

Monthly Arakan Review

CENTER FOR ARAKAN STUDIES

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Conflict Trends, Economic Strains, and Humanitarian Blockades in Arakan

Monitoring of a brief situation of political tension, economic issues, social issues, and humanitarian issues in Arakan in May 2025.



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Executive Summary

The conflict in Rakhine State intensified, with the Arakan Army (AA) capturing key junta positions in Kyaukphyu, resulting in heavy casualties, including the death of a brigadier general. The junta's airstrikes in Rathedaung and Kyauktaw killed dozens of civilians, drawing condemnation for targeting non-combatants. The AA released over 1,200 prisoners of war, demonstrating humanitarian efforts amid ongoing violence. Ceasefire extensions failed to curb hostilities, with alleged Chinese drone involvement complicating regional dynamics. Civilian suffering escalated due to landmines, media suppression, and forced recruitment by the junta.

Cross-border trade disruptions with Bangladesh and India severely impacted Rakhine's economy, with indefinite halts and brief reopening reflecting the AA's border control. Bangladesh Coast Guard crackdowns on smuggled fertilizer and cement underscored efforts to curb AA support. Rising costs for fuel, agricultural inputs, and basic goods like notebooks crippled local markets. The influx of fake medicines and food from neighboring countries compounded the crisis. Junta restrictions in Sittwe and smuggling, including narcotics, further destabilized the region's economy.

Junta restrictions on food, medicine, and travel permits deepened civilian hardships in Sittwe, Ann, and Kyaukphyu, exacerbating displacement and resource scarcity. Violence against vulnerable groups, including the rape and murder of a young girl in Minbya, highlighted pervasive insecurity. Health and education systems collapsed, with medicine shortages and urgent vaccination needs in AA-controlled areas. The AA's healthcare and infrastructure initiatives provided some relief, but drug use and looting in Sittwe worsened. Natural disasters and the death of politician U Hla Saw further strained Rakhine's social fabric.

Over 1,300 households in Maungdaw remained displaced due to junta airstrike threats, while 60% of Rakhine displaced population needed urgent monsoon shelters. The junta's demolition of homes in Sittwe worsened displacement and eroded trust. The AA resettled some displaced persons and expanded operations into Ayeyarwady Division but faced challenges with reconstruction staffing. Bangladesh's opposition to Rakhine aid and the Arakan People's Revolutionary Government's delay in Rohingya repatriation complicated humanitarian efforts. Chinese workers abandoning Kyaukphyu projects signaled the conflict's broader economic and regional impact.

Key Developments

A. Politics and Armed Conflicts

1. Escalation of Kyaukphyu Conflict

The conflict in Kyaukphyu intensified, with the Arakan Army (AA) capturing strategic positions, including a military post near the No. 32 Police Battalion and a village on May 29. Heavy casualties were reported, with hundreds of Military Council (junta) soldiers killed, including Brig. Gen. Kyaw Myo Aung, and a lieutenant colonel captured on May 31. The junta's use of airstrikes and alleged Chinese drone support near a Chinese energy project highlighted the conflict's regional implications.

2. Junta's Airstrikes and Civilian Casualties

The junta conducted airstrikes in Rathedaung and Kyauktaw, dropping 500-lb bombs in Rathedaung on May 13, killing over a dozen civilians and injuring more than 20. In Kyauktaw, bombings on May 14–15 killed at least six civilians and injured nine, destroying homes. These attacks, condemned by the American Rakhine community, underscored the junta's targeting of civilian areas despite ceasefire extensions.

3. AA's Humanitarian Actions and POW Releases

The AA released over 1,200 prisoners of war (POWs) and their families across Rakhine State, including 225 POWs on May 17, 300 families from Buthidaung on May 19, 32 junta members in Maungdaw on May 20, and 184 POWs from Mrauk-U. The AA also rescued three Muslim individuals abducted by ARSA in Maungdaw on May 7, demonstrating efforts to protect civilians and promote freedom of movement for Muslims in controlled areas.

General Overview

From May 1 to May 31, 2025, Rakhine State and parts of Myanmar experienced ongoing conflict between the Arakan Army (AA) and the Military Council (junta), despite multiple ceasefire extensions. The junta's airstrikes and artillery attacks, particularly in Rathedaung, Kyauktaw, and Kyaukphyu, caused significant civilian casualties, with over 114 civilians killed and 170 injured in Rakhine over four months. Landmines and unexploded ordnance further harmed civilians, including children and the elderly. The AA intensified military operations, capturing key junta positions in Kyaukphyu and along the Ann-Padan Road, while also releasing numerous POWs and ensuring civilian safety. Cultural events, such as the Mro National Day, were held amid the violence, reflecting resilience. External actors, including alleged Chinese involvement and Bangladesh's diplomatic tensions, complicated the conflict, which also saw media suppression and forced recruitment by the junta. The AA's territorial control expanded, framing military service as a national duty, while the junta faced internal disarray and mounting losses.

B. Economy

1. Bangladesh Coast Guard Crackdowns on Smuggling to Rakhine

On May 4, the Bangladesh Coast Guard apprehended 10 individuals smuggling 600 bags of fertilizer to Rakhine State. On May 25, five individuals were detained for smuggling 340 bags of cement, highlighting ongoing illicit cross-border trade amid the conflict. These incidents reflect Bangladesh's efforts to curb smuggling that supports the AA's fight against the Myanmar junta, while straining local economies.

2. Cross-Border Trade Disruptions and Reopenings

Cross-border trade between Arakan and Bangladesh was halted indefinitely on May 21 due to escalating conflict and AA control over the border, severely impacting local economies reliant on goods like ginger and fish. Trade briefly resumed on May 31 based on mutual understanding, but smuggling through Maungdaw persisted. Similarly, India suspended trade via the Mizoram-Paletwa route on May 20, reopening it on May 22, reflecting regional trade volatility.

3. **Economic Strain in Rakhine Due to Conflict and Blockades**

Rising input costs limited Rakhine's agricultural output to 500,000 acres in 2025, threatening food security. Farmers in AA-controlled areas struggled with soaring costs, while fuel prices surged due to conflict and monsoon damage. In Sittwe, junta restrictions on distributing Yangon-imported goods to rural areas and high fuel prices further crippled local markets, exacerbating economic hardship.

General Overview

From May 4 to May 31, 2025, Rakhine State faced severe economic and humanitarian challenges driven by the ongoing conflict between the Arakan Army (AA) and the Myanmar junta. The Bangladesh Coast Guard's seizures of smuggled fertilizer and cement underscored efforts to curb illicit trade, amid concerns over regional livelihoods and local fertilizer shortages. Cross-border trade with Bangladesh and India faced repeated disruptions, with indefinite halts and brief reopenings reflecting the AA's growing border control and junta blockades. In Rakhine, junta restrictions in Sittwe and rising costs for fuel, agricultural inputs, and even basic goods like notebooks deepened economic distress, with agriculture and traditional industries like weaving collapsing. The influx of fake medicines and food products from Bangladesh and India further compounded the crisis. These events highlight the interplay of conflict, trade restrictions, and smuggling, severely impacting Rakhine's economy and regional stability.

C. Social Issues

1. **Humanitarian Restrictions and Civilian Hardships**

The Myanmar junta imposed severe restrictions, limiting food transport to villages along the Ann-Padan Road (May 3) and banning medicine sales in Padan to prevent supplies from reaching the Arakan Army (AA) (May 5). In Kyaukphyu, junta blockades caused food and livelihood shortages (May 12), while Gwa's returning displaced persons resorted to pounding rice for survival (May 12). These measures exacerbated civilian suffering amid the conflict.

2. **Violence Against Civilians and Vulnerable Groups**

A nine-year-old girl was sexually assaulted and brutally killed in Minbya on May 7, prompting eleven Rakhine civil society organizations to demand justice (May 11). Additionally, four young female cousins drowned in Rathedaung (May 22), and an elderly Daingnet man was killed by a wild elephant in Buthidaung (May 28). These incidents highlight the acute safety risks for women, children, and minorities in conflict zones.

3. **Health and Education Crises in AA-Controlled Areas**

The AA initiated healthcare training programs (May 3) and disease prevention efforts (May 18), but critical medicine shortages endangered immunodeficient patients (May 21). Pregnant women and children faced urgent vaccination needs (May 26). Displaced children lacked educational support (May 20), and junta-controlled towns like Sittwe planned school reopenings amid restrictions (May 23), underscoring the collapse of essential services.

General Overview

From May 2 to May 31, 2025, Rakhine State grappled with a deepening humanitarian and social crisis amid the ongoing conflict between the Arakan Army (AA) and the Myanmar junta. The junta's restrictions on food, medicine, and travel permits in areas like Sittwe, Ann, and Padan worsened civilian hardships, with water shortages in Ponnagyun and livelihood struggles in Gwa and Kyaukphyu. Violence against vulnerable groups, including the rape and murder of a young

girl in Minbya and drownings in Rathedaung, highlighted pervasive insecurity, particularly for women and children. Health and education systems faltered, with medicine shortages, vaccination gaps, and educational disruptions in AA-controlled areas, despite AA efforts to provide healthcare and infrastructure like bridges in Paletwa. Cultural events, such as a traditional boat race in an AA-controlled area, showed resilience, but rising drug use, looting in Sittwe, and natural disasters like earthquakes and boat sinkings in Paletwa compounded the crisis. The death of prominent politician U Hla Saw was a significant loss for Rakhine's political landscape.

D. Humanitarian Issue

1. Displacement and Resettlement Challenges

Over 1,300 households in Maungdaw's Shwezar village remained unable to return due to junta airstrike threats (May 2). Meanwhile, the Arakan Army (AA) resettled displaced persons from camps in Mrauk-U and Kyauktaw to their original villages (May 2). However, approximately 60% of Rakhine displaced population urgently needed shelter during the monsoon season (May 22), highlighting the scale of the humanitarian crisis.

2. Junta's Destruction of Homes in Sittwe

The Myanmar junta demolished civilian homes in Sittwe, announcing that residents could return only after the destruction (May 6). This action, coupled with ongoing restrictions, worsened displacement and insecurity, undermining efforts to stabilize the region and further eroding trust in junta governance.

3. Regional and International Complications

Bangladesh's military chief warned the UN against supporting Rakhine aid projects (May 23), and the Arakan People's Revolutionary Government stated it was not ready for Rohingya repatriation (May 24), complicating humanitarian efforts. In Kyaukphyu, Chinese workers abandoned projects due to escalating conflict (May 27), signaling the conflict's impact on foreign investments and regional stability.

General Overview

From May 2 to May 27, 2025, Rakhine State faced a worsening humanitarian crisis amid the ongoing conflict between the Arakan Army (AA) and the Myanmar junta. The junta's airstrike threats in Maungdaw and home demolitions in Sittwe prevented displaced persons from returning, while the AA's resettlement efforts in Mrauk-U and Kyauktaw provided limited relief. Approximately 60% of Rakhine displaced population urgently needed monsoon shelters. The AA expanded its influence, launching assaults in Ayeyarwady Division and recruiting staff for reconstruction, while cultural events like the ULA Cup Futsal Tournament in Japan showed diaspora resilience. However, regional tensions escalated as Bangladesh opposed aid initiatives and the Arakan People's Revolutionary Government delayed Rohingya repatriation. The abandonment of Chinese projects in Kyaukphyu underscored the conflict's economic toll, with displaced populations in Kyaukphyu and AA-controlled areas facing acute shelter and survival challenges.

About the Report

This report is part of the CAS's monthly series, which delves into four key areas of the state of Arakan. The first section addresses political concerns, including the armed revolution, junta activities, and issues of political freedom. The second examines the state's economic climate, focusing on rising prices, declining demand, foreign direct investment, and border trade. The third and fourth sections cover social and humanitarian issues, respectively; these include education, health, migration, and the internally displaced persons (IDP) population.

Key data in the report are sourced from local media outlets, such as DMG, Western News, among others. The aim of this report is to shed new light on the situation for observers endeavoring to comprehend the dynamics at play in the region.

About Center for Arakan Studies (CAS)

The Center is an independent, non-partisan research institution established in December 2021 by a group of young professionals, including journalists, political analysts, researchers, and social workers.

The Center aims to promote understanding of human rights, political, economic, and social dynamics in Arakan and related issues within Myanmar and beyond. Through rigorous research and reporting, the Center seeks to address the policy gaps with analysis and recommendations to support democratic change and collective solutions.

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