burma campaign australia

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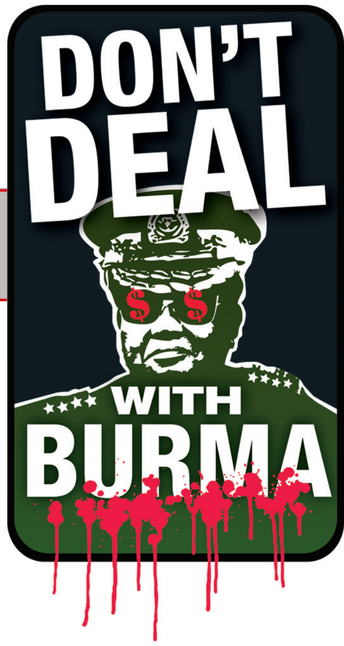

Burma Campaign Australia
c/-Burma Office, Labor Council
Building, Suite 6 Level 8,
377-383 Sussex St, Sydney 2000
admin@aucampaignforburma.org
02 9264 7694 • 0416 289 235

Australian Companies: Fuelling Burma's Military Dictatorship

Australian companies are helping fund Burma's murderous military dictatorship. These companies are securing the military dictatorship's long term financial viability and funding the dictatorships actions including systematic human rights violations. The following Australian companies have business interests in Burma.

- Andaman Teak Supplies Pty Ltd
- Chevron
- Gecko's Adventure
- Jetstar
- Lonely Planet
- Millers
- Sri Asia Tourism
- Twinza Oil

Twinza Oil Ltd's project alone will fund a quarter of Burma's military spending for the next decade and Jetstar provides the regime with funding for 727 soldiers.

All foreign investment in Burma must be done in partnership with military-owned company. In the next phase of Twinza Oil's project they will enter into a joint-venture with the military owned Myanmar Oil and Gas Enterprise.

Jetstar is in partnership with the military-owned Myanmar Airways International, and flies to Burma 4 times each week from Singapore.

The Myanmar Oil and Gas Enterprise and Myanmar Airways International are under the control of the Ministry of Energy and Transport respectively. Members of both these ministries have been recognised as persons profiting from the brutal oppression of Burma's population and have been placed on the Australian financial sanction list.

The Burmese military junta controls all major sectors of Burma's economy such as mining, logging, oil and gas, transport, manufacturing, apparel and electricity. It also controls the export of many key commodities and also must approve all financial investments.

Industry leading Australian companies, QBE (insurance), Downer EDI (engineering and construction), Woolworths (supermarket) and Fosters (fast moving consumer goods), have recognised that dealing with Burma is not best business practice and have voluntarily withdrawn

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from Burma. This conscious decision by these industry leaders signifies that industry standards are being set in relation to doing business in Burma.

Across Australia four local councils have committed to not deal with Burma. These councils have introduced selective purchasing policies preventing them from purchasing goods or services from companies and individuals with business interests in Burma.

Burma Economic Watch estimate that targeted trade and investment sanctions would only negatively affect 1 % of Burma's population. However, denying the regime vital income will benefit the tens of millions of people, including women and children.

The regime spends between 40 and 60% of the country's budget on military, in comparison to only 1.2-1.5% on health and 4-5% on education.[1] In 2006, Burma's national budget was estimated to be US$2.3 billion,[2] with military spending accounting for US$900 million.[3] Burma has the 12th largest armed forces in the world,[4] largely financed by income from the Yadana project and similar projects.

The Burmese military dictatorship controls and reaps the rewards of all major sectors of the economy such as mining, logging, oil and gas, transport, manufacturing, apparel and electricity. It also controls the export of many key commodities and also must approve all financial investments. The private sector is also closely linked to the regime, with such individuals on the Australian financial sanctions list.

Burma Campaign Australia calls on:

- Australian companies to withdraw from investing or operating in Burma and doing business with the military dictatorship;
- Australian businesses to publicly commit to not dealing with Burma; and
- The Australian Government to introduce targeted investment and trade sanctions against Burma.

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1 Earthrights International (April 2008) The Human Cost of Energy: Chevron's Continuing Role in Financing Oppression and Profiting From Human Rights Abuses in Military-Ruled Burma (Myanmar)
2 CIA World Fact book: Burma, Supra note 5
3 Earthrights International (April 2008) The Human Cost of Energy: Chevron's Continuing Role in Financing Oppression and Profiting From Human Rights Abuses in Military-Ruled Burma (Myanmar)
4 Jaffee Center for Strategic Studies, The Middle East Military Balance at a Glance, http://www.tau.ac.il/jscc/balance/glance.pdf

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Australian companies with business interests in Burma

Australian companies with business interests in Burma are:

- Andaman Teak Supplies Pty Ltd
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- Millers
- Sri Asia Tourism
- Twinza Oil

Twinza Oil

Twinza Oil, a western Australian company, signed a Production Sharing and Exploration Contract with the military-owned Myanmar Oil and Gas Enterprise (MOGE), in November 2006.[5] Whilst it is not possible to calculate the exact revenues the Burmese military regime will earn until a Production Sharing Agreement is made, estimates based on information from the Shwe and Yadana projects are possible.

Burma Campaign Australia estimates that Twinza Oil's project could potentially earn the military-owned MOGE US$2.5 billion through royalties, income tax and MOGE's stake in the project. The income from Twinza Oil's project alone could fund a quarter of Burma's military, the 12th largest in the world, for a decade.

"The situation in our village was good before Total worked here. We did farming, raised cattle and worked on our plantations peacefully, so our lives were better. After Total came, we were forced to go porter, carrying things for the soldiers, we were forced to work on many things. Our farms and garden were destroyed and our durian and rubber plantations were gone with the pipeline," – local villager in the Yadana pipeline corridor, 2008

Oil and Gas: Fuelling the Dictatorship

Oil and gas brings the military dictatorship income in the billions each year. The Yadana project, a joint venture between Total, Chevron, military-owned Myanmar Oil and Gas Enterprise, Petroleum Authority of Thailand, earns the regime nearly US$1 billion annually and is the largest source of income for the regime.[6]

Foreign companies and the dictatorship sign contracts that the project is a joint venture with the military-owned Myanmar Oil and Gas Enterprise and project security is assigned solely to the Burma army. On the Yadana pipeline this has meant soldiers have been involved in all phases of the project. There is no reason to believe that a production sharing agreement reached between Twinza Oil Ltd and the regime it will include similar clauses.

Higher militarisation in Burma places civilian populations at higher risk of human rights abuses; for example, villagers around the Yadana gas pipeline in eastern Burma have been used extensively as slave labour on the project.

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5 The Irrawaddy (01 Nov 2007) New sanctions missing the target, say critics
6 Earthrights International (April 2008) The Human Cost of Energy: Chevron's Continuing Role in Financing Oppression and Profiting From Human Rights Abuses in Military-Ruled Burma (Myanmar)

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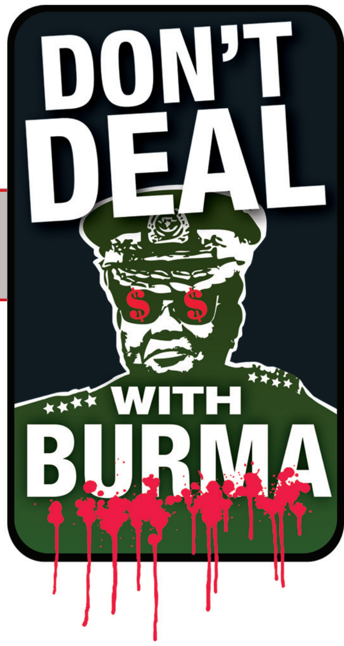

Jetstar Asia

In 2004 Geoff Dixon Qantas chief said Jetstar would **"do the right thing". "If they (Burma's democracy movement) are discouraging tourism and all the rest of it, it's probably very unlikely we'd want to fly there."**

Jetstar Asia flies to Burma in partnership with the military-owned Myanmar Airways International. Jetstar Asia flies four times per week to Rangoon from Singapore. Based on publically available information from the Department of Civil Aviation under the Ministry of Transportation and Jetstar's flight schedules, Burma Campaign Australia estimates Jetstar will annually provide the military dictatorship an estimated US$174,512. This income could be used to fund 727 soldiers who systematically violate human rights abuses for a year.

This estimate does not include the percentage of profits Jetstar would have to provide military-owned Myanmar Airways International, who Jetstar is in partnership with.

Tourism: The military tour

Burma's military dictatorship receives 12% of everything private tourists spend in country – and substantially more if holidaymakers stay in regime owned hotels. The military dictatorship itself is a partner in many tourist ventures, and some hotel projects are suspected to be fronts for laundering profits from Burma's burgeoning heroin trade.

Many tourism-related projects have involved massive forced labour, arbitrary property seizures, compulsory relocations, and other human rights abuses. In Mandalay and other cities tens of thousands of people were forced to leave their homes without compensation to make areas more attractive to tourists. Other property has been arbitrarily seized to build new hotels or tourist facilities.

Tourism profits rarely reach ordinary people. Large parts of Burma remain off-limits to tourists because of military operations, narcotics trafficking in border areas, and a contentious gas pipeline built across southern Burma.

Local Councils Don't Deal with Burma

Across Australia four local councils have committed to not deal with Burma by introducing selective purchasing policies relating to Burma.

Local Councils that have signed on include:

- Leichhardt Municipal Council
- Marrickville Council
- Mornington Peninsula Shire Council
- Moreland City Council

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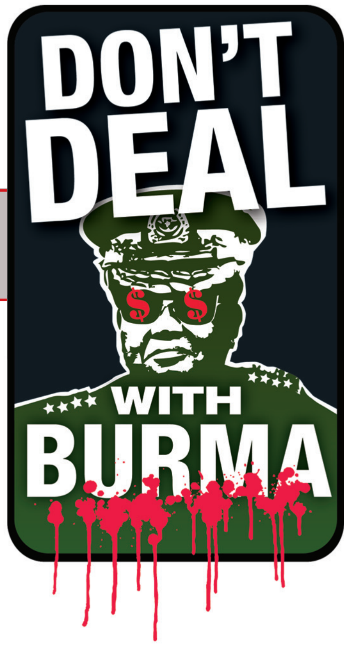

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These policies, acknowledge councils' right to make economic decisions and to determine on moral grounds with whom it will do business, ensuring that local councils do not provide any support to Burma's military dictatorship. Under selective purchasing policies Councils commit to not purchasing goods or services provided by those who conduct business in or with Burma until democracy has been restored and human rights violations have ceased.

Industry leaders commit to not deal with Burma

QBE (insurance), Downer EDI (construction and engineering), Woolworths (supermarkets) and Fosters (fast moving consumer goods), have recognised that dealing with Burma is not the best business practice and have voluntarily withdrawn. This conscious decision by these industry leading companies signifies that industry standards are being set in relation to doing business in Burma.

Burma Campaign Australia applauds these companies and the standard they are setting.

QBE Insurance (Australia) Ltd – withdrew March 11th 2009

> **"QBE has reviewed its various portfolios around the world and has cancelled the few incidental Burmese exposures on multinational insurance policies which could have a direct or indirect benefit for the current ruling party in Burma…"** Frank O'Halloran, QBE's Chief Executive said.

QBE is Australia's largest international insurer and one of the 25 insurers in the world. This insurance giant has offices in 45 countries and over 50 offices in all states and territories across Australia. The publically listed company's net profit for 2008 was $1,859 million and it employs 13,000 staff.

QBE has been named General Insurer of the Year by the National Insurance Brokers Association for the past seven years.

Downer EDI – withdrew May 11th 2009

Downer EDI is one of Australia's top-100 companies with an annual turnover of AUS$5.6 billion and AUS$3 billion in assets. The company provides a range of services to clients including, rail, mining, engineering and consulting, with a strong focus on Australia, New Zealand, Asia and the Pacific. Downer EDI employs 24,000 staff and has a strong zero harm policy.

A fully owned Singapore subsidiary of Downer EDI, CPG, was contracted to design a new airport in Burma's remote capital Naypyidaw. "As soon as this matter was brought to the attention of the chief executive, enquiries were made immediately and a decision followed to withdraw from the contract in an appropriate manner," said Maryanne Graham, a spokeswoman for Downer, in May 2009.

The case for investment sanctions

Investment projects secure the long term financial viability and stability of the Burmese military dictatorship – a dictatorship with one of the worst human rights records in the world. Unconditional investment in Burma reduces any incentive for the regime to implement urgently needed reforms. >>>

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Burma's democracy leader Aung San Suu Kyi has made clear statements on her support for trade and investment sanctions, which was reaffirmed in a statement earlier this year via a National League for Democracy spokesperson.

The US, Canada and EU have longstanding trade and investment sanctions against Burma. Recently UK Prime Minister Gordon Brown called on governments around the world to impose trade and investment sanctions against the regime in an opinion piece published in the Sydney Morning Herald on June 19th 2009.

There is currently no legal barrier preventing Australian companies from fuelling the dictatorship through investment and trade. Australia's policy neither encourages nor discourages investment or trade with Burma.

Who will be affected by trade and investment sanctions?

Burma Economic Watch estimates trade and investment sanctions would at the most negatively affect less than 5% of Burma's population, placing it closer to 1%. This small part of the population represents the upper echelons of Burmese society who are individuals with close ties the military regime. These are individuals who have profited from the regime's rule while the overwhelming majority of the population has become increasingly poorer. In 2007 the UN estimated that 90% of Burma's population lived on less than 65 US cents per day.[7]

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7 Results of a yet to be published UNDP survey, cited in: Burma's 'Saffron Revolution' is not over: Time for the International Community to Act, ITUC-FIDH, December 2007.