

RELEASE IN PART B6

From: Sullivan, Jacob J <SullivanJJ@state.gov>
Sent: Friday, July 13, 2012 12:11 PM
To: H
Subject: Fw: Thein Sein: Clinton, interview; US Business: meeting, fuel problems, Coca Cola; Banks: IMF, Foreign currency; Rohingya: UNHCR, Ethnic Cleansing; Aid workers: detained, charged; Canada; Wa Army

Fyi

From: Mitchell, Derek J
Sent: Friday, July 13, 2012 11:22 AM
To: Sullivan, Jacob J; Campbell, Kurt M; Yun, Joseph Y; Murphy, W Patrick; Barboriak, Eric M; Nanavatty, Katharine B; Murphy, Erin L; Nagy, Eleanor; Sonnek, Douglas E; Murray, Virginia E; Posner, Michael H; Baer, Daniel B; May, Stacey A; Biswal, Nisha (ASIA/AA); Nuland, Victoria J
Subject: Fw: Thein Sein: Clinton, interview; US Business: meeting, fuel problems, Coca Cola; Banks: IMF, Foreign currency; Rohingya: UNHCR, Ethnic Cleansing; Aid workers: detained, charged; Canada; Wa Army

If you all have bandwidth to focus more on Burma today, second article down - transcript of Thein Sein interview wi/FT the other day - is must reading. Much of this was in bilat this evening but fact that he's put all this out publicly the way he has is revelatory. Now for implementation...

From: Michele Bohana [mailto:
Sent: Friday, July 13, 2012 11:04 AM
To: Michele Bohana
Subject: Thein Sein: Clinton, interview; US Business: meeting, fuel problems, Coca Cola; Banks: IMF, Foreign currency; Rohingya: UNHCR, Ethnic Cleansing; Aid workers: detained, charged; Canada; Wa Army

B6

Attached:

Press Release - U.S. Embassy, Rangoon: USAID OFDA donation regarding civil conflict and natural disasters (July 5, 2012)
Statement - Assistance Association for Political Prisoners (Burma): Allow Torture Victim Medical Treatment and Prosecute Security Forces Responsible for Torture (July 13, 2012)

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- * **Mizzima: Powerful Wa army considers becoming People's Militia Force**

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July 13, 2012

AP: Hillary Clinton talks with reformist Myanmar president

SIEM REAP, Cambodia — Secretary of State Hillary Rodham Clinton was to declare Myanmar open to American investment Friday, introducing the long-reclusive nation's president to top American business leaders gathered near one of Southeast Asia's ancient landmarks.

Following the Obama administration's recent loosening of sanctions against Myanmar, Clinton met President Thein Sein in the Cambodian city of Siem Reap, rewarding him for several pro-democracy reforms while prodding him to do more. The city adjoins the archaeological site hosting the famous centuries-old temples of Angkor, recalling an earlier age of regional glory.

Clinton and Thein Sein shared a warm greeting in a hotel courtyard, their national flags and tropical foliage behind them. Clinton asked about Thein Sein's family and told him "I brought a very prestigious business delegation to see you. I wanted them all to hear from you tonight about your plans for the future."

She met the reformist president last year when she became the first U.S. Secretary of State in half-a-century to visit Myanmar.

They were to go together Friday night to meet the largest-ever delegation of American businesses to Southeast Asia. Those represented include Coca Cola, Ford, General Electric, General Motors, Goldman Sachs and Google.

The high-profile gathering and meeting reflected the sharp progress the country also known as Burma has made after years in the international wilderness.

Western economic and political sanctions had been imposed on Myanmar's previous military regime for its repressive and undemocratic policies. Thein Sein, who took power last year after general elections, has instituted liberalizing reforms in an effort to ease the sanctions and attract foreign aid and investment.

Thein Sein's government has enlisted Nobel laureate Aung San Suu Kyi in its political reconciliation efforts, welcoming her party into Parliament after more than two decades of hostility that saw her spend 15 years under house arrest and other democracy advocates jailed and harassed.

On Wednesday, the Obama administration gave permission for American companies to invest in Myanmar and work with its state oil and gas enterprise, a go-ahead that marks the most significant easing of U.S. sanctions against the former pariah nation.

But Clinton and other officials have made clear they will keep pushing Myanmar to improve its human rights record.

Earlier, at a women's event, Clinton said the U.S. was watching with great interest Myanmar's rolling back of

"restrictive and exploitative labor rules.

"Workers are beginning to organize, although they still face stiff penalties for joining unregistered unions. There will be a lot of challenges, but I hope that we see continuing progress," she said

Another lingering human rights concern Clinton may raise with Thein Sein is the fate of a Muslim ethnic group in western Myanmar.

The Rohingyas have been the target of discrimination, and tensions with Rakhine Buddhists last month exploded into violence that left at least 78 people dead and tens of thousands homeless.

Thein Sein this past week proposed that the U.N. High Commissioner for Refugees resettle the Rohingya in a third country or take responsibility for them, a suggestion rejected by the U.N. as unsuitable.

The business gathering is the final scheduled event of Clinton's weeklong tour of Asia, before she heads to Egypt and Israel.

After stops in Japan and Mongolia, she looked for new investments and human rights advances in Vietnam, Laos and Cambodia - countries in China's backyard whose relations with the U.S. have warmed in recent years despite the difficult legacy of the Vietnam War.

The evolution reflects the wide fear among Southeast Asian countries of being swallowed up as China's military and economic might expands.

The Obama administration is hoping to coax Asian governments away from Beijing as it 'pivots' U.S. power toward the Pacific.

The goal is to expand the American foothold in a part of the world that is increasingly becoming the center of the global economy, but where democracy and human rights lag. Containing China's burgeoning power is another objective.

Earlier Friday, Clinton announced that the United States will provide five countries in Southeast Asia with \$50 million over three years to assist them with health, education and environment programs. The recipients of the aid are Vietnam, Laos, Cambodia, Thailand and Myanmar.

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July 12, 2012

Financial Times: Transcript of interview with Thein Sein

Interview by Gwen Robinson

Following are edited excerpts of the FT's interview with President Thein Sein of Myanmar. The president gave one of his first interviews at his presidential palace in Naypyidaw, the capital, on July 10 2012.

On his recently stated goal to triple gross domestic product within three years and whether, as critics say, it is impossible to achieve:

How you should read this is just as a way of trying to motivate people, like for a student preparing for exams, to set the goal very, very high; it is a way of trying to motivate people and is not meant to be a reckoning of where things might actually be. We've been looking at all the possibilities for future loans and grants, future investment, talking to many investors, so we are trying to be as ... optimistic as possible, partly as a way of motivating people and setting ambitions as high as possible for our country at this time. Whether it is achievable

is not the critical thing, the process is more important, to motivate people and set that goal.

On reconciliation and Aung San Suu Kyi:

There has been instability and conflict between the military government in the past 20 years and Aung San Suu Kyi and her National League for Democracy, and it is important now to move forward on reconciliation and look for co-operation.

In order to achieve this kind of political reconciliation it is important to have friendly relations with her and with the NLD, also with many other groups both in and outside with which they have been working.

This is why I met with Aung San Suu Kyi in 2011, to try to find ways towards reconciliation, and with this objective in mind to look at areas where there might be common understanding and find common positions from which to proceed and also to find areas for further discussion.

One of the issues was to make it possible for the NLD and others to join the political process. We made it possible for the NLD to officially register, also made it possible for others who had been in prison, 28,000 prisoners in total have been freed, many of them political prisoners and also on April 1 we made sure in by-elections that all parties could run.

So [Ms Suu Kyi] and some of her colleagues are now MPs. I am sure there are still many differences of opinion on many issues but these are things we have to continue to discuss, so we are moving forward with stability and reconciliation because of these efforts. And we believe these relationships have improved a great deal as a result. Because of greater engagement, our mutual understanding has increased as well.

On aid and investment and sanctions:

We are in need of aid from the United Nations and other organisations ... and we are also hoping for support from organisations like international financial institutions for loans and outright grants that will help us at this time.

But we don't want to be an aid-dependent country – we really want help and support in aid and knowledge and loans and grants at this time ... so we can get on our own two feet ... and get on with the economic development of this country. The problem or challenge right now is that at a time we very much need investments and loans to move the economy forward, there are still restrictions from many western countries in terms of our ability to do this ... we've encountered this now over the past many months as well.

We want to see the full lifting of sanctions so that major investments will be possible; at the same time, we are also grateful for the relaxation that has happened so far.

This is all very much a linked set of relationships, in my mind, it's only when sanctions are lifted that we'll see the kind of investments we need. It's only when we see these kind of investments that factories will be created, jobs will be created, and that will help raise incomes for ordinary people and with that, we will see improved health and education for people as well. So we see all this together, and want to see the lifting of sanctions in order to try to realise all these other things as well.

On his development and poverty alleviation plans:

As prime minister I was able often to meet people, to try to understand their needs and the country's economic situation – but it wasn't as if I was planning or ever expected to become president, so I wasn't thinking back then of what I would do if I was in this position, I was just trying to understand the problems and challenges."

"I am from a very poor background. From the moment I became the president, [my desire] was to make a priority of poverty reduction in this country"

I myself am from a very poor background, I experienced first hand poverty in this country, and that is not unrelated to my desire, from the moment I became president, to make a priority of poverty reduction in this country.

Now I have become president, I have been able to bring together thoughts and ideas about the situation our people face, and combine them with new ideas from scholars and experts, and I now have the opportunity to try to do something about the problems I have long seen, and to act on this concern – especially for the poorest people.

If we look at overall development of the country, this has always been an agricultural economy but it's not through that that we'll find a way to turn it into a genuinely rich country, we need to find ways to promote industrial development to be able to join the ranks of richer countries.

One of our strong focuses right now is to try to create the sort of labour intensive industries that can provide employment ... we have more than 3m migrant workers in nearby countries and it's important to try to create jobs for them – that means investment in labour-intensive industries at home.

We very much want to see the development of such industries that might involve semi-skilled workers, people who can be trained up in a relatively short period, in sectors such as textiles. We are looking at ways to create these kind of factories and create those jobs.

The country also has tremendous potential in many ways in agriculture, and 40 per cent of our land is still forest with natural resources within those ... we have possibilities of developing fishery operations in the sea and in rivers, rubber and other plantations, and so on. But the important thing is not to export products simply as raw materials but look for ways in which we can develop value-added industries so they're processed and exported at higher value, for example, with rubber the possibility is there to create tyre factories in future, to create perhaps a better market for rubber plantations themselves and also create new jobs with factories. In forestry products, we are exporting raw logs, but there should be scope for creating new industries such as furniture and wood processing, this would increase the value of our exports and increase jobs and therefore people's incomes.

And take our off-shore gas reserves – we are selling them to neighbouring countries but there are many other downstream possibilities of not just developing but processing gas into different products – we are now just exporting these in a raw way. We also want to look at ways to develop heavy industries around the country – and further develop mining potential ... also in rivers around the country there is tremendous hydropower potential.

In telecoms, IT and technology – we are at a stage where only relatively few villages have access to basic telecoms but this is something we are trying to move forward.

To move forward on all these areas we are lacking investment, we also will need knowledge from outside as well, that's why we've tried to double our efforts, really focus on trying to attract foreign investment to help develop the economy in these ways.

We're also in need of aid and assistance ... both in terms of knowledge, loans and other assistance ... and we're also hoping very much for support from international financial institutions for loans and outright grants. But we don't want to be an aid-dependent country, we really want help and support to help us get on our own two feet so we can move forward on our own in terms of economic development.

On his transition from military officer to national leader, and the peace process with ethnic rebels:

As a soldier for my whole career, fighting these armed groups, I always saw them as the enemy – but now as president of the whole country, I see them as part the answer going forward, part of the solution. I realised from the beginning that it was important to change my perspective... When a Kachin soldier or soldier from the national army dies, in both cases it's a Myanmar citizen who dies – so it's a loss to the whole country.

I also realised early on how important with many of these armed groups it was to treat everyone equally and with respect – and try to understand their desire for equality. One big difference between our situation in Myanmar and other situations around the world is that we're not just trying to achieve peace with one group but 11 groups – so it is incredibly complicated as well.

So out of the 11 groups, with 10 we've reached initial agreements, and managed to end fighting. In the north, however, conflict continues in the Kachin region. But with these groups we've begun both formal talks to try to move discussions forward and also, informal meetings between individuals from both sides. We have to be patient in these talks – there are many local issues ... and even when we reach the stage of signing agreements, there will be ongoing discussions and contacts between both sides.

There cannot be peace in this country without democracy and there cannot be democracy without peace. Since 1948, 60 years, there has been internal armed conflict in this country. Over these years so many people have suffered as a result – especially in ethnic minority areas – so I believe one of the strongest desires is to see an end to conflict, and the advent of lasting peace.

There are really three steps in this – we have set up initial talks with regional and state governments as initial steps. As a second step, we will set up a body to begin talks at the union [national] level with these groups. In our discussions with these groups, we must emphasis various points, first the need to ensure the Union of Myanmar is solid – that there will be no secession from the union, that it remains a coherent sovereign state – and that it's important to respect the constitution. We need to move forward within this constitutional framework and look for ways that these groups could create parties and contest elections in future, and also ways they might have a role in business and economic development and for the younger members of groups who are holding guns.

Another point, regarding the problem of illicit narcotics, many groups along the borders have long been complicit in production, trafficking and selling of narcotics, trafficking of weapons, we've discussed the need to join together to see full eradication of illicit drugs. This is relevant to the Association of South-east Asian Nations, as we've made a commitment to Asean that by 2015 it will be free of illicit drugs.

On plans to overhaul the government and perceptions of a struggle between reformers and hardliners:

In terms of any changes in the cabinet, it is not the case that there are hardliners in the cabinet who are actively resisting or against changes or reforms – but there are some in the cabinet who may be slower or who may not be performing as well in terms of trying to realise the objectives the govt has set out, so because of that there may need to be changes

On former leader Than Shwe:

The [political] system has changed; we knew – there was an understanding – that things could not go on the way they were, there was a need for this change to the system, to the framework. The legacy of General Than Shwe was to establish and move us towards this new system. Now we are in this new era where this government and I are trying to lead things forward. General Than Shwe is not involved in any way in current governmental affairs, but he is someone who has been my boss in the past, someone I respect.

On the role of the military:

"The country has had to rely on [it] for a very long time for security. It was important at this time that they were not left behind entirely. They have a limited role within the constitution"

The role of the Tatmadaw [military] in this country is now limited, in parliament they have 25 per cent of seats. This is an armed forces that the country has had to rely on for a very long time for security and to meet external threats as well in the past. So it was important at this time that they were not left behind entirely. So in this constitution, they have a limited role ... they do not have direct control of government policy or policy issues ...

On investment in Myanmar's natural resources:

In looking at investment there are three basic principles. The first is that any foreign investment has to benefit the people of this country to help raise their incomes, to transfer technology to benefit ordinary people in this country.

The second is a sovereignty issue. We don't want to be in a situation where there is a lot of foreign money linked to politicians and political parties in this country and this becomes a country where outside capital, outside money is a big part of the politics.

The third is the environment, we don't want to have foreign or any investment in this country that will be damaging to the natural environment.

We understand that it's important to prepare for the potential downsides of foreign investment at the same time as we are looking for investment.

And in relation to this we are preparing to be a signatory to the Extractive Industries Transparency Initiative to ensure there is maximum transparency in these sectors and try to make sure the benefits go to the vast majority of the people and not to a small group.

The most important thing is to have completely transparent financial accounting to ensure everyone knows where the revenues from these extractive industries are going.

On political prisoners:

The recent release was based on a very rigorous review of existing prisoners. The government is mindful, wants to ensure we are not releasing people who are genuinely guilty of serious felonies, violent felonies, murders, narcotics trafficking and terrorism. This will be a continuing review process. If it is discovered that there are people who do not fall under any of these criteria and are there simply because of their political convictions they will be released.

On concerns about the future:

In terms of my own future it really depends on the support of the people. Of course there's my age, my health.. but it's the support of the people going forward to determine what role I might have.

"The system has changed. There was an understanding that things could not go on the way they were. There was a need for this change"

In term of the reform process going forward there is such a complex set of challenges. So many of these challenges are interrelated, investments, sanctions, the need for economic development, need to raise incomes, that relates in turn to issues of stability, there is the issue of sanctions only being suspended rather than lifted.

We've tried to realise all of these steps in as concrete and practical a way as possible, and we'll need to move forward in as concrete and practical a way as possible being increasingly aware that all of these challenges are interrelated.

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July 13, 2012

Mizzima: U.S business leaders to meet in Rangoon on Saturday

Leaders of 36 large U.S. companies will meet in Rangoon to look at business opportunities on Saturday, local media reported.

The three-day meeting at the Sedona Hotel will include U.S. companies dealing in finance, energy, health and infrastructure industries, said the 7-Day newspaper.

During their visit, the U.S. business leaders will study Burma's foreign investment law, economic conditions and trends. Recently, U.S. companies including Coca Cola and General Electric have signaled they are interested in investing in Burma.

The business leaders are accompanied by two key U.S. financial and trade officials who will promote trade on Saturday and Sunday.

Robert Hormats, the under secretary of state for economic growth, and Francisco Sanchez, the under secretary of commerce for international trade, will meet with Burma's top financial leaders in Naypyitaw and Rangoon.

Hormats and Sanchez will also join members of the delegation of the U.S.-Asean Business Council, which promotes trade between the U.S. and Southeast Asia and has advocated greater business ties with Burma.

On Wednesday, the Obama administration announced the removal of investment sanctions on Burma, allowing U.S. companies to do business and invest in sectors including oil and gas.

According to Burmese statistics, U.S. investment amounted to \$243.49 million in 15 projects, accounting for merely 0.6 percent of the total as of March 2012.

The figures also showed that bilateral trade between Burma and the U.S. reached \$293.64 million in the fiscal year 2011-12, with Burma's export to the U.S. amounting to \$29.57 million while its imports from the U.S. totaled \$264.07 million.

Meanwhile, Britain has opened a trade and investment office in Rangoon and a British business delegation is on a three-day trip to Rangoon and Naypyitaw, the new capital, this week, according to The Telegraph.

Leaders of Anglo American, BP, British Gas, Ernst & Young, Rolls Royce and Shell are among the delegates.

The trip comes just weeks after Britain and the European Union suspended all sanctions apart from arms sales in response to democratic reforms by Burma's military-dominated government.

"Everyone is competing to get into Burma, which means they are talking down human rights abuses and talking up positive changes in order to justify their policy," said Mark Farmaner of the Burma Campaign UK.

In May, British-owned WPP, one of the world's largest advertising firms, bought a stake in a leading advertising company in Rangoon.

Martin Sorrell, WPP chief executive, said Burma offers a “massive opportunity” in the future similar to Thailand decades ago.

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July 13, 2012

Irrawaddy: US Investment Could Fuel Problems, Say Burma Activists

By NYEIN NYEIN

Many activists and politicians in Burma have cautiously welcomed the US president’s easing of sanctions on Burma this week, but many stressed that the US must take into consideration the unsolved issues in the country.

Burma’s opposition leader Aung San Suu Kyi, who is currently attending the fourth parliamentary session in Naypyidaw, said the US move was “nothing significant,” according to the AFP on Thursday. She repeated her call for the international community to press for “transparency” with the state-run Myanmar Oil and Gas Enterprise (MOGE).

NLD spokesman Ohn Kyaing pointed to general concerns about the lack of transparency in business, and said that US investment should “support” Burma’s democratic reforms.

The US statement said, “Easing sanctions is a strong signal of our support for reform and will provide immediate incentives for reformers and significant benefits to the people of Burma.”

Speaking to The Irrawaddy on Friday, Pyone Cho, one of the 88 Generation Students’ leaders, said that they welcomed the US government’s statement because it “is always supportive of Burma’s democracy movement and democratic reforms.”

“Some reforms still need to take place and the US should take these matters into consideration,” he said. “Our country still has some problems—the remaining political prisoners, continuous fighting in the ethnic areas, and the refugee issues—which remain unsolved. The current matters to tackle include workers’ and farmers’ issues, the call for the rebuilding of the [Rangoon University] Students Union, and media freedom.”

The 88 Generation group and other activists said they see the foreign investments in the country as crucial for development, but still harbor suspicions as to what extent they will make an impact.

If American companies enter into natural resources extraction projects, the human rights violations could continue to occur there, because there is no specific rule of law in these areas, said Naing Htoo, the acting director of Chiang Mai-based Earth Rights International’s (ERI) Burma Project.

He said the current oil and gas project areas are mostly situated in ethnic conflict zones and that these projects should be postponed until the conflicts are solved. However, he said, the US government’s move to allow US companies to invest in the lucrative energy sector could fuel these problems.

ERI, which is researching and profiling the companies in Burma’s petroleum and gas sector with regard to their impact on the environment, said that any company planning to invest in Burma should be very careful of its environmental impact and must avoid human rights abuses in the project areas.

“They [the US companies] must follow the guidelines according to international standards if they are to invest,” said Naing Htoo. “Because the Burmese government—and especially the contract-holder MOGE—offers no transparency.”

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July 13, 2012

Reuters (Interview): Coca-Cola eyes Myanmar, no immediate prospects

SIEM REAP, Cambodia, July 13 (Reuters) - Coca-Cola Co (K.O.N: Quote, Profile, Research) sees big potential in Myanmar and is in talks with prospective local partners, but it could be a long time before it begins operations, its regional head said on Friday.

Myanmar, emerging from decades of military rule and one of only three countries in which the company has no operations, was an attractive market for Coca-Cola, but it would not rush into hasty agreements, said Manuel Arroyo, president of Coca-Cola's ASEAN (Association of Southeast Asian Nations) Business Unit.

"The potential of the market, there's no doubt, but obviously we need to walk a very clear, open and transparent line before operating there," he told Reuters in an interview during a meeting of U.S. businesses in Cambodia.

"We're assessing different options with potential partners, or whether we go on our own.

"Of course all of this will require quite a lot of work, and many, many months ... to do the proper due diligence," he added. "We're still in the very embryonic stage."

He said the firm would work closely with the U.S. State Department to make sure prospective partners were appropriate, as required by new U.S. rules on investing in Myanmar, a country of 60 million people, announced by President Barack Obama this week.

Myanmar's quasi-civilian government took office in March 2011 and has started overhauling its economy, easing media censorship, legalising trade unions and protests and freeing political prisoners.

Among the local soft drinks companies that could be Coca-Cola's partners were Pinya Manufacturing Co, Myanmar Golden Star (MGS) and Loi Hein Company.

"But we've seen more than three," said Arroyo. "We're still working internally to decide who would be our best partner, or whether to go alone."

Despite ceasing operations in 1960, Coca-Cola drinks have been smuggled into Myanmar for years over the border from Thailand.

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July 13, 2012

Irrawaddy (Commentary): Principled Engagement—Balancing Values with Interests

By AUNG ZAW

Washington's decision to ease sanctions and allow US companies unfettered access into Burma's lucrative military-linked oil and gas sectors has drawn fierce criticism from human rights advocates.

"The US government should have insisted that good governance and human rights reform be essential operating principles for new investments in Burma," said Arvind Ganesan, business and human rights director at Human Rights Watch.

"By allowing deals with Burma's state-owned oil company [Myanma Oil and Gas Enterprise], the US looks like it caved to industry pressure and undercut Aung San Suu Kyi and others in Burma who are promoting government accountability."

Indeed, the US must be careful not to sacrifice its committed principles of democracy and human rights and thus jeopardize long-standing relationships with democratic and civil society forces in Burma. Doing so would lead critics to accuse Washington of hypocrisy and much of its political leverage would crumble away.

The White House has always been a strong ally of the democratic resistance in repressive Burma but a series of political reforms beginning last year has led to plaudits from the international community and Western nations in particular.

Burma soon became a darling of the West and even lauded as a prodigal son. Hillary Clinton, who became the first US secretary of state to visit Burma in four decades, met Burmese President Thein Sein on the sidelines of a business conference in Cambodia on Friday to discuss enhancing bilateral trade.

Yet activists have continued to warn the US administration not to go too far with its aim of “principled engagement” with the once-pariah state. Clinton defended the US move by saying it “does not mean we are satisfied that reform is complete or irreversible.

“Political prisoners remain in detention. Ongoing ethnic and sectarian violence continues to undermine progress toward national reconciliation, stability and lasting peace. And fundamental reforms are required to strengthen the rule of law and increase transparency.”

Human Rights Watch and others have expressed concern that it was premature for the US to open up across-the-board investment in Burma and has been seeking much stronger preconditions, including an updated sanctions list and binding prohibitions on investment in the country’s problematic oil and gas industry.

“There are still serious human rights-related risks when investing in Burma,” the New York based-group said in a press release. “These include weak rule of law, poor regulation and enforcement of labor and environmental standards, and the lack of an independent judiciary.

“Another highly problematic issue is the military’s extensive involvement in the economy as well as its use of forced labor and other abusive practices linked to providing security for business operations.

“Government corruption and mismanagement is widespread and has not been adequately addressed. The Burmese government remains dominated by the military, which under Burma’s 2008 Constitution enjoys legal supremacy over civilian authorities.”

As sectarian violence continues in Burma—including mass arrests, incommunicado detention and the killings of Muslim Rohingyas and Buddhist Rakhines in Arakan State—the group says the US announcement was ill timed.

However, the US’s strategic refocus on the Asia-Pacific region is one of the driving forces behind embracing military-dominated Burma in order to advance its foreign policy goals.

Located between rising China and India, who boast nearly half the world’s population between them, resource-rich Burma is more attractive than ever. There are several reasons why the White House, which last week sent its first ambassador to Burma for 20 years, wants to move itself closer.

One principle incentive is to seize onto Burma’s recent political opening and encourage further democratization. Secondly, Washington has long been seen as a strong supporter of Burma’s opposition movement.

Since the regime freed political prisoners and allowed Aung San Suu Kyi and her National League for Democracy party to contest the April 1 by-elections, the US administration has no doubt been placated to some

degree.

Finally, Burma has long been seen as satellite state of China. While in the past, India was always the main counterbalance to Beijing's growing clout in Burma, now Naypyidaw wants to instead restore normal relations with Washington—receiving aid, military training and assistance—to perhaps forge closer strategic ties. The key is Burma's direct access to the Bay of Bengal and Indian Ocean.

This also perhaps matches US foreign policy in the Asia Pacific—its ascendancy in the region to counter the might of China. It will not be surprising to see Washington wanting to revive its military assistance to Burma. Burmese soldiers, including intelligence officers, received training in the US until the late 1980s.

There is no doubt that the US is coming back to Asia—this week through Clinton as she visits Laos, Vietnam, Mongolia and Cambodia. Her Southeast Asian tour signals the United States' growing interest in the region—indeed, it will form America's pivot towards Asia as a whole.

Clinton became first US secretary of State to visit sleepy Laos in 57 years. During her visit to Mongolia, she told reporters, “My trip reflects a strategic priority of American foreign policy today.

“After 10 years in which we focused a great deal of attention on the conflicts in Afghanistan and Iraq, the United States is making substantially increased investments—diplomatic, economic, strategic and otherwise—in this part of the world. It's what we call our pivot toward Asia.”

A few years back, Clinton wrote in *Foreign Policy*, “What does that regional strategy look like? For starters, it calls for a sustained commitment to what I have called ‘forward-deployed’ diplomacy.”

“That means continuing to dispatch the full range of our diplomatic assets—including our highest-ranking officials, our development experts, our interagency teams and our permanent assets—to every country and corner of the Asia-Pacific region.

“Our strategy will have to keep accounting for and adapting to the rapid and dramatic shifts playing out across Asia. With this in mind, our work will proceed along six key lines of action—strengthening bilateral security alliances; deepening our working relationships with emerging powers, including with China; engaging with regional multilateral institutions; expanding trade and investment; forging a broad-based military presence; and advancing democracy and human rights.”

So apart from trade, security and forging alliances to counter China, one of the key components of US policy is to work with civil society groups—rather than thugs and butchers—and advance democracy and human rights.

In April, Kurt Campbell, the assistant secretary of state for East Asian and Pacific Affairs who has been the chief architect of the Obama administration's current approach to Burma, made a number of key points in his comments to the House Committee.

These included stating that the nascent reforms instigated by were “real and significant,” highlighting continued human rights violations in Arakan and Kachin states as well as acknowledging the need for further political, social and legal development.

This prompted Washington to adopt a “step-by-step process” toward the easing of economic sanctions which appeared more measured than most other governments were adopting.

Now it is time to see how the US will balance its policy toward Burma during the ongoing fragile political transition, as this remains an ethnically divided nation where repressive measures are still applied and ordinary people do not yet feel they are truly free.

Aung Zaw is founder and editor of the Irrawaddy magazine.

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July 13, 2012

AFP: IMF to open Myanmar office in Thailand

BANGKOK - International Monetary Fund chief Christine Lagarde has announced a new office aimed at boosting its support for Myanmar as the impoverished nation grapples to revive its long-neglected economy.

Largarde said the IMF office, which will be based at the Bank of Thailand (BOT) in the Thai capital, demonstrates the fund's "new emphasis on capacity building and training."

She said she was "delighted to announce... a new office here in Bangkok aimed at supporting our technical assistance for Myanmar," at a speech in the city late Thursday.

She did not specify the opening date for the new office, which will also provide help to Laos, but said the fund "wanted to strengthen" its support to both countries.

###

July 13, 2012

Irrawaddy: Burma Allows Foreign Currency Bank Accounts

By MAY LAY

Burma's Central Bank (CB) allowed 11 local private banks to operate foreign currency accounts on Monday in the first step towards an international finance system deemed crucial for allowing foreign direct investment.

However, people can only perform money transfers from one account to another inside Burma during the preliminary roll-out stage. "I hope they will very soon allow doing business with international banks with this foreign currency account," said a manager for one of the country's leading domestic banks.

Ayeyawaddy Bank, Asia Green Development (AGD) Bank, Commercial Bank and United Amaya are among those popular high street institutions allowing the new service. Customers can open accounts with different currencies such as Foreign Exchange Certificates (FECs), US dollars, euros and Singapore dollars.

"It takes 100 FECs [to open a] FEC account, US \$100 for an American dollar account, 100 euros for euro account and 100 Singapore dollars for a Singapore account," added the manager.

"[The CB] has already allowed operating foreign currency accounts to 11 out of a total of 19 local private banks in Burma," said a CB spokesman. "But only four banks were running on July 9. The other private banks permitted are preparing to launch in this month."

But restrictions remain on the opening of foreign currency bank accounts in Burma. "People have to show some documents for foreign accounts such as the receipt paper from an official exchange currency center, official foreign salary documents and so on," said a spokesman for AGD Bank.

The 11 banks that have been allowed to operate foreign currency accounts are Myanmar Apex Bank, Myanmar Eastern Bank, Commercial Bank, United Amaya Bank, Myanmar Industrial Development Bank, Inn Wa Bank, Tun Foundation Bank, Ayeyawaddy Bank, Myawaddy bank, AGD Bank and Kanbawza Bank.

"We are now preparing and will start this operation next week," said a spokesperson for Myanmar Apex Bank.

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July 13, 2012

UNHCR: High Commissioner for Refugees wraps up mission to Myanmar, Thailand

By Kitty McKinsey in Bangkok, Thailand

BANGKOK, Thailand, July 13 (UNHCR) - UN High Commissioner for Refugees António Guterres has concluded a five-day trip to South-east Asia with agreements in both Thailand and Myanmar that refugees should only return home voluntarily, in safety and in dignity - and should be able to stay home when they do go.

"We don't want the refugees of today to become the irregular migrants of tomorrow," he said.

Meeting Thai Prime Minister Yingluck Shinawatra, he thanked Thailand for its generosity in hosting tens of thousands of Myanmar refugees for more than two decades. The two reached "a solid agreement" that refugees should only go home when they choose to do so.

Earlier in Myanmar, Guterres told President Thein Sein and other senior officials that UNHCR supports peace-building in the south-east (the area from which refugees fled to Thailand) through assistance to displaced people.

"We are ready to help prepare for returns, which should be voluntary and carried out in safety and dignity, both of those displaced within the country and from the nine refugee camps in Thailand," he told the president and other authorities.

Both in Myanmar and in his meeting in Bangkok with the secretary general of Thailand's National Security Council, Wichan Potephosree, all sides agreed that the return of many of the 150,000 refugees now in nine camps in Thailand must be sustainable.

All sides also agreed to work together to create security, economic and social conditions on the ground to make returns successful and ensure that refugees will be able to make a living when they go back. "No one wants refugees to go home, only to have to flee again," Guterres said, "Or, worse yet, become displaced within their own country."

Less encouraging were recent disturbances in Myanmar's western Rakhine state, but there UNHCR has been delivering - and will continue to deliver - humanitarian aid to both displaced communities, Rakhine and Muslim, without discrimination.

"We believe that this can be a factor for reconciliation between communities and we hope that a situation will be established in Rakhine state with the rule of law prevailing, with a human rights-based approach," Guterres said.

The High Commissioner also expressed concern for the status of the 800,000 stateless Muslims of northern Rakhine state.

He told President Thein Sein and the Myanmar government he hoped that - independently of possible improvements in the nationality law - nationality would be granted to the members of the Muslim community who are entitled to it under the present legislation.

"Others should receive a legal status that would grant them the full enjoyment of rights required to develop a normal life in the country," he added.

On Friday night, the High Commissioner was to travel to Ethiopia for the Africa Union summit and for a field mission on Monday to see conditions for refugees from Sudan's Blue Nile State.

###

July 13, 2012

Democratic Voice of Burma: UN rejects Thein Sein's potential Rohingya plan

The UNHCR rejected calls from Burma's president to resettle the country's Rohingya minority group on Thursday as the Rakine Nationalities Development Party backed the leader's plan.

"The resettlement programs organised by UNHCR are for refugees who are fleeing a country to another, in very specific circumstances. Obviously, it's not related to this situation," said UNHCR chief Antonio Guterres, according to an AP report.

Guterres remarks come a day after a Burmese government website posted a press statement regarding the UN official's 11 July meeting with the Thein Sein.

According to the presidential office's statement, Thein Sein told Guterres: "Burma will take responsibility for its ethnic nationalities but it is not at all possible to recognise the illegal border-crossing Rohingyas who are not an ethnic [group] in Burma."

Thein Sein also said the government was prepared to hand over the Rohingyas to the UNHCR and then resettle the ethnic group in any third country "that are willing to take them".

While the UNHCR dismissed the president's radical plan, the RNDP backed Thein Sein's statements.

"We have been asking for thorough verification in accordance with the 1982 Myanmar Citizen Law and to have the people who illegally came into our country stay in refugee camps," said the RNDP's leader Dr Aye Maung during an interview with DVB.

"Just like refugees in other countries, feed them with the UNHRC's support and there'll be third countries who sympathise with them and are willing to provide them with citizenship in their countries."

The party head went on to say that the country needed a 'National Security Law' to prevent terrorists from 'seeping' into the Burma.

"We need to amend the citizenship law via discussions with respective parliament representatives to make it more specific and strict," said Aye Maung.

On Thursday, security forces briefly detained two RNDP members in Arakan state's Mrauk-U township after the duo went around town urging Arakanese nationals who owned rice mills to only sell their goods to Arakanese people.

Mrauk-U township RNDP's deputy-chairman Aye Maung Than and Ba Tin were arrested and held in custody yesterday evening by the police and army.

After their arrest, hundreds of locals reportedly gathered in front of the police station demanding their release.

The RNDP members were bailed out on Thursday evening after being warned by the region's Tactical Operations Commander not act in ways that could incite riots in the town and were forced to sign a pledge to avoid such behaviour.

Thursday's arrests marks the third time RNDP members have been jailed since sectarian riots broke out in the western Burma in early June, which killed nearly 100 people and displaced tens of thousands.

###

July 13, 2012

Mizzima (Commentary): Supporting Rohingya human rights draws ugly attacks

Mark Farmaner

(Opinion) – Burma Campaign UK (BCUK) supports human rights for the Rohingya people. For Burma Campaign UK to make such a statement shouldn't be surprising or controversial.

We are a human rights organization working on Burma. How could anyone disagree that the Rohingya people are entitled to full human rights and the normal rights and protections under international law?

But some people see that statement as such an outrage that Burma Campaign UK staff deserve to be raped and killed. We need to be "punished," "taught a lesson" and "hung." All these views and many more – many vicious and obscene – have been emailed to us or posted on YouTube and Facebook.

The level of abuse, hatred and anger directed against Burma Campaign UK and other organizations who say that Rohingya should have human rights, and which work with Rohingya to defend their human rights, has been astonishing.

There has even been a demonstration in Rangoon, outside the British Embassy, which, as well as attacking exiled media in almost exactly the same way the dictatorship used to, accused Burma Campaign UK of "propaganding" for the Rohingya. I doubt anyone in that protest could cite an example of us "propaganding," whatever that means, but in the current hysteria some people seem willing to believe anything they hear as long as it is anti-Rohingya.

That they were allowed to protest at all was a good sign, but have those people also used their new freedoms to protest for the release of hundreds of political prisoners still in jail, or to protest against the Burmese Army raping women in Kachin State?

The hysteria has gone to such levels that some people from Burma are claiming, and, incredibly, others are believing, that Burma Campaign UK somehow stirred up the violence which broke out in Arakan State. They claim that we are responsible for the violence that has taken place

Burma Campaign UK has long faced criticism for supporting human rights for the Rohingya, and for a variety of sometimes bizarre reasons, as well as what may be genuine misunderstandings.

One lie being spread around on blogs, emails and sites like Facebook is that we are making money out of working for Rohingya. Burma Campaign UK has never received a grant for working on Rohingya issues. In any case, all of Burma Campaign UK's income is spent on campaigning for human rights and democracy in Burma. We are a nonprofit organization.

Another lie in a similar vein is that Middle East countries fund us. Sometimes it is implied we are funded as part of a Middle East plot to take over Burma and turn it into a Muslim country. It is even claimed that there is evidence for this. When Rohingya activists attended an Organisation of Islamic Conference meeting and set up the Arakan Rohingya Union, pictures were posted on Arakan blogs of the delegation, with captions and an article saying I was in the picture, and this was proof that I and Burma Campaign UK were taking Middle East money.

The only problem was, I wasn't in the picture. I didn't even know the event was taking place. The person in the picture was Harn Yawngwe from the Euro Burma Office. At the time we thought it funny that people making these attacks could not even tell the difference between a Shan Prince and myself, we never expected it to be taken so seriously, but this lie took hold. It was spread on email and more blogs, on Facebook, and people actually believed it. On my recent trip to Burma, even very senior democracy leaders in Rangoon talked about it.

One common lie is that we support the Rohingya having a state of their own. We have never said that, and although some Rohingya organizations talked about this decades ago, we have never even heard any Rohingya organization saying they want their own state. There seems to be some great misunderstanding that if the Rohingya are recognized as an ethnic group, somehow that will entitle them to land or their own state. This simply isn't true, and Burma Campaign UK has never said we support that.

Another reason we are attacked over Rohingya issues is that we have a Muslim staff member. From the moment Wai Hnin Pwint Thon joined Burma Campaign UK, messages started to be left on our Facebook Page by people from Burma, attacking her because she is a Muslim.

It was not until years later when she was pictured at a demonstration protesting against the dictatorship's abuses of the Rohingya that it became Rohingya linked abuse posted on our Page. But now Wai Hnin Pwint Thon is subject to torrents of abuse, much more than our non-Muslim staff and volunteers who were on the same demonstration as she was, and have been on other protests with Rohingya as well.

Lies posted and spread about Wai Hnin Pwint Thon include that she is secretly Rohingya (she isn't), she has been accused of working with Rohingya Solidarity Organization (she doesn't), of wanting to create a Caliphate in Burma (she doesn't), of taking money from Rohingya (she hasn't), and even that she has had several children with different Rohingya men (she hasn't). She has faced not just lies but abuse, much of it sexual in nature.

Many people seem to think that any lie or story they hear about someone with any connection to supporting Rohingya human rights is justification for personal attacks, abuse and even threats. Given that this is the way their leaders behave, perhaps that is not surprising.

Around a year ago, I tried to engage Dr. Aye Chan in a conversation on why he and his followers spent much more time criticising Rohingya than they did the dictatorship. Aye Chan was incapable of having the discussion without repeatedly making personal attacks. The email conversation was forwarded to various email groups, and my in-box was flooded with abusive emails. When I asked Aye Chan to ask his supporters not to use personal abuse and threats, and to condemn those who do, he repeatedly refused to do so. When leaders not only fail to condemn abusive and personal attacks, but even make personal attacks themselves, their followers will copy their behaviour.

More recently we have been accused of being pro-Rohingya. I am still not exactly sure what that means. Certainly we are pro-human rights for the Rohingya, how could we or anyone else who believes in democracy and human rights not be?

But the implication is that we are pro-Rohingya, and therefore somehow anti-Rakhine. It is worrying how so many people now see the two as automatically going together. Burma Campaign UK supports the human rights of everyone in Burma, and that includes Rohingya and Rakhine. To talk about Rohingya having human rights does not make us anti-Rakhine. We have campaigned on many Rakhine related issues, including Shwe gas, Rakhine political prisoners, and were one of the few campaign groups actively campaigning for the 34 Rakhine and Karen prisoners in jail in India.

Burma Campaign UK has been criticised for not doing enough on Rakhine issues, and this is also cited as

evidence of some kind of pro-Rohingya bias. But we have never refused any request when we have been asked to work on any Rakhine related issue by any Rakhine community or human rights group. We would do more on Arakan issues, but some members of the Arakan community in the UK will not work with us because we support human rights for the Rohingya. When we tried to meet with Arakan community leaders, it took months to arrange, and only one person turned up. In the past we made repeated offers of all kinds of training and support to the Arakan community in UK, and to groups in exile, and none have been taken up.

Burma Campaign UK was also fiercely criticized for circulating information from the Burmese Rohingya Organisation UK about the recent violence. Circulating information on behalf of human rights groups is a major part of our work. Every year we circulate media releases, briefings and reports from dozens of organisations from Burma, and from international NGOs.

If any organization working on Arakan human rights had also provide a briefing with information not being reported, we would have circulated that as well. But they didn't.

I have tried to have some conversations with some of the people criticizing myself and Burma Campaign UK for bias, asking them for examples. So far no one has been able to provide a single one. Yet the perception remains.

It seems impossible to dispel the belief by some that working for Rohingya human rights means bias against Rakhine. From our perspective, it seems that this is a deliberate tactic of extremists to polarize the debate and incite more hatred and intolerance.

Any public comment or photograph relating to the Rohingya seems to act as a lightning rod for more abuse and threats, and this article will probably result in the same.

But I hope some people may take the time to consider the truth. What possible reason or interest could Burma Campaign UK have in being biased?

Our agenda is solely human rights and democracy. We have been working relentlessly for this for more than 20 years. Why have people been so ready to believe lies and bad things about people who have worked so hard to support their cause? And why do people not simply ask what the truth is before passing on lies and gossip?

Even for those who disagree with Burma Campaign UK, is it right that we should receive threats and abuse just for having a different opinion than them? That is the approach and mind set of the dictatorship. It shouldn't be the way things are done in a democracy. People do need to ask themselves why they are so ready to believe these lies.

The terrible events in Arakan State in the past month and the reaction of many people to those events, casts a long shadow over Burma. Violence and intolerance took hold. Is this the kind of Burma people want to see in the future?

Isn't one of the main reasons for having a democracy that disagreements can be debated and settled politically, not through violence and threats?

Burma's democracy movement is an anti-dictatorship movement, but it must also be a movement for human rights, for tolerance and for equality.

Mark Farmaner is director of Burma Campaign UK.

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July 13, 2012

IHT (Opinion): Ethnic Cleansing in Myanmar

By MOSHAHIDA SULTANA RITU

Cox's Bazar, Bangladesh

LAST spring, a flowering of democracy in Myanmar mesmerized the world. But now, three months after the democracy activist Daw Aung San Suu Kyi won a parliamentary seat, and a month after she traveled to Oslo to belatedly receive the 1991 Nobel Peace Prize, an alarm bell is ringing in Myanmar. In the villages of Arakan State, near the Bangladeshi border, a pogrom against a population of Muslims called the Rohingyas began in June. It is the ugly side of Myanmar's democratic transition — a rotting of the flower, even as it seems to bloom.

Cruelty toward the Rohingyas is not new. They have faced torture, neglect and repression in the Buddhist-majority land since it achieved independence in 1948. Its constitution closes all options for Rohingyas to be citizens, on grounds that their ancestors didn't live there when the land, once called Burma, came under British rule in the 19th century (a contention the Rohingyas dispute). Even now, as military rulers have begun to loosen their grip, there is no sign of change for the Rohingyas. Instead, the Burmese are trying to cast them out.

The current violence can be traced to the rape and killing in late May of a Buddhist woman, for which the police reportedly detained three Muslims. That was followed by mob attacks on Rohingyas and other Muslims that killed dozens of people. According to Amnesty International and Human Rights Watch, state security forces have now conducted mass arrests of Muslims; they destroyed thousands of homes, with the impact falling most heavily on the Rohingyas. Displaced Rohingyas have tried to flee across the Naf River to neighboring Bangladesh; some have died in the effort.

The Burmese media have cited early rioting by Rohingyas and have cast them as terrorists and traitors. In mid-June, in the name of stopping such violence, the government declared a state of emergency. But it has used its border security force to burn houses, kill men and evict Rohingyas from their villages. And on Thursday, President Thein Sein suggested that Myanmar could end the crisis by expelling all of its Rohingyas or by having the United Nations resettle them — a proposal that a United Nations official quickly rejected.

This is not sectarian violence; it is state-supported ethnic cleansing, and the nations of the world aren't pressing Myanmar's leaders to stop it. Even Ms. Aung San Suu Kyi has not spoken out.

In mid-June, after some Rohingyas fled by boat to villages in Bangladesh, they told horrifying stories to a team of journalists whom I accompanied to this city near the border. They said they had come under fire from a helicopter and that three of six boats were lost. Some children drowned during the four-day trip; others died of hunger. Once in Bangladesh, they said, the families faced deportation back to Myanmar. But some children who had become separated from their parents made their way to the houses of villagers for shelter; other children may even now be starving in hide-outs or have become prey for criminal networks. Border guards found an abandoned newborn on a boat; after receiving medical treatment, the infant was left in the temporary care of a local fisherman.

Why isn't this pogrom arousing more international indignation? Certainly, Myanmar has become a destination for capital investment now that the United States, the European Union and Canada have accepted the government's narrative of democratic transition and have largely lifted the economic sanctions they began applying after 1988 (measures that did not prevent China, India, South Korea, Thailand, Singapore and multinational oil companies from doing business with the Burmese). Still, when Secretary of State Hillary Rodham Clinton visited Myanmar late last year and welcomed its first steps toward democratization, she also set down conditions for strengthening ties, including an end to ethnic violence.

The plight of the Rohingyas begins with their statelessness — the denial of citizenship itself, for which Myanmar is directly responsible. Ms. Aung San Suu Kyi, though not as powerful as the military officers who control Myanmar's transition, should not duck questions about the Rohingyas, as she has done while being feted in the West. Instead, she should be using her voice and her reputation to point out that citizenship is a basic right of all humans. On July 5, the secretary general of the Organization of Islamic Cooperation, Ekmeleddin Ihsanoglu, appealed to her to speak up to help end the violence.

To be sure, Bangladesh can do more. Its river border with Myanmar is unprotected; thousands of Rohingyas have been rowing or swimming it at night. But even though Bangladesh has sheltered such refugees in the past — hundreds of thousands of Rohingyas live here now, legally or illegally — it has been reluctant so far this year to welcome them, out of fear of encouraging an overwhelming new influx. Already, such fears have aroused anti-Rohingya sentiment among some Bangladeshis, and initially Bangladesh's government tried to force the refugees back without assisting them. After some villagers risked arrest by sheltering refugees in their homes, the government began to offer humanitarian aid, before sending them back on their boats. Bangladesh should shelter the refugees as it has in years past, as the international community is urging.

But the world should be putting its spotlight on Myanmar. It should not so eagerly welcome democracy in a country that leaves thousands of stateless men and women floating in a river, their corpses washing up on its shores, after they have been reviled in, and driven from, a land in which their families have lived for centuries.

Moshahida Sultana Ritu, an economist, teaches at the University of Dhaka, in Bangladesh.

###

July 13, 2012

Reuters: Ten U.N. staff and aid workers detained in Myanmar, some charged

Burmese authorities have arrested ten staff members from the United Nations and international NGOs.

The detained staff include three Burmese nationals working for the UNHCR, the agency's spokeswoman Melissa Fleming told a regular U.N. briefing in Geneva. She declined to give details.

Charges have reportedly been laid against some of the group.

The detained staff include three Burmese nationals working for the UNHCR, the agency's spokeswoman Melissa Fleming told a regular U.N. briefing in Geneva. She declined to give details.

Another UN official said the 10 detained included three from the U.N. World Food Programme and some from Medecins Sans Frontieres.

The detentions come a day after U.N. High Commissioner for Refugees, Antonio Guterres, visited the country.

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July 13, 2012

CBC: Canada to open embassy in Burma

Foreign Affairs Minister John Baird said today that Canada will open an embassy in Burma following historic elections earlier this year.

However, given reports of ethnic cleansing against the Muslim minority in parts of the country and the reported arrest of UN workers Friday, Baird said there is more work to be done.

Baird made the announcement on a conference call from Bangkok, where he is holding meetings during a 15-day tour of Asia.

Baird visited Burma in March, the first visit by a Canadian foreign minister, and met with democracy activist Aung San Suu Kyi to discuss the country's democratic reforms.

Suu Kyi's release from decades-long house arrest and her victory in a byelection earlier this year have been hailed as key steps in the country's movement towards democracy.

Western nations, including Canada, have been easing sanctions against the country imposed over the former ruling military junta's human rights violations. The junta stepped down last year and Burma, also known as Myanmar, has been transitioning to military-backed civilian rule.

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July 13, 2012

Mizzima: Powerful Wa army considers becoming People's Militia Force

The strongest ethnic army in Burma, the United Wa State Army (UWSA), is reportedly considering a move to drop its independent status and accept a Burmese Army-run People's Militia Force (PMF) status, according to an article by the Shan Herald news agency on Friday.

The UWSA rejected an offer to become part of the government's Border Guard Force (BGF) in 2009, a status that the Wa and other many other major armed ethnic groups rejected.

Unlike the BGF, which is administered by Burmese Army officers, a PMF is both commanded and run by native officers. Both BGFs and PMFs come under the supervision of the Burma Army's PMF and BGF directorates.

The Wa army is estimated to number 30,000 troops and 10,000 auxiliary members.

"We have been discussing it," the news agency quoted an official. "But we have yet come to the final decision." The Shan Herald news agency said the source quoted was not among the top UWSA officials.

If such a change were to come about, observers say the change in status would appear not to affect the group's operations or the control of its territory, but it could serve to technically place the group a little closer to the ruling government. How that might benefit the Wa army and its political party is unclear.

The Wa army has long been known as the most powerful ethnic army in Burma. It is a major player in the opium, heroin and illegal amphetamine drug trade and is responsible for the bulk of the narcotics shipped to China and Thailand and points beyond.

The United States government labeled the UWSA as a narcotic trafficking organization on May 29, 2003.

The UWSA defied the former military regime's demand to disarm and participate in the 2010 elections, and instead proposed to declare the territory under its control as a special autonomous region.

According to 2008 Constitution, six townships are designated as a Wa Self-Administered Division.

A Jane's report in December 2008 said that the UWSA had turned to arms production to supplement its income from drug trafficking and had started a small arms production line for AK 47s:

The UWSA is the military wing of the United Wa State Party (UWSP) and was formed after the collapse of the Communist Party of Burma (CPB) in 1989. The working language of UWSA is Chinese. UWSA announced its territory as Wa State Government Special Administrative Region in January, 2009.

###

July 13, 2012

Irrawaddy: Journals Warned over Maung Aye Reports

By THE IRRAWADDY

Two Rangoon-based journals have been warned that they could be shut down for violating censorship rules after they carried reports about the health of retired Vice-Snr-Gen Maung Aye, the second-in-command of Burma's former ruling junta, according to sources.

The Yangon Times and Venus news journals were told by officials of the country's censorship board, the Press Scrutiny and Registration Division (PSRD), that if they publish articles about censored subjects again, they will be forced to shut down.

Maung Aye reportedly suffered from a paralytic stroke on July 8 and went to Singapore for further treatment. At the time, the PSRD gave strongly worded instructions to news journals not to report it.

Despite this warning, however, the two journals gave extensive coverage to the news the next day. Responsible persons from the journals were subsequently summoned by the PSRD.

"The PSRD director gave them an official warning that this should be the last time they report about something censored and that their publications will be completely seized if they do it again," confirmed a PSRD official who asked to remain anonymous.

When contacted by The Irrawaddy, employees of the two journals said that it was true they received a warning from the PSRD, but declined to provide further details.

The incident has added to criticism of the government of President Thein Sein, which has relaxed controls on the media since coming to power last year, but continues to impose restrictions on coverage of issues it deems sensitive, including recent violence in Arakan State.

Some journalists who spoke to The Irrawaddy condemned the latest move by the PSRD as further evidence of what they see as the insincerity of Thein Sein's administration.

"Since this so-called democratic government was sworn in, The Voice journal has been sued and the Snapshot journal has been suspended and sued. Now, The Yangon Times and Venus are being threatened. Where is freedom of information and press freedom?" remarked one veteran journalist in Rangoon.

Earlier this year, Minister of Information Kyaw Hsan pledged to dissolve the PSRD by the end of June, but some journalists say that it has actually stepped up its scrutiny and censorship activities in recent months.

Others say that while the PSRD has not been as overtly heavy-handed as in the past, other means, including the threat of lawsuits, have been used to keep Burma's media in line.

"All journals still have to work under the PSRD. It's true that we enjoy more freedom than before, but the system is still the same one that was in place under the former military regime. We are still controlled, and now there are many cases of legal action being taken against the media. Journalists face jail terms as well," said the editor of a Rangoon-based journal.

According to officials from the Ministry of Information, a bill on printed media will be submitted to Parliament during the current session. The bill was drafted by the ministry, reportedly without the participation of journalists.