

Mon State (October 2022)

Commercial Transport Report

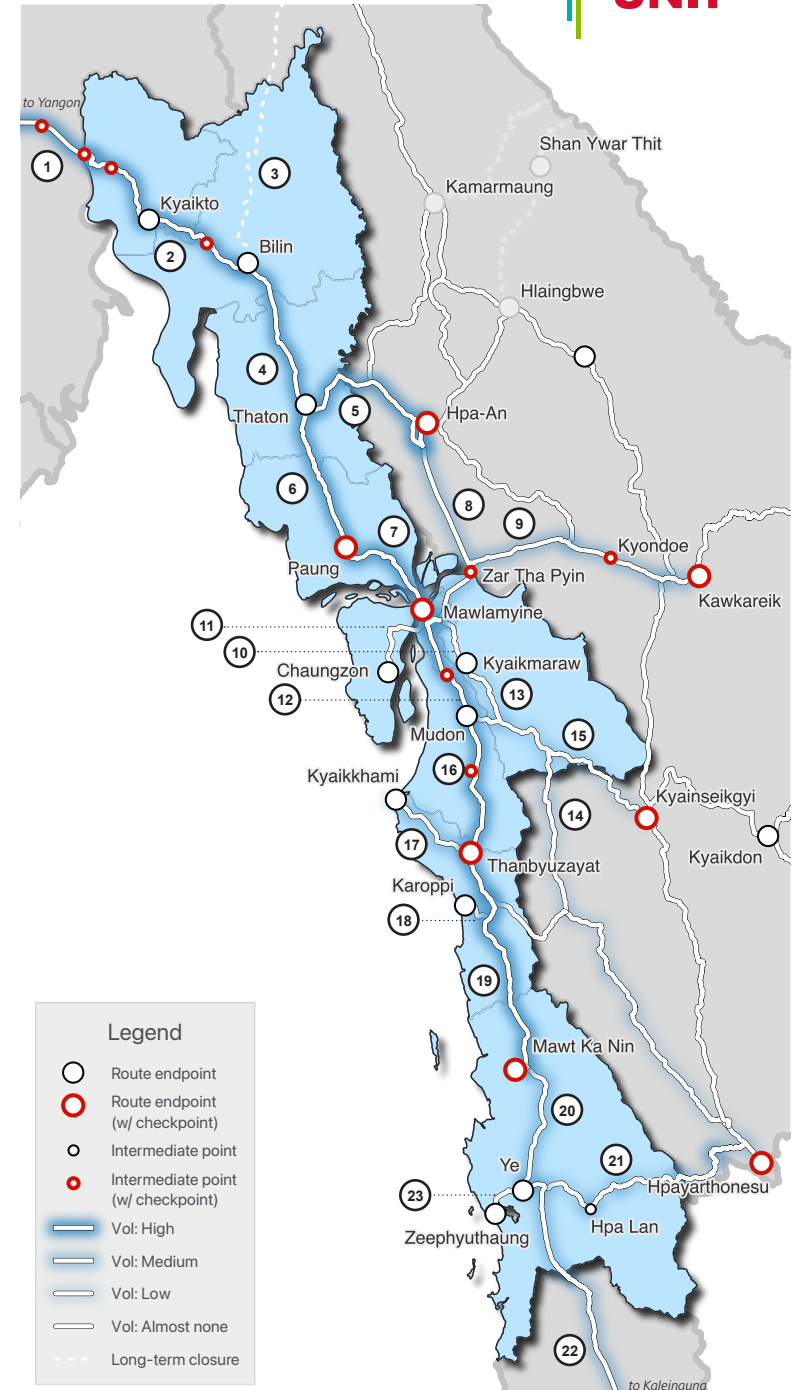
Market Analysis Unit (MAU)

The MAU monitors transport routes to track the flow of commercial goods between major towns and border crossings. Data are based on KIIs with market actors. Some route depictions may not be exact. Reports are available online at www.themimu.info/market-analysis-unit.



#	Route (point A - point B)*	Route Status as of Oct. 2022 (compared to Jan. 2021)	Closures	Commercial Volume		
				Change	Total	Direction
1	Yangon - Kyaikto via Moke Pa Lin	Main supply route for Mon State from central Myanmar, on which Kyaikto is a major hub.	Rare	▲	●●●	→
2	Kyaikto - Bilin	Key segment of the Yangon-Dawei highway. Kyaikto is a trade hub, Bilin is not.	Rare	▲	●●●	→
3	Bilin - Hpapun (Kayin)	Secondary supply route for Hpapun (Kayin). Few or no goods enter Mon State from Hpapun.	Long-term	▼	○	→
4	Bilin - Thaton	Key segment of the Yangon-Dawei highway. Most trade does not depot here.	Rare	▲	●●●	→
5	Thaton - Hpa-An (Kayin)	Main supply route for Thai goods entering central Myanmar. Goods come via Myawaddy.	Rare	▲	●●●	→
6	Thaton - Paung	Key segment of the Yangon-Dawei highway. Thaton is a trade hub on this route, Paung less so.	Rare	▲	●●●	→
7	Paung - Mawlamyine via Moke Ta Ma	Key segment of the Yangon-Dawei highway, connecting Mawlamyine with hubs like Thaton and Kyaikto.	Rare	▲	●●	→
8	Mawlamyine - Hpa-An (Kayin) via Zar Tha Pyin	Mawlamyine's secondary supply route for Thai goods. Goods come via Myawaddy.	Rare	▲	●●	→
9	Mawlamyine - Kawkareik (Kayin) via Zar Tha Pyin	Mawlamyine's main supply route for Thai goods. Goods come via Myawaddy.	Rare	▲	●●●	→
10	Mawlamyine - Kyaikmaraw	Main supply route for Kyaikmaraw. Goods come from central Myanmar via Mawlamyine.	Rare	—	○	→
11	Mawlamyine - Chaungzon	Main supply route to Chaungzon. Goods come from central Myanmar via Mawlamyine.	Rare	—	○	→
12	Mawlamyine - Mudon	Key segment of Yangon-Dawei highway, on which Mudon is a major hub for southern Mon State.	Rare	—	●●●	→
13	Kyaikmaraw - Mudon via Kyun Ywar	Secondary supply route for Kyaikmaraw. Goods come via Myawaddy.	Rare	▲	●	→
14	Mudon - Hpayarthonesu (Kayin)	Secondary supply route for Hpayarthonesu (Kayin). Goods come from Yangon/Dawei via Mawlamyine.	Rare	—	●	→
15	Mudon - Kyainseikgyi (Kayin)	Secondary supply route for Kyainseikgyi (Kayin). Goods come from Yangon via Mawlamyine.	Rare	—	●	→
16	Mudon - Thanbyuzayat	Key segment of the Yangon-Dawei highway, on which Thanbyuzayat is a minor trade hub.	Rare	▲	●●●	→
17	Thanbyuzayat - Kyaikkhami	Connects Mon State's second largest seafood supplier (Kyaikkhami) with central Myanmar.	Rare	▲	●●	→
18	Thanbyuzayat - Ka Yoke Pi via Pa Nga	Connects Mon State's third largest seafood supplier (Ka Yoke Pi) with central Myanmar.	Rare	▲	●●	→
19	Thanbyuzayat - Mawt Ka Nin	Key segment of the Yangon-Dawei highway, on which Mawt Ka Nin (near Lamaing) is a minor hub.	Rare	▲	●●●	→
20	Mawt Ka Nin - Ye	Key segment of the Yangon-Dawei highway, on which Ye is the major hub for southern Mon State.	Rare	▲	●●	→
21	Ye - Hpayarthonesu (Kayin) via Hpa Lam	Minor source of Thai imports for Mon State. Some goods come via Three Pagoda Pass.	Rare	▲	●	→
22	Ye - Kaleinaung (Tanintharyi)	Secondary supply route for Ye and main supply route for Kaleinaung (Tanintharyi).	Rare	▲	●●	→
23	Ye - Zee Hpyu Thaug via Ah Baw	Connects Mon State's largest seafood supplier (Zee Hpyu Thaug) with central Myanmar.	Rare	—	○	→

* Placenames are based on MIMU records, where available.



Key Findings

- **Mon State roads are open and route dynamics are unchanged in the past year**, although a new Waw Township checkpoint has created a bottleneck for goods entering central Myanmar;
- **Mon State remains a key transport corridor for consumer goods from Thailand** and Myanmar goods distributed to southeast Myanmar;
- **The volume of consumer goods transiting Mon State has grown since 2021**, largely due to the easing of pandemic-related border restrictions, but this is interrupted at times by conflict;
- **Infrastructure quality remains good and free from damage**, and there is generally little disruption from monsoon weather.

Closures and Checkpoints

Transport routes in Mon State are rarely closed, but checkpoints slow trade, particularly for goods entering central Myanmar. The only formal closure of a major route in the state is the Bilin-Hpapun road linking Mon State to northern Kayin State (closed at least since early-2022).¹ Intra-township travel in Mon State often requires passing a checkpoint, most of which were established in 2021 and 2022. Checkpoints in Mon State require traders to stop briefly, although searches are rare. The Waw Township (Bago Region) checkpoint on the Yangon-Kyaikto route—established in June 2022—is a notable exception: the checkpoint is ordinary for eastbound transport, but westbound transport into central Myanmar now involves extensive searches that have badly slowed trade and created a transport bottleneck.

Source and Volume of Goods

A large volume of consumer goods imported from Thailand transit Mon State on their way to central Myanmar. Fast-moving consumer goods (FMCG), or packaged goods like dried noodles, soap, or other processed foods, enter Myanmar at Kayin State's Myawaddy border crossing and continue via Kawkareik to Thaton or Mawlamyine. Thai imports also enter Myanmar at Hpayarthesu and continue to Mudon—particularly when Myawaddy trade is disrupted—but volumes are lower. Some

Thai imports are consumed in Mon State, but most continue by highway to Yangon for wider distribution across Myanmar.²

Goods from central Myanmar also supply southeast Myanmar by entering Mon State, although the volume of this inflow may be half that of the outflow. Rice, agricultural products and FMCG from central Myanmar arrive in Mon State via Kyaikto for consumption in southeast Myanmar. Myanmar goods are consumed in Mon State or forwarded to markets in southern Kayin State (Kyinseikgyi, Hpayarthesu) or northern Tanintharyi Region (Kaleinaung).

Local production in the southeast is a relatively minor source of consumer goods transiting Mon State. Mon State and Tanintharyi Region ship locally-produced goods to central Myanmar, but this is mostly seafood for export, raw commodities (e.g., rubber), or cash crops (e.g. betel nut, yam). Zee Phyu Thaung, Kyaikhami and Ka Yoke Pi in Mon State are major suppliers of seafood for domestic consumption and export via Yangon wholesalers. Likewise, supply of local goods from Kayin State is relatively small in volume.

Route Quality

Route quality in Mon State is the best among southeast Myanmar's states and regions. Mon

Permanant Route Features

#	Route (point A - point B)	Mode	Distance (Hrs)	Quality	Monsoon Conditions
1	Yangon - Kyaikto via Moke Pa Lin	Road	2	★★★★★	→
2	Kyaikto - Bilin	Road	1	★★★★★	→
3	Bilin - Hpapun (Kayin)	Road	5	★	- →
4	Bilin - Thaton	Road	1	★★★★★	→
5	Thaton - Hpa-An (Kayin)	Road	1	★★★★★	→
6	Thaton - Paung	Road	1	★★★★★	→
7	Paung - Mawlamyine via Moke Ta Ma	Road	1	★★★★★	→
8	Mawlamyine - Hpa-An (Kayin) via Zar Tha Pyin	Road	1	★★★★★	→
9	Mawlamyine - Kawkareik (Kayin) via Zar Tha Pyin	Road	1	★★★★	→
10	Mawlamyine - Kyaikmaraw	Road	1	★★★★★	→
11	Mawlamyine - Chaungzon	Road	1	★★★★★	→
12	Mawlamyine - Mudon	Road	1	★★★★★	→
13	Kyaikmaraw - Mudon via Kyun Ywar	Road	1	★★★★	- →
14	Mudon - Hpayarthesu (Kayin)	Road	5	★★★★	- →
15	Mudon - Kyainseikgyi (Kayin)	Road	2	★★★★	→
16	Mudon - Thanbyuzayat	Road	1	★★★★★	→
17	Thanbyuzayat - Kyaikhami	Road	1	★★★★★	→
18	Thanbyuzayat - Ka Yoke Pi via Pa Nga	Road	1	★★★★	→
19	Thanbyuzayat - Mawt Ka Nin	Road	1	★★★★★	→
20	Mawt Ka Nin - Ye	Road	1	★★★★★	→
21	Ye - Hpayarthesu (Kayin) via Hpa Lam	Road	6	★	↷
22	Ye - Kaleinaung (Tanintharyi)	Road	3	★★★★	→
23	Ye - Zee Hpyu Thaung via Ah Baw	Road	2	★★★★	→

State trade is served mainly by roadways.³ The state's major highway is high-quality by national standards, although tributary roads connecting Mon State to its neighbor states may be lower-quality. Monsoon- and conflict-related infrastructure damage in Mon State has been minimal.

¹ Some roads, while technically open, may nonetheless be avoided by traders due to security risks.

² This highway is also known as the "National Highway - Mon State" or "Asia Highway 1" (AH 1).

The seasonal impact on trade routes in Mon State is minimal. Mon State trade is oriented around the major north-south highway, which remains good in monsoon season. During heavy rain road quality can be poor/variable on highway offshoots (e.g., roads serving Bilin, Kyaikmaraw or Hpayarthonesu), but this seasonal impact on transport occurs mostly on the eastern periphery of Mon State.

Route Dynamics

Despite recent disruptions, transport routes in Mon State have been fairly consistent since 2021 and volumes have grown. Transport volumes in Mon State change somewhat when conflict in Kayin State reduces imports via Myawaddy (e.g., October 2022), and this can impact route dynamics if more goods arrive via Hpayarthonesu. However, routes in Mon State are relatively static because most roads remain open. Although the Waw Township checkpoint has slowed transport into central Myanmar, no detour has been established. In general, the easing of pandemic-related restrictions in 2021 increased cross-border trade with Thailand and boosted the flow of goods through Mon State (despite increasing armed conflict). In 2022, economic troubles have not greatly reduced transport in the state, and there has been discussion of new port/airport in Mudon township.

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Implications

- **Increased conflict in Kayin State may reduce the supply of consumer goods to Mon State** and central Myanmar, as Kayin State is the entryway for Thai imports;
- **Trade imbalances between Mon State and central Myanmar could raise transport costs**, as the absence of backhaul shipments may increase shipping costs in the region;
- **Transport on the Mon State highway may nonetheless prove resilient to trade disruptions** as seafood and raw commodities (e.g. rubber) can help sustain transport providers;
- **Transport bottlenecks due to checkpoints may increase transport costs for Thai goods** entering central Myanmar from Mon State.

Route Indicators

Indicators are estimated based on KIIs. They are intended to provide a qualitative impression rather than exact measures.

Closures – Frequency of closures on route since Jan. 2021.

- Rare** - Closed less than twice per year
- Occasional** - Closed 2-5 times per year
- Frequent** - Closed 6 or more times per year
- Long-term** - Closed indefinitely

Volume (change) – Change in volume on route since Jan. 2021.

- ▲ **Increased**
- **Stable**
- ▼ **Decreased**

Volume (total) – Current commercial volume on route, relative to routes in Jan. 2021. Excludes raw materials and illicit trade (e.g., timber, drugs).

- **High**
- **Medium**
- **Low**
- **Almost none**

Volume (direction) – Portion of volume in each direction (null if volume is “almost none”).



Mode – Route modality (e.g., road, waterway).

Distance – Route length, measured as hours of travel by standard car/boat (incl. checkpoints). Travel times vary; this is intended only as a rough measure of relative distance.

Quality – Route quality in dry season based on infrastructure, relative to elsewhere in state.

- ★★★★★ **Very good**
- ★★★★☆ **Good**
- ★★★☆☆ **Poor**
- ★☆☆☆☆ **Very poor**

Monsoon Condition – Route conditions in monsoon season.

- **Good** - Stable in monsoon
- > **Variable** - Weather-dependent
- ↘ **Poor** - Poorer in monsoon
- × **Closed** - Closed in monsoon

³ Waterway transport in Mon State is used primarily for raw commodities. Railway transport in Mon State was more common before the COVID-19 pandemic, but it mainly transported passengers and raw commodities.