

Re-inventing Myanmar for investors

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News commentary by
M. VEERA PANDIYAN

THE monsoon season in Myanmar begins in May and lasts until October. At the start of this year's rainy season, a gleam of hope showed beneath the gloom of the overcast skies.

The country's pro-democracy opposition leader, Aung San Suu Kyi, was freed after nearly 20 months of house arrest by the ruling junta, known as the State Peace and Development Council.

The unconditional freedom for the National League for Democracy (NLD) leader signalled the first major breakthrough in the United Nations-sponsored reconciliation efforts to resolve the political deadlock in Myanmar.

Much of the credit is attributed to Tan Sri Razali Ismail, the UN special envoy to Myanmar and special adviser to Prime Minister Datuk Seri Dr Mahathir Mohamad.

Clearly, the broker in the secret talks between Suu Kyi and the SPDC, held over a period of eight months, has gained the confidence of both parties and recognition among the people of Myanmar.

In Yangon on Monday, Dr Mahathir was modest about Malaysia's role, saying:

"It is just that a Malaysian was appointed to the reconciliation efforts. He is acting independently. Of course, we are not objecting to what he is doing and we certainly hope that he is successful."

But from as early as 1997, when Myanmar was admitted into Asean, Malaysia has been in the forefront of "constructive engagement" with the much-isolated country, with Dr Mahathir playing a key role in the thawing of the generals' tough stance.

Like the road to Mandalay

in the monsoon season, the way to democracy still looks long and muddy but Suu Kyi's release and the freeing of 14 key political prisoners, is certainly a watershed.

Recent decisions by the SPDC show that the ruling generals recognise the dire consequences of being continually shunned by the outside world.

International pressure against the country heightened after 1990 when Suu Kyi's party won the national elections convincingly but was prevented by the military from taking power.

The generals, described as "unrelenting" on the question of democratic reforms in the past, seem to have become more flexible now.

The clearest indication yet came from the SPDC's third-in-command, Secretary 1 Gen Khin Nyunt on Monday.

"The government is laying down the foundations for the emergence of a democratic state.

"The democracy that we seek to build may not be identical to that which prevails in the West but it will surely be based on universal principles of liberty, justice and equality," he told Malaysia's top corporate brass attending the Myanmar-Malaysia Technology Conference.

The general said the country's current priority was economic development, training its human resources and ushering in information and communication technology.

However, achieving the objectives looks harder than teak, one of Myanmar's main exports.

The country has fertile soil for agriculture and is extremely rich in natural resources. It is the one of the world's main sources of jade, rubies, emeralds, sapphires

and pearls, besides having huge oil and gas deposits

But economic sanctions and isolation have kept much of the sources untapped. Military-run firms control vital industries. News is tightly controlled.

The main complaint of Malaysian investors and visitors is the wavering changes in the prices of goods, services and exchange rates, lack of clear policies and systems and poor telecommunication networks.

An example: A hotel in Yangon charged US\$5 (RM19) for the use of the Internet for half an hour on the first day of the conference. The next day, the rate was US\$10 (RM38). Despite paying the exorbitant rate, access to many places, including news websites, was barred.

Another example: A flat rate of US\$2.97 (RM11.20) was charged for an international call request, even if the call cannot be connected.

It was perhaps taking note of such basic problems that Dr Mahathir suggested that Myanmar learn from Malaysia's experience in attracting foreign investors and developing its human resources.

"We have to prepare the country for such investment. We need the legal framework, the policy framework and our practices must be friendly and attractive for the investors.

"It is not just about saying that we are open. There are things like financial policies and all these will have to be attended to if we want investors," he said in response to a question from a Myanmar journalist.

In a nutshell, Myanmar needs more than the general idea of business if it wants to catch up with the rest of Asean quickly.