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China digs in across conflict-ridden Burma to access oil and gas

A report released today reveals the disturbing extent to which China has advanced construction of a trans-Burma oil and gas pipelines project despite raging conflict and associated abuses.

Sold Out details the expanding construction of a deep sea port, gas terminal, and oil transfer point in Burma's western Arakan State as well as laying of nearly 800 kilometers of pipes. Dual pipelines will pump Burma's world class natural gas reserves as well as oil from the Middle East and Africa across the country to feed China's energy needs.

The China National Petroleum Corporation and companies from Korea and Burma are speeding ahead with construction despite outbreaks of armed conflict near the pipeline route. The Burma Army has launched offensives to clear ethnic resistance forces out of resource-rich areas in northern Kachin and Shan states since March 2011. The battles have left an estimated 50,000 newly displaced.

Thirty-three army battalions are currently deployed along the pipeline corridor, naval patrols guard offshore construction, and a missile complex is being built next to the deep sea port.

Widespread land confiscation to make way for the pipeline corridor is leaving farmers jobless and fishing grounds are now off-limits, contributing to rising migration. Local people are able to secure only low-wage, temporary, and unsafe jobs on the project and are not able to complain about working conditions or wages without retribution. To date sixty workers have been fired for demanding regular wages at the Onshore Gas Terminal site alone.

“Companies are ignoring widespread abuses and worsening civil war” said Wong Aung of the Shwe Gas Movement. “The investors should pull out now before the project blows up in their faces.”

If used domestically, the natural gas would transform Burma's failing economy, addressing chronic energy shortages and unaffordable petrol prices that led to uprisings in 2007. The gas will instead be exported and revenues from the sale of the gas – estimated at US\$29 billion – will be swallowed up by a fiscal black hole that omits gas revenues from the national budget.

“These natural gas reserves could transform Burma's economy” said Wong Aung of the Shwe Gas Movement. “Instead the regime is selling out our economic future to China.”

Download the full report *Sold Out* at www.shwe.org

Photos and video footage available for media

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