



The

# Shwe Gas

Bulletin

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## World Wide protests against Daewoo International over Shwe Gas Development



Shwe gas activists demand Daewoo International Corp. and its partners out of Burma over Shwe gas development in a protest against Daewoo International. The protest was held in front of Daewoo International office in Seoul, South Korea on Oct 14.

(Oct 15, 2005 )

Human rights and environmental activists from 11 countries took protest actions against South Korea's Daewoo International Corp. and its consortium partners in a day of action against the company on Oct-14 for their involvement at Shwe gas exploration in Burma western Arakan state.

The protests were held in front of Daewoo International offices and South Korean Embassies in Korea, Timor-Leste, USA, UK, Japan, Malaysia, Thailand, India, Bangladesh,

Philippines and the Netherlands and including Daewoo International office in Seoul, South Korea.

Shwe gas activists from the Arakan & Chin States, along with EarthRights International and 10 Korean civil society groups demonstrated Daewoo International in Seoul by shouting the slogan of "No Way, No Shwe", "Daewoo out of Burma", Stop the India-Burma Gas Pipeline," Corporations have human rights responsibilities," "Support human rights and environment in Burma," Stop

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# Editorial

## Foreign Investment Directly Promotes the Violation of Human Rights in Burma

Burma, one of the poorest countries in the world both economically and in terms of its human rights record, has become the main energy exporter in Southeast Asia. The energy sector is now the military junta's primary source of foreign currency. Major investors in the energy sector include governments and corporations from Asia, Europe and the US and the French and South Korean corporations Total and Daewoo International are currently the junta's most enthusiastic cooperators.

On October 24, British Members of Parliament released a statement that called for Total to withdraw from Burma.

"Total's investment is propping up a sadistic, hideous regime, providing it with a cloak of respectability, behind which it can continue its brutal oppression of the Burmese people. Total's presence does nothing to advance the case for democracy in Burma," declared the statement.

Total Oil, reportedly the world's fourth largest oil company, has carried out operations in Burma since 1992. The company's projects in Burma include the exploitation of the Yadana gas field in the Gulf of Martaban and the development of a 62-kilometer pipeline carrying gas out of the field to Thailand.

Several human rights reports have cited abuses related to the development of the Yadana pipeline. Human rights groups are now worried that the Shwe gas pipeline project will become another Yadana and lead to the same kinds of abuses in military-ruled Burma.

To voice their concerns, human rights and environmental groups protested in a worldwide demonstration this month against Daewoo International for its exploration of Block A-1 in Burma's Shwe gas fields, demanding "Daewoo out of Burma!"

These groups pointed out that human rights abuses are already occurring along the proposed Shwe gas pipeline route, running from the Shwe fields to India. According to the Burmese military junta's website, Burma has agreed to sell its gas to India by pipeline.

The Burmese military junta already provides gas to countries such as Thailand, and has agreed to sell gas to India during the recent fuel crisis. Burma itself is currently facing a sharp hike in oil prices and inflation has ensued. The hike in the price of consumer goods and transportation services is presently a significant challenge to the population as they struggle to survive on wages that are proving inadequate.

In Burma, economic, health, educational and political conditions are deteriorating steadily under the military regime. Thus, corporate cooperation with the Burmese regime only perpetuates the suffering of the Burmese people. If the struggle for democracy and human rights in Burma is to be successful, Total, Daewoo and other foreign investors in Burma must refrain from investment until the interests of the people are represented by a democratically elected government.

## Arakanese Inside Burma Protested the Shwe Gas Project of Daewoo and Junta

Narinjara News  
10/17/2005

Major cities in Arakan State in western Burma witnesses posters against the Shwe Gas Project of the International Consortium led by Daewoo on 12 of October.

At Akyab, Rathidaung, Mrebone, Morm Bra and Kyauk Phu, an anonymous youth group posted anti Shwe Project posters in public places.

In Akyab, these posters were posted at the jetty, Lokananda Pagoda, and the central Market.

On the posters, the sale of the gas to foreign countries is condemned and those who cooperate with the junta in the gas project are regarded as traitors to the national cause. Furthermore, the removal of the Burmese military forces from Arakan State is demanded by the group.

No group has claimed responsibility for these posters, but some students who are known to have been involved in previous pro-democracy activities are lying low, as the military authority is hunting down the responsible activists.

Whether or not this poster campaign has any link with the international movement against Daewoo's involvement in the Shwe Gas Project is not yet known. However, it is clear that the sale of natural gas from Arakan to India is not just opposed by exiled Burmese activists. This shows that the Arakanese people inside Burma are also angry with this gas sale that will only benefit the Burmese junta. #

**Please sign the petition on  
the [www.shwe.org](http://www.shwe.org) website.**

# Daewoo Signs Deal With Shwe Gas Partners for Burma's Gas Block A-3



Photo: ERI

*A Daewoo ship drilling in Burma western Arakan gas fields*

*(Oct 5, 2005 )*

Daewoo International Corp., a South Korean trading company, signed an agreement on Oct 3 with two Indian state-run oil and gas companies and a South Korean gas corporation to explore Block A-3, located south of the Shwe fields Block A-1 in Burma's western Arakan state, according to the company.

Under the agreement, Daewoo International will have a 60% stake in Block A-3, the Korean Gas Corporation (KGC) will have a 10% stake, and two Indian state-run companies, the Oil and Natural Gas Corporation (ONGC) and the Gas Authority of India Ltd (GAIL), will have 20% and 10% stakes respectively.

Indian Petroleum Minister Mani Shankar Aiyar and Korean Director General of Commerce, Industry and Energy Bong Hyeon Joo were present while the agreements were signed.

A Daewoo official was quoted in the Korea Times as saying that the company will start exploration of Block

A-3 (measuring 6,780 square km) as early as December, adding that initial tests showed the area may contain gases amounting to 3-10 trillion cubic feet.

Daewoo recently completed test drilling on the gas reserve it discovered in January 2004 in Block A-1 (Shwe fields) and confirmed the existence of a huge mine that may contain up to 18 trillion cubic feet of gas.

Daewoo awarded rights to explore the block in 2000, and in 2002 its partners – KGC, ONGC and GAIL – took the same stakes in Block A-1 as they have taken in Block A-3. As the primary operator of the Block A-1 site, Daewoo will earn at least USD \$100 million in net profit annually for 20 years starting in 2010 when gas production is scheduled to begin. Daewoo will also be the operator of Block A-3.

Burma's exiled democracy activists, along with international human rights and environmental groups, have been actively opposing

Daewoo and its partners for their interest in Burma. Analysts have observed that Burma has become one of the main gas exporters in Asia and that Burma's oil and gas sectors are the major sources of foreign currency for the regime.

The United States and the European Union have imposed sanctions against Burma since 2000, citing rights abuses committed by the Burmese military regime against its own people, as well as the regime's failure to promote development and democratization in Burma.

Military-ruled Burma has one of the worst records of human rights violations in the world, according to the United Nations.

*(SGB)*

*Daewoo out  
of Burma*

*(The Shwe Gas Movement)*





*People from Burma in India demanded Daewoo out of Burma in their demonstration against Daewoo International on Oct 14.*

*From Page - 1*

forced labor, rape and torture.” The Korean House for International Solidarity, an organization based in Seoul coordinated the protests.

A Shwe gas activist in Korea stated that, “the Korean Government and the company are finally taking notice. Daewoo International requested that the protest be called off because they are very sensitive about their public image in Korea.”

“The next step is to keep the issue being debated and discussed in Korea, and in Asia. Many news agencies are interested in the issue and will investigate the case further. The Campaign will continue to hold regular international days of action until the companies take action on the Shwe gas issue,” said Carol Ransley, of EarthRights International said.

“When western companies have withdrawn from Burma, Asian companies have been only too happy to step in to partner with the Burmese military regime” she added. “Now we are mobilizing against Asian corporations who are happily entering into business relations with the world’s most brutal regime”.

In a recent press release Human Rights Watch stated, “because of

continued political support and trade with China, India, Thailand and other Southeast Asian countries, the military government in Rangoon has remained largely impervious to sanctions by the United States and European Union.”

Muam Kim, a coordinator of Shwe Gas pipe line campaign Committee in India said that human rights abuses such as forced labor and land confiscations have been happening in the proposed pipeline areas in Arakan and Chin states as the military goes into prepare for the pipeline project. Some local people from the proposed pipeline route have been fleeing to Bangladesh and Thailand.

The proposed pipeline route is 290-kilometers long starting from Shwe fields, into Arakan state, enter the north-eastern Indian states of Mizoram and Tripura, before crossing over to Bangladesh and finally reaching Kolkata (Calcutta), India.

In the early 1990s, local people along the Yadana and Yetagun pipeline corridors suffered from forced labor, torture, rape, land confiscation, relocation and extrajudicial killings. Thousands of refugees took shelter in

refugee camps in Thailand, while other became internally displaced, according to human rights groups.

Two South Korean companies, Daewoo International, Korea Gas Corporation and two Indian companies, Oil and Natural Gas Corporation and Gas Authority of India are major investor of the Shwe gas project. Daewoo International is major state holder with 60% stake and also operator in the project.

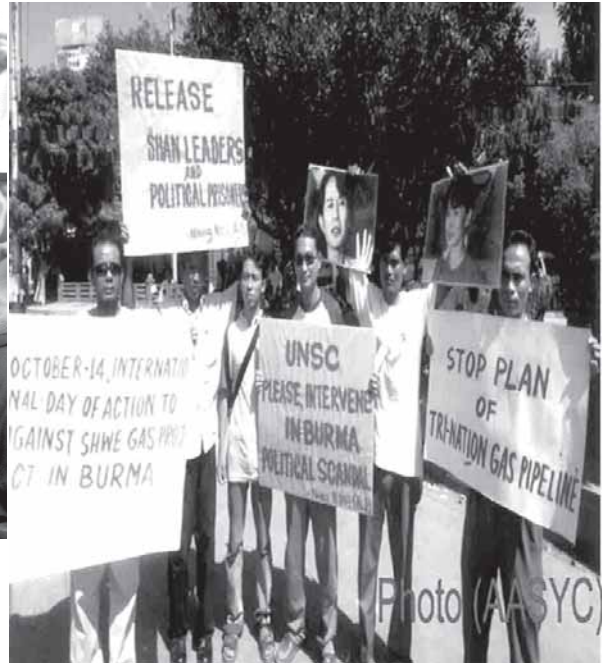
A Shwe Gas activist, Wong Aung, chair man of All Arakan Students and Youths Congress claimed that “In their partnership with the Burmese military government on this project, Daewoo International, the governments of South Korea and India and financing bodies are all working against the interests of democracy, human rights, and environmental protection for the oppressed people of Burma, and especially those of Arakan State in western Burma.”



*Activists protested world wide against Daewoo International over Burma's Shwe gas development on Oct 14.*



*Demonstration in London, UK*



*Demonstration in Bangladesh*



*Demonstration in Malaysia*



*Demonstration in East Timor*



*Demonstration in India*



*Demonstration in the US*

# Burmese Fuel Hike a Threat to Subsistence



*Photo: Susan*

*Fuel price rises have had a terrible impact on ordinary kyat-earners.*

*(Oct 23, 2005 )*

The population of Burma, one of the world's poorest countries, has been faced with skyrocketing prices of consumer goods and transportation after the surprise nine-fold increase in the price of gasoline implemented by the military junta.

The fuel hike, which took effect on October 20, was evidently an effort to cut government losses on its subsidy of gasoline and to curb black market sales of supplies allocated at the subsidized price. The government holds a monopoly on the distribution of fuel.

Economists and diplomats said the move might not be as dramatic as it seems, but would have a significant inflationary effect on the wider economy. Since the fuel price increase, consumer goods and transportation service costs have doubled in some cases.

For example, a bag of mid-quality rice that was about USD \$8 last week is now USD \$8.50 and a viss (1.6 kilos, or 3.52 pounds) of onions that cost the equivalent of USD \$0.33 last week is now USD \$0.42.

A business woman from Rangoon said, "I make a thousand kyats in profit a day with my own small business. With this money I could provide for my four family members. After increases in the prices of oil, almost every consumer good and transportation, though, a thousand kyats is no longer enough to provide for my family."

The increase in the price of gasoline to 1,500 kyats (USD \$1.25) per gallon from 180 kyats (USD \$0.15) was

announced Wednesday in notices posted at gas stations but was not broadcast in the media.

Some analysts say the rise may be an attempt by the junta to suppress the black market and to keep local prices in line with global levels, while others say the increase in global oil must be badly hurting the Burmese military junta.

"If the government intends to thwart a handful of black marketers by raising the fuel price, it will fail. It hasn't brought down the black market fuel price and instead citizens suffer under reeling prices," said schoolteacher Win Maung, whose salary is about 10,000 kyats (USD \$8.30) per month, to the AP.

Taxi fares have doubled, while bus fares are two to four times higher. Bus commuters who had paid 20 kyats for a trip now pay 40-80 kyats (USD \$0.04-0.08) depending on distance, as bus drivers and operators say they have to increase bus fares to account for the exorbitant fuel price.

A taxi ride of about five kilometers (three miles) that used to cost 1,000 kyats (USD \$0.83) now costs 2,000 kyats (USD \$1.66).

The hike in commodity prices, like most economic disturbances, will most acutely affect workers earning daily wages paid in kyats. Inflation is bound to soar and these people will be hit hardest. Analysts have observed that the increase could lead to a repeat of the 1988 uprising if things continue like this, even for a short time.

*(SGB)*



# News Diary



1. Daewoo International Corp, a South Korean trading company, has signed an agreement with two Indian state-run companies and a South Korean gas corporation to explore the A-3 Block gas field off the northeast coast of Burma. Daewoo will have a 60% stake in the project. It has already finished exploration in the A-1 Block and is waiting for India, Burma and Bangladesh to ensure means of exportation. (Oct. 3, Asia Pulse)
2. New Zealand plans to accept 250 refugees from the Thai-Burma border by July of next year. The refugees are expected to be from the Shan and Karen ethnic groups. (Oct. 6, Stuff.co.nz)
3. Burma's military rulers are preparing for the next session of constitutional talks on their self-declared "road map" to democracy, resuming their National Convention as early as next month. The junta is facing enormous pressure from the UN and other members of the international community because their "road-map" does not include dialogue with ethnic groups or the NLD, the main opposition party whose leader, Aung San Suu Kyi remains under house arrest. (Oct. 7, AFP)
4. Activists have urged India not to do business with Burma's military junta. A member of Burma's pro-democracy NLD party states, "There is a great contradiction when the government of India says it supports the movement for democracy in Burma and at the same time continues to sell arms to the military and trade in oil and gas with the junta." (Oct. 7, NewKerala.com)
5. Economists and businessmen say Burma is now entering its worst period of inflation since the 2002/2003 financial year, when prices rose by an average of more than 50 percent and the country suffered a crippling banking crisis. Burma's military junta has yet to address this current problem and economists say that Burma's economy is unlikely to recover soon. (Oct. 6, Irrawaddy)
6. Arakanese, environmental and democracy activists staged 11 demonstrations against the Korean company Daewoo International in 9 countries worldwide. They said the construction of the Shwe gas Pipeline will involve severe human rights abuses, including forced labor, land confiscation, and forced and uncompensated relocation of entire communities living along the proposed pipeline route. (Oct. 14, BBC)
7. India says a proposal to take its \$1BN Shwe gas pipeline from Burma through Bangladesh is "as good as shelved". A senior official of the Gas Authority of India said the line would instead go via a longer route through India's north-east to Burma. (Oct. 9, Financial Express)
8. Southeast Asian lawmakers from the Association of Southeast Asian Nations called on UN Secretary-General Kofi Annan to mobilize a coordinated drive by major powers to pressure Burma's military into accepting genuine democratic reforms. (Oct. 11, AFP)
9. Human Rights Watch asked the U.N. Security Council on Thursday to take a look at what it describes as years of serious human rights abuses in military-ruled Burma, stating that "After years of inaction while the military government has decimated the political opposition in Rangoon and targeted ethnic groups in border areas, there is no longer any excuse for the Security Council to duck this problem." (Oct. 13, Reuters)
10. On October 12, major cities in Arakan State in western Burma were scattered with posters against the Shwe Gas Project led by Daewoo International. The origin of the posters is not known, however, it is clear that the sale of natural gas from Arakan to India is not only opposed by exiled Burmese activists, but also by Arakanese people in Burma. (Oct. 17, Narinjara)

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***Contributions of pictures, articles, news, or research papers are welcome. Any suggestions or advice to improve the quality of news and information sharing from you are most valuable to us.***

# Negotiations Continue Over Shwe Gas despite Bangladeshi Demands

(Oct 25, 2005 )

The Prime Minister's Office in New Delhi is yet to hand down a decision regarding Dhaka's conditions to participating in the Burma-India-Bangladesh gas pipeline project, despite eagerness on the part of the Petroleum and Natural Gas Ministry about the scheme, BD news recently reported.

The Burmese, Indian and Bangladeshi governments agreed in principle to co-operate on the gas pipeline and exploration project in January of this year. But Bangladesh has failed so far to agree to pipeline terms.

Bangladesh is demanding that India reduce the trade gap between Bangladesh and India, allow Bangladesh a corridor for bilateral trade with Bhutan and Nepal and allow it to import electricity from the two Himalayan kingdoms in exchange for the transfer of Shwe gas through Bangladeshi territory.

A top official of the Petroleum and Natural Gas Ministry said to BD news that they are now facing opposition from the External Affairs and Commerce Ministries. Any serious

discussion on the issue is unlikely during Prime Minister Dr. Manmohan Singh's visit to Dhaka on the occasion of the South Asian Association for



India's petroleum minister has tried to finalise a deal with Dhaka.

Regional Cooperation summit next month.

According to a BBC report, a senior official of the Gas Authority of India, a Shwe gas stakeholder, said that in the instance of Bangladesh's withdrawal, the line would instead go via Burma to India's northeastern provinces. The change could add USD \$290m to the total cost and the new pipeline would have to be 40% longer than the proposed 850 km Bangladesh route.

However, experts in both Delhi and Dhaka agreed that west Bengal will benefit most if gas from Burma goes to India through Bangladesh. Bangladeshi Mohona Holdings Ltd., the initiator of the project, has already signed a memorandum of understanding with the West Bengal Industrial Development Corporation and the Gas Authority of India.

Moreover, Burma is putting pressure on India to finalize the pipeline project soon in order to begin the transport of gas from its Arakan province to the energy-hungry Indian market. Burma's energy minister, Lun Thi, told Indian officials during a recent meeting in Delhi that India should move quickly because China and Thailand are also interested in the Arakan gas.

Burma and India are also negotiating the sale price of the gas. Burma wants to sell gas to India for USD \$4.2 per thousand cubic feet, which is the price at which it sells gas to Thailand. India has offered to buy it for USD \$3.85.

Last week India struck a 25-year deal with Iran to import 7.5m tons of liquefied natural gas beginning in 2009.

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Monthly Bulletin

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