

Burma Activists Welcome Danish Pension Fund Ban On Daewoo International

Shwe Gas Movement Press release: September 25, 2009

The Shwe Gas Movement (SGM) welcomes the announcement by the Danish Pension Fund -Danica Pension- to put the South Korean corporation Daewoo International on its blacklist, for ethical concerns about their operations in Burma. Danica Pension has stated that “Daewoo International has been excluded because of its breach of international guidelines in connection with its activities in Burma.”

Daewoo International is the operator of the controversial Shwe gas project in western Burma holding reserves of 5.4 to 9.1 trillion cubic feet of natural gas, which will be transported by pipeline across the country to southwestern China. The Shwe consortium also includes South Korean corporation KOGAS as well as GAIL and ONGC Videsh from India.

The Shwe project has already led to rights abuses. Revenue from the project will provide US\$ 29 billion over 30 years to Burma’s military regime, infamous for its human rights record and corruption.

“We welcome the Danica Pension’s decision to blacklist Daewoo International and we are calling for other investment funds and banks to follow suit, as well as target other corporations involved in Shwe project,” says Wong Aung, international coordinator of SGM. He adds, “we see this as part of a positive trend of investment funds taking responsibility on behalf of their clients locally towards people affected by abusive development practices globally.”

Danica Pension is the Pension fund arm of the National Danish Bank, managing assets of 250 billion Danish Crowns, equivalent of 33.59 billion Euros. The Fund’s ethical guidelines state that “it does not invest customers’ assets in companies that violate internationally recognised standards for human and labour rights, the environment and anti-corruption.”

Daewoo International has announced that it would start construction this month of offshore production platforms, an underwater pipeline to an onshore gas terminal in Kyauk Phyu Township in western Burma. The China National Petroleum Corporation has an agreement with the Burma regime to purchase the natural gas and construct dual pipelines to transfer the gas, as well as oil shipped from the Middle East and Africa, through Burma to the Yunnan and Guangxi Provinces in southern China.

“The Shwe gas and oil pipelines project is loaded with serious risks for corporations, investors and the governments of South Korea, India and China. They need to act immediately, as the project will create abuses, conflicts and displacement for the people and risk destabilizing the region,” says Kim from SGM India.

“We believe that processes such as *Free and Prior Informed Consent* and various impact assessments are corner stones in protecting affected communities against abuse,” says Jockai of Arkan Oil Watch, member of SGM, “in the context of Burma, however, these processes cannot be implemented without interference by the Burma regime, which is the source of abuse against the people.”

“Until there are mechanisms in place which can protect affected people from human rights abuse, we are calling for the Shwe Gas and oil pipelines project to be suspended,” ends Jockai.

The Shwe Gas Movement is a coalition of organizations from Burma based in Thailand, India, Bangladesh and Burma. See www.shwe.org for more information

Contact:

Mr Jockai Khaing Tel: +66- 82 184 1335

Mr Wong Aung Tel: +32-489295518

E-mail global@shwe.org