

BURMA ALERT No.5
(May 1990)

Thank you for responding promptly to the suggestions in "Alert No.4". Our efforts are having an effect. Legislators in several countries are studying proposals to ban products from Burma. However, as can be seen below, we cannot stop now.

U.S. SENATE BANS BURMA PRODUCTS!

The United States Senate on 24 Apr'90 unanimously passed legislation to prohibit the importation of all products from Burma. The original proposal co-sponsored by Senators Patrick Moynihan (D.-NY) and Steve Symms (R.-Idaho) to ban timber and fish was broadened to include all products. This ban is now being reviewed by a House of Representative Committee. U.S. organizations, constituents of committee members or residents of their states are requested to write urging approval of the ban (Address: U.S. House of Representatives, Washington, D.C. 20515. Tel: 202 225-3121).

Rep. Bill Archer (R.-Houston, Texas)	Rep. Dan Rostenkowski (D.-Chicago, Ill.)
Rep. Bill Frenzel (R.-Golden Valley, Minn)	Rep. Donald J. Pease (D.-Oberlin, Ohio)
Rep. Guy Vander Jagt (R.-Luther, Michigan)	Rep. Thomas Downey (D.-West Islip, N.Y.)
Rep. Philip M. Crane (R.-Mt. Prospect, Ill.)	Rep. Sam Gibbon (D.-Tampa, Florida)

Senators Lloyd Bentsen (D.-Texas) and Bob Packwood (R.-Oregon) will still also be involved (Address: U.S. Senate, Washington, D.C. 20510. Tel: 202 224-3121).

BOYCOTT PEPSI-COLA!

While we have been attempting to dissuade Coca-Cola from investing in Burma, PEPSI-COLA has been building a US\$ 3 million factory on the outskirts of Rangoon that will be operational by year-end. It is also shipping in soft drinks. Pepsico International has a 35% share in the venture which was signed by Myanmar with a private partner. Barry Shea is Pepsico Vice-President for Southeast Asia [Ny900419].

Please boycott all PEPSI products. Persuade your friends and shopkeepers to also boycott PEPSI which owns PEPSI-COLA, 7-UP, SLICE SODA, FRITO-LAY, DORITOS SNACK FOODS, PIZZA HUT, KENTUCKY FRIED CHICKEN and TACO BELL fast food restaurants. Also write: Mr. Wayne Calloway, C.E.O., PepsiCo Inc., Anderson Hill Rd, Purchase, NY.10577, U.S.A. or Fax: (914) 253-2070

GOVERNMENT BY THE MILITARY FOR THE MILITARY

It is well known that General Ne Win's 28-year rule has only benefited some in the military. This is now becoming more blatant. On 19 Feb'90, the Ministry of Trade announced the formation of The Union of Myanmar Economic Holdings Limited, a Kyat 10 billion (US\$ 1.4 billion) company. Shareholders are the Directorate of Procurement of the Defence Ministry (40%), Defence Service personnel, regimental institutes and war veterans (retired servicemen).

The company will form subsidiary and affiliate companies to run businesses and investments both at home and abroad. It is similar to the Defence Service Institute which from 1950-62 was involved in importing foreign books & periodicals, banking, shipping, tourism, beer & liquor production, fishing, construction, paints, pharmaceuticals, shoes, glassware and cement (see also JAPAN: M.C.G. and THAILAND: Pholasith Tuk-Tuk Group below).

First subscribing members of *Union of Myanmar Economic Holdings* are:

Managing Director, Dir.of Procurement	Director, Defence Industries
General Manager, Dir.of Procurement	Director, Ordnance
Deputy General Manager, Dir.of Procurement	Director, Supplies & Transport
Judge Advocate General	Col. Aung Koe (rtd),
Vice-Quartermaster General	Lt.Col. U Thaung (rtd) and
Vice-Adjutant General	Col. Maung Maung (rtd) for War
Commander, Rangoon Command	Veterans Organization.
Commander, Central Command	Source: [B900222 & P900221]

ECONOMIC & WAR CRIMES TRIBUNAL

The military's brutality and its callous plundering of Burma's wealth may anger us but remember that not every man in uniform is an enemy. We must differentiate between those who are exploiting the situation and those below who are being manipulated to die for them. We must assure the rank and file that they and their families will not suffer when democracy is restored. On the other hand, we need to document the human rights abuses and corruption within the military in anticipation of a future 'Economic & War Crimes Tribunal'. Please collect the name, age, rank, unit, base, etc. of military personnel responsible for human rights abuses or economic crimes giving the type of abuse, involvement in illegal activity etc.

AUSTRALIA:

BHP COUNTERTRADE PTE LTD of Singapore, wholly-owned by Broken Hill Proprietary Company Limited, signed 2 countertrade contracts. *BHP Countertrade* General Manager is Johnny Lim. Countertrade is basically a barter deal (see Singapore). BHP will supply crude oil and bitumen worth \$ 50 million, in exchange for fertilizer, cement, rice and beans. BHP will also modernize, upgrade and triple the capacity of the Thayet Cement Plant to 1,200 tonnes per day. In exchange for expertise, necessary finances, engineering services, high speed diesel and lubricants, BHP will take a variety of goods including urea, petroleum and cement coke, paraffin wax, mineral and agricultural products worth \$ 80 million [GB900102 & St900101]].

*BHP Petroleum also signed an oil exploration and production sharing contract with the Myanmar regime in Nov'1989 (see "Alert No.1").

HOLLAND:

G. VAN DEN BRINK B.V. in 1988 started a breeding farm for rhesus monkeys in Burma. President Frans M. van den Brink is currently selling 32 monkeys for experimental purposes. He claims these were all born at the Rangoon Zoological Gardens. In the past, *Van Den Brink* has also exported elephants from Burma to Zoos worldwide [V900201]. Address: Bliklaan 52A, 3766 Av Soest, Holland. Fax: 2155-12184

JAPAN:

DAI ICHI sent a delegation led by its chairman to meet with General Saw Maung and Minister of Mines and for Energy Rear Admiral Maung Maung Khin [B900412].

HOUSHO TRADING INC. sent a manager to Rangoon in Feb'90 with *Sanwa* representatives (see below) to discuss fish and fish meal business [R900331].

*IDEMITSU OIL DEVELOPMENT CO. (see "Alert No.1") on 15 Feb'90, signed a second joint-venture agreement for oil exploration. This time, offshore in the Gulf of Martaban. Akira Watanabe, President of *Idemitsu* signed the agreement [B900217].

- JAPAN NATIONAL OIL CORPORATION President, T. Hashimoto, met with Rear Admiral Maung Maung Khin, Minister for Energy and Mines, on 13 Feb'90 [P900215]. In Oct'89, when *Idemitsu* was awarded its first oil contract, *Akira Watanabe* said that the *Idemitsu* project has the "full support" of the Japanese government and the *Japan National Oil Corporation* [P891031].

- KAIKO SUISAN CO. LTD President Ariyoshi Kenji visited Rangoon in Feb'90 with *Sanwa* representatives (see below), to discuss fish and shrimp business [R900331].

- M.C.G. CORPORATION has been identified as the purchaser of 9,300 sq.m. or 60% of the Burmese Embassy property in Tokyo (see "*Alert No.1*"). According to Japanese newspapers, the selling price was US\$ 415 million plus US\$ 185 million for the right to use the air space above the unsold portion, totaling US\$ 600 million [R900331]. The official selling price was announced at US\$ 236 million. Commenting on the official sales price to AP, Myanmar Ambassador U Mya Thein said the reports were "basically but not entirely correct" and that he did not know the details [B900129]. It is alleged that the unreported portion of the proceeds was withheld for General Saw Maung's "personal use" and to purchase arms [R900331]. Negotiations were handled by a team sent from Rangoon headed by Colonel Kyi Maung, son-in-law of General Saw Maung. Team members included: U Toe Aung, Major Hla Maung and U Aung Myint [K891222]. Also involved were: U Tun Aung (a.k.a. Peter Swe), a Manager for *Sanwa Trading Co. Ltd.* (see below), a former vice-president of the Burmese Association in Japan (BAIJ) and Miss Ja Saing, a former Information Officer of BAIJ. In Sep'88, the two resigned from BAIJ and soon after started working for the Saw Maung regime. M.C.G President Onodera Kouki and Manager Iwai Yukio visited Rangoon in Feb'90 in Feb'90 with *Sanwa* representatives (see below) [R900331].

- MITSUI & CO. has been permitted to open a branch office in Rangoon [P890401]. *Mitsui* is one of the 12 companies in the JAPAN BURMA COOPERATION ASSOCIATION that pressured Japan in Feb'89 to recognize the Saw Maung regime and resume its Official Development Assistance (ODA) program which had been suspended since Sep'88. The 12 had Yen 37 billion (US\$ 247 million) in unpaid receipts under the ODA [MD890410].

- MITSUBISHI CORP. is one of the 12 companies in the *Japan Burma Cooperation Association* mentioned above [MD890410].

- NIKKEI CO. LTD. President Nakajima Mareo visited Rangoon in Feb'90 with *Sanwa* representatives (see below) [R900331].

- OOKAWA CONSTRUCTION PLANNING CO. LTD. President Ookawa Kazuya visited Rangoon in Feb'90 with *Sanwa* representatives (see below) to observe office decor in Burma [R900331].

- SANWA TRADING CO. LTD. President Kanbe Satoshi, Managing Director Suzuki Mitsuru and U Tun Aung (see M.C.G above), led a delegation to Burma in Feb'90 [R90331]. *Sanwa* donated Yen 340,000 (US\$ 2,300) for construction work at the Maha Wizaya Zedi in Rangoon. Previously, they donated US\$ 200,000 and Kyats 57,500 (US\$ 8,200) to projects at the Shwedagon pagoda [P900223]. Interpreters for the delegation were: Miss Angela Pan, Miss K. Seng Hkwan and Miss Ja Saing [R900331].

- S. KOREA:
*DAEWOO and Myanmar Heavy Industries formed Daewoo Electronics Myanmar, a joint-venture to produce TV sets, cassette recorders and refrigerators. 80% of its products will be exported and marketed worldwide by *Daewoo* [F900426].

*DAEWOO and Myanmar Economic Holding formed Myanmar Daewoo International, a joint-venture for garment manufacture. 80% of its products will be exported and marketed worldwide by Daewoo [F900426 & B900412].

*DAEWOO signed a contract on 29 Mar'90 to build a five-star hotel in Rangoon at a cost of \$ 60 million to be completed in 5 years [B900412].

SINGAPORE:

Singapore has since 1986 been actively promoting itself as a countertrade services centre. Countertraders are awarded pioneer status incentives. Ten companies are currently recognized and include: US-based Cagill Trading, commodities firm Alcan Trade, and Intraco Resources (see also AUSTRALIA above) [St900101].

THAILAND:

BOARD OF TRADE Chairman Yukta Na Thalang, led a 48-member Trade Mission to Burma 22-26 Feb'90 to familiarize them with investment opportunities. Delegation members included THAI CHAMBER OF COMMERCE Director Prayoon Talerngsri and THAI-BURMESE TRADE RELATIONS COMMITTEE President Thapana Bunnak. According to Thapana, the Myanmar regime has given an oath of guarantee that there will be no nationalization. Wholly-owned firms can be set up and in joint-ventures, foreign investors must own more than 35% equity. But all capital and profit transfers must be made through the Central Bank of Burma [N900210].

*Myanmar Rice Engineering Co.Ltd. (see "Alert No.1") Managing Directors are U Toe Kyi and Pornchai Tantivirasut [P891031].

*P.P. GROUP (see "Alert No.2") will pay US\$ 32 million for a 30-year lease of a river island in Monghon, Tachilek Township of Kengtung State, opposite Chiang Saen District, Chiang Rai. Vitavas International Co., an affiliate of the P.P. Group, will design and build the GOLDEN TRIANGLE PARADISE RESORT complex on the island. The 3,000 rai complex will initially have 100 luxury hotel rooms, 200 bungalows and 3 golf courses. 1,000 bungalows will eventually be built. The golf courses will be only for those who pay a Baht 1 million (US\$ 40,000) life membership fee. Thai and foreign tourists will be allowed to stay at the resort using only a border pass, for as long as they want. No passports or visas will be required. Myanmar Trade Minister, Colonel David Abel said the regime is against a proposal to include a casino at the resort. P.P. Group Chairman, *Prasit Bodhisuthon, while denying plans for a casino, said Rangoon does not regard gambling as illegal. Burma Army troops will provide security during the construction phase and Rangoon has assured investors that no "rebel or minority groups" have influence in areas around the resort. The foundation stone laying ceremony was presided over by Communications Minister and Social Action Party Secretary-General, Montri Pongpanich. *Prasit's brother, *Prapat Bhodisuthon is a Chart Thai Party M.P. and former Deputy Finance Minister. To get to the Golden Triangle Paradise Resort, guests will have to take a 10-minute boat ride from in front of the Golden Triangle Hotel on the Thai side. This hotel is owned by Anuwat Wongwan, son of Narong Wongwan who is leader of the opposition Solidarity Party. In addition to Colonel Abel's presence, Brig.Gen. Khin Nyunt sprinkled scented water over the foundation stones [B900223, N900223, N900228 & F900308].

PADAENG INDUSTRY signed a contract in Oct'90 to explore for and produce zinc in Burma. It was also awarded the right to mine tin in the Mergui archipelago off the Tenasserim coast [F900426]. Padaeng's Executive Vice-President is Pravit Klongwattanakit. Vice-President (Exploration) Akanit Suwannasing and legal advisor Panat Tasneeyanond visited Burma 1-3 Feb'90 (see Thai Government below) [N900131].

PETROLEUM AUTHORITY OF THAILAND (PTT)'s exploration and production arm, PTTEP, will take a 10% interest in a petroleum concession in Burma. The Sarin Basin concession covering 6,000 sq.km. is 60% owned by *Unocol and 30% owned by *Petro-Canada (see "Alert No.1"). PTTEP will invest Baht 30-40 million (US\$ 1.2-1.6 million) in the project. Dr. Anat Arbhahirama, PTTEP's Board Chairman, endorsed the proposal. Dr. Thongchat Hongladarom is PTTEP's Managing Director [N900222 & B900222].

PHOLASITH TUK-TUK GROUP, Thailand's largest samlor (motorized tricycle) assembler, signed a joint-production agreement in Mar'90. Rangoon will provide the facilities and Pholasith will provide the parts to assemble 2,000 samlors worth about Baht 100 million (US\$ 4 million) in the first year. The demand in Burma is estimated to be 3,000 samlors annually. If there is excess supply, Pholasith will market the samlors overseas. A new company, Pholasith Tuk-Tuk Industry Co. with a Kyat 5 million (US\$ 0.7 million) capital will be formed in Burma. The Burmese operations will employ Burmese staff, mostly military personnel [B900416]. A few years back, motorized tricycles were banned from Rangoon and sent to the provinces as taxis but subsequently, taxi permits were denied. The demand for this new venture, then, is being artificially created to benefit military personnel. Sararat Peasaratana is the Group Assistant Managing Director. Pholasith has an assembly plant with an annual capacity of 3,600 samlors on Petchkasem Road, Bangkok. It has also received a Board of Investment promotion to set up an assembly plant with an annual capacity of 8,400 samlors, worth Baht 50 million (US\$ 2 million) at Samut Sakhon [B900416].

*SEA EXPLORATION & MINING CO. (see "Alert No.3") will turn over 31.6% of production to the Myanmar regime in return for the offshore tin mining concession it was granted in Feb'90. It plans to invest Baht 30 million (US\$ 1.2 million) to set up an ore dressing plant in Mergui. The tin will then be brought to Thailand or Singapore for refining. 2,000 offshore tin miners from Baan Namkem village in Takuapa District, Phang-nga Province, will be relocated to Bokpyin in Burma. Vice-Chairman of SEM is Kraengkrai Srivichanont and Nawa Saifuq is a Director. SEM is also known in the industry as the DEE BUK (Tin) ANDAMAN GROUP [B900205 & N900205]. BOON SUNG TIN DREDGING, FAIRMONT STATE, MINING & GENERAL MANAGEMENT CO. (an associate of the Aokham/Tung Ka Harbour Mining Group), SEATRANS MINING and THAI WATTANA MINING have also expressed interest in mining in Burma. According to Thai Mining Industry Council (MIC) Secretary-General Punya Adulyapichit, political stability in Burma, government intervention and nationalization are major concerns [B900126].

SUPACHOKE FISHERY CO. had seven trawlers seized 1 Feb'90 for trespassing in Burmese waters. They were released after intervention from Thai authorities. Supachoke is one of the Thai firms that received one-year fishing concessions last year [N900204]. Managing Director of Supachoke is Somkiat Anurat [N900131].

SIAM COMMERCIAL BANK President and Chief Executive Officer Tarrin Nimmanahaeminda, led a 23-member delegation for the Development of Northeast Thailand to Rangoon 13-18 Jan'90. They held discussions at the Foreign Ministry on the activities of the Myanmar Naing-ngan Work Committee for the Development of Border Areas and National Races and called on Army Commander-in-Chief Lt.Gen. Than Shwe [P900114-19].

THAI MILITARY BANK President Anuthra Asvanonda said the Bank is studying the feasibility of opening a branch in Burma [B900122].

THAI GEM AND JEWELRY TRADERS' ASSOCIATION signed an agreement in Feb'90 to mine gems in Burma [F900426]. Association President Pornsit Sriothaikul is also President of AGD Gold Dealers Co. [B900119].

THAI GOVERNMENT Deputy Prime Minister, Pong Sarasin led a 36-member delegation to Rangoon 1-3 Feb'90 to strengthen economic ties. Delegation members included Commerce Minister Dr. Subin Pinyakan, Secretary of the Prime Minister's Office, General Jia Kokphol, Director-General of the Foreign Trade Department, Mrs. Oranuj Osatananda, Director-General of the Fisheries Department, *Dr. Prodprasob Suraswadi and Ambassador attached to the Foreign Ministry, Ms. Laxanachantorn Laohaphan.

In Rangoon, a Joint-Commission on Bilateral Trade was officially established. Co-chairmen are Dr. Subin and Col. Abel. The delegation met with General Saw Maung, Rear Admiral Maung Maung Khin, Minister for Transport & Communications and for Social Welfare and for Labour Maj.Gen. Tin Tun, Minister for Planning & Finance and for Trade Colonel David Abel and Minister for Livestock Breeding & Fisheries and for Agriculture & Forests Maj.Gen. Chit Swe. Army Commander-in-Chief Lt.Gen. Than Shwe hosted a banquet for the delegation which also visited the Gem Emporium [N900131, N900204, B900203 & P900202-04].

THAI-MYANMAR FISHERIES (1990) CO., a consortium of Thai fishing companies signed an agreement that will allow 155 Thai trawlers fishing rights in Burmese waters (see also "Alert No.3"). Director-General of the Fisheries Department, Dr. Prodprasob Suraswadi, who negotiated the deal expects a similar agreement to follow that will allow Thai vessels coastal-fishing rights in Burmese waters [F900419].

On 1 Dec'89, Thai fishermen aboard the 'Hor Charoen Chai 14' attacked a Burmese fishing vessel 'Annawa' and are believed to have killed 20 of its 21 crew. The Thai boat had a licence to fish in Burmese waters 35 miles west of Ye township, Tenasserim Division. The 'Annawa' was originally a Thai vessel from Samut Songkhram that was seized by Burmese authorities off Phuket for violating Burmese waters. It appears that the 'Hor Charoen Chai 14' seized the 'Annawa' to claim a Baht 2 million (US\$ 80,000) reward for its return [N900223 & B900223].

THAI FOREST INDUSTRY ORGANIZATION (FIO) has a two-year contract from mid-1989 to 1991 to extract 30,000 tons or 5,400 cubic metres annually from Burma. The concession area is opposite Singkhon Pass, Prachuab Khiri Khan Province. Three private companies will serve as sub-contractors for FIO: Udomnan Co. - felling trees, Khon Thong Co. - transportation of logs to depot, and Tab Sakae Business Co. - transportation of logs from depot to FIO sawmills. 10% of the logs will be used by Thai Plywood Co., a state enterprise wholly owned by FIO. The rest will be auctioned for use by boat builders [B900130].

TOURISM AUTHORITY OF THAILAND (TAT) Governor Dharmnoon Prachuabmoh said he is planning to hold talks with Burma on possible cooperative ventures. TAT is aiming to promote Thailand as the springboard for tourism in Indochina and is keen to forge links with Laos, Burma, Vietnam and Cambodia [B900412].

END

SOURCES:	[A900420] Asiaweek	[N900223] Nation, Bangkok
	[B900202] Bangkok Post	[N900419] New York Times
	[F900426] F.E.E.Review	[P900115] Working Peoples Daily
	[GB900102] German-B. Assoc.	[R900331] Burma Review
	[K891222] NewsBriefs, Aus.	[St900101] Strait Times, Singapore
	[MD890410] Mainichi Daily News	[V900201] G. Van Der Brink B.V.

: 1 (819) 647-2068, Attention: Harn Yawnghe, R.R.4, Shawville, Quebec.