



Myths, militias and the destruction of Loi Sam Sip

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Activists in northern Shan State have been fighting for years to protect a culturally and environmentally important mountain range but face opposition from Tatmadaw-aligned militias – and a company linked to the speaker of Myanmar’s national parliament.

By HEIN THAR | FRONTIER

As we approach the town of Kutkai, our driver glances down at his phone and carefully selects a track. The distinctive guitar twang and high-pitched lyrics of Sai Htee Saing's "Loi Sam Sip Tho Taung Ban Chin" (Apology to Loi Sam Sip) begin drifting out of the car stereo's speakers.

"Soon you'll see the amazing beauty of the Loi Sam Sip mountains," the driver says proudly, in between singing verses of the song.

The road from Lashio to Muse is often said to be the most beautiful stretch in northern Shan State. For most of the 170-kilometre journey the road is flanked by high mountains covered in thick forest. As you leave the sweltering capital of northern Shan State and head towards the Chinese border, the air quickly begins to cool, only adding to appeal.

But the Loi Sam Sip range – which means "gathering of 30 mountains" in Shan – is undoubtedly the highlight. As the name suggests, it's less a single mountain than a collection of rounded limestone hills that surround the town of Kutkai.

For residents, it is a place of rich cultural significance. Local legend has it that a dragon prince and dragon princess once fell in love with each other and lived together here. One day, the dragon prince had to leave to perform an important task. Although the dragon prince promised to return, he never did, and the dragon princess died waiting for him. Her scaled, ridged body became the Loi Sam Sip mountains, lying still and inert until the day he returns.

The "apology" of Sai Htee Saing's song is from the dragon prince to his princess, who is still hoping vainly for his return. Most drivers who regularly travel this busy route – the main highway between Mandalay and the Chinese border – make sure to play the song when they pass through the Loi Sam Sip range.

This was my first trip to this part of northern Shan State, and listening to the familiar lyrics as we wound our way through the mountains only made me more excited to see the famous "gathering of 30 mountains".

But as we approached Kutkai from Theinni and I got the first glimpse of Loi Sam Sip, the myths of the dragons and Sai Htee Saing's beautiful lyrics vanished from my mind. All I could think was, "What have they done to the mountains?"



A mountain in the Loi Sam Sip range in Kutkai Township on August 11 (Hkun Lat | Frontier)

‘We were shocked at the damage’

The damage was clear even from the highway; it looked as though the section of Loi Sam Sip nearest to us had been split open, exposing sections of the white-brown stone that lay underneath the foliage.

When we went deeper into the mountain range the following day, the picture was even more disturbing. We found several disused quarry sites, as well as one still in use where excavators and bulldozers were still extracting limestone.

“There are so many worksites in the forest that we cannot get to,” said U Hkun Hpaung, an environmental activist from Kutkai who co-founded the Northern Shan Wildland Save Group in 2014. “They were more badly damaged because they were using large machines there.”

What could have been so important as to justify the damage to the mountains? As it turned out, the limestone wasn’t particularly valuable – it was excavated for use in construction, mainly for roads. Hkun Hpaung and other Kutkai locals told *Frontier* that most of the excavation had occurred between 2014 and 2017. They weren’t clear where the rock was being used, but the trucks were heading north towards the China border, and they presumed it was being exported.

The quarrying of Loi Sam Sip also involved the other thing that Kutkai is famous for: Tatmadaw-backed militias.

Myanmar is home to hundreds of militia forces, with tens of thousands of troops under arms. Most are small village defence units, but some can muster large numbers of well-armed soldiers – as many as some ethnic armed groups.

In the 2016 Asia Foundation report *Militias in Myanmar*, analyst John Buchanan identified a minimum of eight significant militias in Kutkai, of which Khaung Kha and Tarmoenye militias are probably the largest.

Although they are aligned with the Tatmadaw and sometimes fight alongside it against ethnic armed groups, militias – unlike Border Guard Forces – are not integrated into the national armed forces, and as a result receive little or no state support.

Instead, they self-finance, engaging in everything from gambling and illicit drug production to licit business activities, such as agriculture, real estate, transport and mining. “In some instances, business-oriented militias have come to resemble businesses with a few armed employees rather than armed groups with business interests,” Buchanan wrote in *Militias in Myanmar*.

In Kutkai, Chinese companies formed partnerships with militia-owned businesses to run the quarries in the mountain range, locals told *Frontier*. One of the first to get involved was the Kutkai Myoma People’s Militia Force, which was formerly led by U^T Khun Myat, the current speaker of the Pyithu Hluttaw, the lower house of Myanmar national parliament, and the lawmaker for Kutkai.

Under Myanmar’s Mines Law, quarries producing stone for road construction are licensed by the General Administration Department at the township level. At the time the licences were issued, the GAD was under the military-run Ministry of Home Affairs, but was transferred to civilian control in January 2019.



Improvised cargo trucks wait at a quarry in Kutkai on August 11. (Hkun Lat | Frontier)

“At first, the GAD gave permission for a few small businesses to quarry some parts of the mountain for their living and regional development, because many construction projects need rocks,” said U Htun Naung, who chairs the Committee to Protect Loi Sam Sip, which residents formed in 2017. “Later, though, large groups became involved in the business and they dug up the mountain very badly.”

It is unclear if any of the required environmental assessments were carried out at the quarries. The Environmental Impact Assessment procedure of December 2015 states that a limestone quarry producing under 100,000 tonnes a year would require an environmental examination and, possibly, an environmental management plan. Mines Law rules released in February 2018 also state that small-scale production of stone (under 20 acres) requires an initial environmental examination.

In 2018, the Committee to Protect Loi Sam Sip signed a petition and sent it to the Shan State government and hluttaw, complaining that the companies were damaging a region of cultural and environmental significance.

“When we first heard about Chinese companies quarrying at Loi Sam Sip with the help of militias, we didn’t think they could dig out very much in a short period,” said Daw Jel Net, the head of the National League for Democracy branch in Kutkai. “But they

brought in big excavators and lots of trucks, and we were shocked at the amount of damage that took place in just one year. In some parts of Loi Sam Sip, up to one-third of the mountain had disappeared.”

The Shan State government took up the issue, and the GAD instructed the companies to stop work. It seemed like residents had won.

A family affair

But it wasn't the end of the story, either for Loi Sam Sip or the militias.

Htun Naung and other activists said the GAD continued to permit quarrying at three sites in the area. Two of these quarries are some distance from Loi Sam Sip, but one is beside the highway, next to the mountains.

When *Frontier* visited in August, this was the only quarry in operation; the others had stopped for the rainy season. Htun Naung said it was run by a firm called BMI Co Ltd.

Although the Committee to Protect Loi Sam Sip had objected to this quarry, GAD said the hill was technically not part of Loi Sam Sip, Htun Naung said.

“It's true that the hill is technically not part of Loi Sam Sip. But it is right beside it and next to the Union Highway as well. Allowing quarrying there is very ugly and is destroying the beauty of Loi Sam Sip. But there's not much we can do about it,” Htun Naung said.

One official defended the decision, saying the hill was already badly damaged so it made little sense to retain it.

“We allowed a company to clear it completely, by digging all of it out until the land is flat,” said one local government official, who asked not to be named. “It will be beneficial for the company and it will make it easier to build a road to the villages if the land is flat.”

BMI is no ordinary company – corporate records show it is closely linked to T Khun Myat, the former head of the Kutkai militia who is now speaker of the lower house of parliament and a close confidante of former junta number three U Shwe Mann.

Registered in January 2018, it has two directors – Khun Htee Seng, who owns 80 percent, and T Khun Aung Li, who holds 20pc – records from the Directorate of Investment and Company Administration [show](#).

Khun Htee Seng is a son of T Khun Myat. A related company with the same registered address in Yangon’s Mingalar Taung Nyunt Township, [Bliss Myanmar International Co Ltd](#), has both Khun Htee Seng and another son, Khun Htee Min, as directors.

The OpenCorporates database shows that T Khun Myat himself was formerly a director of several companies, including [Myanmar Golden High Land Mining Co Ltd](#) and Golden High Land Gems & Jewellery Co Ltd, until 2017. DICA records show Khun Htee Seng is now a director of [both companies](#), along with L Seng Khun and U Myo Thu.

T Khun Myat could not be reached for comment. But an official from BMI, who asked not to be named, insisted the company does not run the quarry. “We just buy stones from there – we’re just a customer. We run a construction business so we buy rock whenever it is available,” he said.

“It’s run by a person who got a licence from GAD,” he added, declining to name the licence-holder.



A quarry site beside the Loi Sam Sip mountain range on August 11. (Hkun Lat | Frontier)

Htun Naung said the GAD often issues quarry licences to individuals rather than companies, and it was possible the official licence for the site was in the name of an intermediary.

The quarry next to Loi Sam Sip is hardly a small-scale operation. When *Frontier* visited the site, workers were busy building a new office as bulldozers, excavators and trucks rumbled away in the background. They said they were working for BMI, and confirmed it was the operator of the quarry. Some of the workers operating machinery seemed to be Chinese, based on their appearance and accents.

Limestone was being sold for just K15,000 (US\$11.50) a truckload – about half the price that it would fetch in Yangon.

“You can buy as much as you want,” said a woman at the site who appeared to be managing sales. “There are three sizes available. Do you want us to send it with our truck?”

Forests off limits

Although they remain unhappy that BMI has been allowed to continue quarrying, activists in Kutkai acknowledge that most of the Loi Sam Sip range has been saved – at least for now.

But Htun Naung and others told *Frontier* they were worried that quarrying and other business activities would soon be allowed to resume. The only way to ensure the repeat, he said, would be to have the area declared a protected zone.

In 2018, they began pushing for precisely that, sending letters to the Ministry of Natural Resources and Environmental Conservation urging it to take steps to protect the region.

The idea was not new, however. In 2015, the ministry proposed designating about 30,000 acres of the Loi Sam Sip area a protected area. The following year the Forestry Department and geology experts from Lashio University conducted an assessment that found the area was home to rare species of birds and orchids, and also recommended protection.

Loi Sam Sip is not just a mountain range, it's also a forest and a wetland area that environmentalists say is important enough to be considered for listing under the Ramsar convention. It's from Loi Sam Sip that the Nang Khaing stream emerges and winds north through the Kutkai and Muse areas.

But U Kyaw Kyaw Lwin, a retired deputy director general from the Forestry Department who served in northern Shan State from 2010 to 2016, said powerful militias in the region were against the plan and managed to stop it from happening.

“Without the support of the militias, local residents didn't want to cooperate with the department,” he recalled.

When the ministry received the letters from residents in 2018, it proposed protecting a smaller area of 16,000 acres and said it would carry out field inspections. It again encountered opposition from local militias, who claimed ownership over land within the proposed area, Kyaw Kyaw Lwin said.

“It's always difficult to designate a protected area in Myanmar, but Loi Sam Sip is more complicated because it is connected to armed groups,” he said.



A soldier from the Kaung Kha Militia snaps a photo during a press conference announcing recent drug seizures in Kutkai on June 3. (Hkun Lat | Frontier)

Activists say that militias are reluctant to give up control of the mountains because they are using the forest as a base to produce huge quantities of illicit drugs, including lucrative crystal methamphetamine (better known as “ice”) that can fetch up to US\$500,000 a kilogram in foreign markets.

The production of drugs in the Kutkai area, particularly around the villages of Kaung Kha and Lwe Kham – both home to the Kaung Kha militia, a Kachin Independence Army breakaway group formerly known as the Kachin Defence Army – has been an open secret for years. The area’s relative stability, its remote mountains, its armed groups with effective autonomy, and its highway connection to the Chinese border – important for bringing in precursors – have attracted organised crime groups from across the region who have turned it into the epicentre of the global meth trade.

In January 2018, the Tatmadaw raided an abandoned house in Lwe Kham and netted drugs worth K72.8 billion on the domestic market, including 1.75 tonnes of crystal meth. The following month it raided a meth lab near Lwe Kham and seized drugs and materials worth around K10 billion. “The joint team of army and police had to trek one-and-a-half hours from outside Lwe Kham village to where the small huts had been set up in the jungle,” *The Irrawaddy* quoted a Kutkai-based police officer as saying at the time.

The International Crisis Group wrote in a January 2019 report, [Fire and Ice: Conflict and Drugs in Myanmar’s Shan State](#), that these record seizures “represent the tip of an iceberg, and are therefore evidence of the scale of the problem rather than of any genuine success in addressing it”.

The United Nations Office on Drugs and Crime, meanwhile, estimated last year that Southeast Asia’s drug gangs are [making over \\$60 billion a year](#) pumping out record amounts of methamphetamine. Authorities in the region [seized more than 63 tonnes](#) of crystal meth last year, a six-fold increase in just three years.

Earlier this year, the Tatmadaw began taking stronger steps to crack down. A three-month operation in the Khaung Kha and Lwe Kham areas led to the arrest of 32 people, including 10 members of the Kaung Kha militia, on suspicion of involvement in drug production. The militia was disarmed.

They also seized nearly 200 million meth tablets, 500kg of crystal meth, 300kg of heroin and 3,750 litres of what was initially described as methyl fentanyl – drugs the Tatmadaw said had a value of K373 billion. “What has been unearthed through this operation is truly off the charts,” Mr Jeremy Douglas, the UNODC representative for Southeast Asia and the Pacific, said in a statement.

But while the Tatmadaw said the drugs were seized within the territory of the Kaung Kha militia, residents in Lwe Kham claimed that the drugs were actually uncovered in the forest of the Loi Sam Sip mountains, where the militias had built large bunkers and buildings exclusively for drug production.

“They usually build these hidden villages deep in the forest, places where normal people can’t go, and that’s where they make the drugs,” said Hkun Hpaung.

Although the militia has effectively been disbanded, the ownership of land in the Loi Sam Sip forest remains in dispute. Other militias also own many acres of forest, residents told *Frontier*.

“Militias are quite powerful in this region – nothing can be done without their agreement. That’s why Loi Sam Sip hasn’t been protected yet,” said Jel Net, the NLD official.

“But Loi Sam Sip is an icon of Shan State and important for Shan people,” she said. “It is not just the property of armed groups – it is a national treasure.”





Trucks drive along the Mandalay-Muse Highway in Kutkai Township on November 17, 2019. The road is a major trading route between Myanmar and China. (Hkun Lat | Frontier)

As we left Kutkai and headed back along the highway to Lashio, passing the trucks carrying stone from the belly of the scarred mountains, our driver again played “Apology to Loi Sam Sip”. This time, though, I felt the apology was not for the dragon princess, but for the fate of this beautiful mountain range, standing vulnerable and unprotected in a region of greed and guns.

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