

Burmese vow to continue to

All is quiet in Rangoon and Mandalay, but the stirrings of democracy cannot be silenced forever, writes **Anne Hyland** in Burma.

In Burma, there is talk from Rangoon to Mandalay of more protests. From the educated elite to the struggling, sinewy rickshaw drivers all speak with conviction that it will happen in the next three months.

"This is the beginning, we must face them," says 92-year-old Ludu Daw Ahmar, an eminent Burmese literary figure admired for her outspoken anti-government views.

"We are struggling, but victory is with us."

Victory, however, seems a long way from the streets of the northern Burmese city of Mandalay, where the wheelchair-bound Ahmar lives, and even more remote in the country's heavily policed former capital Rangoon, which lies to the south.

In both cities, martial law remains in place between 10pm and 4am. Razor wire and road blocks are stationed outside Buddhist monasteries, Buddhist universities and the holy Sule and Shwedagon pagodas. Soldiers wearing flipflops sit guard over these sites with semi-automatic machine guns and wooden crates of bullets.

Burma's revered monks captured the world's attention last month when they joined civilians in the biggest anti-government protests in two decades. But today few monks can be seen in either Rangoon or Mandalay.

The *Australian Financial Review* visited more than a dozen monasteries and Buddhist universities in both cities in the past week, and few monks were in residence. Many have returned to their villages, while others remain detained by the military, which used batons, tear gas and guns to stop the protests last month.

"We are in danger," says one 24-year-old monk at a Buddhist university, who declined to give his name for fear of reprisals. "But I don't think the people can do anything."

His belief is not shared by "the people". A Burmese business journalist, who would not reveal his name, said the protests would come in waves.

"It is like the sea," he said. "This was the first wave and it will be followed by another wave soon, maybe in November or December. People will rise up. They are angry, but they will protest peacefully again. They [the military] will fire and people will be killed like before. People know this."

The junta says only 10 people were killed in its crackdown on the protests, but foreign embassies and human rights groups have put the numbers much higher — between 50 and 200. About 2100 more have been arrested.

A Japanese video-journalist filming the protests was killed by the military. One Rangoon-based diplomat, who requested anonymity, believes that if this journalist hadn't been killed, the military wouldn't have admitted anyone had died.

His view gained credibility after reports in the state-run *New Light of Myanmar* newspaper. On October 5, the *New Light of Myanmar* began to rewrite history as it

carried an article that said: "No monk was injured or arrested, and no public member was injured in the incident either". The "incident" being the recent protests that ended with the military's goons smashing the heads of protesters.

"My friend is in jail," a Mandalay rickshaw driver tells the *AFR*. He calls himself only Zaw. "I was in the demonstrations, but I ran away when the army came. The government, nobody likes. It is violent. They killed monks and the monk is noble. The government says this is not true, but I listen to the BBC and I know the truth."

Radio Free Asia, the BBC and Voice of America all broadcast into Burma in Burmese. Full-page ads in the *New Light of Myanmar* accuse these foreign radio broadcasters, or "slickers" as the newspaper calls them, of "attempting to destroy" Burma. The newspaper also implored the world to cut communication and relations with the US.

Zaw pedals fast as he looks about, watchful that his conversation about the protests might be overheard or photographed by a government spy. Tourists in Burma are now under heavy surveillance, suspected of being foreign journalists or potential enemies of the state.

Zaw says he is convinced the protests will resume again early next year. But the Rangoon diplomat is not so sure. "The jury is still out on whether there will be more protests or whether this is the end."

In 1988, the contest for Burma's future was also played out when similar mass protests were murderously quashed with a death toll of more than 3000.

Last month's protests began after a rise in gas prices in mid-August from 500 kyat to 2500 kyat (42¢ to \$2.13) for a gallon. After the price rise, in addition to increases in oil and petrol prices, ordinary Burmese found it difficult to feed themselves and couldn't make the daily donations of food to monks; the latter is an important part of the Buddhist belief in making merit. The military claims that inflation in Burma is ticking over at about 20 per cent, but the Burmese business journalist says it is double that.

The junta is feared and widely despised by most of Burma's 47 million people, who have lived under military rule since 1962. The junta's economic mismanagement and international sanctions have left the economy in tatters. The average Burmese survives on less than \$US220 (\$244 a year). A kilo of rice now costs 1200 kyat, which most Burmese find expensive.

The 20-year-old cars and buses that crawl around Burma's roads, the ruptured broken footpaths of the cities, and the decaying buildings everywhere (except for the ritzy new buildings occupied by military officers and their wealthy business partners) are the most visible signs of economic decline. However, gas and oil deposits may change this. It has been estimated that Burma received about



Ludu Daw Ahmar, 92, has seen off the English and Japanese rulers of Burma, but it is unlikely she'll be able to wave goodbye to the generals too. Photo: ANNE HYLAND

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\$US2 billion this year from oil and gas exports. This could grow to \$US20 billion annually in five years, according to a Rangoon diplomat.

This oil and gas wealth could further entrench the power of Burma's junta, and sanctions imposed by mostly Western governments may have an even smaller effect on the military, although the lives of the ordinary Burmese would certainly worsen.

The pressure from the crackdown on the protests has had some unexpected effects on military families. Locals told the *AFR* that many soldiers were upset at having to shoot monks, but feared if they didn't they would be killed — at least one soldier has escaped.

The opening speli of any rickshaw or taxi driver you meet in Burma — who is thrilled to

Australians mine their mannas and distribute

Australian businessman Bill Clough was in a car in Rangoon last month on a business trip and unexpectedly found himself driving behind thousands of protesting Burmese monks.

It must have been a mesmerising sight for Clough, who watched the monks weave a ribbon of red through the streets of Burma's biggest city.

Only days later, those protests would be cut short as the ruling military junta reacted with the horrifying brutality that has become its trademark. The military fired upon thousands of peaceful protesters, killing scores of people, among them a Japanese video-journalist covering the anti-junta rally.

In the past two weeks Clough, a geologist, has refused to speak to the media about his investments in Burma, or to answer criticism of his business dealings with the military junta. On Thursday, he did speak to *The Australian Financial Review* in a brief telephone call, saying only that "when things stabilise a bit

more" he might consider an interview, but right now it remains a "highly charged subject".

Indeed, there are activists who have drawn up boycott lists of companies that invest in Burma or encourage people to engage with the country, as *Lonely Planet* does by having a guidebook to Burma.

Clough's businesses are on that list. It is difficult to ascertain the value of his business dealings in Burma but some estimates put them at more than \$1 million.

He has invested money in the impressive weekly newspaper *The Myanmar Times*, published in both English and Burmese, according to his business partner Ross Dunkley. *The Myanmar Times* is 49 per cent owned by foreigners, the remainder is held by the military.

Dunkley, who has lived in Rangoon for the past eight years, is editor-in-chief of *The Myanmar Times* and is also involved in Clough's oil exploration project Twinza (Twinza is Burmese for oil miners).

Twinza is the parent company of Burma-based Danford Equities, which is exploring for oil in Burma's Gulf of Mottama in partnership with the military junta.

As of June 30, 2006, Twinza had reported a net loss of \$12,715 on its oil exploration activities in Burma. The firm's accounts show that Twinza has been financed with a handful of loans from private companies that are mostly associated with Clough.

Dunkley, dressed in business suit, tie and with a clean-shaven head, is proud of the publishing group he has helped establish in Burma, which employs a staff of 350. The group publishes *The Myanmar Times*, a crime journal and women's magazine *Now*.

Dunkley says his motivation is that a well-run newspaper can only do good in Burma, an opinion he also holds about foreign investment in the country.

He, like many others, adds that economic and aid sanctions on Burma are deeply flawed. Thant Myint-U, a Burmese historian,

fight

see a tourist — is not to give money to Than Shwe's government. They will happily show you where to spend your money as long as it doesn't go to a government hotel, tour agency or a tourist site where the government charges a fee. But the brutal crackdown has resulted in a dramatic decline in tourists visiting Burma, and now five-star hotels in Rangoon are offering rooms for \$US20 a night.

The military keeps a very tight grip on life in Rangoon, where dissident activity is at its highest. There, motorcycles are banned, although permitted elsewhere in the country. And mobile phones, widely in use in Cambodia and Laos, are rare in Burma as the military imposes a \$US2000 price tag on a SIM card.

The demonstrations by the monks and civilians were brought to an end with the shootings on September 26 and 27. But today suspected dissidents are still being arrested.

Among those detained is a well-known comedian, 60-year-old Par Par Lay, who was snatched from his Mandalay home by security forces at midnight on September 25. It is the third time in two decades Par Par Lay has been arrested. He and his two brothers, also comedians, have been banned from performing their slapstick-cum-satire shows because they make fun of the military.

Par Par Lay's family says he was not involved in the recent protests but still was arrested. "My brother is very well known and they [the military] think he could organise a lot of people to protest," explains his younger brother Lu Maw. "We don't know where he is. We want to know if he's alive."

He has reason to be concerned. On Wednesday, the Thailand-based Assistance Association for Political Prisoners released a report claiming that Win Shwe, a 42-year-old member of the opposition National League for Democracy (NLD), died after torture and interrogation following his arrest on September 26 near Mandalay.

The NLD won elections in 1990 but was never allowed to govern by the military. NLD leader and Nobel laureate Aung San Suu Kyi remains under house arrest, where she has been for most of the past 18 years.

Par Par Lay's second arrest occurred on Suu Kyi's house in 1996, where he had been performing. He spent seven years doing hard labour, and was only released after pressure from several Hollywood comedians.

"Please we need your help, we need the international publicity to help my brother," says Lu Maw.

His words are echoed by Ahmar. "Please help us in any way you can," she says.

As Western governments threaten more sanctions on the junta and wait in vain hope that the United Nations will perform a miracle and broker a power-sharing agreement between the military and Suu Kyi's opposition, the struggle for livelihood, freedom from fear, security and democracy, goes on in Burma.

Ahmar has seen off the English and Japanese rulers of Burma, but it is unlikely in her remaining years that she will be able to wave goodbye to the generals too.

good news

Australia following its training of Burmese police.

Elsewhere, Australia's engagement with Burma can be seen on the menus of restaurants and supermarkets in Rangoon where goods such as UHT milk, Saxa salt, Penfolds and Peter Lehman wines and Tasmanian Salmon can be bought.

Still, the goods are sourced via Singapore and not from Australia directly.

In some of the city's hotels, education seminars promote study at Australian universities such as Queensland's James Cook.

For now though, most Australian companies eschew investment in Burma.

It remains to be seen whether other Australian miners will follow Twinza into Burma.

As for Twinza itself, it certainly won't be the first or last Australian company to deal with an unpopular or brutal regime.

Anne Hyland

WHAT THEY WANT



It is important that the next Australian government, whether coalition or Labor, implements a policy program that prioritises economic growth, responsible economic management, industry competitiveness in the global economy and further employment generation.

Australian Chamber of Commerce and Industry chief executive Peter Hendy.



Australia is at a crossroads — we can take the steps to lift our standard of living into the top five in the OECD by 2012 or we can squander the opportunity and risk slipping back down the ladder compared with our global competitors. We must not waste the fruits of our remarkable growth on short-term spending and election pork-barrelling that doesn't deliver on the fundamental objective of maintaining and building our economic prosperity.

Business Council of Australia president Michael Chaney.



If we are to address our vulnerabilities and make the most of our opportunities, governments need to do more than run a steady ship by exerting fiscal discipline — although this remains central to a strong economy. They also need to build the foundations of the stronger and more dynamic economy that will not only fortify against vulnerabilities but will also help to broaden horizons for this and future generations.

Australian Industry Group chief executive Heather Ridout.

Among the many issues that will be raised are the efficiency and equity of competition in the business community and industrial relations.

Council of Small Business Organisations of Australia chief executive Tony Steven.

Election policies promoting the building and construction industry ... must be front of mind for all political parties.

Master Builders Australia chief executive Wilhelm Harnisch.

Business urges reform with billions in balance

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The BCA, representing top chief executives, was part of a multimillion-dollar anti-union television advertising campaign in August.

Australian Chamber of Commerce and Industry chief executive Peter Hendy, who was attacked by Labor leader Kevin Rudd for being a "Liberal Party operative" last month, has nominated the skills and labour shortage, economic management and tax reform, and climate change as the top three policy priorities for the next government.

"Resisting the rollback of workplace relations reform" is listed No. 5 out of ACCI's six election priorities, behind further trade liberalisation and ahead of "fixing federalism".

"It is important that the next Australian government, whether coalition or Labor, implements a policy program that prioritises economic growth, responsible economic management, industry competitiveness in the global economy and further employment generation," Mr Hendy said.

Australian Industry Group chief executive Heather Ridout, who represents manufacturers, said Australia needed an ambitious government with policies to deal with an uncertain economic climate, particularly the vulnerabilities of a high current account deficit and shifts in the confidence of international investors.

"If we are to address our vulnerabilities and make the most of our opportunities, governments need to do more than run a steady ship by exerting fiscal discipline — although this remains central to a strong economy," Mrs Ridout said.

"They also need to build the foundations of the stronger and more dynamic economy that will not only fortify against vulnerabilities but will also help to broaden horizons for this and future generations."

Master Builders Australia has vowed to work in a "bipartisan way" with both parties to secure support for an estimated \$1.7 trillion of investment in economic and social infrastructure needed over the next decade.

Yet the MBA appears headed for a clash with a Rudd Labor government by insisting on retaining the Australian Building and Construction Commission — which Labor plans to abolish in 2011, transferring its functions into a new body, Fair Work Australia — as well as Australian workplace agreements (AWAs), which would be abolished under a Rudd government.

"The benefits of massively reduced industrial turmoil have combined to put at least \$18 million each year back into the pockets of construction workers, with overall savings to industry in the order of \$80 million a year," MBA chief executive Wilhelm Harnisch said.

Small business groups will also lobby Labor to retain unfair-dismissal exemptions for small business and workplace agreements, according to the Council of Small Business Organisation of Australia. But chief executive Tony Steven said small business would also pursue the coalition over its recent changes to the Trade Practices Act, which COSBO says does not offer enough protection to small business and consumers from predatory pricing by big business.

"Among the many issues that will be raised [with both parties] are the efficiency and equity of competition in the business community and industrial relations," Mr Steven said.

We may not notice that much of a difference.

UBS CHIEF ECONOMIST SCOTT HASLEM

In every election since 1960, the All Ordinaries Index slumped slightly in the week following polling day before surging an average 3 per cent in the subsequent five weeks, according to research by Macquarie Bank analysts.

Although both the coalition and Labor's macro-economic policies are broadly similar, analysts expect a Labor government would have more impact on specific industry sectors through targeted election policies. Yet the potential impact of Labor's workplace policies on investment returns was slight, analyst said.

UBS chief economist Scott Haslem said the policy differences between the coalition and Labor on industrial relations were unlikely to cause anxiety for investors over possible damage to business returns.

"We've been operating in an enterprise bargaining environment for a decade now and with very good outcomes," Mr Haslem said. "On paper it looks like the Labor Party is seeking to shift us back into that environment without further steps back in time. If that's the case, we may not notice that much of a difference."

Merrill Lynch analysts noted that a shift to a slightly less flexible workplace system under Labor could increase unit labour costs in unskilled sectors, but with a tight labour market even under Work Choices they had a limited effect in curtailing wages growth.

Infrastructure companies such as Transfield Services, Leighton Holdings, Macmahon Holdings, United Group, construction firms and transport companies will be the biggest beneficiaries over the next term of government, regardless of which party wins government, because of \$23 billion in road and rail projects from 2009 under the Auslink II program.

State Labor governments have also committed this year to \$140 billion in infrastructure spending over the next five years, up \$40 billion from the \$100 billion in five-year spending programs committed to in 2006.

Federal Labor has vowed to establish Infrastructure Australia to co-ordinate infrastructure planning and investment to address a \$90 billion infrastructure deficit, and Mr Rudd has signalled a more co-operative approach to private-public partnerships.

Australia's largest telecommunications company, Telstra, has taken the unusual step of campaigning against the government after a series of brawls between Telstra executives and senior coalition ministers.

Analysts expect Telstra will be able to share in Labor's \$4.7 billion plan to build a national high-speed broadband network, although Telstra will still face challenges from the forced closure of its CDMA network next year and its widespread use of AWAs that would be banned under Labor.

Superannuation funds and financial services groups such as AMP, Axa, Perpetual, Australian Wealth Management, IOOF, ASX and Platinum Asset Management have already profited from the coalition's \$7 billion superannuation overhaul, and will benefit further from mooted election policies from both coalition and Labor to make superannuation more attractive to low-income earners.

Macquarie Research rates AMP as the stock to derive the biggest benefit from any superannuation changes because it is the No. 1 player in both retail and employer-sponsored superannuation funds.

The \$150 billion listed property trust sector, including Lend Lease, Centro, Goodman, GPT, Mirvac and Valad, is tipped to be the big beneficiary of Labor's plan to halve withholding tax on profits paid to foreign investors to 15 per cent.