



ISP Governance Tracker 2025
Conflict, Peace and Security Studies
GT2025-02 | September 26, 2025

FORTUNE AND RISK: THE KIO'S RARE EARTH DILEMMA

Following a record decline in rare earth exports to China in 2025, the Chinese government exerted pressure on the KIO, and the KIO's resource governance plays a key factor in political bargaining and power consolidation.



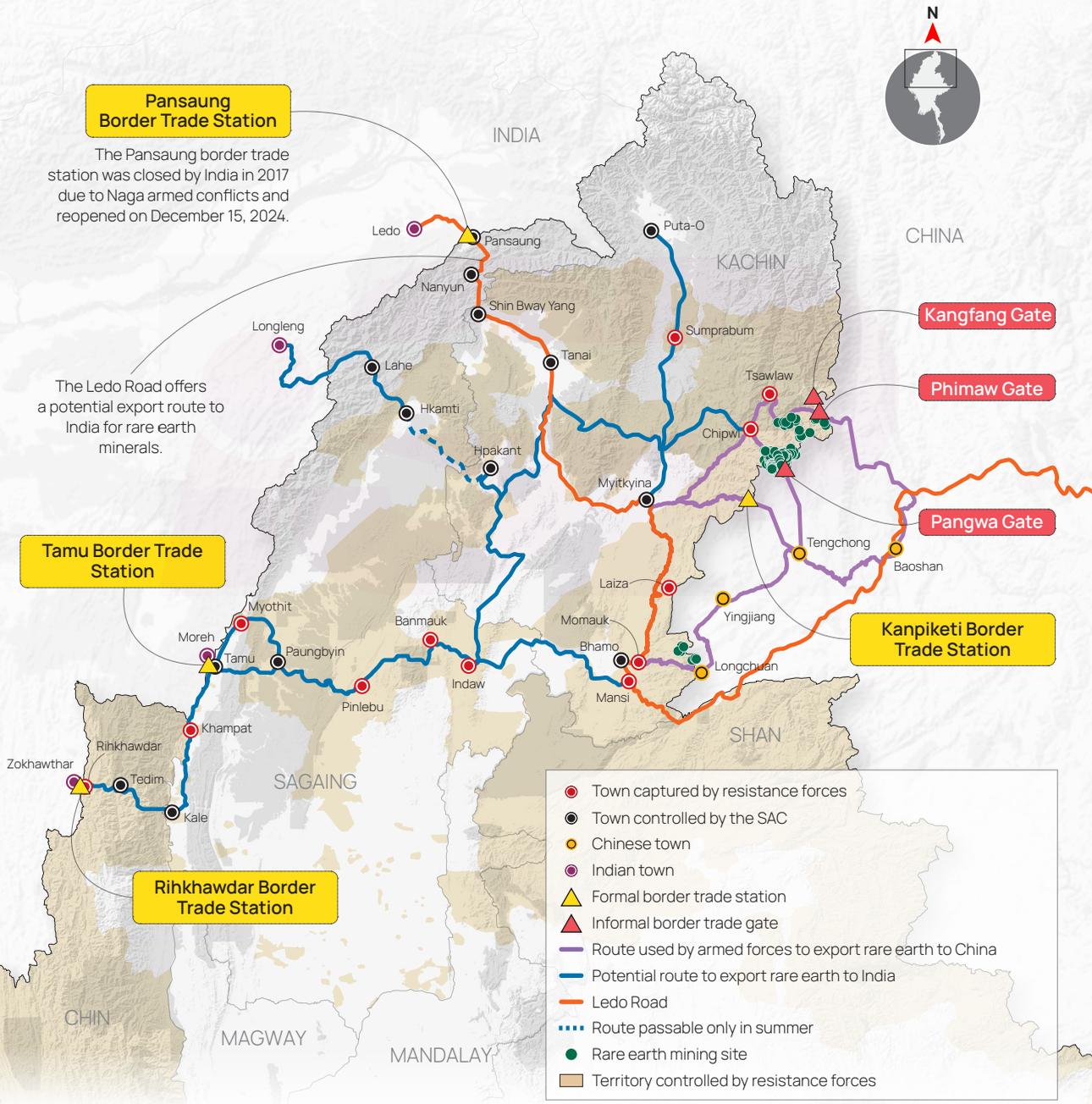
Fortune and Risk: The KIO's Rare Earth Dilemma

Period	July to August 2025
Region	Controlled areas of the KIO/KIA in Kachin State
Actor Involved	Kachin Independence Organization/ Kachin Independence Army (KIO/KIA)
Issue	The KIO has seized rare earth mining areas previously controlled by the Kachin Border Guard Force and allied militias. Following a steep fall in Myanmar's rare earth exports to China this year, Beijing has pressed the KIO. The KIO's resource governance became a key factor playing a role in political bargaining and power consolidation. Meanwhile, local residents are paying a high price for the expansion of extraction, reporting water pollution, deforestation, and health impacts—including fatalities.
Development	The KIO now administers the mines, issuing licences, collecting taxes, and providing road security. It levies an export tax averaging 35,000 yuan (about USD 4,800) per tonne. While exports to China have slumped and Beijing has applied pressure, there are signs of interest from external players: the head of the US embassy in Myanmar visited Myitkyina in August, and India has announced plans to repair the Ledo Road, which connects to Myanmar. Reports suggest that some of Myanmar's rare earths could potentially be exported to the United States via India. China, meanwhile, has lifted restrictions on rare earth exports to India.
Implications	Two main challenges confront the KIO's stewardship of rare earth resources. The first is external: resource control may bolster its leverage with foreign powers, but trade with countries other than China will face severe logistical constraints. The second is internal: the relation between the resistance group and the community. Rare earth generation is exposing the interests and livelihoods of the local population to significant challenges.

Rare Earth Export Routes in Kachin State

ISP-M2025-112

Raw rare earth minerals from mines controlled by the Kachin Independence Organization (KIO) are currently exported to China via one formal border trade station and three informal border gates. To export rare earths to India, the KIO could utilize potential routes through the renovated Ledo Road or towns in Sagaing Region and Chin State, many of which are fully or partially controlled by the KIO and its allied People's Defense Forces (PDFs).



Data as of September 20, 2025, is part of research conducted by ISP-Myanmar's Conflict, Peace, and Security Studies. It may vary from other sources due to differences in methodology and data availability.