

NEW SAC-M REPORT: Supplying the Myanmar Military's Weapon Production

16 January 2023: Companies from at least 13 countries, including in Europe, Asia and North America, have been enabling the Myanmar military to manufacture weapons used for human rights atrocities. They must stop doing business with the Myanmar military and associated entities immediately, if they have not done so already, said the Special Advisory Council for Myanmar (SAC-M), in a new report on the Myanmar military's in-country arms production and the global value chains that facilitate it. Weapons produced in Myanmar have been used and continue to be used by the military to commit widespread human rights violations that amount to the most serious crimes under international law.

The report, Fatal Business: Supplying the Myanmar Military's Weapon Production, identifies companies domiciled in Austria, France, China, Singapore, India, Israel, Ukraine, Germany, Taiwan, Japan, Russia, South Korea and the United States. They have been providing supplies that are critical to weapon production in Myanmar by the Myanmar military's Directorate of Defence Industries (DDI) at arms manufacturing factories commonly referred to as KaPaSa.

The report also maps out the locations of KaPaSa factories and their current production lines as well as other locations of strategic importance for the DDI's weapon manufacturing. The Myanmar military has invested heavily over many years in building up its capacity to produce arms in-country, particularly small arms and light weapons, in response to embargoes and sanctions that have restricted its access to essential military supplies produced elsewhere.

“Foreign companies are enabling the Myanmar military - one of the world's worst human rights abusers - to produce many of the weapons it uses to commit daily atrocities against the Myanmar people,” said Yanghee Lee of SAC-M. **“Foreign companies and their home states have moral and legal responsibilities to ensure their products are not facilitating human rights violations against civilians in Myanmar. Failing to do so makes them complicit in the Myanmar military's barbaric crimes.”**

The report draws on a range of sources including leaked budget-related documents from the Myanmar military-controlled Ministry of Defence and the DDI, shipment records, interviews with individuals formerly associated with the Myanmar military and photographic evidence shared by them as well as open-source materials.

Through its investigation, SAC-M has identified companies supplying raw materials, parts and components, end-items, and high-precision Computer Numerical Control (CNC) machines and associated technology to the DDI for the sustained production – both licensed and un-licensed – of weapons currently in its arsenal. The report also names front companies, including companies

domiciled in Myanmar, and middlemen that enable the DDI to purchase products and services by brokering deals or otherwise acting as intermediaries for the DDI.

“Weapons produced at the Myanmar military’s KaPaSa factories have been used to commit human rights atrocities for decades,” said Chris Sidoti of SAC-M. **“States must investigate and, if necessary, initiate administrative or legal proceedings against companies whose products we have identified as enabling the DDI to produce weapons used by the Myanmar military in its indiscriminate attacks on civilians. Foreign companies that profit from the suffering of the Myanmar people must be held accountable.”**

Companies identified in the report may be contravening various export controls and other restrictive measures that apply in relation to Myanmar, the Myanmar military and companies associated with it. They may also be failing to uphold their international responsibilities to respect human rights under the UN Guiding Principles on Business and Human Rights. Meanwhile, the home States of companies identified may be in breach of their obligations and duties under applicable international human rights and humanitarian law.

Over many years media and human rights groups have gathered extensive video and photographic evidence of DDI-manufactured weapons being used by the Myanmar military to commit gross human rights violations. This includes, for example, evidence of DDI-made weapons being used during lethal crackdowns on peaceful protests in response to the attempted coup of February 2021, and during the genocidal atrocities against Rohingya in 2016 and 2017. Companies involved in the provision or supply of essential products to the DDI may be found complicit in these and other atrocities committed by the Myanmar military.

“The Myanmar military has built a robust arms manufacturing industry that makes it largely self-sufficient in its ability to produce the small arms, light weapons and ammunition it uses to brutally suppress the Myanmar people,” said Marzuki Darusman of SAC-M. **“However, the DDI’s reliance on external supplies to sustain its weapon production means it is still vulnerable to external pressure. UN member states should do everything in their power to restrict the Myanmar military’s access to those supplies to protect the Myanmar people, including by adopting targeted sanctions against the KaPaSa, its leadership and its network of brokers.”**

***** This statement is embargoed until 10 am (GMT +7), Monday 16 January 2023 *****