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# Myanmar Forecast July 2026: Regime Pitch for Legitimacy & Anticipated Trajectory





Representative Image by Wix AI

In a world beset by several wars and conflicts the hapless people of Myanmar 3.5 million of whom are internally displaced while over 16 million need assistance as per UN figures gain scant attention. The “civil war” in a country at the crucial crossroads between South and South East Asia with potential to link India and China through Bangladesh has failed to register global concerns while regional countries are intent on managing border security and transit and trade routes through an unstable neighbour. This provides the Union Government which can be called as a “Regime,” at best to seek legitimacy based on a flawed elections held in 265 townships across three phases, while 65 townships remained excluded. 3,995 specific areas (3,772 village tracts + 223 wards) were excluded entirely because of combat

conditions. Select parties supported by the military as the Union Solidarity and Development Party (USDP) participated while the most popular party the National League for Democracy and its allies were excluded. An indicator of continuing unrest is that Hluttaw approved to extend the state of emergency for 90 days in 58 townships out of the government control in 8 states and regions.

Yet backed by powerful regional actors such as China, India and Thailand the Regime is hoping to gain a degree of acceptability even as ASEAN has rejected these attempts highlighting the need to adhere and accept to the ASEAN Five-Point Consensus of April 2021 which includes strong indicator of stability in any country such as cessation of violence, inclusive political dialogue, humanitarian access, humanitarian coordination, civilian protection, and the conditions necessary for a comprehensive political process.

**ASEAN.** To pursue the pathway for engagement ASEAN organised several meetings with varied political grouping in Myanmar in July starting with the Foreign Minister of the Union Government Tin Maung Swe with the objective of seeking accession of the regime to 5 PC. This was rejected by the Foreign Minister stating that Union Parliament had adopted a motion on July 9 urging the government to review the consensus. Ironically, he told his ASEAN counterparts that being democratically elected government, it has the responsibility to implement the decision of the Parliament. By invoking the parliamentary motion, the regime is signaling it will not implement the consensus, instead pressing ASEAN to reinstate Myanmar’s full membership rights as per the Irrawaddy.

This was seen as a breaking point in attempts by Philippines as the ASEAN chair to engage with the Union government and Myanmar’s foreign minister was not invited for the ASEAN Foreign Minister’s meeting on 20-21 July where the country was represented by the permanent secretary of its foreign ministry.

Neighbours as Thailand, Laos and Cambodia however are expected to continue dialogue with the regime leadership based on their individual national interests. Min Aung Hlaing is expected to pay a state visit to Thailand—his second to an ASEAN country since installing himself as president—in early August for further talks.

Concomitantly Philippine Foreign Secretary Ma. Theresa Lazaro, the ASEAN Special Envoy on Myanmar held online talks with the National Unity Government (NUG) and in-person discussions with several Ethnic Armed Organization (EAO) leaders including the Karen National Union (KNU), Chin National Front (CNF), and Karenni National Progressive Party (KNPP), in Pattaya, Thailand. National Solidarity and Peacemaking Negotiation Committee (NSPNC) on prospects for inclusive political dialogue. The Steering Committee for the Establishment of a Federal Democratic Union (SCEF) a recent coagulation of opposition forces declared that the meeting with ASEAN representatives does not signal the commencement of formal political dialogue or negotiations with the military junta and only private discussions solely at the invitation of the ASEAN Special Envoy, the Philippine Foreign Minister, and the Thai Foreign Minister. SCEF highlighted that the discussions were held “Governance in Myanmar is no longer centralized in Naypyitaw. In vast areas of the country, local revolutionary authorities have assumed executive, judicial, and public security responsibilities on a state and unit-by-unit basis,” the SCEF stated.

This is a strong signal to the Myanmar military of alternate openings made by ASEAN in the political space will these be followed up remains to be seen. While the SCEF has strongly presented its case, the organisation is newly formed and thus will have to build up an institutionalized collective leadership mechanism among major resistance actors and an executive branch responsible for implementing the Steering Council’s decisions, particularly in the realm of foreign policy.

**Regional Stakeholders.** Of the regional stakeholders China and Myanmar committed to strengthen “security cooperation for the construction of the Belt and Road projects” in Myanmar—many of which now lie in conflict zones. Chinese Global Security Initiative. This will pave the way for deployment of Chinese security personnel – civilian and military under the Private Security Services Law promulgated by the Myanmar military in February 2025 and creates joint venture security company agreed in October 2024. Security cooperation will extend to the already militarized China–Myanmar oil and gas pipelines stretching 800 km from Kyaukpyu in Rakhine State through Mandalay, Magwe, and northern Shan State to Yunnan Province as per the Irrawaddy.

Reports indicate that CITIC Group — a Chinese state-owned investment company — has moved to establish a private security presence around the Kyaukphyu Deep-Sea Port and oil-gas pipelines, with Chinese security personnel already operating in the special economic zone under interim arrangements.

India after the seminal first official foreign visit of the newly anointed President Min Aung Hlaing to New Delhi has continued engagement with 23rd National Level Meeting between Home Ministry officials of the two countries held on 07-08 July 2026 in New Delhi. They discussed cooperation in combating transnational crimes, including terrorism, insurgency, narcotics trafficking, arms smuggling, human trafficking, wildlife trafficking, cybercrime and other forms of organised crime. India is keen to revive the Kaladan Multi-Modal Transit Transport project and the India-Myanmar-

Thailand trilateral highway both of which are in areas under varied control of the opposition forces. Myanmar’s regime announced border trade with India is poised to resume after it recaptured the Monywa-Kalewa road on July 7.

Thailand another key neighbour believes that change in Myanmar will come incrementally through engagement and not through ostracization, though a majority of the ASEAN are unwilling to follow the compromise route leading Bangkok to adopt a bilateral pathway with President Min Aung Hlaing due to visit Thailand in August.

**Political Developments** Myanmar Union Government is engineering the Constitution with 43 proposed amendments to the 2008 Constitution in the parliament—dominated by the military’s proxy Union Solidarity and Development Party (USDP)—formally recorded receipt of the message but did not disclose the draft amendments or when they would be debated. Leaked reports suggest the regime intends to extend restrictions in Article 59(f)—which bars jailed civilian leader Daw Aung San Suu Kyi from the presidency because of her foreign family ties—to cover Union ministers and state/region chief ministers.

Steering Committee for the Establishment of a Federal Democratic Union (SCEF) is emerging as unified political alternative including the National Unity Government (NUG), the the National Unity Consultative Council (NUCC), Ethnic Resistance Organisations (EROs), Federal Units, Consultative Councils, and other democratic political institutions is essential as lack of unity amongst the ethnic armed groups and the spring revolutionaries has been exploited by the military splitting the groups with bilateral incentives and threats. For instance, recently Ta’ang National Liberation Army (TNLA), a member of the Three Brotherhood Alliance, confirmed to Mizzima that its senior leadership met with the military junta’s peace negotiation body, the National Solidarity and Peacemaking Negotiation Committee (NSPNC), in Naypyidaw on 19 July after having abandoned multiple townships to military hold at China’s insistence.

**State of the Civil War.** Employment of air power and ruthless 5 cuts strategy has implied that it has driven hundreds off locals away from their villages scurrying for cover find only to find that these have been bombed out by the military and the return. The regime continues to rely on air strikes with data of the Myanmar Internet Project from April to June 2026, there were 520 cases of aerial attacks throughout Myanmar. Reportedly, 510 cases of them occurred in the areas with internet blackouts. Except for Yangon Region, the junta army conducted 520 airstrikes in 13 states and regions. MIP reported that 314 people, including children and women, had lost their lives in the incidents. According to the Ministry of Defence-NUG, 644 junta soldiers including officers died and 209 others were injured in battles in June.

The military push back against the People’s Defence Forces has succeeded in some areas thus converting the civil war in a multi pronged militancy. As well as personnel numbers, the military has overwhelming superiority in both heavy weaponry and airpower with Chinese- and Russian-supplied jets. NUG Deputy Home Affairs Minister U Kyaw Ni conceded regime troops may have recaptured territory along the road. “Yes, it is possible that they have temporarily regained control in some places. But in a time of shifting battles, everything is temporary,” he said.

Since launching a counteroffensive in northern Chin State reports in the Irrawaddy indicate year, the regime has regained control of Falam, Tonzang and Thantlang thanks largely to its air superiority. Meanwhile, Rihkhawdar and Chika on the Indian border remain under Chin resistance control. This comes as heavy fighting was reported in multiple states including south of Myawaddy in Karen State, Thantlang, Mindat and Kanpetlet in Chin State.

**Economy.** Myanmar economy will continue to remain in a crisis. economic forecasts and projections for Myanmar

around mid-to-late 2025 paint a severely constrained macroeconomic picture. Key institutions like the World Bank, Asian Development Bank (ADB), and the IMF reported that Myanmar's economy remained in a protracted crisis. Essential food items, imported fuel, and fertilizer prices rose steeply, driven by supply chain disruptions, currency depreciation, and global trade shocks. Severe load-shedding and high fuel prices forced manufacturing firms to rely on costly off-grid generators, operating at reduced capacity (~70%). Over 3.5 million people internally displaced and roughly 16–20 million requiring food security or humanitarian aid.

**Conclusion.** Against this backdrop it is evident that Myanmar faces challenge of internal destabilization despite willingness of external stakeholders to support stability. The regime failure for humanitarian and rights support to the population is expected to keep the the Union Government led by Min Aung Hlaing not just unpopular but lack legitimacy with ASEAN and the West.

[Myanmar](#)

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