Dawei Integrated Regional Development

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Opportunities/ Challenges of Dawei Deep Sea Port Project
Mega Project: “An Industrial Project That Could Change Myanmar”
The Globe's New Hub & Asia Regional Hub

• “Dawei Port connects the world a step forward to a brighter future”
• Myanmar first Special Economic Zone
Project Site

- Northern Maungmagan ideal
- Water deep enough to accommodate ships and oil-carrying supertankers with loads of up to 300,000 tons
- Number of islands form a barrier for the port
- Adjacent area flat
- Plentiful water supplies suitable for factories and refineries that will manufacture plastics and other petrochemical products
Japan

- Japan Bank of International Cooperation
- Funding
- “Southern Corridor” transport route from Myanmar to Vietnamese ports
Dawei Development Project

- US$ 60 billion
- Industrial zones,
- A new city,
- Deep-sea ports,
- Chemical fertilizer plant
- Coal-fired power plant
- Steel plan
- Chemical fuel plants,
- Oil refineries
- Ship maintenance buildings
- Railroad, roads and
- Oil and natural gas pipelines.
• Factories & industrial city (steel, fertilizer, petrochemicals)
• Steel mill estimate runs to $300bn - production capacity of 10 million tons per year, and downstream products for industrial and electronic uses.
• Oil-and-gas venture
• Power plants
• Cement and paper plants
• 4,000 megawatts of electrical power
• Serve 55 vessels at once
• 8 times bigger than the Map Ta Phut Industrial Zone in Rayong
• Map Ta Phut estimated cost 370 billion baht (US $10.5 billion)
• Send and receive ship goods from Thailand and avoid the Singapore and Straits of Malacca detour, more feasible than the Isthmus of Kra canal idea
Development Chronology
Development Chronology

- Government of the Kingdom of Thailand and the Government of the Union of Myanmar signed the Memorandum of Understanding (MOU) on May 19th, 2008
- Italian-Thai Development Public Company Limited (ITD)
The Italian-Thai Development (ITD) Company

- Italian-Thai — partnership formed five decades ago between an Italian engineer and a Thai medical doctor
- Exemptions from import duties
- 75-year concession to build and operate the heavy-industrial part of the project
- 40-year concession for light industry, like garment factories
- Concession can be extended, or control can revert to the Myanmar government
Development Chronology

• Industrial estate divided into six industrial zones
• Residential/commercial zone with related infrastructure within the industrial estate
• Connecting road and rail link to Thailand
• Oil and gas pipeline from the Gulf of Martaban to the Myanmar/Thailand border along the road and rail link
Strategic Content
Regional Transport Connectivity

• Respond to progressive trade and increase economic growth within Southeast Asia and South China
• Continuing demand for sea transportation in the Indian Ocean and Andaman Sea
• Dawei-Yangon-Mandalay-Muse and further connecting to the Chinese railway system to Kunming
• Major logistic hub of the region.
New Commercial Gateway

• Alternative sea route to India, China, Middle East, Europe, and Africa
• Lessen the dependence on the congested Straits of Malacca
• Reducing tremendous transportation time and logistic costs
Competitive Advantage

• Direct access to the Andaman Sea and Indian Ocean for the transportation of goods and commodities
• New market for foreign investment
• Strengthening economic cooperation, trade, and development among the Greater Mekong Subregion (GMS) nations
Costs and Benefits
Benefits

• Much impact on Myanmar’s future
• Generate income stream through taxes and other related upstream and downstream projects
• Generate very large amount of employment
• Increase living conditions
• Increase foreign trade and investment
Benefits

• Largest Industrial Area in Myanmar
• Transform Dawei into a newly opened investment destination and logistic hub of the region
• Increase the economic value to not only Myanmar, but also to the region as a whole.
• SEZs in China and Viet Nam
Costs

- Adverse affect to the environment
- Relocation of local villages
Natural Environment

- Impact massive
- Adverse affect
- Minimize damages
- EIA
Pollution

- Foreign companies freed from restraints of strict anti-pollution laws
- Cheap and convenient to export “dirty” refineries
- Ex-PM – Abhisit Vejjajiva
Virgin territory

- 250 square kilometers, or about 97 square miles
- Four times the size of Manhattan, NY
- Hotels and resorts further down sparsely populated southern coast, which extends 500 kilometers, or about 300 miles, south
- Rare coastline
Displaced People

• 10,000 to 30,000
• Small, medium and large homes for relocated residents
• 1,000 homes valued at about 15 million kyat each (about US$ 19,000)
• Four new villages to serve residents of 21 villages
• Cash compensation
Getting Prepared

- Are we prepared for what is coming?
- Poor Infrastructure
- Poverty
- Isolation
- Migration
What can we do?

- National Ownership and Leadership
- Open
- Transparent
- Consultative
- Awareness Raising
- Environmental oversight
- Capacity Development – Vocational training
- Public-Private Partnership (PPP)
Jobs! Jobs! Jobs!

- Creating
- Generating
- Exploring
- Short; Medium and Long Term
Thank You!