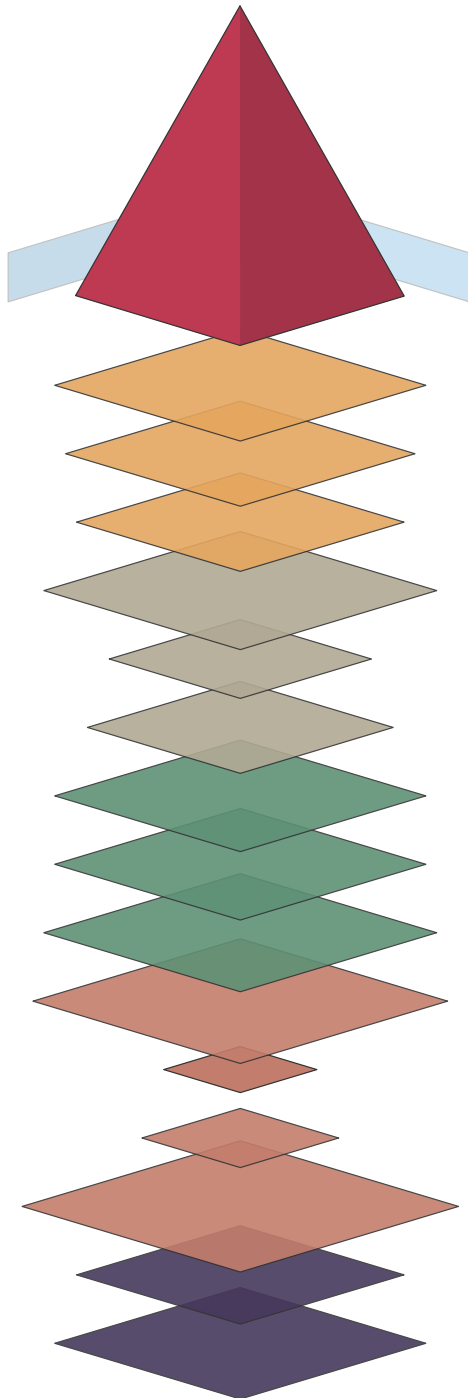




MYANMAR



8.15

CRIMINALITY SCORE

1st of 193 countries

1st of 46 Asian countries

1st of 11 South-Eastern Asian countries



CRIMINAL MARKETS

7.70

HUMAN TRAFFICKING	8.50
HUMAN SMUGGLING	8.00
EXTORTION & PROTECTION RACKETEERING	7.50
ARMS TRAFFICKING	9.00
TRADE IN COUNTERFEIT GOODS	6.00
ILLICIT TRADE IN EXCISABLE GOODS	7.00
FLORA CRIMES	8.50
FAUNA CRIMES	8.50
NON-RENEWABLE RESOURCE CRIMES	9.00
HEROIN TRADE	9.50
COCAINE TRADE	3.50
CANNABIS TRADE	4.50
SYNTHETIC DRUG TRADE	10.00
CYBER-DEPENDENT CRIMES	7.50
FINANCIAL CRIMES	8.50



CRIMINAL ACTORS

8.60

MAFIA-STYLE GROUPS	9.50
CRIMINAL NETWORKS	8.00
STATE-EMBEDDED ACTORS	9.00
FOREIGN ACTORS	9.00
PRIVATE SECTOR ACTORS	7.50



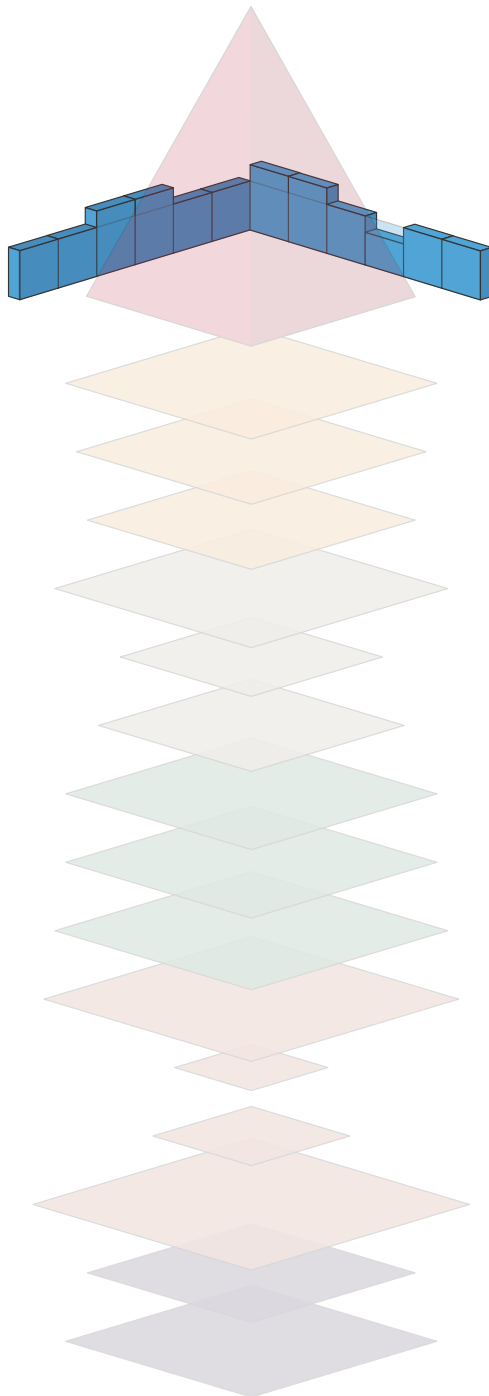
1.63

RESILIENCE SCORE





MYANMAR



1.63

RESILIENCE SCORE

191st of 193 countries

45th of 46 Asian countries

11th of 11 South-Eastern Asian countries

POLITICAL LEADERSHIP AND GOVERNANCE	1.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	1.50
INTERNATIONAL COOPERATION	2.00
NATIONAL POLICIES AND LAWS	2.00
JUDICIAL SYSTEM AND DETENTION	1.50
LAW ENFORCEMENT	1.50
TERRITORIAL INTEGRITY	2.00
ANTI-MONEY LAUNDERING	2.00
ECONOMIC REGULATORY CAPACITY	1.50
VICTIM AND WITNESS SUPPORT	1.00
PREVENTION	1.50
NON-STATE ACTORS	1.50



8.15

CRIMINALITY SCORE



CRIMINAL MARKETS 7.70



CRIMINAL ACTORS 8.60



Funding provided by the United States Government.



ENACT is funded by the European Union and implemented by the Institute for Security Studies and INTERPOL, in affiliation with the Global Initiative Against Transnational Organized Crime.

CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Human trafficking is a serious problem in Myanmar, with victims being trafficked to countries such as Thailand, Malaysia and Singapore, as well as other regions throughout East Asia, the Middle East and North America. The COVID-19 outbreak and the February 2021 coup have plunged the country into a deep political, socio-economic and humanitarian crisis, resulting in many people seeking work abroad. However, these individuals often face tough labour conditions and exploitation by traffickers and employers. Myanmar has a long history of exploitation and debt-bondage, with some justifying these as essential socio-economic practices predating the colonial era. Human trafficking networks target minority groups, such as the Rohingya people of the Rakhine state, most aggressively. Family-based criminal networks play a particularly strong role in the human trafficking market, but fake recruitment agencies and criminal gangs are also actively involved. Corruption also contributes to the human trafficking market, with reports of government officials being complicit in sexual exploitation and forced labour activities.

Myanmar is also a major source country for human smuggling operations in South East Asia and the Greater Mekong Subregion. The 2021 coup and subsequent military attacks have resulted in new migration patterns, displacing thousands of people and creating a resurgence in the market for smuggled individuals, with these people being at risk of human rights violations as they are trafficked across borders into Thailand or India. Ethnic armed organizations (EAOs) play a key role in providing these services, with allegations that people smuggling networks have been assisted by senior officials in Thailand. Tens of thousands of people who opposed the change in government are also under threat, leading to a further increase in people smuggling across these borders.

Reports from businesses in Shan state indicate that paying protection fees to multiple EAOs is common. Such incidents have been increasing following the coup, with payments demanded for passage of goods and people.

TRADE

Myanmar serves as both a source and destination for arms trafficking. Since the 2021 coup, the situation has worsened, with both the supply and demand for arms increasing among new and existing groups opposing the military government. Several larger armed groups are capable of producing weapons, which they have used for

their own troops as well as supplying other groups opposed to the military government. Local groups, largely made up of young people, have started producing their own small arms, including guns, landmines, and small bombs and mortars. In response, Thai authorities have increased border vigilance to prevent arms dealers from smuggling military-grade weapons from Thailand to Myanmar. Thai police have also reported Chinese-made weapons believed to be intended for Myanmar. The tri-border area between Bangladesh, India's Mizoram, and northern Rakhine is one of the primary crossroads for the proliferation of arms.

Counterfeit goods are significant in Myanmar. The former government was working to improve its intellectual property rights protection laws to attract investment, but the military coup and international isolation impeded these efforts. Counterfeiting levels are assumed to have returned to where they were previously. Myanmar is also a destination for counterfeit goods from India, including fake COVID-19 vaccines that have had harmful effects on community health. Counterfeit cigarettes and tobacco products produced in northern Myanmar are sold across borders into China, Thailand and other countries in the region.

The illicit trade of excise goods, particularly tobacco, continues to thrive, with Myanmar both a source and transit country for smuggled tobacco. Tamu, a significant transit hub, has become a base for top smuggling syndicates responsible for the transport of branded cigarettes. Tobacco smuggling is a profitable commodity due to high local demand, low production costs, high cigarette taxes and lower associated risks when compared to smuggling drugs and counterfeit currency. Investigative journalists have reported alcohol smuggling activity into Myanmar from Thailand facilitated by the armed forces. The military government is also understood to be responsible for the worsening situation in the country, which has seen an increase in smuggling activities following the reintroduction of trade restrictions for many goods.

ENVIRONMENT

Myanmar, which boasts one of the largest forested areas in South East Asia, is facing an unprecedented level of deforestation. Its illicit teak market is among the top ten in the world, with the situation relating to this illicit trade only having worsened since the military coup. Environmental activists have reported seeing a growing number of timber-laden trucks passing through Hkamti, a highly forested area in the north-west between India's border and Kachin State, en route to Shan State in the north. This region serves as a transit hub for the timber trade, with Nongdao and Ruili in China's Yunnan Province as final destinations. China and India are the biggest importers of Myanmar's

wood, accounting for almost half of the country's timber trade. The entity regulating all of Myanmar's harvesting and sales of wood has been sanctioned by the US and EU. The main actors driving this market are Myanmar's military, local businesspeople, EAOs and militias, as well as actors based in China.

Myanmar's location in the Golden Triangle region has made it a key source and transit country for South East Asia's wildlife trade, with the Mong La market being a hub for the pangolin trade and tiger poaching. Myanmar also struggles with irregular, illegal and unreported fishing. Wildlife markets are primarily concentrated around the Myanmar-Thailand and Myanmar-China borders, with illegal activities often conducted in the open. The most traded items are live animals, including civet and pangolin, with sales of live mammals and their body parts seeing the greatest growth. In addition, anecdotal reports suggest that wildlife poaching has increased in rural areas as traditional livelihoods are impacted by the ongoing conflict. Despite the ban on social media by the military authorities, wildlife traders are reported to have largely circumvented it through virtual private networks, with many transactions occurring over the internet.

Myanmar is a major source country for mineral resources and precious stones. The jade and gemstone sector is reported to be one of the military's most important sources of funding. This is also the case for paramilitary groups. The untraceable nature of jade and its subjective value makes it an ideal vehicle for off-book military funding and patronage politics. This is a worrying trend since most of the world's rubies and jade come from Myanmar, with much of the latter smuggled to China. Reports indicate a surge in illegal rare earth mining following the 2021 coup, suggesting unscrupulous operators are exploiting the unrest and lack of international oversight as an opportunity for resource exploitation. Other concerns include increases in gemstone mining and illicit gold mining, which have led to river erosion and the destruction of farmland.

DRUGS

Myanmar is a major player in the global drug trade. It is the world's second-largest producer of opium, accounting for a quarter of the global supply, and the largest producer of heroin in the region. The opium trade is concentrated in the regions along the Myanmar-China and Myanmar-Thailand borders. These areas, characterized by a weak rule of law, poverty, food insecurity and conflict, create an environment that enables the drugs trade to flourish. The socio-economic crisis brought on by the COVID-19 pandemic has only exacerbated the situation, leading to an increase in opium cultivation, particularly in the Shan state. Opium and heroin production generate substantial profits for Myanmar.

While cocaine is limited in availability due to the economic conditions within the country, it arrives in small quantities on international flights transiting through the Middle East and South East Asian air hubs. The domestic cannabis market is moderate, with supply coming from India and Thailand in small shipments, and profits are primarily accrued to domestic actors driven by domestic demand. By contrast, Myanmar is a major source country and global epicentre for synthetic drugs, particularly methamphetamine and crystal methamphetamine, with much of it produced for export. Since the 2021 coup, there has been a surge in the drug from Myanmar's laboratories, with organized crime thriving in this area given the instability across the country. The lack of law enforcement and the complicity of the military government with criminal activities has led to a flood of narcotics into Myanmar's neighbouring countries. This oversupply has pushed drug prices down. Thailand, the main route for Myanmar's methamphetamine to the Asia-Pacific region, has tightened security along its border, leading to trafficking shifting eastward, with drugs now moved through Laos.

CYBER-DEPENDENT CRIMES

Since early 2021, Myanmar has experienced various cybercrimes, including hacking, distributed denial-of-service and malware attacks, allegedly used for political purposes following protests in the country against the military coup. Several government agencies and news outlets have been targeted.

FINANCIAL CRIMES

Financial crimes in Myanmar, particularly illegal gambling and online scams, are linked to human trafficking, with domestic gangs, foreign actors and state-embedded actors all involved in these illicit activities. Major hubs for these criminal markets include the Shwe Kokko new city project and the Kokang region. The proliferation of online scams in Shwe Kokko is facilitated by the convergence of interests between insurgent groups controlling the area and the Myanmar military. Meanwhile, the economy of the Kokang region depends heavily on illegal gambling, largely targeted at Chinese nationals. Despite increased crackdowns by Chinese law enforcement, casino operations in the area continue to grow. Myanmar is also a key node in the global financial crime network, with completely unregulated fintech being used to facilitate money transfers and the exchange of fiat currencies for cryptocurrency. Additionally, illegal SIM card distributors in Thailand are part of a vast and complex network responsible for call centre scams that reach various countries in the region, including Myanmar. Criminals often pose as state officials representing the police so as to convince victims to pay them fees and provide their national ID card and bank account details. Some of the gangs behind these scams are led by Chinese and Taiwanese nationals collaborating with Thai citizens.

CRIMINAL ACTORS

State-embedded actors are the primary criminal actors in Myanmar, with the Tatmadaw (the military government) becoming increasingly reliant on illicit economies to finance its operations following the coup. To control the territory and the illicit economies generated by the exploitation of natural resources, the army has allied with organized militias and mafia groups, which provide financial support through illicit activities. In exchange for their aid, the leaders of these groups are given free rein to conduct a range of illicit business activities, as well as special access to the military-controlled economy, enabling them to establish corporate conglomerates across Myanmar. Currently, the Tatmadaw faces armed resistance from loosely organized local defence groups, urban resistance and some EAOs. One-third of Myanmar's territory, mostly border regions, is controlled by EAOs, which are heavily involved in drug markets, arms trafficking and the illicit jade trade. These groups are also known to engage in extortion along smuggling routes, or in their controlled territories, and some are involved in kidnapping activities.

Among foreign actors, Chinese groups heavily control and influence the illicit trades in Myanmar, collaborating with local criminals. They are involved in the opium, synthetic drug, jade, wildlife and timber trades, as well as arms trafficking and marriage trafficking operations. Chinese firms are reported to partner with armed groups in illicit activities. These firms are burgeoning in 'special economic zones' owned and operated by Chinese business networks, and engage in gambling, money laundering, cryptocurrency crimes and criminal networks. These firms claim to be

associated with China's Belt and Road Initiative and flaunt connections with key Chinese government agencies, despite having links to criminal networks or actors involved in illicit activities.

In relation to criminal networks, Myanmar has a long history of armed rebel groups, government-backed militias and small insurgent groups involved in various illicit business activities. These groups have become dominant players in these activities and have attracted investment from foreign criminal groups. Grassroots civil defence forces have emerged throughout the country to oppose the military government, many of which are not affiliated with the National Unity Government (NUG) or the People's Defence Force (PDF), and use their knowledge of the geographic terrain to stretch the Tatmadaw's resources.

The Tatmadaw maintains a complex web of business interests, generating profits and laundering its illicit money through companies allegedly owned by senior military leaders. Militia allies are rewarded with the right to develop what are largely criminal business empires, such as in the illicit online gambling market. Chinese actors allied with military elites also benefit from the country receiving licenses to develop projects in extractive industries. Business associations have been established to build influence and corrupt elites. Criminal actors have invested significantly in real estate, particularly in the main cities of Yangon and Mandalay, also setting up companies involved in whatever businesses they can obtain licenses for. People lured by false promises of good salaries are forced to work as scammers, and those who refuse are blackmailed, tortured or forced to pay large sums of money as compensation.

RESILIENCE

LEADERSHIP AND GOVERNANCE

The conflict in Myanmar has been classified as an intrastate armed conflict, with no clear resolution in sight. The diversity of actors and EAOs involved in the conflict makes the situation extremely complex. The February 2021 military coup has led to significant civil unrest, with protests and resistance movements arising throughout the country. Among these is the PDF, a resistance army that has gained support from both civil society and ethnic minority groups. While some EAOs have used the situation to gain greater autonomy over their own administration, others are simply protecting their ethnic kin from Tatmadaw attacks. The Tatmadaw's increasingly aggressive strategy has resulted in the incineration of villages and the bombing of state capitals, forcing hundreds of thousands to flee.

These dynamics have made Myanmar one of the most corrupt countries in the world. In fact, the military government has controlled a large portion of the economy for a considerable period, directing contracts to private sector companies owned or directed by officials and their spouses. The country's limited transparency mechanisms have been dismantled under the military government, whose political leadership has no legitimacy for the majority of the population. Its style of governance is described as ad hoc, erratic and predominantly based on security concerns. Most of its policies are believed to have further aggravated the socio-economic and humanitarian crisis the country has been facing since the coup.

The international community, including the US, UK, Australia, Canada and the EU have imposed various sanctions against Myanmar due to institutional corruption, human rights

abuses and the suppression of pro-democratic movements following the coup in 2021, including arms and trade embargoes, asset freezes, travel bans and investment restrictions. Despite ratifying all relevant international treaties, Myanmar is becoming more isolated and reliant on illicit economies due to international sanctions. China has blocked UN efforts to address the crisis, while Russia has become a key security partner to the military government.

After the 2021 military coup, lawlessness has emerged in Myanmar's communities as the army orders the police to take repressive actions, negating their law enforcement role, and as local administrative and service infrastructure deteriorates under attack by warring forces.

CRIMINAL JUSTICE AND SECURITY

The military government has taken control of the judicial system since February 2021, leading to the removal of existing safeguards against arbitrary arrest and detention. Martial law has been declared in many townships, allowing military tribunals to impose death sentences on civilians, and resulting in a dramatic rise in political prisoners, including human rights activists. The increase in political prisoners has contributed to overcrowding in prisons, with inmates subjected to inhumane conditions, including torture and poor hygiene, and deprived of medical treatment.

There are high levels of violence between the Tatmadaw forces and anti-military protesters. Military attacks on peaceful protesters have taken place across the country, leading to civilian youth joining armed PDF, with these carrying out guerrilla attacks against military targets. Furthermore, there is growing evidence of the military engaging in crimes against humanity. Hundreds of thousands of people in ethnic minority areas have been forced to flee their homes, and many have been killed, including children. Myanmar is also accused of committing genocide against the Rohingya people.

In September 2021, the NUG declared a people's war against the military and began efforts to coordinate the shadow government, the PDF and some EAOs. The EAOs are gaining territory, and the PDF continues to expand in size and capability, inflicting significant damage to military forces and local administrations. However, the power gap between the resistance and the military remains significant, with the latter continuing to hold the population centres and attempting to control key areas of natural resources exploitation in order to generate income and run its illegal activities freely.

ECONOMIC AND FINANCIAL ENVIRONMENT

Myanmar is assessed to have one of the highest risks of money laundering and terrorist financing in the world due to the influence of the military government in illicit commodities. The country has been blacklisted by the Financial Action

Task Force for money laundering as it failed to improve its regulatory framework and enforcement. The situation has led the US and EU to impose sanctions on Myanmar, including an embargo on arms, export restrictions on equipment for monitoring communication which might be used for internal repression, an export ban on dual use goods for use by the military and border guard police and a prohibition on military training and cooperation with the Tatmadaw. As a result, US financial institutions can only provide correspondence services to Myanmar banks.

The economic downturn has had a devastating effect on the population, with millions losing their jobs and livelihoods. The price of essential food products has risen, the national currency has plummeted, and public services and the banking system have collapsed. The health and education systems are also in disarray, with many schools closed or with few teachers and students. The economic crisis is projected to leave nearly half of Myanmar's population in poverty, reversing the country's progress from 2005 to 2017. Moreover, increasing economic sanctions from the West may force the military government to rely heavily on underground cash flows.

CIVIL SOCIETY AND SOCIAL PROTECTION

Since the coup, there has been a surge in violence against civilians, especially minority groups. The military government has abolished existing safeguards against arbitrary arrest and detention, resulting in a lack of accountability for offenders. The government's inability to protect victims, carry out investigations and punish offenders is well documented. Women face employment discrimination, with no explicit legal protections. The LGBTQ+ community is also marginalized, with same-sex sexual activity being criminalized, and individuals facing harassment, extortion, and physical and sexual abuse. The ethnic Bamar Buddhist majority retains a privileged position, while ethnic minority groups such as the Shan, Mon, Chin, Karen and Kachin, as well as non-Rohingya Muslims, face societal discrimination. The deteriorating human rights situation has created a hostile environment in the country, leading to a lack of support for victims and witnesses.

To fill the void left by the government's service-delivery role in separatist territories, Myanmar's civil society sector has focused on crime prevention and the protection of victims and witnesses. However, the political crisis severely restricted internet access and press freedom, with licenses revoked for several independent media organizations, and the military using surveillance technology to monitor protesters. Draconian new laws have been introduced to jail and prosecute former senior government officials and punish political protesters, striking civil servants and civil society activists. Ethnic activists and faith leaders, particularly in Chin, Kachin, Karen, Karenni, Mon and northern Shan states, have also been targeted. The military also amended sections of the criminal code and the Electronic

Transactions Law to criminalize statements against the military government, resulting in the arrest and forced exile of numerous journalists. The majority of free media outlets have been banned. Political activity on university campuses is constrained and universities lack autonomy. Student unions, historically crucial advocates for human rights, are viewed with suspicion by authorities, and universities have been stormed, with staff suspended or coerced into declaring allegiance to the ruling military government. NGOs have effectively shut down or disbanded, and activists face arrest and prosecution, with family members arrested as a pressure tactic.

This summary was funded in part by a grant from the United States Department of State. The opinions, findings and conclusions stated herein are those of the authors and do not necessarily reflect those of the United States Department of State.