



BRI Watch is a regular update produced by FIDH to document the impact of Belt and Road Initiative (BRI) projects and other China-backed investments on human rights and the environment across Asia.

For feedback and questions :  
asia@fidh.org

## XI PROVIDES NO DETAILS ABOUT COAL-FREE BRI PROJECTS

As the BRI marked its eighth-year anniversary, China's President Xi Jinping [failed to make new commitments on curtailing fossil fuels](#) at a key climate change conference held in October 2021 in Glasgow, Scotland. Amid a deepening energy crisis at home, Xi did not provide any details on how China would end its coal-powered BRI projects across the world. The lack of commitment disappointed many observers, as Xi did not live up to expectations raised in September, when he announced at the UN General Assembly that China would [not build new coal-powered projects abroad](#).

### NORTH KALIMANTAN INDUSTRIAL PARK (INDONESIA)

The US\$132 billion North Kalimantan Industrial Park will cover an area of approximately 30,000 hectares (74,132 acres) in Tanah Kuning, Bulungan Regency, North Kalimantan Province. The project is financed by a consortium of private companies from Indonesia, China, and the United Arab Emirates using a business to business (B2B) scheme. The project is being developed by PT Kalimantan Industrial Park Indonesia (KIPI). The industrial park is owned by KIPI and PT Kawasan Industrial Kalimantan Indonesia (KIKI). According to development plans, the industrial park will host manufacturers of products and materials such as semiconductors, lithium-ion batteries, solar panels, industrial silicon, and aluminum made using low-emission processes. The construction of the industrial park began at the end of 2021 and is expected to be completed by 2024.

### VIENTIANE-BOTEN RAILWAY (LAOS)

The US\$6 billion, 414-kilometer high-speed railway links the town of Boten, located in Luang Namtha Province on the border with China, with the Lao capital, Vientiane. The joint venture Laos - China Railway Co. (LCRC) is responsible for the railway's construction and operation. China's Mowan railway company, Beijing Yukun investment company, and the Yunnan government China's Mowan railway company, Beijing Yukun investment company, and the Yunnan government own a 70% stake in LCRC, while the Lao government owns the remaining 30%. Work began in December 2016 and the railway began operating in December 2021.

## ENVIRONMENT

In **Indonesia**, an industrial estate, expected to be the largest green estate in the world, raised fears of deforestation. On 21 December, [the ground-breaking ceremony was held](#) for the North Kalimantan Industrial Park, which has been touted as the country's first green industrial estate on Borneo Island in North Kalimantan Province. The industrial estate [raised concerns among environmentalists](#) because the five proposed hydroelectric dams which will be constructed on the Kayan River to power the industrial estate, would result in large scale deforestation and threaten biodiversity.

In **Laos**, concerns emerged over water contamination from a gold mine. In early November, it was reported that water from the tailing ponds at the [Lao Kaleum gold mine](#) in Sekong Province overflowed into water sources in the area. Residents in Ateng and Ka-Ouang Villages complained that the mine's chemical waste had killed fish and that they experienced a lack of potable water due to the contamination.

## LAND RIGHTS

In **Laos**, the Vientiane-Boten railway [See BRI Watch Issue 0] began operating while many families displaced from their land to make way for its construction were [yet to be compensated](#). On 3 December, the high-speed railway was inaugurated after six years of construction. Approximately 100 families living in Dong Phosy and Dong Phonhae Villages, in Hatxayphong District, Vientiane Prefecture, were still awaiting compensation for the loss of land despite their repeated requests to the authorities. In March 2022, Deputy Prime Minister Sonexay Siphandone visited a resettlement village, where he instructed local authorities to resolve issues related to compensation and stated that those in resettlement villages should be provided with adequate sanitation and infrastructure.



## KYAUKPHYU SPECIAL ECONOMIC ZONE (MYANMAR)

The US\$10 billion Kyaukphyu Special Economic Zone is expected to be developed on 1,760 hectares (4,300 acres) in Kyaukphyu Township, Rakhine State. It consists of an industrial zone, a deep-sea port, and a housing project. The project is being developed by China International Trust and Investment Corporation (CITIC) which is a consortium consisting of China's state-owned companies China Harbor Engineering Company, China Merchants Holdings, TEDA Investment Holding, Yunnan Construction Engineering Group, and Thailand's private company Charoen Pokphand (CP) Group. The CITIC consortium owns a 70% stake in the deep-sea port and 51% of the industrial zone, with the Myanmar government owning the remaining 30% and 49% respectively. The Kyaukphyu SEZ is a key project under the China-Myanmar Economic Corridor (CMEC).

In **Myanmar**, concerns continued over planned land confiscation in connection with the [development of a Special Economic Zone \(SEZ\)](#). In November, it was reported that farmers residing in Rakhine State's Kyaukphyu Township expressed fears that their land would be confiscated without adequate compensation for the SEZ, due to the lack of transparency in land acquisition. The farmers demanded that details of the project be disclosed and that they be adequately compensated for the loss of land.

## RIGHTS OF INDIGENOUS PEOPLE

In **Thailand**, concerns emerged over a water diversion project that risks displacing indigenous communities. In late October, it was reported that the environmental assessment process for the [Yuam water diversion project](#) in Sob Moei District, Mae Hong Son Province, was seriously flawed. Despite having been approved by Thailand's National Environment Board, environmental activists said that Karen indigenous people living in the project area were not meaningfully engaged and consulted during the assessment process and that the project would impact watershed areas, agricultural lands, and access to natural resources.

## LABOR RIGHTS

In **Indonesia**, more reports emerged of exploitative labor practices affecting Chinese workers employed in BRI projects overseas [See BRI Watch Issue 4]. In [October 2021](#) and [January 2022](#), it was reported that Chinese workers in Indonesia's steel and nickel projects had been exploited by recruitment companies. Unlicensed outsourcing companies that recruited Chinese workers confiscated their passports and forced them to sign informal employment contracts once they arrived in Indonesia. Many Chinese workers complained that they were overworked, suffered injuries at the workplace without any compensation or access to medical treatment, and were unable to return to China. Workers were also unable to seek redress for their grievances.

## FREEDOM OF ASSEMBLY

In **Pakistan**, mass protests in the Gwadar port that began in June [See BRI Watch Issue 4] resumed in November. The protesters in Gwadar, Balochistan Province, made 19 demands including the removal of security check points and Chinese deep-sea fishing trawlers. During the "Give Gwadar its rights" movement, thousands of citizens, including women and children, marched demanding for better rights, livelihood opportunities, and opposition to Chinese presence in the area. The month-long [protests ended in mid-December](#) with the Pakistani government entering into an agreement with the protesters to implement their demands within a month.

## YUAM WATER DIVERSION PROJECT (THAILAND)

The Yuam water diversion project consists of the construction of a 69-meter-high dam on the Yuam River in Sob Moei District, Mae Hong Son Province, to create a reservoir and divert water to the Bhumibol dam in Tak Province through a 61-kilometer underground pipeline to increase access to water sources for farmers. The dam is also expected to generate hydropower and be a part of the hydropower network of dams on the Salween River along the Thai-Myanmar border. The project was first proposed in 1990 but was abandoned due to its high cost. However, in 2021, China's state-owned China North Industries Corporation (Norinco) sent a proposal for US\$1.2 million for the completion of the project. The project is estimated to cost US\$2.1 million with a construction period of seven years.

## GWADAR PORT (PAKISTAN)

The US\$1.62 billion Gwadar port is an essential part of the BRI, connecting China with markets in the Middle East, Africa, and Asia. The port is leased to China until 2059 and will be operated by China's state-run firm China Overseas Port Holding Company (COPHC). Under this agreement, 91% of the revenue generated by the Gwadar port will go to COPHC and 9% to Pakistan's Gwadar Port Authority. The project will include 22 new coal and hydropower plants, an artificial island, a central business district, international exhibition centers, multiple theme parks, luxury resorts, botanical gardens, and museums. The project's master plan, approved in November 2019, has been developed by the Pakistani government alongside China's state-owned construction giant China Communications Construction Company.