

ASEAN's role in Myanmar further undermined by Brunei business with military and cronies

Brunei's conflict of interest muddies role of ASEAN Special Envoy

Wednesday 11 August 2021, by [Justice for Myanmar](#) (Date first published: 11 August 2021).

Brunei's state business ties with the Myanmar junta and its cronies is a further sign of the unsuitability of second foreign minister Dato Erywan Pehin Yusof's appointment as ASEAN Special Envoy to Myanmar.

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Brunei's fully state-owned oil company Brunei Energy Services & Trading, or BEST (formerly Brunei National Petroleum Company, or PetroleumBRUNEI) holds licences for onshore oil and gas blocks in partnership with International Group of Entrepreneurs (IGE), a crony conglomerate. Licences were awarded in 2014 under the Myanmar military's former proxy government led by the Union Solidarity and Development Party (USDP).

Brunei's oil business in Myanmar is carried out through BRUNEI Energy Myanmar (formerly PB Myanmar), under revenue sharing arrangements with Myanma Oil and Gas Enterprise (MOGE). Since the illegal February 1 attempted coup, MOGE has come under military control and provides a [major source of revenue](#) for the junta, helping to finance its campaign of terror. BRUNEI Energy is under the Sultanate's Ministry of Finance and Economy. One of the [directors](#) of its Myanmar subsidiary is the Deputy Permanent Secretary of Brunei's Ministry of Finance.

Through BRUNEI Energy, the Sultanate has interests in two improved oil recover (IOR) blocks, IOR-5 in Htantabin and IOR-7 in Shwepyitha, and one exploration/production block, EP-1 in Kyaukkyi-Mindon, Magwe Region, according to data published by the [Extractive Industries Transparency Initiative](#). BRUNEI Energy operates EP-1 and has a 43.625% in the project, with the remainder held by Malaysia's Petronas and IGE Group. BRUNEI Energy has a minority stake in the two IOR blocks with the remaining equity held by Petronas and IGE subsidiary UNOG. UNOG is registered offshore in Singapore, with all shares held by IGE Group chairman Ne Aung.

The production sharing contract with MOGE for EP-1 was [signed](#) in September 2014, witnessed by Brunei's energy minister, Pehin Datu Singamanteri Colonel (Rtd) Dato Seri Setia (Dr) Awg Hj Md Yasmin Hj Umar at a Naypyidaw hotel owned by IGE Group. The PetroleumBRUNEI [website](#), taken offline when the company restructured to form BRUNEI Energy, described the project as "a key milestone... in its journey towards increasing international investments."

BRUNEI Energy does not have a website and Justice For Myanmar cannot confirm the current status

of the company's oil and gas projects in Myanmar. Justice For Myanmar contacted Brunei's Ministry of Finance and Economy requesting updated details of the development of the three blocks, future business plans in Myanmar and whether any payments have been made to the Myanmar junta following the attempted coup. The ministry has not responded to requests for information.

The LinkedIn profile of the BRUNEI Energy Myanmar Liaison Officer was last updated in January 2021 and describes their job in relation to EP-1 as playing a "leading role on Seismic activities, Land Acquisition and Crop Compensation for Drilling Activities" as well as liaising with MOGE and partners.

Brunei's crony links

IGE is headed by Ne Aung, son of Lt Col Aung Thaung, the former Minister for Industry-1 under the previous military dictatorship and Secretary 1 of USDP. Aung Thaung who died in 2015, was sanctioned by the [US Treasury](#) in 2014 for undermining Myanmar's reform process and "perpetuating violence, oppression, and corruption", weeks after the EP-1 contract was signed.

IGE Group's business ties to the Myanmar military include involvement in the Lotte Hotel Yangon project, on land leased from the army. An associated company of Ne Aung holds shares in Mytel, a mobile operator controlled by a subsidiary of Myanmar military conglomerate Myanmar Economic Corporation. In February, the company [told Justice For Myanmar](#) that they intend to exit its investment in Mytel, which is made through a domestic holding company.

Ne Aung's brothers include Admiral Moe Aung, Commander-in-Chief of the Myanmar Navy and a former director of military conglomerate Myanma Economic Holdings Limited, and retired Major Pyi Aung, son-in-law of former army chief Vice Senior General Maung Aye. Pyi Aung co-founded IGE with Ne Aung. According to a 2008 [US Embassy cable](#) leaked by Wikileaks, Ne Aung and Pyi Aung "use their family connections and close ties to the regime to amass great wealth." Citing a "well-connected businessman", the cable, which recommended sanctions against the family, stated that Ne Aung and Pyi Aung "are also close to Senior General Than Shwe, who allegedly regards them as family."

UN action needed

The Brunei state's business ties to the military junta and the notorious cronies behind IGE create a conflict of interest for Dato Erywan Pehin Yusof in his role as ASEAN Special Envoy on Myanmar, adding to concerns that he will favour the military junta and cannot be a credible negotiator.

On August 6, 413 Myanmar civil society organisations released a [statement](#) opposing the appointment, pointing to Erywan Yusof's unwillingness to consult civil society, ethnic leaders and the National Unity Government, concluding that the appointment "will only serve to maintain the status quo and reaffirm ASEAN's role in lending political legitimacy to the junta."

Justice For Myanmar reiterates civil society opposition to ASEAN's Special Envoy and calls for urgent UN intervention into Myanmar's humanitarian and human rights crisis caused by the illegitimate military junta.

Myanmar's crisis cannot be solved by a business partner of the military junta and its cronies.

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