

## POLITICAL MONITOR NO.19

### OFFICIAL MEDIA

#### **UNION PEACE-MAKING WORK COMMITTEE, KIO SIGN AGREEMENT**

The government's Union Peace-Making Work Committee (UPMWC) and the Kachin Independence Organisation (KIO) held peace talks from 28 to 30 May in Myitkyina, the capital of Kachin State. On the final day of the talks, the two sides signed a 7-point agreement which covers holding of political dialogue, de-escalation of cessation of hostilities, the formation of a joint-monitoring committee, resettlement of internally displaced people, discussion on repositioning of troops and stationing of Myitkyina-based KIO representative and technical team in the course of the peace process. The government delegation was led by U Aung Min, Vice Chairman of the Central Peace Making Work Committee and also Minister at the President's Office, while the KIO delegation was headed by U Sumlut Guam. The peace meeting was also attended by UN Special Advisor to the Secretary General on Myanmar Vijay Nambir, Lu Zhi from the Embassy of the Peoples' Republic of China, Kachin community leaders, as well as representatives from the ethnic armed groups. *(Please see Appendix A for full text of seven-point agreement signed between the Government and the KIO).*<sup>1</sup>

#### **COMMUNAL UNRESTS IN LASHIO, SHAN STATE**

A curfew was imposed in Lashio, Shan State under Section 144 of the Penal Code after mob riots erupted on 28 May (Tuesday). The unrest in Lashio was sparked by an argument between Ma Aye Aye Win, a vendor was doused in petrol by Ne Win, a Muslim man, aged 48 from Kengtung. This occurrence subsequently resulted in violence between Buddhists and Muslims communities and left five houses, three religious buildings, an orphanage, cinema hall, four ware-houses, 32 shops, 2 vehicles, 11 motorcycles were burnt down, causing one death and five injured. According to state-run media, the army and has been deployed to enforce the emergency curfew and to prevent further outbreaks of violence in Lashio.<sup>2</sup>

#### **BURMESE PRESIDENT MAKES LANDMARK VISIT TO U.S.**

President Thein Sein arrived in Washington on 18 May to begin his official visit to the U.S and the first by a Burmese leader in nearly 50 years. During his visit, the Burmese President held talks with U.S President Obama on 20 May and exchanged views on Burma's on-going reform process and other key issues of concern. The two leaders also discussed rule of law, capacity building of the armed forces and police, agriculture, education and health sectors as well as upgrading of Yangon-Mandalay road in Burma. At a press conference following the talks, President Obama praised President U Thein Sein for moving Burma/Myanmar down a path of political and economic reform process and the efforts taken to hold elections and to solve the country's long-standing ethnic conflicts. The Burmese leader pledged to move ahead with the reforms and thanked President Obama for his administration's policy of re-engagement with Burma and which he said has contributed to improved relations between their countries.

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<sup>1</sup> Union Peace-making Work Committee holds talks on peace process with KIO delegation – <http://www.burmalibrary.org/docs15/NLM-2013-05-29-red.pdf> (NLM) 29 May 2013 (p. 16) / Union Peace-making Work Committee Vice-Chairman meets towns elders, national race leaders in Myitkyina – <http://www.burmalibrary.org/docs15/NLM-2013-05-29-red.pdf> (NLM) 29 May 2013 (p. 8) / Progress seen in ongoing peace talks between UPMWC, KIO delegation – <http://www.burmalibrary.org/docs15/NLM-2013-05-30-red.pdf> (NLM) 30 May 2013 (p. 16) / Union Peace-Making Work Committee, KIO sign agreement after three-day peace talks – <http://www.burmalibrary.org/docs15/NLM-2013-05-31-red.pdf> (NLM) 31 May 2013 (p. 16 & 9)

<sup>2</sup> Criminal case leads to riots in Lashio – <http://www.burmalibrary.org/docs15/NLM-2013-05-30-red.pdf> (NLM) 30 May 2013 (p. 6)

President Thein Sein also met former US Secretary of State Hillary Clinton, World Bank President Dr Jim Yong Kim, and senior US Senators and also attended a roundtable discussion organized by US-ASEAN Business Council and addressed a gathering at John Hopkins University. A landmark Trade and Investment Framework Agreement-TIFA, was also signed between the two sides during the President's visit. *(Please see Appendix B for full text of President Thein Sein's statement delivered at John Hopkins University, Washington D.C.).*<sup>3</sup>

### **JAPANESE PM ARRIVES IN BURMA FOR OFFICIAL VISIT**

Japanese Prime Minister Shinzo Abe arrived in Burma on 24 May to begin his 3-day official goodwill visit and the first by a Japanese Prime Minister in 36 years. During the visit, the Japanese Premier held official talks with Burmese President Thein Sein and the two leaders agreed to establish a new foundation for mutual friendship by promoting cooperation in economic, political and security areas as well as cultural exchanges between the two countries. They also discussed prospects of Japan's role in implementation of Thilawa and Dawei Economic Zone projects, rural region development and poverty alleviation schemes, security and the rule of law, banking service development, emergence of stock market, modernization and improvement in taxation structure and promotion of people-to-people connectivity and prospects for multi-sectoral cooperation between the two countries and also exchanged views on ASEAN-Japan cooperation and regional security matters.

After the talks, the two leaders exchanged notes on Tokyo's waiver of the remaining debt and the provision of some ¥51 billion in fresh loans to help develop Myanmar's infrastructure, as well as up to ¥40 billion in grant and technical assistance in fiscal 2013. Of the ¥51 billion, ¥20 billion will be spent on infrastructure for the Thilawa industrial economic zone near Yangon, to be implemented by nine companies from Burma and three from Japan including – Mitsubishi, Marubeni and Sumitomo by 2015. During the visit, Prime Minister Abe also met Chairperson of the National League for Democracy (NLD) Daw Aung San Suu Kyi and also attended the Burma/Myanmar-Japan Business Seminar on 25 May. *(Please see Appendixes C, D, E & F for the full statements and exchange of notes signed during Prime Minister Abe's visit to Burma/Myanmar).*<sup>4</sup>

<sup>3</sup> President U Thein Sein leaves for US –

<http://www.burmalibrary.org/docs15/NLM-2013-05-19-red.pdf> (NLM) 19 May 2013 (p. 1) /

President U Thein Sein visits Abraham Lincoln Presidential Library and Museum –

<http://www.burmalibrary.org/docs15/NLM-2013-05-20-red.pdf> (NLM) 20 May 2013 (p. 1) /

President U Thein Sein visits Home of US first President George Washington –

<http://www.burmalibrary.org/docs15/NLM-2013-05-21-red.pdf> (NLM) 21 May 2013 (p. 1 & 9) /

Myanmar will continue reform process, move forwards. President Thein Sein). The United States will help Myanmar achieve success. (President Barack Obama) –

<http://www.burmalibrary.org/docs15/NLM-2013-05-22-red-op.pdf> (NLM) 22 May 2013 (p. 1) /

President U Thein Sein receives former US Secretary of State, World Bank President –

<http://www.burmalibrary.org/docs15/NLM-2013-05-22-red-op.pdf> (NLM) 22 May 2013 (p. 6) /

President U Thein Sein attends round-table discussion of ASEAN Business Council and US Chamber of Commerce –

<http://www.burmalibrary.org/docs15/NLM-2013-05-22-red-op.pdf> (NLM) 22 May 2013 (p. 8) /

President U Thein Sein meets US Senators –

<http://www.burmalibrary.org/docs15/NLM-2013-05-23-red.pdf> (NLM) 23 May 2013 (p. 1) /

With the help of neighbours, the strength of people, with the help of American people, we will succeed –

<http://www.burmalibrary.org/docs15/NLM-2013-05-22-red-op.pdf> (NLM) 22 May 2013 (p. 9)

<sup>4</sup> Japanese PM arrives in Myanmar –

<http://www.burmalibrary.org/docs15/NLM-2013-05-25-red.pdf> (NLM) 25 May 2013 (p. 16) /

Japanese PM Mr Shinzo Abe visits Martyrs' Mausoleum, Japanese Cemetery, Letyetsan BEPPS, Thilawa Special Economic Zone -

<http://www.burmalibrary.org/docs15/NLM-2013-05-26-red.pdf> (NLM) 26 May 2013 (p. 1 & 8) /

Japanese PM addresses Myanmar-Japan Business Seminar –

<http://www.burmalibrary.org/docs15/NLM-2013-05-26-red.pdf> (NLM) 26 May 2013 (p. 1 & 8) /

President U Thein Sein rolls out red carpet for Japanese PM Japan vows to provide 91000 million yen worth of development aid to three main sectors in Myanmar –

<http://www.burmalibrary.org/docs15/NLM-2013-05-27-red.pdf> (NLM) 27 May 2013 (p. 1) /

## HLUTTAW SESSIONS – Highlights

### Pyidaungsu Hluttaw Special Session Convened

The 1<sup>st</sup> Pyidaungsu Hluttaw Special Session convened its 1<sup>st</sup> day session on 20 June. During the session the following two proposals and formation of a commission were submitted and approved:

- U Ba Shein of Kyaukpyu Constituency submitted a condolence proposal **over the demise of Amyotha Hluttaw Representative U Maung Saw Pyu of Rakhine State Constituency No. 4** which was approved and documented by the session;
- Acting Union Minister for Home Affairs Union Minister for Religious Affairs U Hsan Hsint submitted a **proposal to approve the declaration of the state of emergency through Ordinance No (1/2013) regarding the recent communal unrests in Meiktila, Mandalay Region.**
- **The formation of a joint study commission on Rights of Employers and Employee** was approved by the Hluttaw at the special session.<sup>5</sup>

The 1<sup>st</sup> Pyidaungsu Hluttaw Special Session convened its 2<sup>nd</sup> day session on 21 June. During the session the Ordinance No. (1/2013) was approved and 13 MPs discussed the said motion.

- The session unanimously approved and passed the Ordinance No (1/2013) issued on 22 March to declare the state of emergency in Meiktila, Mandalay Region with 521 votes;
- Thirteen MPs discussed the Ordinance No.(1/2013) including Daw Aung San Suu Kyi of Kawhmu constituency who stressed the need to be more cautious when ordinances are declared while the country is on the road to democracy. She also suggested that the administrative authority should inform the local people about their effective measures in times of emergency for a return to normality. She also stated the need for informing the representatives before an ordinance is declared and for reviewing the constitution to be able to carry out the measures effectively and as there is no judiciary sector in the declaration of the ordinance.<sup>6</sup>

## UNOFFICIAL MEDIA

### BURMA ARMY ISSUES ULTIMATUM TO ETHNIC ARMED GROUPS IN MYAWADDY

The Commander of Burma Army Light Infantry Division, Brigadier General Htin Maw Tun, has ordered armed groups in the Myawaddy district to take down their organizations' flags that are flying at buildings and lands owned by the organization by noon on May 29. The order was issued during the regular weekly information sharing meeting between the Burmese Army and the ethnic armed groups. A KNU liaison officer from Myawaddy Liaison Office said, "We were told that the flags

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Myanmar, Japan to promote relations in all sectors in future –

<http://www.burmalibrary.org/docs15/NLM-2013-05-27-red.pdf> (NLM) 27 May 2013 (p. 16) /

Myanmar and Japanese leaders welcome comprehensive assistance projects ongoing or under consideration by relevant organizations including Government of Japan and NGOs and confirm to further promote cooperation –

<http://www.burmalibrary.org/docs15/NLM-2013-05-27-red.pdf> (NLM) 27 May 2013 (p. 9)/

Japan considers continued assistance important for Myanmar's reform progress –

<http://www.burmalibrary.org/docs15/NLM-2013-05-28-red.pdf> (NLM) 28 May 2013 (p.1)/

Japan, Myanmar agree grant aid to Myanmar –

<http://www.burmalibrary.org/docs15/NLM-2013-05-28-red.pdf> (NLM) 28 May 2013 (p.8)/

Japan announces its Work coord meeting on aviation safety held assistance for Myanmar's infrastructural development.

Signing of Exchange of Notes concerning Yen Loan to Myanmar –

<http://www.burmalibrary.org/docs15/NLM-2013-05-28-red.pdf> (NLM) 28 May 2013 (p.9)

<sup>5</sup> Proposal about declaration of the state of emergency submitted –

<http://www.burmalibrary.org/docs15/NLM-2013-05-21-red.pdf> (NLM) 21 May 2013 (p. 16)

<sup>6</sup> Ordinance No (1/2013) approved by Pyidaungsu Hluttaw –

<http://www.burmalibrary.org/docs15/NLM-2013-05-22-red-op.pdf> (NLM) 22 May 2013 (p. 16)

that are up at the organizations' owned building or lands must be taken down by 12:00 noon on May 29. The Commander warned that if organizations are found still hoisting their flags, action would be taken according to the law." He added that the Brigadier General Htin Maw Tun, also reinforced its demand that if armed organizations that are not under the direct control of the government are carrying weapons in Myawaddy, the ethnic armed group has to inform the relevant departments, action would be taken against them.<sup>7</sup>

### **88 GENERATION STUDENTS GROUP SEEKS LEGAL STATUS**

One of Burma's most prominent activist networks, the 88 Generation Students Group, will apply to register with the government as a legal civil society organization after decades of operating illegally under the former military junta. The group, which takes its name from the 1988 student-led pro-democracy protests, has long sought legal status in the country, but its leaders, many of whom were imprisoned under the former regime, have never before tried to register because they believed the government would deny their application. Ant Bwe Kyaw, a spokesman for the group said that the group plans to work on a broad range of social issues and also continue its political activities.

Under current Burmese law, organizations working on social issues cannot get involved in politics. With legal status, the group hopes to participate in the peace process in Burma's ethnic areas, where rebel militias and the government's army fought for decades, and to strengthen the country's civil society organizations, which were stifled under the junta. Its leaders say the group may also form a political party to participate in future elections, a move that some other opposition parties have welcomed as a way to create a more pluralistic political landscape.<sup>8</sup>

### **CHINESE GOV'T APPROACHES NLD ON RE-STARTING MYITSONE DAM PROJECT**

China has reportedly approached Burma's opposition National League for Democracy (NLD) to help push for the resumption of the Myitsone dam project in Kachin state. The approach was made during the 10-day visit of an NLD delegation to the People's Republic of China at the invitation of the Chinese Communist Party. During the visit, both sides also discussed trade and investment matters and studied trade activities, road connections, environmental conservation and low-cost housing projects. Lower House MP Phyu Phyu Thin, who is a member of the visiting delegation, told local news media that Aung San Suu Kyi would be informed of details about the study tour, including China's willingness to resume the Myitsone dam project. However, some experts say that the resumption of the project will draw widespread criticism even if the NLD leader supports it.

As Burma has improved its relations with western countries, including the United States, the Chinese government has come to build closer relationship not only with the Burmese/Myanmar government but also with the opposition NLD party. Chinese Ambassador Yang Houlaan recently called on NLD chairperson Aung San Suu Kyi and has also cash donated 1 million kyats towards the party's education network funds.<sup>9</sup>

### **USDP OFFICIAL MEMBER VOWS TO AGREE CONSTITUTIONAL AMENDMENT**

Aung Thaung, a senior member of the ruling the Union Solidarity and Development Party (USDP), has pledged to work on amendment to the Constitution at the next session of the Parliament. USDP Vice Chairman Thura Aye Myint has proposed to amend the 2008 Constitution at the sixth session of the lower house parliament. Aung Thaung said "I will agree to amend the Constitution because I assume

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<sup>7</sup> Burma Army issues legal ultimatum to ethnic armed groups – no flag raising and no weapons – <http://karennews.org/2013/05/burma-army-issues-legal-ultimatum-to-ethnic-armed-groups-no-flag-raising-and-no-weapons.html/> (Karen News) 28 May 2013

<sup>8</sup> Burma's 88 Generation Students Seeks Legal Status – <http://www.irrawaddy.org/archives/35535> (Irrawaddy) 28 May 2013

<sup>9</sup> Chinese gov't approaches Myanmar's opposition NLD for re-undertaking Myitsone dam project – <http://www.elevenmyanmar.com/national/3561-chinese-gov-t-approaches-myanmar-s-opposition-nld-for-re-undertaking-myitsone-dam-project> (Eleven News Media) 20 May 2013

the Constitutional amendment is beneficial to all the public. I believe that.” He explained that was his personal opinion, and did not reflect the party’s position. He did not mention which clauses should be amended and that committee or group will decide the amendment. Speaking at a press conference of the Burma/Myanmar Constitutional Democracy Workshop on 10 May opposition leader Aung San Suu Kyi said that amending the Constitution would be beneficial to the people of Burma/Myanmar.<sup>10</sup>

### **WHITE TIGER PARTY AGAINST PROPORTIONAL REPRESENTATION SYSTEM**

Proportional Representation (PR) system which has been practiced by many western countries, may not be appropriate or suited for Burma in the current political situation as majority of its citizens are not ready, said President of Shan Nationalities Democratic Party (SNDP) Sai Ai Pao.

The “democratic political system reinstated in the country is still in its early infancy and most people lack even basic knowledge on the principle of democracy. That is why I have been saying ‘PR system is not suited for the country’. But I am not saying for the lowland people who speak and use Burmese as daily language”, said Sai Ai Pao, who is also Minister for Shan State Ministry of Mines. It has been reported that when the next parliamentary resumes, the government may legislate the PR system, as some MPs have been quoted as saying.

Proportional Representation or PR, he explained, is a system in which electoral vote is distributed in ratio. For instance, in an election, there are 5 political parties with 10 candidates. Say, A party won 50% of electoral vote, the other 2 parties: B and C won 30% and 20% respectively. In this example, A has won 50% of electoral vote which legitimizes it to elect 5 MPs; while B 30% with 3 MPs and C 20% with 2 MPs have to be elected accordingly.<sup>11</sup>

### **ANALYSIS**

The signing of a 7-point agreement between the government and the Kachin Independence Organisation (KIO) as well as President Thein Sein’s visit to Washington and Japanese Premier Abe’s visit to Burma have been welcomed as positive steps in the right direction. The latest agreement between the government’s peace-making team and the KIO has paved the way for holding political dialogue between the two sides, which in the past had been regarded as a sensitive an issue. Indeed many have welcomed the agreement as an achievement and it is hoped that the latest round of talks will help to bridge the differences and more importantly foster friendship and trust. Crucially important and key to the success of the peace talks will be the implementation of capacity building measures at all levels of government including the relations between the Tatmadaw (military) and the KIO. To that end, the attendance to the talks by the Commander-in-Chief (Army) Lt-Gen Myint Soe will no doubt have been welcomed and provided the much needed impetus towards the peace process. That being said, the government and the Tatmadaw (military) will now need to deliver on its words in holding political dialogue with the KIO and other ethnic armed groups, if it is committed in achieving peace.

The visits by President Thein Sein to the US and Prime Minister Shinzo Abe to Burma, once again reflect the recognition on the democratic reform process unfolding inside Burma. Both visits will have served in promoting ties and interests for the two western powers but more importantly will have provided an opportunity for the Burmese government to navigate a path to counter the influence of China in Burma. At a crucial juncture in time, the aid and assistance by Japan will not only boost the Burmese economy but also in improving the country’s infrastructure. Similarly,

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<sup>10</sup> USDP senior official vows to agree constitutional amendment –  
<http://www.elevenmyanmar.com/politics/3553-usdp-high-ranking-member-vows-to-agree-constitutional-amendment>  
(Eleven News Media) 19 May 2013

<sup>11</sup> White Tiger party against PR System –  
[http://www.english.panglong.org/index.php?option=com\\_content&view=article&id=5422:white-tiger-against-pr-system&catid=85:politics&Itemid=266](http://www.english.panglong.org/index.php?option=com_content&view=article&id=5422:white-tiger-against-pr-system&catid=85:politics&Itemid=266) (S.H.A.N.) 21 May 2013

Washington has a two-pronged approach - assisting the Burmese political reforms and countering the rising power and influence of China in the region. The truth of the matter remains unclear but the US could become and play a key role the Burmese reform process by forging closer ties and providing technical assistance and strengthening capacity building of government institutions including the Tatmadaw (military). While the US and Japan may have different interests in Burma, the two have become key players in the democratic process but it will be the Burmese leader himself who will determine the outcome.

On a more sombre note, the latest outbreak of communal and sectarian unrests in Lashio, Shan State will not have helped the on-going political reform process. The recent unrests are a clear indication that the government has failed in addressing the ethno-religious issues in the country. Investigations conducted by the government to probe past communal and sectarian riots in Rakhine, Meiktila and Bago have not looked deeply into the root causes of the problem and consequently led to the recent violence in Lashio. It is therefore clear that until such issues are addressed in such a manner where the application on the rule of law and the rights of minorities are fully respected, further outbreaks of communal unrests will remain imminent.

## **APPENDICES**

### **APPENDIX A:**

#### **7-POINT SIGNED AGREEMENT BETWEEN GOVERNMENT AND THE KIO**

The agreement reached between UPMWC and the KIO delegation after 3-day peace talks is as follows:

1. The Government of Myanmar and the KIO agree to hold political dialogue.
2. The Parties agree to undertake efforts to achieve de-escalation and cessation of hostilities.
3. The Parties agree in principle to establish Joint Monitoring Committees.
4. The Parties agree to continue to undertake relief, rehabilitation, and resettlement of the Internally Displaced Persons (IDPs) in consultation with each other.
5. The Parties agree to continue discussions on military matters related to repositioning of troops.
6. The Parties agree to the establishment of a Myitkyina-based KIO technical team in order to undertake necessary measures for the peace process more effectively.
7. The parties agree to continue to allow the participation of representatives of all observer groups that are present in the peace meeting held on May 28-30, 2013 for the upcoming meeting. If either Party wishes to invite additional observers, the Parties also agree to invite these additional observers in consultation with each other.<sup>12</sup>

### **APPENDIX B:**

#### **STATEMENT DELIVERED BY PRESIDENT THEIN SEIN AT JOHN HOPKINS UNIVERSITY**

President of the Republic of the Union of Myanmar U Thein Sein delivered an address at Johns Hopkins SAIS, Washington, D.C., of the USA at 4.15 pm LST on 20 May. Present at the ceremony were the Union Ministers, the Deputy Ministers, and the departmental heads, the Chancellor of SAIS of Johns Hopkins, students and guests. At the ceremony, the President said:

Ladies and Gentlemen,

It is a great pleasure for me to be here today and I am extremely grateful to Dean Vali Nasr for his kind invitation for me to speak at the Johns Hopkins School of Advanced International Studies as part of my first visit to Washington. I know that the ties between Johns Hopkins and SAIS in particular with Myanmar are more than half a century old. The Hopkins Yangon Centre was established in 1954 as a leading educational and research institution in Asia and over the years dozens of Myanmar students have been educated at SAIS, including several current senior diplomats and a member of my own advisory council. I hope very much that we will be able to re-establish the strong connections that once existed.

Ladies and Gentlemen,

I am pleased to be here and I am especially pleased to be able to speak to you at this time on Myanmar's transition, its vision of the future, and its vision for the future partnership with the United States and the American people. The past two years under my government have been a time of transformation in Myanmar. Military rule was ended, a new constitutional was put into effect and we have begun a series of political and economic reforms that we hope will build a strong democracy and a strong market-oriented economy. At the same time we are working to peacefully

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<sup>12</sup> Union Peace-Making Work Committee, KIO sign agreement after three-day peace talks – <http://www.burmalibrary.org/docs15/NLM-2013-05-31-red.pdf> (NLM) 31 May 2013 (p. 16 & 9)

end the armed conflicts that have plagued our nation since independence in 1948. And we are trying hard to end Myanmar's isolation, see the removal of all sanctions, and make the contributions we can to both regional and global security and development. I believe what we are trying to achieve in Myanmar is quite unprecedented. We are transitioning from an authoritarian regime to a democratic one and from a centralized economy to one based on a free market. At the same time, we are engaged in a political dialogue process and national reconciliation. We are also reengaging with many governments and international institutions for the first time in decades, all under the burden of remaining economic sanctions. We face tremendous challenges. We are a poor country. Many of our institutions must be adjusted, others entirely reformed. New ones must be created. Mentalities must change. We must move towards a state that sees itself first and foremost as the servant of the people. After decades of authoritarian rule this is no easy task. We must move towards an economy that is equitable, that is fair and based on a level playing field, that develops our abundant natural wealth but in a way that protects our natural environment. To achieve all this we need maximum international support, including from the United States, to train and educate, share knowledge, trade and invest, and encourage others to do the same. Periods of transition are always fraught with risk. But I know my country and I know my people. I know how much people of all backgrounds want this transition to succeed. I know how much people want to see democracy take root, put behind decades of isolation, catch up with other Asian economics, end all violence and fighting. Everyone accepts that this is the direction we must take. Everyone understands the need for compromise, tolerance and patience. Yes, there may be spoilers; there may be those who see their interests threatened. We have seen in recent months extremely tragic inter-communal violence. But I assure you that our commitment will not waiver. I am confident that we will find success.

Ladies and Gentlemen,

Our transformation is not taking place in a vacuum. Asia is changing fast and a part of the world that was once a by-word for war and poverty is now entering perhaps its greatest period ever of peace and prosperity. A new generation, free from the burdens of colonialism and ideological conflicts of the past, is taking charge. Perhaps more than anything else, Myanmar must fully join this historic evolution in Asia. Our country of 60 million sits at the new crossroads of Asia. With China to our northeast, India and Bangladesh to our west, the other nations of ASEAN to our south and east, we border more than two billion people and the fastest growing markets in the world. Our country, once isolated not just by politics but by physical barriers, is now poised to break those barriers. What is absolutely essential is that this new integration with the rest of Asia, this new de-isolation of Myanmar, is managed in a way that benefits the Myanmar people and does not lead to their exploitation. Creating the right institutions of economic governance will be absolutely critical. We need as well the institutions that will help us cope with threads old and new and forge a new resilience. We are for example one of the countries in the world most at threat from natural disasters as well as from the rising sea levels that will accompany climate change. We remember the devastation of Cyclone Nargis which killed more than 100,000 of my compatriots in less than 24 hours. During last week, the country was again under the threat from Cyclone Mahasen. Earthquakes may strike at any time. There is the risk of pandemic diseases, a rising threat in Asia. As we work to end the old threats of armed conflict and inter-communal violence, we must also develop a new vision of national security and strategies necessary to ensure the Myanmar people's human security going forward. We must recognize the important role of Myanmar Military during this democratization process. Under the past system, Military took charge of the nation's stability from security point of view. Now, we are in the process of reforming the Military for its role in the democratization and peace building processes.



Ladies and Gentlemen,

The politics of Myanmar is complex. We have literally dozens of different ethnic and religious communities. We have a history of armed conflict. Over the past two years we have welcomed the entry of the National League for Democracy under the leadership of Daw Aung San Suu Kyi into parliament following free and fair by-elections in 2012. There are many other political parties and movements as well. We are also laying foundations for free and fair democratic elections in 2015. We have seen in recent years the emergence of hundreds of civil society organization, thousands of village-level associations, and a vibrant local media and social media. As we move towards democracy, the challenge is to manage what is and should be an increasingly competitive political space in a way that strengthens democratic change and does not undermine its future success. We must manage expectations. And though democracy means rivalry and competition, we must try to find ways to work together. We must nurture policy-based political parties. But at this critical juncture, we must also rise above partisan politics and set our aims towards a greater nation-building and state-building agenda. A key part of that agenda will be to reach peace agreements with all non-state armed groups. My government has reached ceasefires with ten non-state armed groups. I am confident we can soon reach a ceasefire with the remaining major non-state armed group, the Kachin Independence Organization and Army. But that is not enough. Our goal cannot be less than sustainable peace. It will mean compromise. It will mean the further devolution of power to the state and regional levels. It will mean new agreements on resource sharing. We wish to do this in a way that includes all citizens. We want to include not only the armed groups, but also political parties and civil society from all ethnic communities in the political dialogues to come. Peace must be rooted in the broadest possible participation of public support. And we must forge a new and more inclusive national identity. Myanmar people of all ethnic backgrounds and all faiths—Buddhist, Christian, Muslim, Hindu, and others—must feel part of this new national identity. We must end all forms of discrimination. And we must ensure not only that inter-communal violence is brought to a halt, but that all perpetrators are brought to justice. As we all know, there is a balance between security imperatives and the basic rights and openness that are a part of a more democratic society. We ask your help and advice in finding the right balance.

Ladies and Gentlemen,

I believe that first Myanmar person to reach the shores of this great land was a student by the name of Maung Shaw Loo, who came from Mawlamyine in 1858. He studied at Bucknell in Pennsylvania and then went to medical school in Cleveland and even met President Andrew Jackson at the White House, before returning home to a long medical career. The year before Maung Shaw Loo arrived in America, the Myanmar king Mindon wrote a letter to President Franklin Pierce and the year after to President James Buchanan, calling for trade and diplomatic ties between our countries. Our ties thus go back more than a hundred and fifty years. I would like to begin a new era in Myanmar-US relations a new partnership between our governments and even more importantly a new friendship between our two peoples. We hope for your help in making our transformation a success. We hope for help from your great universities and investment from your companies. US government, Congress and civil society organizations should give their support in line with evolving dynamics of current Myanmar politics in a transparent manner in order for our democratization process to succeed. With the help of our neighbours, the strength of our people, and with the help of American people, I know we will succeed.

Thank you.<sup>13</sup>

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<sup>13</sup> With the help of neighbours, the strength of people, with the help of American people, we will succeed – <http://www.burmalibrary.org/docs15/NLM-2013-05-22-red-op.pdf> (NLM) 22 May 2013 (p. 9)

**APPENDIX C:**

**JOINT STATEMENT ISSUED AT THE CONCLUSION OF THE VISIT TO BURMA BY JAPANESE  
PRIME MINISTER SHINZO ABE**

**Joint Statement between the**

**Republic of the Union of**

**Myanmar and Japan-New Foundation for Mutual Friendship**

At the invitation of His Excellency U Thein Sein, President of the Republic of the Union of Myanmar, H.E. Mr. Shinzo Abe, Prime Minister of Japan, paid a state visit to Myanmar from 24 to 26 May, 2013. During the visit, President U Thein Sein and Prime Minister Shinzo Abe held talks in a cordial and friendly atmosphere. The two leaders shared the view that, in laying a new foundation for taking the relationship between Japan and Myanmar to a higher level and establishing a lasting, friendly and cooperative relationship, Japan and Myanmar will work together to bolster their relationship in the following areas:

**1. Support for Myanmar's reform**

President U Thein Sein confirmed that Myanmar would continue to make all-out efforts to address various issues that it is currently tackling, including democratization, enhancement of the rule of law, economic reform, and national reconciliation. Prime Minister Abe reiterated Japan's intention to support these efforts by combining the public and private sector's strengths.

**2. Towards mutual prosperity**

The development of economic and social capital including infrastructure, the development of institutions, capacity building, the development of rural and ethnic minority areas, among others, are key to improving the livelihoods of the people of Myanmar and to building a prosperous nation. In support of the development of Myanmar and having implemented its arrears clearance operation with Myanmar, the Government of Japan decided to provide new yen loans as well as grant assistance, for which notes were exchanged between the two governments during the visit. Furthermore, the two leaders shared the view as to the importance of Japan's technical cooperation for institution development and capacity building of the Government of Myanmar and confirmed their intentions to further promote it. They also shared the intention to work together in various areas such as acceleration of their work towards the early signing of a bilateral investment agreement, an enhancement of their efforts towards a bilateral agreement on technical cooperation, and the development of the Thilawa Special Economic Zone (SEZ) in order to strengthen bilateral economic relations including through trade and investment. President U Thein Sein confirmed Myanmar's commitment to sustaining efforts for the improvement of investment climate in Myanmar and appropriate measures with due consideration to environment and society, including through discussion under the recently launched "Japan- Myanmar Joint Initiative".

**3. Enhancing people-to-people and cultural exchanges**

Both Japan and Myanmar are countries with long history and traditional cultural heritage, and they have a number of similarities from religion to food culture. The year 2014 will mark the 60th anniversary of the establishment of diplomatic relations between the two countries. The cordial bilateral relationship between the two countries is grounded in the bonds of trust and friendship based on long-standing interaction between their peoples, and will continue to be enhanced in all areas. Prime Minister Abe expressed his hope to see JENESYS 2.0 bolster youth exchanges between the two countries. President U Thein Sein confirmed Myanmar's intention to consider to facilitate the visit of Japanese businessmen and tourists for the further promotion of economic relation and tourism between Myanmar and Japan. The two leaders also shared their intention to build on the

long history of culture and sports exchanges between the two countries and further enhance these exchanges. In particular, Prime Minister Abe reaffirmed that Japan is committed to supporting the SEA Games 2013 to be held in Myanmar in December 2013.

#### 4. Strengthening political and security cooperation

The two leaders decided to enhance dialogue on regional issues and security in order to advance cooperation across the Asia-Pacific and the Indian Ocean. They also decided to further promote cooperation and exchange between their defence authorities. Upon strengthening the measures mentioned above, acknowledging that the list of a wide range of projects announced by Japan would substantially contribute to further promoting the reforms in Myanmar, the two leaders welcomed that these comprehensive assistance projects are ongoing or under consideration by relevant organizations including the Government of Japan and non-governmental organizations (NGOs) and confirmed to further promote cooperation. Furthermore, the two leaders shared the intention to further bolster Japan-ASEAN cooperation, taking the opportunity of this year's 40<sup>th</sup> Year of ASEAN-Japan Friendship and Cooperation. In this connection, President U Thein Sein confirmed his participation in the Japan-ASEAN Special Summit in December this year and welcomed Japan's continued assistance to the activities of Myanmar as it holds the ASEAN presidency in 2014.

**Nay Pyi Taw**  
**Dated: 26 May 2013<sup>14</sup>**

#### APPENDIX D:

##### DEBT-RELIEF MEASURE FOR BURMA/MYANMAR

1. On May 26, Mr. Mikio Numata, Ambassador Extraordinary and Plenipotentiary of Japan to the Republic of the Union of Myanmar, and H.E Dr Lin Aung, Deputy Minister for Finance and Revenue of the Republic of the Union of Myanmar, exchanged notes between the Government of Japan and the Government of Myanmar concerning a debt-relief measure (in the form of cancellation) in Nay Pyi Taw.
2. The content of the debt-relief measure (in the form of debt cancellation) is as follows:
  - 1) Debts to be cancelled: Part of the yen loan claims that Myanmar owes to the Japan International Cooperation Agency (JICA).
  - 2) Total amount of the claims to be cancelled:
    - (a) Overdue charges: (it has accumulated during the past two decades: About JPY 176.1 billion, fixed as of the end of March 2012).
    - (b) Principal having fallen or falling due on or after April 1, 2012: About JPY 12.5 billion.(Note) Overdue charges were incurred on the portion of the principal and interest of the relevant claims that Myanmar did not repay in line with the date of repayment, based on an initial agreement concerning yen loans provided to Myanmar.
  - 3) This debt-relief measure will be carried out on the basis of a Japan-Myanmar Summit Meeting last April etc.
  - 4) The Government of Japan considers it important to continue to back up the progress of Myanmar's reforms and will continue its support to Myanmar.<sup>15</sup>

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<sup>14</sup> Myanmar and Japanese leaders welcome comprehensive assistance projects ongoing or under consideration by relevant organizations including Government of Japan and NGOs and confirm to further promote cooperation – <http://www.burmalibrary.org/docs15/NLM-2013-05-27-red.pdf> (NLM) 27 May 2013 (p. 9)

**APPENDIX E:**

**EXCHANGE OF NOTES BETWEEN BURMA AND JAPAN OF GRANTING OF AID**

1. On May 26, Mr. Mikio Numata, Ambassador Extraordinary and Plenipotentiary of Japan to the Republic of the Union of Myanmar, and Dr. Khin San Yee, Deputy Minister for National Planning and Economic Development of the Republic of the Union of Myanmar, exchanged notes concerning grant aid for the following two projects in Nay Pyi Taw.
2. The Project for Urgent Improvement of Water Supply in Yangon City (maximum 1.9 billion yen)
  - 1) The water supply system in Yangon City has various problems such as water stoppage, low feed water pressure, and 50% water leakage due to the aging of the system and inappropriate management caused by budgetary deficit. At the same time, well-planned measures to respond to rapidly increasing demand for water supply has become an urgent task.
  - 2) Nyaungnabin Water Treatment Plant (Phase 1) Pumping Station, which supplies approximately 40% of the water supply of Yangon City (524,000m<sup>3</sup>/day), has a total of four pumps. However, due to breakdown, only two of them are currently working and they also may be broken down by groundwater spouts or other reasons at any time. Moreover, the main pipes for water supply in the city are also aging and water stoppage caused by water leakage or repair works therefore frequently occurs. At the same time, pipes for housing also cause water leakage due to aging and in some cases, when water leaks out, dirty water on the surface of the earth or underground is sucked into the water system by a pump. Therefore, improvement of the water supply system is an urgent task.
  - 3) This project aims at improving water supply services through renovation of the water treatment plant and water pipes in Yangon City which urgently requires renovation. Through implementation of the project, improvement of stability in water supply in Yangon City and improvement of the living environment of citizens of Yangon City are expected.
3. The Project for Human Resource Development Scholarship (maximum 456 million yen)
  - 1) President U Thein Sein has been rapidly promoting various reforms including economic reforms. And development of excellent human resources who take charge of construction of the nation had become a very important issue.
  - 2) This project aims at providing tuition and other expenses necessary for young administrative officers of Myanmar to study in Japan.
  - 3) Through implementation of the project, it is expected that administrative officers, who will take charge of social/economic development of Myanmar, acquire specialized knowledge necessary for solving problems or policy planning in each field and to promote reforms and the economic development of Myanmar. They are also expected to contribute to the construction of mutual understanding and friendly relationship between Japan and Myanmar.<sup>16</sup>

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<sup>15</sup> Japan considers continued assistance important for Myanmar's reform progress – <http://www.burmalibrary.org/docs15/NLM-2013-05-28-red.pdf> (NLM) 28 May 2013 (p.1)

<sup>16</sup> Japan, Myanmar agree grant aid to Myanmar – <http://www.burmalibrary.org/docs15/NLM-2013-05-28-red.pdf> (NLM) 28 May 2013 (p.8)

## APPENDIX F:

### EXCHANGE OF NOTES BETWEEN BURMA AND JAPAN ON INFRASTRUCTURE PROJECTS

1. On May 26, Mikio Numata, Ambassador Extraordinary and Plenipotentiary of Japan to the Republic of the Union of Myanmar, and H.E Dr. Lin Aung, Deputy Minister for Finance and Revenue of the Republic of the Union of Myanmar signed an Exchange of Notes concerning three yen loan projects. The total amount of the projects is up to 51,052 million yen.
2. Outline of the projects:
  - 1) Regional Development Project for Poverty Reduction Phase 1 (maximum 17 billion yen) Infrastructure construction in Myanmar remains at a lower level than other ASEAN nations and infrastructure construction in rural areas has become an urgent task in particular. This Project aims at newly building and rehabilitating basic infrastructure (roads, electricity, water supply, etc.) in seven regions and seven states of Myanmar. Through implementation of this project, improvement of quality of life of residents in rural areas and contribution to development and reduction of poverty in the rural areas are expected.
  - 2) Urgent Rehabilitation and Upgrade Project Phase 1 (maximum 14,052 million yen) Power shortage has been a serious problem in Myanmar. In particular, in the dry season when hydroelectric energy is reduced, rotational planned blackouts are carried out. Thus, the tight electricity situation influences economic and social activities. Along with intensified economic activities in Yangon urban area including the Thilawa Special Economic Zone, further increase in demand for power is expected, and establishment of a stable power supply system has become an urgent issue. This project aims at increased and more efficient power output through rehabilitation of thermal power stations and substations in Yangon urban area. Through implementation of this project, improvement of power supply conditions and contribution to the sustainable economic growth of Myanmar are expected.
  - 3) Infrastructure Development Project in Thilawa Area Phase 1 (maximum 20 billion yen) The Thilawa Special Economic Zone (hereinafter referred to as "SEZ") located in the vicinity of Yangon has advantages such as rich manpower and accumulation of existing industries, as well as availability to utilize an existing port. The Government of Myanmar expressed its intention to preferentially develop this area. However, infrastructure has not been developed in the planned construction site of the SEZ and construction of internal and peripheral infrastructure of the SEZ is an important task in order to promote the business of enterprises at the site. This project aims at preparing electricity power-related plants (power generation, transformation of electric energy, transmission and distribution of energy, etc.) so that sufficient electric power can be supplied to Thilawa District and, at the same time, expanding the port to deal with increasing demand for container cargos. Through implementation of this project, promotion of direct investment to the district, development of Yangon urban area including the SEZ and creation of employment in the area, and contribution to the sustainable economic development of Myanmar are expected.
3. Terms and conditions of the loan
  - 1) Interest: 0.01% per annum
  - 2) Repayment period: 40 years (including a 10-year grace period)
  - 3) Procurement method: General untied<sup>17</sup>

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<sup>17</sup> Japan announces its Work coord meeting on aviation safety held assistance for Myanmar's infrastructural development. Signing of Exchange of Notes concerning Yen Loan to Myanmar – <http://www.burmalibrary.org/docs15/NLM-2013-05-28-red.pdf> (NLM) 28 May 2013 (p.9)