

02/05/2001

Business as usual in Myanmar despite US sanction

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BUSINESS in Myanmar continues to prosper despite the US imposing sanction two years ago, Mandalay Chamber of Commerce and Industry vice chairman Aung Win Khainy said.

He said the Myanmar nationals do not seem to be perturbed over the US sanction, which had been imposed to champion human rights and democracy in the country.

"They (Myanmar nationals) were in no way affected by the sanction as they have alternatives to boost their economic activities, mainly using local resources, especially wood and agriculture products as well as cheap labour," he told Malaysian journalists who were on an eight-day visit to Myanmar since April 22.

The visit was mooted following the discussion between Prime Minister Datuk Seri Dr Mahathir Mohamad and Myanmar's ruling State Law and Order Restoration Council chairman Senior General Than Shwe in January.

Aung Win Khainy, who is also chairman of Hi-Tech Forest Industries Co Ltd and MCI Mandalay Cement Industries Co Ltd as well as Yadanar Bone Bank director, said the sanction had to some extent strengthened the spirit of local entrepreneurs to work hard.

"Last year, three American senators met me, wanting to know the impact of the sanction on the Myanmar people.

"I told them that we are not feeling the pinch. Our exports now go to the Third World countries instead of the Americans. They are the ones who will suffer," he said.

Aung Win Khainy admitted that the sanction will affect major and high-technology investments.

However, he said it would not jeopardise the inflow of investments for small and medium-scale projects which are considered the backbone of Myanmar's economic activities.

On whether Myanmar entrepreneurs will be threatened by the influx of foreign investors into the country when it opens its market, he said this will not arise.

He added that such a move will create healthy competition between foreign investors and the local entrepreneurs.

As an Association of South-East Asian Nations (Asean) member, he said Myanmar has to bear this in mind as the grouping moves towards more liberalised economies when the Asean Free Trade Area (Afta) takes place.

"The small and medium-scale projects are important to us as we move towards implementing Afta requirements," he said.

He said foreigners, especially Malaysians, should capitalise on Myanmar's cheap labour. Salaries given to the locals range between US\$10 (US\$1 = RM3.80) and US\$70 a month.

Meanwhile, Myanmar Deputy Foreign Minister U Khin Maung Win said Myanmar made a right move to join Asean in 1997.

"We decided to join because of the basic changes in international relations from the new perspective.

"In our foreign policy, the neighbouring country is top priority. Although we develop through our own efforts, Asean countries can play a role so that we can develop beneficial relations.

"In view of the increasing pace of globalisation, the role of regional enhancement should be strengthened," he said.

Myanmar gained independence in 1948 but prior to 1997, it has never been

part of a regional group, except under the United Nations banner.

"We joined Asean in 1997 and that is one of the fundamental changes in our foreign policy," he said.

On why Myanmar had not taken steps earlier to join Asean, he said the actual contact was made in 1994 when Myanmar was preparing for membership.

"But the misinterpretation by the foreign media, especially from the West on the country, hampered our preparations," he said.

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