

## **Written evidence from British Chamber of Commerce Myanmar (MYA0028)**

### **The Author | Peter Crowhurst**

- Peter Crowhurst is Chief Executive Officer of the British Chamber of Commerce Myanmar (The Chamber) and has 8 years in country Myanmar experience and was a founding board member for the Chamber in 2014.
- Peter Crowhurst has to date a 32-year business career in Asian markets including Taiwan, China, Singapore, Malaysia, Hong Kong.
- He is currently in the UK.

### **The British Chamber of Commerce Myanmar (The Chamber)**

- Established in July 2014 as a Myanmar registered not for profit business association. The Chamber represents a cohort of approximately 260 large and small companies and an individual membership of 900+ people. 50% of these are Myanmar nationals.
- Key sponsors of the Chamber include UK household names including Prudential, Standard Chartered Bank, Jardines, Willis Towers Watson, Unilever, Deloitte, Stephenson Harwood, Dulwich College all with significant business interests in Myanmar.
- The Chamber is well connected throughout the business world in Myanmar, provides numerous platforms supporting the business network.
- The Chamber is a contract partner to DIT providing trade and business services and an international affiliate of the British Chambers of Commerce in London.
- The Chamber can provide instant access to key Myanmar private sector, nonmilitary aligned companies.
- The Chamber since its inception in 2014 has managed detailed processes to ensure that there was no interaction with military funded organisations, persons or companies.
- The Chamber has active working groups on legal, finance, energy, and a professional women's network.

### **How can the Government improve its response to the crisis in Myanmar? How can it coordinate more effectively with international allies to influence a peaceful resolution to the crisis?**

HMG needs to understand that the Burmese Military (Tatmadaw) is one of the world's most opaque organisations and is some 80 years old as well as being the 11<sup>th</sup> largest army in global terms with manpower of approximately 450,000. To gain better perspective HMG needs try and understand it. They are engaged in business and operate, directly or indirectly some 250 companies. Why do they do that? The Myanmar Government hardly levied any taxation, inconsistent application of salary tax, commercial contracts had no tax clauses (that also gives a context for untouched historical contracts, such as those held by Total, Chevron, Posco, PTT. Thus, to sustain a substantial army funds need to be raised in any way possible, with the obvious drug dealing & resource extractives and timber providing the largest source of revenues. So far, such export revenue generation continues unabated – some anecdotal evidence even indicates significant increase.

The UK has been proactive since February 1<sup>st</sup>, 2021. However, words, sanctions and statements provide little solace.

- Any positive actions by HMG are always against the background of the optics or public relations. This caution is ultimately counterproductive, and worse than sanctions and helps the Tatmadaw strengthen its power base. We strongly recommend that HMG take a more proactive approach.
- On a diplomatic front there must be a level of engagement with the State Administration Council that spells out to the SAC the impact of their actions to date. Do they really want to drive their country back to the state it was in 1990?

### **Recommendation**

- HMG must take re concrete steps that include:
  - Ensuring workers, particularly those in severely affected industries such as garments have access to immediate cash to pay salaries. The Chamber is well positioned, through its membership, to provide immediate access to top leadership in the banking, micro finance, and E-Wallet sectors to support such initiatives.
  - With the chaotic banking sector, this is the time when the agriculture needs financial support. Support the agricultural sector with small loans and act as a financing bridge so that farmers can get the loans, they need to acquire seed, fertilisers and essential materials to ensure a successful harvest. Such a step helps to mitigate food shortages and shorten supply chains.
  - That development funds are supported by the commercial private sector where an immediate impact can be felt. Key sectors to support include but not limited to:
    - Agriculture
    - Energy
    - Food
  - HMG support Myanmar exports to enable the generation of foreign exchange, bring new markets and avoid single market low price exploitation.
- In all cases the Chamber can provide immediate contacts with the appropriate private sector companies and facilitate through its team to ensure that local businesses are well resourced.
- Where there are gaps identified the Chamber, through its international affiliation network, can provide immediate contacts to British business to bring about solutions to problems.

### **What was the impact of the February sanctions on regime officials? What further action is needed?**

- Those sanctions will have little to no impact on the targeted individuals and not drive any outcomes beneficial to the larger population in the short or medium term. Thus, the HMG should without delay:
  - Put pressure on ASEAN countries to create solutions and not words. The result of the recent summit held in Jakarta was very predictable and gave General Min Aung Liang a platform and visibility pose as the victim allowed him to make a vague promise; and immediately thereafter - renege on the so called 5-point agreement.
  - The UK together with ASEAN should call for a further meeting with Myanmar both sides being the National Unity Government, the State Administration Council to bring about solutions potentially aligning with other countries; however, HMG needs to take the lead and others will follow.
  - Implement further advocacy on matters concerning key blocks to economic recovery being:

- That the internet should not be blocked, there needs to be free and fair access.
  - That the banking system needs to be effectively managed by the SAC and not in a way that it is strangling the economy and making it impossible for businesses to operate effectively.
  - Advocate that the seaport systems are working effectively. The Chamber has numerous members whose imports, in one case over USD65,000,000 are completely blocked from entry due to the lack of port operations.
  - Export operations for Tatmadaw revenue generation – as noted above – reportedly continue unabated. As do arms imports from Russian and elsewhere. HMG needs to advocate with UN to stop arms imports.
  - Strong advocacy but neutrality is essential to help eliminate fighting, cutting off the supply of arms to all together with the money supply. It is important that HMG does not fall into the trap of taking sides; the end objective must be political and economic stability.
- Take a stronger approach that the UN Special Envoy to Myanmar be allowed to enter Myanmar.
  - Work with international banks not to create unnecessary blockages on financial transactions going into and from Myanmar but at the same time ensuring that such transactions are being sufficiently monitored to cut off the money for arms.
  - Put pressure on China not to be taking advantage of the situation to further its own agenda to the detriment of Myanmar.
  - Utilise the business experience on the ground in Myanmar to support the best course of action mediated and supported by Chambers of Commerce, who are neutral.

**What steps should the UK be taking to support justice and redress for civilians affected by the violence?**

- Ensure that UK Aid money gets to the right people (for example, a recent FCDO garment workers salary support project failed to pay out final tranches of support in Myanmar, of around £135k in value). The Chamber had offered support and linked connections in the banking sector to solve the problem.
- Take tangible reportable action that really demonstrates UK commitment and make sure that everyone knows about it.
- HMG should develop a 5-point action plan for 2021 and 2022 that supports **reconciliation, sustainable business, education, Myanmar exports, energy.**
- Support for suitably qualified Myanmar professionals, engineers, medical, finance, hospitality as an example to obtain visas to enter and work in the UK.

**What opportunities does the UK's new status as an ASEAN Dialogue Partner bring for mediation?**

- The performance of ASEAN towards Myanmar has been dismal, they primarily adopt a role of non-interference which allows actors such as China and Russia to act with virtual impunity.
- HMG must place consistent pressure on ASEAN through its diplomatic presence throughout the region, Minister for Asia and not least ASEAN Ambassador. Coordination with European countries with ASEAN Ambassadors to provide a consistent message backed by action.

**Is the Government making full use of the UK's position as the UN Security Council Penholder on Myanmar? What further action should it be taking through the Security Council?**

- HMG and the UN produced some excellent results; however, China and Russia remain the outliers and extra effort needs to be made to bring them to the table. China maybe more biddable than Russia. The fact that Russia is seeking to increase arms exports to China's neighbours (India, Myanmar, Vietnam) is of big concern.
- The UN itself is not being heard and the UN for Myanmar has not been allowed to enter Myanmar. Statements from the Secretary General lack depth and punch as no one is listening.
- With the UK Defence pivot towards ASEAN and Indo Pacific HMG needs to place Myanmar and the Indian Ocean as part of the strategy. China spreads its influence through Myanmar to gain access to the Indian Ocean, allowing a flow of good through Myanmar into China. Myanmar is of strategic importance and thus a balanced presence in the Indian and Pacific is essential singularly and with its allies. Other European nations such as France & Germany we understand are pivoting their attention to ASEAN and Asia, this recommended that HMG develop a more coordinated approach.

**Is the FCDO's in-country resourcing sufficient? Are diplomats and other officials working in Myanmar given adequate training and support?**

- The Embassy, which the Chamber has excellent relations, is completely under-resourced and fragmented from COVID-19 before the coup. HMA Dan Chugg, DIT Director Warren Pain, Barbara Masenderon have done an excellent job with wafer thin local resources. That said the Embassy team have developed some excellent results that include:
  - Allowing travel to the UK for citizens without a pre-travel covid test.
  - Regular town hall meetings to UK nationals in Country providing updates and recommendations to stay or leave.
  - Reintroduced a UK national list at the Embassy.
- What they lack and need is how to build a constructive image around their work they have done and how the UK is and can further support Myanmar. As for example the former DFID (now FCDO) team's valuable work remains wholly invisible, whilst we are sure that it is there, it needs to be talked about.
- A change of Ambassador is being planned, whilst the incumbent will not agree, we consider that the timing is wrong for such a change in a critical period and carries risk. The Embassy, together with HMG needs to be taking the lead demonstrate experience and not least a clear understanding of the Myanmar environment. We strongly recommend that the replacement, if deemed necessary, is fully conversant with the Myanmar situation to be truly effective. HMG could consider a former incumbent to return to the role.
- In terms of their training, we can't comment, in terms of support, likely it is there, but distant, however the essential part has to be telling the world what FCDO is doing to support that goes beyond written statements.

**In Summary**

- The situation is critical, the country has taken a giant leap backwards with socialist and isolationist policies driving the agenda leading to:
  - A banking system in dire straits, not due to overall ability to operate, but convoluted and reversionary Central Bank of Myanmar policies.

- Connectivity, that was the envy of the region, still in place, however overall policies are controlling the decline.
- HMG needs to support the Myanmar people before the situation fragments further with concrete steps that include:
  - Support with development assistance going to the right place, with business first policies.
  - Take a leadership role in stimulating change of policies towards Myanmar in ASEAN as well as globally.
- Risk aversion can be worse than sanctions, nothing or too little gets done. HMG should take bold steps to support Myanmar.

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