



A street in Tachileik is blocked off after being linked to a COVID-19 cluster. (Nyan Linn Htet | Frontier)

The hotel, the teen singer and the UWSA: eastern Shan's COVID emergency

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A coronavirus outbreak in Tachileik has shone a rare spotlight on border-based hotels, KTVs and casinos with links to powerful armed groups, whose open flouting of pandemic restrictions has put Myanmar and Thailand in danger.

On November 25, Ma Nang, 18, lost her sense of smell.

Known as anosmia, it is one of the most common symptoms of COVID-19. In hotspots across Myanmar, thousands of people have reported losing their sense of smell, and many have later tested positive for the coronavirus.

But Ma Nang was not in a COVID-19 hotspot, and had neither travelled to an area with COVID-19 cases nor seemingly been in contact with any infected people.

The resident of Tachileik, in eastern Shan State on the border with Thailand's Mae Sai, had been working as a KTV singer at 1G1-7 Hotel until November 16, when she quit her job. She travelled north to Kengtung for a few days with friends but fell ill after returning to her hometown.

"I went to a fever clinic but I wasn't worried – there were no cases in Tachileik," Ma Nang said. "I was shocked when the test came back positive."

Until her positive test, Tachileik, which is sometimes referred to as the capital of the Golden Triangle – the notoriously lawless area where the borders of Myanmar, Thailand and Laos meet – had seemingly escaped Myanmar's "second wave" of COVID-19. Since the first cases emerged in Rakhine State and Yangon in late August, the virus has gradually spread across most of the country. Eastern Shan State is one of the few exceptions: it has recorded the lowest number of cases outside Kayah State, which only registered its first patient in October.

In the week before Ma Nang tested positive, several other cases had been detected in Tachileik but they had all been among people undergoing quarantine, with no evidence to suggest the virus had spread in the community.

In response to her positive test, the Tachileik District COVID-19 Prevention and Rapid Response committee issued a notice on November 28 advising residents to stay at home, to adhere to a curfew and not to hold gatherings. Restaurants were told to only sell take-away, and anyone with COVID-19 symptoms was advised to immediately visit a fever clinic. Residents needed little warning; the streets would be mostly deserted for the next two weeks. "Of course, I'm worried about the virus," said U San Shwe Myint,

owner of Happy restaurant. “In the circumstances I decided it would be better to close my restaurant completely.”

By mid-December the outbreak was mostly under control, with few new cases of community transmission. But the emergence of COVID-19 in eastern Shan State raises serious questions about the enforcement of prevention measures, including the closure of high-risk venues, monitoring of overland travellers and control of international borders.



KTV singers line up for customers at the 1G1-7 Hotel. (Nyan Linn Htet | Frontier)

Where the party never stops

Ma Nang was the first known case of local transmission in Tachileik, but she was far from the last. She has since been linked to a cluster of cases at 1G1-7 Hotel that has sent Tachileik into lockdown and left authorities over the border in Thailand scrambling to contain the virus.

After Ma Nang tested positive, colleagues and customers at the hotel, as well as those who had travelled to Kengtung with her, were quarantined and tested for the coronavirus. As of December 8, health authorities had tested 420 people linked to the 1G1-7 Hotel cluster, of whom 68 tested positive, including eight staff and 18 visitors. A week later, Tachileik had recorded 97 cases in total.

“I have been asking myself where I might have been infected,” Ma Nang told *Frontier* by phone from home quarantine on December 9. “I mainly travel between home and work

at the hotel, but sometimes I go to the market and the bank. Where did I get infected?”

It's a question health authorities and other local officials are also trying to answer. Dr Khin Kyaw, superintendent of Tachileik District Hospital, told *Frontier* that most of the local transmission cases in Tachileik were directly or indirectly linked to KTV entertainment at the hotel, but it wasn't clear how the KTV workers had first become infected.

There's also another question: why was the KTV open at all?

The General Administration Department had already banned karaoke lounges, which are often linked to sex work and other illicit activity, from operating in the town due to the risk of spreading COVID-19.

Nevertheless, 1G1-7 and other KTVs had remained open throughout the year, despite the order, local residents told *Frontier*, alleging that this was because they had paid off local officials. All have closed since the cluster at 1G1-7 emerged.

The GAD has opened a case against an individual identified as the manager of 1G1-7, U Kyaw San, under section 25 of the Natural Disaster Management Law for defying instructions to control the pandemic. The offence carries a potential three-year term.

Five days after Ma Nang tested positive, a [Facebook page](#) for 1G1-7 Hotel was set up that has since been documenting daily food donations to quarantine centres in Tachileik.

Authorities have not taken any action against the prominent owner of 1G1-7, a Myanmar-Chinese man variously known by the names Arr Fu, Ah Phu and Aung Naing.

In Tachileik Aung Naing is widely known for his Chinese connections. Sources said he has brought in numerous Chinese investors and helped them find local partners to develop casino, hotel and KTV projects in Tachileik.

Originally from Lashio in northern Shan State, Aung Naing has transformed 1G1 from a small KTV into a glitzy entertainment precinct, hosting crowded parties with attractive women, famous DJs and popular Thai bands.

The site, which faces the Ruak River that marks the border with Thailand, contains the 1G1-7 – which opened around five years ago, and has a KTV, nightclub and bar – as well as a newer building, 1G1-11, that features a hotel and casino. Formerly known as 1G1-8, it opened its doors in 2019.

1G1-7 is the most famous of the 15 or so entertainment complexes around town, which also include DAT Club, Hollywood Club, Shwe Bu Thee Hotel, Maekhong River Hotel and J My King Hotel. Most involve Chinese investors, and some are partnerships with armed groups.

Although Thai customers have stopped coming since Thailand closed its borders to Myanmar in March, these entertainment complexes have continued to receive Chinese guests.

These Chinese visitors enter Myanmar from neighbouring Laos, often around the area of the notorious Kings Romans Casino, by crossing into militia-held territory on the Myanmar side. Thai fugitives who live in Tachileik have also still been frequenting 1G1-7, along with locals.

Over the years the complex has been closely associated with criminal activity. In February 2019, a Thai man was **shot and killed** in front the hotel, while earlier th a Thai resident of Tachileik **opened fire** in the 1G1-7 compound before fleeing the scene. In September, four guests, including three Thai nationals, **were arrested** after being found with a shotgun, a handgun and ammunition.



The 1G1-7 Hotel opened around 2015 and is one of around 15 “entertainment complexes” in Tachileik. (Nyan Linn Htet | Frontier)

A Wa connection?

Local sources told *Frontier* that 1G1-7 was backed by the United Wa State Army, Myanmar’s largest non-state armed group with at least 20,000 men under arms. at Panghsang to the north, the UWSA also has a southern branch that controls a stretch of territory along the border with Thailand that begins just 45 kilometres to the west of Tachileik.

The name 1G1 is said to be a reference to the UWSA’s southern branch, which is known as the “171 military region” (“G” being the seventh letter in the Roman alphabet).

But UWSA spokesperson Nyi Rang rejected suggestions the group was an investor in the complex.

“We’re aware of this rumour about us being connected to the hotel, but it’s not true,” he said. “People need to understand the difference between the UWSA and Wa businessmen. They are not same. In the case of 1G1-7, maybe there is a Wa businessman among the shareholders, but there’s absolutely no connection to the UWSA.”

Sources in the town said the distinction between the UWSA and Wa businesspeople was not so clear-cut, however.

One businessperson, who spoke on condition of anonymity due to the sensitivity of the topic, said many businesses in the Tachileik area were connected to the UWSA and Wa investors, particularly hotels, casinos, entertainment complexes and mining companies. The UWSA also runs an electricity committee that distributes power in Tachileik.

“Many hotels are owned by Wa businessmen, the UWSA and Chinese investors,” the source said. “But there’s not that much difference between the UWSA and the Wa businessmen. I understand that the UWSA uses these people as proxies, and the businessmen have to pay most of their profits to the UWSA.”

He added: “A Wa businessman would not dare to invest in projects like these without the permission of the UWSA.”

Frontier approached Aung Naing through an associate but he declined to be interviewed. The associate confirmed that there were “so many shareholders” in the hotel, including Thai and Chinese investors, but declined to confirm whether the UWSA or other armed groups or militias were partners.

These foreign investors are not listed among One G One Seven Hotel Company Limited’s shareholders on company records at Myanmar’s Directorate of Investment and Company Administration, casting doubt on the veracity of the official documents.

These records state that the company, which was registered in 2014, has three shareholders: Aung Naing, 41, owns 25 percent, while fellow directors Arr Phwan Shwe, 30, and Arr Yin, 38, who are from Kengtung, own 25pc and 50pc, respectively.

Aung Naing also runs another firm based in Tachileik, One G One Company Limited, that focuses mainly on construction.



Thai nationals wanting to return to Thailand wait to be processed by Myanmar officials in Tachileik earlier this month. (Nyan Linn Htet | Frontier)

Panic in Thailand

The COVID-19 cluster in Tachileik has also caused alarm over the border in Thailand.

After Ma Nang tested positive and 1G1-7 closed, several Thai women who also worked at the hotel returned home by crossing the border illegally to evade quarantine, leading to infections in their homeland.

Thailand's public health ministry said 20 returnees from Tachileik had tested positive for COVID-19 by December 8, and there had also been some cases of community transmission linked to the cluster. However, *The Bangkok Post* [reported](#) on December 16 that there had not been any new cases of community transmission in Thailand's border provinces for around 10 days, suggesting the outbreak was now under control.

The cases have prompted [increased scrutiny](#) of hotels and karaoke lounges along Myanmar's borders like 1G1-7 that hire Thai women as entertainers.

Most of the KTV entertainers at the 1G1-7 Hotel are Thai women, who are paid between THB300 (about K13,400, or US\$9.90) and THB700 an hour – a high wage by

local standards – to sing with customers, who normally include not only Thais but also locals and Chinese.

Sources who have visited the hotel say it has about 100 KTV entertainers, of whom about 70 are Thai. They say customers usually prefer Thai women but there are also Shan and Akha women working at the hotel, who earn from THB100 baht to THB200 baht a session.

Many of the KTV workers are also available for sex, which costs at least THB5,000 plus the cost of renting a room.

Thai government officials [estimate](#) there were around 400 Thai nationals working in Tachileik before the outbreak, many of whom appear to have entered the country illegally to work in the nightlife industry.

Thailand and Myanmar shut down most official border gates back in March to stem the spread of COVID-19, though trade has continued, subject to varying restrictions. Since then Thai nationals have been forbidden from entering or exiting Myanmar at any border crossing, including Tachileik. Many unofficial crossings run by non-state armed groups have also been closed down, and Thailand has stepped up patrols along the frontier.

However, before Myanmar's second wave, getting into Tachileik wasn't a problem. The Ruak River that marks the international border is often a shallow stream and for much of the year it's possible to walk across near 1G1-7 – as long as you pay a few thousand baht to the security forces on both sides. But since the second wave began in late August, Thailand's security forces started to actively prevent illegal crossings, residents in Tachileik say.

In response to the Tachileik outbreak, Thai authorities have permitted Thai nationals in the town to [return through formal channels](#), saying they will levy a small fine for entering Myanmar without permission and transfer them to a quarantine centre. As of December 14, around 260 had come back, at least 11 of whom have tested positive for COVID-19. Thai police also reportedly plan to [charge at least three of the women](#) who worked at 1G1-7 Hotel and returned to Thailand illegally before testing positive for the virus.



Health workers carry out COVID-19 testing in Tachileik. (Nyan Linn Htet | Frontier)

Slipping through the net

While the illicit flow of people into and out of Myanmar has largely continued despite COVID-19 restrictions, this does not seem to explain the source of the Tachileik outbreak, as none of Myanmar's neighbours appear to have community transmission of the virus.

Thailand has had the virus under control since May, and China's Yunnan Province and Laos have both registered low numbers of cases.

Shan State, too, has escaped relatively unscathed, at least according to official figures: it has recorded just 640 cases in total, of which southern Shan accounts for half.

Tachileik Township Administrator U Chan Myae Saw said that after the second wave began in late August, flights to Tachileik stopped when all domestic air travel was suspended. Authorities also began testing arrivals by road for COVID-19, he said.

Volunteers set up a health checkpoint at the Mae Yan tollgate on the Kengtung-Tachileik road, the main route from the rest of Shan to the Thai border, on August 28. After the township GAD had its first COVID-19 prevention meeting on September 30, the volunteer checkpoint was upgraded to an official health checkpoint.

On October 15, three more health checkpoints were opened at gates on roads leading to Tachileik from Mong Hsat, Mong Phong (A) and Mong Phong (B).

The checkpoints are manned by public servants and volunteers who check the travel history and temperature of visitors to Tachileik. Anyone from areas placed under stay-at-home orders by the Ministry of Health and Sports are required to undergo quarantine.

On October 8, truck drivers and their assistants began undergoing rapid diagnostic tests for COVID-19 at the checkpoints.

Official figures show there has been a sharp increase in vehicles and passengers travelling to Tachileik since the November 8 election. Figures for the Mae Yan gate show that 9,156 people and 3,545 vehicles passed through between August 28 and the end of September, rising to 11,290 people and 4,154 vehicles in October, and 19,022 people and 5,184 vehicles in November.

But as with the international crossings, this is not exactly the ring of steel that officials like to portray it. One township-level official who has taken part in coronavirus prevention and control meetings in Tachileik told *Frontier* that despite the strict controls, it was possible for travellers to take roads that avoided the checkpoints

“There are loopholes,” he said. “Although people are checked at the Mae Yan toll gate, there are other routes they can take to avoid that gate. I suggested at the COVID-19 prevention meeting [on September 30] to check those roads, but they decided not to.”

U Tint Swe, who chairs a local charity group, the Mizzima Social Rescue Team, and has been volunteering at the Mae Yan checkpoint, confirmed that some vehicles were taking other routes to avoid the authorities. Some drivers also sneak through the checkpoint on the Kengtung-Tachileik road when it is closed between midnight and 6am, he said.

Tint Swe said residents of Ta Lay and Mong Koe village tracts in Tachileik Township were not required to produce documents showing they were township residents. Some people had therefore falsely claimed to be from Mong Koe so they didn't have to show documents.

Tint Swe said when a decision was taken at the second meeting of the township prevention and control committee on November 25 – the day the first case of local transmission was detected – to require residents of Mong Koe and Ta Lay to produce proof of residency documents to drive to Tachileik, it was too late.

Tint Swe said he thinks it likely that the first person to bring the coronavirus to Tachileik was a resident who had caught it elsewhere in Myanmar, because only locals would know how to avoid the health checkpoints.

The guessing game continues about who brought the coronavirus to the town, but it's unlikely the real culprit will ever be known, and Tachileik will remain vulnerable to another outbreak. Tint Swe described efforts to keep COVID-19 out of the area as being like those of a goalkeeper trying to prevent the other team scoring while stranded in the middle of the pitch.

“Even when the keeper is standing right in front of the goal, you can still score sometimes. Now it's like the goalkeeper is in the middle of the pitch – how can we stop it?”

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