



The

Shwe Gas

Bulletin

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Daewoo Ban Mariners in Arakan Sea

June 3, 2006

On June 2, Daewoo E&P has banned several mariners not to pass through the area of Block A-1 offshore of Rakhine coast during their oil test drilling for the whole coming year.

A reminder was issued that Daewoo E&P Myanmar will place survey equipment at four places in Block A-1 from 31 May 2006 to 31 May 2007 to measure the temperature of the water, the speed of waves and the depth of sea while building processing facilities of oil test wells, according to the New Light of Myanmar, a Burmese official newspaper. Various sizes of ships, trawlers and boats are not to cross the above-mentioned areas for anchoring, fishing and so on.

“For this banning, the price of fish will raise up, and poor fishermen will face difficulties in life,” said a local woman from Kyauk Phyu Township.

“The price of fish was going up daily in Kyauk-phyu township during the last three months due to the banning of the fisheries. The local authority put tight security in the sea during the last three months due to the 14 marine soldiers ran away with full equipments from their station in Kyauk Phyu in the beginning of this year,” she added.

When Daewoo started drilling natural gas in November 2003, authorities banned any fisheries from passing and catching fish within the 27 miles radius of the Shwe drill ship until 2004.

In April 2004 four men were arrested for fishing inside the exclusion



Susan

Fishermen in Arakan recently banned from the sea by Daewoo International.

zone of the A-1 block, and didn't know about the restrictions as they had frequently gone fishing in that area for a long time. Regardless of this, the men were beaten and thrown in jail. One of the men spent two months in jail and had to sell his boat in order to cover lawyer's expenses and get out of jail according to Arakan human rights report.

Daewoo, which holds 60% stakes, is the largest investments of Block-A-1 and A-3 in western part of Burma, Arakan.//

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Editorial

Continuing Seismic Surveys Adversely Impact the Marine Environment in Burma

Offshore oil exploration in Burma by foreign oil companies utilizing seismic surveys without any environmental protection adversely impacts Burma's wide variety of marine life and important sea floor fish habitat. Common seismic surveys involving "air guns" and seismic survey explosives generate underwater sound pulses as loud as 255 decibels, the equivalent of an undersea volcanic eruption.

Fish in the immediate vicinity of the seismic explosions can be killed instantly when their bladders explode from the sudden increased pressure. Fish larvae are also harmed which affects their survival rate and the security of fish stocks. In addition, fish and large marine animals can be permanently deafened by the extremely loud noise generated by seismic air guns. Fishing is also banned for the duration of the seismic surveys, adversely impacting the commercial fishing industry as well.

According to a recent official Burmese news report, unknown fish diseases have developed. The Myanmar Fisheries Federation is planning to establish a group to focus on preventing fish disease which is essential to maintaining the strength of the country's fishing industry.

Thousands of fish died in Arakan last year from an unknown disease. Some local people believe that fish died as a result of the oil and gas exploration in the Bay of Bengal. Daewoo International began seismic surveying in 2003 in Arakan offshore Blocks A-1 and A-3 which has continued up to the present and which has resulted in a fishing ban within the areas being surveyed.

Offshore oil and gas exploration since 1965 has utilized seismic surveys in the Arakan area in Burma. From 1966 to 1988, seismic surveys were carried out in most of the 25 Burma offshore blocks. From 1982 to 1987, MOGE carried out seismic surveys in the Gulf of Martaban and Tanintharyi offshore areas and drilled 15 wells, discovering the Yadana gas field in Block M-5.

Even though Burma's military junta has earned hard foreign currency from the oil and gas sales for almost 5 decades, the junta has not recognized the adverse impact on the marine life caused by the seismic surveys. Because oil and gas prices are increasing throughout the world, profits from selling oil and gas could pay for Burma's infrastructure development. However, while the military junta and their families have become rich, the people of Burma remain one of the poorest in the world in terms of per capita income, literacy, education and health care.

Burma's military junta, one of the world's worst if not the worst human rights abuser, controls oil and gas exploration in Burma which continues to damage the marine life. The human rights abuses and environmental degradation which resulted from the construction of the Yadan-Yetagun pipeline project will continue with the development of the Shwe Gas Project. Despite international objections, no Environmental Impact Assessment has been prepared, no input from local affected citizens has been sought, people have already been forcibly relocated along one of the proposed pipeline routes, and illegal forced labor continues to be a persistent policy of the military junta.//

Myanmar must free forced labour plaintiffs by July 31: ILO

AFP, GENEVA

June 17: International Labour Organisation (ILO) members yesterday gave Myanmar until July 31 to release anyone jailed for complaining to international monitors about being press-ganged by the country's military junta.

The UN labour agency's annual conference, which has spotlighted the military-run Asian nation for several years, said Myanmar had until the same date to halt prosecutions of anyone who has complained about forced labour.

In addition, Myanmar must agree by the end of October to a "credible mechanism" for dealing with complaints, one which guarantees the protection of plaintiffs.

Resolving the long-running problem of forced labour is possible only if there is a real commitment from the government, which must undertake "tangible and verifiable" action, the conference decided.

The ILO has been trying for almost a decade get the government of Myanmar, formerly known as Burma, to crack down on forced labour-which is banned under the country's law.

In 1998 an ILO inquiry found that forced labour was pervasive and systematic throughout the country, particularly with the military.

In 2000 the ILO recommended trade and other sanctions against Myanmar because of its lack of cooperation in tackling the practice.

The sanctions recommendation was frozen in 2001 after promises from Myanmar's leaders to stop forced labour and accept limited ILO surveillance.

The ILO and Myanmar agreed on a programme to crack down on forced labour in May 2003, but it fell apart two days later when the country's ruling junta detained pro-democracy leader Aung San Suu Kyi.

A year ago the conference of the ILO-whose 178 members include Myanmar-called on the government to resume a "real dialogue" with the Geneva-based organisation.//

Land Confiscation And Other Human Rights Abuses Continue in Onshore Area: Arakan



Thousands of local traditional oil fields are being drilled by locals in Kyauk Phyu Township, onshore block M areas. Due to the Chinese-Singaporean consortium's current oil exploration in the block M areas, some local people's oil fields, farms and land are being confiscated by the military regime without compensation.

Forced labor, land confiscation and several human rights abuses have been mounting in Kyauk Phyu Township onshore area, Arakan, as Chinese-Singaporean consortium have begun oil exploration since 2004.

According to a recent Mizzima news, the Burmese military Junta has seized more than 160 acres of farmland in onshore block M, Kyauk Phyu Township for oil exploration.

The land was seized by officers from the Zinchaung police force on May 12. Three local men were arrested for protesting against the land seizure. The men were released 10 days later and other villagers were threatened not to protest by officials, Mizzima news cited a villager from the area.

“They designated Block A near Innpyin village, Block B near Yenantaung village, Block C in Uchay village and Block D in Mintettaung village respectively. Then they surrounded these areas by fence.”

In Kyauk Phyu township, traditionally thousands of families have been engaged in oil drilling by hand for their survival since 1824 when the British took control of Arakan. The local people have always drilled for oil anywhere around their village, providing one-seventh of the profit they earn from selling the oil to the land owner.

Over a thousand traditional oil wells are presently being drilled by local people in Kyauk Phyu Township, according to local sources.

However, the situation of local oil workers and residents in the area has become more difficult since the foreign consortium have begun oil exploration with 3000 workers from the Asia World Company, a sub-contractor from the Chinese consortium and a major construction company in Burma.

Two Chinese corporations, The China National Offshore Oil Company Myanmar Ltd. and China Huanqiu Contracting and Engineering Corporation, and Golden Aaron Pvt.Ltd of Singapore were awarded exploration and extraction rights in 2004 for oil in onshore block M, a 307 square mile area in Kyauk Phyu Township.

According to local sources, some local farm land located within the 3,007 square mile has been confiscated for exploration by the local military since the consortium's exploration began.

Authority didn't give any compensation for their farmland. Moreover, the local authority summoned 20 villagers each day as forced labor for the construction of buildings in oil drilling work for about one month. The villagers also had to clean the compounds and clear the area for construction work, according to a local source quoted by Mizzima.//

(June 23, 2006) **SGB**

The Shwe Gas Project Requires an EIA Now

Part III: ONGC and GAIL Corporate Policies as well as the Environmental Law of India Require an EIA Now

By Lars Thompson (April 18, 2006)

The Oil and Natural Gas Corporation Limited (ONGC) was incorporated in 1993 after originally being organized in 1953. It is a public sector corporation, and by market capitalization, it is the most valuable corporation in India, also being the highest profit making corporation in India. ONGC contributes 77% of India's oil production and 81% of India's natural gas production. ONGC has acquired interests in 15 overseas projects in 14 different countries since it started looking abroad in 2001, the Shwe Gas project being one of the 15 projects.

Everyone working at ONGC is "responsible for protecting the environment, health and safety" of their fellow employees and "communities worldwide," ONGC acknowledging that its dedication to the environment and safety is demonstrated by the creation in 1989 of a separate Institute of Petroleum Safety, Health and Environment Management (IPSHEM). ONGC's environmental policy requires that development activities "must incorporate appropriate environmental safeguards," requiring that the following be done:

- The EIA should be prepared at the earliest possible stage of the project.
- Environmental norms should be strictly observed.
- Release of hydrocarbons, chemicals and other materials should be controlled so as not to disturb the flora and fauna.
- Productivity of the environment adjacent to the project and resources of the coastal waters should not be adversely affected.
- No action harmful to the marine resources such and should be permitted.
- Each project should set up effective mechanisms to monitor the environment.

The Gas Authority of India Limited (GAIL) is India's principal natural gas transmission and marketing company, having been established by the government of India in 1984 to create gas sector infrastructure for the sustained development of the natural gas market. GAIL is rated as among the top ten corporations in India in terms of profit and revenue. GAIL has indicated that it is committed to operating its business "in a socially responsible way complimented by investment in communities to produce an overall positive impact on the society."

GAIL states that it places "special emphasis on environmental issues," conserving "plants and animals,"

improving "land and water use," and protecting forest tracts. GAIL indicates that it is not just in business to make a profit, but that alongside its normal operations, it is a "responsible corporate citizen." In his Annual Report delivered January 10, 2004, the Chairman and Managing Director of GAIL, Proshanto Banerjee, stated his belief that "contribution to the betterment of the society and environment is an important responsibility of every corporation in the country."

Article 21 of India's Constitution guarantees everyone the right to life. India's Supreme Court has interpreted Article 21 as protecting the right to health and a safe environment, holding that environmental pollution of land, air and water amounts to a violation of Article 21. The Supreme Court has stated that the right to life set forth in Article 21 includes the right to good health, the obligation to prevent damage to the environment, the right to a clean and safe environment, and the right to clean air and water.

India initially adopted an environmental policy in 1975. The EIA procedure was developed as a "formal process to predict the environmental consequences of human development activities and to plan appropriate measures to eliminate or reduce adverse effects and to augment positive effects." The Environment Protection Act adopted in 1986 and rules issued by the Ministry of Environment and Forests (MoEF) require the identification and evaluation of the potential beneficial and adverse impacts of development projects, covering 30 industrial and developmental activities. The EIA process in India is supposed to create an understanding of the "environmental, social, cultural and aesthetic consequences" of the proposed project. Public hearings were made mandatory by the MoEF on April 10, 1997, making the EIA process participatory.

Consistent with the stated corporate goals of "transparent management, ethical leadership, and social commitment" with a "special emphasis on environmental issues," consistent with India's Constitution "to prevent damage to the environment," and consistent with India's policy of being proactive in protecting the environment, activists and environmental law experts argue that an adequate EIA with appropriate involvement of local Arakanese, Chin and Shan residents and NGOs regarding the current and ongoing exploration for natural gas in the Bay of Bengal must be completed now by the Shwe consortium partners. Each Indian corporation has been requested to do so, but to date, each has failed to act on the request.//

China and India's New Battle Ground: Burma's Arakan State

By Herman (June 25, 2006)

Geopolitical rivalry for natural resources, power and influence between regional superpowers India and China is putting western Burma on the map. As India tries to match Chinese influence in the Bay of Bengal, Burma's Arakan state, with its recently discovered vast reserves of natural gas and oil, has become the new battle ground for the two regional giants in their quest for economic growth.

Strategically located between India's north east and China's inland Yunnan province, Arakan is also the Burma military regime's latest trump card.

The sale of the state's gas and oil will earn the junta crucial foreign currency that will surely prolong its stranglehold on power. Its ability to control the supply of the crucial commodities, meanwhile, will give it clout as it plays one energy-hungry country against the other.

The latest version of the Great Game has already begun. Recently, India's Commerce Minister Jairam Ramesh said India will build a port at Sittwe, capital city of Arakan located on the coastline of western Burma.

India would invest US\$103 million to develop the port which will give its land-locked North Eastern region access to the Bay of Bengal.

India is also set to invest some US\$3 billion in the construction of a gas pipeline from Sittwe to India to supply the country's north east with gas from the newly discovered Shwe gas fields. The 1,400-km pipeline to Gaya in Bihar will be routed via Aizawl, Silchar, Guwahati, Tinsukia and Bengal based on a MoU signed between the Burmese military regime and India a MoU at the beginning of this year.

Due to be completed in 3 years' time, the pipeline shadows the route of the Kalandan River, one of the biggest rivers in Arakan. The river that has its source in the Himalayas flows through India's Mizoram State and Burma's Chin and Arakan states, before finally emptying into the Bay of Bengal.

Thousands of Arakanese and Chin families live along the Kaladan river, which is also their main source of livelihood. The building of the pipeline however is resulting in the start of an exodus from the region as traditional rural communities break down to be replaced with military brutality and environmental degradation. Families from the Kaladan river bank have already started appearing in the neighbouring countries, India and Bangladesh as refugees to escape forced labor, forced relocation and exploitation as military presence intensifies said the Arakan Youth Network Group.

Complicit in this abuse are companies – some of them state-owned – from India and South Korea. One of the share holders of the Arakan gas blocks A-1 and A-3, Indian's state owned gas utility GAIL, has recently completed a feasibility report for laying the Shwe gas pipeline. South Korea's Daewoo International Corp., that holds a sixty percent share, is a major operator of the block A-1, A-3, while its other partners are India's ONGC and South Korea's state-owned gas company KOGAS.

Not to be outdone, China has completed the survey for 2,380 km pipeline from Kyauk Phyu, Arakan, to China's Yunnan province across central Burma.

An Arakan-Kunming pipeline would provide an alternative route to China's crude imports from the Middle East and Africa that would save over 1,800 nautical miles of sailing from the current routing via the Malacca straits. Currently, some 80% of China crude oil imports is transported via the straits.

The Arakan-Kunming pipeline may support China's energy needs but it is a nightmare scenario that will boost the Burmese regime's militarization in the country, An estimated 25 percent of the country's 50 million population reside along or close to the Arakan-Kunming pipeline. The pipeline will no doubt enhance the level of human rights abuse just as the Yadana pipeline construction resulted in unprecedented amount of forced labor, forced relocation, execution and rape.

Myanmar signed a gas export MoU with PetroChina in January. According the MoU, Burma will transport Arakan gas 6.5 trillion cubic feet of gas from A-1 and A-3 blocks to China for 30 years. Chinese National Corporation (CNPC) will provide \$ 85 million to Burma for the development of the gas well and \$ 500 million for building a specialized economic zone in Sittwe as per the contract. Burma military regime will gain at least \$ 3 billion annually from the gas sale to China and India, Burma experts estimated.

As China and India fight for economic supremacy on Arakan soil, the biggest losers are going to the Burmese people. Local people residing along the proposed pipeline routes to both China and India will suffer from human rights abuses and, as the billions of dollars flow into the coffers of the SPDC, the people of Burma's struggle for democracy will be come harder still.//

Life Under Burma's Military Regime

In the second article of a special series from inside Burma, the BBC's Kate McGeown looks at the day-to-day problems facing ordinary people under the country's repressive military regime.

June 15, 2006

"I hate my life here. I'm just surviving one day at a time," a Burmese taxi driver said sadly, as he stopped to pay a bribe at yet another roadside checkpoint.

"Everything's so difficult. Prices keep going up, and there's too little fuel and electricity.

"There are so many restrictions on everything I want to do... and so much corruption," he said, handing some money to a surly teenager.

For most people in Burma, life under the military government is far from easy.

A farm worker told me he was lucky if he earned 1,000 kyats (\$0.80) a day. Some days he earns half that. "I have enough to buy some poor-quality rice for my family, but not much else," he said.

What angers many people is that Burma has plentiful natural resources and was once one of the richest countries in South East Asia, before decades of military rule stifled the economy.

The situation has got far worse in recent months, because of a government decision to increase the salaries of state employees, in some cases by more than 10 times.

**"Everything I do is restricted...
where I go, what I do, who I see"**
Burmese man

"Everyone knew the government couldn't afford it," said a Burmese journalist.

The result was predictable - locals estimate that prices have gone up by more than 30% since April, making it harder for ordinary people to make ends meet.

Andrew Kirkwood, the director of Save the Children in Burma, said malnutrition was a "serious problem", with half the children under five in some areas of Burma thought to be chronically malnourished.

"In some parts of the country, the situation is as bad as we've seen in sub-Saharan Africa," he said.

A man from the western state of Rakhaing said he had even heard reports of farmers selling their babies to child traffickers in exchange for food.

Two-tier system

But the problems that the Burmese face go much deeper than just a lack of money. There is a huge disparity between those allied to the ruling elite and the rest of the population -



Lack of fuel and money means travel can be uncomfortable

a distinction which permeates every aspect of day-to-day life.

For many goods, there is a two-tier pricing system. If you know someone influential, you can buy at the government price.

If not, you have to resort to the black market, which is at least twice as expensive.

One of the hottest properties at the moment is a telephone. The black market price is about \$3,000 - way beyond most people's means.

Petrol is another commodity where the black market reigns supreme. An ordinary citizen is only allowed two gallons (nine litres) per day at the government price - and even then, queuing can sometimes take hours.

But there always seems to be plenty of petrol at the many black market stands throughout the country. "We're being robbed," one man said.

This climate of semi-official corruption has become so entrenched that whole swathes of the population earn their living from it.

To send a letter, you need to find a friendly "agent" who will make sure it is not pocketed by a postal worker. If you want to avoid paying constant traffic fines, or your child to do well at school, it is vital to know the right people and pay the right price.

Continue-



Black market petrol stands are everywhere in Burma

Strange decrees

Burma's military rulers make their presence felt in other ways, too. Permission needs to be sought for almost every aspect of life.

"Everything I do is restricted," one man said. "Where I go, what I do, who I see... The authorities even have to give permission if I want anyone to stay the night."

The tree these people have planted is part of a government scheme

The media, too, is heavily censored. "You only see two colours on TV - orange (for the Buddhist religion) and green (for the military)," said a former television employee.

The government is also unpredictable, and many people fall foul of policies that seem to change at whim.

"One minute farmers are told to grow potatoes to export to India," said a local NGO worker. "The next minute the authorities won't allow it, and all that investment has been wasted."

The latest government campaign is an initiative to grow nut trees, not only as a source of bio fuel but also because government fortune-tellers believe they will shore up the military's power.

Other government decisions, though, are far more sinister. Groups such as the International Labour

Organization claim that the Burmese junta continues to use forced labour for its often ambitious construction projects.

Sometimes villagers are even thought to be co-opted as "porters" by the military, many being maimed or killed by landmines as they are made to trek through conflict areas ahead of the soldiers.

Despite living under one of the most draconian regimes in the world, some Burmese people still manage to find time for life's pleasures.

I spoke to a man in his early 20s who, over the last few months, has been using the rare moments of electricity to charge batteries so he can watch the World Cup.

I can imagine him now, glued to a television screen, escaping for a few precious hours from the chaos around him.//

BBC world service /Asia-pacific



Flickr

In Arakan's remote towns and villages, sometimes there are no schools. In such situations, village monasteries often take care of the children and educate them. In return, children voluntarily carry out the day to day activities of the monastery.

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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.

Daewoo Found Huge Gas Deposit in Arakan Offshore

June 17, 2006

Daewoo International Corporation has found a huge gas deposit in Block A3 Mya field, Arakan offshore.

The reserve has been estimated at 57.6 million cubic feet of gas per day, Daewoo said in a filing to the stock exchange, according to AFX News Limited's report on June 16.

Block A3 lies adjacent to Block A1 where 4 to 6 trillion cubic feet (Tcf) of gas reserves were previously found.

In March this year, The New Light of Myanmar, a Burmese official newspaper, reported 2 trillion cubic feet or 56.63 billion cubic meters of gas being explored in the Mya field by Daewoo consortium.

It is unclear whether the new gas reserve announcement is a new discovery or whether it has been previously discovered.

The Burma military regime is planning to sell Arakan gas from the Mya field along with two other fields- the Shwe field and the Shwe Phyu fields in block A-1 to China and India.

The Shwe- and Shwe Phyu field have been found by the Daewoo consortium in January 2004 and April 2005 respectively.

The Shwe field holds a gas reserve of 4 to 6 TCF, while the Shwe Phyu



Activists all over the world have launched a campaign against the Shwe gas project in Burma being developed by Daewoo's consortium. Their concerns are human rights abuses and environmental damages under the military rule.

holds 5 TCF. The whole A-1 block is estimated to yield up to 14 TCF or 396.2 MCM of gas.

The exploration on the block A-3 was conducted under an agreement reached in February between the Myanmar Ministry of Energy and the Daewoo consortium, in which Daewoo holds 60-percent stake, while South Korea Gas Corporation 10 percent, ONGC Videsh Ltd of India 20 percent and Gas Authority of India Ltd (GAIL) 10 percent.// SGB

Please Find More Information about Shwe Gas Project at www.shwe.org

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Monthly Bulletin

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