China to Start Building Shwe Gas Pipeline in Sept Despite Concerns over Rights Abuses

June 27, 2009 (SGB)

Chinese media reported in the beginning of June that China will start building US$ 2.5 billion oil and gas pipelines across Burma in September of this year. The pipelines will be used in part in an attempt to reduce China’s dependence on energy supplies transported through the Straits of Malacca.

“The section of the pipelines in Myanmar (Burma) will be built under the name of CNPC but whether CNPC or PetroChina undertakes the construction of the domestic section has not been decided,” the China Securities Journal reported, citing an unnamed CNPC official.

According to earlier media reports the two pipelines, an estimated US$1.04 billion gas pipeline (Shwe Gas Pipeline) and a US$1.5 billion oil pipeline, will start from Kyauk Phyu Township in western Burma’s Arakan State and travel through central Burma to Kunming, capital of southwestern China’s Yunnan province.

The 2,380 km Shwe Gas pipeline, with a transportation capacity of 12 billion cubic metres per year, will transfer gas from the offshore Shwe Gas reserves. The reserves are estimated at around 4.53 to 7.74 trillion cubic metres.

Big Oil Companies Fuel Oppression in Burma

The IMF has stated that Than Shwe’s regime is not using oil and gas revenues for Burma’s education and health sectors. Burma watchers note that the regime uses the money for building a new Capital, digging mysterious tunnels, and purchasing weapons. Activists argue that oil companies fuel the regime’s oppression. Oil and gas revenues are the largest income source for Burma’s regime. Despite the misuse of revenues and the human rights and environmental abuses often associated with projects, big oil companies from around the world still remain in Burma.
China Deepens Burma Relationship

While many countries and prominent world leaders call for the release of democracy leader Aung San Suu Kyi and all political prisoners, the relationship between China and Burma’s military junta has grown stronger than ever. During Vice Senior General Maung Aye’s visit to Beijing in June, the countries signed several new cooperative agreements. This comes at a time when countries around the world have increased sanctions on Burma, expressing concern over the military regime’s farcical trial of Aung San Suu Kyi and several decades of brutal oppression of its ethnic peoples.

During General Maung Aye’s visit to China, the two countries signed agreements on economic and technical cooperation, hydropower development, and a China-Burma crude oil pipeline. Chinese Vice President Xi Jinping stated during the meeting that whatever it may be, China is always a good friend of Burma and will uphold its fair interests. He also said that the two countries should implement ongoing projects to boost their economies.

However, supporting the military regime economically and politically means blocking the desire of over 50 million Burmese people for real change and democracy. People of Burma are now demanding an end to new investment and economic cooperation with the unelected and suppressive military regime.

Investment in capital intensive projects only enriches the military regime and does not provide any development for the country’s people. The regime squanders the revenue building its new jungle Capital and buying military weapons from China, Russia, and North Korea. The military regime currently earns more than US$ 1 billion annually from gas exports to Thailand. Though gas exports have been ongoing for almost a decade, the country’s economic situation is still deteriorating, making Burma one of the poorest countries in the region.

By signing agreements with Burma’s military regime, China will finally be able to create a secure energy import route. According to reported details of MoUs, China will build an oil pipeline from western Burma, which sits on the Bay of Bengal, to its landlocked Yunnan Province. The pipeline will provide secure transport for about 80 percent of China’s crude oil imports from Africa and the Middle East, avoiding the narrow, pirate infested Straits of Malacca. Choosing its ally over India, Burma’s junta also awarded China contracts for the purchase of the Shwe Gas, as well as a second pipeline that will run alongside the oil pipeline and pipe gas to China for 30 years.

In return, Burma’s military regime will likely expect consistent economic and political support from China in the face of international pressure. The military regime will collect a US$ 150 million annual transit fee for the oil pipeline and over US$ 2 billion in annual revenues from the sale of the Shwe Gas starting in 2012.

However, these incoming revenues are not seen as crucial for the needs of the people, as the military regime has more than a few unfinished projects such as building its jungle Capital and a new nuclear reactor. The people of Burma will face increased forced relocation, forced labor, and other human rights abuses when China begins constructing the oil and gas pipelines in September of this year. Burma has no rule of law nor protections for human rights and the environment.

The people’s anger against the military regime is now at a boiling point in Burma. The arrest of Aung San Suu Kyi and continued economic and political instability could lead the people at any time to come out into the streets against military rule like in the 2007 and 1988 national movements.

Aung San Suu Kyi has said that any business deals with the current military regime will not be legalized when a democratic government comes to power.
June 15, 2009 (DVB)

Conflicts of interest within the Korean government have led to it rejecting allegations of human rights abuses connected to Korean-backed natural gas projects in Burma, according to a report released today.

Still in construction, the Shwe Gas project, which will pump Burma’s vast natural gas supplies to China, has been linked with cases of forced relocation of civilians and land confiscation.

Korean corporation Daewoo International part- operates the project, and in 2001 formed an international consortium which includes the state-run Korean Gas Corporation (KOGAS) to develop the Bay of Bengal gas field.

Advocacy group EarthRights International (ERI) and campaign group Shwe Gas Movement (SGM), supported by Korea’s two largest labour unions, last year filed a complaint to the Korean government regarding the pipeline.

The complaint alleged that Daewoo and KOGAS “failed to practice due diligence to prevent negative human rights and environmental impacts of the Shwe Project”, and that the project failed to respect international humanitarian law.

Furthermore it alleged that the companies violated guidelines for multinational organisations set out by the Organisation for Economic Cooperation and Development (OECD), which advises governments on business and economic development.

ERI today released a report citing “inherent conflicts of interest within the Korean government” that pushed it to reject the complaint.

“The ministry tasked with receiving OECD complaints is the same ministry tasked with promoting overseas energy development projects and the same ministry that provided Daewoo a sizable loan to proceed with the controversial Shwe Project,” ERI said.

“The Korean government sided completely and uncritically with Daewoo International and KOGAS on every aspect of the complaint.”

Matthew Smith, Burma Project coordinator at ERI, said that despite the conflict of interest, ERI were still surprised at the rejection of the complaint.

“There are certain elements of the Korean government that do have an interest evidently in promoting business over concern for human rights abuses and other elements of the OECD guidelines, [such as] sustainable development and environmental protection,” he said.

An official from the Korean government’s oil and gas ministry said that he was aware of Burma’s human rights problems, but that he personally thought Korea approached countries with only “a business mind” regarding foreign investment, adding that it “costs a lot of money” to investigate human rights abuses abroad.

ERI called for the Burmese government to include affected people living in the vicinity of the pipeline in the decision-making process, and called on the OECD to fill the gap created by the Korean government’s inaction.

Reporting by Francis Wade
Myanmar’s Trade Ties Let Junta Ignore Democracy Calls

By Daniel Ten Kate

June 5 (Bloomberg) — Myanmar’s growing trade ties with Thailand and China, driven by natural-gas sales, are allowing the military to ignore international calls to free opposition leader Aung San Suu Kyi and return the country to democracy.

Myanmar’s junta has used Asia’s seventh-largest natural gas reservoir to increase foreign currency reserves four-fold to $3.6 billion, a return that will grow as daily output is forecast to double by 2015.

The sales and new trading partners are giving Myanmar a financial cushion, rendering ineffective economic sanctions imposed by the U.S. and European Union designed to press the junta to introduce democratic changes and drop charges against Suu Kyi that could result in a five-year prison sentence in the country formerly known as Burma.

“Outside influence on the regime’s calculations is minimal,” said Thant Myint-U, a former United Nations official and author of “The River of Lost Footsteps: A Personal History of Burma.” The regime “is arguably in a stronger financial position than ever before,” mostly because of its gas sales.

Myanmar’s exports to the U.S. and European Union amounted to less than 7 percent of total trade in 2007, according to EU data. The country also receives less humanitarian aid than 38 so-called fragile states identified by the Organization for Economic Cooperation and Development.

Economic Growth

The junta says Myanmar’s annual economic growth was more than 10 percent from 1999 to 2007, with gross domestic product quadrupling in U.S. dollar terms to $383.3 billion. The figures haven’t been verified by the International Monetary Fund.

Non-official estimates say the figure is about half that, the Asian Development Bank said in its 2009 outlook.

The country has capitalized on providing gas to energy-hungry neighbors Thailand and China. Exports to Thailand have more than tripled since 2003 to $3.3 billion in 2008 thanks to natural gas, which accounts for 92 percent of shipments. Thailand buys about 30 percent of its gas from Myanmar. About two-thirds of Thailand’s electricity comes from domestic gas supplies and those from its neighbor.

China plans to start construction of oil and gas pipelines through Myanmar that will allow it to access Middle Eastern crude without passing through the Malacca Straits. A group led by South Korea’s Daewoo International Corp. signed an agreement in December to sell gas from Myanmar to China National Petroleum Corp., the country’s biggest oil company, for 30 years.

On Trial

The junta last month put Suu Kyi, 63, on trial for breaching her detention order. Pro-democracy supporters say the generals are looking for a legal pretext to keep her out of elections in 2010, the first since her National League for Democracy party won a 1990 ballot that the military rejected.

The trial was adjourned today until June 12 while a higher court hears an appeal by the defense to allow three witnesses to testify, the Associated Press reported, citing Nyan Win, one of Suu Kyi’s lawyers.

Suu Kyi was charged with breaching her house arrest order after an American man swam uninvited to her house in early May. The Nobel laureate has spent 13 years in detention since the NLD won the 1990 elections.

President Barack Obama called Suu Kyi’s case a “show trial” and demanded the regime release her immediately. The United Nations Security Council called for her release and “genuine dialogue” to achieve national reconciliation.

Internal Affair

China said the trial is an internal affair. It “involves the internal judicial procedures of Myanmar, whose judicial sovereignty and independence should be respected,” Ma Zhaoxu, a Foreign Ministry spokesman, told reporters on
Asean’s Burma Burden
Sanctions can help bring down the junta.


According to the new charter of the Association of Southeast Asian Nations, member states are required to act in accordance with certain principles: the rule of law, good governance, democracy, constitutional government, respect for fundamental freedoms, protection of human rights and the promotion of social justice.

By anyone’s measure, the military government of Burma, which has been a member of Asean since 1997, has failed in these responsibilities. The farcical trial of opposition leader Aung San Suu Kyi is only the latest incident in a long history of violence, corruption, ineptitude and complete disregard for the lives and rights of Burma’s citizens.

Asean member states, especially Indonesia, must assume a leadership role in putting pressure on the Burma regime with strict and targeted sanctions. Asean members are in a prime position to cut the junta’s financial lifeline. Thailand, Singapore, Malaysia, Indonesia and Vietnam are among the junta’s top trading partners. Thailand alone purchases more than 44% of Burma’s exports each year. Sanctions by Asean member states would deprive Burma’s generals of a large portion of the more than $11 billion they earn from foreign trade annually.

Ms. Suu Kyi and members of Burma’s democracy movement have repeatedly called for international sanctions on the junta. If the people of Burma, who suffer daily under the junta, are asking us to do so to help them, why are we not listening? The United States and the European Union have extensive sanctions in place, but their effectiveness is limited because neither the U.S. nor the EU ranks among Burma’s top trading partners.

Some Asean members argue that sanctions would only hurt the Burmese people, who are already among the poorest in Southeast Asia. But that is not the case: Export revenues, particularly from natural gas, have created enormous budget surpluses over the last five years. But much of this goes toward the personal enrichment of the generals and their cronies, or toward ill-conceived large-scale projects. The construction in 2005 of a brand new administrative capital in Naypyidaw is but one example of the junta’s incompetent and erratic use of state funds.

While the generals relish life in their new capital, the rest of Burma’s citizens languish in poverty. The junta spends just 1.4% of GDP on health and education. The public education system in the country has decayed so badly that many parents rely on free, local monastic schools for their children’s education. Infectious diseases, including AIDS, malaria and tuberculosis are rampant. How much longer is Asean willing to be dictated to by Burma’s human-rights violators?

Strong leadership is necessary to bring about a change, especially because Asean insists on working with its “consensus and collectiveness” approach to resolving regional issues. Trade with Burma’s regime is a clear sign of a lack of seriousness in wanting to resolve the country’s human-rights problems and it contradicts commitments of enforcing principles found in the Asean Charter.

Asean states will forever have to assume blame for Burma’s crisis if they continue to contribute to the regime’s political and economic strength. There is no time like the present for Asean to take action and spur the junta into starting the process of national reconciliation.

Ms. Sundari is a member of the Indonesian parliament and a committee member of the Asean Inter-Parliamentary Myanmar Caucus, an independent organization of Asean parliamentarians.
cubic feet - equivalent to five years of Korean gas consumption – and will be sold to China for 30 years starting in 2012.

The Shwe Gas Movement, a local campaign group, calls for a stop to the Shwe Gas Pipeline due to concerns about human rights abuses and the large amount of capital that will flow to Burma’s rights abusing military regime.

According to the Shwe Gas Movement, human rights abuses have already occurred as the military increases its presence in the area of the Shwe Gas Project, operated by Daewoo International of South Korea. Local people have been neither informed nor consulted about either the project activities or any potential benefits from the extraction and sale of their natural resources. When construction of the gas and oil pipelines begin in September, activists fear grave human rights abuses and environmental damage as a result of military buildup along the pipelines’ route, which runs from western Burma’s Arakan State across central Burma to China’s Yunnan Province.

The Shwe Gas Bulletin

May 26.

A prison sentence for Suu Kyi will ensure she won’t be a factor in the 2010 ballot under a new constitution that allows a multiparty system where the army retains significant powers.

Myanmar defended the trial, saying that Suu Kyi’s sheltering of the Vietnam War veteran on two occasions violated her house arrest and legal action was “taken unavoidably.”

The junta on June 2 rejected Thailand’s call for Suu Kyi’s release, saying its neighbor was “unreasonably interested” in Myanmar’s affairs. Thailand “should not impose pressure,” U Maung Myint, Myanmar’s deputy foreign minister, was cited as saying in the state-run New Light of Myanmar newspaper.

Myanmar says it released 15,315 prisoners in the past year, while the U.S. says more than 2,100 political detainees are still behind bars.

“They are still pretty comfortable as a regime, but everyone else is complaining bitterly and there’s the potential for widespread hunger by the end of the year,” said Sean Turnell, a professor at Australia’s Macquarie University who conducts research on Myanmar’s economy.

The country is recovering from Cyclone Nargis that devastated the main rice-producing region in May last year, leaving at least 138,000 people dead or missing.

“The pile of cash could even provide a false comfort,” he said. “The extent to which they feel they don’t need to make concessions and engage in dialogue could force them into error.”

To contact the reporter on this story: Daniel Ten Kate in Bangkok at dtenkate@bloomberg.net.
Six Villages relocated for Dam project in Arakan

6/11/2009 (Narinjara News)

Buthidaung: Six Khami ethnic villages in Buthidaung Township were forced to relocate by the Burmese Army recently for construction of the Sai Dan hydro power plant.

The villages are located in the upper Sai Din waterfall area - a famous waterfall in Arakan, 30 miles east of Buthidaung. The Burmese regime plans to construct a hydro power plant at the spot.

The six Khami tribal villages are: Swa Yay, Li Bo, Dauk Souk Pai, Mari Mi, Ree Chaung and Pana Chay. The villages are located near the place the power plant is to come up. The authorities therefore relocated the villages to upper Pana Chay village.

A village source said there are about 50 households on average in a village and most villagers depend on the Sai Dan Creek for their survival.

The junta has claimed that power generated from the Sai Dan waterfall hydro power plant will be distributed in Arakan State from 2012 when the project is completed.

The power plant is expected to produce about 70 MW of electricity.

The Burmese regime tried to construct the hydro power plant at the Sai Dan waterfall in the past too but did not succeed because of some problems.

Prime Minister U Nu’s government was constructing a power plant in the Sai Dan waterfall in 1950 but later stopped work after one US engineers were killed by the Burmese Communist party.

The military government also tried to construct the power plant at the waterfall after seizing power in 1988 but two years later the project was stopped without any reason being given.

Now the authorities have again decided to construct the power plant at the waterfall. Local people believe this time the authorities will build the power plant in Sai Dan waterfall because many equipments and some foreign engineers have arrived in the area for the project.

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Officials Fired Burmese Secret Tunnels’ Publicity

military and transport vehicles to go through. Sources also revealed that dozens of tunnels are also dug near Thai-Burma border. They said the construction of these tunnels were disguised as part of the country’s plan to lay optic fibers throughout the country.

Bertil wrote that well-hidden complex ensures there is no danger of angry civilians storming government buildings as they did during the massive pro-democracy uprising in August-September 1988. It could also serve as their deep bunkers in case there are air strikes of the kind that the Taliban faced in Afghanistan.

According to the author, it is not clear how North Korean experts got paid. The payment could be in the form of food or god, which Burma has. The country is rich in mineral and agricultural product.

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The Shwe Gas Movement (SGM)

SGM includes regional and international NGOs. The 5 core members are SGM Bangladesh, SGM India, the All Arakan Students and Youth’s Congress (AASYC), the Arakan Oil Watch (AOW), and EarthRights International (ERI); partner organizations include the Korean House for International Solidarity (KHIS), the Korean Federation for Environmental Movement (KFEM), The Other Media in New Delhi, and a global network of activists. For more information and to download the full-length report “Supply and Command,” please visit www.shwe.org.
Officials Fired Burmese Secret Tunnels’ Publicity

June 23, 2009 (The Nation)

Several senior military Burmese officials have been dismissed over the weeks followed the recent publication of photographs of secret tunnels built by North Korean experts between 2003-2006 inside Burma, according informed sources.

The sources, who asked not to be identified because the information they gave could endanger their lives, said that the Burmese intelligence officials have began massive investigations to identify the sources of leakages. They have combed the city of Rangoon and interviewed associates of former intelligence chief, Lt Gen Khin Nyunt to search for persons who might leak one of the most secretive programs. They have already arrested several suspects including journalists who might have accessed to these sensitive photos and documents.

Swedish journalist, Bertil Litner, detailed Pyongyang’s effort in helping Rangoon to build underground bunkers in various locations. The author said the photographs, which were obtained by Democratic Voice of Burma, showed an extensive network of underground installations that was built near Burma’s new, fortified new capital Naypyidaw, 450 kilometers north of Rangoon.

The photographs which first appeared in YaleGlobal Online on 8 June 2009 have puzzled Bangkok-based diplomatic community. “We are interested in the news and we are following it closely,” said a senior diplomat from an ASEAN country, who asked not be identified.

A Thai intelligence source yesterday confirmed that existence of the tunnel but does not express any serious concern. “The Burmese generals fear outside attacks, so they are building these underground hidden places,” he said. Thailand is also watching closely about Burma’s effort to increase its nuclear capacity.

These tunnels are equipped with underground facilities including communications and strategic rooms, which would enable the Burmese leaders to survive any attack from their peoples and the outside world. Some tunnels are big enough for