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After an opening of the country to outside world, Myanmar, a country rich in natural resources i.e. forest, water, and minerals, has drawn much attention from international and regional investors to invest in mega infrastructure development projects which do not only affect local livelihood and environment but also violate basic human rights of local people.

Thailand's investment in Myanmar amounted at US\$10,000 million with major investment in energy sector. Both private companies and state enterprises from Thailand have involved in investment in power projects in Myanmar.

Presently, Thailand's Ministry of Energy, is reviewing its long-term Power Development Plan, B.E. 2555-2576 (PDP 2013). It plans to additionally purchase electricity from coal at 10,000 megawatts (MW) and from hydropower at 10,000MW from neighboring countries. At the same time, the Ministry of Energy of Thailand has planned to negotiate with Myanmar to increase a purchase of electricity to 10,000MW instead of an earlier agreed volume at 1,500MW. Electricity from Myanmar will mostly come from three major projects which are jointly invested by Thai companies. These include;

1. **Salween Dam Project** consisting of Hatgyi Dam and Maine Tong Dam (Tasang Dam)
2. **Mong Kok coal-fired power plant**
3. **Dawei coal-fired power plant**, under the Dawei Deep Sea Port and Dawei Industrial Estate

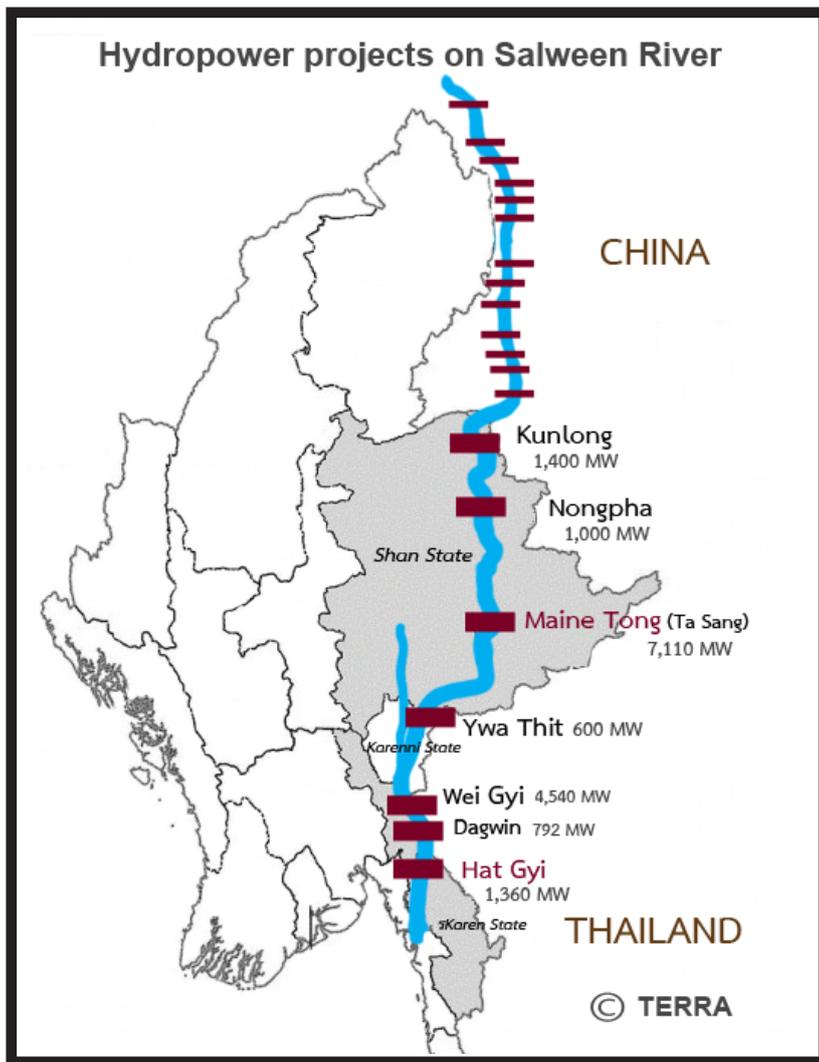
Salween Dam Project

Presently, the Lower Salween River in Myanmar has been planned for a total of six hydroelectric dams* via investment from China, Myanmar and Thailand.

For Thailand, EGAT International Co. Ltd. (EGATi), a sub-company of Electricity Generating Authority of Thailand or so-called EGAT, is a key investor. EGAT plans to purchase electricity generated by Hatgyi Dam, Maine Tong /Tasang Dam and to connect to the ASEAN Grid which also passes Thailand's gridline. Details of the two dams are:

- **Hatgyi Dam** (Karen State – 1,360 megawatts) with an investment volume of 80,000 million Bht. EGATi holds 36.5% of total shares.
- **Maine Tong Dam** (Tasang Dam) (Shan State – 7,110 megawatts) with an investment volume at 360,000 million Bht. EGAT International holds 56.5% of total shares.

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 *According to the Myanmar Times on 18 August 2013, Myanmar plans to give the green light to three of six hydroelectric projects on the Salween River in Myanmar which are Kunlong dam with an estimated capacity of 1400 megawatts (MW), Naungpha dam 1000MW, Mann Taung dam 200MW, Maine Tong dam 7,110MW, Ywar Thit 4,000MW and Hat Gyi dam 1,360MW. The first three projects have Chinese firms as the joint venture partner and have completed feasibility studies. While the latter three projects are still awaiting feasibility studies from Thai or Chinese joint venture partners.



CH. Karnchang Public Co. Ltd., a major investor of Xayaburi Dam on the Mekong River in Laos, who is severely criticized for its ethics on environmentally unfriendly investment, has also shown their interested to invest in hydropower on Salween River and is currently exploring investment feasibility.

If the two dams are to be constructed, at least the area of 2,000 square kilometers will be inundated. More than 70,000 people are to relocate from their homeland. Forest, biodiversity, ecological system of Salween River, once called as the only remaining large river in Southeast Asia that is still running free, will be disrupted. A collapse of ecological system of the Salween's estuary is unavoidable.

Mong Kok coal-fired power plant (405 megawatts)

Italian-Thai Power Co. Ltd (a sub-company of Italian-Thai Development Public Co. Ltd.) has been given license to construct Mong Kok coal-fired power

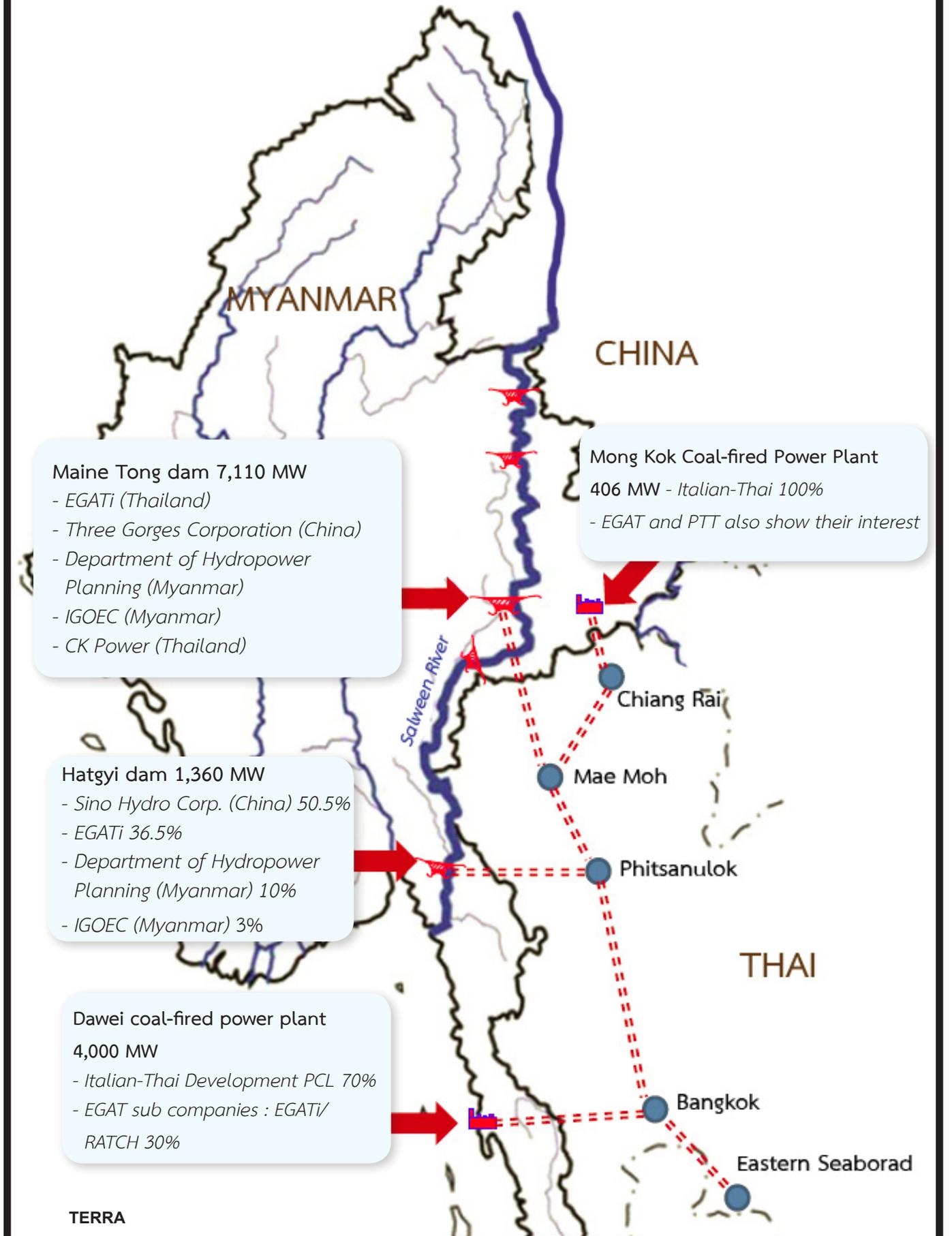
plant in Shan State. The area is an upstream of Kok river, that is running through Mae Ai district of Chiang Mai province and Chiang Rai province before joining the Mekong River.

In 2009, EGAT signed the Tariff MOU to purchase electricity at 369 megawatts from the company with a plan to build the 230kV transmission line at a length of 80 kilometers from the power plant site to Thailand's border, plus another 80 kilometers to Chiang Rai power station. In 2011, the Government had approved a budget of 2,740 million Bht. to construct the transmission line which had been already put in the Power Development Plan (PDP) year 2010 while PTT Public Co. Ltd. is negotiating to get a share at a minimum of 25% of the power plant.

From the report, "Save Mong Kok from Coal" documented by Mong Kok Conservation Group, released in July 2011, it was reported that the Myanmar government placed more armed force into Mong Kok area which resulted in human rights violation. More than 2,000 villagers fled, mostly, into Thailand's border. Some stayed at temporary shelters near Thai border, opposite Mae Fah Luang district of Chiang Rai province. More than 80 households were forced to relocate to a new settlement which rendered unfavorable conditions for cultivation and for earning livelihood.

In addition, local people were concerned about environmental impacts and health-related problems resulting from coal mining and an operation of the coal-fired power plant such as the spread of toxic chemicals in Kok river i.e. mercury, arsenic, chromium and cadmium, and diffusion of small particles in the air during mining, transit and transportation process. All these increase risks in illness related to respiratory system and collapse of agricultural products produced by acid rain. The high voltage transmission line of about 230kV covering the width of 40 meters would cause the loss of large forest and agricultural land both in Myanmar and Thailand.

Major power projects in Myanmar by Thai investment



Dawei coal-fired power plants

(1,800-4,000 megawatts)

In January 2012, the Ministry of Energy of Myanmar declared a cancellation of the plan to construct the coal-fired power plant in Dawei Industrial Estate* on ground of “environmental problems” and pointed out that the decision-making was made after “a public hearing with the local”.

The Ministry of Energy of Thailand and Electricity Generation Authority of Thailand (EGAT) had tried very hard to make the Dawei coal-fired power plant project in Myanmar feasible due to mounting opposition to coal-fired power plants in Thailand. It was proposed that sub companies of EGAT such as the Ratchaburi Electricity Generating Holding Public Co., Ltd. (RATCH), and Electric Generating Public Co., Ltd. (EGCO) which are EGAT’s sub companies would primarily invest in the project and then transfer shares to EGATi. This is to facilitate incurring complicated bureaucratic process if EGATi is to directly invest in the project such as a requirement for a census from the Cabinet.

Thailand’s Energy Policy and Planning Office (EPPO), and EGAT had conducted a feasibility study on Dawei project; yet a clear project conclusion had not been disclosed as the agencies said that it had to wait for the government’s comprehensive investment plan, particularly on the transmission line. However, there is also a proposal to first construct the coal-fired power plant of 400 MW, to primarily supply the electricity to Dawei industrial estate. It is estimated that a cost of investment will be US\$1.5-1.6 million per megawatt, and the remaining electricity will be sold to Thailand.

In June 2013, EGAT reported that EGAT has studied the feasibility of building a coal-fired power project in Dawei and the government of Myanmar agreed in principle upon Thailand’s proposal on a construction of “clean coal-fired power plant” at 1,800MW, including transmission lines to be linked to Thailand’s power grid at the total cost of 100,000 million Bht. The project is divided into three phases, 600 MW each, being a joint venture between EGAT and potential private companies. However, EGAT has also raised that conditions of the investment, benefits and tax system offered by Myanmar government should be put into consideration to create confidence among Thai investors. EGAT is expected that investment policies will be soon clear and construction is able to start by the end of this year.

However, the Myanmar Times reported on 24 June 2013 that a high-ranking official at Myanmar’s Ministry of Electric Power said the ministry had not received a formal proposal for a coal-fired power plant at Dawei, but added that the ministry will check through every step after a memorandum of understanding is signed to ensure an environmental impact assessment is carried out. Moreover, the official also stated that “If local communities are dissatisfied the project will not proceed;”

In late June, 2013, Myanmar people organizations declared a statement calling for a halt of the coal-fired power plant project, stating that coal is not the right solution for Myanmar’s energy needs, and the fuel’s detrimental impact on the environment and well-being of Myanmar citizens mean its use would be a step backward in the fight to tackle the country’s sustainability goals.



Campaign image to call for ‘No Coal, No Dirty Industry’ by Dawei Development Association (DDA)

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* Dawei Deep-sea Port and Dawei Special Economic Zone: The Italian-Thai Development Public Co., Ltd., a company in charge of the operation of the project, was given license from the Myanmar Government in 2010 at a length of 60 years. The project which is located in a town of Dawei, Tanintharyi Region, covers the area of 250 square kilometers, mainly consists of deep-sea port, industrial estate, infrastructure development, and transportation system linking to Laem Chabang deep seaport and Map Tha Phut industrial estate in Thailand i.e. roads, railways, gas and oil pipelines, and high voltage transmission line. The Dawei Development Co. Ltd., has been set up to implement the projects. However, the company has faced problems of the delay in construction and a call for joint ventures which require an initial investment at the amount of 127,000 million Bht. The Thai government has supported an establishment of Dawei SEZ Development Co., Ltd., in form of Special Purpose Vehicle (SPV). It is a joint venture between Thailand’s Neighboring Countries Economic Development Cooperation Agency (NEDA) and Myanmar’s Foreign Economic Relation Department. In addition, Thai government has pushed for the construction of the motorway that connects Dawei SEZ to Laem Chabang deep seaport in Thailand.