

Burma News – December 2013

FDI/Trade

Development of the Thilawa and Dawei Special Economic Zones continued to move forward in December. Dawei has been transferred from Italian-Thai Development to DSEZ, a 50-50 venture of Thailand and Burma, which now has a 75-year concession from Myanmar's government to develop the special economic zone and a deep-sea port.¹ Meanwhile Japan pledged a 60 billion yen loan to assist building infrastructure for the Thilawa SEZ, in addition to the 90 billion yen pledged in May 2013,² which commentators say indicates further efforts by Japan to act as a counterbalance to China in the region.³ An article published in the Chinese government run Global Times claimed that Western investors cannot afford major economic aid to Burma due to the financial crisis and wariness of the investment environment, but nevertheless failed to mention increasing investment by Japan.⁴

Burma and Japan also signed an investment agreement on 15 December 2013 providing for Japanese investors to receive the same protections provided to other foreign investors under international rules (most-favoured nation treatment), prohibiting the imposition of export, technology transfer or other requirements in exchange for such investments, and including transparency provisions.⁵ In other initiatives regarding transparency, Burma created a stakeholder group to oversee the extraction of oil, gas and minerals, bringing Burma closer to membership of the Norway-based Extractive Industries Transparency Initiative.⁶ The Union of Myanmar Federation Chamber of Commerce and Industry signed a MoU with the Chamber of Commerce in Guangdong Province in China, with officials stating that investment in Burma's power sector, in particular hydropower, was welcome, but that Burma would prefer investment that adds value to goods inside Burma, rather than in extractive industries.⁷

IMF Director Christine Lagarde called for economic development to come at a pace, ensuring there are proper controls and gatekeepers.⁸ Officials from the Ministry of National Planning and Economic Development stated that the Foreign Investment Rules issued in January 2013 under the 2012

¹ Bangkok Post, "Dawei ready to roll", 31 December 2013,

<http://www.bangkokpost.com/business/news/387346/dawei-ready-to-roll>

² Bangkok Post, "Japan 'to give B18bn loan for Thilawa'", 12 December 2013,

<http://www.bangkokpost.com/business/news/384477/japan-pm-to-pledge-loans-for-thilawa-economic-zone-in-myanmar>

³ Wall Street Journal, "Abe Pledges more aid for Myanmar", 15 December 2013,

<http://online.wsj.com/news/articles/SB10001424052702304173704579259732281559334>

⁴ Irrawaddy Magazine, "West 'Cannot Afford' Major Economic Aid to Burma, says China Commentary", 17 December 2013, <http://www.irrawaddy.org/burma/west-afford-major-economic-aid-burma-says-china-commentary.html>

⁵ Irrawaddy Magazine, "Japan, Burma Sign Investment Pact", 16 December 2013,

<http://www.irrawaddy.org/burma/japan-burma-sign-investment-pact.html>. For further information please see www.meti.go.jp/english/press/2013/1215_01.html

⁶ Mizzima, "Myanmar moves step closer towards EITI membership", 23 December 2013,

<http://www.mizzima.com/mizzima-news/myanmar/item/10742-myanmar-moves-step-closer-towards-eiti-membership>

⁷ Irrawaddy Magazine, "Burma Chamber of Commerce Wants More Chinese Hydropower Investment", 19 December 2013, <http://www.irrawaddy.org/burma/burma-chamber-commerce-wants-chinese-hydropower-investment.html>

⁸ Myanmar Times, "Economic policy should come at a pace, says IMF", 15 December 2013,

<http://www.mmtimes.com/index.php/business/9034-economic-policy-should-come-at-a-pace-says-imf.html>

Foreign Investment Law were “rushed” and that new rules may be issued which relax restrictions to investment for foreigners in certain sectors.⁹

Political reform

On 12 December 2013, the Nation reported on the “rampant” corruption in Burma, against which the new anti-corruption law enacted in August is not effective, and called for the creation of an anti-corruption body that focuses on four aspects: investigation, prevention, education and policy coordination among state and non-state actors.¹⁰

The EU joined the NLD in calling for constitutional reform that will allow Aung San Suu Kyi to run for the 2015 presidential elections.¹¹ A Constitution review meeting was arranged for 7 January by the parliamentary Joint-Committee for Reviewing the Constitution to discuss over 2,512 suggestions it has received from individuals and organisations for amending the 2008 Constitution.¹²

Human rights

During December, Myanmar released a further 41 political prisoners as the self-imposed deadline of releasing all prisoners of conscience by the end of 2013 approached.¹³ The Political Prisoners Scrutinizing Committee has further recommended that charges against 200 detained political activists be dropped - deliberations which are separate to those concerning political prisoners.¹⁴ Later in December, the President announced a pardon of all prisoners detained for a variety of political offenses, such as unlawful association, high treason, contempt of government and violations of the peaceful assembly law.¹⁵

The FIDH expressed concerns that the EU did not properly engage with civil society in Burma, particularly during the EU-Myanmar taskforce held in November in Yangon, despite the commitment to do so in its EU framework and action plan for human rights and democracy.¹⁶

The International Crisis Group questioned the impact on the legislature of the 25 per cent military bloc in parliament as several controversial pieces of legislation are being developed, suggesting that the

⁹ Irrawaddy Magazine, “New FDI Rules Set to Relax Investment Restrictions”, 2 December 2013, <http://www.irrawaddy.org/latest-news/new-fdi-rules-set-relax-investment-restrictions.html>

¹⁰ The Nation, “Tentacles of Dictatorship Reach Deep into Myanmar’s new democracy”, 12 December 2013, <http://www.nationmultimedia.com/opinion/Tentacles-of-dictatorship-reach-deep-into-Myanmars-30221842.html>

¹¹ Financial Times, “EU to urge Myanmar to allow Aung San Suu Kyi to seek presidency”, 15 December 2013, <http://www.ft.com/cms/s/0/9051c948-640e-11e3-98e2-00144feabdc0.html#ixzz2niYEbh18>. See also Irrawaddy News, “EU Urge Burma to Allow Suu Kyi Presidential Eligibility”, 16 December 2013, <http://www.irrawaddy.org/latest-news/eu-urge-burma-allow-suu-kyi-presidential-eligibility.html>

¹² Democratic Voice of Burma, “Constitution Review Meeting Set for 7 January”, 18 December 2013, <http://www.dvb.no/news/constitution-review-meeting-set-for-7-january-burma-myanmar/35378>

¹³ Irrawaddy Magazine, “Burma Releases 41 More Political Prisoners”, 11 January 2013, <http://www.irrawaddy.org/burma/burma-releases-41-political-prisoners.html>

¹⁴ Mizzima, “Committee Wants Charges Dropped Against 200 Activists”, 23 December 2013, <http://www.mizzima.com/mizzima-news/politics/item/10763-committee-wants-charges-dropped-against-200-activists>

¹⁵ Irrawaddy Magazine, “Burma Pardons Political Offenders”, 31 December 2013 <http://www.irrawaddy.org/burma/burma-pardons-political-offenders.html>. See also BBC News, “Burma political prisoners to be pardoned”, 31 December 2013, <http://www.bbc.co.uk/news/world-asia-25548520>

¹⁶ Letter from International Federation of Human Rights to European Union Ministers, *Burma/Myanmar: Improve dialogue with civil society for a more comprehensive approach to human rights*, 4 December 2013, <http://www.fidh.org/en/asia/burma/14379-burma-myanmar-improve-dialogue-with-civil-society-for-a-more-comprehensive>

authorities, both legislative and executive, may not be ready to give up authoritarian controls on the media, on civil society organisations and on the right to demonstrate.¹⁷

Regarding the right to demonstrate, the chairman of the Myanmar Human Rights Commission expressed concern over the growing number of arrests under the Peaceful Assembly Law, but disagreed with civil society groups who want to repeal the need to obtain prior government permission for a demonstration.¹⁸

¹⁷ International Crisis Group, *Not a Rubber Stamp: Myanmar's Legislature in a Time of Transition*, 13 December 2013, <http://www.crisisgroup.org/en/regions/asia/south-east-asia/myanmar/b142-not-a-rubber-stamp-myanmar-s-legislature-in-a-time-of-transition.aspx>

¹⁸ Irrawaddy Magazine, "Keep Demonstration Permit in Assembly Law: Rights Commission Chairman", 31 December 2013, <http://www.irrawaddy.org/burma/keep-demonstration-permit-assembly-law-rights-commission-chairman.html>