

# Renegade soldiers seize Burma town

Generals accused over ethnic tension

Fighting spreads to key border crossing

By Tim Johnston in Bangkok

Three people have been killed in the Burmese border town of Myawaddy and at least 10,000 refugees have fled into Thailand after renegade ethnic soldiers seized it from the government during the first general election in two decades.

The election, in addition to being widely criticised for not being free and fair, was, one observer said, a “huge missed opportunity” for the military government to try to end decades of armed confrontation with its own ethnic minorities.

Turnout was low and

votes are still being counted, but the election was structured so that allies of the military are all but guaranteed to win.

Fighting broke out in Myawaddy after a rogue battalion of ethnic Karen fighters formerly loyal to the Burmese government attacked their allies on Sunday and captured the busy eastern border town, according to residents and news agencies.

Their motivation was unclear but thought to be linked to longstanding rifts within the pro-regime Karen community.

Hundreds of panicked residents were still struggling to cross the swollen Moei river into Thailand with what little they could carry on Monday evening as shells and rocket-propelled grenades fell behind them.

On Monday the fighting

spread to the Three Pagodas Pass, another important border crossing about 200km to the south.

International perceptions of Burma’s divisions have been dominated by the stand-off between the generals who run the country and Aung San Suu Kyi, the Nobel laureate whose party was not allowed to take power despite winning a landslide victory in the last election, held in 1990.

But the country’s bitter ethnic divisions – the 61-year fight between the central government and Karen guerrillas is the world’s longest-running insurgency – pose the bigger challenge.

“Social conflict based on ethnicity has been at the heart of Burma’s political failure for decades,” said Andrew Heyn, the British ambassador in Rangoon.

Ethnic minorities make

up 40 per cent of the country’s population, and distrust of the Burman majority predates independence from Britain in 1948.

Some groups, particularly along the eastern border with China, joined the

Burma Communist party in the wake of independence, but, although many signed ceasefire agreements after the BCP collapsed in the 1980s, they have refused to bow to rule by the generals.

Repeated attempts by the government to coerce or cajole them into giving up arms and accepting central government rule have failed, and many of the so-called ceasefire areas were excluded from Sunday’s vote, ostensibly because they were too dangerous.

The renewed conflict in Myawaddy underlines the dangers posed to billions of dollars of investment by neighbouring countries.

Last month Abhisit Vejjajiva, the Thai prime minister, signed a deal to build a \$13bn port and associated infrastructure near the Burmese town of Tavoy. The railway that is supposed to

connect the port to the rest of south-east Asia is scheduled to run through the Three Pagodas Pass.

China is investing \$2.6bn in oil and gas pipelines that are to run from the Indian Ocean to the energy starved southern province of Yunnan. The line is scheduled to run through territory currently controlled by the Wa, who have maintained a barely civil armed truce with the government since signing a ceasefire in 1989.

The ethnic enclaves on the eastern border which were once used to project Beijing’s power into Burma morphed into a buffer after the collapse of the BCP. But in an era where trade has all but trumped politics, Burma’s volatile ethnic jigsaw has now become a barrier: Burma lies astride the most logical land route between Chinese manufac-

turers and lucrative markets in the sub-continent.

The Burmese have been building up their forces facing the ceasefire groups for more than 18 months. They defeated one of the smallest last year, a manoeuvre that drove more than 30,000 refugees into China and earned a rebuke from Beijing.

The violence in Myawaddy could provide a pretext for General Than Shwe, Burma’s military ruler, to attempt to use force to realise his dream of reuniting the country.

Given that the Wa say they can muster 40,000 fighters, analysts predict such a move is likely to cause widespread loss of life and push thousands more refugees across the border into Thailand and China.

More reports, analysis and video at [www.ft.com/burma](http://www.ft.com/burma)



# Appeal steers educational charity to a bumper year

Room to Read Underprivileged children have benefited to the tune of \$33m, write David Pilling and Ben Bland

Hong Kong’s glitterati is already gently sloshed. The well-chosen wine has been flowing for hours, plates of salmon tartar, shrimp and tender meats have come and gone, and the chatter has reached a lubricated roar.

John Wood, a former Microsoft executive, vaults on to the hotel ballroom stage, casts a withering glance at the plate-clattering waiters, and a silence descends over the gathering.

Mr Wood has a simple proposition. He wants to give children access to books and teachers. His undisguised aim is to prise as much cash as possible from the assorted tycoons, investment bankers and society folk and to transfer it to underprivileged children in the nine poor countries where his charity operates.

After a slide show illustrating the work of Room to Read, which he founded 10 years ago, Mr Wood starts big by asking audience members to raise their paddles to pledge \$30,000 to build a school.

Within a minute 24

paddles have shot up. Just like that, 24 new schools will also shoot up in Sri Lanka, Laos, Nepal, Cambodia and elsewhere.

By the end of the evening he has raised \$2m.

Room to Read was selected as the Financial Times charity in last year’s seasonal appeal and in small part because of the awareness fostered by the campaign – as well as the \$4.3m raised from readers and donors – the organisation has had a bumper year.

It expects to raise a record \$32m-\$33m this year, a fifth more than in 2009.

Asian donors have been particularly active. This year the top five fundraising events took place in Hong Kong, Singapore, Sydney, Tokyo and Mumbai. As well as local chapters and private donors, corporate donors, such as Barclays Capital, Credit Suisse and Goldman Sachs, have helped put the charity on a sturdier financial footing.

The result, Mr Wood says, is that the organisation has reached sufficient scale to make a dent in an enormous problem: worldwide, 200m school-age children do not attend school. By the end of this year Room to Read will have established 10,000 libraries – including one in Bolikhamxay province, Laos, dedicated to FT staff – 10,000 girls’ scholarships and more than 1,100 schools.



Song and dance: children put on a performance at Naleng village school, Room to Read’s first project in Laos

Peter Stuckings

The charity reckons more than 4m children have access to its programmes.

Duc Duy, a fourth-grade pupil at Ngu Hiep 2 primary school in the depths of the Mekong delta, is one of those children. “I had few books to read at home before,” he said as he carefully copied pictures of world flags from a geography book

during a visit by the FT. But now thanks to Room to Read he has a whole library to choose from.

Most of the residents of Ngu Hiep farm livestock and fruit but floods and bouts of bird flu have hit the local economy. The average income is half the national average of \$1,200. There is also little culture of parents reading with their children, according to Truong Thanh Hung, the school’s principal. But he says the new library, officially opened in May 2009, has changed all that.

Le Tien Phong, Room to Read’s country director for Vietnam, says: “The reading habit has been taken up not just by the students but by their parents as well. It’s

common now to see parents taking their kids to school before class to read with them in the library.”

Many teachers in rural Vietnam view running the school library as a distraction from the day-to-day task of completing the official curriculum, Mr Phong says. But Room to Read has sought to convince them that, by encouraging pupils to read for themselves, the teachers can empower them. “Many things can be done to help poor people in rural areas. But with education, children become more knowledgeable and powerful and with this power they can change their lives.”

Mr Wood came to the same conclusion during a

trekking holiday in Nepal when he was working for Microsoft in the late-1990s. He had chanced on a school whose few yellowing books were considered so precious that they were locked away. His subsequent one-man campaign to deliver books to schools on the back of mules developed into something more serious, a businesslike organisation dedicated to bringing education to poor children.

Because its model requires buy-in from villagers, who often provide materials and labour, the sustainability of projects is high. Some 98 per cent of girls being sponsored go on to the next grade of education, and a remarkable 60 per

cent of Room to Read’s female graduates in Vietnam – many the children of illiterate parents – have enrolled in university.

To illustrate the transforming quality of education, Mr Wood recounts a story from Bangladesh where villagers living on marginalised river islands called *chars* were forced by flooding from their homes. Room to Read’s staff were amazed to discover that the first thing the displaced community rebuilt – even before their houses – was the community centre where girls were being taught. Once the genie of education is let loose, not even the forces of nature can contain it.

# Foreign groups face loss of China contracts

By Kathrin Hille in Beijing

Foreign companies operating in China could be excluded from bidding for valuable contracts under government rules to standardise the use of technology across the country for security purposes.

Government and state technology tenders are beginning to follow a security classification scheme for technology products, which was formulated in 2007 but had not yet been implemented, according to Dean Garfield, president of the Information Technology Industry Council.

“It has started appearing in requests for proposals from this year,” Mr Garfield told the Financial Times.

The restriction comes as the International Trade Commission, a federal agency that gives trade policy advice to the US government, is preparing to present its report next week about the impact of China’s innovation policies on the US economy.

ITI officials are in China to continue the foreign business community’s lobbying against Beijing’s policy of indigenous innovation – a programme to promote the development of homegrown brands and intellectual property. Foreign investors complain the policy both sanctions the infringement of their intellectual property and discriminates against them.


But the latest concern is the security scheme. The ministry of public security said in 2007 that it planned to build a “multilevel protection system” under which suppliers of all products linked to “critical infrastructure” would have to disclose confidential product information.

All products associated with security would be assigned a level, and products above a certain level could be sourced from Chinese suppliers only. The “critical infrastructure” to be evaluated includes transport, telecoms, healthcare, water, energy and banking.

Foreign companies in China refused to comment on whether they had been affected already, citing fear of retribution from Beijing. Application of the rules is starting only gradually.

Alcatel Lucent said last week it had won contracts worth €1.18bn (\$1.6bn) from Chinese telecoms operators. Under the security scheme, many telecoms products fall under a high security level, meaning foreign vendors will be ineligible to supply them. Technology industry executives said that if fully implemented, the scheme’s impact could go beyond that of the indigenous innovation policy because the rules are supposed to cover all entities in China.

## Contracts & Tenders



**Bangalore Metro Rail Corporation Limited**  
(A Joint Venture of GOK & GOI)  
3rd Floor, BMTC Complex, K.H. Road, Shanthinagar, Bangalore-560 027 Karnataka (India)  
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No. : BMRCL/UG/CONSTN/STN-MAJ/2010

Dated : 03.11.2010


**PRE-QUALIFICATION NOTIFICATION**

Bangalore Metro Rail Corporation Limited (BMRCL) invites Indian and International companies, either individual or a joint venture/consortium, through International Competitive Bidding (ICB) for pre-qualification of contractors for **“Construction of Underground Majestic Station (Interchange Station)”** and associated works for **Bangalore Metro Rail Project - Phase - I** under Contract No. **BMRCL/UG/CONSTN/STN-MAJ/2010**. The system of traction is 750V dc Third Rail bottom collector and the track is Standard Gauge (1435mm). This is under JICA loan.


**Note :** (1) Pre-bid meeting will be held on **26.11.2010 at 11.00 Hrs (IST)** in BMRCL office. (2) The tender document No. **BMRCL/UG/CONSTN/STN-MAJ/2010** will be available for sale from **11.00 Hrs to 17.00 Hrs (IST)** on all working days from **11.11.2010 to 20.11.2010**. (3) Cost of the tender document : **₹ 25,000/-** (Rupees Twenty five thousand only) or **US\$ 600** through Demand Draft or Pay Order in favour of **“Bangalore Metro Rail Corporation Ltd”** payable at Bangalore and obtained in person. (4) The last date and time for submission of tenders : **05.01.2011 from 11.00 Hrs to 15.00 Hrs (IST)**.

For further details visit our website : [www.bmrc.co.in](http://www.bmrc.co.in) from **09.11.2010**.

**Sd/- Chief Engineer (Design & UG), BMRCL**



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Las 5 tolas costa

**BIDDING PROCESS FOR THE SUPPLY OF ELECTRICITY N° SE-01/10**

Within the framework of Resolution N° 684 of the Chilean Energy Commission, Chilquinta Energía S.A., a Chilean Electricity Distribution Company and one subsidiary, call for international bids for the supply of electricity for their clients that are subject to price regulation.

This call to bids, designated N° SE-01/10, corresponds to three Blocks of energy supply, with the following maximum energies:

Block	GWth	Beginning	N° of Subblocks
BSE4	220	01/01/2013	4
BSE5	165	01/01/2014	3
BSE6	330	01/01/2015	6

All the blocks will end at 31/12/2026.

Interested parties can obtain the tender documents by a written request, indicating their postal address, phone and their e-mail address, from Wednesday, the twenty-seventh of October, 2010, until Tuesday the fifteen of March, 2011, 10:00 AM to 16:00 PM, Monday through Friday, at the following address:

Avenida Argentina N° 1, seventh floor, Valparaíso, Chile;      Phones: (56-32)-2452245-2452398;  
Fax: (56-32)-2222766

The fee for the tender documents is \$1.190.000 Chilean pesos (VAT included). Payments must be made in cash, cashier's check, or by a crossed-check payable to Chilquinta Energía S.A., at the moment of purchase.


Questions may be directed to: [www licitacionesdesuministro.cl](http://www licitacionesdesuministro.cl)  
or by e-mail to: [licitacion@chilquinta.cl](mailto:licitacion@chilquinta.cl)

**ABSTRACT OF THE CALL FOR PROPOSALS OF BINDING OFFERS FOR THE ACQUISITION OF THE CORPORATE COMPLEXES PROPERTY OF ILMAS S.P.A UNDER EXTRAORDINARY ADMINISTRATION AND OSU S.P.A. UNDER EXTRAORDINARY ADMINISTRATION**

The Special Commissioner of s.p.a. under Extraordinary Administration and of Osu s.p.a. under Extraordinary Administration, company with activities in the sector of study, design, development and construction of aircraft as well as manufacture and construction in the aeronautics field, informs – in execution of the purchase programme and in accordance with the tender regulations authorized by the Ministry of Economic Development respectively on 12/07/2010 and 23/07/2010 – that the parties interested in the purchase of the corporate complexes of Ilmas s.p.a. and/or of Osu s.p.a may present binding and irrevocable offers for the purchase of the entire perimeter or part thereof, according to the conditions, methods and terms in relation to the call for proposals of binding and irrevocable offers published and able to be consulted on the [www.ilmas.it](http://www.ilmas.it) Website, within the preperatory term of **23.11.2010 at 18:00 hours**, through deposit of irrevocable and binding offers at the offices of **Notary Pietro Boero in Turin, 10138, Via Giambattista Gropello N° 11**.

Turin, 18th October 2010

Ilmas S.p.A. under E. A.  
OSU S.p.A. under E. A.  
Special Commissioner  
Dr. Alfonso Ferrara



**Land & Property Management Authority**  
Sydney Harbour Foreshore Authority

**Groundbreaking Environmental Design Opportunity**

The Government of New South Wales, Australia invites tenders for the provision of professional services for the design of the Sydney Harbour Heat Exchange.

This pioneering project represents one of the biggest developments of its type ever undertaken anywhere in the world.

For more information and details of the official Tender Briefing to be held on 30 November 2010, contact Boyd Osborne on + 61 2 9240 8534, or email [boyd.osborne@shfa.nsw.gov.au](mailto:boyd.osborne@shfa.nsw.gov.au)

Tenders close 2 pm (AEDST) 16 December 2010.

Tender documents are available from the NSW Government eTendering website at <https://tenders.nsw.gov.au>

Document No. SHFA-110097

# US resists Israeli calls to take tougher line on Iran

Approach is having impact, Gates says

By Daniel Dombey in Washington and Tobias Buck in Jerusalem

The US has pushed back at an Israeli attempt to convince Barack Obama, president, to make a “credible military threat” against Iran, in a sign of enduring tensions about how to handle Tehran’s nuclear programme.

Benjamin Netanyahu, Israel’s prime minister, told Joe Biden, US vice-president, at a weekend meeting in New Orleans that Washington should use tougher language and set out a clearer timeline in the dispute. In particular, he argued that only a “credible military threat” would convince Tehran to change course.

But, asked about Mr Netanyahu’s position, Robert Gates, US defence secretary, set out US resistance to the Israeli arguments.

“I disagree that only a credible military threat can get Iran to take the actions that it needs to, to end its

nuclear weapons programme,” he said on Monday at a ministerial meeting in Australia. “We are prepared to do what is necessary, but at this point, we continue to believe that the political, economic approach that we are taking is, in fact, having an impact in Iran.”

The US maintains “all options are on the table” – an implicit reference to military force – and argues there is still time for diplomacy. Washington hopes negotiations between Iran and the world’s big powers will start in coming weeks.

“We’ve made it clear we would welcome a return to the negotiating table,” said Hillary Clinton, US secretary of state, at the same meeting as Mr Gates. But she added that the Iranians had not yet come up with a date for talks.

The Israeli move comes in parallel with a push by US senators such as John McCain, Lindsey Graham and Joe Lieberman for Mr Obama to talk more about his readiness to take military action.

But Israelis add that co-operation with the US on

Iran has intensified in the wake of Iran’s presidential elections last year, the subsequent discovery of a secret Iranian enrichment plant and the Obama administration’s success in pushing through new sanctions.

“It’s good that United Nations sanctions and other measures are going well, but we can’t just sit back and wait for a miracle: more pressure has to be built up,” said an Israeli official. “One of the ways is the use of language and showing the seriousness of the international community’s intentions.”

Separately, the Israeli government has revealed plans to build 983 new housing units for Jewish settlers in occupied East Jerusalem, in a move likely to deal a fresh blow to US diplomatic efforts aimed at reviving the deadlocked peace talks between Israel and the Palestinians.

The building plans – which would mean a significant expansion of the Har Homa settlement between Jerusalem and Bethlehem – are still in an early stage of the planning process.