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CHINA THREAT – INTELLIGENCE ANALYSIS – China’s Role in Myanmar’s Military Coup: *A Chinese Win?*

With China increasingly concerned with the deepening U.S.-Indian ties, as well as India’s role in a revitalized QUAD with U.S., Australia and Japan, the coup in Myanmar (also known as Burma), gains heightened strategic value. It also has direct relevance to the Chinese Communist Party’s (CCP’s) regional and global strategy. This in-depth intelligence analysis by Contributing Expert, Frank Lehberger, provides insights, and speculation as to the role China may have played, or is playing, in the Myanmar coup. And how China benefits. Paul Crespo, President.

Is China involved in Myanmar’s Coup? And what does China Gain?

By Frank Lehberger

February 21, 2021

Background

On midnight of Monday, February 1, the military of the Republic of the Union of Myanmar, orchestrated a bloodless military coup d’état. The coup leader and his troops quickly took control of the infrastructure plus the democratic institutions in the Union capital Naypyidaw and ousted the legitimate civilian government of Myanmar.

The country’s prime minister, democratic icon, Daw Aung San Suu Kyi, together with the elected President of Myanmar, U Win Myint, and many other prominent members of the ruling National League for Democracy (NLD), and other civic leaders, have been detained or placed under house arrest.

During the first weeks of February, the entire country has been put under curfew and civil rights have been suspended. All lines of communications with the outside world, including telecommunications, have been interrupted. After an initial total blackout of the internet right after the coup, the junta has restored selective internet access. Yet in order to impede the nationwide protest campaigns and the popular civil disobedience movement (CDM), the junta has forced internet providers to block highly popular Internet sites like Facebook, Instagram, and Twitter.

People in Myanmar can theoretically still access these sites via Virtual Private Networks (VPN), but draconian telecommunications laws, copied mostly from China, are being prepared to outlaw their use and criminalize the access to free and uncensored information altogether. In this context, total internet blackouts in the entire country have occurred systematically every day from 1am to 9pm, starting on February 15.

Various CDM campaigns are underway in all cities and major industrial manufacturing centers that are increasingly suppressed by the Myanmar military known by its local designation: Tatmadaw. The week of February 15 has seen Tatmadaw snipers shooting randomly at peaceful protesters with both real and rubber bullets, killing and maiming an increasing number of them. People from all walks of life are

involved in the CDM: students, civil servants, medical personnel, as well as management level staff and industrial workers of the commercial conglomerates owned by the Tatmadaw.

The coup leader's name is Senior-General Min Aung Hlaing, born 1956. He is Myanmar's most senior military leader. In 2016 he assumed the largely ceremonial post of State Vice-President in the now ousted civilian government. In March 2013, he became the uncontested chief of the Myanmar military, known by its local designation: Tatmadaw. Following the coup of February 1, Senior-General. Min has created a so-called 'State Administrative Council' (SAC), of which he is the (unelected) chairman.

The United Nations as well as most democracies have condemned the coup. Suspiciously, the Chinese government has not condemned it, and has even characterized the coup as a kind of ordinary "cabinet reshuffle" by the State Vice-President Snr-Gen. Min Aung Hlaing.

More recently, on February 17, the Chinese ambassador to Myanmar, has stated that China does not want to see growing unrest and escalating protests in the country and that Beijing was not informed in advance of the political change.

Yet despite such soothing statements from China, the main question worrying many political and military analysts remains: is the Chinese government somehow involved in this coup, and if yes, how deeply? The following analysis is based on my experience in the region, witness reports by ordinary people in Myanmar, Chinese-language news reports from outside China, and freely available open-source information.

Causes of the Coup

After the landslide win of Daw Aung San Suu Kyi's NLD in the Myanmar general elections of November 8, 2020, the military and the defeated political party under their control, the Union Solidarity and Development Party USDP, both cried foul and accused the NLD of voter fraud.

The NLD won 315 out of 440 seats in the Lower House, and 161 of 224 seats in the Upper House of the bicameral parliament, known as the 'Assembly of the Union'. This basically ousted the USDP from power and dashed the unrealistic hopes of the bland and uncharismatic, Senior-General. Min, (who was supposed to retire from the military in 2021), of becoming an elected civilian leader in the near future.

Min changed this situation by staging a coup d'état.

Without this coup however, a more consequential and significant result of this NLD landslide win, could have been the abolition of Myanmar's flawed semi-democratic constitution by a solid parliamentary majority. [1] The subsequent drafting of a truly democratic constitution could then have accelerated Myanmar's long and arduous journey of becoming a fully-fledged democracy.

But the idea of Myanmar becoming a fully-fledged democracy is anathema to Min. He knows only too well that in a democracy, he and his military colleagues will likely lose their present political power and status. As soon as the democratic forces manage to consolidate political power through constitutional reform, Min together with the corrupt and privileged Tatmadaw would be history. This is the main reason behind Snr-Gen. Min's vocal criticism of last November's election results, and why he has declared these results being invalid.

Min's allegations, however, are not entirely unfounded. Certain voting irregularities, related to electoral lists and controversial decisions to exclude several communities in ethnic minority areas of multiethnic and fragmented Myanmar, have indeed occurred. The UN has criticized those irregularities, but the overall result of the NLD landslide has never really been disputed.

International observers who have monitored the electoral process, have expressed satisfaction, and have ruled out any large-scale anomalies. [2] Myanmar's multitude of ethnically defined political parties, combined with their intricate political, economic, and military relations both with Beijing and Naypyidaw, are a highly complex topic.

In this context Mazumdar explains that, "It is widely suspected that these smaller [ethnic] parties like the Shan Nationalities Democratic Party and the Kayin People's Party were egged on by Beijing to raise doubts about and discredit the 8 November elections. [3]

China has close links with groups and parties representing small ethnic groups in Myanmar, especially those inhabiting the eastern part of Myanmar bordering Yunnan province of China. It has also aided and armed insurgent groups representing these ethnic groups who want greater autonomy over their own areas. It has also followed a duplicitous policy in Myanmar: it has established deep links with the Tatmadaw while, at the same time, armed and aided the various insurgent groups in that country.

China has also embedded itself deeply in Myanmar's internal peace process aimed at addressing the concerns of the insurgent groups representing restive ethnic communities.

Chinese representatives take part in peace negotiations and many in Myanmar say that China holds the key to a peaceful settlement of the ethnic problems in Myanmar. That is because China controls many of the insurgent groups and, as a major Asian power, also commands a great influence in the region.

China had hoped that the USDP and the smaller parties it has influence over would win a substantial number of seats in Parliament and, along with 25 per cent of the Tatmadaw's nominees, would be able to force the government to adopt China-friendly policies. But when the NLD registered a landslide victory, Beijing's plans were thwarted. Thus, it started engineering opposition to the poll process by local parties in a bid to discredit the outcome of the 8 November polls." This then created a marriage of convenience between Snr-Gen. Min and Xi Jinping in faraway Beijing, positioning them together against their common ideological enemy: freedom and democracy.

According to Mazumdar, Snr-Gen. Min Aung Hlaing "had hinted at a military takeover last Wednesday (27 January) when he told senior [Tatmadaw] generals that the country's Constitution would be revoked if laws are not followed properly." [4] This statement could have been seen as a signal to the Chinese that a coup was imminent.

Chinese involvement? — Three possible Indicators

1. Chinese Military Activity and Ties Prior to Coup

Chinese Army Movements

If Snr-Gen. Min's statement of January 27 was indeed meant to be a signal to Beijing, then it is possible that they understood it and mobilized People's Liberation Army (PLA) units immediately afterwards. According to reports by Taiwanese media broadcast on February 2, the Chinese PLA was already moving some 12,000 combat troops to the Sino-Myanmar border, right before the start of the coup in on February 1, as if the Chinese knew of what would happen that day. [5]

Prominent among those troops deployed to the border with Myanmar, is the 37th Light Combined Brigade (輕型第 37 合成旅) [6]. Taiwanese media have reported that this PLA Brigade has left its home base, located in the town of Kaiyuan some 500 km away from the border, and that it has now been deployed to Chinese border-villages near Lincang county in southwestern Yunnan province.

Due to extensive tourism in that scenic region during the last decades, the city of Lincang has its own commercial airport that is equipped with a single runway. Taiwanese media have reported that the PLA

Air Force has now temporarily stationed at Lincang airport a total of eight units of J-10 fighter aircraft, plus a single unit of an undefined electronic warfare or surveillance aircraft.

The 37th Brigade is an integral part of the 75th Group Army (第 75 集團軍) headquartered in the Yunnan provincial capital of Kunming. It is believed to consist of some 30,000 combat troops divided into 12 specialized Brigades, including infantry, artillery, mountain, and chemical warfare, plus air assault, anti-aircraft, and supportive aviation [7].

This Army belongs to the PLA's Southern Theater Command. Taiwanese media report that Chinese propaganda touts it as "the most important military unit manning the 'Great Wall of the Southern Borderlands'" (南疆长城最重要的部队), the official designation of the Sino-Myanmar and Sino-Vietnamese borders ringed by high-tech fences. [8]

Deploying highly specialized Chinese attack units to the Myanmar border is rather unusual even in these peculiar circumstances. It betrays China's real intentions, because such specialized troops trained for attack, are hardly a suitable tool for purely defensive tasks or humanitarian missions, that could include the effective management of a possible refugee crisis at the border, (e.g.: floods of destitute or sick ethnic Chinese refugees, fleeing an unstable Myanmar that may, or may not, be descending into turmoil, maybe even into civil war at some time in the future).

Citing security as well as preventive medical concerns, on February 1, China has immediately sealed a 659-kilometer-long section of the highly porous 2500-kilometer-long Sino-Myanmar border.

Close Military Ties

The PLA and the Tatmadaw are also known for their long-standing close cooperation in terms of training and procurement of military hardware and arms. Many officers in the Tatmadaw have trained at Chinese military academies, have served temporarily inside PLA units, and speak Chinese. These mutual exchanges have a long tradition that reach back to the very beginnings of the communist regime in China.

In this context, the Australian China-watcher Dr. Feng Chongyi, explicitly mentions a recent Sino-Myanmar exchange program that allows Chinese PLA officers to secretly serve in the Tatmadaw, familiarizing themselves with the country and wearing Tatmadaw uniforms. [9] Dr. Feng believes that this particular exchange program started a few years ago already, when the (now-defunct) Chengdu military region of the PLA, covering at the time the neighboring Yunnan province of China, was still in charge of the 75th Group Army and its precursor.

Scenarios and Speculation Regarding Chinese Military Activity - As of now, one can only speculate what the actual purpose of this assumed Chinese troop deployment could be.

** Perhaps it is a prelude to a theatrical replay of the intermittent Six-Party Talks (2003-2007) with North-Korea, the diplomatic charade with which the Chinese managed to fool consecutive American administrations? Now in the context of Myanmar, Beijing could attempt to masquerade again as a "responsible stakeholder", peddling the fake narrative that China provides secure venues for regional negotiations with the apparent aim of restricting a dangerous "rogue" dictatorship that is going berserk on its own.*

Meanwhile, Beijing covertly supports the junta with financial, military, technical and intelligence resources, in order to remote control Myanmar into a collision course with the U.S. and Indo-Pacific allies, that is favorable to Beijing?

If so, the aim of rehashing these maneuvers would possibly be to drag the reluctant Biden administration to the Sino-U.S. negotiation table, and subsequently to apply pressure gain concessions from Washington.

** Another possibility is that it is a kind of a not-so-subtle warning to U.S. forces that are stationed in the region, to stay away and refrain from trying to reinstate the toppled civilian government by military or other means.*

** It may also be a warning to India's prime minister Modi to refrain from any impulse to rescue his esteemed colleague Aung San Suu Kyi, by intervening militarily in neighboring Myanmar.*

** It could also be some sort of a preparatory move for Chinese military intervention into Myanmar, but only in case the situation devolves and perhaps the Tatmadaw splits into loyalist and rebel factions that turn against each other provoking something akin to a civil war, with China and Snr-Gen. Min on one side and the democracy activists and other military elements on the other.*

** Or it could be a sign of tacit Chinese support for the ethnic rebel armies, located on the lawless Myanmar side of the border? Those ethnic guerrilla outfits run several semi-autonomous (Narco) states on the Myanmar side of the border. [10] [11] They have never ceased to fight against the Myanmar government, military or civilian, mainly thanks to the tacit political, financial, and military support from Beijing?*

**Finally, could it also be some combination of two or more of these five possibilities.*

Propaganda articles published by Chinese government mouthpieces have given further credence to the theory that Beijing definitely fears an armed intervention by either India or the United States, or both. In an article headlined "China hopes for a stable, peaceful Myanmar through domestic negotiations, not external interference" China's propaganda outlet, Global Times recently published what amounts to an apologetic whitewash of the Tatmadaw coup. [12]

The paper writes, "The military's actions... can be viewed as an adjustment facing Myanmar's imbalance[d] power structure". Adding that Myanmar should be "wary of possible external interference", and that the aim of U.S policy regarding Myanmar was to "put pressure on China."

The Global Times also quotes Yin Yihang, a scholar from the Taihe Institute, a Beijing-based think tank, as saying that "although the US had limited official exchanges with Myanmar during the Trump administration, U.S. civil rights groups have maintained a presence in northern Myanmar, radicalizing local people." This points to China's concern of an increased U.S. influence on Myanmar's restive ethnic minority regions, located at Myanmar's northern, eastern, and western borders with China, India and Bangladesh.

Fan Hongwei, director of the Center for Southeast Asian Studies at the southeast Chinese Xiamen University, warns readers of the Global Times, "The situation in Myanmar is likely to be an opportunity for the Biden administration, which has multiple members from Team Obama, to repair relations with Myanmar, to make Myanmar problematic and use Myanmar to put pressure on China." [12]

Chinese narratives focusing on real or imagined foreign "interference", could however only play the role of providing a pretext: why the Tatmadaw was forced seizing the initiative and why they had to topple the legitimate government. This with the purpose of denigrating as subversive any U.S. non-military, peaceful and humanitarian support for the legitimate government, the civil society, and the fledgling democratic institutions of Myanmar.

Mirroring this narrative, Yin writes, “As per the current situation, the U.S. may also adopt a ‘color revolution’ approach to Myanmar.”

2. Diplomatic Exchanges Prior to Coup

Just three weeks before the coup, Chinese Foreign Minister Wang Yi paid a high-level visit to Myanmar on January 12. He held separate talks with President U Win Myint, Prime minister Daw Aung San Suu Kyi and Snr-Gen. Min Aung Hlaing.

The last meeting is of special interest as Wang is not Snr-Gen. Min’s counterpart. Nonetheless the odd meeting between Wang and Min seems to have been the most important and consequential one of those three. This is mirrored by the glowing official communiqué issued by the Chinese foreign ministry (adorned with official photos depicting the two beaming men without masks). [13]

In the byzantine world of China watching, this could be interpreted as either tacit Chinese support, or even active encouragement to stage a military coup in Myanmar.

During his fateful meeting with Snr-Gen. Min, Wang Yi stated verbatim that, “China appreciates that the Myanmar ... military thinks about the future development of its country from a long-term perspective, makes commitment to the traditional friendship between China and Myanmar. (...) China and Myanmar have agreed (...) building the China-Myanmar community with a shared future, hoping the Myanmar military can make new contributions to the common goal of the two countries.”

Wang’s most telling phrase that may have been a precursor to the military coup of February 1, was: “the Myanmar military (Tatmadaw) should think about the future of its country”. Beijing may have already decided that Myanmar and its future should belong to the Tatmadaw, and not to the voters. And this was their way of projecting that publicly.

3. Additional Anecdotes and Possible Indications

According to Overseas Chinese media outlets, civil aviation authorities in China had already announced in late January that during the upcoming Chinese New Year holiday season, all flights by Air China, China Eastern and China Southern (normally providing daily flights connecting Myanmar to China), would be canceled at least until February 20, 2021. [14] All flights to and from China by the national flag carrier Myanmar Airways International would also be grounded during the same period.

As reason for the flight cancellations, media have cited official Chinese measures adopted to control the spread of the Covid-19 pandemic.

Myanmar is home to a large community of Chinese immigrants, several hundred thousand strong. They are all directly affected by these flight cancellations and have now effectively been prevented from traveling back to China for important family reunions, traditionally taking place during the Chinese New Year on February 12, 2021. Yet astonishingly, the Chinese government seems absolutely unconcerned by the fact that vulnerable compatriots could be stuck in Myanmar during a period of bloody social unrest.

***SIDE NOTE: Chinese living in Myanmar.** Estimates on the number of ethnic Chinese living in Myanmar vary considerably. According to demographic data published in 2012, there are approximately 1.6 million Myanmar citizens of Chinese ancestry, who have settled in Myanmar anywhere between 1300 and 1950. These people are known in Myanmar as the “Tayoke” or*

Sino-Burmese (緬甸華人). Chinese Muslims are known as the “Panthay”. However, after 1988, a new wave of ethnic Chinese immigrants has inundated this country of 53 million (2017 census).

Some estimates say it is about 200,000 immigrants, while others argue the number is closer to one million, if all the immigrant workers, rural poor, gamblers, technical specialists, entrepreneurs, traders, investors, both legal and illegal, are included. Many of those recent arrivals before the liberalization of 2011, who are affluent enough, have literally bought themselves Myanmar citizenship by bribing Police or Tatmadaw officers.

The result is that 30% to 40% of the residents of Myanmar’s second largest city, Mandalay with a total of 1.2 million urban residents (2014 census), are thought to be new immigrants from China. After the liberalization of 2011 however, the Myanmar government has tried to curtail rampant corruption among the military and the civil service, resulting in a reduced influx of Chinese immigrants.

Myanmar is a country that is notorious for the violent anti-Chinese outbursts of its population. And during the first days after the coup, media reports from inside Myanmar confirm, that ethnic Chinese living and working in Myanmar face widespread harassment, because ordinary people in Myanmar see them automatically as influence agents of Beijing that they believe is the driving force behind the coup.

This has prompted groups of Chinese residents sympathetic to the junta of closing their lucrative businesses and barricade themselves in their homes. Other Chinese residents supportive of the democratically elected government of Myanmar openly condemn the coup and the involvement or support by Beijing. Ironically, Beijing is censoring its own compatriots on Chinese language social media when they voice support for democracy in Myanmar.

Yet despite these ominous signs, the Chinese authorities have hinted that a mass evacuation of vulnerable Chinese nationals from Myanmar will not be necessary.

Suspicious Flights from China. *Despite official Chinese claims that all flights to and from Myanmar are on hold until February 20, there is evidence of several suspicious “commercial” flights operated exclusively by state-owned Myanmar Airways International (MAI) between Kunming International Airport in China (international code: KMG) and Yangon, Mingaladon International Airport in Myanmar (international code: RGN), as recorded by the flight-tracking site ‘Flightradar24.’*

These flights strike as suspicious any casual observer who visits the site, because deliberate and clumsy attempts by MAI to disguise and obfuscate both the nature and the destination of these flights have become apparent. Already ordinary people in Myanmar who have become aware of these unusual flight movements, speculate that Chinese military personnel, sophisticated security equipment, military hardware or arms could be the covertly funneled into Myanmar on any of these flights. Any of these allegations and speculations could however not be independently verified.

For example, both the intended destination and departure point of MAI flight MMA771 is bizarrely given as “KMG”. While on flights MMA772 and MMA773, both the departure point and destination, as well as departure time and arrival, are not listed at all. (pls. refer to the screenshots of those flights below).

The flight with the call sign MMA792, has departure points and destination correctly listed as KMG and RGN. The departure time in KMG is listed as 02:30h, however the arrival time is missing altogether. It appears that according to Flightradar24, radar tracking of the plane has been deliberately interrupted at 20:13h UTC, which should be 02:43h local time in Myanmar, dozens of minutes before the flight was supposed to land at RGN.

In addition, there seems to be no regular airport information of these flights arriving at or departing from both RGN and KMG (pls. refer to the screenshots of those flights).

Here is a preliminary list of six suspicious MAI flights, watched by this author on Flightradar24, during the night of Sunday, February 14 to Monday, February 15. The flights were in fact tightly scheduled round trips, exclusively between Yangon, Myanmar (RGN) and Kunming, China (KMG). All time data given for RGN is local Myanmar time (UTC+6.5 hours). Local time at KMG is UTC+8 hours.

MMA770 (RGN-KMG) 19:06h - 22:21h

MMA771 (KMG-RGN) 22:40h - 00:42h

MMA772 (RGN-KMG) 01:30h - 03:30h

MMA773 (KMG-RGN) 04:55h - 06:55h

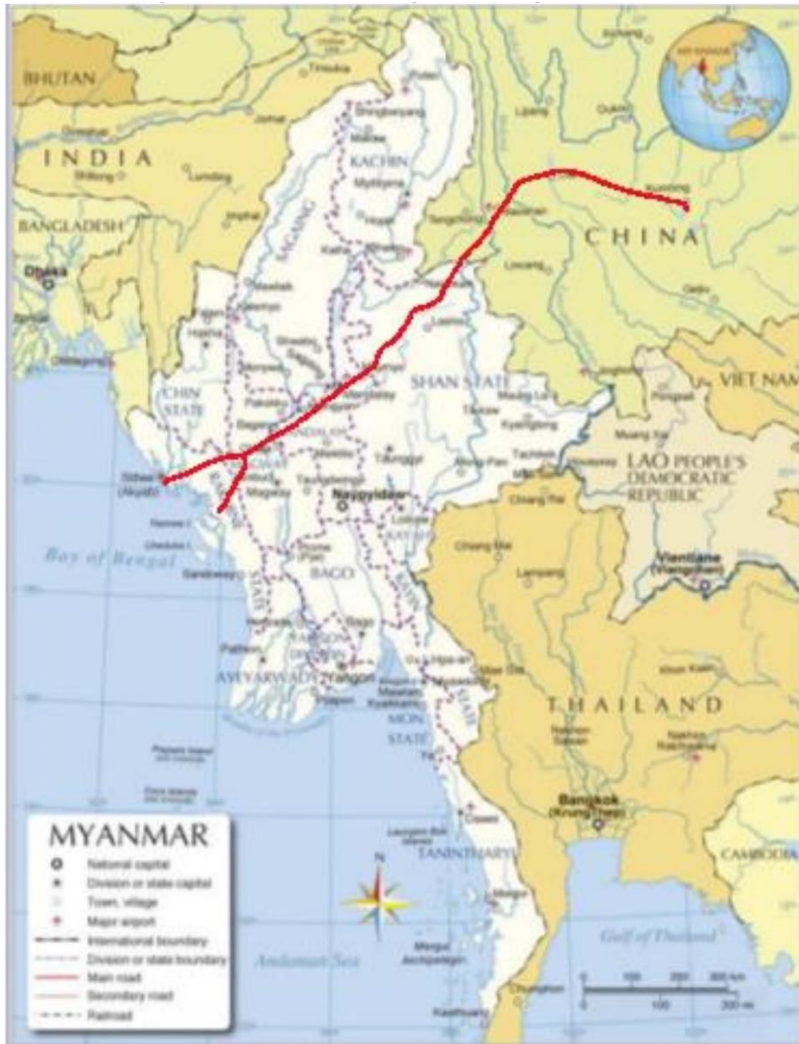
MMA791 (RGN-KMG) 21:22h - 00:47h

MMA792 (KMG-RGN) 02:30h – N/A

To counter the ongoing speculation relating to those suspicious flights, the Chinese government has stated in an official communiqué that all above-mentioned flights only did transport fresh “seafood” (海鲜) from China to Myanmar. This explanation, however, appears to be implausible, because the Chinese city of Kunming is located too far inland, and some 1000 km away from the nearest Chinese seashore. Therefore, this city cannot be considered a credible source of particularly fresh seafood.

People in Myanmar have also vocally criticized the Junta for blocking the arrival of cargo flights from India, transporting much-needed Covid-19 vaccines for Myanmar, supposed to arrive at the same time in RGN, as those strange flights carrying Chinese “seafood.” (pls. refer to the screenshots of those flights below).

Map of Myanmar and Neighboring Countries and Chinese transportation links to Myanmar ports

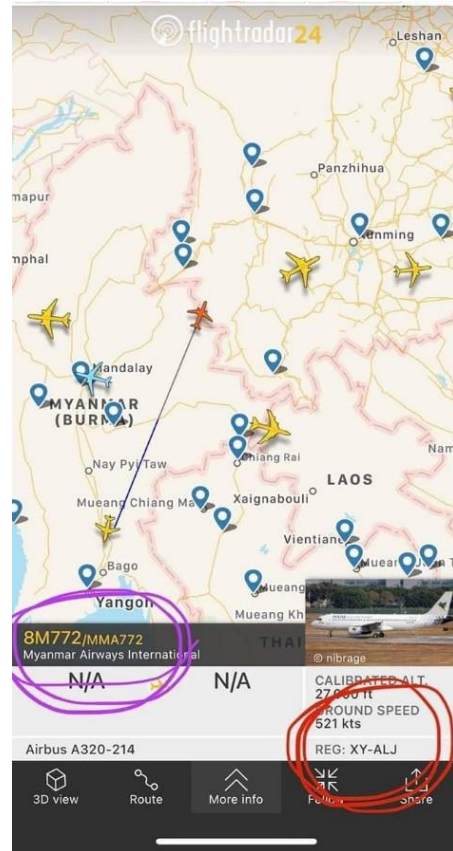
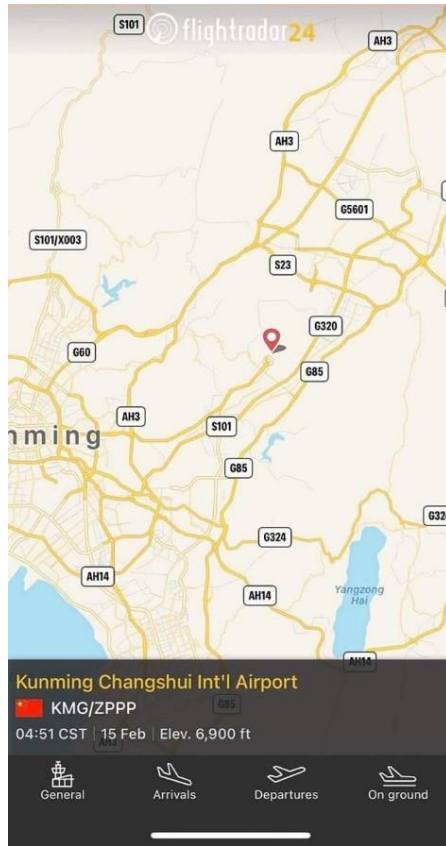


The new partially finished transport corridor (highway, high-speed rail, pipelines) linking Kunming, the capital of landlocked southwestern Chinese province of Yunnan, with the Myanmar ports of Sittwe and Kyauk Phyu with their major oil and gas terminals is marked in red. Source: orangesmile.com.

1. **SCREENSHOTS showing Flight Tracking of flights to and from China - 'Flightradar24'**



2. SCREENSHOTS showing Flight Tracking of flights to and from China - 'Flightradar24'



3. SCREENSHOTS showing Flight Tracking of flights to and from China - 'Flightradar24'

Yangon Int'l Airport ✕
 RGN/VYYY
 02:02 +0630 | 15 Feb | Elev. 109 ft Add to Siri

ARRIVALS — SUNDAY 14 FEB



Time	Status	Airline	Origin	Flight No.	Gate
18:55	Unknown	Golden Dragon	Nyaung U (NYU)	Y5201 (AT7)	
19:20	Unknown	MAI	Nyaung U (NYU)	8M4142 (AT7)	
19:30	Unknown	MAI	Mandalay (MDL)	8M205 (E90)	
19:30	Canceled	AIR KBZ	Mandalay (MDL)	K7623 (AT7)	
20:00	Landed	MAI	Seoul (ICN)	8M802 (A319)	
20:05	Unknown	myanmar	Nyaung U (NYU)	7Y241 (AT7)	
20:25	Unknown	myanmar	Mandalay (MDL)	7Y953 (AT7)	

ARRIVALS — MONDAY 15 FEB

03:30	Canceled	MAI	Mumbai (BOM)	8M1201 (319)	
05:20	Scheduled	myanmar	Chengdu (CTU)	UB804 (738)	
08:15	Scheduled	MAI	Naypyidaw (NYT)	8M4144 (AT7)	

General Arrivals Departures On ground

Kunming Changshui Int'l Airport ✕
 KMG/ZPPP
 04:45 CST | 15 Feb | Elev. 6,900 ft Add to Siri

ARRIVALS — MONDAY 15 FEB

07:00	Canceled	China Eastern	Zhengzhou (CGZ)	KY8220 (738)	
01:35	Landed	China Eastern	Beihai (BHY)	DR6548 (B738)	
05:40	Scheduled	YTO	Hangzhou (HGH)	YG9118 (73F)	
05:45	Scheduled	YTO	Karachi (KHI)	YG9068 (75F)	
05:45	Scheduled	YTO	Karachi (KHI)	YG9068 (73F)	
07:50	Scheduled	Lucky Air	Jinghong (JHG)	8L9901 (737)	
07:55	Scheduled	China Eastern	Lijiang (LJG)	MU5753 (737)	
08:20	Scheduled	China Eastern	Chongqing (CKG)	PN6411 (320)	
08:30	Scheduled	China Eastern	Jinghong (JHG)	MU5747 (B737)	
08:30	Scheduled	China Eastern	Mangshi (LUM)	MU5978 (737)	
08:35	Scheduled	China Eastern	Chengdu (CTU)	3U8667 (320)	
08:40	Scheduled	China Eastern	Chengdu (CTU)		

General Arrivals Departures On ground

4. SCREENSHOTS showing Flight Tracking of flights to and from China - 'Flightradar24'



What Does China Gain?

The present coup d'état in Myanmar undoubtedly benefits the Chinese Communist Party (CCP), and it advances most of China's strategic goals in this sub-region, be they short, medium, or long term. Thanks to pro-China figures in the Tatmadaw, such as Snr-Gen. Min Aung Hlaing as well as other like-minded generals being in charge of the country, China appears to be gaining a reliable vassal, or "satellite" state, in a crucial region in its own backyard.

In the eyes of the CCP leadership, Daw Aung San Suu Kyi had proved to be too "unreliable" and independent as a political force, to be a useful political tool. Under her tenure, Myanmar was highly selective granting the green light to environmentally destructive Chinese infrastructure and economic development projects, (e.g.: the Chinese Myitsone hydroelectric mega-dam project that was halted by the Myanmar government due to strong popular opposition, raising serious environmental and sovereignty concerns).

Resources - Rare Earth Minerals

In May and December of 2019, her government also halted all exports of rare earths (RE) from Myanmar to China, citing the significant environmental degradation and social conflicts caused by Chinese miners' unregulated operations inside Myanmar. [15] A number of Chinese RE producers and operators in Myanmar were even asked by the government of Daw Aung San Suu Kyi to cease operations and leave the country. [16] As a result prices on the world market for RE increased temporarily. The moves by Myanmar did apparently cause great alarm in Beijing, as RE are of crucial importance for the global electronics, IT, robotics, and defense industries.

Since 2010, the Chinese government controls some 60% of the world's mined output of RE, a group of 17 elements with Latin names such as dysprosium (dy) and terbium (tb) that are used in everything from smartphones to fighter jets, including the Lockheed F-35 stealth fighter. China also possesses a stranglehold over RE processing and refining capacities, therefore its dominance could leave industries in Western democracies with few avenues to immediately secure strategic supplies, if Beijing would decree sudden curbs.

Two Chinese government ministries, the Ministry of Industry and Information Technology, and the Ministry of Natural Resources in Beijing, strictly control RE mining and refining. They achieve this by setting biannual quotas for a few select state-owned RE industries. RE mining and refining without a quota is officially banned, but smaller Chinese private entities operating as joint ventures in Myanmar, can easily circumvent those rules.

Moreover, Beijing has several times since 2008 openly toyed with the idea of weaponizing its strategic dominance in RE. In 2010, China started a trial run for using RE as a geopolitical weapon against Japan, in order to blackmail the country in a territorial dispute over the Japanese Senkaku Islands, known in China as Diaoyu-dao. But Beijing's strategy misfired because Japan quickly managed to diversify its RE supply chain, in turn diminishing the Chinese quasi-monopoly on global RE production from 95% to around 60%.

Yet despite this setback, Beijing has never really given up elaborate plans of strangling the RE supply of major industrial sectors in the U.S., the E.U., Taiwan and Japan, in case China gets entangled in economic or political conflict. It is believed that the U.S. still imports about 80% of its raw and processed RE compounds directly from China. According to a recent report by Reuters, Beijing is therefore actively "exploring a ban on rare earths as part of its sanctions on some individual companies, including

Lockheed Martin Corp., which [supposedly] violated China's core interest over arms sale to Taiwan." [17]

With Myanmar's RE resources firmly in the hands of the Tatmadaw, instead of a democratic government that must be accountable to its citizens, China hopes to be able to exert greater geopolitical control over global RE supply and demand. Current Chinese attempts of using RE as a political tool to coax the incoming Biden administration into scrapping or weakening the economic sanctions, imposed on China by the previous Trump-administration, can be seen in this light already.

Official voices in Beijing are now formulating a kind of carrot-and-stick approach, openly reminding Washington that if it would "continue its economic sanctions and blocks on technology, rare earth supply will still be in the toolbox [of Chinese geopolitical weapons]." [18]

Logistical Infrastructure – Strategic Positioning

Besides comprehensive American economic sanctions, China does also fear renewed engagement by the incoming Biden-administration with Myanmar's democratic forces, as happened previously during the "Myanmar spring" of 2011-12. During the Trump administration, Myanmar's fledgling democracy was largely ignored in favor of neighboring India and Taiwan. This may have given China time to quietly prepare the stage for this coup and cultivate figures in the Tatmadaw sympathetic to Chinese goals.

In the geopolitical context, Myanmar can finally become China's second crucial access point (after Pakistan) to the vast Indian Ocean. Providing direct sea-access to China's landlocked Western backwaters, thus shortening the vast maritime distances of the Belt and Road Initiative (BRI) by about one third and helping to secure communication lines of the BRI from possible foreign military interference in time of conflict.

The newly built commercial ports and economic zones located on the northwestern coast of Myanmar, such as Kyauk Phyu and Sittwe, with their large oil and gas terminals, are the endpoints of major freight and passenger rail links. Those are running across northern Myanmar, directly into the southwest Chinese hinterland, (i.e.: China's impoverished and landlocked Yunnan province). Mega infrastructure and investment projects, such as the 1700-kilometer-long China-Myanmar Economic Corridor (CMEC) along the above-mentioned lines of communication, offer the Chinese the best and easiest opportunity to bypass the geopolitical chokepoint of the Malacca Strait and solve once and for all the strategic conundrum it poses for Chinese strategic planners.

As mentioned, China can also strengthen its influence on the restive ethnic periphery of Myanmar in the federal states of Shan, Kachin and Rakhine, home to ethnic independence movements that are strongly opposed to any nationalistic or jingoist government ruling Myanmar. To survive in this cut-throat environment those ethnic political movements and their armed outfits have engaged in extensive and illicit narco-activities, often under the leadership of notorious ethnic Chinese kingpins who sometimes even enjoy covert support from Chinese private as well as state entities. [19][20]

It is indeed strange that the superpower China has never threatened the existence of what could be characterized as minuscule 'narco-states' right on its doorstep, inside the lawless border regions of Myanmar. With tacit Chinese approval, the illegal trade in dangerous narcotic substances (e.g.: Fentanyl, Amphetamines, Heroin, etc.) continues to affect vulnerable social groups in Europe and America.

In a best-case scenario the Chinese government stops all drug trafficking linked to lawless ethnic regions of Myanmar. In a worst-case scenario, Chinese private, political, or institutional entities could well become ever more active factors in one of the largest illegal drug-producing regions of the world.

In the maritime domain, the coup in Burma also provides significant benefits for China. With access to naval bases on the northwestern and southwestern coast of Myanmar, the Chinese Navy (PLAN) will gain a larger strategic foothold in the southern part of the Bay of Bengal. This enables the Chinese to pose an increased threat to Indian naval forces, which until now had enjoyed an overwhelming geo-strategic advantage in these waterways north of the Malacca Strait, also thanks to major Indian naval bases in the Nicobar Islands.

In addition, China would get additional access to India's remote and porous eastern land borders, in the restive Indian states of Assam, Nagaland and Mizoram, which are all plagued by numerous local ethnic insurgencies against the government in New-Delhi. The ethnic rebels in that part of India have traditionally also benefitted from covert Chinese military and financial aid. This could put the entire Indo-Pacific strategy of the U.S. in jeopardy, and subject India to a kind of strategic pincer movement.

India would be further hemmed in on land and sea by China allies Pakistan and Myanmar.

Lastly, China control of Myanmar helps to counter some of the strategic pressure it increasingly faces from the revitalized Quad in the South and East China Seas.

Ideological and Political Benefits

The CCP actively wants to spread its own authoritarian model of governance (also known as the 'Beijing Consensus') throughout the entire world, and not only in so-called third world countries of Africa, Asia and Latin America. However, in the near future China's preliminary goal is to turn its neighbors and its near abroad into something akin to "little China-clones."

To prove to the world that authoritarianism-with-Chinese-characteristics is ideologically "superior" to freedom and democracy, China wants for starters to be surrounded only by like-minded authoritarian vassal-regimes, but not with democracies, (e.g.: India, Japan, and Taiwan). To achieve this goal, the CCP uses a diverse array of legitimate, illegal, subversive, or subtly manipulative measures that are tailor-made to slowly corrode the societies of democratic countries. The Chinese technical term for such activities is "United Front work" (UFW 统战工作). They are coordinated by the CCP's shady United Front Work Department (中共统战部).

The coup in Myanmar is therefore very much in China's ideological interest: strengthening authoritarianism and weaken democratic currents in every (pseudo-) democracy located in its direct neighborhood, periphery or near-abroad. Fitting examples would be Pakistan, Nepal, Bangladesh, Sri Lanka, Cambodia, Thailand, Hong Kong, Russia, Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan.

In every communist country neighboring China, pro-Chinese factions operating inside the communist parties receive covert Chinese support. The idea is for pro-Chinese factions to dominate and control any anti-Chinese factions at the levers of power in State, Party and Army. Recent examples in China's communist periphery include North Korea, Vietnam, and Laos.

Economic Benefits

Myanmar has for decades been economically dependent on Chinese foreign direct investment (FDI), commerce and trade. Most of Myanmar's FDI comes either from China, Singapore, or Hong Kong, three Chinese-speaking places. The same is true for Myanmar's imported consumer goods. China is also the main export market for Myanmar's raw materials, notably oil, natural gas, minerals, (precious) metals, rare earth minerals, and gemstones such as rubies, sapphires, and jade.

For example, the earlier mentioned mining and processing industry for rare earths (RE) is dominated by Chinese mining companies operating all over the country, including the small de-facto independent narco-states, located inside the lawless border regions with China.

Moreover, the export market for jade in Myanmar is firmly in the hands of Chinese guilds and other commercial interests, who are sitting mainly in the northern Myanmar city of Mandalay. Previous military juntas of Myanmar are responsible for handing over entire economic sectors to Chinese commercial interests, albeit for a very substantial price.

During the time of the SLORC junta before 2011, Myanmar was an international pariah. International trade and finance sanctions made any kind of financial or economic exchanges extremely difficult. At the time only China continued to engage in significant trade with the pariah regime, ever deepening its economic dependence on China. Yet when the Tatmadaw under Snr-Gen. Than Schwe gradually relinquished power in 2010, the situation began to change for the better, and Myanmar's economic over-dependence on China began to ease.

Subsequently, international sanctions were lifted and FDI plus trade with the EU, India, Japan, South Korea, Singapore, and other ASEAN member states began to increase.

The present coup directly jeopardizes the commerce and investment activities of all non-Chinese entities, initiated during the last decade of relatively liberal rule in Myanmar. Anticipated international sanctions are also believed to curtail commercial exchanges and trade. Yet in this environment, the only ones who could still benefit would be Chinese interests, because their competition from Japan, Thailand and India etc. would be forced to freeze projects or withdraw from Myanmar altogether.

In such cases, projects could be taken over by commercial interests closely related to the Chinese.

Conclusion

A China Win? For how long?

The military coup in Myanmar that appears to have caught the QUAD and other democratic nations by surprise, is greatly benefitting China in multiple ways. It even appears that China has gained the (temporary) strategic upper hand in that region. Based on the information provided, it makes sense to assume that China was in some way involved in the planning and execution of the coup, even if conclusive, hard evidence still remains elusive.

However, examples from modern history prove that similar hostile takeover attempts rarely prove to be sustainable in the long run. After an initial period of seeming success, negative fallout accumulates that tends to negate all combined anti-democratic endeavors.

The proudly independent and freedom-loving people of Myanmar appear to be increasingly giving their verdict on the new military regime, with growing protests throughout the country. It is likely that they will not silently accept their country turning into some sort of Chinese colony. This represents a both a strategic challenge and opportunity for the West., especially the United States.

The Biden administration in the U.S. has expressed its official condemnation of the coup. However, the question remains, what will President Biden actually do about it?

References and Endnotes:

1. Back in 2008, the Myanmar constitution was basically written according to the whims and wishes of the Tatmadaw. In it, the party of the military (USDP) reserved itself unfair privileges and rights,(e.g. an

unelected 25% contingent of USDP MPs in parliament, key ministerial posts in government reserved automatically to Tatmadaw generals, and barring Daw Aung San Suu Kyi personally from becoming the nominal head of state during her lifetime).

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3. Jaideep Mazumdar, Military Takeover of Myanmar: China Suspected To Have Orchestrated Coup To Re-Establish Its Grip On The Country And Its Resources. February 01, 2021 at 5:50 PM, retrieved February 3, 2021 from the following link: <https://swarajyamag.com/cdn.ampproject.org/c/s/swarajyamag.com/amp/story/world%2Fmilitary-takeover-of-myanmar-china-suspected-to-have-orchestrated-coup-to-re-establish-its-grip-on-the-country-and-its-resources>

4. Ibid.

5. By mainstream Taiwanese broadcast media such as Eastern Broadcast Corporation EBC, mentioned in Chinese language electronic media reports, which can be found inside the following link:

<https://www.taiwanjustice.net/2021/02/02/關鍵時刻-20210202-緬甸政變中國事先知情 1-2 萬解放軍>

6. According to military blogger known as 'redtsai,' this Brigade is also known as unit Nr. 77126 (代号 77126 部队). The address of its home base is, Dongfeng Street Nr. 104, Kaiyuan, Yunnan province. (云南省红河州开远市东风路 104 号). Source: https://redtsai.blogspot.com/2019/12/blog-post_2.html

7. Basic information about it can be found here: https://en.m.wikipedia.org/wiki/75th_Group_Army

8. Please refer to endnote 5

9. Source in Chinese, retrieved online February 8, 2021:

http://www.minrefer.com/getUperFirst.do?href=/ainews_politics_202102030050-chisimple.html.

10. Such as the National Democratic Alliance Army NDAA, or the United Wa State Army UWSA of the ethnic Wa.

11. Such as Mong-La area, also known under its official designation Shan State Special Region Nr. 4; Wa State with its tiny 'capital' Pangkham, is also known under the official designation: Wa Self-Administered Division.

12. Global Times, <https://www.globaltimes.cn/page/202102/1214556.shtml>

13. Wang Yi Meets with Myanmar's Commander-in-Chief of Defense, 12 Jan 2021,

https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1846203.shtml

14. Vision Times, news in Mandarin, retrieved February 2, 2021 on youtube.com,

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15. "Myanmar has banned rare earth exports to China", Shanghai Metals Market (SMM) News, December 16, 2019: <https://news.metal.com/newscontent/101005696/myanmar-has-banned-rare-earth-exports-to-china/>

16. As reported by British market intel provider Roskill, more information can be found in the news article published on: <https://www.mining.com/rare-earths-trade-between-china-myanmar-facing-challenges/>

17. As cited in "China May Ban Rare Earth Tech Exports on Security Concerns", Bloomberg News, February 19, 2021, 11:10 AM GMT+1 Updated on February 20; retrieved online, February 20, 2021:

<https://www.bloomberg.com/news/articles/2021-02-19/china-may-ban-rare-earth-technology-exports-on-security-concerns>

18. As cited in “China raises rare earth quotas in ‘goodwill trade signal’ to US, South China Morning Post, Hong Kong, February 20, retrieved online, February 21, 2021:

<https://www.scmp.com/news/china/diplomacy/article/3122501/china-raises-rare-earth-quotas-goodwill-trade-signal-us>

19. Refer to endnote 10.

20. Such as Wu Zai-Lin 吴再林, born Lin Mingxian in 1945 on Hainan Island, China. Also known under his Myanmar name Sai Leun, he is the military leader of the National Democratic Alliance Army NDAA, headquartered in the small narco-state of Mong-La, of which he is the “Chairman” 主席. For years Wu was included on the hit-list of the U.S. State Department.

Biographies

Frank Lehberger is a seasoned Sinologist, multilingual translator, political analyst, and expert China watcher. He has received a master’s degree in Chinese studies and linguistics at the prestigious Institute of Oriental Studies INALCO, University of Paris, France. Fluent in Mandarin, Cantonese, Tibetan, English, French and German he focuses on ethnic minority policies and Chinese human rights conditions in Xinjiang and Tibet.

He has lived and worked as an independent consultant for many years in Tibet, Taiwan, Hong Kong and mainland China. Before relocating to his native Germany in January 2020, he lived with his family for more than ten years in the ethnic minority areas of southwest China, bordering India and Myanmar. He has visited Myanmar several times after 2013. During these years he was able to gain first-hand knowledge and direct insights into the political, social, and economic situation on both sides of the Sino-Myanmar border.

Mr. Lehberger is the author of several in-depth geopolitical analyses and forecasting scenarios focusing on China in the timeframe between 2009 and 2029. He is the co-author of a highly acclaimed book on China, published 2010 in Helsinki, Finland, titled “Hungry Dragon - China's March into the Globalized World” (original title: Nälkäinen Lohikäärme - Kiinan marssi maailman talousmahdiksi). The book is available only in Finnish.

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