



Press Release

For Immediate Release

Development on the Mekong River Risks Entire Region's Economy: WWF Report

10 November, 2016, Bangkok – Economic growth in the Greater Mekong region depends on the Mekong River, but unsustainable and uncoordinated development is pushing the river system to the brink, a new report from WWF finds. Governments, businesses, and communities in the region must come together to better manage the river in a way that respects the ecosystem's limits if economic growth is to continue.

WWF's [Mekong River in the Economy](#) report explores the critical role of the river in the economy, highlighting important risks and opportunities for each country and key business sectors. The Mekong underpins everything from agriculture and fisheries to energy production and manufacturing, and its natural resources provide huge economic value - its fisheries alone are valued at \$17 billion a year¹. All economic activity in the region is directly or indirectly linked to the river and therefore vulnerable to any negative changes to the river.

"Water is liquid capital and it flows through the economy just as much as it does through our rivers and lakes," says Stuart Orr, Leader of the WWF Water Practice. "Water underpins our agricultural systems, our energy production, manufacturing, ecosystems, food security and our wellbeing as humans."

The [Mekong's](#) rich natural resources have contributed to an average 5 – 8 percent economic growth rate in the region, which is currently undergoing a construction and urbanisation boom: by 2050, 50 percent of the Greater Mekong subregion is expected to be urbanised.

Development projects in the Lower Mekong River basin (Cambodia, Laos, Thailand and Vietnam) such as hydropower dams, in-channel sand mining and irrigation are intended to harness the Mekong's natural resources for further economic growth. However, if their cumulative impacts are not carefully considered, they could instead undermine the very basis of the economy and their impacts will be felt for decades to come.

"Governments, companies and communities in the Mekong region must come together to develop joint solutions to water governance challenges," Orr adds. "These challenges are difficult but not unsolvable. Mekong decision makers can draw on good examples from around the world of using public-private partnerships and financial innovation to effectively conserve natural resources for everyone's benefit."

According to the report, economic development is putting a strain on the very river system that sustains it:

- Sand mining to fuel the construction boom is altering the river's sediment flows, changing the shape of the river bed and causing wide-spread erosion. This threatens communities and infrastructure along collapsing riverbanks and

¹ [Catch and Culture](#): A publication from the MRC Volume 21, No 3 Dec 2015 (ISSN 0859-290X)



causes the delta to subside and its coastline to erode, making it more vulnerable to damaging floods, worsens salinization of land and access to freshwater.

- Hydropower dam development further alters sediment flows and threatens the fish migration that makes the Mekong the world's most productive inland fishery, providing affordable protein to millions of people and contributing nearly 12% of Cambodia's GDP and 7% of Laos'.
- The agriculture losses from water shortages and, in Vietnam, saltwater intrusion into fertile fields, have diminished GDP in several countries. If food prices rise, it would also affect cost of living and labour costs, compromising one of the region's key economic advantages.

"Twenty years ago, the Mekong was one of the last large healthy tropical systems," says Marc Goichot, WWF-Greater Mekong Water Lead. "Today, water quality is degrading fast, last year's drought was the worst on record, floods are more frequent, fish catches are declining and the entire riverbed and river bank are eroding. Meanwhile, the Mekong delta is literally sinking and shrinking. All of this is pushing more freshwater species such as river dolphins to the brink of extinction, while also causing serious limitations to economic growth."

In order to sustain economic growth, the private sector must come together with governments' economic and finance planners to better manage the river's resources across sectors and national borders, the report authors say. There is a wealth of scientific assessments available that could guide better economic decisions and financial investments, but often these go unseen by the relevant planners. The Mekong River in the Economy report connects the dots between the public and private sectors to create a more complete vision of the Mekong and the risks and opportunities it faces.

The report goes on to propose concrete steps and policies to improve river governance and sustainable resource use. These include economic incentives to use resources more sustainably, such as taxes, subsidies, tradable permits or compliance offsets. The business sector can coordinate and engage in water governance through a corporate water stewardship platform. Development agencies, donors and direct foreign investors can support policies that encourage systemic, integrated economic planning and private sector engagement.

"Too often, economic development planners and water resource planners operate in isolation. They may not realise how dependant they are on the Mekong River, or how they affect the ecosystem and other economic sectors," Goichot adds. "Without seeing this big picture, they may not measure all the risks that poor management of the Mekong poses to their ventures and opportunities to overcome them. We need to understand all the benefits the Mekong River provides and make sure everyone has a voice in water governance, so together we can conserve the ecosystem that underpins the economy and ensure a prosperous future for all."

The Mekong River in the Economy Report

Report executive summary, full report and graphics available here:

<http://bit.ly/2fTv1qD>

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