

# Shan State Information Kit

June 2016

## Overview:

- Location in Myanmar: eastern part of northern Myanmar
- Capital: Taunggyi
- Bordered by: China (Yunnan province), Lao PDR and Thailand
- Strategic location: formerly known as the “buffer area” between China and French-dominated Southeast Asia
- Geography: mountainous terrain
- Size: the biggest of all 14 regions and states covering almost a quarter (23.2%) of the entire country, and comparable to Bangladesh or Nepal.
- Number of townships: 55
- Population: 5.8 million people (census 2014), making Shan State the 5th biggest of all States and Regions in terms of population after Yangon, Mandalay, Ayeyarwady and Sagaing regions.
- Ethnic groups: 33 (2<sup>nd</sup> in Myanmar after Chin, with 55 ethnic groups)
- Languages spoken: at least 8
- Importance: Shan is by far the biggest of all 7 States, and an important player in the socio-political developments of Myanmar.
- Chief Minister: Dr. Lin Htut

## Ethnic groups in Shan State:

Shan State is amongst the areas in Myanmar with the greatest ethnic diversity. On the list of the 135 officially recognised ethnic groups in Myanmar, Shan (with 33 different groups) ranks second after Chin (with 55 ethnic groups). However, when looking at language families, whereby all Chin ethnic groups fall under the same family, in Shan State at least eight different languages are spoken by different ethnic groups, and hence can claim to be the most ethnically diverse. Apart from Shan, spoken by the mostly bilingual Shan people (speaking Shan and Bamar) and those speaking Kachin, a number of other ethno-linguistic groups are traditionally recognised, such as the Kokang (Chinese language group), the Danu, the Pa’O and the Lahu (all part of the Tibeto-Burman language group) and the Wa and Palaung (both falling in the Austroasiatic language group).

Linked to its ethnic diversity, another aspect that sets Shan State apart from the other regions and states is the number of constitutionally embedded self-administrative areas, such as the Wa Self-Administrated Division (SAD) in the north-east of Shan State; and the Self-Administrated Zones (SAZ) of Kokang, north of Wa also bordering China; Palaung, also in the north and Danu and Pa’O, the latter spread over two areas, in Southern Shan.

Administratively, Shan State is composed of 55 townships. Three townships (Narphan, Pangwain and Mongmao), all in the Wa Self Administered Division, only have village tracts and no (urban) wards.

## Shan State Population and Area by Township and Self-administered Areas

Sub State	District	Self administered areas	Township	No of urban wards	No of village tracts	Census 2014		Total area in km <sup>2</sup>	Density pers/km <sup>2</sup>
						Total	%		
South	1. TAUNGGYI		1.Taunggyi	51	24	437,018	51.3	2,014	217
			2.	8	35	188,602	50.2	1,482	127.3
			3.Lawksawk	14	18	164,542	48.7	5,162	31.9
			4.Pekon	7	12	103,665	49.4	2,079	49.9
			5.Kalaw	23	25	186,019	50	1,460	127.4
		Danu SAZ	6.Pindaya	12	27	79,846	51.7	630	126.7
			7.Ywangan	3	29	82,400	50.1	2,989	27.6
		Pa'O	8.Hopong	6	22	111,962	50.4	2,934	38.2
			9.Hsihseng	6	13	152,755	51.1	2,077	73.5
			10.Pinlaung	13	25	192,277	50.4	3,405	56.5
	2. LOILEN		11.Loilen	8	19	124,411	51.4	1,329	93.6
			12.Laihka	4	19	49,586	52.2	2,813	17.6
			13.Nansang	11	20	116,634	49.2	3,693	31.6
			14.Knhing	11	14	53,478	50.2	2,767	19.3
			15.Kyethi	11	31	74,215	52.2	3,765	19.7
			16.Mongkain g	5	24	74,233	52.7	3,797	19.6
			17.Monghsu	7	17	72,584	50	1,652	43.9
	3. LANGHO		18.Langkho	11	14	40,160	49.6	5,224	7.7
			19.Mongnai	12	14	39,403	49.3	3,235	12.2
			20.Mawkmai	7	8	33,840	50.9	2,454	13.8
			21.Mongpan	4	10	25,845	46.6	2,723	9.5
North	4. LASHIO		22.Lashio	12	75	321,861	50.9	3,862	83.3
			23.Hseni	4	32	56,666	49.6	1,805	31.4
			24.Kunlong	6	25	58,762	17.3	876	67.1
			25.Mongyai	3	25	59,312	52.2	2,417	24.5
			26.Tangyan	10	49	172,042	51.5	4,862	35.4
	5. MUSE		27.Muse	24	63	170,730	48.4	1,788	95.5
			28.Namhkan	14	43	107,009	52	1,570	68.1
			29.Kutkai	16	68	174,467	49.9	4,099	42.6
	6. KYAUKME		30.Kyaukme	20	71	171,144	51.7	3,932	43.5
			31.Nawngkhio	6	35	149,495	49.4	3,278	45.6
			32.Hsipaw	11	67	175,873	51.1	5,276	33.3
			33.Namtu	2	21	50,279	51.5	1,625	30.9
		Palaung SAZ	34.Namhsan	6	26	71,984	54.5	1,508	47.7
	7. MONGMIT		35.Manton	3	28	38,643	51.8	2,523	15.3
			36.Mongmit	4	28	62,838	50.2	2,709	23.3
	8. LAUKKAINING	Kokang SAZ	37.Mabein	3	16	47,326	48.3	5,045	9.4
			38.Laukkain g	6	8	94,843	47.4	776	122.2
9. HOPANG	Wa SAD	39.Konkyan	6	8	59,905	48.3	1,082	55.4	
		40.Hopang	23	54	326,845	49	1,332	70.8	
		41.Pangwain	0	19			1,492		
42.Mongmao	0	40	1,791						
10. MATMAN		43.Matman	2	28	215,642	48.5	2,977	27.6	
		44.Pangsang	6	85			3,151		
		45.Narphan	0	34			1,677		

East	11.KENHTUNG		46. Kengtung	5	31	171,272	48.8	3,544	48.3
			47.Mongpin g	7	29	68,508	49	6,084	11.3
			48.Mongkhet	2	16	25,012	48.6	2,538	9.9
			49.Monhyan	13	15	56,640	48.8	2,750	20.6
			50.Mongla	2	9	43,145	48.3	1,971	21.9
	12.MONGHSAT		51.Monghsat	6	27	104,529	47.2	4,664	22.4
			52.Mongton	11	16	70,100	45.3	5,217	13.4
	13.TACHILEIK		53.Tachileik	18	13	176,877	49.1	3,968	44.6
			54.Monghpy	3	22	30,494	46.9	2,077	14.7
			55.Mongyaw	10	20	79,666	47.5	4,662	17.1
	Total			498	1,566	5,815,384	50	156,613	37
		Total SAAs	15 out of 55 townships	92	446	1,427,102	49.90%	30,344	47
				18.50%	28.50%	24.5% of population		19.4% of total area	

### Economy:

Agriculture-based:

Rice, wheat, maize, groundnut, pulses, beans, fresh fruit and vegetables

Cotton, coffee, tea and tobacco plantations

Livestock breeding and fresh water fisheries

Geography and topography, as well as armed conflict and lack of state control have shaped the socio-economic conditions for the inhabitants of Shan State for centuries, as well as the social and political organizations that have emerged in this context. While agriculture plays an important role in the economy of the state, as in the central lowlands of Myanmar, due to the variety of climate types, including those with more moderate temperatures, the variety of crops is much bigger and includes, besides rice, wheat and maize, groundnut, pulses and beans, fresh fruit and vegetables as main crops.

There are also cotton, coffee, tea and tobacco plantations. Livestock breeding and fresh water fisheries are also significant. The main business of eastern and northern Shan state is trade with neighboring countries, and subsidiary business is the agriculture sector. Thachilek - Maesai, eastern gate of Shan state, is one of the famous border gates between Myanmar and Thailand. Muse - Ruili is also a big border gate in northern Shan state between Myanmar and China. Southern Shan state is the most famous place for the hotel and tourism sector in Myanmar.

Famous tourist areas in Southern Shan State: Inle Lake, Pine land (or Kalaw township), Pindaya cave pagoda, Kakku pagoda, Taunggyi (capital of Shan State)

## Northern Shan State Agricultural Product Area and Product Amount (2015)

Product name	Lashio District		Muse District		Kyaukme District		Lauking District		Wa Self Administrator		Total		
	Acre	Kg/per Acre	Acre	Kg/per Acre	Acre	Kg/per Acre	Acre	Kg/per Acre	Acre	Kg/per Acre	Acre	Kg/per Acre	Ton
Paddy	71932		43061	330477	89192	179172	5280	2661.33	10972	250446	<b>220437</b>	3020.64	<b>13279.2</b>
Maize	103840	1867.7425	29715	1848.0475	151154	1899.81	13064	1921.525	11879	1673.21	<b>309652</b>	1882.135	<b>11622.8</b>
Soy Bean	10201	578.8663	3617	448.753	18862	538.2529	471	588.3929	3210	694.689	<b>36361</b>	538.252	<b>390.309</b>
Groundnut	10125	833.511	3309	732.83	23375	786.828	15	824.6	490		<b>37314</b>	795.207	<b>591.752</b>
Sesame	296	396.165	241	410.718	4772	448.8792			259	307.23	<b>5568</b>	343.793	<b>38.175</b>
Potato	103	4205.85	525	3960.8415	1085	2619.4			70	3675.375	<b>1783</b>	4168.956	<b>148.24</b>
Rubber	28607	611.4075	2631	606.6555	5675	712.305	2659	829.8345	41810	401.32	<b>81382</b>	943.0245	<b>1530.52</b>
Sugarcane	2174		7865		43328		15500		342		<b>69209</b>		
Coffee	314		927	244.2	13784		12		24		<b>15061</b>	244.2	<b>73.3</b>
Tea	5886	563.6895	19870	507.012	1044284	495.825	6983	612.876	422	440.088	<b>1077445</b>	505.725	<b>10866.7</b>

Northern Shan State Chambers of Commerce and Industry (NSSCCI)

## Southern Shan State Agriculture Product Area (2015)

Product Name	Township	Total Acre
Mango	Hopong, Shwenyaung, Pindaya, Yatshuk	<b>1400</b>
Tea	Pindaya, Ywangan, Loilen, Mongkaing	<b>4000</b>
Coffee	Ywangan, Yatshuk	<b>3000</b>
Potato	Heho, Pinlaung, Pindaya	<b>5200</b>
Avogado	Hopong, Heho, Pindaya, Yatshuk, Kalaw	<b>3500</b>
Vegatable	Taunggyi, Hopong, Heho, Pindaya, Yatshuk, Kalaw	<b>3000</b>

Southern Shan State Chambers of Commerce and Industry (SSCCI)

## Shan State Export/Import Trade by Border Station by Budget Year (Million USD)

No	Border Station Name	2013-2014			2014-2015			2015-2016		
		Export	Import	Trading	Export	Import	Trading	Export	Import	Trading
1	<b>Muse-Ruili</b>	2210.711	1306.973	<b>3517.68</b>	3614	1704.16	<b>5318.16</b>	3809.52	1568.36	<b>5377.88</b>
2	<b>Tachileik-Maesai</b>	13.545	58.956	<b>72.501</b>	8.449	93.52	<b>101.965</b>	9.66	64.929	<b>74.589</b>

Source: Ministry of Commerce

### Thai Investors list in Shan State (1997-1998 to 2014-2015)

No	Company Name	Sector	Address
1	Myanmar Allure Group Co., Ltd. - Allure Group Co., Ltd. (Thailand)	Hospitality, Hotels and Tourism Related Services. (BOT System)	Tachileik, Eastern Shan.
2	Myanmar Richy Regina Co.,Ltd. Richy Regina Co., Ltd(Thailand)	International Class Resort Hotel.	Tachileik Township, Eastern Shan State
3	Golden Triangle Paradise Resort Hotel - Vitavas International Co., Ltd. (Thailand)	Hotel and Resort Management	Shan State

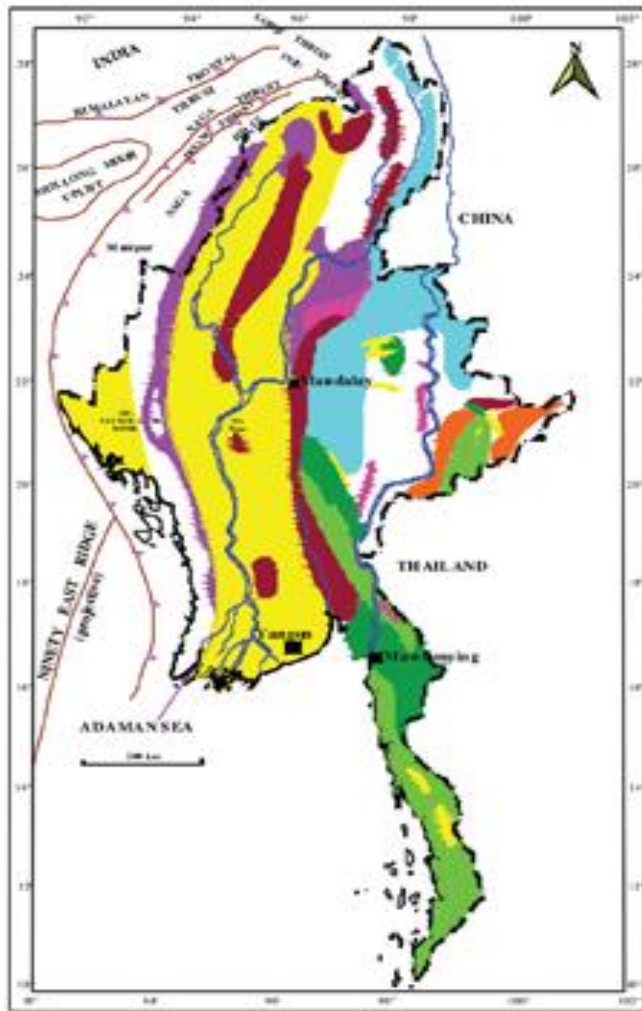
Source: DICA

### **Natural Resources:**

Mining: silver, lead, zinc, iron ore, coal, manganese, gold, rubies and gems

Forestry: teak, hardwood, firewood, resin

Energy source: hydropower



## MINERAL BELTS OF MYANMAR

### INDEX

- Tin - Tungsten Belts
- Antimony Belts
- Lead - Zinc - Silver - Copper Belts
- Gold - Copper - Iron Belts
- Nickel - Chromite - Copper - Gold - Platinum Belts
- Iron - Manganese Belt
- The Precious Stone Belts
- Oil - Gas and Coal Belts

Natural resource extraction has always played an important role in Shan State's economy, and to this day Shan State is one of the major areas of Myanmar for mining (silver, lead, zinc, iron ore, coal, manganese, gold, rubies and gems), forestry (teak, hardwood, firewood, resin) and hydropower. Its hilly and rugged terrain and the remoteness of some of its areas require well-functioning roads and communications infrastructure for economic development.

Unlike the large rivers of Central Myanmar, the Thanlwin River is not suitable for navigation, due to numerous currents, rapids and falls. Three railway lines operate in the State but the infrastructure is antiquated. As such, for its transport and economic development, the State is dependent on road infrastructure, but only a handful of bridges connect the two sides of the Thanlwin River, limiting east-west traffic.

Two main roads, one in the north (from Mandalay via Hsipaw and Lashio to Namtit at the border with China, in Wa SAD) and one part of the Asia Highway in the south (connection central Myanmar with Tachileik at the border with Thailand via Taunggyi, Nansang, Mongping and Kengtung) serve as the main transport arteries.

A handful of airports (in Heho for Taunggyi, Kengtung, Lashio, Mong Hsat and Tachileik), have regular flights to connect Shan State with the rest of Myanmar, either through Mandalay or Yangon. Many people are active in trading activities, including cross-border trade with near-by China and Thailand, with Muse and Tachileik being the most important trading centres along the border.



Current foreign joint venture operations in the mining sector of Shan State are as follows

**(1) Cornerstone Resources (Myanmar) Ltd.**

Cornerstone Resources (Myanmar) Ltd. is situated in Longh Keng track, Mong Pawn township, southern Shan State and signed the 20 years term of the Production Sharing Contract with No. 1 Mining Enterprise on 12 October 1999. The company has been producing 27,228 tonnes of zinc ore, up to December 2014, upon which US\$ 0.260 million for Royalty and US\$ 2.519 million for ME-1fs shares were paid to the government. At present, Cornerstone Resources (Myanmar) Ltd. is establishing the Electrolytic Zinc Plant at Mangpyin track, Lashio township, Northern Shan State, and producing Zinc ingot for domestic use.



**(2) GPS Joint Venture Co., Ltd.**

GPS Joint Venture Co.,Ltd. is situated in Bawsaing track, Kalaw township, Taunggyi district, southern Shan State and the large scale Production Sharing Contract with ME-1fs, was signed on 4 February 2014 and produced 9,749.73 metric tons of lead concentrates, up to December 2014. 7,000 tonnes of lead concentrates were exported, upon which US\$ 18,3250.40 for Royalty and US\$ 593,731.296 for ME-1fs shares were paid to the government.



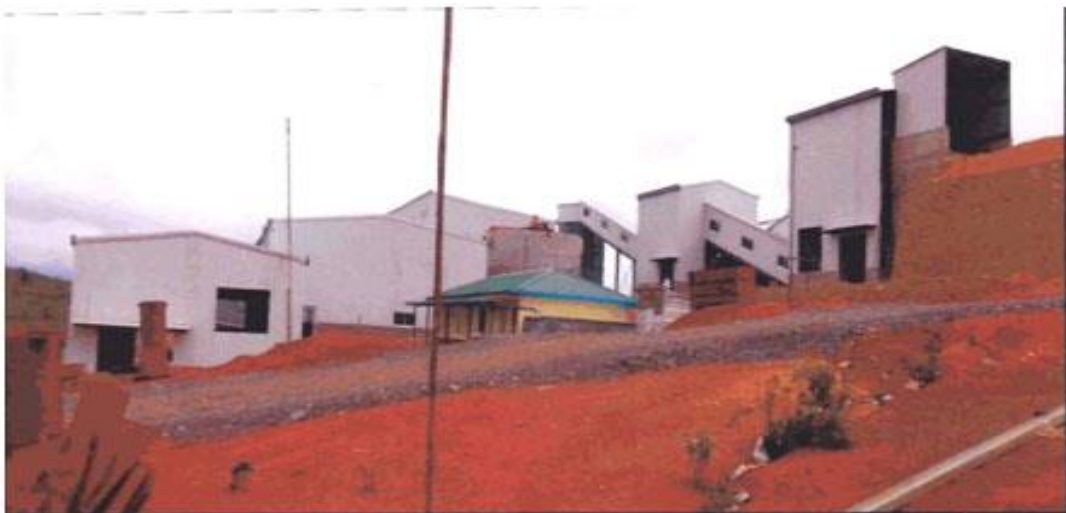
**(3) Win Myint Mo Industrial Co., Ltd**

Namtu-Bawdwin mine, situated in Namtu township, Kyaukme district, northern Shan State, was transferred to Win Myint Mo Industrial Co., Ltd by signing the Lead, Zinc Concentrate Production Sharing Contract on 5 May 2010. The term of the contract is 15 years, with effect from the commencing of commercial production, the company produced 3,907.1 tonnes of lead concentrates, 1,592.12 tonnes of zinc concentrates, up to December 2014, upon which 2,125.25 tonnes of lead concentrates and 905.8 tonnes of zinc concentrates were exported. US\$ 0.114 million for Royalty and US\$ 1.389 million for ME-1fs shares were paid to the government.



#### **(4) Top Ten Star Production Co., Ltd.**

Bawsaing mine, located in Kalaw township, Taunggyi district, southern Shan state, was transferred to Top Ten Star Production Co., Ltd. by signing the Lead Concentrates Production Sharing Contract. The term is 10 years. The company produced 2,165.20 tonnes of lead concentrates up to December 2014 from its commencement of commercial production and 2,165.20 tonnes were exported. US\$ 19,063.48 for Royalty and US\$ 184,914.96 for ME-1fs shares were paid. The company cooperatively established a Lead Ore Concentrating Plant with Ruli Zhiseng Import and Export Company Ltd and is producing lead concentrates.





## **(5) Linn Pyae Mining Co.,Ltd.**

Yadanar Theingi mine, situated in Naung Cho township, Kyauk Me district, northern Shan state, was transferred to Linn Pyae Mining Co., Ltd by signing the Lead Concentrate Production Sharing Contract on 1 May 2010. The term of the contract is 10 years. The company produced 374 tonnes of lead concentrate from its commencement of commercial production up to December 2014. 130 tonnes of produced lead concentrates were exported and US\$ 1,259.70 for Royalty and US\$ 12,219.09 for ME-1fs shares were paid to government. Now, it is being proceeded to amend the contract to increase production targets by extending some mine lease areas and renovating the plant.

### **Hydropower Sector:**

Over the past decade, plans for 13 hydropower projects have been proposed for the Salween River in China and another six in the lower reaches of the river in Myanmar, and at the border of Thailand-Myanmar.

Very little information about the projects has been disclosed to the public. Unrest in the ethnic states of Myanmar has also hampered independent efforts to gather information. However, Thai and Myanmar state and private agencies have also made little effort to share the information.

In August 2013, according to a high ranking official in Myanmar's Ministry of Electric Power, six hydropower projects were being developed on Myanmar's Salween River including the Upper Salween Dam, also known as Kunlong Dam (1,400 MW), Nong Pha Dam (1,000 MW), Mai Tong Dam also known as Tasang Dam (7,110 MW), Manntaung on a tributary of the Salween (200 MW) (the four dams are located in Shan State), Ywathit Dam in Kayah (Karenni) State (4,000 MW) and Hat Gyi Dam in Karen State (1,360 MW). The projects are being developed jointly between Chinese corporations, Thailand's EGAT International Co., Ltd. and Myanmar investors. Once the project agreements are signed it is estimated that it will take about 4 to 10 years to complete construction.

A Thai news agency has also reported that two more projects named Mae Sariang 1 and Mae Sariang 2 are being developed. It is assumed that the two projects are in fact the Wei Gyi and Dagwin Dams that have long been proposed for construction at the Thailand-Myanmar border. The two projects were originally mulled by the Electricity Generating Authority of Thailand (EGAT) and an MoU has been signed with Myanmar authorities on these two projects.

Originating in the mountains of Tibet, the Salween River flows through China's Yunnan province into Myanmar and Thailand covering a length of 2,800 kilometers from the source down to the Andaman Sea. It is one of the last international rivers in the world which can still run free. It boasts one of the richest biodiversity sources of the region and is home to at least 13 ethnic groups, including the Nu, Lisu, Shan, Karen, Pa-o, Karenni, and Mon.

Salween Watch has been compiling information about the projects through its networks and would have provided an annual update as follows:

## แผนสร้างเขื่อนบนแม่น้ำสาละวินในจีน-พม่า และชายแดนไทย-พม่า PROPOSED DAMS IN THE SALWEEN BASIN



### Kunlong Dam

Located in Northern Shan State, in an area inhabited by Shan and Kokang Chinese close to the Chinese border, the Kunlong dam project will have an installed capacity of 1,400 MW, of which 1,200 MW will be sold to China through a connection to the Southern China power grid. According to Hydrochina Kunming Engineering, several villages will be affected. An Environmental Impact Assessment (EIA) has been conducted, but no results have been made public. Construction has started in secrecy and substantial progress has been made.

### Nong Pha Dam

Located in Shan State, a Memorandum of Understanding (MoU) to develop the Nong Pha Dam project was signed during the trip of Chinese Vice President (and now President), Mr. Xi Jinping, to Myanmar in 2010. Only limited information about the project has been released and access to the project site is very difficult.

The Nong Pha Dam is a joint venture between the Myanmar government, Myanmar’s International Group of Entrepreneurs (IGE) and Hydrochina Corporation with 15% of the shares being held by the Myanmar government and the remaining 85% by the two corporations.

The Nong Pha Dam will have an installed capacity of 1,200 MW, 90% of the power generated will be sold to China.

### **Tasang Dam**

Known by various names including Mai Tong, the name of the township (Mong Ton) in which the dam is located in Shan State, the project is a joint investment of EGAT International Co., Ltd. (EGAT's subsidiary), China Three Gorges Project Corporation and Sinohydro (also known as Power China). According to EGAT, Tasang's installed capacity will be 7,110 MW. EGAT International Co. will hold 56.5% of the shares and plans to invest US\$12 billion in the project.

### **Ywathit Dam**

Located just north of the confluence of the Pai River and the Salween River in Kayah State (Karenni), the Ywathit Dam is being built and financed by Datang from China. A MoU to develop the project with the government of Myanmar was signed in 2010. According to the MoU, the dam's installed capacity would be 600 MW, but in March 2013, Datang's website reported that the project's installed capacity could be as high as 4,500 MW.

### **Hat Gyi Dam**

The Hat Gyi Dam is located in Karen State about 47 kilometers from the Thailand-Myanmar border. The project is being jointly developed by EGAT International Co. and China's Sinohydro Corporation. With an installed capacity of 1,360 MW, the project is estimated to cost US\$2.6 billion. The project has been met with opposition from local people on both sides of the border, particularly among villagers in Thailand from the districts of Mae Sariang and Sob Moei, in Mae Hong Son Province. They are concerned about the cross border impacts on the local ecology and fisheries, and the inundation of residential areas and farmlands along the Salween River.

*Reference: <https://www.internationalrivers.org/resources/hydropower-projects-on-the-salween-river-an-update-8258>*

*[http://www.themimu.info/sites/themimu.info/files/documents/Report\\_Local\\_Governance\\_Mapping\\_Shan\\_UNDP\\_Feb2015.pdf](http://www.themimu.info/sites/themimu.info/files/documents/Report_Local_Governance_Mapping_Shan_UNDP_Feb2015.pdf)*

*<http://www.mining.gov.mm/ME-1/1.ME-1/details.asp?submenuID=11&sid=753>*

*[www.commerce.gov.mm](http://www.commerce.gov.mm)*