

Guest Column

# China-backed Port in Western Myanmar Depriving Locals of Land and Jobs

Sunday 18 September 2022, by [Yan Naing](#) (Date first published: 13 September 2022).

**Despite the efforts of Myanmar's military regime to expedite the development of the Kyaukphyu Special Economic Zone (KPSEZ) and deep sea port in western Myanmar's Rakhine State, the project is facing significant delays due to local protests and the impact of last year's coup.**

Spanning 4,300 acres, the KPSEZ and the 643-acre port are considered to be the backbone of the China-Myanmar Economic Corridor (CMEC), part of Beijing's ambitious Belt and Road Initiative.

The project is vital to China's interests, as it will provide the country with direct access to the Indian Ocean, so allowing China's maritime traffic to bypass the congested Strait of Malacca. Beijing hopes also to use the CMEC to boost development in landlocked Yunnan Province, which borders Myanmar.

China International Trust and Investment Corporation (CITIC) inked a framework agreement with the KPSEZ Management Committee in November 2018 for the development of the SEZ. That was followed by the signing of an agreement for the construction of a deep sea port during the January 2020 visit of China's President Xi Jinping to Myanmar.

Under the deal, the state-owned CITIC owns 70 per cent of the development, with the Myanmar-owned KPSEZ Deep Seaport Co. Ltd holding the remaining 30 per cent.

But since the agreement was signed, Myanmar has been hurled into turmoil by last year's coup.

At the same time, overall progress on the development has been hampered by issues mostly linked to the concerns of locals over the project.

While there has been no development as yet of the KPSEZ, junta-controlled agencies are working to seize 250 acres of land in the proposed industrial zone. The land belongs to more than 70 local farmers from four village tracts, and many of them are opposed to the compulsory acquisition of their land.

A few of the farmers have alleged that dubious legal documents purporting to show that their land is held by other owners are being used to try and seize their land.

Previously, there were reports of many land disputes over the Shwe gas field and pipeline project in Kyaukphyu Township, with locals protesting against the companies involved.

Kyaukphyu residents are also aware of the problems with other China-backed projects in Myanmar, which has added to their hostility towards the KPSEZ and deep sea port development.

Local fisher folk have seen their livelihoods endangered by the Shwe gas field and pipeline, which saw no-fishing zones created and resulted in a scarcity of fish. The situation is most severe on Madaya Island, where oil and gas is stored and the movement of tankers prevents fishing.

Nor has the gas field and pipeline created alternative jobs for locals. Residents were promised employment by the companies involved, but they now allege that they are not even allowed to walk past the oil and gas terminals.

Some four villages on Madaya Island, with more than 760 households and 3,000 residents, will be affected by the development of the KPSEZ and deep sea port. Most of the households are dependent on fishing grounds where the deep sea port is set to be constructed.

Part of the port will also be built on Ramree Island, where local fisher folk will also be affected, so around 4,000 families will be impacted by the project.

CITIC has claimed that it is coordinating with local business people to provide new employment opportunities for the local population but, so far, nothing tangible has happened.

While the military regime is working to address operational issues, including the indifferent approach of CITIC after securing the rights to develop the zone and the port, it also needs to take into account the concerns of local people.

China-backed projects can only be beneficial for Myanmar if they add economic and social value to the people of Myanmar.

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- The Irrawaddy. 13 September 2022:  
<https://www.irrawaddy.com/opinion/guest-column/china-backed-port-in-western-myanmar-depriving-locals-of-land-and-jobs.html>
- Yan Naing is a pseudonym for a political analyst on Myanmar and China.