

Burma hosts the World Economic Forum on East Asia

John Roberts
12 June 2013

The military-dominated government in Burma (Myanmar) hosted the World Economic Forum (WEF) on East Asia last week, promoting the country as a new “frontier market” for international investors. Several US, European and Australian oil and gas corporations were notable participants, with executives scrambling to secure a share of the lucrative energy reserves that were previously cut off by Western economic sanctions.

The WEF involved 1,000 participants from 50 countries. Burmese President Thein Sein was joined by his counterparts from the Philippines, President Benigno Aquino; Vietnam, Prime Minister Nguyen Tan Dung; and Laos, Prime Minister Thongsing Thammavong. Each appealed for further foreign investment in their economy. The three-day meeting, held on June 6–7, included 550 “business leaders” from more than 60 global companies, such as General Electric, Visa, Coca Cola, Unilever, Mitsubishi, Tata Motors, Chevron and Woodside Petroleum.

The event would have been impossible just two years ago, when the country remained subject to US-led sanctions. President Barack Obama’s economic-strategic “pivot” to Asia led to a sudden change in Burma’s official status from pariah state to flourishing free market “democracy.” US imperialism’s provocative drive to maintain its domination over East Asia and the Pacific by encircling Beijing saw a concerted effort to woo Burma, strategically located between China and India. The Burmese government had been one of China’s few close allies.

The US rushed to rehabilitate the Burmese military and lift sanctions on the country after the regime agreed to sham by-elections in April last year that allowed the opposition National League for Democracy led by Aung San Suu Kyi to have a token representation in the

parliament. Washington has since hailed the country as a “developing democracy,” turning a blind eye to the government’s continued violent repression of the country’s ethnic minorities and other abuses of democratic rights.

Now US and other corporations are rushing to capitalise on the potential economic bonanza. “When was the last time a market of 60 million people fell out of the sky?” Martin Sorrell, of marketing giant WPP Plc, told the *Irrawaddy*. “This is one of the last frontiers.”

Burma offers the prospect of a new cheap labour platform that would have among the lowest wages in the world. It also has significant natural resources. WEF official David Harland noted during the summit: “Myanmar possesses a wealth of assets. Endowments of tin, antimony, zinc, copper, tungsten and lead, as well as petroleum, timber, coal, marble, limestone, gemstones, natural gas and hydro power, are potentially extremely lucrative and transformative.”

Burma’s proven energy reserves are estimated at 50 million barrels of oil and 283 billion cubic metres of natural gas, the latter worth around \$75 billion at current prices. The full scale of the oil and gas on offer remains unknown. The state-owned Myanmar Oil and Gas Enterprise has claimed proven reserves of 226 million barrels of oil and 457 billion cubic metres of gas.

“Myanmar’s oil and gas reserves have not been sufficiently explored using modern seismic technology, making it an exciting prospective exploration target,” Rajiv Biswas, Asia-Pacific Chief Economist for IHS Global Insight, told AFP.

Past reliance on Asian, mainly Chinese, investment has meant most possible areas for oil and gas exploitation remain unexplored. China holds shares in

16 oil and gas blocks. Already 16 foreign companies are at work on 17 onshore exploration blocks and 15 companies on 20 offshore blocks. Oil conglomerates such as US-based ExxonMobil and Chevron, Australia's Woodside Petroleum, Oil India, France's Total and the Italian ENI are among those lining up for 30 new offshore blocks being offered by the Burmese government in September.

"This is all about potential," Peter Coleman of Woodside Petroleum, which has already secured two exploration block deals, told Bloomberg. "We are talking about potential in deep waters offshore of Myanmar."

Other areas being lined up for foreign exploitation include agriculture. With an output of \$21.2 billion, it is the country's largest sector and supports 70 percent of the population. Unlike most of Asia, large tracts of arable land remain uncultivated. The government has organised massive transfers of land, which it claims is unoccupied or unused, to business and state agencies.

Opposition leader Suu Kyi participated in the WEF, using the event to announce her intention to run for president in 2015. "I want to run for president and I'm quite frank about it," she declared, urging the government to amend the 2008 constitution to allow her to do so.

Suu Kyi's announcement was an obvious appeal for support from the assembled international investors. She represents a section of the Burmese ruling elite that was long sidelined by military rule, while being backed by Washington and its allies. The National League for Democracy has responded to the imperialist embrace of Thein Sein and the generals by emphasising that it would accelerate the pace of pro-business economic "reform" if it were installed in power.

"Actually there isn't that much investment coming in," Suu Kyi stated. "Foreign investors are afraid to invest in the country because there's no guarantee for them, because we still lack rule of law and infrastructure here. That's why rule of law is fundamental to development in this country."



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact