

Korean, Indian firms urged to withdraw from Myanmar

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BANGKOK (Reuters) - Myanmar activists urged a Korean-Indian consortium on Wednesday to quit an offshore gas project they fear could lead to human rights abuses and prop up the military junta with billions of dollars in royalties.

Shwe Gas Movement, a group of exiles in Bangladesh, India and Thailand, called on the venture led by Daewoo International to stop dealing with the junta until it ends more than 40 years of army diktat in the former Burma.

In a report titled "Supply and Command", the group said the \$12 billion earned from royalties and taxes on gas sales, mainly to China and India, would help entrench a regime hit by Western sanctions over its human rights record and the detention of democracy icon Aung San Suu Kyi.

It also feared a repeat of abuses like the use of forced labour by military units assigned to guard other energy projects.

"Companies -- and their shareholders -- doing business with the SPDC on the Shwe gas project will be complicit in any acts of violence carried out by soldiers working on the Shwe project," it said, referring to the junta known as the State Peace and Development Council (SPDC).

Asian firms have filled the investment vacuum left by European and U.S. firms pressured to withdraw from Myanmar.

But in a region where most governments oppose Western efforts to isolate Myanmar, activists have found it more difficult to shame firms from Southeast Asia, China and India from doing business with the junta.

A Daewoo official said the consortium would not withdraw.

"Our position is that it's not the right time to discuss a human rights abuse issue because we are still at a stage of exploring the gas field and have yet to begin development," the official said in Seoul.

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Since the discovery of a major deposit in late 2003, the Korean-Indian joint venture has been exploring gas fields off the western coast of Arakan and Chin states.

The Shwe A-1 wells are expected to become one of the largest gas fields in Southeast Asia, the report said, adding that gas from the Yadana and Yetagun fields is currently the country's largest source of legal export revenue, earning \$8 billion in net income over 20 years.

"Experience from the infamous Yadana and Yetagun gas pipelines provides evidence that the Shwe project will lead to an increased Burma Army presence in the area, forced relocation of villagers, land confiscation and slave labour," the report said.

France's Total and Unocal Corp, now under ChevronTexaco Corp -- agreed in recent years to settle lawsuits over labour disputes and human rights abuses filed by villagers living near the Yadana project in eastern Myanmar.

The villagers had accused the companies of turning a blind eye to abuses by the Myanmar army which guarded the project. The firms denied the allegations but agreed to provide funds for housing, healthcare and education in the pipeline region.

The report said the Yangon government would likely spend its Shwe gas windfall on new military equipment rather than improve the lives of ordinary people.

"The hopes of many people in Burma for democratic change will be dealt a serious blow by the gas project if it goes ahead," said Shwe Gas Movement spokesman Wong Aung.

Myanmar officials were not available to comment.

Daewoo operates and owns 60 percent of the gigantic A-1 block while India's Oil and Natural Gas Corp has a 20 percent stake and marketing firm Gas Authority of India Ltd and Korea Gas Corp have 10 percent each.