

# Who profits from a coup? The power and greed of Senior General Min Aung Hlaing

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A show of force from the Myanmar military over the past few days, led by its Commander-in-Chief, Senior General Min Aung Hlaing, has caused a political crisis that threatens the “disciplined” democracy the military themselves engineered. The military’s talk of a coup, coupled with the sudden parade of tanks patrolling major cities, has caused public fear and anxiety, at a time when the people are grappling with a wave of Covid-19 and economic crisis.

Echoing the persistent claims by the Myanmar military’s proxy party Union Solidarity and Development Party (USDP) that the November 2020 general elections was marred by fraud, Senior General Min Aung Hlaing is raising questions of election irregularities and talking about upholding the military-drafted Constitution. The Constitution ensures the military’s role in politics with a guaranteed 25% of the seats in parliament, autonomy from civilian oversight and control of ministries of home affairs, border affairs and defence. Senior General Min Aung Hlaing’s political power and economic interests are at stake as his retirement date fast approaches.

As June 2021 nears, when Senior General Min Aung Hlaing is required to transfer power to a new Commander-in-Chief, his financial interests must be considered as a motive for his coup threat. Senior General Min Aung Hlaing and his family have a lot to lose after having amassed personal wealth through the abuse of his public position as head of the military.

## **Senior General Min Aung Hlaing’s role in military business**

Senior General Min Aung Hlaing has ultimate authority over Myanmar’s two military conglomerates, Myanmar Economic Corporation (MEC) and Myanma Economic Holdings Limited (MEHL). He is the head of the Patron Group of MEHL and one of the biggest shareholders, overseeing business interests throughout Myanmar. These businesses were built through the systemic corruption of military dictatorship and the theft of public assets, which expanded under Senior General Min Aung Hlaing’s leadership.

Businesses Senior General Min Aung Hlaing oversees include strategic assets outsourced to cronies and notorious international businesses through corrupt deals that he has presided over. For instance, in 2013, MEHL took control of Bo Aung Kyaw Port, transferred from Myanma Port Authority, a civilian government agency headed by a former military official and MEHL director. In 2016, the port was leased to crony conglomerate KT Group under a 50-year build-operate-transfer deal earning MEHL US\$3 million per year, reviewable every 5 years, according to reporting from

[Myanmar Now](#). Similarly, MEC controls a swath of riverside land in Ahlone Township, which it has leased to Asia World and Adani Ports and SEZ for the construction and operation of private ports.

In the mining sector, under Senior General Min Aung Hlaing's leadership, MEHL controls the largest number of jade and ruby licences in lucrative sites, some of which it has leased to crony conglomerate KBZ's mining subsidiaries, [disclosed in reporting](#) to the Myanmar Extractive Industries Transparency Initiative. In the Khamti region, MEHL provides licences to KBZ's jade subsidiary, through which 24,230 kg of jade was extracted in the 2015-16 fiscal year alone, paying minimal royalties to the government.

[Ever Flow River Group has partnered with MEHL](#) for the Hlaing Dry Port and Inland Container Depot on land controlled by MEHL. While EFR is contributing 100% of the investment for the strategic project, MEHL holds a 51% stake, with Senior General Min Aung Hlaing personally profiting.

Wanbao Mining and Myanmar Yang Tse, subsidiaries of Chinese arms manufacturer NORINCO, operate infamous copper mines in Sagaing, which have caused environmental destruction and immense suffering for local communities. According to [data disclosed by MEHL](#), the total investment of the Sabae Taung & Kyay Sin Taung mine is US\$398.56 million, with 100% of the capital provided by Yang Tse. In Letpadaung, 100% of the mine's US\$997 million investment is provided by Wanbao. Wanbao Mining and Myanmar Yang Tse are responsible for the vast majority of the workforce. Senior General Min Aung Hlaing had agreed to a profit share for MEHL of 51% for both mines, despite MEHL not investing capital (MEHL's profit share was later reduced after community outrage, increasing the state's share).

These corrupt deals net significant profits to Senior General Min Aung Hlaing and cement his relationship with cronies, who are consequently beholden to him, in a system that continues to concentrate wealth within a tightly knit group of top generals and their associates. These relationships are systemically corrupt, enabling Senior General Min Aung Hlaing to extract rent from the military's access to state assets, licences and public procurement.

### **Senior General Min Aung Hlaing's family businesses**

Senior General Min Aung Hlaing's has also abused his power to benefit his family, who have profited from their access to state resources and the military's total impunity.

Aung Pyae Sone, Senior General Min Aung Hlaing's son, operates a number of known businesses. His medical supply business, [A&M Mahar](#), sells Food and Drug Administration clearances and brokers imports, as well as trading and marketing pharmaceuticals and medical technology.

In 2019, Aung Pyae Sone came under [public scrutiny](#) for his ownership of Yangon Restaurant and Yangon Gallery in People's Park, adjacent to Shwedagon Pagoda. He was awarded an artificially low land lease from the Yangon Regional government and serves alcohol in breach of a Yangon City Development Committee prohibition.

Aung Pyae Sone also owns Azura Beach Resort, which [promotes itself](#) as the "largest resort in Chaung Tha". Shortly after the NLD's victory in the 2015, the Myanmar Investment Commission, under the USDP-led government, [granted a permit](#) to Sky One Construction to build a resort on 22.22 acres of land leased from the government, in a systemic conflict of interest. Sky One Construction is owned by Aung Pyae Sone.

In 2016, Winning Star, a company owned by Aung Pyae Sone's business partner in Sky One Construction, which formerly operated out of the same address, won a [250-million-kyat contract](#) from the Ministry of Hotels and Tourism to develop the Mrauk-U Hotel. Mrauk-U is the ancient capital of Arakan State, where there has been intense fighting over the last year between the Myanmar military and the Arakan Army.

Aung Pyae Sone's wife, Myo Yadanar Htaik is also in business, including as a director of Nyein Chan Pyae Sone Manufacturing & Trading Company with her husband. Until recently, she was a director of Apower, a subsidiary of crony company Aung Myin Thu Group, which has a real estate development in Mingaladon Township of Yangon.

Min Aung Hlaing's daughter, Khin Thiri Thet Mon, owns Seventh Sense, a media production business that makes big budget films and has [exclusive contracts](#) with Nay Toe and Wut Hmone Shwe Yi. Nay Toe features prominently in marketing for Mytel, the mobile operator that Senior General Min Aung Hlaing established with MEC, being awarded the government's share in the venture. Khin Thiri Thet Mon also owns Everfit, a chain of luxury gyms.

These family business interests are likely the tip of the iceberg. As long as the military remains outside of democratic oversight and Senior General Min Aung Hlaing can continue to abuse his power for personal gain, it is not possible to gauge the family's true wealth and assets.

### **Who benefits from a coup?**

While Senior General Min Aung Hlaing threatens a coup to supposedly uphold the integrity of Myanmar's electoral process, it is important to examine his economic interests, as head of the military's economic conglomerates and the business interests of his family. His economic activities have been the subject of growing domestic and international criticism, causing reputational risk for the military's international business partners like Kirin Holdings and Pan-Pacific.

Since 2019, scrutiny of Senior General Min Aung Hlaing and the Myanmar military's economic interests has increased, after the UN Fact-Finding Mission published a report that implicated military-owned businesses in genocide, war crimes and crimes against humanity. Furthermore, Senior General Min Aung Hlaing is at the centre of international efforts for accountability for the crime of genocide, war crimes and crimes against humanity.

The people of Myanmar and the rank-and-file of the military continue to suffer from the rampant corruption and systemic conflict of interest under Senior General Min Aung Hlaing's leadership. If democratisation in Myanmar progresses and there is accountability for his criminal conduct, he and his family stand to lose their revenue streams.

Public assets stolen by Senior General Min Aung Hlaing and his family must be returned to the people. Without action from a democratically elected government, there is a high risk that Senior General Min Aung Hlaing will try to hang onto power as Commander-in-Chief and use it to continue to amass wealth through military conglomerates and his family businesses, while the majority of the people of Myanmar and the rank-and-file of the military live in poverty.

Threatening a coup does not benefit the people of Myanmar or the rank-and-file soldiers Senior General Min Aung Hlaing is tasked to lead. Moreover, attempting to do so at the end of his term as head of the military, which he has used to enrich himself and his family, indicates a financial motive, in addition to his desire hold onto political power. Who really benefits from a coup?

**P.S.**

• January 30, 2021:

<https://www.justiceformyanmar.org/stories/who-profits-from-a-coup-the-power-and-greed-of-senior-general-min-aung-hlaing>