

Issue Brief

Arakan Army and Battles of Kyaukphyu

No. (6/2026)
Military Sector



Map of Myanmar military junta battalions and military units in Kyaukphyu Township
(Source: Myanmar Now)

30 June 2026

1. Introduction

(A) Main Focus	A study of military and battles situations development on the Kyaukphyu front, their impacts on China-Myanmar strategic projects, and the socio-economic conditions of residents.
(B) Geographic Scope	Kyaukphyu Township, Arakan/Rakhine State, Myanmar
(C) Study Period	From February 2025 to June 2026

Background and Context

The military conflicts between the Arakan Army (AA) and the Myanmar Armed Forces (MAF) on the Kyaukphyu front, which began in early 2025, have continued with intense fighting through June 2026. Military operations by both sides to gain territorial control have become increasingly widespread. The prolonged and intensifying military situation continues to cause significant impacts on regional security, economic activities, and the socio-economic conditions of the population.

In particular, the clashes between the AA and the MAF have led to instability in ground security and shifts in territorial control. While these military operations escalate tensions, they have forced residents to flee to safer areas. In war-torn areas, locals are losing their homes and properties due to the MAF’s airstrikes, naval bombardments, and forced destruction. Furthermore, travel restrictions, skyrocketing commodity prices, and dwindling employment opportunities are significantly affecting the socio-economic livelihoods of the local people.

In addition, billions of dollars of Chinese investments are located in the Kyaukphyu region. The oil and natural gas pipeline projects are still operational, and there are ongoing plans to construct the Kyaukphyu Special Economic Zone (SEZ) and a deep-sea port, making the region a geopolitically sensitive flashpoint. There is an interdependent relationship between the military situation in the Kyaukphyu region and the ability of these regional economic projects to continue operations.

Therefore, this study is based on local media reports and residents' voices to analyze and assess the interconnected dynamics among military developments, Chinese project-related activities, and their impacts on the local socio-economic environment in the Kyaukphyu region.

2. Summary of Findings

February 2025

(A) Arakan Army Launches Offensives Against Kyaukphyu Dhanyawadi Naval Base and Police Battalion (32)

- Starting February 21, 2025, the Arakan Army (AA) launched an offensive against the [Dhanyawadi Naval Base](#) in Kyaukphyu Township. By February 26, the AA simultaneously attacked [Police Battalion \(32\)](#) and the Say Maw village outpost located near the naval base, triggering a series of intense clashes. During the battles, the military troops deployed heavy artillery, drones, air support, and naval gunfire. Local media reported that continuous bombardments into villages near the naval base resulted in civilian casualties.

(B) Reports Emerge of Chinese Armed Mercenary Groups Providing Security to Protect Chinese Projects in Kyaukphyu

- From late February 2025 onward, reports surfaced that [27 personnel from a Chinese armed mercenary](#) group had established a base at the Power China plant in Gone Chein village, Kyaukphyu Township. They are reportedly responsible for securing the plant and other Chinese investment projects, as well as security upgrades such as installing CCTV networks and bulletproof glass.

(C) Military Council Pressures for SEZ and Deep-Sea Port Implementation Amid Kyaukphyu Clashes

- Despite the ongoing clashes between the AA and the Military Council in Kyaukphyu, the Military Council is preparing to push forward with the [Kyaukphyu Special Economic Zone \(SEZ\) and Deep-Sea Port project](#), a joint venture with the Chinese state-owned enterprise CITIC. The project operates under a 2020 agreement and a 2023 addendum, with the "Long Stop Date" set to expire this coming June. The Military Council has been exerting pressure to fulfill project implementation requirements within the specified timeframe. The project, valued at approximately USD 7.3 billion, spans over 4,200 acres in Kyaukphyu Township and includes a deep-sea port, industrial zones, and residential housing.

March 2025

(D) Chinese Projects on Maday Island Continue Operations Despite Military Tensions

- Although intense fighting persists in Kyaukphyu Township, Chinese oil and gas projects on Maday Island [continue to operate normally](#), without any suspension of activities. Chinese oil tankers continue to dock at the oil storage and refinery facilities, and oil and natural gas transport through the pipelines remains ongoing. Residents assess that despite clashes

the projects have been unaffected, suggesting possible behind-the-scenes coordination among the relevant parties regarding security.

April 2025

(E) Rakhine State Military Council Chairman Visits Chinese Projects Amid Intense Fighting in Kyaukphyu

- In early April, [U Htein Lin](#), Chairman of the Rakhine State Military Council, visited the Chinese projects in Kyaukphyu Township and the oil and gas projects on Maday Island. During his trip, he inspected the current status of the project operations and held meetings with responsible officials. It was noted that despite the fierce clashes between the AA and the Military Council in Kyaukphyu Township, this visit was conducted under heightened security for these critical project areas.

June 2025

(F) Reports Indicate Military Council Uses Muslims and Detainees on the Kyaukphyu Frontlines

- Reports emerged that the Military Council has been deploying [Muslims from the Kyauk Ta Lone IDP camp](#) in Kyaukphyu, as well as militia-trained Muslims from Sittwe, to the frontlines of the Kyaukphyu conflict. Meanwhile, local sources stated that several [ethnic Rakhine detainees and prisoners](#), who were held at the Kyaukphyu Police Station and the local prison on suspicion of affiliation with the AA, have gone missing, having been sent either to perform mandatory military service or to active military positions.

July 2025

(G) China Reportedly Pressures AA and Provides Technical Aid to Military Council in Kyaukphyu Conflict

- Citing a local news source, reports indicated that China has pressured the AA to refrain from launching offensives near Chinese projects. Concurrently, China is reportedly providing the Military Council with [military equipment, including drones, and technical assistance](#). Consequently, the AA's offensives have been restricted around Chinese project sites, including the Onshore Gas Terminal (OGT), a storage and distribution hub for offshore natural gas and crude oil, while the Military Council has been defending and fighting back by using Chinese technology and drone assistance.

September 2025

(H) Rakhine State Commission Chairman U Htein Lin Re-inspects Chinese Oil and Gas Projects in Kyaukphyu

- In September 2025, U Htein Lin, Chairman of the Rakhine State Commission, again visited the Chinese-invested oil and natural gas pipeline project areas in war-torn Kyaukphyu Township. He inspected project security measures, the transmission of oil and gas, the docking of oil tankers, and general project operations. According to reports, U Htein Lin made repeated inspection tours to Chinese projects in Kyaukphyu throughout 2025. Analysts view this latest trip as an effort to ensure uninterrupted project operations and to bolster security amidst ongoing hostilities.

October 2025

(I) Military Council Offensives and AA Counter-attacks Persist on the Kyaukphyu Front

- Reports indicated that the Military Council launched a massive offensive on the Kyaukphyu front involving thousands of troops backed by army, navy, and air assets. As a result, the AA had to retreat from several previously controlled positions, including Ma La Island, areas near Police Battalion (32), Ku La Bar, and Thaing Chaung villages. The Military Council has scaled up its deployment of air, naval, drone, and ground forces, leading to ongoing see-saw battles with the AA.

November 2025

(J) AA Counter-attacks Military Council Offensive in Kyaukphyu, Forcing Military Council Troops to Retreat

- Fierce clashes between the AA and Military Council troops continued through November in the Min Pyin, Yae Nan Taung, and Thaing Chaung villages of Kyaukphyu Township. The Military Council launched a large-scale offensive to seize the radar station in Min Pyin village and its surroundings, successfully taking control of some spots. However, the AA retaliated with drones and heavy artillery, inflicting casualties on the advancing columns. Losses were reported on both sides, and Military Council troops were observed retreating toward Yay Nan Taung.

February 2026

(K) Civilian Casualties and Property Destruction Escalate in the Kyaukphyu Conflict

- The Development Media Group, a local media outlet, documented that over the course of one year since the Kyaukphyu conflict began in February 2025, more than 700 homes across at least 11 villages have been destroyed by fire. This destruction was caused by airstrikes, heavy

artillery shelling, and arson during military operations. As the fighting remains intense, civilian home losses, displacements, and casualties continue to climb.

(L) Over 150 Civilians, Including Children, Killed or Injured During a Year of Fighting in Kyaukphyu Township

- Clashes between the Military Council and the Arakan Army (AA) in Kyaukphyu Township have dragged on for a full year. Civilian casualties continue to rise due to the Military Council's use of airstrikes and heavy artillery. Kyaukphyu remains one of the few towns in Rakhine State that has not yet fallen to the AA.
- February 20 marks the first anniversary of the start of the AA's operation to seize Kyaukphyu Township. According to statistics compiled by the Development Media Group (DMG), actions by the Military Council during this one-year period resulted in 51 civilian deaths and 101 injuries.

(M) V Power Plant Halts Operations and Continues Moving Machinery Amid Kyaukphyu Clashes

- The China-Hong Kong joint venture V Power power plant in Kyaukphyu Township began relocating its machinery in late 2024, but the process accelerated significantly as fighting in the Kyaukphyu region intensified. According to reports, over 90 power generators have already been moved, and plans are underway to relocate the remaining equipment. The plant, representing an investment of over USD 140 million, was originally designed to generate 150 MW but could only produce around 60 MW due to natural gas shortages. Following the 2021 military coup, the plant ceased operations in 2023 due to disputes with the Military Council over electricity purchase payments and gas supply issues.

May 2026

(N) AA Repels Military Council Amphibious Offensive in Kyaukphyu–Sane Sector; Fierce Fighting Continues

- The Military Council attempted to launch an amphibious offensive toward Sane town using naval vessels from the Taung Maw Oo Naval Base along with air support. However, stiff resistance from the AA forced them to retreat with casualties. Active clashes continue near Ah Wa Taung, Hmyaw Chaung, and Dway Cha. While the Military Council is trying to control Sane town and the Kyaukphyu–Ramree route, the AA is fiercely defending these positions to prevent them from falling, leading to sustained intense fighting.

June 2026

(O) Nearly 50,000 Displaced Persons in Kyaukphyu Township Urgently Need Food and Shelter

- According to data from the Zin Chaung Youth Pharahita Association, the number of internally displaced persons (IDPs) fleeing the Military Council's airstrikes and heavy artillery bombardments in Kyaukphyu Township rose to nearly 50,000 by early May of this year. With the daily influx of displaced persons growing, shortages of food, shelter, drinking water, and emergency medical supplies have worsened significantly, creating an urgent need for humanitarian assistance.



Map of Chinese Investment Projects in Kyaukphyu Township (Source: ResearchGate)

(P) China and Military Council Agree to Accelerate Kyaukphyu CMEC and Deep-Sea Port Projects

- A joint announcement issued on June 17 states that China and the military regime have agreed to maintain momentum and accelerate the implementation of the Kyaukphyu Deep-Sea Port and other China-Myanmar Economic Corridor (CMEC) projects. The Kyaukphyu Deep-Sea Port is a strategic joint China-Myanmar project being built on Maday Island and Ramree Island, serving as a core component of the BRI/CMEC initiative. The initial phase involves a planned investment of approximately USD 1.3 billion, with China's CITIC Consortium holding a 70% stake and the Myanmar side holding 30%. Furthermore, the agreement notes plans to expand the utilization of oil and natural gas pipelines, power grid connections, and economic cooperation. However, the Kyaukphyu region is currently experiencing fierce clashes between the AA and the Military Council, leaving several project areas facing unstable conditions.

(Q) Deprivation Drives Surge in Begging Within Kyaukphyu Town

- Residents in Kyaukphyu town, Rakhine State, are increasingly turning to [begging to secure their daily survival](#) due to mounting livelihood hardships. Kyaukphyu residents are facing a severe scarcity of jobs alongside skyrocketing basic food prices. Low-income day laborers state they have been left with no choice but to beg. “We had never seen beggars in Kyaukphyu before. Now, you see them in markets, on the streets, and throughout the neighborhoods. There are so many people asking for money or requesting leftover rice and curry. It ranges from toddlers who can barely walk to the elderly,” a local woman from Kyaukphyu shared.

(R) Military and Departmental Officials Weaponize Food Supply Control, Exploiting Public Hardships

- In military-controlled Kyaukphyu town, Rakhine State, the military and certain government departmental officials are reportedly collaborating to [manipulate basic food commodity prices](#), selling them to the public at highly inflated rates. The military has blockaded the entry and exit routes of Kyaukphyu since late 2023, forcing the town to rely on cargo ships and aircraft to import essential food commodities from Yangon. Under normal circumstances, food supplies are imported from Yangon via three cargo ships per month. These commodities are then exclusively distributed and resold to town residents by military-connected businessmen and departmental officials.

3. Findings

- Starting February 21, 2025, the Arakan Army (AA) launched targeted offensives primarily against the Dhanyawadi Naval Base and Police Battalion (32) in Kyaukphyu Township. The fighting has persisted for over a year, characterized by the extensive use of heavy artillery, drones, naval gunfire, and air support by both sides. While the Military Council mounted counter-offensives using ground, navy, and air assets to reclaim certain positions, the AA engaged in tactical retreats and counter-attacks. In November 2025, despite temporary territorial gains made by the Military Council in some areas, their columns sustained heavy casualties and were forced to retreat. Clashes remain unresolved as of mid-2026.
- The Chinese-invested Kyaukphyu Special Economic Zone (SEZ), the deep-Sea Port, and the oil and natural gas pipeline projects on Maday Island have managed to maintain regular operations despite the surrounding conflict. In late February 2025, reports emerged indicating the arrival of 27 personnel from a Chinese armed mercenary group tasked with protecting the Power China plant and other Chinese investment assets. The Military Council faces pressure to meet project requirements ahead of the "Long Stop Date" set to expire in June 2025, with the project valued at roughly USD 7.3 billion. U Htein Lin, Chairman of the Rakhine State Military Council, made repeated inspection tours to these Chinese project sites in April, September, and October 2025 to personally review security measures and operations.

3. According to reports and testimonies, the Military Council has deployed Muslims from the Kyauk Ta Lone IDP camp and militia-trained individuals to the Kyaukphyu frontlines. Local sources also report that several ethnic Rakhine prisoners and detainees held at the Kyaukphyu town police station and local jail have gone missing, having been forcibly conscripted or sent to frontline military installations. News reports citing local sources claim that China has pressured the AA to restrict its offensives near Chinese project zones, while concurrently providing the Military Council with drones, technical assistance, and military hardware. Consequently, the AA's offensives near major project sites have been constrained, enabling the Military Council to defend these positions using Chinese technological assistance.
4. Throughout the year-long conflict, over 700 homes across 11 villages were destroyed by fire resulting from airstrikes, heavy artillery shelling, and arson during military operations. Data compiled by a local media outlet confirm at least 51 civilians have been killed and 101 injured, with children among the casualties. By May 2026, the number of internally displaced persons (IDPs) surged to nearly 50,000. Local humanitarian groups report severe shortages of food, shelter, drinking water, and emergency medical supplies. As displacement figures continue to climb, humanitarian aid is urgently required, prompting rescue groups to call for immediate emergency access.
5. Kyaukphyu residents face devastating economic hardships defined by soaring food prices, lack of employment opportunities, and an unprecedented rise in the number of people resorting to begging for food. The military has maintained a total blockade on Kyaukphyu since late 2023, permitting basic food imports only via three Yangon cargo ships per month and occasional air transport. These imported goods are tightly controlled and distributed by military-aligned businessmen and departmental staff, who artificially inflate prices to exploit the local populace. Residents note that begging has become commonplace across markets, streets, and residential wards, encompassing everyone from young children to the elderly.

4. Analysis

The battles for Kyaukphyu reflect a prolonged and intensifying military stalemate between the Arakan Army (AA) and the Military Council. Despite heavy casualties sustained by both sides over more than a year of fighting, neither side has achieved a decisive victory. The Military Council has managed to hold onto strategic installations through the concentrated use of airstrikes, naval bombardments, and drone technology. However, relentless counter-attacks by the AA have successfully prevented the military regime from establishing absolute control over the entire township. This protracted stalemate has effectively transformed Kyaukphyu into a permanent frontline. With no clear resolution in sight, the ongoing hostilities indicate that this conflict will remain a central driver of instability across Rakhine State.

Chinese economic interests in Kyaukphyu, encompassing the SEZ, the deep-sea port, and the oil and gas pipelines, have transformed into both highly critical strategic assets and focal points of contention amidst the war. While Beijing publicly maintains a stance of neutrality, allegations from

local sources that China is pressuring the AA to avoid attacks near its projects while simultaneously providing the Military Council with drone and technological support raise serious questions regarding China's role as an impartial mediator.

The deployment of Chinese armed mercenary groups alongside repeated high-level inspection visits by Military Council officials clearly demonstrates that protecting these multi-billion-dollar investments remains a paramount priority, even as chaos engulfs the surrounding region. However, keeping these projects operational has exacted a steep human cost. The Military Council's absolute control over supply routes and food distribution networks has enabled military-connected elites to monopolize essential commodities and systematically exploit the local civilian population.

The humanitarian toll of this conflict is staggering, evidenced by nearly 50,000 IDPs, over 150 civilian casualties, and the destruction of more than 700 homes. Despite these figures, international attention and aid remain inadequate to address the expanding crisis. Simultaneously, the Military Council's blockade and economic monopoly over Kyaukphyu have pushed ordinary citizens into severe poverty, forcing residents of a once-moderate and prosperous town to resort to begging simply to survive. If a ceasefire cannot be secured and humanitarian corridors are not opened, the situation in Kyaukphyu is poised to deteriorate further. There is an urgent need for all stakeholders to prioritize the welfare of the entrapped civilian population.

About Center for Arakan Studies

The Center for Arakan Studies is an independent, non-partisan research organization established in December 2021 by journalists, political analysts, researchers, and social workers. The Center aims to enhance understanding of Arakan affairs by publishing rigorous research on human rights conditions, political, economic, and social developments in Arakan, as well as issues related to Arakan within Myanmar and internationally. The Center produces policy briefs and monthly reports on topics related to Arakan, which are published through its website and various publications.

© 2026 Arakan

Contact – info@arakanstudies.org, www.arakanstudies.org