



SITUATION UPDATE

# Three Brotherhood Alliance Attacks SAC

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| October 2023 |

## Current Situation

On 27 October, the Myanmar National Democratic Alliance Army (MNDAA), the Ta'ang National Liberation Army (TNLA), and the Arakan Army (AA) — which together form the Three Brotherhood Alliance (3BA) — initiated attacks against the State Administration Council (SAC) in a major offensive that they have termed “Operation 1027”. Other armed actors, most notably the Mandalay People’s Defence Force (PDF) and the Bamar People’s Liberation Army (BPLA), also announced that they were taking part in the operation. The 3BA [said](#) that the goals of the operation included “combatting the widespread online gambling fraud that has plagued Myanmar” and “crack[ing] down on online gambling companies and the SAC, along with its associated militia groups, that have been involved in these operations”. In a prior statement, the MNDAA had also [called](#) on people to help it “eliminate the SAC” and “restore Shan State Special Region 1” (also known as the Kokang region). From 27 October, media reported that MNDAA and TNLA fighters were attacking SAC positions in Lashio (including its Northeast Command headquarters) and around other towns between Lashio and the Chinese border: Chinshwehaw, Muse, Kutkai, and Hseni. Similar reports emerged regarding towns between Lashio and central Myanmar: Hsipaw, Kyaukme, and Nawngkhio. As of 30 October, it appeared that the MNDAA had assumed control of Chinshwehaw, after reportedly [killing or detaining](#) all SAC and Border Guard Force (BGF) troops there. A local source told this analytical unit that the TNLA had also captured several SAC camps in Namhkan and Muse Townships. On 30 October, local media reported that the 3BA and other resistance actors had [overrun](#) at least 57 SAC camps in Northern Shan State.

In its statement, the 3BA also announced that the roads between Lashio — the largest city in Northern Shan State — and the border crossings at Muse and Chinshwehaw would be closed; on 27 October, China also [closed](#) its side of the border. Many of the subsequent attacks by 3BA and aligned resistance actors — and the SAC’s efforts to defend its positions with artillery, drones, and airstrikes — appear to have taken place around these towns and the roads between them. Sources told this analytical unit that the 3BA fighters had shut down movement along these stretches of road by announcing that they would treat any approaching vehicle as SAC-affiliated and fire upon it. Videos published since 27 October have appeared to [show](#) checkpoints on these roads — normally used by the SAC to control movement and extract payments — to be entirely deserted.

On 30 October, MNDAA forces reportedly [destroyed](#) a bridge in Hseni, making transport beyond that point on the highway impossible by car; they had already reportedly destroyed a bridge in Chinshwehaw, and barricaded the routes from Hseni to Kutkai and Chinshwehaw. Additionally, local sources reported to this analytical unit that on 27–28 October, men wearing Mandalay PDF uniforms were operating checkpoints near Nawngkhio and Ommakhah, on the main highway between Lashio and Pyin Oo Lwin. Northern Shan State residents said this was the first time they had seen checkpoints being run by PDFs, and that it was very unusual to see checkpoints abandoned by SAC troops.

This stretch of the road — from Lashio to Pyin Oo Lwin — was reportedly one of the last possible routes out of Lashio, but it is unclear whether this route is still passable. One source reported to this analytical unit that as of 28 October, it was still possible to arrange transportation from Lashio to Pyin Oo Lwin for 150,000 Myanmar Kyat (~ 71.50 USD) per vehicle. Sources told this analytical unit that many people were leaving Lashio, if they could afford to and could find a car, because fighting was likely to continue and it was not clear how easy it would be to get out later. However, a source told this analytical unit that since 29 October, the TNLA had been turning vehicles around in Kyaukme, leaving the Hsipaw–Namkham route as the most reliable exit.

As of 30 October, fighting continued in the vicinity of Lashio city. One resident told this analytical unit that neither they nor their parents had seen fighting to this degree in their lifetimes. Another said, “I have been here for over 60 years, and I am not the type of person who gets scared easily, but this time I am frightened.” Lashio residents reported frequent sounds of gunshots, shelling, and drones at night, near but not in Lashio. A Lashio resident told this analytical unit that many people in the urban area were locked down in their homes; meanwhile, another Lashio resident told this analytical unit that some shops remained open, suggesting that experiences may differ even from one neighbourhood to another.

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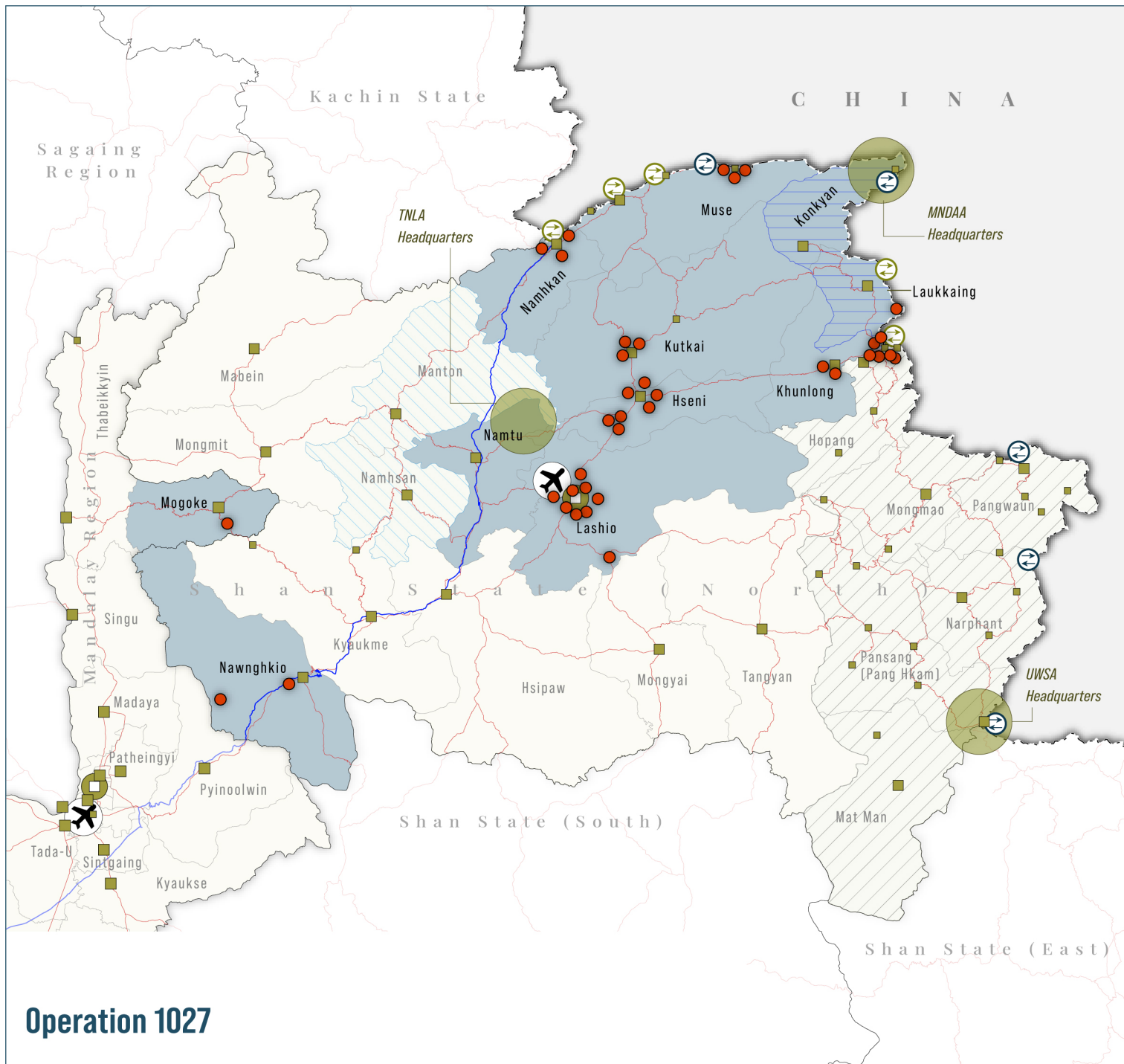


The most persistent fighting — primarily shelling and the use of drones — appeared to be concentrated around wards 9, 10, and 12, near the Lashio airport, and near the SAC Northeast Command headquarters in the northern part of the city. A person in Lashio told this analytical unit that civilians near the headquarters were ordered to evacuate, but did not know who gave the order. Photos purported to [show](#) SAC troops there using truck-mounted multiple rocket launcher systems ([MRLS](#)), and local sources told this analytical unit that the rockets were aimed at Chinshwehaw, Hseni, and other parts of Lashio Township. As of 30 October, it remained unclear whether 3BA forces intend to take Lashio permanently, or merely to attack the SAC there and then retreat, as they [had](#) in towns during a similar (but smaller-scale) offensive in 2019; on 28 October, 3BA forces reportedly overran Hseni, before [leaving](#) the next day.

Concurrently, in multiple other parts of Myanmar, ethnic armed organisations (EAOs) and resistance actors launched their own attacks on SAC forces — though in many cases it was unclear whether the attacks were directly related to Operation 1027. On 27 and 28 October, the Karen National Liberation Army (KNLA) launched attacks on the SAC in and around Karen State's [Kawkareik town](#) and Bago Region's [Kyaukkyi Township](#). The AA was reported as [assisting](#) PDFs in Sagaing Region's Tigyaing Township starting on 27 October. While news of the AA's involvement in Operation 1027 has been less frequent than that of the MNDAA and the TNLA, it has [reportedly](#) been heavily involved in fighting in the Kokang region, and a Lashio resident told this analytical unit that AA fighters were likely embedded with TNLA units conducting the operation in Namtu and Hseni Townships. Meanwhile, the Shan State Progress Party (SSPP) — yet another group based in Northern Shan State — did not appear to have gotten involved as of 30 October, and a local told this analytical unit that TNLA actions in Namhkan Township during the operation had begun to cause tension between the two groups.

## Neighbourhood Watch

Given China's long border with Shan State, its significant business investments in the area, and its known relations with EAOs operating in Northeast Myanmar, it is almost certain that Chinese authorities were aware of plans for this offensive, and it appears possible that Chinese authorities gave their approval to the 3BA for the offensive. Previous context projections for northeast Myanmar largely took as an assumption that China would use its influence over these actors to prevent a wide-scale escalation such as this, due to the security and economic implications that could arise from high levels of armed violence along its border. While there are no outward signs to suggest Chinese involvement in, or over support for, the current offensive, it is likely that EAOs would at least have been involved in conversations with China beforehand — and current developments suggest that, at minimum, Chinese authorities have chosen not to intervene. The possibility of China's tacit approval is further evidenced by the framing of the 3BA statement — particularly its claim that one aim of the offensive is “combatting the widespread online gambling fraud”. Numerous sources suggest that these scam centres operating along the border have been of growing concern to Chinese authorities, and that the SAC's apparent failure to control or contain these scam centres may have led to the current situation in which — they said — Chinese authorities may be looking to other actors to curb illicit activity along the border. While the SAC [sent](#) several hundred people — who it claimed were involved in scam operations — from Laukkaing to China following the start of Operation 1027, it may have been too little, too late.



# Operation 1027

## Northern Shan State and Mandalay Region

27 - 30 October, 2023

### Legend

- Clash between SAC and resistance forces
- Area with clashes between SAC and resistance actors since 27 October
- Headquarters of EAO
- State/Region capital
- Main town
- Minor town
- Airport
- Major road
- SAC Controlled Border Crossing or Border Trade Camp
- EAO Controlled Border Crossing or Border Trade Camp
- Kyaukpyu - China Gas Pipeline
- Palaung Self-Administered Zone
- Kokang Self-Administered Zone
- Wa Self-Administered Division
- Township boundary
- State and region boundary
- International boundary

The information on this map is sourced from both traditional media and social media such as Facebook. The information should not be considered comprehensive.

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## Background

The coup has seemingly created an accountability vacuum in Northern Shan State and allowed armed groups to jostle for greater areas of control and stronger positioning. Most notably, by early 2022 the SSPP and its allies pushed the Restoration Council of Shan State (RCSS) out of nearly all of Northern Shan State, some areas of which it had controlled for decades prior. Similarly, the TNLA has greatly [expanded](#) its reach since the coup, at times causing tensions (and fighting) with the SAC and other groups such as the Kachin Independence Army (KIA) and the SSPP. More recent fighting — notably in Muse, Kutkai, and Kyaukme Townships in the north and Laikha Township in the south — has intensified since early June 2023, with artillery fire and airstrikes causing harm to civilians and displacing hundreds more. Fighting between the TNLA and the SAC has escalated steadily since July, and a TNLA spokesperson [claimed](#) that there were 21 fights between the SAC and the TNLA in Muse and Kutkai townships in August.

While the KIA is not a member of the 3BA, it is the fourth member of the Northern Alliance (along with all 3BA members), and it too has fought with the SAC in Northern Shan State. The KIA has reportedly been fighting against the SAC in Northern Shan State [since June](#), and earlier this year it [urged](#) people to stay alert to security conditions as it planned to “destroy the SAC’s [political] plan” and fighting could escalate in 2023. On 19 October, joint KIA and MNDAA forces reportedly [overran](#) — at least temporarily — the SAC’s Nam Kut camp on Wein Lar mountain, in Monekoe Sub-Township, Muse Township. Between 9 and 24 October, the KIA reportedly [seized](#) at least four SAC bases in Kachin and Northern Shan States.

The four Northern Alliance members have reportedly [trained and armed](#) multiple PDFs that have arisen since the coup. Of particular note are the two participating in Operation 1027: the Mandalay PDF, which is rumoured to have received training from the TNLA and MNDAA, and which has been [fighting](#) alongside TNLA members against the SAC in Mandalay Region’s Mogoke, Singu, Madaya, and Thabeikkyin Townships in recent months; and the BPLA, which was formed in 2021 and [claims](#) to have received training from the AA.

In the Kokang region, high intensity fighting between the SAC and both the MNDAA and TNLA restarted on 2 June. Fighting between the TNLA and the MNDAA subsequently spread to Muse Township and Laukkaing Townships, where the SAC and allied Kokang BGF maintain significant illicit [business interests](#).

Fighting in the region in 2009 had led to the formation of the Kokang BGF — meaning a unit that kept its arms but was subsumed under the Myanmar military — and pushed out the MNDAA.

Several towns along Shan State’s border with China — including Laukkaing, Chinshwehaw, Pangkam, and Mongpak — have been [reported](#) as being hubs of illicit activity, including online scam operations that appear to rely on the forced labour of hundreds of thousands of victims of trafficking from Myanmar, China, and further afield. Laukkaing and Chinshwehaw have been under the control of the Kokang BGF, or Kokang militia, since a [schism](#) within Kokang forces in 2009, while Pangkam and Mongpak are under the control of the United Wa State Army (UWSA). These operations are understood to be run in part by Chinese nationals and to be approved or allowed by the non-state actors controlling the territory in which they operate. A public outcry in China, prompted by the large numbers of Chinese victims of cyberscams or Chinese nationals being trafficked into Myanmar, seems to have increased pressure on Chinese authorities to seek solutions and reduce the harm incurred by these operations to Chinese citizens. In September, the UWSA reportedly [sent](#) over 1,000 people allegedly involved in the industry to Chinese authorities.

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## Impact

Fighting since 27 October has had an immediate impact on civilians living in Northern Shan State, and violence appears to be driving new displacement. On 29 October, a local source [reported](#) that at least 9,410 people in Northern Shan State had been displaced as a consequence of Operation 1027. A UNOCHA report released on 30 October [estimated](#) displacement at 6,200, while an expert speaking to this analytical unit the same day said that the number was likely closer to 15,000–20,000 throughout Northern Shan State. While exact numbers are difficult to ascertain, in part due to the shutdown of some communication networks, displacement should be considered high and likely to rise further. Phone and internet access has reportedly differed by location. Lashio residents told this analytical unit that they still had access to mobile data, while those in Chinshwehaw have reportedly been cut off, at least temporarily. At the same time, more rural villages along the Chinese border may be able to access cell signals from China. Amid the rising displacement, shelling not only poses an immediate danger to residents of targeted villages, but also threatens those living or passing through the area as explosive contamination increases. All forms of movement are becoming increasingly dangerous.

Closures of roads between, entrances to, and exits from towns have made it more difficult and dangerous for civilians to flee from violence, and for responders to reach affected communities. A local source told this analytical unit that barriers to movement have prevented local responders from reaching more remote IDP camps, not only to deliver food but also to assess needs; residents of those camps may already be facing food shortages. Barriers to movement have also prevented access to healthcare for people injured by fighting. On 29 October, a local told this analytical unit about two monks injured by an explosion, who locals had to carry while swimming across the Namtu River to get medical help.

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## Forecast

Fighting is likely to persist in Northern Shan State. As frequently seen, the SAC will likely respond to ground fighting — especially when accompanied by loss of territory or positions — by launching airstrikes. The TNLA and MNDAA may begin to align more openly with the National Unity Government (NUG) and strengthen their support of PDFs within their territories, using them to bolster their own troops and bridge supply lines into northwest Myanmar, in turn increasing their ability to attack SAC positions. Fighting between the MNDAA and SAC would likely remain the most intense in the Kokang region, where the MNDAA has a particular interest in regaining control from the SAC and aligned actors; fighting there would be fiercest around towns that host scam centres and/or border crossings, including Laukaing and Chinshwehaw. Pressure is likely to remain high in Lashio, with frequent small-scale attacks on the SAC's Northeast Command and other positions, but the situation there is likely to devolve into urban fighting. Violence between the SAC (and aligned groups) and resistance actors should be expected to take place repeatedly along transportation routes that connect to urban areas and border towns that represent key financial interests. Ongoing fighting is also likely to inflame long-standing tensions between EAOs and resistance actors, to some degree, possibly leading to more violence in this fractured landscape.

Instability in the region will likely affect movement and trade in the short to medium term. As EAOs and the SAC continue to vie for territorial control along major roadways, movement and transport may be throttled by either overt restrictions or the insecurity that comes from contested control. The closures of the border crossings with China (on both sides) are likely to affect livelihoods as well, by restricting trade — and impacting thousands of migrant workers from Myanmar who regularly cross the border to work in China. While this analytical unit has seen no reporting of food shortages in larger towns, a local told this analytical unit that if the fighting continued through this week there would likely be scarcity issues because of the road closures.

There is some possibility that Operation 1027 could lead to fighting elsewhere in Myanmar. While the MNDAA, TNLA, and AA were the only names attached to the 27 October statement, sources told this analytical unit that the operation was likely also approved by the so-called “K3C” [alliance], meaning Karen, Karenni, Kachin, and Chin actors. If true, this could mean that EAOs in those states plan to launch attacks in parallel in the coming days,



either as part of a larger plan or merely taking advantage of perceived weakness and/or distraction on the part of the SAC. Separately, fighting could intensify in Sagaing, Magway, and Mandalay Regions, already sites of high levels of armed violence. Again, this could be opportunism, or it could be a result of cooperation; simultaneous attacks in multiple parts of Myanmar could be perceived as benefitting all actors opposing the SAC.

There could also be a resurgence of fighting in Rakhine State. While the AA has not declared that it plans to fight the SAC again there, and the “humanitarian pause” remains in place, it is ostensibly involved in Operation 1027, in both [Shan State](#) and [Sagaing Region](#). This could have ramifications for its relations with the SAC in western Myanmar, particularly in light of building tensions there between the two actors (as explored in a recent [Situation Update](#)).

Although one of the stated motives of Operation 1027 is shutting down online scam centres, it is unlikely that the operation will fully put an end to these enterprises. These are lucrative enterprises, of potential value to groups that likely need business or investment profits — in addition to the ‘taxation’ of locals — in order to fund their operations. While the offensive could curtail activity in the short term, at least in Chinshwehaw and Laukaing, it is also possible that this could be followed by a resurgence down the line. It is also possible that pressure from Chinese authorities could simply push online scamming enterprises to shift their targets away from Chinese nationals, in order for EAOs to maintain better relations with China.

## Response Implications

EAOs are likely to emerge from this operation with greater territorial control — though it remains unclear to what extent, and how territory will be delineated between each actor. Meanwhile, the SAC is likely to emerge from this operation with severely diminished capacity in Shan State; local SAC governance systems already appear to have collapsed in many locations. While some governance and administrative functions may collapse, key services such as health and education may be replaced in part by EAOs or other alternative structures. Shifting areas of influence between armed actors could create significant challenges for communities, which would suddenly need to navigate relationships with new armed actors at the same time that many of their safeguards have disappeared. International responders’ engagement with EAOs and assistance to local groups trying to navigate this fluid situation could improve EAOs’ compliance with international standards and help local partners to mitigate at least some of these challenges.

Ongoing, high levels of armed violence can be expected to continue driving up displacement numbers — as well as the needs of affected communities — and heighten challenges related to food, healthcare, livelihoods, and education. At the same time, transportation difficulties related to security and restrictions would heighten access challenges. As barriers to movement make trade and transport more difficult, prices are likely to rise, making food items and commodities less accessible for affected communities and compounding humanitarian needs.

As fighting, tensions, and instability persist, the importance of local response actors is only likely to increase. International agencies have struggled to directly access many parts of Myanmar since the coup, including parts of Northern Shan State; space may constrict further as a result of the offensive. According to a source in Lashio, one international organisation has asked all local staff to work from home and moved all international staff into a hotel. While some of the impact of shrinking humanitarian space has been mitigated through partnership with local actors, these local responders likewise face rising challenges. Security concerns and rising costs may make it yet more challenging for local responders to get quotes for procurement and receipts for expenses, but local procurement may be among the only possibilities. The need for local responders to address increased needs while simultaneously facing greater barriers means that they will need further assistance from their international counterparts.

Finally, the actual closure of cyberscam centres in Myanmar could result in a scenario where hundreds, or even thousands, of highly traumatised victims of human trafficking from around the world are released. While a full scale closure is unlikely, even a reduction in the scale of the illegal enterprises on the border could expose a large number of people with urgent needs. On 28 August, the UN said that at least 120,000 people in Myanmar may currently “be held in situations where they are forced to carry out online scams”, with many “subjected to torture and cruel, inhuman and degrading treatment or punishment, arbitrary detention, sexual violence, forced labour, and other human rights abuses”. Furthermore, while the 27 October statement only mentioned the intent to tackle online scam operations, multiple sources have reported that the same locations where these exist also host other illicit businesses that may involve human trafficking. Accordingly, if Operation 1027 results in the dismantling of hubs of illicit activity in Northern Shan State, it could affect thousands of trafficking victims, who need assistance in being repatriated (or returned to their homes elsewhere in Myanmar), finding support services, and potentially seeking recourse for crimes perpetrated against them.

## Key Recommendations

- 1. Anticipate sustained fighting and rising humanitarian needs.** International responders should closely monitor contextual developments and consult frequently with local staff and partners to ensure conflict sensitivity best practices are continuously adapted to the shifting realities on the ground, and support local partners and other civil society actors in navigating the security concerns and pressures that arise from shifting areas of EAO control. With displacement likely to increase rapidly, responders should be prepared to respond to sporadic and cyclical displacement with the understanding that durable solutions remain out of reach.
- 2. Work through local partnerships to mitigate access constraints.** International responders should continue collaborating with local civil society to the utmost degree and enhance these relationships to address access challenges, such as disruptions to travel and transportation due to restrictions, armed violence, and inadequate infrastructure. Responders should support local partners in handling security risks and minimise risk transfer whenever feasible.
- 3. Ensure that local partners possess the necessary tools, resources, and flexibility to support affected communities.** International responders should incorporate flexibility into emergency programming, enabling local partners to swiftly adapt programmes to address urgent needs or capitalise on emerging opportunities. Donors and international agencies should expand cash-based programmes to counter the escalating costs of goods and the disruption of livelihoods, ensuring efficacy and adaptability in rapidly changing contexts. Donors should expedite emergency funding and minimise administrative burdens to channel funds efficiently to local responders best positioned to address the situation on the ground.
- 4. Prepare for a situation in which EAOs gain and compete for greater territorial control.** Alongside increasing their own engagement with EAOs, international responders should invest in building civil society and strengthening lines of communication between CSOs, HRDs, and EAOs so that community voices may be better represented and considered by armed actors. International responders should also support civilian protection actors to increase capacity to successfully engage and build relationships with EAOs.
- 5. Find solutions for trafficking victims.** Donors should proactively mobilise funds to seize any opportunity to assist in the extraction of trafficking victims. Agencies must collaborate with regional authorities to facilitate the timely repatriation of victims, ensuring they receive necessary medical and mental health support while in transit countries. Local and international organisations in Myanmar should establish a referral system with NGOs in major countries of origin, to ensure victims receive the necessary long-term services for their support and rehabilitation.



