



The

# Shwe Gas

Bulletin

Volume 2, Issue 2

Aug 2006

## SGM Calls for Korean and Indian Firms to Withdraw from Burma

July 12, 2006

The Shwe Gas Movement (SGM) urged Burma's South Korean and Indian partners to quit the natural gas projects in Arakan Shwe Gas offshore fields earlier this month, saying that the 12-17 billion dollars would further entrench Burma's military regime and lead to a repetition of human rights abuses.

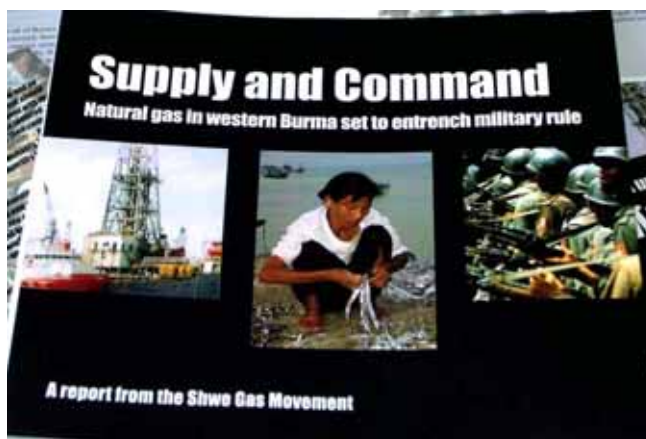
The Shwe Gas Movement, a group of exiles in Bangladesh, India and Thailand, called for the venture led by Daewoo International to stop dealing with the Junta until it ends its more than 40 years of army diktat in Burma.

In a report titled "Supply and Command", SGM said that billions of dollars 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.

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

The military, which has taken charge of protecting the shwe gas explorations and proposed pipeline route to India, is deploying soldiers and building new army bases along the pipeline route.

"The military has used forced labor to build 15 new army bases along the



*The Supply and Command report was released by the Shwe Gas Movement in July. The report cover shwe gas explorations and its impacts on humans and the environment in Arakan, western Burma. The report also analyzes the regime's revenue and expenditure from extractive resources.*

proposed pipeline route in Kaladan River valley located in western Burma since 2003," said Kim, coordinator of the Shwe Gas Movement in India.

"The Arakan and Chin people have already been suffering from human rights violations and if the project is implemented, the situation will go from bad to worse."

According to Reuters, a Daewoo official said the consortium would not withdraw.

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

On the other side, Shwe gas activists claim that they will continue the Shwe Campaign until the Shwe gas project is stopped, using any kind of actions including global protests and law suits.

Daewoo operates and owns 60 percent the stake in Arakan offshore blocks A-1 and A-3 while India's Oil and Natural Gas Corp has a 20 percent stake and Gas Authority of India Ltd and Korea Gas Corp have 10 percent each.// (SGB)

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# Editorial

## Resource Curse: Burma

*In recent years, Burma's several capital intensive investments into the oil and gas sectors, as well as dam projects have become a major dominator of the country's Foreign Investments and a significant source for the country's development.*

*However, in many resource rich countries, instead of benefiting the country's economy and political system, extractive wealth not only fails to propel economic growth but also often results in worse social and economic conditions. This phenomenon is known as the "resource curse," according to several significant researches, noted in a report named "Follow The Money: A Guide to Monitoring Budgets and Oil and Gas Revenues."*

*According to Svetlana Tsalik, the director of the Open Society Institute Revenue Watch Program, several studies have shown that natural resource-exporting countries are highly vulnerable to violent conflicts. Studies have found not only a correlation but also a causal link between natural resources and civil wars. Moreover, such wars tend to be longer and inflict higher casualties than conflicts with no resources to capture. As a result, countries rich in natural resources spend a greater share of their budget on the military than countries lacking resource wealth. The negative effects of resource wealth include greater poverty, lower growth, and slower development, highlighted in the report.*

*When we look at natural resource abundant Burma, the country's civil war, political situation, development, corruption and expenditure suits the signifying research as "resource curse."*

*As soon as Burma achieved freedom from the British colony in 1948, the country's civil war started and has continued until today. The conflict over the last fifty years has become worse between authorities and various ethnic groups, who own 60% of the country's land and valuable resources.*

*Under the current Than Shwe military regime rule, Burma's economic grow rate has been very slow. According to the Economist Intelligence Unit (EIU 2006) estimated rates, Burma's economic grow rate*

*in 2005 was 2.9 compared to 1.9 in 2004. The regime, however, claims that their economic grow rate is very fast.*

*Burma reached world number four among the most corrupted nations and declined to one of the world poorest countries even though the regime discovered vast amounts of natural gas in Yadana, Yetagun and Shwe fields in the last recent years.*

*The military regime never discloses how much money they are earning from the non-renewable resources and how much money they reinvest in the country's development.*

*According to Burmese democratic activist groups, the regime mostly squanders its income for their military expansion while the country's education and health sector are about to collapse.*

*The report stressed that many countries rich in natural resources squander their wealth by enriching only a minority, while corruption and mismanagement leave the majority impoverished. Multinational energy companies, on the other hand, depend on good relationships with host governments in order to continue extracting natural resources, and are therefore unlikely to press for good economic management.*

*Thus, a special responsibility falls on civil society, the true owner of the county's natural wealth, to push the government towards transparency and spending its income on public needs, the research points out.*

*Conversely, the power of civil society groups in Burma is controlled by the military regime. They are not allowed to participate on government levels nor to analyse or criticise the economic management of the public's budget.*

*There is a serious worry for the future of Burma that the extractive resources in the country will run out in a few years under the corrupted regime without reinvestment into the public sectors such as education and health.*

*Therefore, colourful ethnic people in Burma, the real owner of the resources should voice out broadly on public budget issues and struggle against the regime to lift Burma from the resource curse.//*

# Shocking Future along the Kaladan River

By K. Murn Aung (SGB)

The Monsoon season for Burma usually happens around June to October. Regularly during this season, in Arakan State, local farmers start to plough their fields and fishermen go fishing.

Nowadays, they face muck kinds of troubles along the Kaladan River because of Burma's economic crisis under the military regime. However, it's not only because of the junta's economic mismanagement of the country, but also because of the proposed construction of the 1 400 km long Shwe Gas pipeline route passing through Sittway along Kaladan River to India.

Since the inception of the project of the military junta in Burma, local people along the Kaladan River (Shwe Gas proposed pipeline route) have been facing enormous difficulties. These include environmental destructions, economic crisis, starvation, forced labor, torture, and other human rights violations, according to Shwe Gas activists.

The prices of commodities are rising rapidly, so hundreds of families have been facing hunger during this rainy season because of few job opportunities, and not enough money to cover their daily needs, said Ni Ni aged 24 from Kyauktaw Township, along the Kaladan River. "Few poor families from our villages beg rice or money from rich-families when their children cry for food," she added.

"The government supplies no food, no electricity, and no water to us and thousands of local people living along the Kaladan River are suffering from starvation," she said. Indeed, poor local Arakanese are struggling just to live and to survive.

Kaladan River, on which millions of Arakanese people depend on, is one of the main rivers for farming and fishing in Arakan, and produces 77% of the state's total rice production, according to Shwe Gas report titled "Supply and Command".

Despite the fact that Arakan state is abundant with natural resources, the Arakanese people have been facing severe difficulties for their survivals.

"We can't do anything for the economy under the local authorities as they banned fishing and traveling, transporting goods and products," Kyaw Htay from Kyauk Taw Township states. "If we want to go fishing, they ask for

money for permission, so a number of poor families living along the Kaladan River face harsher conditions than the last years and can't survive from the fishing and farming income anymore.

"We are also afraid of the local authorities as they ask for money for any cases, such as fighting with husband and wife, younger brother and elder," he continued.

As the government sells Arakan's gas to foreign companies, they get a lot of foreign income, but the situation of Arakan State is currently worse than before as the government does not invest in education, health or its economy.

"In our village, there is no clinic for patients. If we get some disease, we have to go to the nearest hospitals or clinics, but it is very difficult for poor people as they can't afford to go to hospitals, and often face death," Khaing Soe claims. "I am very worried about the future of Arakan generations, who can't afford to go to school," he said, as most of the young people drop out of school, and are working in fields or workplaces to get money to support their families.

"Our villagers are facing many difficulties because of the economic crisis. Most of the local young people go to Rangoon and other foreign countries to seek jobs. In our town there are no regular jobs. According to local police, a few local women are working at a construction site as sex workers in order to get money for survival," according to the Shwe Gas report.

However, one of the main reasons for this economic crisis and suffering among locals is the fact that the military regime has been exporting the natural resources of Arakan State to foreign countries and has been using the income from these exported goods for their own selfish purposes, Burmese analysts claim.

Foreign companies in Arakan from China, Singapore, Korea and other countries are also working in the same way- exploiting the natural resources of Arakan State for their own benefits, but not for regional development.

Millions of Arakanese people from Kaladan River depend on fishing and farming for their survivals. Shwe Gas activists believe that if the pipeline is implemented, the future of Arakan will become worse than it is today.//



*Residents along the Kaladan River, Arakan, are being suffered from starvation as the country's commodities price have been increasing.*

# The Shwe Gas Project Require an EIA Now

## Part IV: International Law Requires That an Environmental Impact Assessment Be Prepared Now

*By Lars Thompson (July 27, 2006)*

The first international meeting on the environment resulted in the 1972 Stockholm Declaration which acknowledged the need for a common outlook and for common principles to inspire and guide the peoples of the world in the preservation and enhancement of the human environment. In seven of its twenty-six principles, the Stockholm Declaration recognized the necessity of environmental “planning.”

The first international document to incorporate EIAs was Article 9 of the Declaration of Environmental Policy of the Organization for Economic Cooperation and Development (OECD). Article 9 states that it is critical that “the environmental impact of significant public or private activity” be assessed prior to implementation.

Twenty years after the Stockholm Declaration at the second international conference on the environment, the Rio Declaration on Environment and Development acknowledged that “planning” required an EIA for proposed activities likely to have a significant adverse impact on the environment. Many other international agreements and treaties adopted before and after the Rio Declaration require EIAs.

Many international aid organizations have adopted their own EIA procedures, requiring compliance as a precondition before project or development funding is provided. All of the multilateral development banks have adopted environmental assessment policies which apply to proposed project activities, the Asian Development Bank having established EIA procedures in the early 1980’s.

The World Bank is probably the most significant international institution involved in providing funding for projects in the developing nations of the world. The World Bank has not provided loans for any projects in Burma since the 1980s because of the lack of environmental protection laws and policies and lack of transparency of Burma’s military junta.

The World Bank in 1984 first started requiring EIAs. The World Bank explained that the purpose of requiring an EIA was “to improve decision making” and to ensure that the project being considered was “environmentally sound and sustainable.” The World Bank established the policy that environmental consequences were to be “recognized early in the project cycle” which would allow them to be “taken into account in project selection, siting, planning, and design.”

As indicated in Part I of this series, two of the primary reasons for conducting EIAs are so that the public is informed of proposed projects and so that a meaningful dialogue is facilitated regarding the potential benefits and the environmental and social costs of a proposed activity. Almost all EIAs require public participation. The World Bank properly has noted that public participation is necessary to understand the nature and extent of social or environmental impacts as well as the acceptability of any “proposed mitigatory measures.”

The World Bank in 1993 established an Inspection Panel to give affected parties the opportunity to grieve World Bank decisions. The World Bank also has recognized that an “affected party” can be a foreign NGO.

The International Financial Corporation (IFC) is the lending facility within the World Bank to the private sector. On February 16, 2006, the IFC amended its Safeguard Policies for managing the social and environmental risks of the projects it finances, which integrates social and environmental assessments, core labor standards, greenhouse gas emissions, and community health and safety standards, and requires greater transparency. The Safeguards now address forced labor, child labor, nondiscrimination, freedom of association and collective bargaining, also referencing human rights.

Almost all of the developed countries and most of the developing countries, now totaling over one hundred countries, require formal EIAs as part of their domestic environmental policy. Over 70% of the nations of the world have now adopted either informal or formal EIA requirements.

The EIA process facilitates the interchange of opinions and provides for public discourse, neither of which is encouraged or permitted in Burma. EIAs in industrialized countries act as a referee of the competing concerns of environmental protection and economic development.

Burma’s military junta has refused to adopt any policy to date to ensure the protection of the environment. Burma’s military junta has chosen not to sign any international agreement which would require an EIA for proposed activities substantially impacting the environment, such as Shwe Gas Project.

However, EIAs are now accepted internationally as a “proactive instrument” of environmental policy. Most prominent legal experts on international law have concluded

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# Death Grip

**Despite international calls for reform, the ever-defiant SPDC maintains control over Myanmar with an Orwellian hand. Secrecy and paranoia abound, while rubbing elbows with Asia's powerhouse nations keeps the regime in charge.**

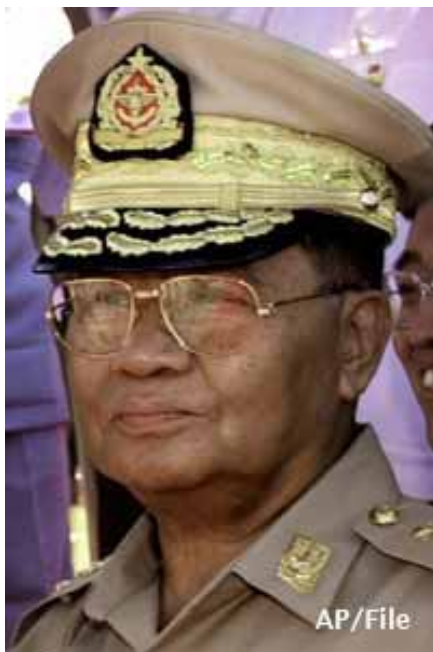
*By Erin Green, (Jul 6, 2006)*

**North Korea has Kim Jong Il. Myanmar has Than Shwe.**

The leaders' quirks may not manifest themselves the same way (Kim is a Hollywood junkie, while Than Shwe has a tendency to make national decisions based on astrological charts). But like Kim, Than Shwe's rule has been marked by totalitarian oppression, confounding public declarations and a capacity to rile the international community.

## *SPDC Chairman Than Shwe*

Than Shwe is the chairman of the ruling military junta in Myanmar, the country formerly known as Burma. Billed as the State Peace and Development Council (SPDC), the group is known for being as proud as it is merciless. Ruling Myanmar through fear and military might, the SPDC stifles democracy and kills opposition figures, intent on only one thing: staying in power.



Despite heavy international pressure for reform, that hold on power today is firm, thanks in part to some powerful allies.

Since the SPDC assumed control in 1988, Myanmar has received over \$2 billion worth of weapons from China. The regime also has forged close military ties with Russia and is broadening economic ties with India and other nations in the region.

The regime came into power amid a violent crackdown against pro-democracy protesters. The then-ruling socialist regime had precipitated total economic failure in Burma,

and the Burmese people took to the streets of the capital Rangoon (now Yangon) to protest for change.

The Burmese military used the chaos to depose the socialist regime and silence the political demonstrators, killing thousands, to become Myanmar's ruling party. The new ruling junta called itself the State Law and Order Restoration Council (SLORC), changing the name to the SPDC in 1997 — ostensibly indicating democratic sympathies that never materialized.

Myanmar did hold elections in 1990, in which the National League for Democracy, led by Myanmar's legendary voice of democracy, Aung San Suu Kyi, won in a landslide.

But Suu Kyi, the daughter of Burma's independence hero, Aung San, was never allowed to lead. The SPDC refused to recognize the results and put her and hundreds of other political activists under arrest. Many of them, including Suu Kyi, have spent the majority of their lives in detention since then.

## *Burmese opposition leader Aung San Suu Kyi*

To maintain control after their takeover as Myanmar's ruling party, Than Shwe and the SPDC have made a series of increasingly xenophobic moves in the name of the Burmese people.

"They thought ... that they needed more flavoring of Burma from a Burman point of view," Josef Silverstein, professor emeritus at Rutgers University and author of several books on Myanmar, explains.



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This included changing the country's name from Burma to Myanmar, reflecting the Burman pronunciation of the name over the British interpretation.

Silverstein says changes like this reflect the SPDC's belief that the final Burman royal dynasty before British rule, the Konbaung, was "the true spirit ... of the traditions of Burma, and they have a mission to pass them on to future generations."

This narrowly-focused view of Burmese nationalism leaves Myanmar's ethnic minorities — about 30 percent of the population — to fend for themselves as refugees, or to live under constant threat of state action.

The regime expects total commitment from all of Myanmar, including ethnic minorities, in its efforts to isolate the country. This was demonstrated in a 2003 message from Than Shwe in commemoration of "Peasant's Day."

The message read in part: "The entire mass of national races including the peasants will have to harmoniously strive for emergence of a peaceful, modern and developed nation."

Those who don't follow the chairman's words to "harmoniously strive" for a unified Myanmar can expect swift and painful retribution. Suu Kyi's current incarceration came after the SPDC used thugs to attack her convoy in 2003, leaving at least 70 dead. Human Rights Watch reported in May that the Burmese army began "its largest offensive in the western and northern parts of the Karen state," looting and burning homes while planting anti-personnel land mines in civilian areas "to terrorize the local population." Over 1,000 political prisoners remain detained without judicial recourse. Summary executions continue to be reported and in March Yangon officials beat a former political prisoner to death in public.

This flagrant abuse of human rights has led 34 countries to support a United Nations resolution calling for democratic reforms, but there is a major roadblock: China.

Myanmar's natural resources, including stores of natural gas, and convenient location next to the Bay of Bengal have bought the SPDC favor with China, a country with veto power on the UN Security Council.

Silverstein says China has a vested interest in making the Burmese military an ally and is granting its neighbor favors in the process. Armed with such leverage, the regime has been able to maintain that the international community should stay out of Burmese affairs.

Diplomats have little room to maneuver, and though the U.S. is leading the charge against Myanmar at the U.N., a State Department official would not give specific details about progress on introducing a resolution.

The media-savvy regime is conscious of international scorn. The state-run newspaper, the Myanmar Times, touts the country's good standing in the world, proclaiming Myanmar has been "dutiful in launching democratic

revolution." In reality, the regime's "road map" to democracy is dismissed almost universally as a sham.

While evidence of reform has been almost nonexistent, evidence of paranoia run amok is readily available. In November 2005, the SPDC announced it was moving the capital from Yangon to Pyinmana, in remote central Myanmar. Theories for the move abound, but Silverstein says some speculate the superstitious Than Shwe got a bad astrological reading (many in Myanmar heed the advice of fortune tellers and the country even has a government-sanctioned Astrology Research Bureau).

Silverstein also notes that the junta perhaps began to believe its own rumor about a possible U.S. invasion, moving the capital as a defensive measure.

Until the international community can act, the Burmese people continue to watch Than Shwe and the SPDC for clues about the country's future. The news magazine Irrawaddy, operated by Burmese exiles in Thailand, has even set up an online feature called "Than Shwe Watch" to "follow his movements, his decisions, statements" in hopes of yielding "clues about the future course of Burma."

With a secretive and strategically adept regime like the SPDC, tracking Than Shwe's every move may be the only chance to ascertain what lies ahead.//

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that the obligation of a country to conduct an EIA for any activity that is expected to have a significant or substantial environmental impact within or outside of that country's borders is a "general custom," "customary principle," "basic principle" or "fundamental principle" of international law.

Therefore, pursuant to customary international law, Daewoo International and its consortium partners are required to prepare an adequate EIA with appropriate involvement of local residents and NGOs regarding its current and ongoing exploration for natural gas in the Bay of Bengal **and** prior to any further exploration, extraction or further construction on the Shwe Gas Project.

**Please read Part V in the next edition**

*Part V of this six part series will discuss the nature of natural gas as a harmful and non-renewable natural resource.*

*The Author is a freelance environmental journalist in Minneapolis, Minnesota, USA.*

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## Teachers, Students Arrested in Arakan

Narinjara News  
7/19/2006

At least two teachers and four youths were arrested by the Burmese army in the towns of Kyaukprou and Rambree, located on Rambree Island along the Arakan coast, on 13 and 15 July, said a report of the BBC Burmese section on 18 July.

The report stated that the arrests took place a day after a clash between police and youths in Kyaukprou on 12 July, 2006.

On the evening of 12 July, four youths - Than Myint, Aye Thein, Aung Kyaw, and Htay Win - quarreled with constables Sergeant Aung Kyaw and Corporal Aye Maung while the youths were sitting in a restaurant of Ma Than Htay in front of the Teacher's College in Kyaukprou.

During the quarrel, several townspeople came out into the street and the town became clamorous. Soon after, about 50 Burmese soldiers came to the area in an army van, but the conflict had been resolved already with the assistance of some well known townspeople and army officers. The authorities, however, imposed a one night curfew in Kyaukprou over the incident.

The report said that during the quarrel, the police sergeant was seriously injured and was admitted to the hospital that same night.

The next morning, on 13 July, a group of soldiers from Light Infantry Battalion 34 based in Kyaukprou arrested two of the youths involved in the incident, Aung Soe Khiang and Aye Thein, with the intent of interrogating them about the incident.

During the night, some unsatisfied youths pasted anti-government posters on the walls and street lamps in the town to protest the arrest of the two young men by the army.

On 15 July, another two teachers and two youths were arrested by the authority in Kyauk Town, there is no information regarding the circumstances of that arrest or whether it is connected to the Kyaukprou incident. The arrested teachers were identified as Sara Hla Aung Kyaw and Than Aye, while the two youths are Tun Tun Naing and Myint Oo.

It has been learned that about 100 students went to the township's Peace and Development Council offices in Rambree

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## Two Arakanese women seek Justice

Narinjara News  
7/16/2006

Two women from Mrauk U are seeking justice for their rapes committed by a Chinese businessman in a village of Mraybon Township, Arakan, in May 2006, said a report from a relative.

The women were identified as Ma Nin Nin and Ma Yin Nu from Sinsha Site Quarter of Mrauk U, the last ancient city of Arakan.

The family source said that they were raped by the owner of a crab purchasing company, Mr. Waiyu, who is a Chinese citizen, in the village of Thet Thaug Village in Mraybon during a May night.

Mr. Waiyu opened the crab purchasing center in Thet Taung Village and now exports the crabs to Yunnan Province of China via Musi, reported our source.

The incident occurred while the two women were working at the company as day laborers, and took place just a few days after their arrival at the crab purchasing center from Mrauk U.

After the incident took place, the victims complained to the police station in Tet Thaug Village under Mraybon Township, reporting their rapes and identifying Mr. Waiyu as the perpetrator.

The policeman in charge of Thet Taung Village, U Kyaw Than, ignored the women's statements and refused to file a complaint or register the case; the police officer reportedly received a large bribe from the businessman to keep the case quiet.

According to family sources, the relatives of the two women have also complained about the attack to Mraybon Township authorities, and have called for a fair trial, but to date there has been no progress on the case. #



on 15 July to demand the release of the two teachers and two students from custody.

The situation in the two townships is being tightened, and the authority has been trying to control the two towns in order to avoid any untoward incidents during the Martyr Day holiday in Burma. #

### Shwe Gas Bulletin Team

Jockai

K.Murn Aung

Matthew (ERI) (Volunteer)

Lars Thompson (Volunteer)

Claudia (Volunteer)

Layout & Designed by

Herman

Thanks to BRC for Their Support

*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.*

# ANC Urges to End the Shwe Gas Project Fearing E-damages and HR Violations

July 6, 2006 (SGB)

There is an urgent need to stop the Shwe Gas project in Arakan as the environmental damages and Human Rights violations from the pipeline construction are going to have terrible impacts on local livelihoods along the Kaladan River, as the pipeline is planned to be laid down along the Kaladan River up to India, said U Maung Maung, a secretary of Arakan National Council (ANC).

“We need to protect the environment along the Kaladan River for new generations as it is essential for Arakan’s agriculture and bio diversification,” said the secretary of ANC.

“The local authorities will clear mangrove forests and trees along the pipeline and soldiers will use them for their own purpose such as firewood and military infrastructure if the project goes ahead.”

The Kaladan River, which begins just north of Burma in Manipur State in India, flows down through Mizoram State in India, China and Arakan State, before emptying into the Bay of Bengal.

Currently, the majority of Arkanese families depend on this river for fishing,



*Kaladan’s beauty and thousands of its depended families for their daily survival are threatened by the Shwe gas project pipeline.*

farming and water supply for their daily survival.

“Due to the loosing of mangrove forests, several fish will fade away as the water will flow stronger and heavier and the bank of Kaladan will erupt. Some parts of the river will face flooding, and some parts will face drought if the pipeline is constructed along the Kaladan”, assumed in an ANC statement.

“We urge Daewoo and its consortiums to leave the Arakan gas projects as the project threatens local people’s livelihoods by environmental destructions and severe human rights violations,” stressed the secretary.

The Arakan National Council is a leading organization for Arakan, comprising various Arakan parties, youth and women organizations.//

## The Arakan Oil Watch

PO.Box 184, Mae Paing Post Office, Chiang Mai 50301 Thailand

E-mail: Arakan\_ow@yahoo.com/Shwenews@yahoo.com:

Phone: 66 4 046 5813

Monthly Bulletin

To: .....  
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