

ALTSEAN BURMA

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CHINA GAMBLES ON BURMA AT ITS OWN PERIL

- **China's cozy relationship with the SPDC has resulted in considerable harm from the rise of illegal drugs entering China from Burma. China's current HIV/AIDS epidemic originated in China's towns bordering Burma.**
- **China's growing economic relationship with the Burmese junta is having an impact on increased tensions and hostilities between the SPDC Army and Burma's ethnic groups. This will in turn destabilize China's border regions.**
- **China's steadfast support for Burma's military regime in the UNSC and other international fora is emboldening the regime to further perpetrate economic mismanagement, crackdowns and other actions that will harm the economic growth and stability of the region.**
- **Crackdowns in the form of arbitrary taxation, rampant corruption and skewed economic policies have resulted in capital flight and mass migration of citizens into the region. This has worsened the regional impacts of refugees and asylum-seekers fleeing military atrocities.**
- **Instability in Burma will frustrate efforts by China to address its serious drug problems, HIV/AIDS epidemic and other problems related to migration, human trafficking, social ills and organized crime.**
- **Assuming China's blind support, the Burmese regime has intensified its crackdown, re-arresting student leaders and former political prisoners, and implying that harsher persecutions are on the way.**

China's relationship with Burma and its overt willingness to defend Burma in the international community is based on its economic interests. Unfortunately, in pursuing its economic agenda, China has chosen to ignore the growing instability in Burma that is the root cause of serious social and health problems in China.

FORMAL TRADE

According to SPDC statistics, China's trade with Burma doubled in the five years to 2004, reaching US\$1.1 billion.¹ In 2004, 13.85% of Burma's exports were destined for China and more than 25% of Burma's total imports came from China.² In 2005, China was Burma's largest source of imports accounting for 28.5% of total imports to Burma.³ By 2006, China had increased its share of imports to Burma to 31.1% and reduced its share of exports to 5.8%.⁴ China is currently the 11th largest foreign investor in Burma and has plans to invest an additional US\$203.52 million in 25 new projects.⁵

1 Time Asia (23 Jan 06) Burma - Going nowhere

2 NLM (23 Oct 05) Further promote Myanmar- PRC trade and investment

3 Department of Foreign Affairs and Trade (Jun 06) Burma Country Brief

4 EIU (2006) Myanmar Country Review

5 NLM (23 Oct 05) Further promote Myanmar- PRC trade and investment

Trade between Burma and China is heavily dependent on border trade. Commodities exported to or imported from Burma customarily pass through border cities of Muse, Lwejel and Laiza. During the period from 1988 to 2005, the major export from Burma to China was timber. For the period from 2000 to 2005, timber exports represented 70% of Burma's total exports from Burma to China.⁶ [See table at left.]⁷

Table 5: China's Border Trade with Myanmar (USD Millions)

	2000	2001	2002	2003	2004	2005
Export via Border	293.5	261.2	358.3	446.3	500.6	540.6
(% as of Total Export)	59.1%	52.5%	49.4%	49.1%	53.3%	57.8%
Import via Border	66.9	93.7	105.4	134.5	164.5	223.5
(% as of Total Import)	53.6%	69.8%	77.0%	79.3%	79.5%	81.5%

(Source) China Customs.

(Note) "China's Border Trade" is defined as commodities cleared and recorded by the Kunming Customs Office.

In the last several years, China's economic interests in Burma have focused on oil, gas and electricity. On 7 December 2005 the SPDC Ministry of Energy signed a MoU with China's PetroChina for the sale of 6.5 trillion cubic feet of gas from Burma's A-1 block over the next 30 years. The gas will be transported via a pipeline to Kunming.⁸ On 16 January 2006, China Oil Field Services

Limited announced that it had agreed to provide drilling services at three sites at the onshore Block M in Arakan State. The contracts are worth RMB 40 million (US\$4.9 million) in total.⁹ On 17 April 2006, the state-owned China Business newspaper reported that China's National Development and Reform Commission approved an oil pipeline project linking Akyab in Burma's Arakan State to Kunming in the Chinese province of Yunnan.¹⁰

As of March 2006, there were eleven major on-going hydro-power projects in Burma, with a total generating capacity of 1734 megawatts. Contracts were signed for seven projects and all of them were with Chinese enterprises.¹¹ On 28 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. The 600-megawatt station at Hutgyi is the first of five to be built in partnership by China, Thailand and Burma along the Salween.¹²

ILLEGAL TRADE

Timber

In October of 2005, Global Witness issued a report which alleged that 98% of the timber imported annually between 2001-02 and 2003-04 to China across the China-Burma border was illegal. Despite the claim that the logging was "illegal", the report also noted that the SPDC and ceasefire groups were all involved in the cross-border timber trade to China.¹³ As a result of the Global Witness report and increasing international pressure, China announced its intention to clamp down on illegal logging in May 2006. China increased surveillance of border activities with Burma and ordered Chinese workers to leave Burma.¹⁴

Drugs – Amphetamines, Opium, and Heroin

In 2004, Burma produced approximately 700 million amphetamine tablets, which corresponds to about 7.5% of total global manufacture.¹⁵ Much of the amphetamine production occurs in the remote areas

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

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

8 Mizzima News (12 Jan 06) Pipeline future uncertain after Burma reneges on gas deal with India

9 Irrawaddy (17 Jan 06) China Signs Drilling Deal in Burma

10 AFP (17 Apr 06) China gives green light to Myanmar oil pipeline

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

12 AP (28 Jun 06) China, Thailand to Build \$1 Billion Hydropower Plant in Burma

13 A Choice for China - Ending the destruction of Burma's northern frontier forests, Global Witness October 2005

14 Mizzima (09 Jun 06) Timber trade changes give SPDC more power

15 Situational analysis of illicit drug issues and responses in the Asia-Pacific Region, A report prepared for the Australian National Council on Drugs, November 2004 – May 2005

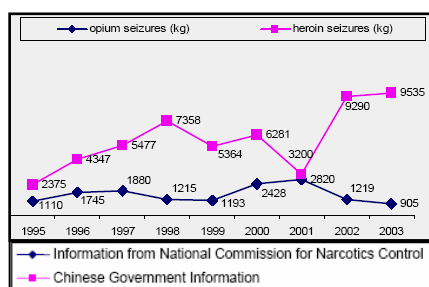


Table 1 –Opium and Heroin Seizures

1995-2003 data on opium and heroin seizures in China.]

along the Burma/China border.¹⁶ A large portion is of amphetamine production is confined to Shan State, where it can be quickly moved across the border to China.¹⁷ In May 2005, Chinese officials seized 102kg of methamphetamines in Yunnan Province, a province that shares its southern border with Burma. In November 2006, police in Yunnan seized 110kg of methamphetamines.¹⁸ In the first three months of 2006, Chinese officials recorded a 435% increase in the number of drug seizures from 2005. About half of the hauls were synthetic drugs such as amphetamines.¹⁹ [See Table 1²⁰ for

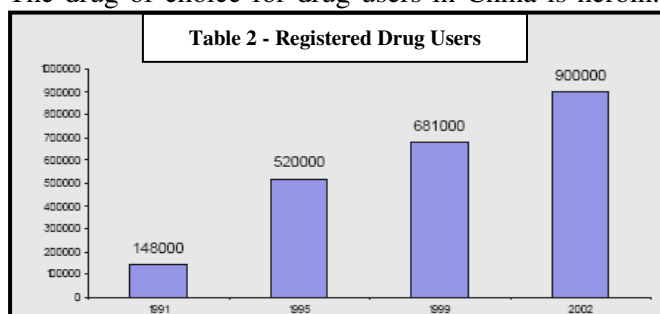
Burma continues to be the main opium producer in Southeast Asia and the second largest opium producer in the world. The country’s share of the world opium poppy cultivation fell slightly from 23% in 2004 to 21% in 2005.²¹ Ninety percent of Burma’s total opium poppy production takes place in Shan State.²² In 2005, the average farm gate price of opium at harvest time was estimated at US\$187/kg which represents an increase of 22% compared to 2004. According to the UNODC, China is a primary destination for opium trafficked from Burma.²³

THE CONSEQUENCES AND SOCIAL IMPACT OF CHINA’S TRADE WITH BURMA

Drug Addiction

"At present the Sino-Myanmar border area is being flooded with drugs, posing a huge danger to the society and people," the China News Service quoted Wen Jiabao as telling Burma’s PM, Gen Soe Win.²⁴

The drug of choice for drug users in China is heroin. The use of methamphetamines was rare until 1995 but is currently expanding rapidly. As of late 2003, the number of registered drug users was 1,050,000. Officially, some suggest the number of drug users ranges from an estimated 6–8 million; unofficially, estimates are as high as 12 million. The estimated number of injecting drug users (IDUs) ranges from a low of 356,000 to 3,500,000 with a mid-range figure of 1,928,000.²⁵



According to China’s own statistics, the number of known drug addicts in increased 35% from 2000 to 1.2 million by early 2005.²⁶ The figure included 700,000 heroin addicts, more than two-thirds of them under age 35. Areas along China's southern border with the heroin-producing “Golden Triangle” of Thailand, Burma and Laos, where the drug is cheap and plentiful, have high addiction rates.²⁷ [See

16 Bureau for International Narcotics and Law Enforcement Affairs (Mar 06) International Narcotics Control Strategy Report 2006

17 Transnational Institute (May 06) Drug Policy Briefing No. 17: HIV/AIDS and drug use in Burma/Myanmar

18 Bureau for International Narcotics and Law Enforcement Affairs (Mar 06) International Narcotics Control Strategy Report 2006

19 AP (09 May 06) China busts cocaine ring – with US help

20 Country Factsheets, Eurasian Narcotics – China 2004 - Silk Road Studies Program, Uppsala University, and Central Asia-Caucasus Institute, Johns Hopkins University-SAIS (www.silkroadstudies.org)

21 UNODC, World Drug Report 2006 [Chapter 3.1.2.]

22 UNODC, World Drug Report 2006 [Chapter 1.3.1.]

23 UNODC, World Drug Report 2006 [Chapter 1.3.2.]

24 AFP (15 Feb 06) China urges Myanmar to step up anti-drug efforts

25 Situational analysis of illicit drug issues and responses in the Asia-Pacific Region, A report prepared for the Australian National Council on Drugs, November 2004 – May 2005

26 AP (11 Sep 06) Report: China to open another 200 methadone clinics this year in anti-heroin effort

27 AP (11 Sep 06) Report: China to open another 200 methadone clinics this year in anti-heroin effort

Table 2²⁸] The Chinese government also stated that the drug situation has seriously damaged the Chinese economy. The country's registered heroin addicts consume heroin worth 27 billion yuan (US\$3.26 billion) every year. The drug problem also jeopardizes public security, giving rise to drug-related crimes. [See Table 3²⁹] Of the entire

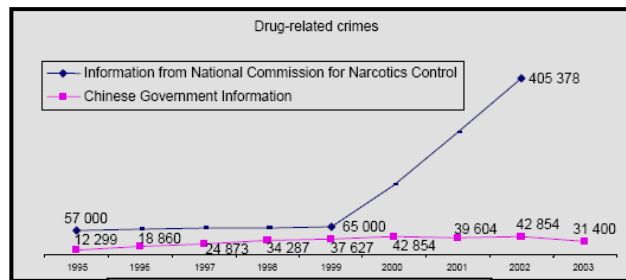


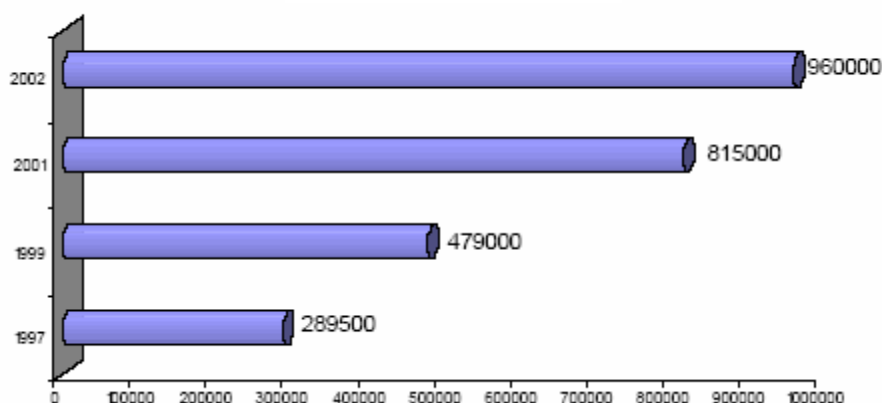
Table 3 - Drug Related Crimes

registered drug addict population, 80% of male users were involved in other illegal activities, while 80% of the females worked as prostitutes. In some areas, drug addicts are responsible for 60 to 80% of robberies and thefts.³⁰

HIV/AIDS

The current HIV/AIDS epidemic has been described as having four distinct stages. The first phase, from 1985 to 1988, was marked by a small number of AIDS cases in coastal cities, and those infected were mainly foreigners or Chinese people who had traveled overseas. The second phase, from 1989 to 1993, began in October 1989 with the identification of HIV infection in 146 drug users in Southwest Yunnan. The third phase began in late 1994, when HIV transmission spread beyond Yunnan Province. A considerable number of cases of HIV infection were reported among drug users and commercial plasma donors from various regions and the national figures for HIV infection quickly grew. The year 2001 can be considered as marking the start of the fourth phase of the AIDS epidemic in China. In August 2001 the government published estimates suggesting that there were between 600,000 and 800,000 people living with HIV/AIDS. In 2003 a government agency estimated that about 61.6% of HIV positive people had been infected through drug use.³¹ According to the UNAIDS, China is experiencing one of the most rapidly expanding HIV epidemics in the world.³² In 2002, Chinese authorities put the figure of registered HIV/AIDS-infected persons at 840,000 but estimated that there was likely more than 1 million cases in the country. Others estimate between 3 and 7 million infections in total.³³ [See Table 4³⁴] Since 1999, there has been a 30% annual rate of increase of reported HIV infections. Based on this calculation, it is projected that without concerted prevention and treatment efforts, the number people living with HIV/AIDS (PHA) in China will exceed 10 million by 2010, if there is not enough effort to HIV control.³⁵

Table 4 - Registered HIV Cases



28 Country Factsheets, Eurasian Narcotics – China 2004 - Silk Road Studies Program, Uppsala University, and Central Asia-Caucasus Institute, Johns Hopkins University-SAIS (www.silkroadstudies.org)

29 Country Factsheets, Eurasian Narcotics – China 2004 - Silk Road Studies Program, Uppsala University, and Central Asia-Caucasus Institute, Johns Hopkins University-SAIS (www.silkroadstudies.org)

30 China – Questions and Answers (<http://service.china.org.cn>)

31 Avert – HIV/AIDS in China (Updated 11 Sep 06) [Footnotes omitted] (www.avert.org)

32 UNAIDS China - Epidemiological Fact Sheet on HIV/AIDS and Sexually Transmitted Infections 2004 Update

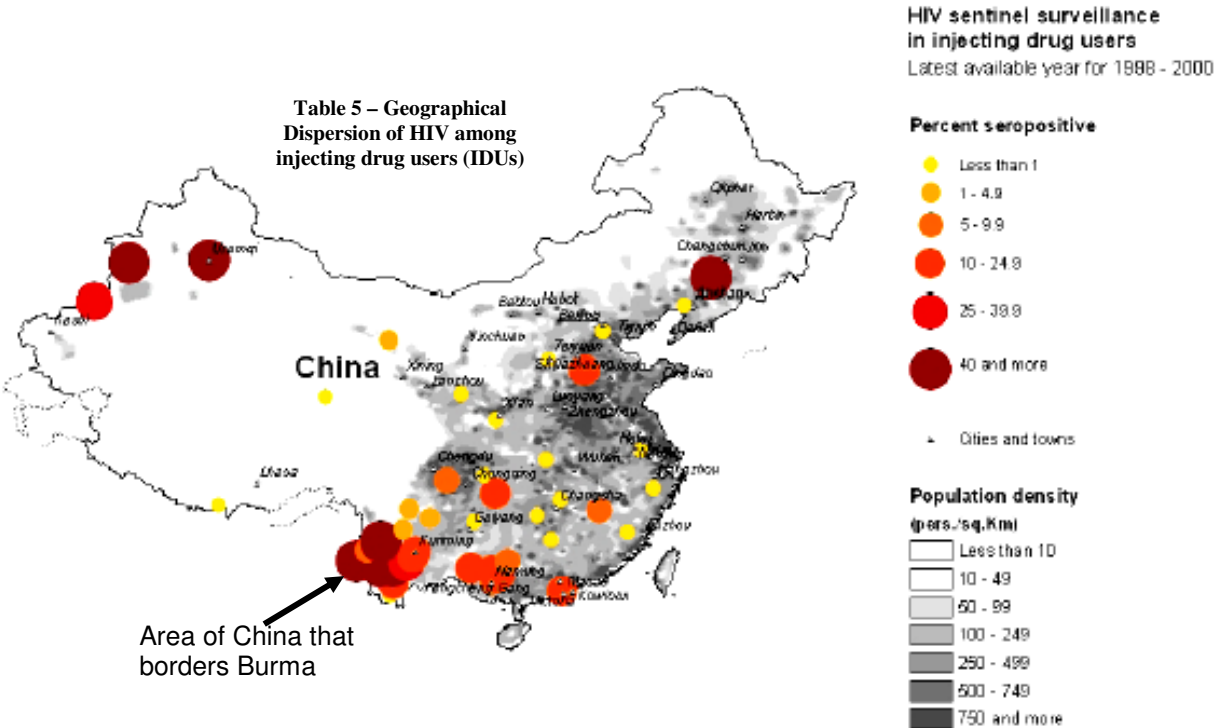
33 Country Factsheets, Eurasian Narcotics – China 2004 - Silk Road Studies Program, Uppsala University, and Central Asia-Caucasus Institute, Johns Hopkins University-SAIS (www.silkroadstudies.org)

34 Country Factsheets, Eurasian Narcotics – China 2004 - Silk Road Studies Program, Uppsala University, and Central Asia-Caucasus Institute, Johns Hopkins University-SAIS (www.silkroadstudies.org)

35 UNAIDS China - Epidemiological Fact Sheet on HIV/AIDS and Sexually Transmitted Infections 2004 Update

There is overwhelming evidence to support that China’s HIV/AIDS epidemic had its origins in cities in Yunnan Province that border Burma. This evidence also established that the HIV was originally transmitted by injecting drug users and attributable to the illegal drugs coming to China from Burma. As of 2003 the proportion of reported HIV among IDUs was 44%. In some areas the prevalence rises above 80%.³⁶ A recent report on the status of HIV/AIDS in Burma stated: Yunnan Province, in China’s southwest, is the highest HIV prevalence zone in China. It was also the first Chinese Province to have undergone epidemic spread, which began among injecting drug users in several districts on the Yunnan-Burma border in the early 1990s.³⁷

The Beijing Center for Disease Prevention and Control, has pointed out that after nearly three decades of being virtually drug free, use of heroin and other illicit drugs has re-emerged in China as a major public health problem. One result is that drug abuse, particularly heroin injection, has come to play a predominant role in fueling China's AIDS epidemic. The first outbreak of HIV among China's IDUs was reported in the border area of Yunnan province between China and Myanmar where drug trafficking is heavy.³⁸ The uptake of heroin use, and subsequent epidemics of injecting drug use related infections, including HIV and Hepatitis C are direct outcomes of Burma’s heroin exports to China. In 2002 a joint Japanese and Chinese research group studying HIV and Hepatitis C infections (HCV) among IDU in Yunnan made a similar observation: “The Southeastern region of Yunnan province is a key site for drug trafficking and HIV-1 infection spread.” Both of the predominant forms of HIV-1 circulating in China have been identified as originating in the upper Burma high recombination zone.³⁹ [See Table 5 geographical dispersion of HIV among injecting drug users (IDUs) in China.⁴⁰]



36 Situational analysis of illicit drug issues and responses in the Asia-Pacific Region, A report prepared for the Australian National Council on Drugs, November 2004 – May 2005

37 Responding to AIDS, TB, Malaria and Emerging Infectious Diseases in Burma: Dilemmas of Policy and Practice (March 2006) A Report by the Center for Public Health and Human Rights Department of Epidemiology Johns Hopkins Bloomberg School of Public Health [Footnotes omitted]

38 Responding to AIDS, TB, Malaria and Emerging Infectious Diseases in Burma: Dilemmas of Policy and Practice (March 2006) A Report by the Center for Public Health and Human Rights Department of Epidemiology Johns Hopkins Bloomberg School of Public Health [Footnotes omitted]

39 Responding to AIDS, TB, Malaria and Emerging Infectious Diseases in Burma: Dilemmas of Policy and Practice (March 2006) A Report by the Center for Public Health and Human Rights Department of Epidemiology Johns Hopkins Bloomberg School of Public Health [Footnotes omitted]

40 World Health Organization – Summary Country Profile for HIV/AIDS Treatment Scale-up – June 2005

INCREASED INSTABILITY IN BURMA

Timber Trade

While it is irrefutable that the “illegal” timber trade with China noted in the October 2005 Global Witness report was causing considerable damage to Burma’s environment, it was largely controlled by ethnic groups such as the Kachin Independence Organization (KIO). The KIO is the main provider of social services to villagers in Kachin State. The KIO was able to provide these services by revenues made from the timber trade with China.⁴¹ As a result of China’s crackdown on the “illegal” timber trade, the SPDC assumed control over the entire timber export business with China through the Myanmar Timber Enterprise.⁴² As a result of the SPDC takeover, the SPDC will receive all the revenue generated from the trade. In addition the SPDC will use granting of logging permits to leverage and divide armed ethnic groups.⁴³ The SPDC’s use of such divisive tactics could add fuel to what is already a deteriorating relationship between the SPDC and armed ethnic groups.

Relations between the SPDC and Shan and Kachin armed opposition groups are increasingly characterized by mutual violence. On 10 February, the SPDC Army fired at Shan State Army-North (SSA-N) officers while they were meeting with local headmen at a village in SSA-N Brigade-3 Mong Kher region in Northern Shan State.⁴⁴

Recent hostilities between the SPDC and the KIO/Kachin Independence Army include the following incidents:

- On 2 January 2006 the SPDC Army’s LIB-68 launched an attack on a KIO base camp in Muse Township in Northern Shan State, killing six people, including one KIO officer.⁴⁵
- On 11 February 2006, SPDC Army forces arrested four KIA members for passing through a junta-controlled area near Mansi Township, Bhamo District in Kachin State despite the area’s regular use by the KIA.⁴⁶
- On 20 April, SPDC soldiers stormed four KIA Fourth Brigade outposts near Mongko in northern Shan State. The attack was part of the SPDC’s operation against the KIA’s Second and Eighth Brigades that concluded on 21 April.⁴⁷ During the attack, 13 KIA soldiers were abducted by the SPDC.⁴⁸
- On 21 April, the SPDC arrested 14 KIO members in the Maijaya region of northern Shan State.⁴⁹

At the sixth conference of the National Democratic Front (NDF) from 20-22 April 2006, delegates from nine of Burma’s ethnic armed resistance groups collectively spoke out against the SPDC and its 7-Point Roadmap to Democracy.⁵⁰ Gen-Sec of the NDF, Col. Hkun Okker, mentioned the handovers of arms by both the Palaung State Liberation Army (PLSA) and Shan State National Army (SSNA) and the negative consequences each one had on civilians in those areas such as rapes, land confiscations, portering and forced labor for SPDC development projects. For these reasons, the conference urged other groups of the need to “prepare for self-defense.”⁵¹

41 Mizzima (09 Jun 06) Timber trade changes give SPDC more power

42 Global Witness (30 May 06) China Blocks Timber Imports From Burma

43 Mizzima (09 Jun 06) Timber trade changes give SPDC more power

44 DVB (10 Feb 06) Breaking News: Burmese troops attack a SSA-N base in Shan State

45 Mizzima News (03 Jan 06) Six Kachin shot dead by Burmese troops; DVB (03 Jan 06) Friendly fire: Burmese soldiers kill six KIO members in Shan State

46 Mizzima News (14 Feb 06) Four KIA fighters arrested by Burmese military

47 Mizzima News (21 Apr 06) Burmese military raids KIA outposts

48 Irrawaddy (24 Apr 06) Drunk junta officer fails to convince a tense KIO

49 DVB (21 Apr 06) Special report: KIO members detained by Burmese army

50 Narinjara News (26 Apr 06) NDF’s sixth Congress Successfully Concluded

51 NMG (25 Apr 06) NDF urges armed groups to be prepared

The Construction of the Kyaukphyu-Ruili Pipeline

The plan by China to build the Akyab-Kunming pipeline is a project of enormous proportions. The length of the pipeline in Burma is 2,380 kilometers (1,434 miles) and it will pass through Pagun, Tuywintanug and Mandalay. [See Table 6.⁵²] The proposed pipeline is already causing increased SPDC Army activity in Shan State.⁵³ The increased military activity will likely cause heightened tensions with armed ethnic groups that have signed ceasefire agreements with the SPDC.



Table 6 – Probable route of Kyaukphyu-Ruili Pipeline

The history of gas pipeline construction in Burma is rife with examples of human rights abuses. The development of the Yadana and Yetagun gas fields offshore, including the construction of two pipelines, became the subject of intense controversy and several lawsuits in US and French courts due to forced relocations, forced labor, and gross human rights abuses associated with the project.⁵⁴ Unocal (US) and Total (France) were the targets of the litigation over the human rights abuses. Both oil companies eventually settled the lawsuits at considerable expense.

Even when a pipeline is completed, villagers in the vicinity of the pipeline are forced to perform security patrols and are held responsible for any damage to the pipeline – accidental or otherwise. A recent example involves the 1 February 2006 explosion on the Kanbauk-Myaing-Kalay gas pipeline near Kwan Hlar village, Mudon Township, Mon State. As a

result of the explosion, the local SPDC Army commander arrested 11 village leaders including the Kwan Hlar village SPDC Chairman and Secretary,⁵⁵ ordered villagers in the vicinity of the explosion to patrol the gas pipeline and to build a fence where the pipeline is above the ground. The local SPDC Army commander also threatened to kill the villagers and relocate the villages should another explosion occur. While the SPDC Army blamed the explosion on armed ethnic groups, the more likely cause of the explosion was a leak in the pipeline.⁵⁶

Dam Construction

Dam construction poses the same scenario for human rights abuses as pipeline construction. According to Karen River Watch the proposed series of dams on the Salween River could displace up to 80,000 people and flood an area one third the size of Singapore.⁵⁷ On 4 July 2006, Salween River Watch issued a statement saying the, "the dams will be built in a war zone near the Thai-Burma border where the Burmese dictatorship has launched repeated military operations in an attempt to control the ethnic peoples of Burma, their land and resources".⁵⁸ In February 2006, the SPDC Army embarked on its largest campaign against the Karen since 1997. As of June 2006, more than 18,000 unarmed civilians had been internally displaced because of the SPDC Army offensive which has included burning villages, killing unarmed civilians, torture, rape, destruction of food supplies, and planting of landmines.⁵⁹

A spokeswoman for the Salween Watch Coalition, an environmental umbrella group, said that some communities in Burma will suffer because the dams will flood their land, affect fish supplies and disrupt the river's flow. She also noted that those affected the most [by the dam construction] are the ethnic minorities along the Salween River - especially from Shan State, Karenni and Karen state.⁶⁰

52 Supply and Command – Natural gas in western Burma set to entrench military rule – A report from the Shwe Gas Movement (July 2006)

53 Nation (23 Sep 06) Competition intense for Burmese gas

54 Supply and Command – Natural gas in western Burma set to entrench military rule – A report from the Shwe Gas Movement (July 2006)

55 IMNA (30 May 06) Military accuses NMSP member of involvement in gas pipeline explosion

56 IMNA (15 Aug 06) The day the sky was on fire

57 Irrawaddy (29 Jun 06) Thais urged to protest against Salween hydrodam

58 Mizzima (04 Jul 06) Activists condemn Thai-China Salween deal

59 AP (12 Jun 06) New attacks by Myanmar army displace 4,100 more ethnic Karens: relief group

60 VOA (11 Jul 06) Chinese-Thai-Burmese dam projects raise humanitarian, environmental concerns

While Thailand has borne the brunt of the current SPDC Army actions in Karen and Karenni States by an increased number of refugees fleeing across the border, increased SPDC military presence and campaigns against ethnic armed opposition and ceasefire groups has the potential to destabilize most of Eastern Burma.

CHINA, BURMA AND THE UNITED NATIONS SECURITY COUNCIL

Chinese Prime Minister Wen Jiabao told his SPDC counterpart Gen Soe Win that China would maintain its policy of non-interference in Burma's internal affairs. In a meeting on the sidelines of the East-Asia Summit in Kuala Lumpur, Wen said the Burmese government and people should tackle the "situation" by themselves, "while the international community should provide constructive help to them."⁶¹

China's Ambassador to the UN Wang Guangya said it was "preposterous" to put a country on the council's [UNSC] agenda because of issues like human rights, refugees, drugs and AIDS, and called the move "a far cry from reality".⁶²

China's provision of economic cooperation to Burma seems to have expanded around 1997 when the US imposed economic sanctions that banned new foreign investments. During Senior General Than Shwe's state visit to Beijing in January 2003, China offered Burma a preferential loan amounting to US\$ 200 million and a RMB (yuan) 50 million grant (equivalent to US\$ 6.25 million).

Just after China's commitment, the Depayin Massacre of May 30, 2003⁶³ occurred and this event provoked the U.S. to impose stricter sanctions in July 2003, which included an import ban of all Burma-made products. Thus, China stepped into the vacuum that was created by the Western sanctions and compensated for Burma's needs for trade and economic cooperation.⁶⁴ More recently, on 10 June 2006, it was reported that China had signed an agreement to provide Burma with a special low-interest loan. A Chinese embassy official said the loan was for US\$200 million in buyer's credit.⁶⁵

The actions of the Chinese government in providing economic assistance were clearly designed to support and protect Burma's military regime from increasing international condemnation and economic pressure. And the SPDC is well aware of the extent to which China will protect Burma in matters before the UNSC.

Confident of China's blind support, the SPDC arrogantly reacted being formally placed on the UNSC Agenda on 15 September by re-arresting 1988 student leaders Ko Ko Kyi, Min Ko Naing, Htat Kywe, Pyone Cho, and Min Zeya.⁶⁶ In addition, the SPDC rearrested Aye Myint who had been released only several months earlier because of pressure from the ILO. The SPDC has taken these actions even though the ruling generals know that Ibrahim Gambari, UN Under-Secretary-General for Political Affairs, is scheduled to visit Burma in November to assess the SPDC's efforts in bringing about democratic reform.⁶⁷

61 Irrawaddy (15 Dec 05) Chinese PM Reiterates Non-Interference in Burma

62 China's Ambassador to the UN Wang Guangya remarks during 15 Sept 06 UNSC Session

63 May 30, 2003 is known as the "Depayin Massacre" in Burma and is the date on which forces from the Union Solidarity and Development Association (USDA), the political wing of the SPDC, attempted to assassinate Daw Aung San Suu Kyi.

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

65 AP (10 Jun 06) China signs pact to provide Myanmar with US\$200 million loan

66 IHT (02 Oct 06) Myanmar's military junta says prodemocracy activists arrested to prevent unrest.

67 UN News Service (29 Sep 06)