

KyaukPhyu Special Economic Zone (KP SEZ)



KP SEZ General Information

The Government of the Republic of the Union of Myanmar is committed to the development of three Special Economic Zones at Thilawa, Dawei and KyaukPhyu. The KyaukPhyu Special Economic Zone (KP SEZ) covers the development of a deep sea port that will unlock the potential of the hinterland and fulfil Myanmar's potential as a trade corridor for Africa/the Middle East and China. It will provide employment opportunities through the creation of industrial and fishery parks as well as integrated residential areas. The development will be environmentally sustainable and bring significant socio-economic benefits to the KyaukPhyu region and beyond.

Strategically located at the geographic centre of three economically vibrant and dynamic markets – China, India and the ASEAN region – KyaukPhyu is uniquely positioned to serve as a trade corridor connecting these three economies.

KyaukPhyu is well endowed with a natural deep sea harbour and abundant natural resources in oil and gas, marine resources as well as unique scenic landscapes. It also has sufficient land and ample labour for industrial development and the expansion of residential areas.

A Singapore-based consortium led by CPG Consultants has been assigned to develop the master plan for KyaukPhyu Special Economic Zone (KP SEZ), in close collaboration with the Bid Evaluation and Awarding Committee of KP SEZ. The master plan forms the basis for a tender process of the Phase One development which took place in 2014. Further information can be found here

<http://kpsez.org/wp-content/uploads/2014/07/KP-SEZ-Media-Release-CPG.pdf>

Reference: <http://kpsez.org/>

KP SEZ Current Status

After years of deliberation, the list of companies which were awarded development of the KyaukPhyu Special Economic Zone in Rakhine State is as follows:

1. China International Trust and Investment Corporation (CITIC)
2. Thailand's Charoen Pokphand Group Company Limited (CP Group)
3. China Harbor Engineering Company LTD (CHEC)
4. China Merchants Holdings (International) Co LTD (CMHI)
5. TEDA Investment Holdings (TEDA)
6. Yunnan Construction Engineering Group (YNJG)

The China International Trust and Investment Corporation (CITIC) Construction company, together with four other Chinese companies and one Thai firm, formed a consortium that won the tender for building an industrial park and a deep sea port in the SEZ on 30 December 2015. The consortium of companies that will build energy and industrial projects in the KyaukPhyu Special Economic Zone (SEZ) in Myanmar have pledged to protect the environmental and social interests of local residents.

After completion of the project, the expected annual capacity of the Deep Sea Port will be 7.8 million tonnes of bulk cargo and 4.9 million TEU containers. With the increasing of containers handling traffic at the Deep Sea Port, terminals may be upgraded to provide an annual capacity of 7 million TEU containers. The SEZ will also include an industrial park, and is estimated to provide 100,000 jobs.

References:<http://www.mizzima.com/business-domestic/consortium-pledges-%E2%80%98best-practices%E2%80%99-kyaukphyu-sez>,
<http://www.mmbiztoday.com/articles/kyaukphyu-sez-bids-awarded>

KP SEZ in business news

India plans to establish a specialeconomiczone (SEZ) in Sittwe, Rakhine State, where it has already built a port: the proposed SEZ by India will rival KPSEZ, (Mizzima: <http://www.mizzima.com/business-domestic/india-plans-set-sez-rakhine-state>)

Hong Kong-based power company VPower has been officially awarded two contracts to build natural gas-fired power plants in KP SEZ in Rakhine State and in Myingyan, a town in Mandalay Division(*Myanmar Business Today*: <http://mmbiztoday.com/articles/foreign-firm-signs-two-more-power-deals>)

Land price in KP SEZ increased due to strong demand from local business people: average price of farming land per acre rose from 2-5 million Kyat until November 2015 to 4-8 million Kyatin February 2016(*Myanmar Business Today*: <http://mmbiztoday.com/articles/land-prices-kyaukphyu-sez-shoot>)