



Military conflict of interest corrupts Myanmar government's investigation of Hpakant jade mining disaster

Justice For Myanmar calls for credible investigation and structural reforms

July 6, 2020: Justice For Myanmar condemns Lieutenant General Soe Htut's conflict of interest as a major shareholder of Myanmar military jade businesses and a member of the committee established to investigate the Hpakant disaster, which has caused the death of almost 200 people. The Myanmar government must hold those responsible for the Hpakant tragedy to account and remove the military from the economy.

On July 3, 2020, the Myanmar President's Office issued Notification 84/2020 to form a committee to investigate the cause of the landslide in Hpakant, to identify those responsible and to form an action plan to prevent future incidents.

The committee includes Lieutenant General Soe Htut, Minister for Home Affairs and military appointee. Lieutenant General Soe Htut is among the largest individual shareholders of Myanmar Economic Holdings Limited (MEHL), a military conglomerate, and is thereby personally profiting from jade mining, including in the Hpakant region. This creates a serious conflict of interest, as Lieutenant General Soe Htut has a vested interest to prevent necessary reforms in the jade industry, which would reduce his private income.

Justice For Myanmar calls for all members of the committee to declare their private assets and step down from the committee if they have any business ties to the jade industry.

Justice For Myanmar Spokesperson Yadanar Maung says: "Lieutenant General Soe Htut and any other members with business ties to the jade industry must step down from the committee immediately or else the investigation cannot be credible. Part of the blame for the tragedy must go to the Myanmar military, who are the main profiteers from the jade trade and have rigged Myanmar's legal and political system at the expense of people's lives."

MEHL is a major jade miner, with subsidiary Myanmar Imperial Jade Co Ltd holding the largest number of jade licenses, numbering 397 as of the 2017-18 Myanmar Extractive Industry Transparency Initiative (EITI) report, all of which are in Kachin State, including in the Hpakant region. Through Myanmar Imperial Jade Co. Ltd., MEHL has also created additional jade subsidiaries and outsources licenses to cronies, including the KBZ Group.

According to Myanmar EITI licensing data, Myanmar Imperial Jade Co. Ltd. was awarded 300 jade licenses on January 27, 2016 and a further 61 licenses on February 1, 2016, weeks before the National League for Democracy took power. This timing is highly suspicious. Major MEHL directors

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and shareholders, including Lieutenant General Soe Htut, are complicit in the military's continuing theft of state assets, such as MEHL's rush for jade licenses in 2016. Lieutenant General Soe Htut's father, Major General Lun Maung, was also an MEHL shareholder.

Yadanar Maung continues: "The Hpakant disaster is yet more proof of the failure of Myanmar's "so called" democratic reform process, which has been unable to effectively rein in the corruption of military businesses, their cronies and armed groups that operate unchecked in Myanmar's economy, including the lucrative jade industry. Mining is under civilian authority so the NLD-led government must clearly do more to urgently reform the sector. The military must be held accountable for their continuing human rights violations and corruption."

Note to editors

Justice For Myanmar is a group of covert activists campaigning for justice and accountability for the people of Myanmar. We are calling for an end to military business and for federal democracy and a sustainable peace.

For the governance structure of military conglomerates, including military-owned jade businesses, see: The UN Fact-Finding Mission report: *The Economic Interests of the Myanmar Military*.

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