

INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS (ICFTU)

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Burma and multinational companies: who profits and how it works

BRUSSELS, 25 January 2005, ICFTU Online: The International Confederation of Free Trade Unions (ICFTU) today released a new report on business with Burma. The 28-page document, entitled "Doing Business with Burma", concentrates on investment in and trade with Burma and shows how foreign business relationships with Burma - by large and small multinational companies - generate vast profits for the country's military dictators. The ICFTU simultaneously released an updated version of its Burma company database, which now contains the names of some 440 multinational companies, adding over 40 new names.

Burma is the only country in the world for which the international trade union movement calls for disinvestment. The newest ICFTU report on investment and trade with Burma is essentially a research overview, based on facts and details compiled from over 40 different sources (news items, reports by governments, intergovernmental and non-governmental organisations and individual researchers). It demonstrates conclusively that investing in Burma is not possible without the agreement of the junta. It also shows how the regime systematically steers business operations, especially the most profitable, towards joint ventures with state-owned companies.

The "secretive and corrupt" business environment in Burma lacks all forms of transparency, according to the report. Whether or not companies are directly owned by the military makes no real difference. Where the former are owned by the army, many of the latter are owned by high ranking military figures, in their "private capacity", or by their relatives and cronies. Over the last 15 years the military dictatorship in Burma has moved itself into a position of virtual control over all aspects of the business sector.

Figures quoted in the report indicate an overall reduction in investment in Burma over the last few years. More and more people, companies and countries are recognising that investing in or trading with Burma makes no sense - either in moral nor in business terms. Regrettably, a small number of neighbouring countries, in part because of regional power-plays, refuse to follow that trend. Business interests from China, India, Thailand and some of the other neighbouring ASEAN countries are stepping in where others are moving out.

The report provides numerous concrete examples of what the Burmese junta spends the income on, for example over 40% of its national budget goes to military expenditure. It also recalls the army's responsibility for a host of human rights abuses, including the widespread and continuing use of forced labour. The report also highlights what the government does not do with the money, spending only 0.3% of GDP on health care.

Among the many different topics covered by the report, the ICFTU also addresses issues such as corruption, transparency, drug traffic and arbitrary taxation, as well as the junta's bogus claims that economic sanctions affect "18 million workers".

The ICFTU has also updated its list of companies with business links to Burma. This list now contains the names of around 440 multinational enterprises. The addition of new companies is the result of continuous research, and not an actual indicator of increased corporate interest in Burma. Some of the better known new names are China PetroChemical Corp. (Sinopec), China Telecom, Lloyd's of London, Rolls Royce and the State Bank of India.

Many large multinational companies have left the country over the last few years. However, some companies, such as South-Korea's Daewoo International, Austrian Airlines, SWIFT (Belgium), Total (France), Unocal (USA), Suzuki (Japan) or Ivanhoe Mines (Canada) still maintain their links with Burma.

As a country, Burma continues to be one of the worst human and workers' rights offenders in the world. In spite of some minor positive steps in recent years, partly the result of international pressure, very little has fundamentally changed in the way the Burmese dictators treat their citizens. Claims of progress made by the military have been merely cosmetic, and are followed by a new wave of brutal repression. This repression includes violence against religious and ethnic minorities, forced relocation, beatings, child labour, rape and murder. All of them continue on a daily basis. A high number of political prisoners remain in prison. Forced labour, one of the largest problems, is still routinely resorted to by the military.

The database on companies linked to Burma, including specific information for each company, as well as background information on this initiative, can be found on the ICFTU web site at:
<http://www.global-unions.org/burma>

The report on multinationals companies and Burma can be found here:
<http://www.icftu.org/www/PDF/Burma-ICFTUReport-January.pdf>

The ICFTU represents 148 million workers in 231 affiliated organisations in 150 countries and territories. ICFTU is also a member of Global Unions: <http://www.global-unions.org>

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