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## [Chinese paper industry in Myanmar](#)

While Japanese investors are occupying the Chinese territory with tree plantations, China is doing business in the paper sector abroad. Kunming Electro-Chemical Plant (KECP), with headquarters in the Chinese province of Yunnan, signed a contract last December with the Myanmar Ministry of Industry to renovate the caustic soda and chlorine plant of the Sittoung Paper Mill No.1 in Mon state. The factory was built in 1992 and production began in 1994.

Under the contract, the Chinese side is to bear the cost of the renovation of 1.2 million U.S. dollars which covers the supply of machinery equipment and transfer of technical know-how, while the Myanmar side is to repay with the products of caustic soda. After the renovation, daily production of caustic soda will be increased from 9 to 15 tonnes.

The effects of this industry on the environment –including the forests as a source of raw material- is still unknown in that country. Two-thirds of the primary forests of ancient Burma have already disappeared.

Source: Rainforest Relief, January 1999.