

Myanmar Earthquake – Impact & Supply Chain Overview



March 28, 2025

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● Executive Summary

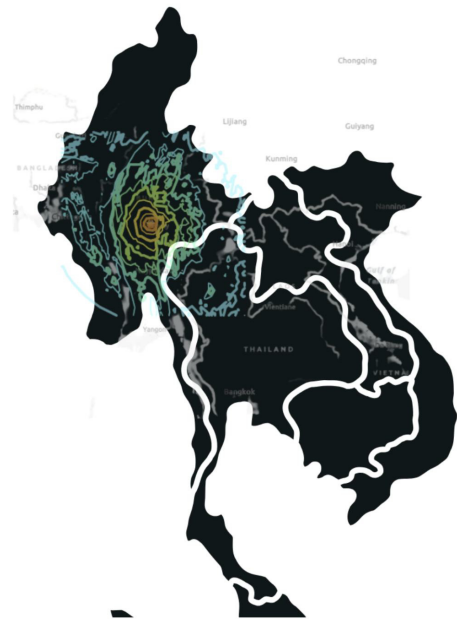
A powerful **magnitude 7.7** earthquake struck central Myanmar on **March 28, 2025**, with the **Sagaing–Mandalay region** bearing the brunt of the impact. A 6.4 aftershock followed, intensifying structural damage. Initial reports confirm **20–26 fatalities**, with further casualties expected as assessments continue.

Key infrastructure was severely affected, including the **collapse of the Sagaing (Ava) Bridge**, disrupting both road and rail transport. Widespread **power and telecommunications outages** persist in the region, complicating emergency response and logistics.

Regional Impact Highlights:

- **Thailand:** Strong tremors in **Bangkok** caused the **collapse of a 30-story building** and metro disruptions. The event triggered **temporary panic on financial markets**. **Northern Thailand** experienced tremors but no major damage.
- **China (Yunnan Province):** Structural damage and injuries were reported in **Ruili**, a key cross-border trade hub. Border operations with Myanmar were briefly suspended. Tremors were also felt in **Kunming** and other nearby cities.
- **Other Countries:** **India, Bangladesh, Vietnam, and Laos** experienced light tremors but reported **no significant damage**.

This event presents **significant near-term disruption** to transport, cross-border trade, and critical infrastructure in Myanmar and surrounding regions. Further ripple effects are expected across regional supply chains.



1. Logistic Infrastructure

Mandalay–Yangon Highway:

Cracked sections, trucking delays.

Rail Lines:

Cut north of Mandalay due to the damaged Sagaing bridge.

Ports:

Yangon Port intact but could face cargo backlogs due to inland transport slowdowns.

Airports:

Mandalay briefly closed for inspection; now operating with caution.

Oil & Gas Pipeline:

The China–Myanmar oil and gas pipeline passes near the quake zone; while no damage was reported, it was likely **temporarily shut down for inspection**, raising short-term supply and revenue concerns.

Power Grid:

Damage to central Myanmar’s power infrastructure, including **hydropower assets like the Yeywa Dam**, may lead to extended blackouts, delaying industrial restart.

2. Industries & Raw Materials – Key Impacts

Mining & Minerals

- **Copper:** Letpadaung mine near Monywa possibly halted; regional copper supply to China may tighten.
- **Tin & Rare Earths:** Main mines in northeast Myanmar not physically damaged. Border logistics (Muse–Ruili) are at risk of delays, impacting high-tech and electronics industries in China, and by extension, the US/EU.
- **Gemstones & Jade:** Mandalay’s gem market damaged; short-term disruption may raise global jade/ruby prices (affecting luxury goods, jewellery sectors).

Agriculture

- Rice, pulses, and beans exports to India and beyond slowed by road closures and power outages. Potential short-term price hikes in the Indian market if supply is delayed.

Textiles & Apparel

- Garment factories in Mandalay may pause due to structural checks and electricity loss, causing order delays for Western retailers.

Luxury Timber (Teak):

- Exports slowed by transport disruption, possibly raising teak prices for yacht builders and high-end furniture in the EU/US.

3. Downstream Ripple Effects

Industry	Regions at Risk	Risks & Potential Impact
Rare Earth Metals	US, EU, Japan (tech/EV sectors)	Reduced export flows → possible production delays
Tin (Solder)	Global electronics (via China)	Transport bottlenecks → short electronics supply chain disruptions
Copper	Chinese smelters, global buyers	Mine halts → modest global price hikes, shortfalls in EV wiring
Apparel (Garments)	EU, US fashion importers	Factory downtime → missed shipping windows, potential sourcing shift
Jade & Rubies (Luxury)	Jewellery markets (global)	Higher gem prices due to Mandalay market damage, logistic delays
Agricultural Exports (Pulses)	India, ASEAN markets	Road disruption → short-term shortages, local price volatility
Teak Wood	High-end furniture & yachts (EU/US)	Supply constraints → higher costs, risk of alternative sourcing

4. Logistics & Infrastructure Outlook

Roads: Expect temporary fixes to major highways within weeks; full restoration may take months.

Rail: With the main rail bridge down, bulk freight north of Mandalay is suspended indefinitely.

Ports: Yangon remains open, but congested due to reduced inland cargo movement.

Borders:

Thailand (Myawaddy/Mae Sot): mostly unaffected, so cross-border trade continues.

China (Muse/Ruili): slowed for quake inspections; watch for further disruptions if aftershocks trigger road slides.

India (Tamu): roads possibly damaged in hilly terrain, minor border trade volume likely stalled.

Alternative Routes: Increased pressure may fall on overland routes through **Thailand**, or maritime detours, if central Myanmar's transport system remains impaired. Long-term **rerouting scenarios** should be evaluated for resilience.

5. Short-Term (0–3 Months)

- **Immediate Relief & Stabilization:** Damaged roads, bridges, and power lines hamper normal industrial output.
 - **Production & Shipping Delays:** Mines, factories, and export flows likely disrupted until structural checks are complete and power is restored.
 - **Price & Supply Volatility:** Markets watching for dips in copper, tin, rare earth, and agricultural exports from Myanmar.
 - **Higher Transport Costs:** Detours and damaged infrastructure push up trucking rates, lengthen lead times.
 - **Conflict & Security Risks:** **Parts of Sagaing** are active conflict zones; military focus on earthquake response may strain control or complicate aid delivery, further affecting stability and logistics.
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Conclusion

The March 28 earthquake dealt a severe blow to Myanmar's central logistics corridors and key mining areas, with notable aftershocks in Thailand (Bangkok building collapse) and southwestern China (Ruili border disruption). Industries reliant on Myanmar's minerals (rare earths, tin, copper), apparel, or luxury commodities (gems, teak) should prepare for near-term supply delays and possible price volatility.

Over the coming months, reconstruction will gradually restore infrastructure, but many companies may opt to broaden sourcing or adopt new logistics routes to mitigate ongoing risk.