

Burma's First Billionaire No Military Bagman

It is past time to recalibrate relations with the struggling Asian nation

By Stanley A. Weiss

WASHINGTON—Every spring, Forbes publishes its ranking of the richest men and women on the planet. One person you won't see on the list is Burmese business tycoon Tay Za. The charismatic Tay Za is chief executive of the Htoo Group of Companies, a business empire founded during Burma's era of democratic rule that spans logging, gems and jade, palm oil, construction, hotels and tourism, mobile-phone services, an airline and more. At 46, he is widely believed to be Burma's first billionaire.

Tay Za is a high-profile figure in Asia, with business ties in Singapore, Thailand and elsewhere - even more so since the United States and EU levied sanctions against him for his relationship with Burma's ruling generals. Yet he remains largely unknown in the West, and has received remarkably little press attention.

I have visited and written about Burma many times over the past 15 years. During my last trip in January, I had the opportunity to meet Tay Za in his palatial home in Rangoon. Tay Za has shied away from the spotlight and seldom agrees to be interviewed. Yet, as Burma, an emerging economic corridor between India and China, becomes more important on the world stage, its leading entrepreneur is speaking out. Maybe it's time for America to take notice.

Tay Za is eager for more engagement with the West, and welcomes the scrutiny that comes with it. That's good, because this enigmatic tycoon is certainly no stranger to controversy. His critics claim he has derived most of his wealth by colluding with a regime notorious for human rights abuses. He is reportedly close to junta strongman Senior Gen. Than Shwe. The United States accuses Tay Za of arms dealing for the government; he now controls all of Burma's business links with Russia. Tay Za and his family are barred from entering the United States, EU, Canada, Australia and Switzerland.

But Tay Za contends that "investigations, which I would welcome, will prove that I am not a crony and a bagman for the generals." While admitting that he is on "friendly terms" with the military regime, he insists he makes "no contribution to the generals other than officially paying taxes levied on my various businesses," pointing out, "it has always been the case worldwide that regardless of government system, businesspersons and the incumbent state leaders have to cooperate for the benefit of the country."

Not surprisingly, Tay Za is strongly opposed to Western sanctions, noting that while the United States and EU have punished local Burmese business leaders, they have taken "no action ... against Chevron and Total, the two prominent Western energy companies that are making billions of dollars annually from their natural gas project in [Burma]."

Moreover, he argues, sanctions hurt Burma's most vulnerable, not its most powerful, deepening the hardship in a country where one in three citizens lives below the poverty line. He says the sanctions "have virtually no effect on the rich" - and he is in a position to know.

Tay Za maintains that "no two nations can flourish through isolation." Lately, it appears several Western governments may be coming around to his way of thinking. Earlier this spring, the European Union signaled a more flexible approach to Burma when it relaxed some sanctions against members of the government. The Obama administration recently appointed Asia expert Derek Mitchell the first U.S. special representative and policy coordinator for Burma.

If the United States seeks to reevaluate and fine-tune its foreign policy toward Burma, figures like Tay Za - who operate at the nexus of politics and economic markets - should be at the top of our list of people to know and not to shun. For decades, Americans have viewed the country through the prism of opposition leader and human rights activist Aung San Suu Kyi, who was recently released from years of house arrest after the country's November elections. The resulting black-and-white perspective obscures a more textured and complicated story.

In addition, U.S. authorities should reconsider the policy of punishing dependent children of persons designated for financial sanctions. Whatever relationships Burma's business leaders may have with the military regime, sanctioning their dependent children simply isolates the next generation from the West and pushes Burma ever closer to China by default.

In any case, Tay Za says, the Htoo Group will "continue with our business activities, regardless of the government system, be it military or otherwise."

When asked about his goals for the future, he answers like a Burmese Bill Gates: "I hope to become a philanthropist after qualifying for a billionaire."