

Online Editorial

Keep Up the Pressure on Than Shwe's Cronies

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To keep up the momentum on the Burma issue and to persuade the military leaders to sit at the negotiating table, the international community and individual governments need to put pressure on the cronies who prop up the regime leadership.

One of the principal targets would be Tay Za, CEO of Htoo Trading Group and founder of Air Bagan, which recently launched services to Singapore and Thailand.

The young tycoon in his early 40s is Burma's wealthiest business man, thanks largely to his close friendship with the country's top leaders, including Snr-Gen Than Shwe and Gen Thura Shwe Mann, number three man in the regime.

Tay Za was recently in the hot seat, however. During the September demonstrations, he left Burma in a hurry to seek refuge elsewhere. News reports suggested that he left Burma on September 27.

Than Shwe's wife Kyaing Kyaing and members of her family also left Burma the day before, on September 26, apparently for reasons of personal safety.

When street demonstrations started, Tay Za asked his staff to keep an aircraft on standby at Rangoon airport.

It has been suggested that he, Kyaing Kyaing and her party flew to Dubai. Diplomatic sources in Bangkok believe they went first of all to Singapore and then flew on to Laos on a chartered flight. From there they reportedly flew to Dubai, although some reports also suggest that they flew to Macau.

More troubles loom on the horizon for tycoon Tay Za because of his strong ties to the Than Shwe family.

Since the crackdown, people have been avoiding flying on Tay Za's Air Bagan, and the airline's planes have been reportedly grounded because of a shortage of passengers.

Public anger at Tay Za and the Htoo Trading Company is on the rise. The Htoo Trading Company was temporarily closed down during the demonstrations, and staff had to wait until now for their delayed salaries.

Air Bagan, which began operations in 2004, has a fleet of five aircraft, including A-310 airbus planes. It expanded its international network this year with the start of direct flights to Singapore and plans to fly later in 2007 to Kunming and Seoul.

Kyaing Kyaing and members of her family have shares in Air Bagan. More importantly, Tay Za and Kyaing Kyaing keep assets and savings in Singapore, where Tay Za has bought luxury apartments.

In 1990, while still in his twenties, Tay Za set up his company with an initial capital investment of US \$333,333, concentrating on the export of timber and gaining access over the years to large areas of virgin forest.

Three years into the life of the Htoo Trading Company, Tay Za expanded his dealings with the regime by supplying the military with aircraft parts. He created Myanmar Avia Export, Burma's sole representative of Russia's Export Military Industrial Group, known as MAPO, and of the Russian helicopter company Rostvertol.

Military analysts say he was instrumental in the junta's purchase of advanced MiG-29 fighter-bombers and helicopters from Russia.

Despite the presence of Russian arms dealers in Rangoon—confirmed by western diplomats—Htoo denies involvement in arms trading, although admitting that it does sell helicopters to the regime.

Tay Za's close connection to the regime is undoubtedly one of the keys to his success. Ties to the top are vitally important when doing business in Burma, and Tay Za has no shortage of friends in high places.

He cleverly recruited the children of powerful generals in order to take them on board his company, which appears to be one of Tay Za's business strategies. Aung Thet Mann, son of the junta's number three, Gen Thura Shwe Mann, who is tipped to take over the leadership when Than Shwe goes, is on Tay Za's executive business board.

Aung Thet Mann's company, Ayer Shwe Wah, is now part of Htoo, and the general's son is reaping big cash rewards from the arrangement. When the regime relaxed its ban on rice exports, Aung Thet Mann's company was awarded the first rice export licence, providing for the delivery of 11,000 tons to Bangladesh and Singapore.

The US and the EU imposed visa bans on Tay Za and businessmen who are closely associated with the Than Shwe regime. But it is important to take further steps to freeze assets Tay Za holds overseas, possibly in Singapore.

The US government should talk to one of its strongest allies in the region about the possibility of taking action against Tay Za. Rumor has it that Tay Za is considering moving his bank accounts and other assets in Singapore to Macau.

Tay Za and the Than Shwe regime are tightly linked—if Tay Za and his empire begin to feel shaky, we'll see Than Shwe make more political concessions with the opposition and show readiness to bend to international pressure.

Editorial

Four Party Talks—a Viable Alternative?

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Thailand's Prime Minister Surayud Chulanont proposal for four-party talks to search for a resolution

of the Burma crisis is not new. A number of diplomats and experts have been talking about the possibility of a multinational approach since 2006.

In the case of another crisis area, North Korea, six-party talks began in August 2003 in an ultimately successful attempt to get Pyongyang to end its nuclear program.

Six states took part in those talks: China, South Korea, North Korea, the US, Russia and Japan. The talks resulted in North Korea agreeing to shutdown its nuclear facilities in exchange for fuel aid and steps towards the normalization of relations with the United States and Japan.

The multi-party talks approach might not work in the case of Burma, which has resisted all moves at the UN to persuade the regime to listen to reason and change course. However, it should not be forgotten that North Korea also initially rejected the six-party talks initiative.

China and other regional countries with political and economic clout could bring pressure on the Burmese regime to agree to such talks.

If four-party talks do occur, Burma's political and economic crisis can hardly be dismissed as an "internal affair." The talks would involve members of Asean (including Burma), China, India and the UN.

The international community, particularly the world's financial power houses, the US and the EU, could put more weight on the junta to change course. At the same time, western governments need to constructively engage with Burma's neighboring countries.

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