



## PRESS RELEASE

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### **Oil Companies in Burma Urged to Open Their Books: *Total, Chevron, and PTTEP Would Become First Oil Companies to Practice Revenue Transparency in Burma***

*April 27, 2010, Bangkok, Thailand* -- In an initiative launched today, over 160 non-governmental organizations, labor unions, investment firms, scholars, and policy leaders, including the former Prime Minister of Norway and the former President of Ireland, called on the oil companies Total, Chevron, and Thailand's PTTEP to publish over 18 years of payments to the Burmese military regime. The companies, who partner with the military government on the *Yadana* natural gas pipeline to Thailand, stand to become the first to practice revenue transparency in the military-ruled country.

In a 2-page public statement, the group urged the companies to publish "comprehensive data and information" including taxes, fees, royalties, and bonuses paid to the Burmese authorities since 1992, the year the companies' governing contract with the military regime was signed.

While it is common, and very controversial, for oil and gas contracts to be kept strictly confidential, the group revealed today that Total, Chevron, and PTTEP's contracts with the Burmese authorities are legally public documents, and that the "governing contracts do not prohibit Total, Chevron, or PTTEP from practicing full revenue transparency" in Burma. The contracts were obtained through landmark human rights litigation in US courts between Burmese citizens and Unocal Corporation (now Chevron), according to the group's statement.

According to EarthRights International, the Burmese regime has received multi-billion dollar profits from export gas sales and payments from Total, Chevron, and PTTEP, buttressing the regime from democratic pressures. With the highest poverty rates and lowest social spending in Southeast Asia, "shining a light on this revenue is critical for Burma's future development, and for the responsible management of the country's vast resource wealth," according to the organization.

"The people of Burma have a right to know the financial details surrounding the country's natural resources, including payments made by foreign oil companies" said Naing Htoo, an ethnic Karen representative of EarthRights International. "This statement and its broad local and international support are a testament to the importance and need for transparency and accountability in the country," Htoo added.

The statement's impressive signatories include over 60 Burmese-led organizations representing every major ethnic group in the diverse Southeast Asian country and the world's leading human rights, anti-corruption, and environmental NGOs, hailing from over 20 countries worldwide. Also behind the effort are labor unions representing 24 million workers, investment firms managing a cumulative US\$15 billion dollars of capital, and policy leaders from the United States and Europe, including Mary Robinson, the former President of Ireland and former U.N. High Commissioner of Human Rights, Kerry Kennedy, the founder of the Robert F. Kennedy Center for Justice and Human Rights, and Kjell Magne Bondevik, the two-time former Prime Minister of Norway.

Norway is widely regarded as the world's leader in the responsible management of natural resource wealth. During Mr. Bondevik's second term in office, clear ethical guidelines were established in Norway to ensure the highest ethical standards are met by the investments of the country's massive sovereign wealth fund, which comprises nearly US\$500 billion from Norway's surplus petroleum wealth.

According to Mr. Bondevik, who in principle is against foreign companies operating in Burma: "The least we should expect from the companies operating inside Burma is full revenue transparency. We've seen decades of military dictatorship and years of irresponsible management of Burma's natural resource wealth – hence this initiative is a positive step towards changing that."

A who's who of economists and political scientists also back the initiative, including best-selling author and Oxford University economist Paul Collier, and UCLA Professor of Political Science Michael Ross, whose quantitative research has focused on the causal links between resource wealth and authoritarianism. According to Professor Ross, "in too many countries, dictators use natural resource wealth to keep themselves in power. Revenue secrecy makes this possible. Revenue transparency can help change it."

The statement released today only adds to the mounting pressure on the *Yadana* companies to disclose revenue payments to the Burmese junta. Legislation pending before the U.S. Congress – the Energy Security through Transparency Act (S. 1700) – will require all oil, gas, and mining companies registered with the Securities and Exchange Commission to disclose information about payments to host governments around the world, including to the Burmese regime. If passed, this will impact nearly every major oil and gas corporation around the world.

Likewise, Chevron's shareholders are set to vote next month at the company's annual shareholder meeting on a proposal that would require the company to disclose payments to foreign governments, including the junta in Burma.

According to Wong Aung, Coordinator of Burma's Shwe Gas Movement, "revenue transparency must be practiced for the citizens of Burma, who can use the information to monitor the government's use of natural resource wealth and demand accountability where none presently exists."

In 2009, EarthRights International estimated that the *Yadana* gas pipeline had generated over US\$7.5 billion in gas sales to Thailand. The organization exposed that a significant portion of the junta's gas sales were siphoned to bank accounts in Singapore rather than to the fledgling national economy, development, or humanitarian relief. EarthRights International also linked the *Yadana* pipeline to forced labor, killings, and other human rights violations in the project area.

"Transparency in payments to host states is a minimum element of corporate responsibility in the oil and gas sector," according to EarthRights International representative Matthew Smith. "There's no defensible argument against revenue transparency, especially in this context," Smith added. EarthRights International is encouraging more endorsements of the two-page statement "until the effort is a success."

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