

Fears over Myanmar deep-sea port plan

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example of how foreign investment from Asian allies like China and Thailand is transforming the military-dominated nation despite Western sanctions.

Some believe the 10-year, \$8 billion Dawei Development Project, led by a Thai industrial giant, could invigorate the country's impoverished economy and revolutionise regional trade.



Graphic on Myanmar port development

But hopes that the planned deep-sea port and giant industrial estate will inject much-needed investment have been tempered by fears about a potential influx of "dirty" industry and concerns that it will displace thousands.

"[Myanmar](#) still ignores environmental issues", said Tanit Sorat of the Federation of Thai Industries in an interview with AFP, citing lack of regulation as a key advantage of Dawei.

"Dawei is the world's solution for industry that affects the environment, heavy industry and the industry that is banned in other countries," he

said, adding the entire project could be worth \$60 billion dollars or more.

A local aid worker and campaigner, who estimates 23,000 people will have to move, said the first phase of construction was already altering the quiet tropical town of his childhood.

"The shores are so beautiful, with their long white sands, but in a couple of years it will all be gone," said the activist, whose name AFP has withheld to protect his security.

He said that because of a lack of regulation and entrenched cronyism in Myanmar the development is likely to be "very corrupt", while soaring property prices are already putting pressure on local people.

"The government does not consider the people, it just does what it does," he said.

David Mathieson of Human Rights Watch said there were few details available on Dawei's potential impact on communities, but previous experience of large scale developments was of misery for local people.

"Human rights abuses always accompany these projects, including displacement, land confiscation, forced labour and abuses related to increased military/security presence," he said.

Such abuses have already been linked to two of Myanmar's major energy projects currently under construction -- pipelines to transport gas from the coast of western Rakhine state and oil from the Middle East and Africa across the country to China.

Dawei, on the Andaman coast facing the Indian Ocean, has long been a strategic prize -- it was one of Britain's first colonial conquests in the

country in the 19th Century.

Somchet Thinaphong, who is managing the project for its developer, ItalThai Group, said the port project could create up to 100,000 jobs.

"It will lift employment and education very much -- think about Thailand 30 years ago," he said, adding that the Myanmar government sees the project as a link to the outside world.

Economic mismanagement and cronyism during half a century of army rule has left the country, also known as Burma, isolated and impoverished, despite abundant natural resources.

The handover to a nominally-civilian government, following last November's controversial election, has raised tentative hopes among some for change.

But Sean Turnell, Myanmar economic expert at Macquarie University in Sydney, was sceptical over how much of the investment in the port project would trickle down to local people.

"The idea that there will be hundreds of thousands of jobs is absurd," he said.

Indeed, the main beneficiary of Dawei looks likely to be Thailand.

Goods from Thai exporters are currently shipped from the Gulf of Thailand, around Singapore and through the Malacca Straits before heading west, but it is hoped a road and rail link to Dawei could end the costly detour.

Dawei would also provide a "short cut" for crude oil coming into Southeast Asia from the Middle East, according to an ItalThai

presentation seen by AFP, which also envisaged a train link to Kunming in southern China.

Plans for the 250 square kilometre (100 square mile) site include a steel mill, fertiliser plant, a coal-fired power station and oil refinery -- potential boons for Myanmar's energy-hungry neighbour.

It comes as resistance to large industrial estates grows in Thailand -- as seen in an ultimately unsuccessful but high profile case against the vast Map Ta Phut development on its eastern seaboard last year.

Turnell said lack of regulation might help lure investors nervous about doing business in Myanmar as "you are not likely to have environment inspectors knocking on the door."

An environmental assessment is under way, ItalThai's Somchet said, but will take a year to complete.

Craig Steffensen, of the Asian Development Bank, told AFP last month that Dawei had "huge potential" for the region, although there were concerns about the local area.

"You have to be very, very careful when it come to the environment and affected communities... but whether the authorities in Myanmar will undertake the same sort of steps (as the ADB would advocate) is unclear," he said.

Construction of a road link to Thailand is almost complete and the first phase, including one of three planned docks, is set to be operational within five years.

The local campaigner, whose organisation is busily training local people to boost their employment chances, said the challenge is to work out

"how we can engage in this process -- it will happen anyway."

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