

## **CHINA'S SUPPORT BLOCKS INTERNATIONAL DIPLOMACY AND KEEPS BURMA'S REGIME IN POWER**

### **Enabling Mass Atrocities and Crimes Against Humanity**

Below is publicly available information regarding Sino-Burmese military, political, and economic relations. This by no means represents the entirety of China's support of Burma's military regime, much of which is not publicly available.

### **MILITARY**

#### **CHINA IS ONE OF THE LARGEST ARMS SUPPLIERS TO THAN SHWE'S BURMESE MILITARY REGIME.**

Since 1989, the year after Burma's military regime brutally suppressed a mass people's uprising calling for democracy – China has provided Burma's regime with over US\$2 billion worth of weapons and military equipment<sup>1</sup>, some sold at below market prices—arms shipments continue to this day.

- Tanks and armored personnel carriers
- Fighter jets
- Attack aircraft
- Coastal patrol ships
- Small arms and light weapons
- Logistical and transportation equipment<sup>2</sup>
- China also has provided military advisors for training and engineers for building projects

With Chinese arms and military equipment, Burma's regime has quadrupled the size of its forces to 450,000 men, including with approximately 70,000 child soldiers - more than any other country in the world.<sup>3</sup> The regime has carried out a scorched earth campaign in Eastern Burma, destroying and forcing the abandonment of more than 3,000 villages over the past ten years.<sup>4</sup> To put this in context a more well-known crisis, this is twice as many villages as have been destroyed in Darfur. More than 1.5 million refugees have fled to neighboring countries or are hiding in the jungle struggling to survive.

### **THE COST OF CHINA'S POLITICAL PROTECTION**

#### **BURMA'S MILITARY REGIME WILL FORGO \$8.4 BILLION FROM NATURAL GAS EXPORTS TO KEEP CHINA'S INTERNATIONAL POLITICAL SUPPORT.**

2007 - Than Shwe has agreed to sell Burma's new found gas from the Shwe gas fields, about 180 billion cubic metres of gas across 20 years to China for the price of US\$4.28 per million BTU. India offered the regime US\$4.76 per million BTU but Than Shwe rejected India's offer in favor of China's<sup>5</sup> costing Burma US\$2.35 billion in revenue.

It gets worse - the current market rate for natural gas is around US\$7.30 per million BTU and for a long-term contract, such as this one, experts estimate the regime could have negotiated for US\$6 per million BTU. Which in real terms means Burma is losing out on US\$8.4 billion in potential natural gas revenues.

August 2007 – While Burma’s military regime sells Burma’s natural gas to China at deeply discounted rates, it suddenly and drastically quintupled the price of compressed natural gas, and doubled the price of oil and diesel in Burma, sending the people of Burma, more than half of whom live on less than a US\$1 a day, spiraling further into abject poverty.

China is the only country with the ability to shield Burma’s military junta from international intervention.

## **POLITICAL**

### **UNDERMINING MULTILATERAL UNITED NATIONS AND REGIONAL EFFORTS: CHINA HAS CONSISTENTLY TAKEN A UNILATERAL APPROACH**

September 2006 - China voted No to placing Burma’s crisis on the UN Security Council’s Agenda, but lost in a vote of 10-4-1.

January 2007 – China vetoed a peaceful UN Security Council resolution – that had garnered enough votes to pass - that would have strengthened the Secretary General’s mandate to resolving the crisis in Burma.

### **CHINA’S PRISONER: DAW AUNG SAN SUU KYI, THE WORLD’S ONLY IMPRISONED NOBEL PEACE PRIZE RECIPIENT**

China is one of the only countries in the world to refuse to back the UN Secretary General’s call for the release of Aung San Suu Kyi and all political prisoners.

- Three diplomatic missions to Burma to secure the release of Aung San Suu Kyi by leading Southeast Asian senior statesmen Indonesian Ali Alatas, Malaysian Foreign Minister Syed Hamid, and Filipino Foreign Minister Alberto Romulo all failed, and China did not endorse these efforts.
- The Association of Southeast Asian Nations (ASEAN), the European Union (EU), the United States, Japan, Australia, 14 United Nations Special Rapporteurs, One Dozen Nobel Peace Prize recipients, and 59 former Presidents and Prime Ministers from around the world have called for the release of Aung San Suu Kyi.
- The United Nations General Assembly calls for the release of Aung San Suu Kyi, and the UN Working Group on Arbitrary Detention found that Aung San Suu Kyi’s imprisonment violates international law.
- China has refused to support all of these countries, leaders, and UN mechanisms by not calling for the release of Aung San Suu Kyi. Instead, China’s Foreign Minister says “The Aung San Suu Kyi matter is Myanmar's internal affair.”

China's refusal to stand with the rest of the world and call for the end of Aung San Suu Kyi's unlawful detention not only ensured Than Shwe's had political cover for extending her house arrest, it completely contradicted China's own statement in which it would support ASEAN's position on Burma. "China will, as always, support Asean to play a leading role in addressing the issue of Myanmar," Ambassador Wang Guangya said. Apparently not.

## **ECONOMIC**

The only way to do business in Burma is to do business with the military junta. The Heritage Foundation in their 2007 Index of Economic Freedom ranked Burma as the fifth most repressed economy in the world (153 out of 157) behind only North Korea, Libya, Cuba and Zimbabwe.<sup>6</sup>

### **INVESTMENT: CHINA IS ONE OF THE BIGGEST INVESTORS IN BURMA.**

2006-2007 (April-February), China's foreign direct investment exceeded \$281 million.<sup>7</sup>

Chinese companies, including whole state-owned enterprises have more than 800 projects in Burma with a contractual value exceeding US\$ 2.1 billion.<sup>8</sup>

### **TRADE: CHINA PROVIDES US\$ BILLIONS IN TRADE TO BURMA'S MILITARY JUNTA.**

- China's trade with Burma doubled from 1999 to 2005 to US\$1.2 billion<sup>9</sup>
- China is Burma's largest source of imports accounting for more than 31% in 2006<sup>10</sup>
- Current figures estimate that China's trade revenue with Burma is now \$1.28 billion

Burma has a closed and tightly controlled economy in which only the top military leaders in the ruling State Peace and Development Council (SPDC) and their cronies profit from trade and investment.

### **LOANS: CHINA GIVES THAN SHWE'S REGIME US\$ HUNDREDS OF MILLIONS IN LOANS AND GRANTS.**

January 2003 - China provided Burma with US\$200 million in economic assistance.<sup>11</sup>

June 2006 – China signed an agreement to loan Burma's generals \$200 in buyers' credit.<sup>12</sup>

### **NATURAL RESOURCES: CHINA IS STRIPPING BURMA OF ITS NATURAL RESOURCES WITH RAMPANT FORCED LABOR, FORCED DISPLACEMENT, AND SEVERE HUMAN RIGHTS ABUSES.**

### **BURMA'S MILITARY JUNTA TO MAKE BILLIONS OFF OF CHINA'S INVESTMENTS IN EXTRACTING BURMA'S NATURAL RESOURCES.**

China is involved in more than 62 hydro, oil & gas, and mining projects in Burma.<sup>13</sup> These projects take place without consultation of local communities, without regard for environmental concerns and results in destruction of land and loss of livelihood. These projects are accompanied by increased militarization creating large scale forced labor, forced relocation and human rights abuses.

### ***Oil & Natural Gas***

In March 2007 - China's PetroChina signed an MOU with SPDC for the sale of 6.5 trillion cubic feet of gas over the next 30 years to be transported through a new pipeline that will be built across Burma to deliver the gas to China's Yunnan province for an annual transit fee of \$150 million for the next 30 years, earning the regime US\$4.5 billion.<sup>14</sup>

In April 2006 - China's National Development and Reform Commission approved an oil pipeline project from Burma's Akyab in Arakan State across Northern Burma to Kunming in the Chinese province of Yunnan, traversing 1,434 miles across Burma.

The construction of the Yadana pipeline in Burma over the previous decade resulted in increased militarization, enormous environment destruction, widespread human rights abuses, forced labor, forced relocation, and loss of livelihood.<sup>15</sup> There is no indication Burma's junta would not commit the same atrocities in the construction of additional pipelines across Burma to China.

### ***Hydropower***

China is involved in approximately 40 hydropower projects in Burma.<sup>16</sup>

As of March 2006 – Of the 11 major on-going hydro-power projects in Burma. All contracts have been awarded to Chinese companies.<sup>17</sup>

In June 2006 - China's state-owned Sinohydro Corporation and the Electricity Generating Authority of Thailand (EGAT) agreed to build a US\$1 billion hydropower station on the Salween River in Burma<sup>18</sup>, this is the first of 5 dams in this partnership, that would destroy the homes of hundreds of thousands of ethnic minorities.

### ***Mining***

China has been involved in at least 5 major mining projects in Burma. The largest, the Tagaung Taung nickel deposit represents an investment of US\$600 million.<sup>19</sup>

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<sup>1</sup> Interview by Barron Young Smith of David Steinberg (16 Jan 06) China's Burma Connections

<sup>2</sup> Rand Corporation (1999) China's Arms Sales: Motivations and Implications

<sup>3</sup> Human Rights Watch (16 Oct 02) My Gun Was As Tall As Me: Child Soldiers in Burma available at <http://hrw.org/reports/2002/burma/>

<sup>4</sup> Implementation of UN General Assembly Resolution 60/251, Human Rights Council Report of Paulo Sérgio Pinheiro, Special Rapporteur on the situation of human rights in Myanmar, UN Doc.

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A/HRC/4/14, 15 March 2006, p. 14, para 54.

<sup>5</sup> The Times of India (9 Apr 07) Myanmar ditches India for China in Gas Deal

<sup>6</sup> Heritage Foundation (2007) Index of Economic Freedom available at [http://www.heritage.org/research/features/index/chapters/htm/index2007\\_execsum.cfm](http://www.heritage.org/research/features/index/chapters/htm/index2007_execsum.cfm)

<sup>7</sup> Central Statistics Organization Ministry of National Planning and Economic Development - Official Myanmar Government figures for Foreign Investment available at <http://www.csostat.gov.mm/S25MA0202.asp>

<sup>8</sup> PRC Ministry of Foreign Affairs General Administration of Custom (2002) Trade Statistics

<sup>9</sup> Time Asia (23 Jan 06) Burma – Going nowhere

<sup>10</sup> EIU (2006) Myanmar Country Review

<sup>11</sup> Altsean Burma (5 Oct 06) China Gambles on Burma at its Own Peril

<sup>12</sup> AP (10 Jun 06) China signs pact to provide Myanmar with US\$200 million loan

<sup>13</sup> Earthrights International (11 Sep 07) China in Burma: The increasing investment of Chinese multinational corporations in Burma's hydropower, oil & gas, and mining sectors available at <http://www.earthrights.org/files/Reports/BACKGROUNDER%20China%20in%20Burma.pdf>

<sup>14</sup> The Times of India (9 Apr 07) Myanmar ditches India for China in Gas Deal

<sup>15</sup> For more information, please see [www.earthrights.org/burma](http://www.earthrights.org/burma)

<sup>16</sup> Earthrights International (11 Sep 07) China in Burma: The increasing investment of Chinese multinational corporations in Burma's hydropower, oil & gas, and mining sectors available at <http://www.earthrights.org/files/Reports/BACKGROUNDER%20China%20in%20Burma.pdf>

<sup>17</sup> Kudo, Toshihiro – (July 06) Institute of Developing Economies, Discussion Paper No. 66, Myanmar's Economic Relations with China: Can China Support the Myanmar Economy?

<sup>18</sup> AP(28 Jun 06) China, Thailand to Build US\$1 Billion Hydropower Plant in Burma

<sup>19</sup> Earthrights International (11 Sep 07) China in Burma: The increasing investment of Chinese multinational corporations in Burma's hydropower, oil & gas, and mining sectors available at <http://www.earthrights.org/files/Reports/BACKGROUNDER%20China%20in%20Burma.pdf>