

CSEAS COMMENTARY

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Concerns over the Revival of the Myitsone Dam Project

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Introduction

On May 17, the Myanmar Gazette, the official government publication, announced the revival of the Myitsone Dam Project by forming a steering committee for the construction.¹ The Myitsone Dam Project is one of the largest construction plans in the world. The multi-billion hydropower dam project in the Kachin State of Myanmar has many domestic and foreign controversies. The China-sponsored project consists of 7 dam constructions on the Irrawaddy River, the Mali River, and the N'mai River in the Kachin State.² Environmental and social concerns have been raised about the construction, as it directly affects the people of Kachin and their livelihoods. Moreover, the revival of the Myitsone Dam Project could be a major signal of cooperation between China and Tatmadaw.

The Myitsone Dam Project is a \$3.6 billion series of 7 dam constructions on the Irrawaddy River, Mali River, and the N'mai/May River in Kachin State, the northernmost part of Myanmar, bordering India and China.³ At the heart of the project is the Myitsone dam on the Irrawaddy River, the largest hydropower dam among the seven, which aims to provide 6,000 Megawatts (MW) out

¹ "Steering Committee announced to help complete Myitsone Dam project" *Mizzima*, May 25, 2024, <u>https://eng.mizzima.com/2024/05/25/10226</u>

² Ibid.

³ Pei-Hua, Yu "Myitsone Hydropower Dam" *The People's Map of Global China*, last modified March, 23, 2021, <u>https://thepeoplesmap.net/project/myitsone-hydropower-dam/</u>

of 20,000 MW.⁴ The hydropower dams would provide a solution to the massive electricity shortages throughout Myanmar. Construction initially began in 2009, with the projection to finish in 2019; however, the government temporarily suspended the project in 2011 due to many protests by political, environmental, and social activists.⁵

Environmental Impacts

Concerns have been raised about the environmental aspect of the hydropower dams disrupting or blocking the Irrawaddy River flow, the largest river and the most important commercial waterway in Myanmar.⁶ The artificial change in the natural water flow would have numerous severe consequences. Firstly, the construction of the dams could cause flooding in the Irrawaddy River bank, which stretches over 2,170 km through Myanmar.⁷ A study by the Kachin State Development Network (KSDN) found that the reservoir of the Myitsone Dam would submerge a significant area of forests and agriculture.⁸ Villagers' livelihood in the area will be affected, as they mostly rely on growing rice along the delta, which is responsible for 60% of Myanmar's rice.⁹ Moreover, the Myitsone hydropower dam would significantly impact the regional ecosystem and biodiversity. The natural water and nutrient replenishment of the river to the wetland and floodplain would be affected, and the fish migration in the region would also be disrupted. A report on the construction projected that the number and diversity of fish in the region might decline, and some species could even disappear.¹⁰

Displacement and Forced Migration

The construction of the multi-billion project would significantly impact the livelihood of the citizens living along the river. Large displacements and forced migrations would be necessary to build the dam. During the project's initial operation from 2009 to 2011, over 15,000 people from

⁴ Ibid. 1

⁵ Ibid. 1

⁶ "Resisting the Flood" Kachin Development Networking Group, October, 2009, <u>https://kdng.org/wp-content/uploads/2018/12/Resisting the Flood.pdf</u>

⁷ Leinbach, T. R., Owen, Lewis and Bhardwaj, Surinder M., "Irrawaddy River." Encyclopedia Britannica, May 23, 2024. <u>https://www.britannica.com/place/Irrawaddy-River</u>.

⁸ Ibid. 6

⁹ Ibid. 6

¹⁰ "Damming the Irrawaddy" Kachin Development Networking Group, May, 2007, <u>https://kdng.org/wp-content/uploads/2019/02/DammingtheIrrawaddyDams-2007-English.pdf</u>

over 60 villages were forced to relocate without proper resettlement plans.¹¹ An article suggested that the operation had limited funds allocated for the resettlement plan, as 10% of the \$3.6B should be used for environmental and social mitigation; instead, a report released by the China Power Investment Corporation (currently known as SPIC Yunnan International Power Investment Co. Ltd.), the subsidiary of the project, approximately \$60M was allocated for the resettlement plan.¹²

How the Project Benefits Myanmar and China

With certainty, the revival of this multi-billion hydropower dam project suggests confidence in the cooperation and relations between China and the Tatmadaw and great benefits for both sides. However, there have been speculations on whether the construction would benefit China or Myanmar more.

The dams would solve Myanmar's electricity shortage. The country has been facing blackouts because its daily electricity demand is 5,500MW, but the power grid can only supply 2,800KW.¹³

Name of the project	Total Investment	Location	Status
Mee Lin Gyaing LNG	US \$2.5 billion	Ayeyarwady region	On Going
Kyaukphyu Special Economic Zone (KPSEZ)	US \$1.5 billion	Kyaukphyu Township, Rakhine State	On Going
New Yangon City project	US \$1.5-billion	Yangon	Planning
Chinshwehaw CBECZ	-	Northern Shan State	Planning
Kanpiketi CBECZ	US \$22.4 million	Northern Kachin State's Special Region 1	On Going
Kyaukphyu Power Plant	US \$180 million	Kyaukphyu Township, Rakhine State	On Going
Kyaukphyu deep sea port	US \$1.3 billion	Kyaukpyu Township	On Going
Muse – Mandalay Railway	US \$ 8.9 billion	Mandalay	Ongoing
Mandalay-Tigyaing-Muse Expressway			Planning
Kyaukphyu-Naypyidaw Highway projects			Planning

On-Going Projects under the BRI Framework

Source: Observer Research Foundation, December 2022

¹¹ "Myanmar: Dam Construction to Displace Thousands" IRN, April 6, 2010, <u>https://www.refworld.org/docid/4bc2cd001e.html</u>

¹² Bernard Minn, "Dams and the Displaced: Lessons from the Myitsone Dam in Myanmar" Lee Kuan Yew School of Public Policy, April 20, 2020, <u>https://lkyspp.nus.edu.sg/gia/article/dams-and-the-displaced-lessons-from-the-myitsone-dam-in-myanmar</u>

¹³ "Power cuts bring Myanmar industry to its knees" Frontier, July 01, 2024, https://www.frontiermyanmar.net/en/power-cuts-bring-myanmars-industry-to-its-knees/

Therefore, with the massive amount of 20,000 MW that the Myitsone Dam Project could provide, electricity would not be scarce anymore. Moreover, the power security would boost the investors' confidence in conducting their business in Myanmar, creating jobs and boosting the country's economy. On the other hand, China would benefit greatly from this cooperation in expanding the Belt and Road Initiative (BRI). There have been reports that 80%-90% of the generated electricity will be exported to China as a solution to their clean energy usage and pollution reduction. In contrast, electricity shortage is still a big issue in Myanmar.¹⁴ Moreover, it should be noted that since the military takeover in 2021, there have also been other projects under the BRI framework reinvested by China, signaling their confidence in Myanmar and cooperation between the two.¹⁵

The revival of the Myitsone Dam Project signals cooperation between the Tatmadaw and China. This win-win relationship would provide benefits for both actors. For Myanmar, the hydropower dam project and many other BRI projects would serve as an alternative source of income and counter the sanctions and embargos imposed by the Western countries and the international system. Not only would the project boost the country's economy, but it would also be a major factor in prolonging the military regime. On the other hand, China could acquire the economic and clean energy benefits from Myanmar to expand the Belt and Road Initiative in Southeast Asia. However, there are concerns about how this cooperation would lead to the increasing political presence of China in Myanmar and the region, such as how many projects under the BRI framework have been reinvested. China could use this economic dependency to secure its political interest in the region since the Tatmadaw is trying to revive Myanmar's economy.

Conclusion

The Myitsone Dam Project started in 2009 and was suspended in 2011 due to environmental, social, and political controversies. In 2024, the project has been revived with concerns over how the Tatmadaw and China are working together, which could increase China's influence in Southeast Asia and Myanmar's military regime. Despite the controversies, it cannot be ignored

¹⁴ "Myanmar quietly announces plans to study controversial Chinese dam project suspended 13 years ago" GRANT PECK Associated Press, May 24, 2024, <u>https://www.hydroreview.com/dams-and-civil-structures/dam-design-and-construction/myanmar-quietly-announces-plans-to-study-controversial-chinese-dam-project-suspended-13-years-ago/#gref</u>

¹⁵ Sreeparna Banerjee, "Revamping BRI in post-coup Myanmar" Observer Research Foundation, December 08, 2022, <u>https://www.orfonline.org/expert-speak/revamping-bri-in-myanmar-post-coup</u>

that the Myitsone Dam Project would benefit Myanmar through electricity security, foreign direct investor attractions, and economic growth.

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