

**Burma Alert:**  
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**Business:**

**BURMA TRADE ROUTE PLANNED**

Thai Deputy Prime-Minister and Industry Minister Korn Dabbaransi said on 2 May that Thailand is making plans to export Thai goods to Europe through Burma. On 17 Apr, the THAI GOVERNMENT ordered the PETROLEUM AUTHORITY OF THAILAND (PTT) to do a feasibility study on the construction of a four-lane highway, a gas pipeline and a rail road over an 85-km land bridge between Boke Pyin in southern Burma, and Bang Saphan. The study will cost Baht 20 billion (US\$1 billion). SAHAVIRIYA GROUP was also ordered to study the construction of a deep sea port at Bang Saphan, where a factory and an electricity generating plant is planned. The land bridge and pipeline would transport gas from Burma's Andaman fields to the plant in Bang Saphan. Korn said that he wants the Yadana pipeline project to be completed by July'98. Work on the Burmese section is due to finish in March'98, but construction on the Thai section has not yet begun [B970420, TT970417].

**THAI QUEEN CRITICISES PIPELINE**

The private secretary of the Queen of Thailand, Thanphuying Suprapada Kasemsant, recently wrote to Prime Minister Chavalit Yongchaiyud asking for a review of the route in Thailand for the Yadana gas pipeline. Thiwaporn Sriworakun, owner of a tin mine concession in the area of the pipeline, has also petitioned the Queen to stop the destruction of the rainforest along the proposed route [B970525].

**PIPELINE DELAYS COSTS BILLIONS**

Delays in the construction of Thai portion of the Yadana natural gas pipeline is reported to have already cost the PTT Baht 3 billion (US\$120 million). Protests by Thai villagers in the pipeline area, environmentalists, and government red tape, are said to have been factors. On 3 June, Thailand's Agriculture Minister Chuchee Harnsawat said the PTT does not yet have a permit to build the pipeline because it has not yet done an environmental assessment. Although the Thai Office of Environmental Policy and Planning has granted approval, the Forestry Department has not. SLORC is threatening to impose a Baht 40 million-per-day (US\$1.3 million) fine if the pipeline is not constructed on time [TT970530, B970519, 0603, 0610].

**SLORC GETS JAPANESE LOAN**

On 2 June, shortly after ASEAN decided to accept Burma into its ranks, Japan granted a Yen 2 billion (US\$ 17.2 million) credit to SLORC. In Feb 96, when Japan granted Burma Yen 5 billion (US\$50 million) worth of debt relief, SLORC's debts to Japan stood at Yen 400 billion (US\$4 billion). The loan appears to be at odds with Japanese Prime Minister Ryutaro Hashimoto statement on 1 June that SLORC should not see ASEAN acceptance as a kind of pardon. In a related development, special Japanese envoy Hiashi Hirabyashi left Rangoon on 14 June after a visit with David Abel, SLORC Minister for National Planning and Development. A source said SLORC is pressuring Japan to renew its Overseas Development Aid to Burma, which was suspended in 1988 because of SLORC's brutal repression of democracy activists [BA9603, Reu970602, KYODO970601, AFP970614].

**KHUN SA'S SON GIVES MONEY**

Chao Khan Huang, a son of Khun Sa, recently donated 100 million Kyat (US\$1 million) to SLORC to build a dam in Myawaddy township. A source said the donation was made in return for the privilege to build a casino and hotel complex at Kok Chang Phuak island. Meanwhile, authorities in Myawaddy began work 1 June on a 300m wide dam in order to prevent damage to the river channel from construction on the island [TT970603, N970604].

Apologies for the late publication of the June issue of the 'Burma Alert' - Ed.

## **Investments:**

### **FRANCE:**

Singapore-based C.F.A. INTERNATIONAL PAPER PRODUCT PTE LTD of France and Science & Technology Advisory Group's joint venture, sh Myanmar Sanitary Care Products Ltd, leased 1.57 acres of land for 20 years from SLORC's Department of Human Settlement and Housing Development, in order to build a US\$3.75 million factory in Hlaingthaya Industrial Zone. 70% of the sanitary products will be exported [NLM970131].

### **HONG KONG:**

STRAND HOTELS INTERNATIONAL Chairman Anthony Gaw donated Kyat 10 million (US\$ 1.7 million) to SLORC. K 3 million will be used for general renovation of the Shwedagon Pagoda, K 2 million for restoration and reservation of Bagan pagodas, K 3 million for education, K 1 million for Kandawgalay Little Sister's Home for the Aged and K 1 million for the youth training schools under the Ministry of Social Welfare, Relief and Resettlement. The donation was handed over to SLORC Secretary-1 Lieut-Gen Khin Nyunt at a special ceremony[NLM970130].

### **ISRAEL:**

DOR ENERGY TRADE is planning to set up a petrochemical plant in Burma and to operate it as a 50-50 joint venture with the state-owned Myanmar Petrochemical Enterprises (MPCE). This would be the first sizable Israeli investment in the country. One-third of Dor Energy, Dor Energy Trade's parent company, is owned by SHAMROCK HOLDINGS, the investment arm of the WALT DISNEY empire. The remaining two-thirds of the company is held by the Tel Aviv-based DANKER GROUP, a privately-held conglomerate [AT970128].

RAM TRADE & INVESTMENT, A.E.C. Co Ltd of Myanmar, and SLORC's Ministry of Agriculture and Irrigation and Ministry of Science and Technology, co-sponsored a demonstration at the Yuzana Garden Hotel of water spraying and warming systems for agricultural use. NAAN IRRIGATION SYSTEMS and CHROMAGEN SOLAR ENERGY SYSTEMS also participated in the seminar [NLM970206].

### **JAPAN:**

CHIYODA CORP, a plant engineering company, has set up sh Chiyoda and Public Works Co, a joint venture with SLORC's Public Works Dept, to strengthen its construction-related consulting business. Chiyoda normally specializes in oil refining and petrochemical plants. It will invest US\$300,000. The company plans to develop sewage disposal systems and waterworks, and build bridges. It will also assist projects in trying to obtain official development assistance [KYODO970130].

In Dec.96, JAPAN TRANS-TECHNO, a technological investment and management consulting corporation, set up the sh JTT Myanmar Technology Transfer Enterprise Association to channel investments by small and medium-sized Japanese firms. Since then, JTT has set up a Japanese components recycling company, and in Jan.97, an automobile repair centre. Initially, it will repair 20 cars a day [NKS970110].

M.C.G. YANGON INTERNATIONAL HOTEL Chairman Kakoi Onodera was received by SLORC Minister for Hotels and Tourism Lieut-Gen Kyaw Ba [NLM970131].

MARUBENI General Manager K Miyazaki was received by SLORC Minister for Energy U Khin Maung Thein. They discussed power generation and distribution [NLM970206].

Three foreign companies led by MARUBENI CORP and a local company, signed a lease with SLORC's Construction Ministry for land on which to build a zinc roofing factory. sh Dagon Steel Ltd nm with its factory on a 1.4 hectare site in Hlaingthaya Industrial Zone will produce corrugated zinc roofing sheets[DY970208].

Chairman of the MINOR ENTERPRISE ASSOCIATION OF MIYAGI PREFECTURE Akoi Saiki was received by SLORC Minister at the Office of the Deputy Prime Ministers and Secretary of the Myanmar Investment Commission, Brig-Gen Maung Maung[NLM970131].

MITSUBISHI MOTORS CORP has launched a program to sell passenger cars and recreational vehicles in Burma through sh Cycle and Carriage Golden Star Co Ltd. nm The joint venture was recently formed by Japanese trading house NISSHO IWAI CORP, CCL Myanmar Pte Ltd and Golden Star Co Ltd [AFP/B970130].

#### **Investments:**

##### **Japan cl continued:**

SEICHI TRAVEL SERVICE INC Executive Director and Regional General Manager Koji Takashima called on SLORC Member and Minister for Hotels and Tourism Lieut-Gen Kyaw Ba. Seichi Travel will be carrying out an extensive advertising campaign on Myanmar [NLM970207].

YASUDA FIRE AND MARINE INSURANCE CO, the second-largest insurance company in Japan, signed a Memorandum of Understanding with the SLORC-owned Myanmar Insurance Co on 16 June to set up the first joint venture insurance company in Burma. Currently, foreign companies take out insurance coverage with foreign reinsurers, who then pay fronting fees to Myanma Insurance Co [N970616, AT970617].

##### **MALAYSIA:**

MEKON/TRIARMS GROUP Chairman Lieut-Gen (Retd) Raja Dato Abdul Rashid Bin Raja Badiozaman was received by SLORC Secretary-1 at Dagon Yeiktha of the Ministry of Defence. The guest was accompanied by Defence Adviser to the Embassy of Malaysia Lieut-Col Shahrir Bin Hashim [NLM970131].

##### **SAUDI ARABIA:**

Executive Director Christopher P Harney and Project Manager Paul L Blanton of DELTA INTERNATIONAL, Saudi Arabia, were received by SLORC Minister at the Office of the Deputy Prime Ministers and Secretary of the Myanmar Investment Commission Brig-Gen Maung Maung [NLM970131].

##### **SINGAPORE:**

FRASER & NEAVES has quietly dropped its brewery in Burma from its list of 'core businesses' although work on the US\$30 million sh Myanmar Brewery iscontinuing at the Pyinmabin Industrial Area, 16 km from Rangoon city centre. In 1997, it should begin to churn out thousands of bottles of Tiger beer for the domestic market. The Tiger brand is owned by ASIA PACIFIC BREWERIES(APB), which is owned jointly by F&N and Dutch brewer HEINEKEN. Criticism against the Burmese ruling junta forced Heineken to withdraw from Burma in Aug.96. Due to its connection to Heineken, APB had to sell its 60 per cent stake in Myanmar Brewery to F&N at cost [Net961219].

##### **U.S.A:**

ATLANTIC RICHFIELD CO (ARCO) President John B Cheatham met with SLORC Deputy Chairman and Defence Services Commander-in-Chief General Maung Aye, SLORC Secretary-1 and Military Intelligence chief Lieut-Gen Khin Nyunt, SLORC Secretary-2 and Army Chief-of-Staff General Tin Oo, Energy Minister U Khin Maung Thein and other senior members of SLORC. No details were given but several other multi-national oil companies are involved in controversial projects in joint ventures with the SLORC [DPA970116].

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hl THE SUHARTO CONNECTION

P.T. CITRA LAMTOROGUNG owned by Indonesian President Suharto's eldest daughter, Siti sh ``Tutut''Hardiyanti Rukmana, signed an agreement in February with SLORC's Union of Myanmar Economic Holding Ltd. It is not clear what the agreement covers but Tutut's

company is known best for building toll roads in Indonesia, Malaysia and the Philippines. The BIMANTARA GROUP led by Tutut's billionaire brother, sh Bambang Trihatmojo, is installing a phone network in Rangoon and starting a factory to make animal feed. Bambang also owns 35 percent of a company with logging operations in Burma, Cambodia and elsewhere.

The HUMPUSS GROUP owned by Suharto's son, Hutomo sh ``Tommy' 'Mandala Putra, has a share in a logging joint venture which received a concession in 1993 to cut timber on 200,000 hectares (500,000 acres) of Burma's forests. Humpuss will not confirm a report that Tommy was appointed in 1994 to head an agency in charge of promoting private Indonesian investment and trade with Burma. In addition, Tommy is building a factory in Indonesia to produce industrial chemical methanol in partnership with UNOCAL of the United States and TOTAL of France, which are among the biggest foreign investors in Burma.

sh Hashim Djojohadikusomo, a relative of the Suharto family by marriage, is investing in Burma's cement business.

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#### **Business News:**

##### **CASH FOR DEAF SCHOOL**

Daw Khin Than Nwe, wife of SLORC Secretary-2 Lieut-Gen Tin Oo, and her grandson Maung Hein Htet presented K 20,000 (US\$3,500) to the Mary Chapman School for the Deaf. The ceremony was also attended by Secretary-2 Lieut-Gen Tin Oo, Director U Kyaw Sein of Social Welfare Department, No.3 Military Region Commander Col Saw Hla Min, and Township SLORC Chairman U Than Win[NLM961224].

##### **VIDEO GAMES HARMFUL**

The Yangan City Development Committee has concluded that video games harm the morality of Burmese people and violate Myanmar's gambling suppression law. The Committee will ban such businesses. In recent years, more and more video game centers have been opened in the capital, drawing large crowds of people especially young ones [X970116].

##### **NEW SHAN HYDRO PROJECT**

On 5 May it was reported that the MAY FLOWER TRADING CO had signed a Memorandum Of Understanding with the SLORC-run Myanmar Electric Power Enterprise to build a hydro-power project in Tachilek, Shan State. The plant is projected to generate 43.9 million kilowatt-hours of electricity per year[X970505].

##### **SLORC BUYS TOXIC HERBICIDE**

According to a 9 June report by the Southeast Asian Information Network (SAIN), SLORC has purchased `Paraquat', a highly toxic herbicide which is being manufactured in Thailand under the name `Gramoxone' by Zeneca Agro Asiatic Company (ZAAC) Ltd. `Paraquat' is banned in many countries but it is still being use in some European countries and the USA. On 10 June, SLORC in a press release denied importing the chemical and stated that Burma's pesticide laws are based on UN Food & Agriculture Organization policies which do not ban `Paraquat'. Steve Renshaw of ZAAC told AFP that 10,000 litres of `Paraquat' was shipped to Rangoon in January to Forward Co. ZAAC has also trained farmers in Burma in the use of `Paraquat', of which even a 3-5g dose is lethal. ZAAC is 49% owned by the East Asiatic Company (EAC) of Thailand and 51% owned by Zeneca UK. EAC Thailand is owned by EAC Denmark [SAIN970609, N970614, SL970610, RI970610].

## **News Chronology:**

### **KARENNI LEADER ATTACKED**

Jealae Pawla, a Minister of the Prime Minister's Office of the Karenni National Progress Party, and his 12-year-old daughter, were wounded 19 May when men fired on their house in Mae Hong Son. Aung Mya, KNPP commander, said the men were Burmese soldiers, while Thai authorities said they did not know who was responsible. Jealae was shot in the arm, and his daughter was shot in the stomach. She was in a critical condition on 20 May [Reu970520].

### **REFUGEES IN SOUTH MOVED**

On 19 May, Thu Ka and Htee Lai Pah camps in Kanchanaburi Province, were moved to a site at Maw Raka, 2 km inside the Thai border. In Ratchaburi, Huay Sut camp was moved to a new site at Htam Hin on 20 May and Ban Bo Wi camp has also moved. In Prachuab Khiri Khan, refugees at Ma Khe Paw have been instructed to join those at Htee Yaw Kee [Net970523].

### **800 VILLAGERS ROUNDED-UP**

At midnight on 21 May, 800 villagers from Pankan and Sanpya Chauk Mile villages in Loikaw, Karenni state, were arrested by SLORC troops from the LIB No.27, 54 and 250. SLORC soldiers suspected the villagers were linked to an 22 May bomb attack on Loikaw airport and regional military command. Locals said the explosion, which damaged two buildings, was the work of members of SLORC defense services. It is believed that defense services personnel were targeting military intelligence officers, who have a monopoly on black market air tickets at Loikaw [Net970528, DVB970603].

### **VIETNAMESE CHIEF IN RANGOON**

Vietnamese Communist Party chief Do Muoi arrived in Rangoon 22 May to show support for SLORC's bid to join ASEAN. SLORC said the Vietnamese leader's visit was successful in uniting Burma and Vietnam against ``acts of domination and oppression'' [N970523,25,26, Reu970517].

## **News Chronology:**

### **NLD MEMBERS DETAINED**

On 26 May, the NLD reported that 316 of their members had been detained by SLORC in an attempt to prevent the NLD from holding a Party Congress on 27 May, the anniversary of the 1990 elections. Fifty senior members of the NLD were detained on 21 May as they attempted to reach Rangoon. 261 NLD MPs were detained last year at the same time when the party tried to hold a similar Congress [Reu970521, AP970521].

### **SLORC OFFENSIVE AGAINST SHANS**

Shan United Revolutionary Army deputy secretary-general Sao Oot Kesi said that SLORC has launched a `four cuts' offensive against SURA. A `four cuts' strategy targets supply lines, recruitment, news sources and finances, and takes a heavy toll on civilians. SLORC troops entered Hua Lam, a Karenni village, on 8 April, and executed 79 villagers for not giving information about SURA troops. In retaliation, SURA troops, together with the Wa National Organization, the Lahu Democratic Front and the Palaung State Liberation Front, attacked SLORC troops near Nam Sang and Kunhing townships shortly after the massacre [TT970525].

### **CLASH OVER ISLAND**

Ban Kok Chang Phuak in the Moei river was the site of a tense confrontation 25 May when 400 Burmese and 100 Thai soldiers came face to face on the disputed island. Thai flags were hoisted next to Burmese ones and soldiers set up camp on opposite sides of the river in an attempt to lay claim to the territory. In 1994, flooding cut off part of the Burmese side of the river bank and created Kok Chang Phuak, now claimed by both Thailand and Burma [TT970526,0601].

#### **NO CONGRESS FOR N.L.D.**

On 27 May, hundreds of riot police blocked roads to Daw Aung San Suu Kyi's house and erected barbed wire barricades around party offices. Police and intelligence officers turned back those who attempted to attend the Congress in Daw Suu's compound [AP970527, N970529, AFP970607].

#### **DAW SUU: ENGAGE WITH US**

As Foreign Ministers from ASEAN countries met in Kuala Lumpur 29-30 May, Daw Suu called on ASEAN to ``engage with the NLD'' rather than with SLORC. In a video, Daw Suu criticised SLORC's macro-economic policy and said that it had ``mismanaged the economy by mismanaging the people of Burma'' [ALT970529].

#### **A.S.E.A.N. ACCEPTS SLORC**

On 30 May, ASEAN Foreign Ministers meeting in Kuala Lumpur agreed to admit Burma, Laos and Cambodia into their regional grouping in July. They said new members will be given 10 years to meet conditions necessary for admission into the ASEAN free trade area. Thailand and the Philippines raised questions about the political stability of Burma and Cambodia but eventually agreed to Indonesia's strong push for an early entry for these countries. Daw Suu said that the early admission of Burma will only make SLORC ``more obdurate and oppressive than ever.'' The US said it regretted the ASEAN decision [Reu970602,04, B970603, AFP970601].

#### **PARLIAMENTARIANS RELEASED**

NLD members detained for two weeks in the run-up to the 27-28 May Congress were released by 6 June. SLORC's `request' for the Members of Parliament not to attend the NLD Congress was rescinded 1 June [N970601, AFP970607].

#### **D.K.B.A. BURNS REFUGEE CAMPS**

Huay Kaloke and Huay Bone, two refugee camps in Tak province, Thailand, were set on fire by SLORC's Democratic Karen Buddhist Army on 31 May. Shops were looted before being set on fire. 8,000 people in Huay Kaloke and 3,000 people in Huay Bone were left homeless. In January both camps were attacked and destroyed by DKBA soldiers [N970531].

#### **KAREN OFFENSIVE CONTINUES**

The SLORC offensive that began in mid-February against the KNU continued in May, with skirmishes daily in Thaton, Mergui-Tavoy and Pa-an districts. SLORC's scorched earth policy is now targeting Karen villages east of Shwegyin and in the Papun area of Karen state. In Ler Mu Plaw village in northern Papun district, SLORC troops from LIB No.57, 59 and 37 burned down 55 houses, 55 rice barns and 83 huts, and killed livestock [KNU970603].

#### **News Chronology:**

##### **SHANS RETURN TO S.U.R.A.**

2,150 Shan soldiers led by Lieut-Col Kanna Muangyon and Lieut-Col Poma defected from SLORC on 6 June. The troops, who disagreed with SLORC authorities over collecting taxes, joined the Shan United Revolutionary Army at Keng Tong and Keng Kham south of Kunhing. The Shan troops had been attached to the SLORC army after their former leader, Khun Sa, surrendered to SLORC in Jan.96. SURA is a several-thousand strong faction which broke off from the Merng Tai Army when Khun Sa surrendered [TT970609].

##### **TIN SHWE DIES**

Tin Shwe, 67, NLD Central Committee member and in-charge of the Mandalay Division NLD organizing committee, died 8 June at the Rangoon General Hospital of heart disease. Tin Shwe was arrested for planning a meeting to commemorate the 1988 uprising and sentenced by a military court in November 1990 to imprisonment in Insein. Tin Shwe leaves behind a wife and three sons [NLD-LA970610, NLD-LA-AUS970612, N970614].

### **UNION OFFICIALS ARRESTED**

On 13 June, SLORC detained two officials of the Federation of Trade Unions of Burma (FTUB). Myo Aung Thant, a member of the All Burma Petro-Chemical Corporation Union, was arrested at Mingaladon airport on 13 June by agents of the National Intelligence Bureau as he arrived back from Bangkok. His wife and children were also detained. Khin Kyaw, an affiliate of the Internal Transport Workers' Federation, was detained with his wife and children the same day. In 1993, Khin Kyaw was detained and tortured by SLORC for trade union activities. His wife was also sexually abused by SLORC agents [AI970620, [FTUB970624]].

### **DAW SUU RECOVERING**

One of Daw Aung San Suu Kyi's aides said she suffered a fall down a flight of stairs at her home on 21 May. She was reportedly suffering from diarrhea and was affected by her medication. She is recovering [AP970617].

### **N.L.D. MEMBERS ARRESTED**

Shortly after a video of Daw Aung San Suu Kyi was smuggled out of Burma and shown to journalists during an ASEAN meeting, five members of the NLD were arrested. Khin Maung Win, alias Sunny, official video-photographer for the NLD, was arrested on 18 June with Ohn Myint, NLD advisor and a relative of Daw Aung San Suu Kyi's. On 20 June, Cho Aung Than, a cousin of Daw Suu; his sister Daw Khin Ma Than; and Daw Khin Ma Than's husband, Shwe Myint Aung, were detained. An aide of Daw Suu's said Sunny had been interrogated concerning the pictures he took, and how he managed to smuggle the footage out of Burma.[Reu970620, AI970624,0711].

### **NEWS SOURCES:**

AFP = Agence France Presse,  
AI = Amnesty International,  
ALT = Alternate ASEAN Network,  
AP = Associated Press  
AT = Asia Times,  
B = Bangkok Post,  
BA = Burma Alert,  
DPA = Deutsche Presse Agentur,  
DVB = Democratic Voice of Burma,  
DY = Daily Yomuri,  
FTUB = Federation of Trade Unions of Burma,  
KYODO = Kyodo News Agency,  
KNU = Karen National Union,  
NKS = Nihon Keizai Shimbun,  
NLD-LA = National League for Democracy (Liberated Area),  
RI = Danish News Agency,  
SAIN = Southeast Asian Information Network,  
SL = SLORC Information Service,  
N = Nation,  
Net = Burmanet,  
NLM = New Light of Myanmar,  
Reu = Reuter,  
TT = Thailand Times, and  
X = Xinhua News Agency.