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BURMA

Dangerous Bedfellows

Evidence of a blossoming military relationship between pariah regimes in Rangoon and Pyongyang is causing growing concern overseas

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SIGNS OF GROWING MILITARY ties between North Korea and Burma's ruling junta are stirring concern among United States and Asian security officials. In recent months, Rangoon- and Bangkok-based diplomats say they've detected fresh indications that Pyongyang may be supplying or planning to supply Burma with new weapons, possibly in exchange for shipments of heroin.

Among other new developments, Burma has begun negotiating the purchase of a number of surface-to-surface missiles from North Korea, U.S. and Asian officials believe. About 20 North Korean technicians are working at the Monkey Point naval base near Rangoon, possibly to prepare to install the missiles on Burmese warships, Rangoon-based diplomats say. The envoys, citing on-the-ground intelligence reports, say the technicians are residing at a Burmese Defence Ministry guest house in a northern Rangoon suburb.

More worrying, some Rangoon-based Asian diplomats say North Korean technicians have been spotted by intelligence operatives unloading large crates and heavy construction equipment from trains at Myothit. The diplomats note that Myothit is the closest station to the central Burmese town of Natmauk, near where the junta hopes to build a nuclear-research reactor. Aircraft from North Korea's national airline, Air Koryo, have been seen landing at military airfields in central Burma, they say.

What is particularly alarming is that these indications of military cooperation come at a time when both countries are under mounting political pressure from the U.S.--North Korea to halt its nuclear brinkmanship and Burma to open a real dialogue with its political opposition. An alliance

between two pariah states up against the wall could be dangerous for the region and beyond, especially as one of them may have nuclear-weapons technology that it is ready to export, analysts say.

The U.S., anxious to curb nuclear proliferation, is clearly worried. "Regimes like North Korea's . . . obviously look upon the sale of WMD [weapons of mass destruction] as just a neat way to gain hard currency. And almost automatically they have a fairly limited market--terrorist groups, rogue states and pariah states," says a senior U.S. administration official. "It's a concern, whoever they end up selling that stuff to, and we are trying to take steps to limit it and get it under control."

The signs of growing military ties have also coincided with the arrival of representatives of the Daesong Economic Group--an enterprise under Bureau 39, which is charged with earning foreign currency for North Korea--in Burma, according to Rangoon-based diplomats who have seen official documents detailing Daesong's activity in Burma. Daesong-affiliated companies have a documented history of exporting sensitive missile technologies. In the past, North Korea has also used Daesong-affiliated companies to purchase and import dual-purpose technologies used in Pyongyang's nuclear-weapons programme. One of these, Changgwang Sinyong, played a key role in Pakistan's nuclear-weapons programme in the 1990s, according to the U.S. State Department, which sanctioned Changgwang in 1998 and 2001 for selling missile-related technology to Pakistan.

Diplomats believe Burma's rapprochement with North Korea is linked to its concern that it is vulnerable to a U.S. military attack, especially after the Iraq War. A recent classified State Department report seen by the REVIEW expresses concern that Pyongyang is supplying "small arms, ammunition, artillery, and missiles" to Burma. It doesn't mention North Korean activity at Natmauk, nor does it refer to Daesong. But a senior U.S. Senate staffer says the Senate Foreign Relations Committee is monitoring developments at Natmauk.

"The link-up of these two pariah states can only spell trouble. North Korea's main export is dangerous weapons technology," said Senator Richard Lugar, chairman of the committee, in a prepared statement for the REVIEW. Noting State Department reports that Burma has been receiving weapons from Pyongyang, he warned: "These developments are the seeds of a major threat to Asian security and stability."

Hla Min, a spokesman for Burma's ruling junta, calls reports of increasing military links between Rangoon and Pyongyang and North Korea "speculative," citing in particular reports about North Korean involvement in constructing the nuclear reactor. Replying to faxed questions from the REVIEW, Hla Min said: "Why would [Burma] want to develop weapons of mass destruction, when the country needs all her strength and resources" to pursue a "transition to multi-party democracy and an open market economy?" He didn't respond to questions about a possible missile purchase from Pyongyang. North Korean officials could not be reached for comment.

Anxiety over Burma's military moves has prompted at least one neighbour to take countermeasures. In late October, Thailand took delivery of an undisclosed number of medium-range air-to-air missiles from the U.S., nominally to guard against the threat of terrorism, but more likely to strengthen its defences, say military analysts. In 2002, Burma purchased a number of MiG-29 combat jets from Russia, a move analysts view as a response to Thailand's fleet of U.S.-supplied F-18s.

Apart from the U.S. pressure, which includes tough new sanctions imposed in July, Burma has come under rare pressure from its colleagues in the Association of Southeast Asian Nations to renew a political dialogue with democracy leader Aung San Suu Kyi. China, too, has recently begun to waver in its significant military and economic support of the junta.

SIMILAR MINDSETS

Rangoon's growing isolation, diplomats and regional security experts say, is prompting the military government to seek new ways to maintain its grip on power and neutralize perceived threats, especially from the U.S. Burma's military, for example, is constructing a massive bunker near the central Burmese town of Taungdwingyi to shield its MiG-29s from possible U.S. attack, according to Rangoon-based envoys. "[North Korea and Burma] share a similar sort of mindset," says a Bangkok-based Western diplomat. "They have both drawn their wagons into a circle ready to defend themselves. [Burma's generals] admire the North Koreans for standing up to the United States and wish they could do the same. But they haven't got the same bargaining power as the North Koreans."

That's led some security officials to fear Rangoon might try to buy more potent weaponry from North Korea. In particular, these officials are scrutinizing activity near Natmawk. In 2002, Russia agreed to sell Burma a nuclear reactor for medical research and to provide assistance for its

construction and operation. But Moscow shelved the project earlier this year because the junta couldn't pay for it.

Now, some Western and Asian diplomats and regional security analysts with links to Thai military intelligence suggest Pyongyang wants to help the junta restart construction of the reactor. "We are watching the situation at Natmauk very, very closely," says a Bangkok-based Western diplomat who recently visited Burma. It's not clear how poverty-stricken Rangoon, which lacks foreign currency, is paying for any military hardware or assistance it's receiving from North Korea. But some Western security officials suspect Rangoon is using drugs to pay. A senior U.S. official, for example, suggests Pyongyang and Rangoon have recently entered into an arrangement, whereby Burma supplies high-grade heroin to North Korea in exchange for missiles and possibly nuclear know-how.

To back up such claims, officials note that at least two North Korean ships have been implicated in smuggling Burmese "Double U-O Globe" brand heroin into Taiwan and Australia since 2002. Russian police have recently seized Burmese heroin carried by North Korean intelligence agents on their mutual border, according to news reports. "We're very suspicious that they're cooperating on drugs," says a senior U.S. official in Washington, citing intelligence reports that Pyongyang agents have recently been spotted in Burma's Golden Triangle opium-producing region.

Murray Hiebert in Washington contributed to this article