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Myanmar's New Administration: Military Consolidation, Not Transition

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What's new? A new administration has assumed office in Myanmar following stage-managed elections, with coup leader Min Aung Hlaing becoming president. Despite the civilian façade, the military retains control. With China's backing, the regime's diplomatic and battlefield prospects have improved, but lack of legitimacy and economic shocks mean the crisis will persist.

Why does it matter? Myanmar's instability increasingly has transnational repercussions, with political and economic turmoil driving the expansion of organised crime – including scam centres, narcotics production, illicit financial flows and human trafficking – as well as risky cross-border labour migration. At the same time, indispensable Chinese support is drawing Naypyitaw further into Beijing's orbit.

What should be done? Foreign governments should make Myanmar a higher priority and calibrate any engagement with Naypyitaw, while retaining existing sanctions. Important elements include negotiating humanitarian access and expanding livelihoods programs – including through non-state channels – as well as assisting civil society, tackling transnational crime and addressing downstream risks in critical mineral supply chains.

I. Overview

A nominally civilian administration has taken power in Naypyitaw following tightly controlled elections, consolidating military rule within the framework of the 2008 constitution while leaving the underlying drivers of conflict unchanged. Aided by an unpopular conscription drive and stronger Chinese support, the authorities have halted their battlefield losses and reduced their diplomatic isolation. But the country's political divides remain intact, and the fallout of the Middle East conflict is causing severe economic strain. Myanmar's instability is

increasingly spilling across borders – manifest in scam centres with victims worldwide, narcotics production, illicit financial flows and human trafficking. All the while, Naypyitaw is growing closer to Beijing. Given the transnational implications, foreign states and bodies should make Myanmar a higher priority. They should tread carefully in engaging the regime, with the aim of strengthening humanitarian, livelihood and civil society support. Foreign governments should also better coordinate efforts to fight transnational crime and manage related financial risks.

Five years after the February 2021 coup that ousted the elected government of Aung San Suu Kyi, power rests with an administration that is civilian in form but not in substance. Coup leader Min Aung Hlaing's move from commander-in-chief to president underscores that the elections brought about not a political transition or a reduction in conflict, but rather a consolidation of abusive military rule. The electoral outcome was scripted, with the main opposition parties excluded and people in large parts of the country unable – and, in many cases, unwilling – to cast their ballots. While the polls have provided the military with a procedural basis for its continued grip on power, they have not conferred any new legitimacy upon the leadership or created conditions for ending the country's devastating civil war. The deep gulf between the military and society persists, particularly among younger generations, and the grievances that fuelled resistance to the coup are unlikely to dissipate.

For Min Aung Hlaing, this outcome should have marked a triumph following a turbulent post-coup period in which the military faced serious battlefield setbacks and regime insiders began to openly question his leadership. With Chinese backing, he was able to keep his footing and carry out his plan to assume the presidency, installing loyalists in key positions with little sign of internal resistance. But instead of success, the current moment is one of further jeopardy. The new administration faces a spiralling economic crisis as a result of war in the Middle East, exposing the harm wrought by the coup and its aftermath, which has left the economy highly vulnerable to external shocks. Naypyitaw will be particularly nervous at the prospect of economic hardship morphing into popular unrest, as happened in 1988 and 2007. The authorities will seek to maintain access to essential goods in urban areas at tolerable prices, but their ability to do so is limited, and the burden is falling on a population already under heavy strain.

On the battlefield, the front lines have stabilised, but the conflict has not abated. After losing ground in 2023-2024, the military has regained a measure of momentum, aided by conscription, improved drone capabilities and, critically, Chinese support. Beijing-brokered ceasefires with major armed groups in the north have eased pressure on the military, allowing redeployment to other theatres, which has

led to territorial gains. These advances reverse some of the military's earlier losses but fall well short of a return to its pre-coup levels of territorial control. The military continues to struggle against its most capable opponents, particularly the Arakan Army and the Kachin Independence Organisation, both of which are battle-hardened and well-financed.

Prospects for a countrywide peace process are bleak. While the authorities may pursue tactical ceasefire deals with leading armed groups, these are unlikely to develop into durable settlements. Broader political dialogue is even less likely, given the apparent absence of appetite for concessions within the military leadership. At the same time, opposition forces – particularly the National Unity Government created by lawmakers who were ousted in the 2021 coup – have yet to demonstrate the cohesion or vision required to convert political grievance and economic distress into sustained pressure for change.

Against this backdrop, and amid turmoil elsewhere in the world, Myanmar is slipping further down the international agenda. Western countries have rightly kept targeted sanctions on the military leadership and its business interests in place, but they have little in the way of a broader diplomatic strategy. Foreign capitals should not lose sight of Myanmar's plight, which increasingly has transnational implications – including the expansion of organised crime, the rise of illicit financial flows and human trafficking linked to scam centres, increased cross-border migration and associated exploitation, and risks to critical mineral supply chains. A more effective international approach will require focusing on a set of realistic objectives: ensuring that any interaction with Naypyitaw is calibrated and issue-specific, so as not to confer unwarranted legitimacy on the administration; boosting funding for humanitarian and livelihood programs and civil society support; enhancing cooperation to counter transnational crime; addressing risks linked to critical mineral supply chains; and coordinating policies more closely, including pragmatic engagement with China where possible.

II. A New Political Order in Naypyitaw

A. *The Election Outcome*

Almost five years after the coup, Myanmar held elections in three phases from December 2025 to January 2026.¹ As expected, they delivered the regime's desired result: a decisive parliamentary majority for the military-backed Union Solidarity and Development Party (USDP), in a contest that bore little resemblance to a genuine popular vote.² The polls took place amid widespread armed conflict and repression, with most credible political parties absent and large parts of the country excluded from participation. As such, the outcome provides a procedural basis for a return to governance under the military-drafted 2008 constitution, but it is not – and was never intended to be – a meaningful expression of popular sentiment. Numerous incidents of deadly violence occurred during the election period, albeit at a lower intensity than opponents had threatened and many observers had feared, reflecting both the extent of regime repression and widespread disenchantment with the process.

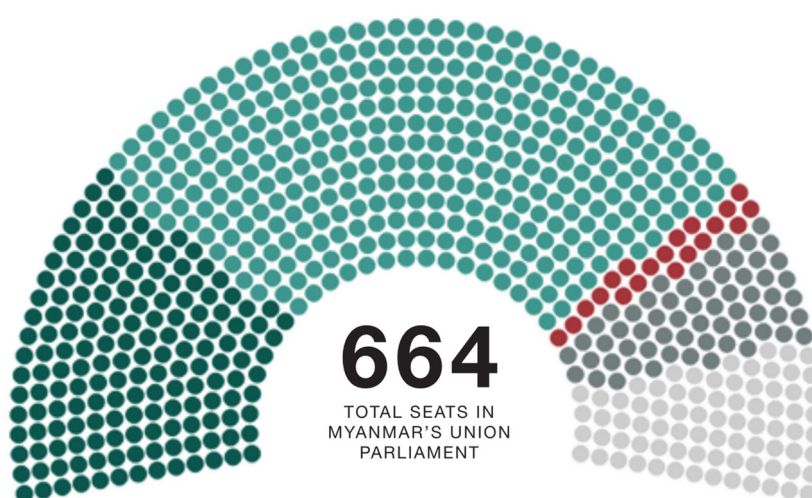
The regime tightly circumscribed the electoral playing field.³ The National League for Democracy (NLD), which won an overwhelming mandate in 2020, and before that in 2015, was dissolved after refusing

¹ For Crisis Group reporting on Myanmar since the coup, see Crisis Group Asia Briefings N°166, *Responding to the Myanmar Coup*, 16 February 2021; 167, *The Cost of the Coup: Myanmar Edges Toward State Collapse*, 1 April 2021; 168, *Taking Aim at the Tatmadaw: The New Armed Resistance to Myanmar's Coup*, 28 June 2021; 170, *The Deadly Stalemate in Post-coup Myanmar*, 20 October 2021; 171, *Resisting the Resistance: Myanmar's Pro-military Pyusawhti Militias*, 6 April 2022; 173, *Coming to Terms with Myanmar's Russia Embrace*, 4 August 2022; 174, *Breaking Gender and Age Barriers amid Myanmar's Spring Revolution*, 16 February 2023; 175, *A Road to Nowhere: The Myanmar Regime's Stage-managed Elections*, 28 March 2023; 177, *Treading a Rocky Path: The Ta'ang Army Expands in Myanmar's Shan State*, 4 September 2023; 179, *Scam Centres and Ceasefires: China-Myanmar Ties Since the Coup*, 27 March 2024; 180, *Ethnic Autonomy and Its Consequences in Post-coup Myanmar*, 30 May 2024; 181, *Disquiet on the Western Front: A Divided Resistance in Myanmar's Chin State*, 19 March 2025; 182, *A Rebel Border: India's Evolving Ties with Myanmar after the Coup*, 11 April 2025; 184, *Myanmar's Dangerous Drift: Conflict, Elections and Looming Regional Détente*, 18 July 2025; and 186, *Fractured Heartland: Shan Politics and Conflict in Post-coup Myanmar*, 27 November 2025; as well as Crisis Group Asia Reports N°314, *Myanmar's Military Struggles to Control the Virtual Battlefield*, 18 May 2021; 319, *Myanmar's Coup Shakes Up Its Ethnic Conflicts*, 12 January 2022; 325, *Avoiding a Return to War in Myanmar's Rakhine State*, 1 June 2022; 328, *Crowdfunding a War: The Money behind Myanmar's Resistance*, 20 December 2022; 330, *A Silent Sangha? Buddhist Monks in Post-coup Myanmar*, 10 March 2023; 332, *Transnational Crime and Geopolitical Contestation along the Mekong*, 18 August 2023; 339, *Breaking Away: The Battle for Myanmar's Rakhine State*, 27 August 2024; and 348, *The Dangers of a Rohingya Insurgency*, 18 June 2025.

² See Richard Horsey, "Myanmar's Military Seeks Vote of Approval in One-sided Polls", Crisis Group Commentary, 9 December 2025.

³ Ibid.

to register under the regime's post-coup legal framework, while most other large parties either declined to participate or were consigned to the margins. The remaining parties were either small, regionally confined or aligned to varying degrees with the military authorities. The USDP's dominance was assured even before voting began, a position reinforced by a repressive set of electoral regulations that limited competition and, in some cases, disqualified even regime-friendly contenders.⁴ In the end, it won 339 of the 420 contested seats. Given that the 2008 constitution reserves 25 per cent of parliamentary seats for military appointees, military-friendly lawmakers make up over 86 per cent of the new parliament (see graphic below).



Party	Seats
MILITARY-ASSIGNED	166
USDP (UNION SOLIDARITY AND DEVELOPMENT PARTY)	339
NUP (NATIONAL UNITY PARTY)	20
OTHERS	61
VACANT SEATS	78

The military and the party it backs occupy most parliamentary seats after winning tightly managed polls despite being deeply unpopular.

Source: Crisis Group research. CRISIS GROUP

The lack of genuine competition is reinforced by the fact that the second-largest bloc of elected seats is held by another establishment party, the National Unity Party, set up by the former socialist regime to contest the 1990 elections. The new legislature is also male-dominated, with

⁴ For example, the regime's election commission dissolved the National Democratic Force prior to the polls, claiming that it had not signed up the required number of members or opened a sufficient number of offices; the party's chair, Khin Maung Swe, had sat as a civilian member of the State Administration Council, as the post-coup junta was known, from its inception until February 2023. Similarly, the electoral authorities barred the head of the People's Pioneer Party, Thet Thet Khine, from standing in the polls on the grounds that she had a delinquent business loan; she held two ministerial posts under the junta, social welfare and later tourism. Ibid.

women MPs making up less than 14 per cent of elected representatives and some 17 per cent of military appointees.⁵

Participation was also sharply curtailed. Polling was cancelled in large parts of the country affected by armed conflict or outside regime control; in many constituencies where voting did take place, only a few polling stations were opened in urban areas. Turnout was low in any case, due to widespread public apathy or outright hostility toward the process – only 54 per cent of eligible voters, according to the authorities, cast a ballot.⁶

The electoral system itself added a layer of opacity. The introduction of a mixed system combining first-past-the-post constituencies with proportional representation constituencies, alongside the first-ever use of electronic voting machines, designed in Myanmar, reduced transparency and increased the scope for irregularities.⁷

Taken together, these conditions produced a predictable landslide for the USDP, setting the stage for installation of a nominally civilian administration under the 2008 constitution. The elections thus achieved their core objective: providing a formal mechanism to end the post-coup state of emergency and perpetuate military rule within the existing constitutional setup. The timing also aligned with Myanmar's standard five-year electoral cycle – not the junta's primary consideration, but a convenient procedural bonus.

At the same time, the process has done little to alter underlying tensions. The exclusion of major opposition forces, the limited territorial reach of the state and the absence of broad public participation mean that the new political order remains fundamentally contested. Rather than resolving the political crisis created by the coup, the elections have perpetuated it, embedding military dominance behind a civilian façade, while leaving the main drivers of the conflict unchanged.

B. *Formation of the New Administration*

The new nominally civilian administration took power on 11 April.⁸ As expected, on 3 April the parliament – acting as an electoral college – chose junta leader Min Aung Hlaing as president.⁹ Analysts and Naypyitaw insiders have long suggested that he coveted the position, and the 2021 coup was clearly a bid not only to reassert the military's

⁵ Crisis Group research.

⁶ In line with standard practice, voters in areas where polling was cancelled are excluded from turnout figures, so the reported 54 per cent rate reflects participation only in areas where polling took place. "Discuss the voices of people at Hlut-taw sessions", *Global New Light of Myanmar*, 16 March 2026.

⁷ Horsey, "Myanmar's Military Seeks Vote of Approval in One-sided Polls", op. cit.

⁸ National Defence and Security Council, Announcement 3/2026, 10 April 2026.

⁹ "Senior General Min Aung Hlaing elected as president", *Global New Light of Myanmar*, 4 April 2026.

dominance in Myanmar's political system, by neutralising the NLD and its leader Aung San Suu Kyi, but also to advance his personal political ambitions.¹⁰ Those ambitions had been constrained both by the NLD's overwhelming popular support and by the precedent set in 2015 for elections that, while imperfect, broadly reflected voter preferences and produced a decisive popular mandate.¹¹

Myanmar now has as president an individual who is alleged to have committed atrocities against the Rohingya. Min Aung Hlaing was commander-in-chief during the military's 2017 operations in Rakhine State, which drove over 700,000 Rohingya into Bangladesh amid allegations of mass killings, sexual violence and widespread destruction.¹² In November 2024, the prosecutor of the International Criminal Court (ICC) requested that judges issue a warrant for his arrest on charges of crimes against humanity (deportation and persecution) in connection with the 2017 campaign.¹³ The court's judges have not publicly ruled on this request, though it is possible that they have issued a sealed warrant, meaning that Min Aung Hlaing might be in legal jeopardy should he travel to an ICC state party or another state likely to act on an ICC warrant.

The events of 2017 are also the subject of a case at the International Court of Justice (ICJ), where Myanmar is alleged to have committed genocide and other violations of the Genocide Convention, including failures to prevent and punish such acts; a final judgment is expected within months.¹⁴

¹⁰ See, for example, "A junta chief eyes the title of president", *The New York Times*, 3 March 2026.

¹¹ See Crisis Group Asia Briefing N°147, *The Myanmar Elections: Results and Implications*, 9 December 2015.

¹² Crisis Group Asia Report N°296, *The Long Haul Ahead for Myanmar's Rohingya Refugee Crisis*, 16 May 2018.

¹³ "Statement of ICC Prosecutor Karim A.A. Khan KC: Application for an arrest warrant in the situation in Bangladesh/Myanmar", International Criminal Court, 27 November 2024.

¹⁴ "The Concluding Stage of The Gambia v. Myanmar Genocide Case Before the International Court of Justice", Global Centre for the Responsibility to Protect, 10 February 2026. Additional proceedings are under way in several national courts under universal jurisdiction. Among others, these include a warrant issued by a federal court in Argentina in February 2025 for the arrest of Min Aung Hlaing and other senior Myanmar officials on charges of genocide and crimes against humanity, as well as complaints filed under universal jurisdiction in Timor Leste and Indonesia. These are unlikely to be more than diplomatic irritants, though it would be consequential if one Association of Southeast Asian Nations member state indicted the leader of another. Min Aung Hlaing's travel to other countries in the bloc would likely be curtailed, even if the prospect of his arrest was remote. See "Rights groups file genocide complaint against Myanmar's Min Aung Hlaing", *The Diplomat*, 7 April 2026.

Min Aung Hlaing has ensured that loyalists occupy other key positions. The two other presidential candidates – Nyo Saw, the junta's prime minister, and Nan Ni Ni Aye, the USDP's Kayin State chair – became first and second vice presidents, respectively, with Nan Ni Ni Aye being one of the few women appointed to a senior role.¹⁵ The constitution required Min Aung Hlaing to retire from the military upon becoming a presidential candidate.¹⁶ Accordingly, on 30 March he stepped down as commander-in-chief, handing the role to General Ye Win Oo, a close ally and former head of military intelligence who had recently been elevated to army chief.¹⁷ General Kyaw Swar Lin, who held the number-three position in the military, was promoted to deputy commander-in-chief, replacing Vice Senior General Soe Win, who retired from the military and was appointed by Min Aung Hlaing to head his presidential advisory council.¹⁸

Parliamentary appointments held few surprises. In the lower house, USDP leader Khin Yi was elected speaker, with Min Aung Hlaing ally and former information minister Maung Maung Ohn as deputy speaker, while the upper house voted for recently retired general Aung Lin Dwe – also a confidant of Min Aung Hlaing – as speaker and former junta member Jeng Phang Naw Taung as deputy.¹⁹ The only apparent concession to other elite figures is the appointment of Khin Yi – an experienced political operator who is older than Min Aung Hlaing and whom he does not fully trust.²⁰ But overall, the senior executive, military and legislative appointments represent the new president's preferred configuration, a sign that he faced no major internal pushback in carrying out his plans.²¹

¹⁵ "Senior General Min Aung Hlaing elected as president", *Global New Light of Myanmar*, 4 April 2026. Nyo Saw is a confidant of Min Aung Hlaing. While Nan Ni Ni Aye is not known to be, the position of second vice president has limited powers.

¹⁶ See 2008 Constitution, sections 60(c) and 63. Under the constitution, three parliamentary electoral groups each elect a vice president, who are then put before the full electoral college, which chooses the president from among them. Min Aung Hlaing was elected as vice president (and hence a presidential candidate) on 31 March. "Pyithu Hluttaw elects Senior General Min Aung Hlaing as vice president", *Global New Light of Myanmar*, 1 April 2026.

¹⁷ As intelligence chief, Ye Win Oo oversaw the brutal treatment of political opponents in military intelligence interrogation centres.

¹⁸ "Tatmadaw commander-in-chief post handed over", *Global New Light of Myanmar*, 31 March 2026; "Formation of Union Advisory Council", Myanmar President Office Announcement 4/2026, 10 April 2026.

¹⁹ "Zeyathiri's U Khin Yi elected Pyithu Hluttaw speaker; Tatkon's U Maung Maung Ohn deputy", *Global New Light of Myanmar*, 17 March 2026; "Amyotha Hluttaw elects U Aung Lin Dwe as speaker, Jeng Phang Naw Taung as deputy speaker", *Global New Light of Myanmar*, 19 March 2026.

²⁰ Crisis Group interviews, Myanmar analysts, February-March 2026.

²¹ Ibid.

That said, there are indications of discontent among longstanding USDP members, who feel that, despite winning a landslide, party stalwarts have been mostly sidelined in favour of recently retired military officers loyal to Min Aung Hlaing.²² Some have reportedly complained that party leaders instructed them to nominate the junta leader for the presidency with little prior notice.²³ Min Aung Hlaing's exclusion of USDP figures from important executive roles (see Section II.C below) adds a further source of tension. Whether these gripes will lead to dissent over time is uncertain. A key issue will be how Khin Yi positions himself and the extent to which he resists presidential authority, however subtly.

Whether the legislature as a whole will serve as a check on presidential power will depend heavily on how its new leaders manage it. On paper, the 2008 constitution sets a low threshold, requiring only a single parliamentary session per year, and the assembly's design – with no provision for MPs to have offices, staff or policy and research support – suggests that it was never intended to be a meaningful counterweight to the executive.²⁴ Min Aung Hlaing will seek to avoid a repeat of earlier confrontations between the presidency and parliament, notably during the Thein Sein era (2011-2016), when the USDP speaker used the legislature to challenge government decisions.²⁵

At the same time, turning parliament into a purely symbolic body will not be straightforward. During the decade before the coup, it was more active than originally envisaged, meeting regularly, scrutinising legislation and engaging in substantive debate, including with participation from military-appointed lawmakers.²⁶ Hence legislators have developed expectations and practices that will be difficult to dislodge, opening space for opponents of Min Aung Hlaing within the USDP to challenge his authority if they so choose.

C. *Prospects for Reform*

There are no indications that the emergence of the new administration in Naypyitaw will lead to meaningful political reform. The military in effect crossed the Rubicon after the 2021 coup, resorting not only to large-scale violence against the population to suppress dissent and en-

²² Ibid.

²³ "Pyithu Hluttaw USDP representatives say they only learned of Min Aung Hlaing's election as vice president shortly beforehand", Khit Thit Media, 2 April 2026; "Criticism of military leader's presidential bid grows among USDP members, military lobbyists and military community", Khit Thit Media, 2 April 2026 [Burmese].

²⁴ Crisis Group Asia Briefing N°142, *Not a Rubber Stamp: Myanmar's Legislature in a Time of Transition*, 13 December 2013.

²⁵ A key mechanism for these challenges was the ad hoc Legal Affairs Assessment and Special Issues Commission that the lower house speaker established. This influential body included outside experts – respected legal, economic and other professionals – and functioned as something of a think-tank for the speaker. Ibid.

²⁶ Ibid.

trench its rule, but also to deliberate, demonstrative brutality designed to terrorise.²⁷ Unlike the period following the 2010 elections, when elements of the system were open to liberalisation, there is scant evidence today of a reform constituency within the leadership. The coup and subsequent violence have polarised the military and society in a way that makes consensus building unlikely, despite laudable recent calls by veteran politicians.²⁸ There has been no sign of a policy re-think within the military elite or outreach to external expertise that might suggest a shift in direction.²⁹ Nor does the current group of leaders resemble a return to the pre-2011 military regime; it is instead a more cautious, defensive configuration shaped by a national uprising and armed conflict, during which it has felt itself to be under existential threat.

Min Aung Hlaing appointed a new cabinet largely carried over from the junta administration, with only a handful of USDP members given executive roles – in marginal portfolios such as cooperatives, tourism and youth affairs.³⁰ Many USDP members expected that the landslide victory would give the party greater influence in governance; they resent the extent to which key executive positions went to retired officers loyal to Min Aung Hlaing personally. Tensions between the president and the party appear likely to increase as a result. The lineup suggests limited scope for policy change, reinforced by the president's inaugural speech, which offered no new political direction and largely restated justifications for the coup and themes from his earlier speeches as junta leader.³¹ While several ministers have experience and technocratic skills, particularly in the economic and social sectors, their capacity to perform effectively is likely to be constrained by limited public trust, Min Aung Hlaing's reluctance to delegate authority and a worsening macro-economic environment.

The choice of a new foreign minister is also revealing. Tin Maung Swe previously served as ambassador to China and was one of the few Myanmar diplomats with a direct line to Min Aung Hlaing.³² The appointment of someone who understands Beijing's thinking and helped

²⁷ Crisis Group Briefing, *The Deadly Stalemate in Post-coup Myanmar*, op. cit., Section II.

²⁸ On 20 February, a group of prominent politicians and activists who have sought to remain neutral after the coup – including Shan Nationalities League for Democracy chair Nyunt Lwin and 1988 generation student leader Mya Aye – formed a “political coordination body”. It issued a statement on 31 March calling for an end to violence and for dialogue to resolve the country's crisis. See Political Coordination Body, Statement 1/2026.

²⁹ Crisis Group interviews, Myanmar analysts and well-connected individuals in Naypyitaw, February-March 2026.

³⁰ “Formation of the Union Government”, President Office Announcement 1/2026, 10 April 2026.

³¹ “President U Min Aung Hlaing reaffirms commitment to a federal democratic union”, *Global New Light of Myanmar*, 11 April 2026.

³² Crisis Group interview, Chinese analyst, April 2023.

develop close ties underscores China's influence. His predecessor, Than Swe, was a more globally oriented diplomat who served as ambassador to the U.S. during the Thein Sein administration and helped steer the normalisation of relations.

A priority for the new administration will be to contain mounting external economic pressures. The spillover effects of the Middle East conflict – particularly scarcity and sharply higher prices for fuel and fertiliser – represent a grave shock to an already fragile economy. Myanmar's heavy dependence on imported energy, combined with limited foreign exchange reserves, has triggered acute fuel shortages and steep price increases, with knock-on effects upon transport, electricity supply and agricultural production.³³ The disruption has already affected domestic aviation and ground transport, with reports of severe delays to freight and growing reliance on expensive black-market fuel.³⁴ If shortages persist into the main monsoon rice planting and fertiliser application period, which peaks in June-July, the impact on agricultural output – and hence, food security – could be severe.

These developments are a serious blow to Min Aung Hlaing. His assumption of the presidency and the first weeks of his new, nominally civilian administration were supposed to showcase stability and control, ushering in a brighter era with him at the helm of the state. But while he may have contemplated relaxing some economic restrictions, such as capital controls, Naypyitaw now faces deepening financial turmoil that is laying bare the failures of the past five years. As a result, the authorities are likely to turn to short-term, reactive measures.

Given Myanmar's history of price shocks triggering street protests – the 1988 uprising and, more recently, the Saffron Revolution of 2007 that followed a sharp increase in fuel prices – the authorities will be particularly concerned about the risk of urban unrest.³⁵ But while their priority is likely to be maintaining access to essential goods in urban areas, at tolerable prices, in order to mitigate these risks, their ability to do so is constrained as tight fiscal conditions, limited foreign exchange reserves and supply disruptions have all reduced their capacity to subsidise key goods or stabilise prices.³⁶

³³ Crisis Group interviews, Myanmar businesspeople, March 2026. See also "Spillover Effects: How the Iran Crisis Threatens Food Security", World Food Programme Myanmar Country Office, 23 March 2026.

³⁴ Ibid.

³⁵ In 1988, the economic shock was caused by the socialist government's sudden demonetisation of currency notes the year before, which wiped out many people's savings. See Martin Smith, *Burma: Insurgency and the Politics of Ethnicity*, 2nd edition (London, 1999), p. 396. On the chain of events from the abrupt withdrawal of food subsidies in 2007 to street protests, see Richard Horsey, "The Dramatic Events of 2007 in Myanmar", in M. Skidmore and T. Wilson (eds.), *Dictatorship, Disorder and Decline in Myanmar* (Canberra, 2008).

³⁶ Crisis Group interviews, Myanmar analysts and economists, March-April 2026. See also "Myanmar Economic Monitor", World Bank, December 2025.

In practice, much of the burden is falling on the public, which was already facing deepening hardship. The military will continue to have preferential access to fuel and food for its own operations, which will limit immediate battlefield disruptions, but is also likely to stoke popular resentment. Among the few coping strategies available to the people of Myanmar is labour migration, to centres of illicit economic activity or the informal labour market in Thailand, both of which come with risks of exploitation.

Nor does it appear likely that political change will be forced on Naypyi-taw from outside the system. The National Unity Government (NUG), formed by lawmakers ousted in the coup, is not well placed to capitalise on the economic shock to apply meaningful pressure on the authorities. Over the last two years, it has faced increasing internal and external criticism for excessive bureaucracy, limited transparency in the use of funds and weak responses to allegations of misconduct within its ranks.³⁷ More fundamentally, it has struggled to articulate a coherent strategy for effecting political change or to build and sustain the broad coalitions required to do so, particularly with ethnic political leaders and armed groups.

The election has compounded these challenges. By grounding its legitimacy in the 2020 poll results and presenting itself as a parallel government rather than a revolutionary movement, the NUG faces questions about its mandate now that the electoral term has expired.³⁸ But regardless of these political and institutional weaknesses, popular opposition to military rule remains widespread and will find a political outlet in one form or another.

III. Impact on the Armed Conflict

The post-coup conflict has not abated, but its trajectory is uncertain, with the military regaining ground in some areas while continuing to face strong resistance in others. The new administration may try to negotiate ceasefires with major armed groups, but if they emerge these are likely to be tactical deals driven by short-term calculations rather than a pathway to a broader political settlement.

A. *A Mixed Picture on the Battlefield*

After facing existential battlefield threats in 2024, Myanmar's military has regained a degree of momentum and reasserted itself in parts of the country. Several factors have contributed to this shift. The intro-

³⁷ Crisis Group interviews, Myanmar analysts and activists, September 2025–February 2026. See also “Is Myanmar’s parallel government incapable of effective reform?”, *The Irrawaddy*, 27 August 2025.

³⁸ Crisis Group interviews, Myanmar analysts and activists, September 2025–February 2026.

duction of conscription in early 2024 boosted the military's ranks, allowing it to stabilise front lines and deploy reinforcements for local counteroffensives.³⁹ The military has also adapted tactically, achieving some success in integrating drone warfare and drone countermeasures into its operations, helping offset what had been a major vulnerability given resistance forces' widespread use of weaponised commercial versions of these devices.⁴⁰ Greater decentralisation of command, particularly for authorising air and artillery strikes, has also improved its overall responsiveness on the battlefield.⁴¹

External support has been critical: China's backing, in particular, has boosted the military's position, both directly and indirectly. Beijing has provided military hardware, including fighter jets, drones and counter-drone systems, while also leveraging its influence over key armed groups in the north – by pressing the Myanmar National Democratic Alliance Army (MNDAA) and Ta'ang National Liberation Army (TNLA) into ceasefires. Critically, it also pushed the United Wa State Army to curtail arms sales to resistance forces, raising prices and constraining access to weapons and ammunition on the black market.⁴²

This intervention has been particularly consequential in northern Shan State, where it halted a series of opposition advances that had overrun or threatened strategic towns, military bases and supply lines, as well as nationally important trade routes.⁴³ As part of the ceasefire deal, the MNDAA handed the town of Lashio back to the military in April 2025, while the TNLA withdrew from Nawngkhio under military pressure that July. Regime forces subsequently retook Kyaukme and Hsipaw from the group in October, restoring partial control of the critical Mandalay-Muse trade artery.⁴⁴ As part of its ceasefire, the TNLA also withdrew in November from the ruby mining hub of Mogoke in Mandalay Region and the nearby town of Momeik.⁴⁵

³⁹ To date, some 100,000 young men have been conscripted, at the rate of 4,000–5,000 per month. Crisis Group interviews, Myanmar analysts, February 2026. See also Andrew Nachemson and Pyae Sone Aung, “How conscription reshaped Myanmar's conflict”, *Foreign Policy*, 17 November 2025.

⁴⁰ Crisis Group interviews, Myanmar analysts, February 2026. China has provided technology, while Russia has supplied similar equipment alongside training and the forward deployment of technicians and advisers, some of whom have reportedly supported combat operations.

⁴¹ Ibid.

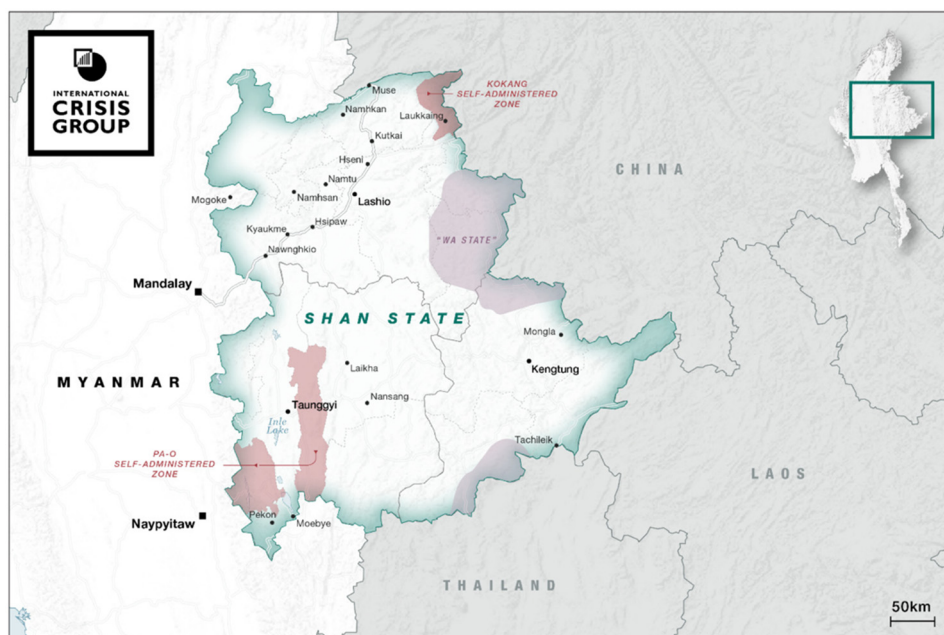
⁴² Crisis Group Briefing, *Fractured Heartland*, op. cit.

⁴³ Ibid.

⁴⁴ Ibid.

⁴⁵ Ibid.

Map of Shan State Showing the Strategically Important Mandalay to Muse Trade Corridor



The resulting stabilisation in the north has enabled the military to redeploy forces to other theatres. Thanks in part to these reinforcements, it has pushed back resistance groups in Kayah State, parts of the central Dry Zone and sections of the south east, reversing earlier losses. In Mandalay Region, the TNLA-backed Mandalay People's Defence Force and its allies had advanced to within around 20km of the city by July 2024.⁴⁶ But over the last year the military has regrouped and launched a series of counteroffensives, retaking Thabeik-kyin town in July 2025 and Singu in December, and capturing the last remaining resistance-held town in Mandalay Region, Tagaung, on 10 March 2026, after a month-long advance supported by intensive air and artillery strikes.⁴⁷ Resistance forces, however, continue to control many rural areas.

The military has not achieved similar success against its most capable opponents, particularly the Arakan Army and the Kachin Independence Organisation (KIO). In Rakhine State, the Arakan Army continues to threaten Sittwe and Kyaukphyu towns, two of the last three patches of

⁴⁶ Anthony Davis, "Surging rebel advances press for Myanmar regime collapse", *Asia Times*, 7 August 2024. People's defence forces are militias that were locally organised in the wake of the coup to protect communities from regime forces. Some have allied themselves with the NUG or come under its nominal command, while many others have forged ties with established ethnic armed groups or come under their control. See Crisis Group Briefing, *Ethnic Autonomy and Its Consequences*, op. cit., Section II.A.

⁴⁷ "Last resistance stronghold in Mandalay falls to Myanmar junta", *The Irrawaddy*, 11 March 2026.

the state still under Naypyitaw's control.⁴⁸ The Arakan Army has also expanded operations to the east, in nearby parts of Magway Region and elsewhere, capturing hilltop bases and limiting the military's ability to mount counteroffensives from central Myanmar.⁴⁹ In Kachin State, the KIO also remains a tough opponent. While the military's resurgence has allowed it to stem further losses, so far it has been unable to drive the KIO out of key areas.⁵⁰

B. *Prospects for Ceasefires or Political Dialogue*

Over the past 75 years of insurgency in Myanmar, the military has repeatedly pursued ceasefires with ethnic armed groups as a tool for managing conflict rather than resolving it, above all with an eye on limiting the number of active fronts.⁵¹ Some past agreements, particularly those negotiated in the late 1980s and 1990s, proved durable, offering de facto autonomy and economic concessions to armed groups – particularly, freedom to engage in lucrative illicit activities – in return for an end to fighting.⁵² But while, in these instances, the regime sought accommodation, it retained firm control of the country's core areas and main arteries. Today, the situation is reversed: the military is weaker and its opponents stronger, reducing the scope for mutually advantageous deals. Limited or externally driven ceasefires – such as those brokered by China with the MNDAA and TNLA in northern Shan State – are more plausible, but they are specific to conditions in the China borderlands and thus difficult to replicate. Any further ceasefires that do emerge are therefore likely to be tactical and unstable.

The military is focused on cutting deals with its most powerful opponents. It has had informal contacts with the Arakan Army about a possible ceasefire, though positions remain far apart.⁵³ Naypyitaw had reportedly sought the return of several townships in southern Rakhine State, a demand its foe is unlikely to accept given the military's lack of leverage on the ground.⁵⁴ For its part, the Arakan Army has previously called on the military to withdraw entirely from the state, which is equally unrealistic without a decisive confrontation.⁵⁵ Despite control-

⁴⁸ Kyaukphyu hosts major Chinese energy and economic infrastructure: a Chinese-operated deep seaport and oil storage complex, along with oil and gas pipeline terminals. The third area under central state control is an offshore island, Munaung. On Sittwe, see Crisis Group Visual Explainer, "The Fight for Sittwe", 10 April 2026.

⁴⁹ Crisis Group interview, analyst, March 2026. See also "Junta reinforcement convoy to Nat Yay Kan base ambushed; officers among casualties", Development Media Group, 25 March 2026.

⁵⁰ Crisis Group interviews, Myanmar analysts, February 2026.

⁵¹ Smith, Burma: *Insurgency and the Politics of Ethnicity*, op. cit.

⁵² Ibid.; and Crisis Group Asia Report N°214, *Myanmar: A New Peace Initiative*, 30 November 2011.

⁵³ Crisis Group Report, *Breaking Away*, op. cit.

⁵⁴ Ibid.

⁵⁵ Ibid.

ling nearly all of Rakhine, the group faces constraints: its offensive on Kyaukphyu town has largely stalled, while dislodging the military from the heavily defended capital, Sittwe, would likely be costly and protracted.⁵⁶ Meanwhile, humanitarian conditions in the areas the group controls continue to deteriorate due to military blockades and regular airstrikes.⁵⁷

While the Arakan Army retains strong local support and can sustain the conflict in the near term, a prolonged war is not in its interest.⁵⁸ A basis for a tactical ceasefire therefore exists. Media reports suggest that the military has sought Chinese assistance in facilitating talks.⁵⁹ But while Beijing has some influence over the group, it likely lacks the leverage to compel it into an agreement. It may encourage one through a mix of pressure, security assurances and economic incentives. But even such a deal would leave the Arakan Army able to harry the military through proxy resistance forces on the state's periphery, and the group would remain committed to its goal of controlling all of Rakhine.⁶⁰

In the north, the KIO remains the principal armed group still engaged in large-scale fighting with the military. Since returning to the battlefield after the coup, it has consolidated control of key territory and expanded its economic base. It has in particular strengthened its hold around the jade mining hub of Hpakant where, despite the town itself remaining under the military's thumb, it dominates surrounding areas and key access routes, allowing it to tax the multi-billion-dollar jade trade through checkpoints and informal levies.⁶¹ It has also taken over the Pangwa area in Chipwi township on the Chinese border, displacing a military-aligned Border Guard Force that had overseen rare earth mining there.⁶² Alongside gold mining and other extractive activities, the rare earths have provided the group with substantial revenue to sustain its armed struggle.

Control of the Pangwa-Chipwi belt, in Kachin state, has wider strategic implications. This area is now one of the world's largest sources of heavy rare earth elements, particularly dysprosium and terbium, supplying a major share of global demand for inputs used in electric vehicles, wind turbines and advanced weapons systems, with most output

⁵⁶ Crisis Group Visual Explainer, "The Fight for Sittwe", op. cit.

⁵⁷ Crisis Group interviews, humanitarian organisation staff in Myanmar, February-March 2026.

⁵⁸ Crisis Group Report, *Breaking Away*, op. cit.

⁵⁹ "Military council seeks China's help in ceasefire talks with AA", Democratic Voice of Burma, 24 February 2026 [Burmese].

⁶⁰ Crisis Group Report, *Breaking Away*, op. cit.

⁶¹ Crisis Group Briefing, *Myanmar's Dangerous Drift*, op. cit., Section III.B.

⁶² "A rebel army is building a rare-earth empire on China's border", Bloomberg, 18 July 2025.

exported to China for processing.⁶³ By securing territory that hosts this production, the KIO has therefore acquired indirect leverage over a supply chain of vital importance to Chinese industry. Partly for this reason, Beijing has been more cautious in pressing the KIO into a ceasefire than it has with other northern groups, such as the MNDAA and TNLA, despite its strong interest in border stability. Yet the leverage is double-edged: China remains highly sensitive to disruptions in supply and is likely to act decisively if it perceives risks to resource flows or signs of untrustworthiness from the armed group.

Given these dynamics, and the difficulty the KIO has faced in translating battlefield momentum into control of major towns, it could find a ceasefire more attractive over time. Despite sustained efforts, it has been unable to secure Bhamo – a major population centre on the Ayeyarwady (Irrawaddy) river and a gateway to central Myanmar – highlighting the limits of its offensive capacity against heavily defended urban positions. Holding territory is also increasingly costly, particularly in areas exposed to airstrikes and with vulnerable civilian populations. A ceasefire that consolidates its existing gains including resource-rich areas, reduces military pressure and provides respite for residents may be appealing, especially if accompanied by economic or security incentives from China.⁶⁴

For Naypyitaw, deals with the Arakan Army and KIO would relieve battlefield pressure and allow it to concentrate forces on other opponents. One objective would be to push the Karen National Union (KNU) further away from the Hpa-an to Myawaddy corridor, the key overland trade route with Thailand, as well as to recapture a string of towns and bases along the border that the group has seized since the coup.⁶⁵ Informal deals with individual KNU brigades – which have long operated with a high degree of autonomy – may be possible, but a comprehensive ceasefire with the group as a whole seems much less likely.⁶⁶ In neighbouring Kayah (Karenni) State, the military is likely to tighten the squeeze on the Karenni National Progressive Party and its allies, which are already on the back foot and could be confined in a narrow band of territory away from key towns and roads.⁶⁷

⁶³ P. Meehan and S.L. Dan, “Rare Earth Mining in Myanmar: A Primer”, University of Warwick and Kachinland Research Centre, 2024.

⁶⁴ See “Why China’s ultimatum to Myanmar rebels threatens global supply of heavy rare earths”, Reuters, 8 July 2025; and “KIA forces seize Myanmar junta outpost in Bhamo, 20 soldiers surrender”, Mizzima News, 17 January 2026.

⁶⁵ Crisis Group interviews, Myanmar analysts, February 2026. See also “Threading the Needle”, Institute for Strategy and Policy-Myanmar, June 2025. The regime formally reopened the road from Hpa-an to Myawaddy on 2 April 2026, but the KNU has warned that the route remains an active conflict zone with no guaranteed security. See interview with KNU spokesperson Padoh Saw Taw Nee, Khit Thit Media, 2 April 2026; and “Hpa-an-Kawkaik-Myawady Asian Highway section reopens”, *Global New Light of Myanmar*, 3 April 2026.

⁶⁶ Crisis Group interviews, Myanmar analysts, February 2026.

⁶⁷ Ibid.

Prospects for ceasefire deals with post-coup resistance forces – militias set up to protect communities from military repression and to fight against the regime – remain more distant. The military leadership, which continues to view these groups primarily as traitors, has consistently vowed to crush them.⁶⁸ Its approach is thus likely to combine sustained military pressure with incentives for surrender.⁶⁹ Over time, however, it may come to see some resistance forces – particularly those operating alongside or embedded within ethnic armed groups – as candidates for local agreements, especially where these can be folded into ceasefires with the ethnic armies. But it is unlikely to adopt such an approach with those aligned with the NUG, which seeks the overthrow of the military and its permanent removal from politics.

The prospects for broader political dialogue are even more remote. The emergence of a new administration in Naypyitaw does not represent a moment of political compromise, and the military has historically shown little willingness to negotiate from a position of weakness. Although battlefield fortunes have shifted in the military's favour over the past two years, it remains substantially weaker than before the coup. It thus has less leverage to apply and fewer incentives to offer, while its main battlefield opponents, having gained ground militarily, would bring expansive demands to any talks. There are also few indications that Naypyitaw has the appetite for meaningful engagement with the NUG, and it seems even less likely that the latter would enter dialogue without substantial preconditions.⁷⁰

While it is too early to assess what the administration's approach will be, Min Aung Hlaing's initial comments suggest that it will continue holding token meetings around the Nationwide Ceasefire Agreement – concluded in 2015 as a step toward a comprehensive settlement – as largely symbolic cover for transactional truces, with limited participation and little prospect of substantive progress.⁷¹ Few influential

⁶⁸ See, for example, "Junta boss repeats vow to crush armed opposition", *The Irrawaddy*, 16 October 2024.

⁶⁹ An instructive example is the surrender of prominent Dry Zone resistance leader Bo Nagar and elements of his Burma National Revolutionary Army in February 2026. After falling out with the NUG and facing mounting pressure from its people's defence force units in Sagaing Region – particularly around Pale and Yinmabin townships – Bo Nagar negotiated a deal with the military. He and a small group of senior fighters, along with their families, surrendered and were evacuated by military helicopter. Many of his remaining fighters were subsequently detained or disarmed by NUG-aligned forces, while the military exploited the resulting disarray to intensify operations in the area, likely benefiting from intelligence obtained from Bo Nagar. Crisis Group interviews, Myanmar analysts and journalists, February-March 2026. See also "From hero to deserter: The rise and fall of Bo Nagar", *Frontier Myanmar*, 22 March 2026.

⁷⁰ Crisis Group interviews, Myanmar analysts and journalists, February-March 2026.

⁷¹ See, for example, his inaugural speech. "President U Min Aung Hlaing reaffirms commitment to a federal democratic union", op. cit. On the nationwide ceasefire

armed groups remain part of the formal peace process, and the political concessions that once underpinned it – greater autonomy and minority rights backed by constitutional reforms – are no longer on offer or credible.

IV. Evolving Foreign Ties

Myanmar's external environment is shifting in ways that favour the authorities in Naypyitaw – a trend that is likely to deepen in the post-election landscape. China's more assertive backing, combined with a broader regional drift toward pragmatic engagement and scant attention from Western states, is reducing the country's isolation and reshaping the terms of its diplomatic engagement.

A. China's Expanded Influence

On 30 August 2025, Xi Jinping sat down with Min Aung Hlaing in Tianjin, on the sidelines of the Shanghai Cooperation Organisation summit – their first bilateral meeting on Chinese soil.⁷² This tête-à-tête marked a strategic pivot by Beijing, with long-term consequences for Myanmar's reliance on China. It heralded a phase of more active, high-level ties with Naypyitaw and brought a flurry of diplomatic and economic interactions between the two countries.⁷³

After Tianjin, Min Aung Hlaing travelled to Beijing to attend the high-profile military parade commemorating the 80th anniversary of Japan's surrender at the end of World War II. The visit offered rare international exposure for the junta leader: he was photographed with North Korean leader Kim Jong-un and also met Russian President Vladimir Putin, as well as the Malaysian and Indonesian heads of state.⁷⁴ The event was part of a broader effort by Beijing to shape an alternative to the U.S.-led order, with itself at the centre, at a time of perceived U.S. retreat and policy volatility. For Naypyitaw, it signalled the prospect of inclusion in a more permissive, authoritarian-leaning international coterie of states.

process, see Crisis Group Asia Briefing N°149, *Myanmar's Peace Process: Getting to a Political Dialogue*, 19 October 2016.

⁷² "Xi meets Myanmar's acting president", Xinhua, 30 August 2025. The two had previously met in May 2025 in Moscow, but never in China.

⁷³ Following the Tianjin meeting, Min Aung Hlaing directed his cabinet to expedite measures to facilitate Chinese investment. Regime Prime Minister Nyo Saw (now first vice president) led a delegation to China in September 2025 for economic and investment talks, while officials from the Central Bank of Myanmar also visited to advance yuan-denominated investment and settlement arrangements. On 16 March 2026, Myanmar permitted the yuan as an additional foreign investment currency alongside the U.S. dollar. "MIC allows yuan in foreign investment for investment facilitation", *Global New Light of Myanmar*, 19 March 2026.

⁷⁴ "Myanmar junta chief's China visit hailed as 'successful and fruitful' by regime", *The Irrawaddy*, 3 September 2025.

China's attitude toward Myanmar's leaders has changed considerably since the 2021 coup. At first, extremely unhappy with the military's seizure of power, China pushed the generals hard to reach an accommodation with Aung San Suu Kyi. When the junta refused, Beijing showed its disapproval, refraining from recognising Min Aung Hlaing as head of state and allowing the first-ever UN Security Council resolution on Myanmar to pass in December 2022.⁷⁵ Its frustration grew as Naypyitaw failed to act against scam centres along the Chinese border that were bilking Chinese nationals. In response, Beijing greenlighted Operation 1027 – a coordinated offensive by ethnic armed groups that, starting in October 2023, inflicted significant losses on the military and its allies. This move marked a shift toward more direct intervention to protect Chinese interests and a major expansion of its influence.⁷⁶ Beijing's role in securing ceasefires in 2025 between the military and the MNDAA and TNLA (see Section III.A above) underscored both the extent of its leverage over multiple groups and its readiness to use that clout.⁷⁷

At the same time, with Western governments and many nearby states reluctant to engage the junta, China has deepened its contacts with Naypyitaw, providing diplomatic cover as well as military and economic support.⁷⁸ Driven by concern that mounting battlefield losses could precipitate the regime's disorderly collapse, Beijing's decision in August 2024 to back Min Aung Hlaing's administration was pivotal in shoring up the military's position on the ground and easing Naypyitaw's diplomatic isolation. As a result of Beijing's tightening embrace, the regime – and Min Aung Hlaing personally – has become increasingly dependent on Beijing. It is a deeply uncomfortable position for Myanmar, which has long feared domination by its giant neighbour, but it is one the current leadership has little choice but to accept.⁷⁹ In addition, closer alignment with China – as well as Russia – may yet offer Naypyitaw a strategic upside, particularly if the Middle East conflict shifts the geopolitical balance in these powers' favour.

Beijing was particularly keen for the elections to proceed, preferring to deal with a nominally civilian administration rather than an overt military regime. It also calculated that the return to constitutional rule brought by elections would provide a more predictable institutional setup in Naypyitaw, allowing for longer-term planning and a more

⁷⁵ The resolution called on the regime to end violence, release political prisoners and implement the Association of Southeast Asian Nations' Five-Point Consensus. See UN Security Council Resolution 2669, 21 December 2022.

⁷⁶ Crisis Group Briefing, *Scam Centres and Ceasefires*, op. cit.; and Crisis Group Briefing, *Myanmar's Dangerous Drift*, op. cit., Section II.

⁷⁷ Crisis Group Briefing, *Myanmar's Dangerous Drift*, op. cit., Section II.

⁷⁸ Ibid.

⁷⁹ For more detailed discussion of those fears, see Crisis Group Asia Report N°305, *Commerce and Conflict: Navigating Myanmar's China Relationship*, 30 March 2020.

structured bilateral relationship. China's special envoy for Myanmar, Deng Xijun, suggested in remarks in Naypyitaw after observing the first round of voting that the elections were held as part of a deal between Min Aung Hlaing and Xi Jinping, presumably reached at their August 2025 meeting in Tianjin.⁸⁰

After the elections' third phase, China's foreign ministry promptly welcomed their completion and expressed readiness to "continue deepening the comprehensive strategic cooperation with Myanmar".⁸¹ Xi was also one of the first foreign leaders to congratulate Min Aung Hlaing on his election as president, and Foreign Minister Wang Yi visited Naypyitaw shortly thereafter.⁸² Under the new administration, China will undoubtedly deepen ties further, likely offering Min Aung Hlaing a long-sought official state visit to Beijing in the near future; so far, he has been invited only for the August 2025 working visit and to attend a set of regional summits in Kunming in November 2024.⁸³

That said, China's support has not been unconditional: it has used its leverage to shape outcomes on the ground in line with its priorities, including maintaining stability along its frontier, restoring overland trade and securing continued access to natural resources, particularly rare earths.⁸⁴ More broadly, China is focused on advancing projects linked to the China-Myanmar Economic Corridor, connecting Yunnan to the Indian Ocean seaboard in Rakhine State – a long-term strategic objective that it is likely to pursue more actively under the new administration.⁸⁵ Achieving progress in these projects will require pragmatic engagement with powerful armed groups controlling territory along the corridor, particularly the Arakan Army in Rakhine State. Consequently, Beijing's backing for Naypyitaw should be understood as an effort to manage instability rather than resolve it. China has helped prevent a disorderly collapse of the regime and stabilise key border areas, but it likely sees little prospect of addressing the political and territorial fragmentation underlying Myanmar's conflict.

⁸⁰ "International election observers comment on Myanmar vote", *Global New Light of Myanmar*, 30 December 2025.

⁸¹ "Foreign Ministry Spokesperson Guo Jiakun's Regular Press Conference", People's Republic of China Ministry of Foreign Affairs, 26 January 2026.

⁸² "Press release", *Global New Light of Myanmar*, 4 April 2026. "China's top diplomat meets leader of Myanmar's military-backed government on regional tour", Associated Press, 26 April 2026.

⁸³ "China welcomes Myanmar's embattled leader on first visit since coup", BBC, 6 November 2024.

⁸⁴ Crisis Group Briefing, *Scam Centres and Ceasefires*, op. cit.; and Crisis Group Briefing, *Myanmar's Dangerous Drift*, op. cit., Section II.

⁸⁵ Crisis Group interviews, Myanmar analysts who closely follow relations with China, February-April 2026. See also "The real winner behind Myanmar's junta-held elections could be China", *Straits Times*, 24 January 2026.

A concrete way in which China's backing for the new administration could be reflected is Myanmar's representation at the UN. Since the coup, Myanmar's seat in New York has been held by the permanent representative appointed under the pre-coup NLD-led government, who is aligned with the NUG. While the regime submitted credentials for its own nominee, the UN General Assembly's Credentials Committee has repeatedly deferred consideration of the issue.⁸⁶ It is very likely that China will push for a decision to seat the Myanmar authorities' nominee, now that a nominally civilian administration backed by Beijing sits in Naypyitaw. The timing, however, is uncertain. The Credentials Committee is not scheduled to meet until November, which would mean that the status quo would persist through the General Assembly's high-level week in September, when world leaders gather in New York. Whatever the case, Naypyitaw will remain highly focused on its representation at the UN, which will continue to set the tone of its engagement with the body until the matter is resolved to its satisfaction.⁸⁷

B. *Other Regional Players*

Other countries in the region have adjusted their policies in response to Myanmar's shifting political and battlefield realities, as well as to China's deepening role. India and the Association of Southeast Asian Nations (ASEAN) have both moved in the direction of greater engagement, and both look set to normalise relations with the new administration in Naypyitaw.

India's posture has gone through several phases. In the immediate aftermath of the coup, New Delhi maintained its longstanding preference for pragmatic engagement with Naypyitaw. But as the military lost control of large stretches of the shared border, the Indian government began to hedge, recognising that relations with the regime alone were insufficient to manage strategic and security concerns in its restive north east.⁸⁸ In particular, New Delhi began to have more formal political engagement with armed groups operating along its border, such as the Arakan Army and Chin National Front, moving beyond earlier informal contacts by regional authorities or local border security forces.⁸⁹

But China's move in August 2024 to shore up the regime prompted a further recalibration. New Delhi shifted back toward closer engagement with Naypyitaw, resuming high-level contacts, including an April 2025 meeting between Prime Minister Narendra Modi and Min Aung Hlaing on the sidelines of a regional summit in Bangkok, and a further

⁸⁶ "Report of the Credentials Committee", UN General Assembly, A/80/547, 25 November 2025.

⁸⁷ Crisis Group interviews, Western diplomats in Myanmar, January-March 2026.

⁸⁸ Crisis Group Briefing, *A Rebel Border*, op. cit.

⁸⁹ Ibid.

bilateral on the sidelines of the Shanghai Cooperation Organisation summit in Tianjin in August.⁹⁰ Indian officials judged that, with Beijing's backing, the military was unlikely to collapse in the near term, and wished to avoid ceding influence to China.⁹¹ While India has not abandoned its outreach to armed groups that still control much of the border, its focus has shifted back to Naypyitaw. It was among the few countries to send official election observers and provide technical support for the polls, and it dispatched Minister of State for External Affairs Kirti Vardhan Singh to Min Aung Hlaing's 10 April inauguration.⁹² On 30 May, Min Aung Hlaing made an official five-day visit to India, his first foreign trip since being appointed president.⁹³

ASEAN's approach has also shifted, albeit without full consensus. Following the coup, the grouping adopted a restrictive stance, limiting political-level engagement with the generals. But as the conflict dragged on, and China moved to stabilise the regime, several member states began to recalibrate. Thailand has been at the forefront of efforts to ease Myanmar's diplomatic isolation, while Vietnam, Laos and Cambodia have also favoured more engagement.⁹⁴ The March 2025 earthquake in Myanmar provided additional cover for renewed contacts, with regional leaders using humanitarian diplomacy to justify higher-level interaction with Naypyitaw, thereby weakening the diplomatic quarantine.⁹⁵ For their part, Indonesia, Malaysia, Singapore and, to some extent, the Philippines have favoured a more principled approach.

Since the elections, ASEAN divisions have widened further. An ever-shrinking number of members continue to resist full diplomatic normalisation, while others have in effect abandoned the agreed-upon restrictions. The result is a gradual, de facto easing of Myanmar's isolation rather than a formal policy shift, with decisions increasingly driven by national interests and broader geopolitics rather than collective ASEAN positions. Thailand has sought to establish itself as the lead on Myanmar, reflecting its status as the front-line ASEAN state most directly affected by the situation across the border.⁹⁶

⁹⁰ "Modi meets Myanmar's Min Aung Hlaing, Bangladesh's Yunus", *Nikkei Asia*, 4 April 2025; "Myanmar junta chief's China visit hailed as 'successful and fruitful' by regime", *The Irrawaddy*, 3 September 2025.

⁹¹ Crisis Group Briefing, *A Rebel Border*, op. cit.

⁹² "UEC chairman meets Indian ambassador", *Global New Light of Myanmar*, 25 June 2024; "India's backing of Myanmar polls tests image of largest democracy", *Nikkei Asia*, 15 December 2025; and "Indian minister of state for external affairs calls on Myanmar's president", *Global New Light of Myanmar*, 11 April 2026.

⁹³ "Visit of President of the Republic of the Union of Myanmar to India", Indian Ministry of External Affairs press release, 28 May 2026.

⁹⁴ "Recalibrating Diplomacy with Myanmar after Election Seals Military Control", Crisis Group Commentary, 25 March 2026.

⁹⁵ Crisis Group Briefing, *Myanmar's Dangerous Drift*, op. cit., Section II.B.

⁹⁶ Ibid. Thai officials have engaged repeatedly at senior levels with Naypyitaw over the past two years, including ministerial visits to Myanmar, hosting Min Aung

With a nominally civilian administration now in place in Naypyitaw, backed by key partners including China and India, the centre of gravity within ASEAN has shifted toward those favouring normalisation. The grouping's leaders are increasingly frustrated by the time and political capital consumed by internal debates on Myanmar, with little prospect of progress, reinforcing incentives to move toward a more pragmatic approach.⁹⁷ But while the direction of travel appears clear, the pace of this shift remains uncertain, given that any formal reversal of the decision to bar representatives from Myanmar's post-coup authorities from ASEAN meetings would require consensus at the leaders' level. There was no consensus on this at the May summit in Cebu, but there was agreement for the bloc's foreign ministers to hold an online consultation with their Myanmar counterpart in July.⁹⁸ As ASEAN chair for 2026, the Philippines has so far focused on other priorities, particularly the South China Sea disputes, leaving little bandwidth for Myanmar.⁹⁹

But looming legal developments could complicate this picture (see Section II.B above). A possible ICC arrest warrant for Min Aung Hlaing for alleged crimes against humanity against the Rohingya, alongside the forthcoming judgment in the ICJ case on alleged genocide, could damage the new administration's international standing. Depending on their scope and timing, these developments could constrain Min Aung Hlaing's travel and shape both the extent and optics of engagement by countries in the region and beyond. Indications of acute anxiety in Naypyitaw ahead of the ICJ decision suggest the authorities are alert to these risks.¹⁰⁰ If the ICJ finds that Myanmar committed genocide (as distinct from breaching other obligations under the Genocide Convention, such as the duty to prevent), it would mark the first time the court has found a state responsible for the commission of genocide.¹⁰¹

Hlaing and his foreign minister in Thailand on multiple occasions and facilitating contacts with other ASEAN counterparts – reflecting Bangkok's effort to position itself as a central diplomatic interlocutor. Thailand was also among a small number of states to send an envoy to Min Aung Hlaing's 10 April inauguration, Prime Minister Anutin Charnvirakul was the first ASEAN leader to congratulate him on becoming president, and Sihasak Phuanketkeow was the first foreign minister to visit the new administration.

⁹⁷ Ibid.

⁹⁸ Crisis Group interviews, diplomats in the region, September 2025-May 2026. See also, "ASEAN to hold talks soon with Myanmar foreign minister, secretary-general says", Reuters, 7 May 2026.

⁹⁹ Crisis Group interviews, diplomats in the region, September 2025-May 2026.

¹⁰⁰ Ibid.

¹⁰¹ To date, the ICJ has ruled on the merits of genocide claims in two cases: *Bosnia and Herzegovina v. Serbia and Montenegro* and *Croatia v. Serbia*. In the former, the court found Serbia responsible for failing to prevent and punish genocide, but not for committing it; in the latter, it found that the specific intent (*dolus specialis*) required for genocide had not been established.

Such legal outcomes would make hosting Min Aung Hlaing more sensitive and legally complicated for some countries. They might even deter him from undertaking such travel – a particular challenge for ASEAN, given the expectation that heads of state attend regular summits.

C. *Western Countries*

Since the 2021 coup, Western governments have paid little heed to developments in Myanmar, compared to other foreign policy issues, and the crisis has steadily lost ground to other priorities. Attention has been dominated by higher-profile crises, particularly those closer to home and posing more immediate security and geopolitical challenges, notably the wars in Ukraine and the Middle East. The West has thus been largely reactive in its approach to Myanmar, with policy focused on maintaining targeted sanctions and providing aid, rather than pursuing new political initiatives. Aid allocations have also been considerably reduced amid general fiscal belt-tightening and, for European countries, the priority of rearmament.¹⁰²

Most Western actors made explicit decisions not to engage with Myanmar's elections and avoided actions that could be seen as conferring legitimacy. They did not recognise the polls as credible, and therefore they do not consider the new administration in Naypyitaw as legitimate. Washington, Brussels and others have limited their public statements on the elections, reflecting for most of them a deliberate effort to avoid drawing attention to the process, even by criticising it.¹⁰³ For example, prior to the polls, the European Union chose Human Rights Day (9 December) to issue a statement dismissing the elections and calling for an end to violence.¹⁰⁴ It then used the coup's fifth anniversary to reiterate the position that the polls, at that point recently completed, were neither free nor fair.¹⁰⁵

At the same time, a degree of cautious engagement with the new administration is likely, by Brussels and others. The EU and its member states will seek to test the authorities' approach while advocating for improvements in humanitarian access, action to rein in the illicit economy, and adherence to international humanitarian law and other human rights obligations. Foreign governments will need to walk a fine line, however, calibrating their engagement carefully to avoid implying political endorsement or granting Naypyitaw undeserved legitimacy.

¹⁰² "Southeast Asia Aid Map: 2025 Key Findings", Lowy Institute, 22 July 2025.

¹⁰³ Crisis Group interviews, Western diplomats in Myanmar, January-March 2026. For the U.S., the silence on the elections likely reflects its turn away from overseas democracy promotion. See "Rubio restricts U.S. criticism of tainted foreign elections", *The New York Times*, 18 July 2025.

¹⁰⁴ "Myanmar: Statement by the High Representative on Behalf of the European Union on the Upcoming Elections", Council of the EU, 9 December 2025.

¹⁰⁵ "Myanmar: Statement by the High Representative on Behalf of the European Union on the Fifth Anniversary of the Coup", Council of the EU, 31 January 2026.

U.S. policy is less predictable. Myanmar remains a low priority in Washington, with the Trump administration largely maintaining the existing sanctions framework. It has had no notable political engagement with Naypyitaw before or since the elections. Sharp cuts to U.S. overseas assistance have resulted in a steep reduction in funding for Myanmar, though limited allocations have resumed.¹⁰⁶ A policy review has been under way within the State Department since early in the administration's term, but it has yet to produce an outcome.¹⁰⁷

Countering transnational crime against U.S. citizens, on the other hand, has become important for the Trump administration, with direct ramifications for Myanmar. In November, the State Department cited an official estimate that U.S. citizens lost at least \$10 billion in 2024 to online scam operations run from South East Asia, including Myanmar.¹⁰⁸ Accordingly, Washington has continued to impose sanctions on armed groups in Myanmar with links to such criminal activity, seizing assets and offering rewards for information that leads to the recovery of fraud proceeds.¹⁰⁹ Also in November, the Federal Bureau of Investigation established a dedicated Scam Center Strike Force.¹¹⁰

With U.S. foreign policy now more transactional, Washington could pivot toward closer contact with Naypyitaw, driven by strategic competition with China and interest in critical minerals.¹¹¹ There are already indications of a new willingness to engage where it serves specific administration objectives, including on trade and migration. For example, President Donald Trump's 7 July 2025 tariff letter was addressed to junta leader Min Aung Hlaing in a head-of-state capacity, seemingly contradicting the U.S. position of not recognising the legitimacy of the coup; Min Aung Hlaing took the opportunity to write a fawning letter back to Trump two days later.¹¹² Washington has also reached practical arrangements with Naypyitaw on the return of Myanmar nationals scheduled for removal from the U.S., including deportation flights, pointing to a growing channel of transactional

¹⁰⁶ "U.S. pledges \$2 billion for UN aid but tells agencies to 'adapt, shrink or die'", *The New York Times*, 29 December 2025.

¹⁰⁷ "Meeks, Kim, Bera, Kamlager-Dove Share Recommendations for State's Burma Review", U.S. House of Representatives Foreign Affairs Committee, 26 March 2026.

¹⁰⁸ "Sanctioning Burma Armed Group and Firms Linked to Organized Crime Scamming Americans", U.S. Department of State, 12 November 2025.

¹⁰⁹ "Reward Offer of Up to \$10 Million for Information Leading to Financial Disruption of Tai Chang Scam Centers in Burma", U.S. Department of State, 23 April 2026.

¹¹⁰ "Sanctioning Burma Armed Group and Firms Linked to Organized Crime Scamming Americans", *op. cit.*

¹¹¹ Several analysts with hawkish views on China have advocated this shift. See, for example, Brahma Chellaney, "U.S. Myanmar policy is helping China – it must change", *The Hill*, 8 January 2026.

¹¹² "Why Myanmar's military ruler offered Trump his 'sincere appreciation' for a letter warning of steep tariffs", *Agence France-Presse*, 11 July 2025.

cooperation.¹¹³ The Trump administration has also promoted trade ties, with its embassy in Yangon celebrating an agreement with a regime-linked businessman to purchase U.S. soybeans.¹¹⁴

V. New Approaches from Abroad

The new administration taking over in Naypyitaw does not represent a political opening. Rather, it entrenches military rule with a civilian veneer, without addressing the underlying drivers of conflict and instability. At the same time, the evolving geopolitical environment – particularly China's expanded influence – limits the leverage available to other foreign countries.

Against this backdrop, Myanmar risks slipping further off the international radar. That would be regrettable, not just because the conflict there remains Asia's deadliest, with dramatic consequences for millions of people, but because the country's crisis has profound implications beyond its borders: the expansion of transnational organised crime, including large-scale scam operations that now affect citizens around much of the world, narcotics trafficking and related financial crime and human trafficking; the growing strategic importance of critical minerals dug up in conflict zones; and rising informal migration flows driven by economic collapse and conscription. Even with the multiplication of armed conflicts, developments in Myanmar are not a peripheral humanitarian concern, but an important source of regional instability and global risk. Given Myanmar's impact on various issues of global concern – particularly in relation to organised crime, financial integrity, critical mineral supply chains and geopolitical competition – the country should be a priority for both Western and regional governments.

Foreign powers should approach Myanmar with the recognition that, despite the authorities' lack of legitimacy and continuing instability, the military is unlikely to collapse in the near term, particularly given Chinese backing. Efforts to isolate Naypyitaw are therefore unlikely to yield meaningful political change and risk reducing external influence on issues of growing regional and international concern. The focus should instead be on mitigating harm to the population, limiting transnational spillover and preserving space for future political change.

First, foreign governments should maintain a policy of limited, issue-specific engagement with Naypyitaw, focused on areas of core concern or where dialogue may yield concrete benefits, including the ability to

¹¹³ The first two deportees arrived in Myanmar in March 2025. See "Receiving Those Departed from Overseas with Open Arms", Myanmar Ministry of Foreign Affairs, 21 March 2025. The following month, 30 people were reportedly returned on a single deportation flight. See "He was undocumented for 30 years. Then Trump's deportations started", *The Wall Street Journal*, 15 May 2025.

¹¹⁴ Facebook post by U.S. Embassy Rangoon, 25 February 2026.

pass difficult messages. These include humanitarian access, protection of civilians and cooperation on transnational crime (for more on the last matter, see below). Such engagement should be carefully calibrated to avoid providing the administration with legitimacy or diluting existing measures. Coordination among key partners will be important to prevent Naypyitaw from playing different governments off one another. This approach is rooted in the understanding that while the regime is unlikely to undertake meaningful reforms, it may respond to advocacy on discrete issues.

Secondly, while targeted sanctions have not altered the regime's behaviour, they continue to constrain military procurement, impose costs on military-linked business and signal continued international opposition to abuses. Countries that have targeted sanctions in place should maintain and, where necessary, update these measures, focused on specific individuals, entities and revenue streams connected to the military and its commercial ventures.¹¹⁵

Thirdly, despite the competing priorities they are faced with, donors should maintain and, if possible, boost their aid budgets for humanitarian assistance and socio-economic stabilisation, recognising that the economic shock linked to the Middle East conflict will deepen hardship for millions in Myanmar. While the new administration in Naypyitaw will likely argue that aid must go through official channels, it is important that humanitarian and livelihood assistance continue to be delivered through non-state channels, including cross-border mechanisms where possible. A large proportion of Myanmar's territory is in the hands of non-state authorities, or under contestation, and Naypyitaw imposes heavy – but not always insurmountable – restrictions on humanitarian access to these areas. Donors should also make sure that funding rules are flexible to account for possible changes in territorial control. At the same time, they should remain attentive to the gendered impact of the crisis, including in relation to migration and risks of trafficking and exploitation.

Fourthly, foreign states should increase cooperation among themselves on transnational crime, which has become a central feature of Myanmar's conflict economy and a growing regional and global concern. They should take coordinated action against scam centres and related human trafficking, as well as the drug trade, including through engagement with governments across the region. In narrow instances, they could work with the relevant Myanmar authorities if necessary, though Naypyitaw's weak law enforcement capabilities, lack of terri-

¹¹⁵ As Crisis Group has highlighted before, broader economic sanctions – including removal of trade preferences – would, on the other hand, be counterproductive. See "Recalibrating Diplomacy with Myanmar after Election Seals Military Control", op. cit.; and Crisis Group Briefing, *Responding to the Myanmar Coup*, op. cit.

torial control of criminal enclaves and endemic corruption limit the scope for effective cooperation.¹¹⁶

Given its welcome interest in this subject and the reach of its diplomatic, law enforcement, financial and intelligence institutions, the U.S. could play an important coordinating role alongside regional states. Efforts to disrupt illicit financial flows should focus on those linked to transnational organised crime, including through enhanced financial intelligence sharing, coordinated investigations, arrests, sanctions designations, asset seizures and anti-money laundering enforcement. But it should avoid broader measures that risk financially isolating Myanmar as a whole, which would harm the wider economy and population.

Fifthly, policymakers should recognise that China will remain the decisive external power in Myanmar. Efforts to shape the future peace and security of the country will therefore require engagement – direct or indirect – with Beijing, particularly on issues such as ceasefires, scam centres and resource governance. Other countries will need to be pragmatic about China's central role, seeking to shape its policies rather than countering them.

Finally, while prospects for a comprehensive peace or political dialogue remain remote, external powers should continue to support conditions that could enable future political change, including sustaining civil society – particularly women-led organisations – independent media and, where possible, non-state governance structures. Even in the absence of near-term reform, maintaining these foundations will be important for a long-term resolution of Myanmar's civil war.

VI. Conclusion

Myanmar's new administration is not a political transition but a consolidation of military rule under a constitutional framework drafted by the armed forces. It does not address the underlying drivers of the conflict or the interlinked crises of state fragmentation, armed contestation and economic decline. The battlefield remains fluid, with the military regaining ground in some areas but remaining unable to defeat its strongest opponents. Ceasefires, where they emerge, are likely to be tactical and unstable, while prospects for meaningful political dialogue remain remote. In the absence of a major change in internal or external conditions, the country is likely to remain locked in protracted conflict, with growing domestic hardship and transnational consequences including organised crime and human trafficking.

¹¹⁶ For example, Myanmar's home minister, who was also its anti-scam czar, was sacked in January after Beijing reportedly informed Naypyitaw that he was receiving kickbacks from scam centres. "Myanmar junta's anti-scam czar purged in bribery scandal", *The Irrawaddy*, 12 February 2026.

At the same time, shifting relations with foreign powers – particularly China's expanding influence and a broader regional drift toward engagement – are reducing Myanmar's diplomatic isolation. While some states may seek to shelve their resistance to the pseudo-civilian authorities and forge diplomatic ties anew, a more guarded response from foreign governments would better serve the cause of peace and the interests of Myanmar's people.

Bangkok/Brussels, 3 June 2026

Appendix A: Map of Myanmar



International Crisis Group / KO / Dec 2015. Based on UN map no. 4168 Rev. 3 June 2012.



International Crisis Group

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