>Agriculture/Food: Agricultural Exports</b> <b>(\$1,000)</b>					
	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Meats and Meat Prep	12	12	12	12	12
Cereals & Preps	13,330	44,619	18,997	46,104	120,336
Dairy Products and Eggs	n.a.	n.a.	n.a.	n.a.	n.a.
Fruits and Vegetables	224,913	179,912	187,835	255,932	281,499
Beverages and Tobacco	n.a.	n.a.	n.a.	n.a.	n.a.
Other Agricultural Exports	1,500	8,000	12,000	9,000	12,600
Total Exports	321,843	300,159	267,298	364,818	453,736
*See appendix for sources and additional information.					

<b>Burma (Myanmar)</b> <b>Key Sectors</b> <b>Agriculture/Food: Agricultural Imports</b> <b>(\$1,000)</b>					
	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Meats and Meat Prep	1,002	529	251	275	275
Cereals & Preps	22,556	20,471	28,053	34,720	39,510
Dairy Products and Eggs	40,933	35,205	34,905	38,175	34,225
Fruits and Vegetables	4,544	5,714	12,925	14,370	14,634
Beverages and Tobacco	143,841	91,200	72,333	71,840	66,270
Other Agricultural Imports	11,894	10,159	17,179	25,527	47,827
Total Imports	330,594	361,890	355,577	339,395	331,924
*See appendix for sources and additional information.					

Burma (Myanmar) Key Sectors Energy: Fossil Fuel Reserves		
Fuel	Units	Value
Coal*	mm st	2.000
Natural Gas**	tcf	10.000
Oil**	billion bbl	0.200
* As of April 23, 2002 ** As of January 1, 2001		
*See appendix for sources and additional information.		

Burma (Myanmar) Key Sectors Energy: Production and Consumption of Primary Energy (Quads)						
		1997	1998	1999	2000	2001
Coal	Production	0.001	0.000	0.003	0.009	0.010
	Consumption	0.001	0.001	0.003	0.009	0.010
	Net Exports	-0.000	-0.000	0.000	0.000	0.000
Hydro	Production	0.017	0.010	0.011	0.019	0.035
	Consumption	0.017	0.010	0.011	0.019	0.035
	Net Exports	0.000	0.000	0.000	0.000	0.000
Natural Gas	Production	0.056	0.066	0.064	0.127	0.274
	Consumption	0.056	0.066	0.061	0.069	0.080
	Net Exports	0.000	0.000	0.003	0.058	0.194
Nuclear	Production	0.000	0.000	0.000	0.000	0.000
	Consumption	0.000	0.000	0.000	0.000	0.000
	Net Exports	0.000	0.000	0.000	0.000	0.000
Petroleum	Production	0.020	0.024	0.021	0.027	0.031
	Consumption	0.053	0.062	0.076	0.077	0.079
	Net Exports	-0.033	-0.038	-0.055	-0.050	-0.048
Renewables	Production	0.000	0.000	0.000	0.000	0.000
	Consumption	0.000	0.000	0.000	0.000	0.000
	Net Exports	0.000	0.000	0.000	0.000	0.000
Total	Production	0.095	0.100	0.099	0.182	0.350
	Consumption	0.128	0.138	0.151	0.174	0.205
	Net Exports	-0.033	-0.038	-0.052	0.008	0.145
*See appendix for sources and additional information.						



<b>Burma (Myanmar)</b> <b>Key Sectors</b> <b>Energy: Production and Consumption of Primary Energy</b> <b>(Standard Units)</b>						
		<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Coal (mm st)	Production	0.065	0.034	0.206	0.461	0.518
	Consumption	0.075	0.043	0.202	0.461	0.518
	Net Exports	-0.010	-0.009	0.004	0.000	0.000
Hydro	Production	1.671	0.940	1.028	1.873	3.413
	Consumption	1.671	0.940	1.028	1.873	3.413
	Net Exports	0.000	0.000	0.000	0.000	0.000
Natural Gas	Production	19.776	24.170	20.870	26.440	30.762
	Consumption	53.326	62.154	57.563	65.686	75.927
	Net Exports	-33.550	-37.984	-36.693	-39.246	-45.165
Nuclear	Production	0.000	0.000	0.000	0.000	0.000
	Consumption	0.000	0.000	0.000	0.000	0.000
	Net Exports	0.000	0.000	0.000	0.000	0.000
Petroleum	Production	9.200	11.200	9.698	12.170	14.170
	Consumption	25.353	29.953	36.475	36.747	38.000
	Net Exports	-16.153	-18.753	-26.777	-24.577	-23.830
Renewables	Production	0.000	0.000	0.000	0.000	0.000
	Consumption	0.000	0.000	0.000	0.000	0.000
	Net Exports	0.000	0.000	0.000	0.000	0.000
*See appendix for sources and additional information.						

<b>Burma (Myanmar)</b> <b>Key Sectors</b> <b>Energy: Electric Power Sector Data</b> <b>(Billions of KWH)</b>					
	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Electricity Production					
Thermal	2.592	2.999	3.385	3.038	2.727
Hydro	1.671	0.940	1.028	1.873	3.413
Nuclear	0.000	0.000	0.000	0.000	0.000
Renewables	0.000	0.000	0.000	0.000	0.000
<u>Total</u>	4.263	3.939	4.413	4.911	6.139
Electricity Consumption	3.965	3.663	4.104	4.567	5.709
Electricity Imports	0.000	0.000	0.000	0.000	0.000
Electricity Exports	0.000	0.000	0.000	0.000	0.000
Installed Capacity (MW)	1,393.000	1,446.000	1,446.000	1,458.000	1,458.000
*See appendix for sources and additional information.					

World Key Sectors Energy: World Energy Prices						
Commodity	Unit	1998	1999	2000	2001	2002
Coal						
Australian Export FOB	\$/mmbtu	1.220	1.080	0.992	1.221	1.023
US Export FOB	\$/mmbtu	1.430	1.380	1.250	1.700	1.510
US Utilities CIF	\$/mmbtu	1.250	1.220	1.200	1.230	1.220
Crude Oil						
Brent	\$/bbl	12.720	17.810	28.270	24.420	24.970
Dubai	\$/bbl	12.120	17.160	26.080	22.710	23.720
US-RAC	\$/bbl	12.220	17.510	28.230	24.350	24.930
US-WTI	\$/bbl	14.350	19.240	30.330	25.920	26.090
Electricity						
US Industrial	\$/kwh	0.045	0.044	0.046	0.051	0.049
Natural Gas						
Europe Border	\$/mmbtu	2.420	2.130	3.860	4.060	3.050
LNG Japan	\$/mcf	2.910	3.080	4.230	4.340	2.990
US Henry Hub	\$/mmbtu	2.090	2.270	4.310	3.960	3.350
US Wellhead	\$/mcf	1.960	2.190	3.690	4.120	2.800
*See appendix for sources and additional information.						

<b>Burma (Myanmar) Manufacturing Production From Key Industries</b>						
		<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Food	(MT)					
Beer		n.a.	n.a.	n.a.	n.a.	n.a.
Raw Sugar		n.a.	n.a.	n.a.	n.a.	n.a.
Veg. Oil and Fat		51,780	61,124	53,460	32,650	30,000
Wine		319,881	307,268	354,957	405,965	514,865
TOTAL		371,661	368,392	408,417	438,615	544,865
		1995	1996	1997	1998	1999
Cement	(MT 1000s)	517	505	516	365	338
Metals	(MT 1000s)					
Aluminum		0	0	0	0	0
Pig Iron		21	22	42	42	42
Raw Steel		24	25	25	24	24
TOTAL		45	47	67	66	66
*See appendix for sources and additional information.						

<b>World Manufacturing World Price Trends</b>						
Commodity	Units	1997	1998	1999	2000	2001
Cement	\$/ton	73.49	76.46	78.27	78.56	76.50
Food						
Beer	2000=100	99.4	104.4	104.3	100.0	109.3
Raw Sugar	2000=100	69.9	74.9	95.3	100.0	91.9
Veg. Oil and Fat	2000=100	71.0	80.3	96.9	100.0	105.3
Wine	2000=100	102.6	100.2	94.2	100.0	107.5
Metals						
Aluminum	\$/lb	0.771	0.655	0.657	0.746	0.688
Steel Mill Products	2000=100	107.4	105.0	97.1	100.0	93.5
*See appendix for sources and additional information.						

<b>Burma (Myanmar) Manufacturing Mining/Metals: Production</b>						
Commodity	Units	1997	1998	1999	2000	2001
Bauxite	MT1000s	0	0	0	0	0
Copper	MT	0	0	0	0	0
Diamonds	Carats 1000s	0	0	0	0	0
Gold	KG	0	0	0	0	0
Iron Ore	MT 1000s	0	0	0	0	0
Lead	MT	1,900	2,200	1,800	1,200	1,300
Nickle	MT	0	0	0	0	0
Phosphates	MT 1000s	0	0	0	0	0
Platinum	KG	0	0	0	0	0
Silver	MT	2	3	4	2	2
Tin	MT	335	221	149	212	230
Zinc	MT	467	474	279	437	480
*See appendix for sources and additional information.						

<b>World Mining/Metals World Mineral Prices</b>						
Commodity	Units	1998	1999	2000	2001	2002
Bauxite	\$/mt	25.30	24.20	26.40	25.65	n.a.
Copper	\$/mt	1,609.23	1,548.12	1,812.93	1,578.00	1,559.00
Diamonds	\$/carat	3.92	4.61	5.31	4.47	n.a.
Gold	\$/ounce	295.00	280.00	280.00	271.00	310.00
Lead	\$/mt	450.00	440.00	454.00	476.00	453.00
Nickle	\$/mt	4,638.90	6,030.57	8,637.19	5,945.00	6,772.00
Phosphates	\$/mt	42.63	51.17	43.80	41.80	40.40
Platinum	\$/ounce	374.61	378.94	549.31	540.00	n.a.
Silver	\$/ounce	5.54	5.25	5.00	4.39	4.63
Tin	\$/mt	5,563.91	5,436.00	5,436.00	4,484.00	4,061.00
Zinc	\$/mt	1,027.29	1,087.71	1,128.00	886.00	779.00
*See appendix for sources and additional information.						

Burma (Myanmar) Key Sectors Services: Transportation					
	1995	1996	1997	1998	1999
Air Traffic					
Passenger-KM	379	392	385	345	n.a.
Ton-KM	42	44	46	40	n.a.
Rail Traffic					
Passenger-KM	4,178	4,294	3,784	3,948	4,112
Ton-KM	659	748	674	988	1,043
Ship Traffic					
Clearances-Tons	1,624	1,108	794	1,235	1,656
Entrances-Tons	2,388	2,286	2,230	2,955	2,729
Registered-Tons	523	687	568	492	540
*See appendix for sources and additional information.					

Burma (Myanmar) Key Sectors Services: Telecommunications					
	1998	1999	2000	2001	2002
Main Lines (1000s)	229	249	266	281	295
Main Lines per 100 persons	0.6	0.6	0.6	0.7	0.7
Mobile Cellular Subscribers					
	8,516	11,400	13,400	13,800	13,800
Mobile Cellular Subscribers per 100 persons	0	0	0	0	0
*See appendix for sources and additional information.					



Burma (Myanmar) Key Sectors Services: Tourism					
	1996	1997	1998	1999	2000
Tourist Arrivals (1000s)	172	189	201	198	208
Tourist Expenditures Abroad (\$US Millions)	25	25	27	18	n.a.
International Tourist Receipts in this Country (\$US Millions)	33	34	35	35	35
*See appendix for sources and additional information.					



## **Chapter 4**

# **Investment Overview**

## Investment Overview

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### Investment Climate

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#### Openness to Foreign Investment

Immediately upon being constituted in September 1988, the State Law and Order Restoration Council (SLORC) proclaimed that it would move toward a market-oriented economy and began to liberalize economic policy. During the late 1980s and early 1990s, the SLORC allowed the private sector to engage in internal trade and many kinds of manufacturing, external trade, and some financial activities.

Some small state-owned enterprises, such as theaters, flour mills, blanket factories and saw mills were privatized. State procurement of agricultural surpluses at below-market prices was limited to a single crop, rice, which the state has continued to buy at a discount both for export and for subsidized distribution to military and civilian government employees and to members of ethnic minorities that the government has sought to pacify. Private exportation of crops other than rice was permitted.

Border trade was legalized and allowed to be conducted at market exchange rates. Exporters were permitted to retain their earnings in foreign-currency-denominated bank deposits, although required either to use the bulk of them for imports, or to exchange them for kyat with prospective importers.

Foreign investment was encouraged through the promulgation of a new foreign investment law, although joint-ventures with local firms, usually state economic enterprises (SEEs), were required or encouraged in some sectors, and broadcasting, telecommunications and electricity generation remain state monopolies by law. The establishment of private banks was permitted, although interest rates continued to be set by the government at rates well below the rate of inflation, and only four parastatal banks were permitted to handle foreign exchange transactions.

At the end of 1998, announced the planned privatization of a few state-owned hotels, rice mills, factories and several cinemas. This announcement came on the heels of a drastic drop in the total amount of foreign investment for 1998. The total amount of foreign investment in 1998 amounted to only 20 percent of 1997's figure.

Since May 1997, the U.S. Government has prohibited new investment in by U.S. firms and nationals.

Public concern in the U.S. and other countries about the GOB's human rights abuses, its suppression of Myanmar's pro-democracy movement since 1988, and its failure to suppress narcotics trafficking has induced many foreign firms to discontinue or restrict their activities in Myanmar.

#### Currency Conversion and Transfer Policies

The main obstacle to doing business in Myanmar is an official exchange rate that overvalues the domestic currency (kyat) by some 60 times. The official exchange rate is so out-of-line with the market rate, that virtually all business transactions, except those involving state industry, are now conducted at the parallel rate. Nonetheless, foreign firms are required to record transactions at the official rate when submitting forms to the government. When foreign firms bring in foreign exchange to be used for purchases on the local economy, they must deposit it in a state bank. Foreign firms sometimes avoid the

official exchange rate by paying for services in dollars. Foreign firms sometimes also withdraw funds from their state bank accounts in Foreign Exchange Certificates (FECs), which they then exchange for kyat at the market rate. The government is now demanding payment in hard currency for an increasing number of local expenses, including the salaries of locally hired management level staff.

The kyat is not freely convertible. Kyat and FECs cannot be taken out of Myanmar. The government strictly limits outflows and inflows of funds for any purpose, including debt service, imported inputs, capital, returns on intellectual property and profit remittance.

### **Expropriation and Compensation**

No information is available at this time.

### **Dispute Settlement**

Burmese law stipulates that commercial disputes are to be handled solely under Burmese arbitration. Myanmar is not a member of the International Center for the Settlement of Investment Disputes nor is it a party to the New York Convention.

Most businesses involved in disputes seek to settle the matter informally, rather than rely on the cumbersome legal system. In 1989, the United States withdrew Myanmar's eligibility for benefits under the Generalized System of Preferences (GSP) due to the absence of internationally recognized worker rights. Labor unions are illegal in Myanmar. Workers are unable to organize, negotiate or in any other way exercise control over their working conditions. Although regulations set a minimum employment age and wage, and maximum work hours, these are not uniformly observed, especially in private factories and other establishments. The government uses forced adult labor in infrastructure construction and portage for the military in active combat zones. These labor practices are not consistent with Myanmar's obligations under ILO Conventions 29 and 87.

### **Performance Requirements and Incentives**

Over the 1997/98 fiscal year, the GOB imposed a series of trade restrictions which in sum have made it tremendously difficult for traders to turn a profit. Among these restrictions, a \$50,000 per month remittance cap appears to have been most onerous. The GOB's motivation for this spate of restrictions appears to be an effort to capture scarce foreign exchange. However, the result has been to further dampen legitimate trade. Following imposition of the trade restrictions, there has been an upsurge in black market trading.

In July 1997 the government imposed an "export first" policy, requiring companies to use export earnings to obtain import permits. Imports could only be brought into the country in a ratio of 60 percent essential goods, 40 percent non-essentials. At the same time, a remittance cap was imposed limiting remittances to a maximum of \$50,000 per month.

In November 1997 after an internal shakeup in which the State Peace and Development Council (SPDC) replaced the State Law and Order Restoration Council (SLORC), the GOB closed border trading posts for several months. Border trade was shut down ostensibly to improve the system by which customs were valued, and to encourage trade to be conducted on a dollar-denominated basis as opposed to a barter trade or local currency basis.

In March 1998 the GOB imposed additional restrictive measures. First, on March 9, 1998, the GOB revoked the foreign exchange privileges of the nine private banks which had previously been authorized to handle foreign currency. Subsequently, only state banks could deal in foreign exchange. Second, on March 20, 1998, under Order No. 5/98, the Ministry of Commerce announced a list of prohibited commodities for import.

### **Private Ownership Rights**

The Government of promulgated a new domestic investment law, a new mining law, and a new foreign investment law that permits foreign direct investment in most sectors of the economy and 100 percent foreign ownership in some sectors.

### **Protection of Property Rights**

Intellectual Property Rights (IPR) protection is limited in Myanmar. A Patents and Design Act was introduced in 1945, but never brought into force. Consequently, the Indian Patents and Designs Act of 1911, which was enacted under British colonial rule, continues to govern the registration of patents and designs. Pirating of books, software and designs, however, is rampant. Some firms place a trademark caution notice in the local newspaper, warning that trademark infringers will be dealt with according to the law. Once this trademark caution notice has been published in the newspaper, legal action (in the form of a civil suit) can be taken against trademark infringers. Trademark registration is possible, but in the absence of a trademarks law, is not compulsory. Title to a trademark depends on use of the trademark in connection with goods sold in Myanmar. Civil action can be taken against misuse of a trademark, but is cumbersome and costly.

### **Transparency of Regulatory System**

Myanmar () is governed by a military junta with a top down command structure. While some market reforms have been adopted, many aspects of the economy remain controlled by the state. For example, the manufacturing sector remains dominated by 58 state economic enterprises controlling 1,600 outdated, money-losing state factories, which may be responsible for losses of up to four percent of GDP. Official efforts to privatize state industries in the mid-1990's have stalled. The state bureaucracy is resistant to change and slow to make decisions. State enterprises and government ministries are able to import goods at the highly-overvalued official exchange rate, leading to uneconomic state trading policies.

A host of uneconomic policies hamper development. The government continues to monopolize international trade in key commodities, such as rice and teak. Some commodities remain subsidized and some are rationed. Some state policies, such as mandated bank interest rates which fall far below the rate of inflation, are not based on rational economic precepts. Highly negative bank interest rates and an undeveloped banking system deter business activity. At times in the past year when the local currency fell precipitously, the government intervened using administrative controls rather than relying on market forces.

An inability of the government to raise revenues has resulted in a low tax revenue base of only 3.6 percent of GDP. Of that small amount of revenue collected, 67 percent is dedicated to military outlays. However, official figures do not account for off-budget government extractions from the civilian population, such as forced procurement of paddy in the agricultural sector -- effectively a "rice tax" -- and compulsory, unpaid labor by civilians on public works projects. Certain government expenditures may

also be "offline." For example, it is likely that some aspects of defense spending, including arms purchases, are not officially recorded in public accounts.

Government interference in the agricultural sector has compounded growth disincentives. Government monopoly of rice exports has resulted in a domestic rice price equivalent to about half of the world price. The government "rice tax" is an onerous burden to farmers. Furthermore, the government officially owns all land. Foreigners and non-citizens (such as the Muslim minority), do not have a right to own real estate. Farmers are unable to use land as collateral to secure agricultural loans. In order to capture scarce foreign exchange this year the GOB initiated government procurement of pulses and beans production for the first time ever.

### **Political Violence**

Human rights abuses of Burmese nationals have continued into the present. Reports from ethnic minority insurgent-dominated areas along the Thai border allege that soldiers have committed serious human rights abuses, including rape, forced portage, and extrajudicial killing. Disappearances continue, and detainees are sometimes beaten. Arbitrary arrests and detentions continue for expression of political views. As of September 1998, hundreds, perhaps thousands of political prisoners remain in detention, including more than 200 members of parliament elected in 1990. Prison conditions remain deplorable and prisoners are subject to a lack of adequate food and medical care.

### **Corruption and Crime**

A civil service pay rate which has fallen sorely out-of-step with current costs of living encourages inefficiencies and corruption.

### **Labor**

Among the greatest long-term impediments to growth in Myanmar is the lack of investment in human resources development. Public education has deteriorated considerably since the onset of military rule in the 1960s. This has accelerated since 1988, as the GOB has reduced real spending on education and health. Highly questionable official data claim a national literacy rate of 80 percent. International agencies have found that in some areas nearly 40 percent of children never enroll in school. Between two-thirds and three-quarters of Burmese school children drop out before reaching fifth grade. Primary school enrollment has declined in recent years, apparently largely in response to rising formal and informal school fees. In order to maintain order and security, the GOB has shut most universities since December 1996 when students held spontaneous demonstrations. Sporadic demonstrations in August 1998 threaten to keep universities closed for a longer period. Hastily-called examinations were held recently at some universities to pass students to the next level despite no formal classroom instruction for the past year and one-half. The lack of an adequate tertiary educational system threatens to keep Myanmar from participating fully in the modern age.

The government restricts worker rights and uses forced labor on a widespread basis. The use of porters by the army - with attendant mistreatment, illness, and even death for those compelled to serve - remains a common practice. The use of forced labor on some major infrastructure projects appeared to be lessening following the issuance of directives in 1995 to end the practice of forced civilian labor. The military authorities nonetheless continue to force ordinary citizens to contribute their labor, often under harsh working conditions, on construction projects in many parts of the country. In the past few years, the military has begun using soldiers instead of civilians on certain projects. Child labor continues to be a serious problem.

Myanmar's labor practices have led to widespread international condemnation and to International Labor Organization (ILO) investigation of the government's violations of ILO Articles 29 and 87, regarding forced labor, and the right of association.

### **International Investment Agreements**

is a member of the Association of Southeast Asian Nations.

### **Foreign Trade Zones**

No information is available at this time.

### **Foreign Investment Statistics**

According to official data, external trade accounts for a miniscule portion of GDP; exports account for only 0.6 percent and imports account for only one percent of GDP. (Official accounts, however, which record foreign exchange transactions at the official exchange rate, highly undervalue the share of foreign currency-denominated transactions.) According to the balance of payments schedule, recorded imports rose 13 percent to \$2.072 billion in FY 97/98 over the previous fiscal year. Recorded exports rose five percent to \$930 million. The resulting trade deficit grew 20 percent to \$1.142 billion.

Myanmar's principal recorded exports in FY 97/98 were pulses and beans (24 percent), teak logs (18 percent), prawns, rubber and other agricultural projects, veneer and plywood. It is suspected that a significant quantity of products controlled for export by the GOB are smuggled over the border unrecorded. Such items include live animals, gems and jade, minerals, teak and rice. Myanmar is also the world's leading producer and supplier of opiates. Narcotics has a major impact on Myanmar's balance of trade and may be its leading export in monetary terms.

Top recorded imports in FY 97/98 were raw materials, transport equipment, machinery and equipment, construction materials, and foodstuffs. The increase in prominence of what the government considers "essential" products, transport and construction equipment, was mainly for construction of the Yadana natural gas pipeline, and due to imposition of strict trade controls on "nonessential" goods.

Over 80 percent of Myanmar's international trade is conducted within Asia; half of that is within ASEAN. Myanmar's chief export markets in FY 97/98 were Singapore, India, Thailand, Japan, and Hong Kong. Japan is by far the most important import source, accounting for over 22 percent of total recorded imports. Singapore, Thailand and China are also significant import sources. U.S.-Myanmar trade is relatively small, accounting for approximately five percent of both imports and exports. Exports consist mostly of garments assembled in Myanmar. Imports from the United States consist mainly of machinery and transport equipment.

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## **Taxation**



The corporate income tax in Myanmar is 30 percent. Branches are subject to rates of 5-40 percent on income derived from activities within Myanmar. Enterprises operating under the Foreign Investment Law are eligible for three year tax holiday. Manufacturing companies may also benefit from a income tax reduction of up to 50 percent on profits from the export of its manufactured goods. New enterprises are also eligible for customs duties exemption on all capital equipment and raw materials. Withholding taxes on interest are 15 percent for resident foreigners and 20 percent for non-resident foreigners. Dividends are exempt from tax.

Goods, including imported goods, and services are subject to a commercial turnover tax. Generally, the tax is levied at the point of sale and ranges from 5 percent to 25 percent for general goods and from 30 percent-200 percent on goods such as tobacco products, liquor, gems and pearls. Services are subject to a the following rates: 5 percent for trading; 8 percent for passenger transport; 10 percent on hotel and restaurant services; 15 percent for entertainment, except for movies, which are subject to a 30 percent tax.

Myanmar follows the Harmonized System of International Nomenclature. Three types of taxes can be levied on imports: import duties, commercial taxes and license fees. Since Myanmar joined ASEAN in July 1997 and adopted a reformed tariff rate schedule, tariffs now range from zero to a maximum of 40 percent, with cars, luxury items, jewelry and items produced in Myanmar facing the highest tariffs. Tariffs on most other items including consumer goods are moderate. Tariffs on most industrial inputs, machinery and spare parts are around 15 percent.

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## Key Enterprises

<b>Burma (Myanmar) Key Enterprises</b>		
Company Name	Market Cap USD in millions	Comments
Myanma Timber Ent.	n.a.	Timber
Myanma Agric Prod Agen	n.a.	Agriculture
Myanma Agric Service	n.a.	Agriculture
Myanma Farms Ent.	n.a.	Agriculture
Myanma Foodstuff Ind.	n.a.	Agriculture
*See appendix for sources and additional information.		

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## Stock Market

The Myanmar Securities Exchange Center, in Yangon, was formed in 1996, and is a joint venture of the Daiwa Institute of Research of Japan and the Myanmar Economic Bank.

# **Chapter 5**

## **Social Overview**

## Social Overview

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### People

#### Please Note:

The military authorities ruling this country have changed the historic name - Burma - to Union of Myanmar or Myanmar. Although the new name is used in conventional practice today, it was never endorsed by a sitting legislature. CountryWatch references this country by both the historic and conventional names in its materials, however, the lack of legitimization in regard to the conventional usage should be duly noted.

#### **Background**

Myanmar, formerly known as Burma, is located in the western portion of mainland Southeast Asia. It is bordered by several countries: China to the north and northeast, Laos to the east, Thailand to the southeast, Bangladesh to the west, and India to the northwest.

#### **Cultural Demography**

The population of Myanmar -- about 50 million -- is highly diverse. There are eight major ethnic groups subdivided into some 135 ethnic minorities. The largest ethnic group is the Burman (also known as the Bamar), which constitutes about 70 percent of the population. Other major ethnic groups include Shan, Karen, Rakhine, Mon, Kachin, Kayah and Chin. There are also small percentages of Chinese and Indian minorities, as well as a very small community of Europeans and other Westerners.

The ethnic diversity has resulted in linguistic diversity. The official language is Burmese, and several indigenous languages are also spoken. These languages belong to three language families: the Burmese and most of the other languages belong to the Sino-Tibetan family; the Shan language belongs to the Tai family; languages spoken by the Mon belong to the Mon-Khmer subfamily of the Austro-Asiatic family. English was once the official language in Myanmar during the colonial times, but it ceased to be the official language after Myanmar gained independence. Though having lost its importance in schools and colleges, teaching of English is still required for elementary schools.

The major religion of Myanmar is Buddhism, which claims more than 80 percent of the population as followers. As in many Southeast Asian countries, the Theravada sect of Buddhism is prevalent in Myanmar. Buddhist monasteries and pagodas dot the landscape of Myanmar and reflect the major religion of the land. In addition, Christianity, Islam, Hinduism and Animism are practiced in Myanmar.

#### **Human Development**

The population of Myanmar has a life expectancy rate of 55.8 years of age. The infant mortality rate of Myanmar is 70.35 deaths per 1,000 live births. In terms of literacy, 83 percent of the population, age 15 and over, can read and write.

A notable measure of human development is the Human Development Index (HDI), which is formulated by the United Nations Development Program. The HDI is a composite of several indicators, which measure a country's achievements in three main arenas of human development: longevity, knowledge and education, as well as economic standard of living. The HDI from a recent Human Development Report places Myanmar in the medium human development category, at 131st place. Although the concept of human development is complicated and cannot be properly captured by values and indices, the HDI, which is calculated and updated annually, offers a wide-ranging assessment of human development in certain countries, not based solely upon traditional economic and financial indicators.

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## Cultural Etiquette

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### **Cultural Dos and Taboos**

1. The handshake is an appropriate form of greeting. For a more traditional greeting, place your hands together, as if praying, and make a slight bow or bow your head.
2. As Buddhism is the predominant religion, respect the religious codes when traveling through the country. Some rules to follow are: Never touch an adult or child on the head. Never expose the bottom of your feet to another person. Never point to an image or statue of a Buddha with the toes or index finger. Remove shoes before entering a private home or place of worship.
3. Dress casually yet modestly. Also, dress appropriately for the weather according to the region and season.
4. Flirting between the sexes is not acceptable.
5. Public displays of affection are frowned upon.

6. Never give a gift wrapped in black wrapping paper, as this color is considered unlucky.
7. Always dress modestly and with respect to the culture.
8. One should not present a Buddhist monk with a gift or other item directly. An intermediary or emissary should be employed instead. If there is no intermediary, one should place the gift or object in an area where the monk can retrieve it himself. This rule of convention is especially applicable in the case of cross-gender exchanges between women and monks.
9. Use extreme caution when discussing politics. Due to the national and international political problems that the country has experienced, government officials are wary of outsiders. The Burmese government has incarcerated and deported Westerners under suspect of spreading democratic literature or taking photographs of public buildings.

**Useful links for students of culture:**

Foreign Language Phrases for Travelers

<http://www.travlang.com/languages/>

National Anthems

<http://www.thenationalanthems.com/>

Holidays Around the World

<http://www.holidayfestival.com/>

International Recipes

[http://members.tripod.com/~GabyandAndy/Internation Recipes.html](http://members.tripod.com/~GabyandAndy/Internation_Recipes.html)

<http://www.world-recipes.info/>

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**Health Advisory****Please Note:**

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## Health Information for Travelers to Burma (now known as Myanmar)

Note the Outbreaks section for important updates on this region

> (  
<http://www.cdc.gov/travel/outbreaks.htm>).

Food and waterborne diseases are the number one cause of illness in travelers. Travelers' diarrhea can be caused by viruses, bacteria, or parasites, which are found throughout the region and can contaminate food or water. Infections may cause diarrhea and vomiting (*E. coli*, *Salmonella*, cholera, and parasites), fever (typhoid fever and toxoplasmosis), or liver damage (hepatitis). Make sure your food and drinking water are safe. (See below.)

Malaria is a preventable infection that can be fatal if left untreated. Prevent infection by taking prescription antimalarial drugs and protecting yourself against mosquito bites (see below). Malaria risk in this region exists all year in some cities and all rural areas of these countries, except for Brunei Darussalam and Singapore. For specific locations, see Malaria Information for Travelers to Southeast Asia (<http://www.cdc.gov/travel/regionalmalaria/seasia.htm>).

Most travelers to Southeast Asia at risk for malaria should take mefloquine to prevent malaria.

A certificate of yellow fever vaccination may be **required** for entry into certain of these countries if you are coming from a country in tropical South America or sub-Saharan Africa. (There is no risk for yellow fever in Southeast Asia.) For detailed information, see Comprehensive Yellow Fever Vaccination Requirements (<http://www.cdc.gov/travel/yelfever.htm>).

Dengue, filariasis, Japanese encephalitis, and plague are diseases carried by insects that also occur in this region. Protecting yourself against insect bites (see below) will help to prevent these diseases.

Do not swim in fresh water (except in well-chlorinated swimming pools) in certain areas of Cambodia, Indonesia, Laos, Philippines, and Thailand to avoid infection with schistosomiasis. (For more information, please see the Swimming Precautions on the Making Travel Safe page at URL <http://www.cdc.gov/travel/safety.htm>.)

Because motor vehicle crashes are a leading cause of injury among travelers, walk and drive defensively. Avoid travel at night if possible and always use seat belts.

### CDC Recommends the Following Vaccines (as Appropriate for Age):

See your doctor at least 4-6 weeks before your trip to allow time for shots to take effect.

- Hepatitis A or immune globulin (IG).
- Hepatitis B if you might be exposed to blood (for example, health-care workers), have sexual contact with the local population, stay longer than 6 months in the region, or be exposed through medical treatment.

- Japanese encephalitis, only if you plan to visit rural areas for 4 weeks or more, except under special circumstances, such as a known outbreak of Japanese encephalitis.
- Rabies, if you might be exposed to wild or domestic animals through your work or recreation.
- Typhoid vaccination is particularly important because of the presence of *S. typhi* strains resistant to multiple antibiotics in this region.
- As needed, booster doses for tetanus-diphtheria and measles, and a one-time dose of polio for adults. Hepatitis B vaccine is now recommended for all infants and for children ages 11-12 years who did not complete the series as infants.

### **To Stay Healthy, Do:**

- Wash hands often with soap and water.
- Drink only bottled or boiled water, or carbonated (bubbly) drinks in cans or bottles. Avoid tap water, fountain drinks, and ice cubes. If this is not possible, make water safer by BOTH filtering through an "absolute 1-micron or less" filter AND adding iodine tablets to the filtered water. "Absolute 1-micron filters" are found in camping/outdoor supply stores.
- Eat only thoroughly cooked food or fruits and vegetables you have peeled yourself. Remember: **boil it, cook it, peel it, or forget it.**
- If you visit an area where there is risk for malaria, take your malaria prevention medication before, during, and after travel, as directed. (See your doctor for a prescription.)
- Protect yourself from insects by remaining in well-screened areas, using repellents (applied sparingly at 4-hour intervals), and wearing long-sleeved shirts and long pants from dusk through dawn.
- To prevent fungal and parasitic infections, keep feet clean and dry, and do not go barefoot.
- Always use latex condoms to reduce the risk of HIV and other sexually transmitted diseases.

### **To Avoid Getting Sick:**

- Don't eat food purchased from street vendors.
- Don't drink beverages with ice.
- Don't eat dairy products unless you know they have been pasteurized.
- Don't share needles with anyone.
- Don't handle animals (especially monkeys, dogs, and cats), to avoid bites and serious diseases (including rabies and plague). (For more information, please see the Animal-Associated Hazards on the Making Travel Safe page.)
- Don't swim in fresh water. Salt water is usually safer. (For more information, please see the Swimming Precautions on the Making Travel Safe page.)



**What You Need To Bring with You:**

- Long-sleeved shirt and long pants to wear while outside whenever possible, to prevent illnesses carried by insects (e.g., malaria, dengue, filariasis, and Japanese encephalitis).
- Insect repellent containing DEET (diethylmethylnolamide), in 30%-35% strength for adults and 6%-10% for children.
- Over-the-counter antidiarrheal medicine to take if you have diarrhea.
- Iodine tablets and water filters to purify water if bottled water is not available. See Do's above for more detailed information about water filters.
- Sunblock, sunglasses, hat.
- Prescription medications: make sure you have enough to last during your trip, as well as a copy of the prescription(s).

**After You Return Home:**

If you have visited an area where there is risk for malaria, continue taking your malaria medication weekly for 4 weeks after you leave the area. If you become ill after travel-even as long as a year after your trip-tell your doctor the areas you have visited.

**For More Information:**

Ask your doctor or check the CDC web sites for more information about how to protect yourself against diseases that occur in Southeast Asia, such as:

**For information about diseases-****Carried by Insects**

Dengue Japanese encephalitis Malaria - General Information - Prescription Drugs Plague

**Carried in Food or Water**

Cholera *Escherichia coli* diarrhea Hepatitis A Schistosomiasis Typhoid Fever

**Person-to-Person Contact**

Hepatitis B HIV/AIDS - Prevention - HIV-Infected Travelers

For more information about these and other diseases, please check the Diseases (<http://www.cdc.gov/travel/diseases.htm>) section and the Health Topics A-Z (<http://www.cdc.gov/health/diseases.htm>).

Note:

Burma (now known as Myanmar) is located in the Southeast Asia health region.

Sources:

The Center for Disease Control Destinations Website:

<http://www.cdc.gov/travel/destinat.htm>

## **Chapter 6**

# **Environmental Overview**

## Environmental Overview

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### Environmental Issues

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#### Overview

Although Burma (Myanmar) is home to many natural resources and a vast eco-system, it is one of the least environmentally protected countries in South East Asia. Further, Burma's (Myanmar's) foreign policy is highly isolationist and as a result, it has not been in a position to receive new environmental technologies or resource management programs.

Moreover, the effects of natural disasters intensify Burma's (Myanmar's) environmental challenges. For example, soil degradation and erosion are caused by cyclones, and forest fires exacerbate problems of deforestation, which are already acute as a consequence of timber exploitation and poor agricultural methods.

#### Current Issues

Key current environmental issues in Burma (Myanmar) include:

deforestation

industrial pollution of air, soil, and water

inadequate sanitation

poor water treatment

#### Natural Hazards

Natural hazards in Burma (Myanmar) include destructive earthquakes, cyclones, as well as flooding and landslides in the rainy season from June to September. In addition, periodic droughts present a challenge.

#### Regulation and Jurisdiction

Regulation and protection of the environment in Burma (Myanmar) comes under the jurisdiction of the National Commission for Environmental Affairs-NCEA, Ministry of Agriculture and Irrigation, and the Ministry of Forestry.

#### International Accords

The major international agreements which Burma (Myanmar) is party to include Biodiversity, Climate Change, Law of the Sea, Nuclear Test Ban, Ozone Layer Protection, Ship Pollution, Tropical Timber 83, and Tropical Timber 94.

### **Pollution Trends**

<b>Burma (Myanmar) Greenhouse Gas Emissions (Millions of Metric Tons/yr)</b>					
	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Coal	0.0300	0.0200	0.0800	0.2200	0.2500
Natural Gas	0.8100	0.9400	0.9700	1.0500	1.2000
Petroleum	1.0300	1.2200	1.5000	1.5100	1.5600
Total	1.8700	2.1800	2.5600	2.7700	3.0100
Greenhouse Gases Per Capita	*0.0454	*0.0526	*0.0613	*0.0661	*0.0713
*Metric Tons Per Person/yr.					
*See appendix for sources and additional information.					



# Appendices

## Appendices

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### Data Table Sources

#### Real GDP Per Capita

Real Gross Domestic Product US \$'s..... *CIA Factbook, GDP Growth Rates, Countrywatch Estimates*  
 Real GDP Per Capita US\$..... *CIA Fact Book, CWC Calculations; US Census Dept.*  
 Total Population..... *US Census Department, International Database*

#### Growth Rates: Real GDP, Population, Real GDP Per Capita

Real GDP Growth Rate % ..... *World Economic Outlook (WEO) 4/03*  
 Real Gross Domestic Product Per Capita Growth Rate..... *CIA Factbook, U.S. Dept of Census, CWC GDP Calculations*  
 Population Growth Rate..... *US Census Dept; CWC Calculations*

#### GDP/Employment by Sector of Origin

#### Money Supply, Interest Rates, Foreign Exchange Reserves

Foreign Exchange Reserves..... *IFS 11d*  
 Money Supply 1 (MS1) Growth Rate..... *IFS 34*  
 Money Supply 1 (MS1) ..... *IFS 34*  
 Money Supply 2 (MS2) Growth Rate..... *IFS 35*  
 Money Supply 2 (MS2) ..... *IFS 35*  
 Total Interest Rate Amount 1..... *IFS 60*  
 Interest Rate Number 2..... *IFS 60p*

#### Prices and Exchange Rates

Exchange Rate Currency per \$US (Average)..... *IFS rf*  
 Exchange Rate Annual % Growth..... *IFS rf*  
 Consumer Prices..... *IFS 64*  
 Inflation Rate (% Growth in Consumer Prices)..... *IFS 64*

#### Unemployment Rate

#### Gross Domestic Product

Gross Fixed Capital Formation..... *IFS 91f.c*  
 Government Consumption..... *IFS 91f.c*  
 GDP Growth Rate (%)..... *IFS 99b.c*  
 Gross Domestic Product..... *IFS 99b.c*  
 Exports of Goods & Services..... *IFS 90c.c*  
 Imports of Goods & Services..... *IFS 98c.c*  
 Increase/Decrease(-) in Stocks..... *IFS 93i.c*  
 Private Consumption..... *IFS 96f.c*



**Government Sector**

Fiscal Deficit (-) Surplus ..... *IFS 80*  
 Government Expenditures..... *IFS 82z*  
 Government Revenue..... *IFS 81y*

**External Debt Position**

*World Bank Global Development Finance Country Tables*

**Trade Balance**

Total Exports..... *IFS 90c.c*  
 Total Imports..... *IFS 98c.c*  
 Trade Balance..... *IFS 90c.c*

**Balance of Payments**

Current Account (Percent of GDP)..... *Current Account Calculations (described above); IFS 99b.c*  
 Capital & Financial Account..... *IFS 78bcd + 78bjd*  
 Current Account..... *Total of Foreign Balance of Goods and Services, Net Factor Income and Net Transfers*  
 Foreign Balance on Goods and Services..... *IFS 78afd*  
 Foreign Net Current Transfers..... *IFS 78ajd-78akd*  
 Net Errors & Omissions..... *IFS 78cad*  
 Foreign Net Investment Income..... *IFS 78agd- 78ahd*  
 Official Foreign Currency Reserves..... *IFS 1ld*  
 Overall Balance..... *Total of Current Account, Capital & Financial Accounts, and Net Errors and Omissions*

**Major Trading Partners**

*International Monetary Fund, Direction of Trade Statistics Yearbook*

**Production of Primary Crops**

*Food and Agricultural Organization of the United Nations (<http://apps.fao.org/>)*

**Production of Meat**

*Food and Agricultural Organization of the United Nations (<http://apps.fao.org/>)*

**World Agricultural Prices**

World Agricultural Prices (Bananas)..... *Bananas (Central & South America), major brands, free on truck (f.o.t)*  
 World Agricultural Prices (Barley)..... *U.S. National Level Prices - USDA*  
 World Agricultural Prices (Beef)..... *U.S. National Level Prices - USDA*  
 World Agricultural Prices (Cocoa)..... *International Cocoa Organization daily price*  
 World Agricultural Prices (Chicken)..... *Boilers - US National Price Estimates - USDA*  
 World Agricultural Prices (Fish Meal)..... *(any origin) Hamburg nfs*  
 World Agricultural Prices (Lamb)..... *New Zealand, frozen whol carcasses, wholesale price, Smithfield market, London*  
 World Agricultural Prices (Maize)..... *US, no. 2 yellow, f.o.b. US gulf ports*  
 World Agricultural Prices (Pork)..... *Hogs - U.S. National Level Prices - USDA*  
 World Agricultural Prices (Soybeans)..... *US Soybeans, c.i.f. Rotterdam*  
 World Agricultural Prices (Sugar)..... *US Import Price, nearest future, c.i.f. New York*

World Agricultural Prices (Wheat)..... *Wheat (U.S.) no. 1 hard red winter, ordinary protein, export price delivered at the Gulf port for prompt or 30 days shipment*  
 World Agricultural Prices (Wood)..... *Logs (Malaysia, dark red seraya/meranti), select and better qualify, General Market Specification (GMS), width 6 inches or more, average 7 to 8 inches*

**World Agricultural Prices**

*Food and Agricultural Organization of the United Nations (<http://apps.fao.org/>)*

**Agricultural Exports**

*Food and Agricultural Organization of the United Nations (<http://apps.fao.org/>)*

**Agricultural Imports**

*Food and Agricultural Organization of the United Nations (<http://apps.fao.org/>)*

**Fossil Fuel Reserves**

*U.S. Department of Energy (<http://www.energy.gov/>)*

**Production and Consumption of Energy (QUADS)**

*U.S. Department of Energy (<http://www.energy.gov/>)*

**Production and Consumption of Energy (Standard Units)**

*U.S. Department of Energy (<http://www.energy.gov/>)*

**Electric Power Sector Data**

*U.S. Department of Energy (<http://www.energy.gov/>)*

**World Energy Prices**

*U.S. Department of Energy (<http://www.energy.gov/>)*

**Production from Key Industries**

*US Geological Survey (<http://www.usgs.gov/>) and Food and Agricultural Organization of the United Nations (<http://apps.fao.org/>)*

**World Price Trends**

*US Geological Survey (<http://www.usgs.gov/>) and Food and Agricultural Organization of the United Nations (<http://apps.fao.org/>)*

**Mining/Metals Production**

*US Geological Survey (<http://www.usgs.gov/>)*

**World Mineral Prices**

*US Geological Survey (<http://www.usgs.gov/>)*

**Transportation***United Nations Statistical Yearbook***Telecommunications***United Nations Statistical Yearbook***Tourism***World Tourism Organization***Key Enterprises**

Key Enterprise 1..... *Various Myanmar Web References*  
Key Enterprise 2..... *Various Myanmar Web References*  
Key Enterprise 3..... *Various Myanmar Web References*  
Key Enterprise 4..... *Various Myanmar Web References*  
Key Enterprise 5..... *Various Myanmar Web References*

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**Abbreviations**

bbl	barrel
bcf	billion cubic feet
bpd	barrels per day
btu	British thermal unit
bu	bushel
ct	carat
eop	end of period
GMT	Greenwich Mean Time
IMF	International Monetary Fund
km	kilometer
kwh	kilowatt hour
lb	pound
m	thousand (1,000)
mcf	thousand cubic feet
mm	million (1,000,000)
mw	megawatts
mt	metric ton
tcf	trillion cubic feet
quad	quadrillion btus
st	short ton
UN	United Nations
US	United States
USD	US Dollar

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**Alphabetical List of Countries**

Afghanistan

Germany

Nigeria

Albania

Ghana

Norway

Algeria

Greece

Oman

Andorra	Grenada	Pakistan
Angola	Guatemala	Palau
Antigua	Guinea	Panama
Argentina	Guinea-Bissau	Papua New Guinea
Armenia	Guyana	Paraguay
Australia	Haiti	Peru
Austria	Holy See	Philippines
Azerbaijan	Honduras	Poland
Bahamas	Hungary	Portugal
Bahrain	Iceland	Qatar
Bangladesh	India	Romania
Barbados	Indonesia	Russia
Belarus	Iran	Rwanda
Belgium	Iraq	Saint Kitts & Nevis
Belize	Ireland	Saint Lucia
Benin	Israel	Saint Vincent & Grenadines
Bhutan	Italy	Samoa
Bolivia	Jamaica	San Marino
Bosnia-Herzegovina	Japan	Sao Tome & Principe
Botswana	Jordan	Saudi Arabia
Brazil	Kazakhstan	Senegal
Brunei	Kenya	Serbia & Montenegro
Bulgaria	Kiribati	Seychelles
Burkina Faso	Korea, North	Sierra Leone
Burundi	Korea, South	Singapore
Cambodia	Kuwait	Slovakia
Cameroon	Kyrgyzstan	Slovenia
Canada	Laos	Solomon Islands
Cape Verde	Latvia	Somalia
Central African Republic	Lebanon	South Africa
Chad	Lesotho	Spain
Chile	Liberia	Sri Lanka

China	Libya	Sudan
Colombia	Liechtenstein	Suriname
Comoros	Lithuania	Swaziland
Congo (DRC)	Luxembourg	Sweden
Congo (RC)	Macedonia (FYROM)	Switzerland
Costa Rica	Madagascar	Syria
Cote d'Ivoire	Malawi	Tajikistan
Croatia	Malaysia	Tanzania
Cuba	Maldives	Thailand
Cyprus	Mali	Togo
Czech Republic	Malta	Tonga
Denmark	Marshall Islands	Trinidad & Tobago
Djibouti	Mauritania	Tunisia
Dominica	Mauritius	Turkey
Dominican Republic	Mexico	Turkmenistan
East Timor	Micronesia	Tuvalu
Ecuador	Moldova	Uganda
Egypt	Monaco	Ukraine
El Salvador	Mongolia	United Arab Emirates
Equatorial Guinea	Morocco	United Kingdom
Eritrea	Mozambique	United States
Estonia	Myanmar	Uruguay
Ethiopia	Namibia	Uzbekistan
Fiji	Nauru	Vanuatu
Finland	Nepal	Venezuela
France	Netherlands	Vietnam
Gabon	New Zealand	Yemen
Gambia	Nicaragua	Zambia
Georgia	Niger	Zimbabwe

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