

# Lao Villagers Refuse to Yield Land for SEZ, Now Contend With Access Road

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*Khone Phapheng Falls, a series of cascading waterfalls on the Mekong River in Khong district of southwestern Laos' Champasak province, is one of the country's most beautiful natural attractions.*

At least 140 families from eight villages in the Khong district of southwestern Laos' Champasak province are refusing to sell their land or relocate to make way for a special economic zone planned for their area.

Despite this, developers have begun the hasty construction of an access road that would bring construction traffic dangerously close to some of the villages.

The first phase of the Mahanathy Siphandone special economic zone (SEZ) is expected to be built by 2021 and will cover nearly 200 hectares (494 acres) of land throughout the six villages. The project will be expanded to cover nearly 10,000 (24,710 acres) hectares of land in the province.

During the first phase of construction, 35 five-star hotels and casinos will be built at a cost of more than U.S. \$9 billion.

The Laos Mahanathy Siphandone (Hong Kong) Investment Co. Ltd., also known as Laos Maha Nathi Sithandone (Hong Kong) Investment Co. Ltd., received a 99-year concession for the land on which the SEZ will sit, is providing 80 percent of the funding, while the Lao government is supplying the rest.

The company and the Lao government signed a memorandum of understanding on June 20, 2017, for the first phase of construction, according to project documents.

But residents of Ban Hinsiu, Ban Phon, Ban Hang Khong, Ban Don Khong, Ban Muang Sen, Ban Phon Kao, Ban Thakhob, and Ban Houakhok villages have officially refused to give up their land.

“The company wants people’s land, but people don’t want to just hand it over,” said the chief of an affected village in an interview with RFA’s Lao Service last month.

“We launched a complaint to the People’s Council insisting that we don’t want to give up our land. We’ve been living here for generations,” the chief said.

People living in the affected area say they understand what is at stake. The SEZ could be beneficial to the region and the country as a whole, providing a needed economic jumpstart.

“We are all for economic growth, but if we give up the land, we will not have place to live,” said the chief.

He explained that the authorities, after hearing their complaints, decided to give another plot of land to the company, closer to Tha Khob village, near an old golf course, but this did not solve the problem, because the company is building a 40-km (25-mile) access road to get there.

“The road is only six meters wide, but the Lao authorities say it needs to be 6.5 meters. Since construction [of the road] has already started, the company is simply filling out what would be the shoulder of the road with soil in an effort to save

money,” said the chief.

A Khong district official said that villagers and developers have been unable to compromise on the scope of the project.

“Developers want to expand to Done Khong island and Done Sadao island, but villagers didn’t agree with the plan. They want the development far away from their community, near Khone Phapheng waterfalls because they don’t want their rights violated.”

The district official added that the initial plan of the development will cover 3,000 hectares of land and affect eight villages. Later the development will expand to 6,000 hectares and will affect 11 more villages.

As one of the least developed Southeast Asian nations, Laos has become a target for massive foreign investment, especially from companies in China, Thailand, and Vietnam, which receive attractive investment incentives from the Lao government.

About a dozen active special and specific economic zones have been created throughout the country to attract foreign direct investment to boost development and job opportunities in rural areas since 2002 when the first SEZ was set up.

The government has said that it plans to build 41 special and specific economic zones, mostly in border areas and remote parts of the country, and that the zones will create about 50,000 jobs and possibly increase local per capita incomes to as much as U.S. \$2,400.

Laos’ per capita income in 2017 was U.S. \$2,330, according to the World Bank.

***Reported and translated by RFA’s Lao Service. Written in English by Eugene Whong.***