

The Role of the Japanese in Myanmar : Economic relations between Japan and Myanmar in historical perspective

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I. Introduction

“I met a Japanese man who had been sent by Emperor of Japan to stay (in England) for his education and for the study of manners and customs (of the English people). He was dressed in European fashion and in the course of conversation, he told me that in Japan, the construction of factories, mills, railways, was going on apace. …He then added that Japan was an oriental country in the same way as Myanmar, and pointed out the possible benefits that would accrue by these two countries having mutual intercourse. He was very friendly towards me and expressed the hope that a closer, cordial, and happy relationship would be maintained between the two countries…” (Kinwun Min Gyi 1928: 164-165)

This was the earliest historical record about a meeting between Japan and Myanmar¹ written by Kinwun Mingyi during his diplomatic mission to London in 1872. However, the relationship between Japan and Myanmar began in the many years earlier through seaborne trade. According to Furnivall, through the British Empire, direct

trade between Myanmar and Japan began in 1899, chiefly for the exchange of rice and sugar. In the beginning of the 20th century, Japan had extended trading to Myanmar, after opening a Japanese line started direct service to Tokyo in 1911, and also cut into the trade between Rangoon and Calcutta. Japan was rapidly gaining on the list of principal foreign ships entering Rangoon since 1914 (Furnivall 1948: 79). Japan's export trade to Myanmar received its first serious increase in 1933, Japanese cotton-pieces increased to India and Myanmar from the mills of Osaka, after an agreement was signed in 1937.² Japanese were able to negotiate directly with Myanmar. Imported Cotton Twist and Yarn from Japan was higher than British import (Figure 1).

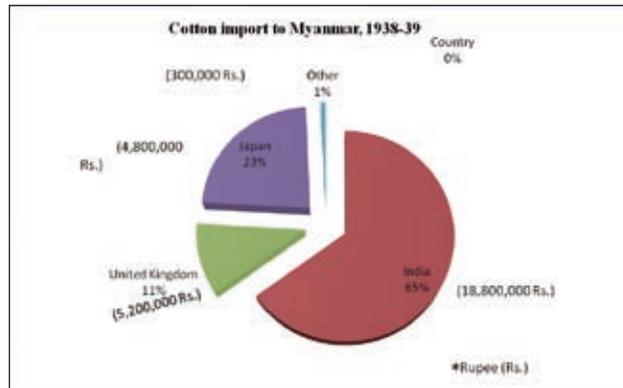
Thereafter, Japan increased significant role in Myanmar trade, Japan became a formidable commercial competitor rivaling British and India. At the same time, the Japanese did not have any conflicts with the Burmese because they did not complete their jobs with the Burmese as Indian and Chinese had done. Japanese works were in competition with Europeans in Myanmar rather than with indigenous people (Christian 1942: 289). Occupations of Japanese were dentists, photographers, veterinarians, merchants, or

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¹ Burma changed a national name as Myanmar in 1989. Burmese refers to citizen of Myanmar.

² Convention between His Majesty in respect of the United Kingdom and the Emperor of Japan regarding Trade and commerce between Myanmar and Japan, London, June, 1937. House of Commons Parliamentary Papers Online.

Figure 1: Cotton imports to Myanmar in three principal countries (1938-1939)



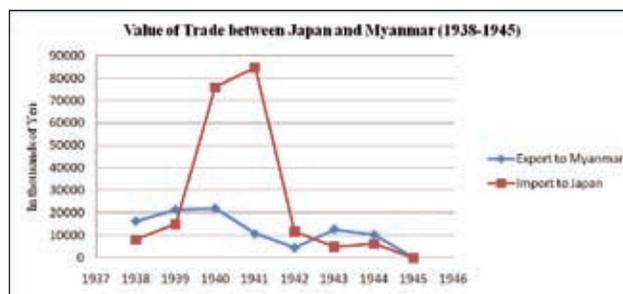
Source: John L. 1942. *Modern Burma: A survey of political and economic development*. Berkeley and Los Angeles: University of California Press, p. 292.

employees of Japanese banking and shipping interests which maintain branches in Yangon (Andrus 1957: 36). Also, Japanese used the individual relationship to run their business quickly. A Japanese company made connections with the Burmese to increase business and further the sale of Japanese goods. The Myanmar –Japan trade cooperation was used to hand over sample goods for sale.³ Japanese traders attracted the Burmese by offering 50% of the profits to the Burmese.⁴

Before Japan occupied Myanmar (1942-1945), Aung San⁵ strongly believed that

Japan’s support would improve Myanmar’s economy “*the help of Japan is important... Japanese investment in Myanmar, preferential treatment for Japanese goods, joining the yen bloc will be part of our new economic life....*” (Yoon 1971: 271) Therefore, cooperation between the Japanese army and the Burmese core leadership cooperated in fighting the British to get them out of Myanmar. In April 1941, the Minami Kikan (南機関), the Imperial Japanese Army organized a group of young Burmese nationalists called the “Thirty Comrades” to fight the British⁶, Aung San, a

Figure 2: Value of Foreign Trade between Japan and Myanmar



Sources: *Japan Statistical Year Book*, edited by Executive Office of Statistics Commission, Statistics Bureau of the Prime Minister’s Office. Various issues.

³ India Office Library and Records. M/5/75-B.D.B.5/40, p. 7.

⁴ India Office Library and Records. M/5/74 –B.D.B. 1/39, p. 30.

⁵ Aung San (1915-1947) was appointed War Minister in Japan period. He is still widely admired by the Myanmar people as a hero of independence. He is recognized as the leading of Myanmar’s independence from the British rule and the founder of modern Myanmar but he was assassinated six month before the independence in 1948.

⁶ It later called the Burma Independence Army (B.I.A.).

leader, and his group left Myanmar secretly to Japan for military training at Hainan Island, China. (Burma during the Japanese Occupation 1943: 1) After the training, the Japanese Army and the B.I.A. reentered Myanmar in January 1942. Myanmar was occupied in March 1942.

Although, Japan tried hard to increase the Myanmar economy during wartime, it was unsuccessful, the economic situation worsened. Figure 2 presents the trade between Japan and Myanmar. Prewar, the goods from Myanmar were highly imported to Japan. After Japan occupied Myanmar, both imports and exports decreased. Particularly, the exports to Japan had decreased extremely until the end of the War.

II. Role of Japanese in Myanmar Economy, 1950s-1980s

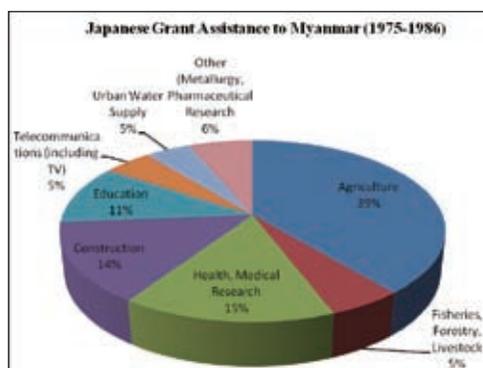
Japan came back to Myanmar, accepting responsibility for the second World War. The former members of the “Thirty Comrades” such as Aung San, Ne Win became key people in Myanmar administration. It had been using to supportive relations between

the two countries, particularly during the Ne Win government (1962-1988) (Kudo 2007: 3). A huge amount of Japanese aid assistance was provided to support the economic situation in Myanmar. Japan was encouraged to play a vital role in Myanmar's economy, I will explain the three main roles.

1. Aid assistance and trade exchange

Japan provided assistance with US \$250 million to Myanmar which began in the war reparations period during the years (1955-1965). Besides this, in 1963, Japan provided another US \$140 million in economic and technical cooperation, as quasi-reparations. In 1968, Japan provided more economic assistance as a yen loan of 10.8 billion yen. During the 1970s, many kinds of economic assistance were provided, such as a general grant in 1975, cultural grants in 1976, grants for food production in 1977, and debt relief in 1979 (Kudo 2007: 4). As a result, Japan aid had increased with many kinds of assistance not only economic interests but also those concerned with social life improvements (Figure 3).

Figure 3: Japanese grant assistance to Myanmar (1975-1986)



Source: David I. Steinberg. 'Japanese Economic Assistance to Myanmar: Aid in the "Tarenagashi" Manner?' Crossroads, vol. 5:2, p. 89.

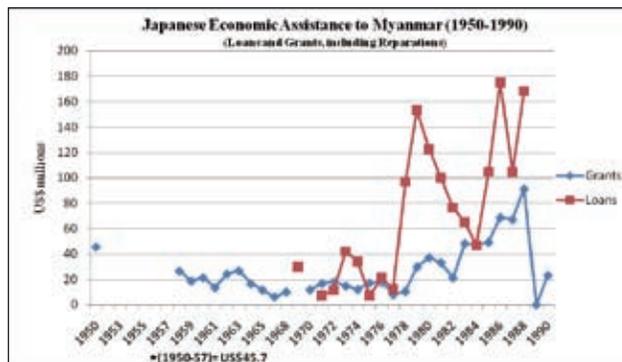
It was noteworthy that Japan's ODA to Myanmar had increased dramatically since the mid-1970s (Figure 4, Figure 5). After the

Ne Win government faced an economic crisis, it needed more budget from official overseas assistance. Between 1978 and 1988, Myanmar

received US \$ 3.7 billion through Japan's economic assistance, it was 15% of Myanmar's total imports for the same period. Ne Win government was criticized since it had survived only because of the huge aid from Japan (Kudo 2007: 4). These amounts of assistance had a correlation with the rise in Japanese commodities in Myanmar. Looking at the value of Japanese goods imported to Myanmar was much higher than Myanmar goods exported to Japan (Figure 6). During 1950-1990, Myanmar's goods were mostly exported to countries in the region and China (Figure 7, Figure 8). Japan commodities had the highest value of imported goods to

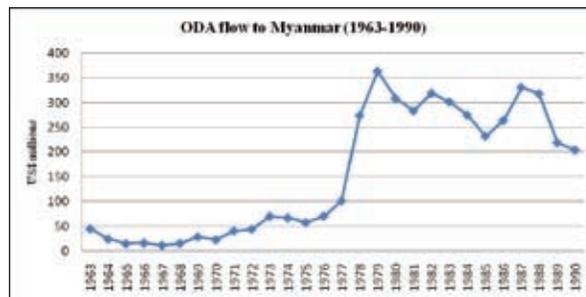
Myanmar (Figure 9). According to the Japan statistics, machinery and equipment were exported to Myanmar in a large part (Figure 10). Rice had been imported to Japan since 1950s but it was decreasing since the rice yields declined, finally, rice exports to Japan had dropped before the mid of 1960s (Figure 11). Raw materials and foodstuffs were constantly imported to Japan but not of much significant value (Figure 12). In other words, these have indicated that how much Japan had a higher favorable balance of trade than other Myanmar's major trade partners and how Japanese businessmen prospered due to beneficial Japanese aid funds in Myanmar.

Figure 4: Japanese economic assistance to Myanmar (1950-1990)



David I. Steinberg. 'Japanese Economic Assistance to Myanmar: Aid in the "Tarenagashi" Manner?' Crossroads, vol. 5:2, p87.

Figure 5: Japanese Official Development Assistance flow to Myanmar (1963-1990)



Source: David I. Steinberg. 'Japanese Economic Assistance to Myanmar: Aid in the "Tarenagashi" Manner?' Crossroads, vol. 5:2, p. 95.

Figure 6: Value of Myanmar trade with Japan as a major trade partner (1950-1994)



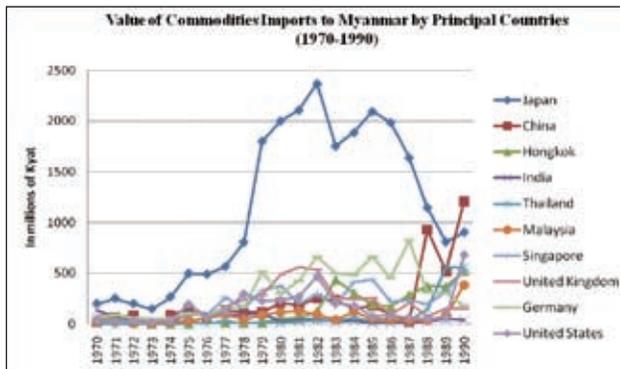
Source: Tekuko Saito and Lee Kin Kiong. *Statistics on the Burmese Economy: The 19th and 20th Centuries*. Singapore: Institute of Southeast Asian Studies, 1999, p.189.

Figure 7: Value of Myanmar exports to major trade partners (1970-2000)



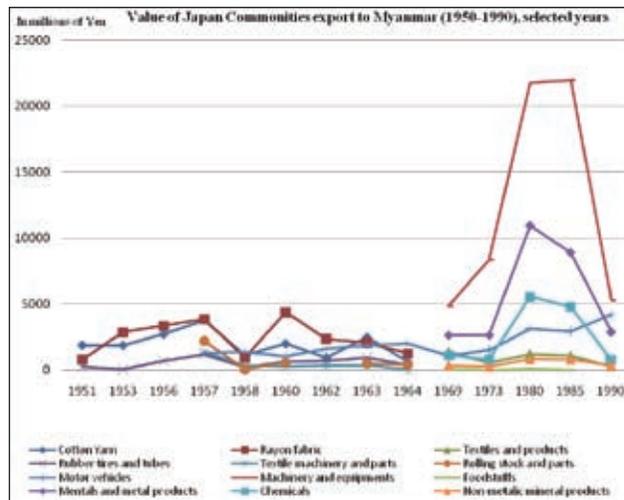
Sources: *Myanmar Statistical Year Book*, various issues (1970-2000). *Bulletin of Import Trade*, various issues (1970-1979). *Bulletin of Export Trade*, various issues (1970-1976).

Figure 8: Value of commodities imports to Myanmar by principal countries (1970-1990)



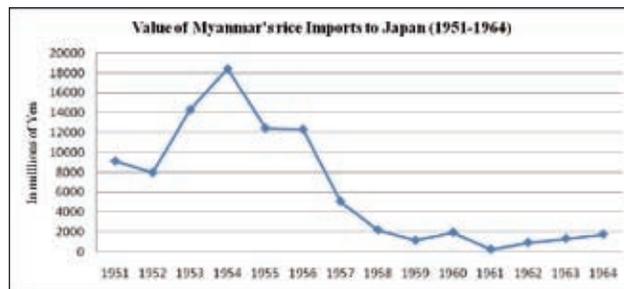
Sources: *Myanmar Statistical Year Book*, various issues (1970-1990). *Bulletin of Import Trade*, various issues (1970-1979). *Bulletin of Export Trade*, various issues (1970-1976).

Figure 9: Value of Japan communities export to Myanmar , selected years (1950-1990)



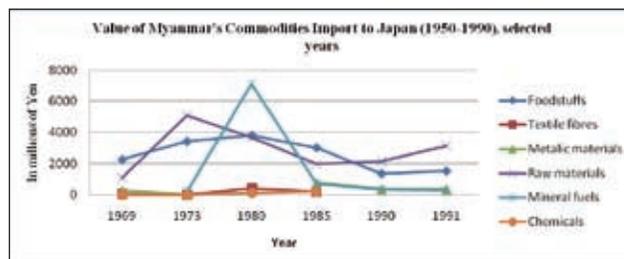
Sources: *Japan Statistical Year Book*, edited by Executive Office of Statistics Commission, Statistics Bureau of the Prime Minister’s Office. Various issues.

Figure 10: Value of Myanmar rice imports to Japan (1951-1964)



Sources: *Japan Statistical Year Book*, edited by Executive Office of Statistics Commission, Statistics Bureau of the Prime Minister’s Office. Various issues.

Figure 11: Value of Myanmar’s commodities imports to Japan, selected years (1950-1990)



Sources: *Japan Statistical Year Book*, edited by Executive Office of Statistics Commission, Statistics Bureau of the Prime Minister’s Office. Various issues.

2. Principal investment:

Aid assistance paved the way for investment in Myanmar. Japan was involved in other principal projects of Myanmar's economy since the agreement was signed. In 1956, under an

agreement between Economic Development Corporation and Japan, they had the joint construction of two textile mills with the installation of 40,000 weaver’s looms and 400 weaving machines (Moe Moe Tin 1999: 79).

Japan was the source of the basic industrial machinery. The Myanmar government had imported machinery from Japan and had it reassembled in Myanmar at a plant set up 15 miles from the Mingaladon township. This plant had assembled Mazda, Hanbi and Daihatsu three Wheeled Cars and four Wheeled Mazda small cars. It also saw the development of electronic science for the Japanese electronic equipments that had been imported from Japan (Mya Ma Ma 1999: 59) aimed at promoting Myanmar's industrialization through the "four industrial projects" financed with reparations founded in 1962. As it was hoped to establish major plants for the manufacture of light and heavy vehicles, agricultural machinery, and electrical items. Four Japanese companies: Hino (truck assembly) Mazda (automobiles, jeeps and vans), Kubota (farm machinery), and Matsushita (electrical appliances) were given contracts by the Japanese government for the initial supply of components (Seekins 2007: 60-61).

Baluchaung Hydro-electric Power (HEP) station is a very good example of the role of Japanese businesses in the implementation of reparations projects. Nihon Koei and Kajima Construction Company constructed Baluchaung within reparation in 1956,⁷ the Japanese provision of a hydroelectric power plant in the Kayah State.⁸ It provided about 40% of the total electric supply for the country (Seekins 2007: 59). Furthermore, Japan had a role in construction of transportation in Myanmar. Not only the machinery for construction but the Japanese buses were imported into Myanmar for public

transportation. Napyidaw Transport Company was able to register bus services for Yangon city and Okkalapa North and South, the company imported Hino buses from Japan in March 1959 (Myo Ma Ma 1999: 58). Small Japanese firms were active in the sales of second-hand Japanese buses for use as public transportation in Yangon and other cities (Seekins 2007: 117).

In addition, Japan has been involved in oil production since 1970s, after success in assistance in oil reserves investigation. Myanmar oil exploration was extended to offshore areas with Japanese assistance, three new oil fields and two gas fields were discovered. Clearly, production was rapidly achieved, the output of Myanmar oil production increased steadily in 1973 at 7.5 million (U.S) barrels which was 70 percent more than in 1962 (Seekins 2007: 68), the Oil and gas sector had been the highest permitted foreign investment in 1990s (Golden Myanmar 1997: 23).

3. Japanese companies

Under the military junta, it was strict and risky for foreign investors. Japanese firms had been avoiding their risk but had played a significant role in Myanmar's economy under the umbrella of Japanese government's assistance fund. During the 1960s, the time of nationalizations, there were only two Japanese companies operating. Their number had increased to 15 by the late 1990s. These companies were: Sumitomo, Shōji, Mitsui Bussan, Mitsubishi Shōji, Nichimen, Marubeni, Nisshō Iwai, C.Itoh, kinshō Mataichi, Tōmen, Kanematsu Gōshō and Daimaru (Seekins 2007:

⁷ The project grew out of a visit to Myanmar in 1953 by the president of Nippon Kōei, an engineering consulting company that was to play a major role in Japanese ODA in Myanmar until 1988 (Seekins, 2007, 59). it was accepted by the Burmese government as a normal investment in 1954 but it was adapted into reparations after the meeting of the Myanmar-Japan Committee for Reparations and Economic cooperation, in January 1956

⁸ The Baluchaung hydroelectric power plant, which was built along the river of the same name, a tributary of the Salween River, in remote Kareni (Kayah) State.

77). This business group monopolized the projects with funds in Myanmar. After the political crisis in 1988, Japanese government suspended the loans. The largest amount was the modernization of Yangon Airport (¥12.2 billion out of a total of ¥14.2 billion frozen, or US \$95.2 million out of US \$110.8 million), followed by consultant contracts and the maintenance of the Baluchaung power plant (¥5.7 billion, out of ¥12.7 billion, or US \$44.5 million out of US \$99.1 million), a caustic soda plant at Kyaiklat, near Yangon (¥5.2 billion, or US \$40.6 million, all of which had been frozen), and a gas turbine generator at Yangon (¥4.07 billion, out of ¥4.5 billion, or US \$31.8 million out of US \$35.1 million) (Seekins 2007: 71).

Due to those companies not wanting to lose their investments, they officially requested the Japanese government to float the aid. It is no doubt that the role of the Japanese business group persuaded the Japanese aid to Myanmar was quickly resumed. This showed they monopolized large interests in Myanmar, the same Japanese business group returned to continue their business activities in Myanmar. Japan is still involved in big projects, the Mingaladon Industrial Park was the first of its kind in Myanmar to allow 50 year long-term leaseholds for the foreign investors (Strefford 2005: 125).

III. Why the Myanmar economy did not change with the long-term aid?

In the period of aid assistance from 1950s to the 1980s, Japan had hoped to encourage economic reform in Myanmar. However, the huge budget did not make a big change in

economic sector. There were three principal factors that limited the role of the Japanese to increase change in Myanmar.

1. Nature of the Myanmar Economy

After their independence in 1948, Myanmar government conducted the nationalization policy. The Anti-Fascist People's Freedom League (AFPFL) government (1948-1958) had issued the regulations to limit the role of foreign business while increasing empowered indigenous businesses. The government had introduced a system of licenses and allocated a larger quota of licenses to indigenous business firms to share at least 60 percent indigenous to 40 percent for the foreign holder. Moreover, the AFPFL nationalized some British firms and Indian businesses (Kyaw Yin Hliang 2001: 58)⁹. At the end of the 1950s, the nationalization policy was highly effective, business activities turned to the indigenous hands. The Burmese firms controlled much more than the foreigners with 90 percent of all firms, only 3.5 percent were foreigner owned (Taylor 1987: 281).

This policy was more strictly used after the military coup in 1962, the Ne Win government¹⁰, introduced the "Burmese Way to Socialism". It was mixture of socialism, an inward-looking strategy of self-reliance, and strong nationalism. All crucial means of production and distribution, businesses and industries were nationalized and foreign trade became the state's monopoly. Within two years of the coup, some 15,000 private firms were nationalized, and the foreign business community (Europeans, Chinese, and those from the Indian subcontinent) were removed from their positions of economic dominance

⁹ Quoted from Kyaw Yin Hliang (2001), the AFPFL took over the teak trade. It nationalized such British-owned firms as the Irrawaddy Flotilla Company, the Arracan Flotilla company, the Yatanabom Wolfram Mine, the Rangoon Electric Tramway and Supply Company, and an Indian-owned sugar factory.

¹⁰ Known in named the Burma Socialist Program Party (BSPP), BSPP was the single political party took leading role in Myanmar politics until 1988.

(Steinberg 2005: 62). A new nature of Burmese economy arose, businessmen and women played a major role in economy as economic actors in both the legal and illegal sectors, especially with the big deals in the black market (Yin Hliang Kyaw 2001: 121). The important thing for the Businessmen both legal and illegal was that they needed to deal with the state officials for promoting their interests. The state monopolized economic activities, private businessmen needed to find patrons using the local bureaucratic officials. Personal connections with officials in the government became crucial for people wanting to do business in Myanmar. *“Well-connected industrialists and hoteliers could also lease government factories and other government buildings at low cost.”* (Yin Hliang Kyaw 2001: 330).

Foreign businessmen also needed to seek connections. They were allowed to hire local representatives to make business deals with the Burmese government (Yin Hliang Kyaw 2001: 199). In other words, they had to make a connection with a local businessmen to pass a good connection with the authorities. Japanese businessmen did not connect with local businessmen, their connections were focused with the government. Economic cooperation between Japan and Myanmar governments created smooth relationships for the Japanese

businessmen.

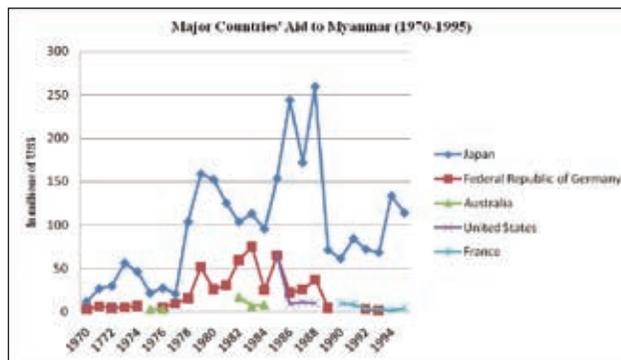
2. Effect of Myanmar political crisis

As the biggest donor (Figure 12), Japan should go along with foreign donor community in cutting off aid to Myanmar after the political crisis in 1988, but it would impact the Japanese influence in Myanmar and, as I said earlier, this was against the Japanese business group who were going to lose money on their investments if the aid policy was changed.

In fact, the Japanese government was considering a major change in their aid policy before the political crisis of 1988. In April 1988, the Japanese government talked about economic reforms with U Tun Tin, Myanmar’s deputy prime minister, when he visited Japan to ask for debt relief and more economic assistance (Seekins 2007: 78). *“During that trip, he was informed by the Japanese government that Burma[Myanmar] was in dire economic straits, and that situation could no longer continue. More importantly, he was told that if Burma[Myanmar] did not make substantive economic reforms, ones that were not specified at that time, then Japan would have to reconsider its economic relations with Burma[Myanmar]...”* (Steinberg 2005: 67).

At the same time, there had discussions that long Japanese assistance was not reaching the people and failed to support

Figure 12: Major countries aid to Myanmar (1970-1995)



Source: Donald M. Seekins. 2007. *Burma and Japan since 1940: From 'Co-Prosperty' to Quiet Dialogue'*. Copenhagen: NIAS Press., p. 62-64.

Burmese growth. Japanese journalists and academics questioned Japanese aid to Myanmar. Saito Teruko, economist, strongly pointed out that Japanese aid to Myanmar was not effective in raising the living standards of the Burmese people but created market for Japanese companies through procurement contracts, concerned with building huge, costly projects which were often inappropriate in term of Myanmar's low level of technology, and regionally biased. Similarly, the research from the Japan International Cooperation Agency (JICA), pointed out the biggest percentages of grants and loans disbursed between 1978 and 1987 were in the mining, manufacturing and energy sectors, public works, and commodity loans. Small percentages of ODA were spent on human resources and health (Seekins 2007: 68). *Minichi Shimbun* editorial, June 1989, stated Burmese ODA was *tarenagashi*, a term implying an unregulated flow of funds without concern for the consequences. It seems only the Japanese companies received profits from their investments through the government funds. *"Though they failed to achieve their purpose, promotion of Myanmar's industrial self-sufficiency, they were renewed 13 times for a total of ¥140.0 billion, and the same four companies continued to receive lucrative procurement contracts until the loans were finally discontinued in 1987."* (Seekins 2007: 68).

3. Japan's attitude

The attitude of Japan towards Myanmar effectively shaped Japanese's position towards Myanmar. There are three reasons to be discussed here. Firstly, Japan and Myanmar had agreed to an essential cooperation under the economic condition since the beginning, Myanmar's economic system protected itself from the outsider's influence. Japan conducted policy by focusing on economics first without

interference with their internal affairs. Secondly, Japanese investors lacked in cooperation with private Burmese transactions. Among the strict policies, Japanese businessmen could not get involved in the nature of Myanmar economy, Japanese investors ignored making connections with the indigenous businessmen unlike the Chinese businessmen. Thirdly, Japan did not have a link geographically, after the political crisis, Myanmar turned to opening their market. Myanmar has increased trade with neighboring countries as much as those countries have been exploiting resources in Myanmar. At that time, trade with Japan has been reduced on the context of border trade.

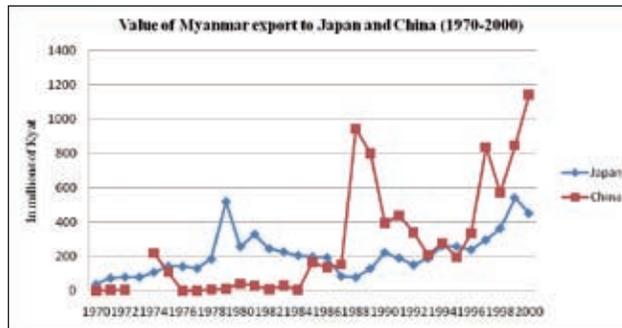
In the case of border trade, it has caused a reduction in the purchase of Japanese goods. China has gained higher percentage of trade than Japan, after the government of Myanmar liberalized its trade policy in 1988. Chinese-made machinery and parts have flooded into Myanmar's markets. China has become a major supplier of consumer and capital goods for Myanmar. Prior to 1988, for instance, Japan played major role in motor vehicles plants under the ministry assembled MAZDA brand and HINO brand Japanese-made cars for local use. However, after 1988, since Japan no longer supplied parts for production, the ministry imported parts from China to produce a Myanmar Jeep (Maung Maung Myoe 2007: 34). China took advantage in their cheap goods and has been promoting cross border trade transactions. According to statistics (Figure 13), it indicated that balance trade between Myanmar and China is better than trade with Japan, Myanmar goods are exported to China much more than to Japan. After the political crackdown in 1988, the value of Chinese imports were higher than from Japan the first time since 1990 and it has been slowly increasing since then (Figure 14). It should be noted that these statistics do not

include the border smuggling trade between Myanmar and China. Japan decided to put a freeze on economic aid, after the Myanmar's political crackdown in 1988. It was the same time that border trading was opened up, Myanmar has increased trade with Southeast Asia and China, as well as border trading with China, Thailand and Bangladesh (Mya Than 1997: 104-105). The value of trade between Myanmar and bordering countries has been higher than the 1980s. Myanmar goods exported to Thailand, China and India have increased dramatically (Figure 15). Value of imports from Singapore, Thailand and China have been higher than Japan since the mid of 1990s (Figure 16). As the Japanese influence in Myanmar economy has diminished, China with an advantage in geographic location has filled the void with trade, foreign investment

and economic aid, also as a neighboring country with similarity in administration systems. Doubtlessly, China has gained influence in Myanmar rapidly.

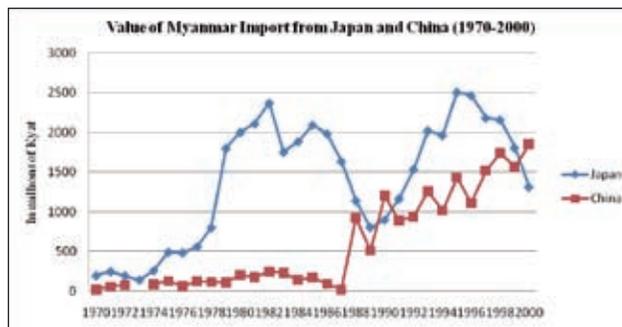
However, the role of Japanese could not be thrown from Myanmar stage. Japan played an important role in Myanmar economy since the 1940s, and Japan returned to take a vital role as a major trade partner since the 1950s-1980s. These times almost 40 % of Myanmar's total imports came from Japan (Kudo 2007: 10). According to statistics (Figure 17), it showed the role of Japan as the top among Myanmar's trade partners. All during the years, value of Japan commodities imported to Myanmar had much higher than value of Myanmar commodities exported to Japan. Definitely, it was higher than other countries.

Figure 13: Value of Myanmar exports to Japan and China (1970-2000)



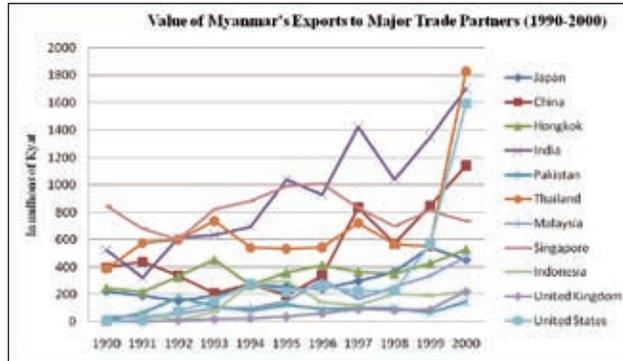
Sources: *Myanmar Statistical Year Book*, various issues (1970-2000). *Bulletin of Import Trade*, various issues (1970-1979). *Bulletin of Export Trade*, various issues (1970-1976).

Figure 14: Value of Myanmar imports from Japan and China (1970-2000)



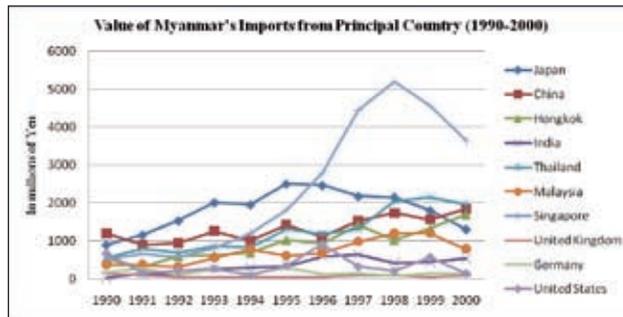
Sources: *Myanmar Statistical Year Book*, various issues (1970-2000). *Bulletin of Import Trade*, various issues (1970-1979). *Bulletin of Export Trade*, various issues (1970-1976).

Figure 15: Value of Myanmar exports to major trade partners (1990-2000)



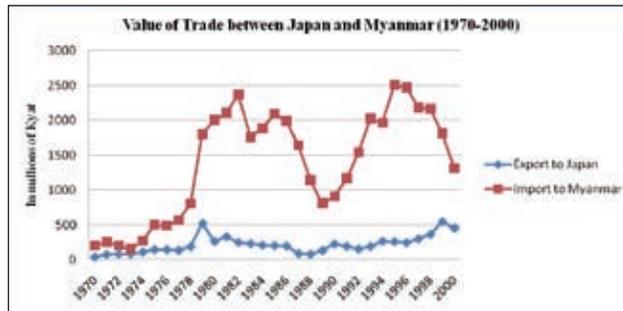
Source: Myanmar Statistical Year Book, various issues (1990-2000).

Figure 16: Value of Myanmar's imports from principal countries (1990-2000)



Sources: Japan Statistical Year Book, edited by Executive Office of Statistics Commission, Statistics Bureau of the Prime Minister's Office. Various issues.

Figure 17: Value of trade between Japan and Myanmar (1970-2000)



Sources: Myanmar Statistical Year Book, various issues (1970-2000). Bulletin of Import Trade, various issues (1970-1979). Bulletin of Export Trade, various issues (1970-1976).

Japan might have been reduced in its role in Myanmar's economy since the 21st century due to the reasons stated above, but Japan still has a significant role. Japan aid has been given to show more concern about health care and social development in Myanmar. The economic cooperation between the two

countries has continued with many programs. Japanese companies have been increasing, even it is not the highest investor, it is ranked in top 10 among foreign investment countries in Myanmar. The role of the Japanese has been significant to Myanmar as the speech of Khin Nyunt, the former prime minister said:

*“the relations between Myanmar and Japan have been characterized by close friendship, mutual understanding and genuine goodwill. It is based on this firm foundation that concerted efforts should be made for long lasting friendship between the peoples of Myanmar and Japan.”*¹¹

IV. Conclusion

This paper has tried to explore some aspects on the way of Japanese treated Myanmar in different economic contexts. As the data research has found the economic relations between Japan and Myanmar reached its peak during the mid 1970s -1980s, statistics of economic operations were at its highest. It was weakest in the end of 1980s, the economic cooperation rapidly resumed in the early of 1990s. Since 1950s, the economic cooperation was the main point for developing their relationship. Japan provided aid assistance and developed the relation with Myanmar. Ne Win period (1962-1988) had received a huge amount of aid assistance. Even though it was strongly criticized, Japan aid went together with the value of commodities imports to Myanmar, particular after the mid 1970. The Myanmar economic situation was dire, the amount aid was higher. Japan influenced Myanmar through the economic assistance, Japanese companies had investment in big projects under the Japan government funds. The good connection between the governments of Japan and Myanmar helped the Japanese companies conduct their business activities but the Japanese businessmen could not make the connection with the indigenous businessmen. Due to the nature of Myanmar economy, it

was essential in the connection between the authority and businessman. In this point, Chinese businessmen were doing better, they could connect with Burmese businessmen. Chinese businessmen have increased trading when Myanmar turned to an open market policy, while Japan has reduced her role after the political crackdown in 1988. Locations in trade borders has had many advantages over long distance trading, Myanmar trade with the countries in region has been increasing, trade with Japan has decreased since the 1990s.

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¹¹ The speech of Khin Nyunt in opening of the Japan-Myanmar Business Cooperation committee in November, 1998, quoted from Zunetta Liddell , *International Policies towards Myanmar: Western governments, NGOs and multilateral institutions* p.144

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