

**THE SITUATION OF RARE EARTH MINING
IN EASTERN SHAN STATE
2023**

CONTENTS

The Situation of Rare Earth Mining In Eastern Shan State	1
Historical background of Loi Mwe	2
Mining company	3
Villages to be impacted by the mining project	4
Livelihoods of Local People	5
Possible Negative Impacts	6
Local Communities' Response	7
Local Communities' Demands	9



The Situation of Rare Earth Mining In Eastern Shan State

Given Myanmar's existing law and regulations, the current political crisis is putting local communities further under the potential risk of facing negative consequences caused by poorly regulated mining activities. Moreover, the lack of responsibility by the mining companies has increased damage to the environment and potential for human right violations. During the NLD government administration in 2019, several mining companies submitted to the Union Government their request for permits to carry out mining activities on hundreds of thousands of acres of land in Loi Mwe area in Kying Tong township.

However, the mining activities stopped due to Covid19 pandemic restrictions and impacts. After the February 2021 Coup, one of the mining companies called "Shwe Sabarr" has begun to mine 30,000 acres of land in Loi Mwe area. Local people are not clear if the mining company has got its permit approved by the NLD government or the SAC or are they just exploiting the current political crisis. Whatever is the case, rather than creating job opportunities, it is certain that the mining activities would cause more harm and pose negative consequences to the local communities.



Historical background of Loi Mwe

Loi Mwe region, which could be regarded as the land of cherries and the principal city of Eastern Shan State is filled with British colonial heritages, and serves as recreation area for local people. Loi Mwe or misty mountain is peacefully positioned over 5000 feet above sea level. During



British colonial time, Loi Mwe is where the British District Commissioner of Kyung Tong, who is overseeing the entire Eastern Shan State, was based. Thus a hundred-year-old British hill station could also be found in Loi Mwe. The Lahu Theological Seminary belongs to Lahu Baptist Convention is also in Pan Wai village (Lahu village), about one mile away from Loi Mwe hill station, serving as the education and theological studies hub for Lahu people. Different ethnic tribes belonging to Lahu, Wa, and Akha have been residing in the Loi Mwe area, relying on the plantation of perennial and seasonal crops, such as green tea and paddy cultivation as their livelihoods. Green tea

produced in the Loi Mwe area fetches one of the best prices in Myanmar and the vegetable and crops from Loi Mwe is sufficient enough to supply to the whole Kying Tong region. Green tea farming and production is one of the main sources of livelihood and income for the locals in the area. The market price for fresh tea leaves harvested before the monsoon (during March, April, May) is around 7500 MMK (per Viss). The market price of the dried tea leaves currently ranges from 30000 MMK to 50000 MMK per viss. Fresh tea leaves harvested during the rainfall season are worth around 3500 per viss, while the market price of dried tea leaves would be around 20,000 MMK. The strawberries and crabapples produced in Loi Mwe are also well-known in Eastern Shan State.

Mining company



The company preparing to carry out mining activities in the Loi Mwe area is called Shwe Sabarr company. According to some documents/ correspondents, requests for official guidance and advice, submitted to the Union government by the Shan State government during the 2020 NLD government administration, the Shwe Sabarr company has submitted a request for permit to mine on 165,156 acres of land in the region. Back then

the local communities and Kying Tong based Civil Society Organizations submitted petitions to the president objecting to the request for mining permit. Because of this community campaign, those who took part in the petition were summoned and examined by the authorities in Kying Tong. Amidst local people's objection, the Shwe Sabarr company was granted exploration permits to search for rare earth minerals on 73,281 acres of land, two testing sites/blocks.

Villages to be impacted by the mining project

The approved blocks to explore rare earth minerals are located in the eastern part of Loi Mwe area. There are over (40) villages in Loi Mwe area, and some of the villages that would receive direct impacts from the mining activities are Loi Mwe hill station, (upper) Pan Wai, (lower) Pan Wai, (Upper) Par Khar, (lower) Par Khar, Naung Shan Lahu village, Naung Shan Akha (2-3-4-5-6) Naung Cho Village, and those local residents from Kyaing Tong town relying for their livelihoods along Nam Lap river that flow from Loi Mwe area. There has not been further development in regarding to rare earth exploring project due to Covid19 pandemic restrictions and political crisis; thus, there have not been, yet issues related to land confiscation.

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၁။	ရွှေစပါး သတ္တုတူးဖော်ရေး ကုမ္ပဏီလီမိတက်	ရှမ်းပြည်နယ်(အရှေ့ပိုင်း) ကျီးတုံမြို့နယ်၊ လွယ်မွေဒေသအတွင်း	ခဲ၊ သွပ်၊ ကြေးနီ၊ သံ၊ မြေရတနာရာ သတ္တု	၆၈၇၇၀ ၉၆၃၈၆	၁၇/၂၀၂၀ ၂၁-၅-၂၀၂၀	(၂) ကွက်	၂၅-၅-၂၀၂၀ ၂၇ ခွဲ (၁) ၂၀/ သတ္တု(၅၆၁၅)



Livelihoods of Local People

The local communities in Loi Mwe area have mainly engaged in farming, seasonal crops cultivation, and selling of the farm products for their livelihoods. The primary sources of income for the local households in the area come from green tea cultivation, as well as the growing of seasonal vegetables and crops. Livestock farming is also an alternative/secondary source of income for the local communities. China is the main purchaser of green tea from the Loi Mwe. Before Covid19 pandemic outbreak, the market price of fresh tea leaves harvested before monsoon (during March, April, May) ranging between 7000-100000 MMK (per Viss), while the market price of dried tea leaves ranging between 30,000-50000 MMK. Fresh tea leaves harvested during the rainfall season worthed around 3500 per viss, and the market price of dried tea leaves ranged between 50,000-100,000 MMK. Those fresh tea leaves picked in December ranged between 3500 to 7000, while dried tea leaves worthed between 20,000 to 50,000 MMK. This had been a sufficient income covering educational and health-related expenses of the local communities. There are several green tea processing and trading companies and factories, where finished products are mainly sent to China, in (lower) Pan Wai village, which is part of the planned rare earth mining project area. Additionally, Loi Mwe is the main source of supply for crops and vegetables for Kyong Tong city. For instance, vegetables such as cabbage, cauliflower, chayotes, and varieties of seasonal fruits such as crabapple, strawberries and vegetables that are found in the Kyong Tong main (Myo Ma) market, are all grown in Loi Mwe. Moreover, Loi Mwe is a place where local residents in Eastern Shan would come to enjoy the cherry blossoms and have a relaxing and recreational time during winter.

Possible Negative Impacts

Based on the studies and research from the impacts of mining projects in other regions, we have had the lesson that hazardous waste generated from mining activities have contaminated the rivers and streams, which can no longer be used by local communities and for their livestock drinking. The mining activities are also causing environmental damage and several social and environmental negative impacts. For instance, the shortages of water caused by mining activities would have major impacts on local communities' main livelihood activities such as farming and plantation of tea and other perennial seasonal crops. Other negative impacts of mining activities would include contaminating the air, causing other long-term health risks, including damaging women's reproductive health, and posing threats to other social and economic problems to local communities. Moreover, if the soil disposal at rare earth mining sites is not properly contained and managed; these dump soil as well as soil erosion would have overflowed Nam Lap river posing the risk of flooding in Kying Tong city. Loi Mwe and Kying Tong area is also prone to earthquakes. Only in 2022; there have been over 50 earthquakes with moderate magnitudes, with an epicenter near Loi Mwe, striking the area.



Local Communities' Response

The local communities have never been informed and consulted by Shwe Sabarr mining companies regarding their planned mining activities and the process of acquiring the mining permits. Communities are only aware of the mining projects when there are leaked correspondents submitted to the Union Government by the State government requesting for guidance in regarding Shwe Sabarr companies' mining areas. Only then, the communities submitted objection and complaint letters to the union government, with the initiative of the local Civil Society Organization (CSO). As a consequence, some individuals and leaders of CSOs that took part in and initiated the complaints were summoned and questioned by local authorities.

One of the leaders who initiated the petition, stated that local communities are not well-informed thus they do not know how they are going to object to the mining projects, since they have not experienced the negative consequences of such mining activities yet. He added, "I have led this community campaign against the mining project, because I am worried that the mining would cause severe damage to the agricultural and cultivation lands, which are the principal source of livelihood for the local communities. Moreover, the mining activities would cause social and economic problems, as well as environmental issues, such as water shortage and the dumping of soil from the mining would cause floods and damage to cultural and historical sites/buildings".

Another local villager whose name is U Ar Hsaw stated that "we are not aware that they would carry out mining activities in the area. We also do not know if these mining activities would damage the environment. The local authorities have also never informed us about that (mining projects

Local Communities' Demands

1. To recognize the customary land ownership law and land tenure practices of local communities if mining activities are to be carried out.
2. To stop all the mining activities, amidst the current crisis; and start the community consultation process, which also includes informing communities of the impacts and advantages of the mining activities.
3. To establish a tripartite (government, local communities, and companies) dispute settlement / resolution mechanism, in order to be able to respond to the arising problems and disputes.
4. To allow the participation of local communities in the process of decision-making and discussion regarding any planned mining activities in the Loi Mwe area.



