

**An Analysis of
Select Companies' Operations in Sudan:
A Resource for Divestment**

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I. Introduction

This report was written by the Allard K. Lowenstein International Human Rights Clinic at Yale Law School, in conjunction with the Lowenstein International Human Rights Project,² as a resource in understanding companies' business activities in Sudan. It was written in light of a movement in the United States for various institutions to divest from companies that support the Government of Sudan while it commits genocide in Darfur, Sudan.

The purpose of this report is to provide factual information and analysis of select companies' involvement in Sudan. Although this document was created to support the efforts of those in the divestment movement, it does not make recommendations on whether to divest from specific companies. Some argue for blanket divestment from companies doing any business in Sudan. Others argue for more narrowly tailored and targeted divestment. This report does not take sides in this argument but provides information and analysis that can be used to understand particular companies' roles in Sudan. It urges that a number of relevant factors be considered in making divestment decisions. However, it is vitally important that this debate not be used as an excuse for inaction.

Divestment is a potentially powerful tool against a government that has engaged in genocide – a practice the Genocide Convention calls “an odious scourge” that is “condemned by the civilized world.” It is hoped that this report can help further the goals of the divestment movement. The primary goal of that movement is to have institutional investors make investment decisions that are designed to help bring peace and security to the people of Sudan. Its second goal is to send a clear message to companies that their actions in relation to governments like that of Sudan will be scrutinized by investors and the public and that companies that support such regimes will face consequences.

This report examines first the history of the genocide in Sudan; then the position of universities and states, as well as NGOs and experts on divestment; then the link between companies' business activities and genocide in Sudan; and finally individual companies' activities in Sudan. It focuses on companies in the oil, energy, and telecom sectors. Although companies provide other goods and services in Sudan, the oil, energy, and telecom sectors of the economy most directly benefit the Sudanese government and help it perpetuate its destructive policy in Darfur. The weapons industry contributes directly to the Sudanese government's campaign of violence in Darfur, but the Lowenstein Human Rights Clinic/Project was unable at this time to research this sector. Similarly, only limited information could be found about Sudanese-issued government bonds.

Whenever possible, information was double-checked and the most reliable sources were used. However, some reports of company activities came from less well-known sources with unknown reporting standards; information from these sources was included and duly

² Henceforth referred to jointly as “Lowenstein Human Rights Clinic/Project.” This report was also written in consultation with individual members of Yale's Advisory Committee on Investor Responsibility (ACIR), who helped make this a stronger document, for which the authors are enormously grateful.

footnoted in order to provide the greatest amount of relevant information. Although not all this information could be verified, no reason was found to doubt its accuracy. This report should be seen as a compilation and analysis of much of the available public information on companies' activities in Sudan, and not as an authoritative description of these activities.

II. History of the Genocide in Darfur

A. Historical and Political Context

Sudan, Africa's geographically largest country, has been marked by political violence and armed conflict since its independence from British colonial rule in 1956.³ Colonial policy favored a northern elite based in Khartoum, while the south and west were politically marginalized.⁴ Northern Sudanese, commonly referred to as "Arabs," speak Arabic and are predominantly Muslim. Southern and Western Sudanese are often referred to as "Africans"; those in the west are largely Muslim, while the south is predominantly animist and Christian.⁵

Most large-scale violence in post-independence Sudan has been between the Khartoum government and rebel groups based in southern Sudan. Sudan's first civil war broke out at the time of independence, when the Khartoum government reneged on promises to provide representation to the south in the post-colonial government through a federal system. Separatist guerrillas, known as Anya-nya, initiated a low-intensity civil war that lasted from 1955 to 1972.⁶ This war concluded with a peace agreement that granted some autonomy to the south. The agreement was unconstitutionally revised in 1977 after the discovery of oil in southern Sudan. In 1983, following President Nimeri's decision to institute Islamic Shari'a law throughout the country, Southern army officers led by John Garang mutinied and formed the Southern People's Liberation Army/Movement (SPLM/A).⁷ The ensuing conflict lasted until the Comprehensive Peace Agreement signed on December 31, 2004. The agreement created a new post of Vice-President, held by a southerner; allows autonomy for southern Sudan; and provides for a referendum on secession in 2011.⁸

The current conflict in Darfur, a province in western Sudan, erupted in 2003 as North-South negotiations neared a resolution. Darfur is an area in which Arabized slave traders have historically traded in African villagers; some argue that this slave trade continues

³ United Nations Commission of Inquiry on Darfur, *Report of the International Commission of Inquiry on Darfur*, January 25, 2005, p. 18. Available at www.un.org/News/dh/sudan/com_inq_darfur.pdf

⁴ International Crisis Group, "Conflict History: Sudan," available at http://www.crisisgroup.org/home/index.cfm?action=conflict_search&l=1&t=1&c_country=101

⁵ United Nations Commission of Inquiry on Darfur, *op. cit.* p. 17

⁶ GlobalSecurity.org, "Sudan Civil War," available at <http://www.globalsecurity.org/military/world/war/sudan-civil-war1.htm>

⁷ *Id.*

⁸ United Nations Commission of Inquiry on Darfur, *op. cit.* p. 19

today.⁹ Competition over scarce resources has erupted into violence in Darfur on multiple occasions since the 1980's.¹⁰ In 1991, in the context of fighting in Darfur between the government and the SPLA, the government "encouraged the formation of an 'Arab Alliance' in Darfur to keep non-Arab ethnic groups in check."¹¹ One such group used its recently acquired arms to resolve a dispute about land and water rights, attacking communities of Zaghawa, Fur and Massalit in a campaign in Southern Darfur State that resulted in 3,000 deaths and the destruction of 600 villages.¹²

B. Outbreak of Violence

Responding to political marginalization and violence targeting African communities in Darfur, two loosely allied rebel groups, the Justice and Equality Movement (JEM) and the Sudan Liberation Army/Movement (SLA; not to be confused with the southern SPLA), attacked government installations in February of 2003.¹³ These rebels, composed of tribal groups, including the Fur, Zaghawa, and Massaleit, presented a political program demanding a "united democratic Sudan."¹⁴ These movements "seek equitable development, land rights, social and public services, democracy and regional autonomy" rather than self-determination.¹⁵ The Sudanese government responded with a renewed arming of Arabized militias, known as Janjaweed, in order to put down the rebellion.¹⁶ The strategy to crush the rebellion involved clearing the area of civilians, viewed as a potential support base for the JEM and SLA. Tactics revolve around a scorched earth policy in which entire villages are burned to the ground, their former occupants displaced or killed.

Despite a peace agreement signed between the government and the Darfur rebels in April of 2004, violence has continued unabated. Massacres of civilians, rape, and looting are prevalent. In August 2004, refugees in Chad reported to U.S. State Department officials that typical scenarios involved "joint GOS [Government of Sudan] military and Jingaweit [Janjaweed] attacks; strafing by helicopter gun ships followed by ground attacks by the GOS military in vehicles and Jingaweit on horseback; males being shot or knifed; and women being abducted or raped."¹⁷ Children abducted during raids are forced into slavery, crops are destroyed, livestock and goods are looted, and drinking water is

⁹ David, Ruffin. "Darfur: Genocide in Plain View." *The Crisis*. Jan. 2005.

http://www.findarticles.com/p/articles/mi_qa4081/is_200501/ai_n9522087; Sabit A. Alley, "War and Genocide in Sudan: An Overview," available at <http://www.iabolish.com/today/features/sudan/overview2.htm>

¹⁰ Amar Idris, "Understanding the Genocide Politically: the Case of Darfur," *Sudan Tribune*, September 9, 2005, available at http://www.sudantribune.com/article.php3?id_article=11564

¹¹ U.S. Department of State, "Documenting Atrocities in Darfur," September 2004, available at <http://www.state.gov/g/drl/rls/36028.htm>.

¹² *Id.*

¹³ United Nations Commission, *op. cit.* at 23

¹⁴ *Id.*

¹⁵ Amar Idris, *op. cit.*

¹⁶ U.S. Department of State, *op. cit.*

¹⁷ *Id.*

contaminated by dropping corpses into wells.¹⁸ Ninety percent of African villages in Darfur have been destroyed.¹⁹

On the ground, killings have displayed an extraordinary level of brutality. *New York Times* journalist Nicholas Kristof described this scene: “I found a man groaning under a tree. He had been shot in the neck and jaw and left for dead in a pile of corpses. Under the next tree I found a four-year-old orphan girl caring for her starving one-year old brother. And under the tree next to that was a woman whose husband had been killed, along with her seven- and four-year old sons, before she was gang-raped and mutilated.”²⁰ Attacks often involve the use of racial epithets, such as “Kill the slaves!” and “We have orders to kill all the blacks.”²¹

The conflict has resulted in massive displacement and refugee flows. Over 200,000 Darfurians currently reside in refugee camps in Chad.²² The majority of the displaced, 1.65 million according to the United Nations Commission, take refuge in Internally Displaced Peoples’ Camps within Darfur.²³ These camps have become Janjaweed targets, resulting in the repeated victimization of survivors of village scorched earth campaigns.²⁴ In November 2004, the Al-Geer Camp was destroyed by the Government of Sudan, and other camps have witnessed attacks by the Janjaweed, thus perverting the idea of refuge in these camps.²⁵

The Sudanese government has repeatedly denied complicity in arming the Janjaweed militias, but some government officials have acknowledged the arming of certain Arab tribes.²⁶ It is also clear that the Sudanese government is indiscriminately bombing civilians. The State Department report on Darfur indicates that as of August 2004, more than 100 locations had experienced aerial bombardment.²⁷ While the Sudanese government argues that its only activities in the region are conducted on the basis of military imperatives, the UN Commission found that government attacks were “deliberately and indiscriminately directed against civilians.”²⁸

Human Rights Watch cites “incontrovertible evidence” that the Khartoum government is behind the attacks on civilian Darfurians.²⁹ In a December 2005 report they stated: “The

¹⁸ Norman Epstein, “World ignores genocide in Sudan.” *Canadian Jewish News*. Vol. 35 No. 11 p. 9, March 10, 2005. <http://www.cjnews.com/viewarticle.asp?id=5750>. Also detailed in United Nations Commission, *op. cit.* at 64

¹⁹ *Id.*

²⁰ Nicholas D. Kristof, “Urgent action needed to stop Sudan atrocities”, *The Sudan Tribune*, September 12, 2004, available at http://www.sudantribune.com/article_impr.php3?id_article=5386

²¹ U.S. Department of State, *op. cit.*

²² United Nations Commission, *op. cit.* at 3

²³ *Id.*

²⁴ United Nations Commission, *op. cit.* at 77

²⁵ *Darfur the Failure to Protect*. International Crisis Group Africa Report. March 2005. p.7

²⁶ United Nations Commission, *op. cit.* at 59; U.S. Department of State, *op. cit.*

²⁷ U.S. Department of State, *op. cit.*

²⁸ United Nations Commission of Inquiry on Darfur, *op. cit.* p. 3

²⁹ Judy Alta, “Documents Link Khartoum to Jingaweit, Human Rights Watch Says,” July 19, 2004, available at <http://usinfo.state.gov/dhr/Archive/2004/Jul/20-51414.html>

Sudanese government at the highest levels is responsible for widespread and systematic abuses in Darfur.” It continues. “The Sudanese government has failed to prosecute serious crimes committed in Darfur. Instead of pursuing accountability for war crimes and crimes against humanity committed by government officials and Janjaweed members, it has made no genuine effort to investigate – much less discipline or prosecute – any of the individuals responsible.”³⁰

The United Nations has turned over a list of 51 “senior Sudanese government officials, militiamen, army officers, and rebel commanders” to the International Criminal Court, which is preparing indictments against these individuals for their role in the violence.³¹ Further, according to the UN Commission of Inquiry in Darfur there is no evidence that the Khartoum government has taken genuine measures to end the crisis.³²

C. Classification as Genocide

The United Nations Convention on Genocide defines genocide as

any of the following acts committed with intent to destroy, in whole or in part, a national, ethnic, racial or religious group, as such:

- (a) Killing members of the group;
- (b) Causing serious bodily or mental harm to members of the group;
- (c) Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;
- (d) Imposing measures intended to prevent births within the group;
- (e) Forcibly transferring children of the group to another group.³³

On July 23, 2004, the U.S. Senate and House of Representatives unanimously adopted a joint resolution declaring the atrocities in Darfur to be genocide.³⁴ Based on interviews with 1800 Darfurian refugees in Chad, the U.S. Department of State announced in September of 2004 that genocide had occurred, and might still be occurring, in Sudan.³⁵ In his opening remarks, Secretary of State Colin Powell attributed the genocide to the government of Sudan and the Janjaweed militias. President Bush reiterated that the US Government believes genocide is taking place in Darfur on June 2, 2005.³⁶

³⁰ Human Rights Watch. *Entrenching Impunity: Government Responsibility for International Crimes in Darfur*. Dec. 2005. <http://www.hrw.org/reports/2005/darfur1205/darfur1205text.pdf>

³¹ Warren Hoge, “International War-Crimes Prosecutor Gets List of 51 Sudan Suspects”. *The New York Times*, Sec. A. Col. 3. Pg. 6. Apr. 6, 2005

³² United Nations Commission, *op. cit.* at 5

³³ United Nations Convention on the Prevention and Punishment of Genocide, entered into force January 12, 1951. Available at www.unhcr.ch/html/menu3/b/p_genoci.htm

³⁴ House Concurrent Resolution 467; Senate Congressional Resolution 124

³⁵ U.S. Department of State, *op. cit.* See also Secretary of State Colin Powell’s opening remarks before the Senate Foreign Relations Committee, available at <http://www.state.gov/secretary/former/powell/remarks/36042.htm>

³⁶ <http://www.washingtonpost.com/wp-dyn/content/article/2005/06/01/AR2005060101725.html>

Investigations by the humanitarian group Physicians for Human Rights, conducted in refugee camps along the Chad/Sudan border in May 2004, also concluded that genocide was taking place in Sudan, characterized by consistent patterns of attacks and destruction of villages, destruction of livelihood and means of survival, hot pursuit with intent to eradicate villagers, targeting of non-Arabs, and systematic rape of women.³⁷ Events in Darfur have also been labeled as genocide by numerous non-governmental organizations including the U.S. Committee for Refugees, Africa Action, the U.S. Holocaust Museum Committee for Conscience, the International Crisis Group, and Justice Africa.³⁸

A United Nations Commission of Inquiry found, based on investigations taking place from November 2004 through January 2005, that "government forces and militias conducted indiscriminate attacks, including killing of civilians, torture, enforced disappearances, destruction of villages, rape and other forms of sexual violence, pillaging and forced displacement, throughout Darfur. These acts were conducted on a widespread and systematic basis."³⁹ The Commission reports that some state officials may be responsible for genocidal acts⁴⁰ and concludes that "international offences such as the crimes against humanity and war crimes that have been committed in Darfur may be no less serious and heinous than genocide."⁴¹

III. Positions on Divestment of Universities and State Legislatures, as well as Regional Experts and NGOs

Several universities, legislatures, and regional experts/NGOs support divestment from at least some companies that do business in Sudan. These institutions often represent diverse stakeholders. As a result, the specific reasons for divestment are not always clear, but the case for divestment is generally made upon one or more of the following arguments:

1. Ethical. Proponents argue that no institution can ethically remain invested in a company that does business with a genocidal regime, irrespective of whether divestment has the effect of reducing violence.
2. Application of economic pressure on the Sudanese government. Many argue that divestment will apply economic pressure through which the Sudanese government will be compelled to take steps to end the genocide in Darfur.
3. Focusing attention on Darfur. Some proponents of divestment argue that when prominent institutions divest from Darfur, their substantive action brings crucial attention to the crisis in Sudan, provoking politicians and their constituents to demand that the United States and other important international actors take more action against genocide in Darfur.

³⁷ Physicians for Human Rights, "PHR Calls for Intervention to Save Lives in Sudan: Field Team Compiles Indicators of Genocide," June 23, 2004, available at <http://www.phrusa.org/research/sudan/documents.html>

³⁸ Compiled by Eric Reeves, "Quantifying Genocide in Sudan: A Summary and Update," June 28, 2004, available at http://freeworldnow.blogspot.com/2004_06_01_freeworldnow_archive.html

³⁹ United Nations Commission, *op. cit.* at 3

⁴⁰ *Id.*

⁴¹ *Id.* at 4

A. Universities

Universities have been the earliest leaders in the Sudan divestment movement. In April 2005 Harvard announced its decision to divest from PetroChina. The Harvard Corporation Committee on Shareholder Responsibility issued a statement in which it found that:

“This decision reflects deep concerns about the grievous crisis that persists in the Darfur region of Sudan and about the extensive role of PetroChina's closely affiliated parent company, China National Petroleum Corporation, as a leading partner of the Sudanese government in the production of oil in Sudan. Oil is a critical source of revenue and an asset of paramount strategic importance to the Sudanese government, which has been found to be complicit in what the U.S. Congress and U.S. State Department have termed ‘genocide’ in Darfur and what a United Nations commission of inquiry recently characterized as ‘crimes against humanity and war crimes . . . [that] may be no less serious and heinous than genocide.’”⁴²

In June of 2005, Stanford announced it would divest from PetroChina, Sinopec, ABB, and Tatneft.⁴³ Stanford’s President stated, “Divestment is an act that should be made rarely and carefully. In this case, it was clear that the genocide occurring in Darfur, which appears to be at least partly enabled by these four companies, is in direct opposition to Stanford University's principles.”⁴⁴

In November 2005, Dartmouth announced it would divest from six oil-related companies although it currently owned none of them.⁴⁵ Also, in November 2005, a committee of the University of California agreed to come forward with a plan to divest from four companies (PetroChina, Sinopec, Tatneft, and ABB) for its January regents meeting.⁴⁶

B. State Legislatures

⁴² “Statement by Harvard Corporation Committee on Shareholder Responsibility (CCSR) Regarding Stock in PetroChina Company Limited.” *Harvard University Gazette*. April 4, 2005.

http://www.news.harvard.edu/gazette/daily/2005/04/04-sudan_statement.html

⁴³ “Stanford Divests from Sudan.” *Stanford Magazine*. July/August 2005.

<http://www.stanfordalumni.org/news/magazine/2005/julaug/farm/news/sudan.html>

⁴⁴ “University to Divest from Four Companies Connected to Sudan.” *Stanford Report*. June 9, 2005.

<http://news-service.stanford.edu/news/2005/june15/divest-060905.html>

⁴⁵ The six companies that the trustees urged the College's Investment Office to avoid were ABB Ltd., Greater Nile Petroleum Operating Company Ltd., PetroChina Company Ltd., Sudanese White Nile Petroleum Company, Petroliam Nasional Bhd (Petronas), and Sinopec Corp. It is unclear why they chose these six as ABB only has marginal involvement in the oil sector and is mainly based in the energy industry, GNPOC is a consortium and not a company, Petronas is state-owned, and Sudanese White Nile Petroleum Company does not seem to be publicly traded and is a very small player in Sudan. Swiss, Zach. “College may Retain Stake in Two Sudanese Telecom Firms.” Nov. 16, 2005. *The Dartmouth*. See also, Reid, Stuart. “Trustees vote to divest from Sudan-related companies” Nov. 14, 2005.

⁴⁶ “UC Asked to Divest Holdings Tied to Sudan” Nov. 15, 2005. *LA Times*.

<http://www.latimes.com/news/local/la-me-sbriefs15.2nov15,1,3525193.story?ctrack=1&cset=true>

During late 2004 and early 2005 divestment legislation was proposed in several states. In June 2005, Illinois became the first state to commit to divesting state funds, including the state pension plan, from companies that do business in Sudan. The only exemption is for companies doing business there for humanitarian purposes. The bill comes into effect January 27, 2006.⁴⁷ In July, New Jersey followed suit with similar legislation, which became effective in August of 2005.⁴⁸ At the end of August, the State of Oregon, with legislation that took effect upon the Governor's signature, similarly divested its state funds from companies doing business with Sudan.⁴⁹

Both the New Jersey and Oregon divestment legislation cited Sudan's egregious history of human rights abuses and the United States declaration of genocide in Darfur as reasons for divestment. The Oregon legislation stated:

The investment of subject investment funds in business firms and financial institutions with ties to the repressive regime in Sudan is inconsistent with the moral and political values of the people of Oregon.

The New Jersey legislation found:

It is in the best interest of this State that a statutory prohibition be enacted to prohibit the investment of public employee retirement funds in foreign companies doing business in Sudan given the poor human rights situation in Sudan and the lack of signs of improvement.

Legislative bodies in both California and Texas passed resolutions urging their state pension plans to divest from companies that do business in Sudan.⁵⁰ It is expected that several states will divest their pension plans this legislative calendar.

C. Regional Experts/NGO's

One of the strongest calls for universities to divest from those companies still operating in Darfur has come from the International Crisis Group (ICG). In an April 2005 letter, genocide scholar Samantha Power⁵¹ and the ICG's John Prendergast⁵² urged universities to consider divestment from those companies still operating in Sudan. Power and Prendergast argued that "divestment of any such stock would send a strong signal to the Sudanese regime and those who support it about the unacceptability of the government's actions in Darfur."⁵³

⁴⁷ See Illinois Public Act 094-0079 <http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=094-0079>

⁴⁸ New Jersey A3482, S2145 (July 28, 2005)

⁴⁹ Oregon SB 1089 (August 23, 2005)

⁵⁰ See California A.C.R. 11; Texas H.C.R. 143

⁵¹ Lecturer in Public Policy at the Carr Center for Human Rights and Pulitzer Prize-winning author of *A Problem From Hell: America and the Age of Genocide*.

⁵² Senior Advisor to the ICG specializing in conflict resolution in Africa

(<http://www.crisisgroup.org/home/index.cfm?id=1318&l=1>)

⁵³ Letter to university presidents from Samantha Power and John Prendergast, April 25, 2005

(<http://www.crisisgroup.org/home/index.cfm?id=3427&l=1&m=1>).

While their letter does not assert that universities must divest from all companies active in the region, Power and Prendergast mention China National Petroleum Company's subsidiary PetroChina Ltd. by name. They wrote, "[The] oil sector in particular is lucrative business for Sudan, and the regime draws on oil revenue and other investments to purchase the weapons used against its own civilians in Darfur." Power and Prendergast note further that "China is one of the Sudanese government's strongest allies and the Chinese government has worked assiduously to block multilateral actions to sanction the regime and stop the killing."

In an op-ed published October 2005, Prendergast, writing with the actor and activist Don Cheadle (*Hotel Rwanda*), reiterated the need for universities to review their portfolios and consider divesting from companies active in Sudan. Prendergast noted that despite the U.S. government's maintenance of sanctions against the regime in Khartoum, "many multinational corporations do business with the regime. The money that Khartoum makes from these arrangements - especially in the growing oil sector - funds the government's appetite for weapons to arm the troops and militias that terrorize civilians in Darfur."⁵⁴ In this view, the direct link between companies active in Sudan and the government sponsorship of genocide seems quite clear. Noting that a sense of national interest and urgency seems to be waning even as the violence in the region continues to escalate, Prendergast reiterated and intensified his call for universities to divest. He wrote that "investments in companies whose partnership with the Sudanese government funds ethnic cleansing are unacceptable . . . universities who fail to take the simple step of reviewing their portfolios have chosen to be bystanders" to genocide.

Another powerful advocate for divestment has been Smith College Professor Eric Reeves, who has spent the last six years working as a Sudan researcher and analyst. Reeves has testified before Congress on multiple occasions, has lectured in academic settings around the country, and has served as a consultant to multiple NGOs operating in Sudan.⁵⁵ Reeves argues for divestment as an ethical imperative and as a political strategy. He writes:

Why a divestment campaign? Why a relentless effort to ensure that hundreds of billions of dollars of stock (equity), held in various US pension funds, endowments, and mutual funds, are sold? There are two answers. First, it is immoral to own shares in companies that now willingly engage in commerce with a regime that is guilty of ongoing genocide. Such investment is no different in character from investment in German industry during World War II and the Holocaust. However high the threshold might be for divestment—what will inevitably be labeled the "politicization of investment decisions"—genocide must surely cross it. Secondly, there are precious few ways in which to bring meaningful pressure to bear on this brutal and intransigent regime.⁵⁶

Other organizations openly advocating for divestment as a strategy through which private actors can intervene against the genocide in Darfur are ideologically diverse. A growing number of think tanks and NGOs from across the political spectrum have become

⁵⁴ John Prendergast and Don Cheadle, "Universities Need to Divest From Sudan and Save Refugees," *The Heights* (Boston College), October 13, 2005 (<http://www.crisisgroup.org/home/index.cfm?id=3752&l=1>)

⁵⁵ See bio at <http://www.sudanreeves.org/>

⁵⁶ Eric Reeves, "A Divestment Campaign to Stop Genocide in Darfur," September 2004 (<http://www.sudanreeves.org/index.php?name=News&file=article&sid=14>)

impassioned advocates for divestment, animated by perspectives that range from national security interests to religious and humanitarian concerns. They include the Heritage Foundation,⁵⁷ the Center for Security Policy,⁵⁸ the Darfur Rehabilitation Project,⁵⁹ and the Genocide Intervention Fund (GIF).⁶⁰

At the same time, a number of the most prominent NGOs that have sought to intervene and raise awareness about the humanitarian crisis in Sudan have chosen not to take an official stance on divestment. One such group is Amnesty International USA, whose Campaign Director Adotei Akwei wrote in February 2005 that Amnesty International “is not working on [divestment] due to our mandate,” and chose accordingly not to take a position on the relative utility of divestment as compared to other strategies for ending the violence in Sudan.⁶¹ While Human Rights Watch has produced one of the most compelling reports chronicling the involvement of oil companies, in particular, in the

⁵⁷ “To alleviate the current crisis in Darfur, the United States should encourage an international response that reflects the lessons learned in curbing the regime's previous repression of the south. Unless massive international pressure is mobilized to threaten what the regime values most—its ability to maintain itself in power and its vested economic interests, particularly its fledgling oil industry—then the Sudanese regime will continue to hinder humanitarian aid efforts, cover up the atrocities of its militia surrogates, and crush resistance through the deliberate starvation and expulsion of non-Arab groups. . . . The United States has already imposed unilateral sanctions on Sudan because of its support for terrorism and should encourage other nations to follow suit. Americans should join a populist divestment campaign to persuade large institutional investors to ban investments in publicly traded companies that do business in Sudan. The Center for Security Policy's DivestTerror.org maintains a list of companies that profit from commerce with Sudan and other sponsors of terrorism. A similar divestment campaign in the 1980s successfully pressured South Africa to abandon its apartheid policy.” (<http://www.heritage.org/Research/Africa/em943.cfm>)

⁵⁸ “The South Africa divestment campaign of the 1980's taught Americans a compelling lesson: When companies receive a unified message from state pension systems and other institutional investors who follow their lead, they respond. It seems reasonable to expect that, just as such corporate actions (notably, withdrawal from business operations in-country) compelled changes in the policies -- and ultimately the government -- of South Africa, application of this model to state-sponsors of terror could also produce salutary results.” (<http://www.divestterror.org/report.html>)

⁵⁹ A US-based NGO founded by individuals from the region (<http://www.darfurrehab.org/profile/>).

⁶⁰ “A divestment campaign is in its most basic form a boycott. The Khartoum Regime relies heavily on foreign revenue, particularly from oil, generated by multinational corporations operating in Sudan. The sheer amount of revenue the Khartoum regime has received has allowed it purchase some of the high end military equipment (see Eric Reeves' letter below) that it is using to perpetrate genocide in Darfur. While there is certainly a moral imperative not to allow one's funds to contribute to genocide in Darfur, divestment seeks to do more than simply fulfill moral obligations; divestment, if successful, will save lives in Darfur.” <http://www.genocideinterventionfund.org/action/divestment.php>

⁶¹ “Update: Human Rights in Darfur, Sudan,” online chat with Adotei Akwei, AIUSA Campaign's Director, February 28, 2005. (<http://www.amnestyusa.org/askamnesty/live/display.php?topic=33>). Note that this seems to contradict AGG's claim that Amnesty International has effectively taken a position against divestment: “Amnesty International has also counseled ABB. . . to stay in the country, be aware of the risks involved, proceed with caution and strive for involvement with stakeholders.” Letter from Björn Edlund, Group Senior Vice President, ABB Ltd. to Dr. Peter Bosshard of international Rivers Network and Nicholas Hildyard of the Corner House, June 15, 2005 (<http://209.238.219.111/ABB-letter-re-Sudan-15-June-2005.pdf>). It seems Amnesty International was only commenting on the merits of staying with the Merowe Dam Project in light of the potential human rights abuses the project was causing and was not taking a position on whether the company should stay in Sudan in light of the ongoing genocide there.

crisis in Darfur,⁶² the organization has not, to our knowledge, taken a public position on divestment.

While organizations undertaking humanitarian interventions in Sudan might risk undermining their central mission by taking a stand on divestment, universities whose institutional involvement in Darfur begins and ends with their investments do not face the same obstacle. Moreover, in a context where the opportunities for private institutions to make a difference are severely limited, the willingness of universities to use their substantial financial and cultural capital to take a stand against the genocide in Darfur is all the more important. In response to Harvard's divestment from PetroChina, Samantha Power responded that it was "the first week that anything tangible has been done that would cause the Sudanese government to think twice about their genocidal campaign."⁶³

Some organizations, like the Genocide Intervention Fund, have argued that certain investors might explore an alternative to divestment, namely a policy of "constructive engagement" with companies doing business in Sudan.⁶⁴ As GIF acknowledges, such a move would not preclude eventual divestment but would function more as a "divestment warning shot. Ideally, it will encourage firms to place pressure on the government in Khartoum to resolve the Darfur crisis."⁶⁵ Where such a strategy fails, either because companies refuse to disclose information about their involvement in Sudan or because they refuse to engage constructively with the regime in Khartoum, institutions must be willing and prepared to follow through with the promise to divest.

IV. Link Between Foreign Companies Doing Business in Sudan and Genocide

Business relations with foreign companies play a critical role in allowing the government of Sudan to further its genocidal policy in Darfur.

The majority of foreign companies that do business in Sudan fall into four industries: oil, energy, telecommunications, and weapons. The oil industry provides significant net revenue to the Government of Sudan. The energy and telecommunications industries potentially provide instrumentalities with which the government furthers a policy of genocide in Darfur. The weapons industry clearly provides an instrumentality with which genocide is committed both by the Sudanese Government and the Janjaweed.

The Lowenstein Human Rights Clinic/Project has found no confirmed reports of companies providing aid to perpetrators in specific acts of genocide in Darfur. The kinds of activity that could constitute such aid include using company planes to do military reconnaissance for the government or Janjaweed, using company security forces for

⁶² "Sudan, Oil and Human Rights" (Human Rights Watch Report, November 2003) (<http://www.hrw.org/reports/2003/sudan1103/>)

⁶³ Quoted in Sam Graham-Felsen, "Harvard Divests," *The Nation*, April 28, 2005 (web only) (<http://www.thenation.com/doc/20050516/grahamfelsen/3>)

⁶⁴ This has been the approach of the University of Washington board of regents; see editorial, "UW's Eye on Sudan," *Seattle Times*, June 11, 2005. (http://seattletimes.nwsourc.com/html/editorialsopinion/2002329039_sudaned11.html?syndication=rss)

⁶⁵ Genocide Intervention Fund Website <http://www.genocideinterventionfund.org/action/divestment.php>

intelligence used to commit genocidal acts, or a company security force's direct involvement in genocidal acts.

The Oil Industry

Sudan has proven reserves of 563 million barrels of oil, the country was granted observer status at OPEC in August 2001.⁶⁶ No oil companies that the Lowenstein Human Rights Clinic/Project is aware of provide revenue directly to the Janjaweed militia. However, oil revenue is a crucial source of income for the Sudanese government and is essential to the funding of the government's military operations. Most oil is located in the southern part of the country, although some oil was recently discovered in Darfur.⁶⁷

In 2003, total revenues for the Sudanese government were 742 billion dinars. Of this, only 270 billion dinars were from tax revenue while 423 billion dinars were from oil revenue.⁶⁸ According to a recent report of the U.S. Department of Energy, "With the start of significant oil production (and exports) beginning in late 1999, . . . Sudan's economy is changing dramatically, with oil export revenues now accounting for around 73% of Sudan's total export earnings."⁶⁹

Oil revenue has been used disproportionately to increase military spending by the Sudanese government in the past. As Human Rights Watch describes:

Oil revenue has made the all-important difference in projected military spending. The president of Sudan announced in 2000 that Sudan was using the oil revenue to build a domestic arms industry. The military spending of 90.2 billion dinars (U.S. \$ 349 million) for 2001 was to soak up more than 60 percent of the 2001 oil revenue of 149.7 billion dinars (U.S. \$ 580.2 million). Cash military expenditures, which did not include domestic security expenditures, officially rose 45 percent from 1999 to 2001. This was reflected in the increasing government use of helicopter gunships and aerial bombardment in the [north/south civil war].⁷⁰

Christian Aid confirms these observations of the connection between oil revenue and military spending:

Since oil revenue started coming in, the government has hiked the pay and improved the benefits of the forces fighting for it – regular troops and militias alike. "In the financial year 2000/2001, salaries of civil servants were raised by 15% because of oil – but army salaries by 80%," [Taban] Deng, [a former Sudanese Minister of State for Roads turned defector] told Christian Aid . . . He added: "Two or three years ago, young men were reluctant to go [into] the army. But now people are going back to the army because of good services and salaries . . ."

⁶⁶ Goodman, Peter. "China Invests Heavily in Sudan's Oil Industry." *Washington Post*. Dec. 23, 2004. <http://www.washingtonpost.com/wp-dyn/articles/A21143-2004Dec22.html>

⁶⁷ "Sudan Finds Oil in Strife-Torn Darfur Region" April 18, 2005. *Pan-Africa News Agency*. http://www.sudantribune.com/article.php3?id_article=9127

⁶⁸ International Monetary Fund. *IMF Country Report No. 05/180*. June 2005. p. 30. <http://www.imf.org/external/pubs/ft/scr/2005/cr05180.pdf>

⁶⁹ Energy Information Administration, U.S. Department of Energy. *Sudan Country Analysis Brief*. July 2004. <http://www.eia.doe.gov/emeu/cabs/sudan.html>

⁷⁰ Human Rights Watch. *Sudan, Oil, and Human Rights*. 2003; p. 59. <http://www.hrw.org/reports/2003/sudan1103/sudanprint.pdf>

“In 1999, before the army had all this oil money, the army enrolled less than a battalion. Hardly anyone wants to fight for a jihad-holy war which cannot be measured in terms of household benefit.”⁷¹

The Government of Sudan used oil revenue to fund military expenditures in the North-South Civil War, and this pattern has continued in the conflict in Darfur. Amnesty International has reported:

Sudan’s oil wealth has played a major part in enabling an otherwise poor country to fund the expensive bombers, helicopters and arms supplies which have allowed the Sudanese government to launch aerial attacks on towns and villages and fund militias to fight its proxy war [in Darfur]. By earning increasing oil revenues, the Sudanese government continues to be in a position to deploy considerable resources to military activities – be it in the form of paying salaries, or acquiring equipment, such as helicopter gunships, armaments, and associated hardware. The government has used increases in oil revenues to fund a military capacity that has in turn been used to conduct war in Darfur, including carrying out violations of international human rights and humanitarian law.⁷²

Oil production has also forcibly dislocated thousands of Sudanese who lived on or near oil fields. These civilians were seen as loyal to the Southern forces in the North-South Civil War because of their ethnicity and were therefore considered “security threats” to oil production.⁷³

In 2004, the U.S. floated the idea of oil sanctions against Sudan in the United Nations Security Council to respond to the situation in Darfur and the link between oil revenue and the purchase of weapons by the Sudanese government. However, France publicly opposed oil sanctions, and the proposal has apparently not been openly considered recently.⁷⁴

Sudan is blessed with large deposits of oil. However, under the current government, the revenue from this oil is not being used to equitably develop the country but instead to

⁷¹ Christian Aid Society (UK). *The scorched earth: oil and war in Sudan*. March 2001. <<http://www.christian-aid.org.uk/indepth/0103suda/sudanoi2.htm>>

⁷² Amnesty International. *Arming the Perpetrators of Grave Abuses in Darfur*. November 2004. <http://web.amnesty.org/library/index/engaftr541392004>

⁷³ “Approximately 204,500 people were internally displaced from Western Upper Nile/Unity State from mid-1998 until February 2001, conservatively estimated, with the usual caveat that numbers in the south of Sudan are often no more than educated guesses. As of March 2002, the total number of displaced persons who fled Western Upper Nile/Unity State to elsewhere in Upper Nile and to Lakes (part of Bahr El Ghazal) alone was estimated at 174,200. This displacement, accomplished through war as the means of control of the strategic and valuable oilfields, was illegal under international rules of war. These civilians were not displaced for one of two permissible reasons under the rules of war: ‘imperative military reasons’ or the safety of the civilians. They were not allowed to go or to remain at home after the danger of a military campaign was over. They were pushed off their land, in some cases many times, by government army or militia forces, for the purpose of emptying the oil areas of southern civilians whom the central government regarded as ‘security threats’ to oil development, solely on account of their ethnic origin and therefore presumed rebel loyalties.” Human Rights Watch. *Sudan, Oil, and Human Rights*. 2003, p. 313. <<http://www.hrw.org/reports/2003/sudan1103/sudanprint.pdf>>

⁷⁴ “France Opposes UN Sanctions” *BBC News*. July 8, 2004. <http://news.bbc.co.uk/2/hi/africa/3875277.stm>

invest in a military that directs its force against its own people and contributes to genocide.

The oil sector arguably contributes more direct revenue to the government's ability to continue its systematic violations in Darfur than does any other sector of the economy. However, some of the oil companies listed in this report are not currently extracting oil from Sudan but instead own rights to oil blocks that are not in production. In such cases, shareholder pressure to ensure these oil blocks do not become active while the Sudanese government continues its violations in Darfur may be more appropriate than actions that force a company to leave. When a company leaves, it may sell its rights in a block to a company that is more likely to begin oil production before peace has returned to the country, which would, in turn, provide an additional revenue stream to the government. It is unclear if oil companies pay annual license fees to the government to maintain rights to blocks and, if so, how much these are.

The Energy Industry

Only 30 percent of Sudanese currently have access to electricity, and the provision of that electricity is plagued by poor infrastructure and frequent outages. In a country of 40 million, the national power utility has 745,000 customers.⁷⁵ Approximately 70 percent of electricity is consumed in the area around Khartoum.⁷⁶ Most rural areas do not have electricity and rely on either small generators or wood fuel for power. In 2002, Sudan had 728 megawatts of electricity generation capacity.⁷⁷ The primary generating facility is the 280-MW Roseires dam located some 315 miles southeast of Khartoum. During the North-South Civil War, this dam came under attacks by rebel groups.

The government has stated that it hopes to provide access to electricity to 90 percent of Sudanese in coming years. In early 2005, a report issued by the Sudanese Government and Western donors called for the expansion of the national grid to Darfur and Kordifon States in the next two years, and for 20 Southern cities to be put on local grids during this same period. However, there is reason to doubt the government's pledge to provide electricity to more rural and isolated areas. Historically, power generation in Sudan has served large cities, export-oriented agriculture, and the oil sector.⁷⁸

The Merowe/Hamadab Dam Project on the fourth cataract of the Nile in Northern Sudan is the largest hydropower project currently being developed in Africa. The total budget for the project is expected to reach \$1.2 billion and will be completed between 2007 and

⁷⁵ National Electricity Company of Sudan Website. <http://www.necsudan.com/>

⁷⁶ IRN "A Critical Juncture for Peace, Democracy, and the Environment: Sudan and the Merowe/Hamadab Dam Project" May 2005. *IRN Website*.
<http://www.irn.org/programs/merowe/index.php?id=050428merowe.html>

⁷⁷ Energy Information Administration, U.S. Department of Energy. *Sudan Country Analysis Brief*. July 2004. <http://www.eia.doe.gov/emeu/cabs/sudan.html>

⁷⁸ IRN "A Critical Juncture for Peace, Democracy, and the Environment: Sudan and the Merowe/Hamadab Dam Project" May 2005. *IRN Website*.
<http://www.irn.org/programs/merowe/index.php?id=050428merowe.html>

2009. The installed capacity for the project will be 1,250 megawatts, which will roughly double Sudan's electricity production.⁷⁹

The Merowe/Hamadab Dam Project has encountered controversy for social and environmental reasons. The dam will displace some 50,000 people. Although compensation and relocation to other farmland has been promised, compensation has reportedly often been inadequate or non-existent and relocation sites are in the desert and other areas with less desirable farmland. The International Rivers Network has argued that because the communities being dislocated have not been brought into the decision-making process, their needs are often either ignored or sidelined by the government.⁸⁰

The environmental impact assessment for the Merowe Dam was conducted by Lahmeyer International which manages the construction of the project, and so has a vested interest in the project. Therefore, there are a number of environmental concerns about the project that have not been adequately examined including sedimentation of and evaporation from the reservoir. The 174-km reservoir will flood an area that is suspected to have a rich archeological history dating back 5,000 years. Emergency archeological digs have been conducted to salvage some of this heritage, but these digs are not designed to comprehensively explore this area before it is flooded.⁸¹

Although the World Bank has been involved in a number of power projects in Sudan, it is currently not extending any bank credits to the Government of Sudan, because of the ongoing humanitarian crisis in Darfur.⁸²

The provision of electricity to the people of Sudan is a desirable social good, and all decisions around divestment from energy companies must be weighed against a dire need for energy in the country. Sudan will not be able to develop without a large expansion of its electricity production and distribution. However, although electricity is used in hospitals and schools, it can also be used for military purposes. The Sudanese government has consistently ensured that oil and military operations have electricity, but the government has a poor record of providing electricity to the majority of its population.

The distribution of electricity also has potential to be used as a tool against unfavored ethnic or political groups by ensuring that the areas they inhabit do not have access to electricity. Although foreign companies may be able to "constructively engage" to help ensure that those dislocated by a dam project are involved in the relocation and compensation process more fully, it is difficult to see how these companies can work to ensure that electricity is equitably distributed in Sudan. The presence of these major

⁷⁹ *Id.*

⁸⁰ *Id.*

⁸¹ *Id.*

⁸² "Frequently Asked Questions" *Sudan World Bank Page*

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/SUDANEXTN/0,,menuPK:375440~pagePK:141132~piPK:148689~theSitePK:375422,00.html>

energy companies also arguably legitimizes the government of Sudan and, in turn, its acts in Darfur.

The Telecom Industry

The Telecom industry in Sudan has undergone major changes over the last decade. Although the government initiated telecom sector reforms starting in 1993, it was the privatization of the government telecom provider in 1997 and subsequent deregulation that truly spurred reform and development. Following the discovery of oil in Sudan, foreign capital flowed into the Sudanese economy in a wide variety of sectors, most notably telecom. Over the past 5 years, the telecom industry has grown on average 40% a year – making it one of the fastest growing fixed telephony markets in the world.⁸³

Foreign investment in Sudan's telecom industry continues to grow rapidly. In 1994, foreign companies had invested only \$500,000. Today, companies from North America, the Middle East, Europe, and China have invested over \$100 million. These figures promise to climb higher, as the untapped potential for fixed telephony in Sudan remains vast – in 2005, Sudan had one of the lowest teledensities in the world with only 3% of the population having access to a fixed telephone line.

The telecom industry in Sudan is regulated by an independent regulatory agency, the National Telecommunications Corporation (NTC).⁸⁴ The NTC was originally the regulatory half of the national telecommunications body, the Sudan Telecommunications Public Corporation (STPC). The telephone network operations half of STPC became the Sudan Telecommunications Company (Sudatel). Although Sudatel is legally a private entity, its private shareholders only control 20% of the voting power – the government retains the remaining 80%.⁸⁵

While the fixed telephony market is still dominated by Sudatel, NTC awarded a second wireline license in the fall of 2004 to Kanartel which is a consortium led by Etisalat.⁸⁶ NTC has also opened up the mobile phone market to competition. The dominant wireless provider is operated by Sudatel,⁸⁷ but others are beginning to join in. Since it was granted a mobile telephony license in 2003, Celtel has also operated a mobile phone network, under the name Mobitel. Despite deregulation of the fixed and mobile telephony markets, the overall telecom market in Sudan still remains one of the least competitive in the region.

⁸³ "Sudan – Telecoms Market Overview & Statistics" Feb. 4, 2005 <http://www.lxcomm.com/lx-african-telecommunications-research.asp?country=SD>

⁸⁴ "Sudan NICI Infrastructure" http://www.uneca.org/aisi/nici/country_profiles/Sudan/sudinfra.htm

⁸⁵ "Sudan: Proxy Government Monopoly Impedes Growth" *Balancing Act News Update* Issue No. 24 <http://www.balancingact-africa.com/news/back/balancing-act24.html>

⁸⁶ "Kanartel to start work in Sudan" *The Daily Star*. Dec. 3, 2004. http://dailystar.com.lb/article.asp?edition_id=10&categ_id=3&article_id=10638

⁸⁷ Sudan Visitors Guide at wi-countries.com http://www.wi-countries.com/index.php?_B=countries&countryid=2406&headingid=346&publicationid=23

Telecom access in Sudan is still alarmingly low. As was already noted, the teledensity for fixed telephony is among the lowest in the world. Less than 10% of fixed telephone subscribers subscribe to mobile phone services. Prices are prohibitively high for both fixed and mobile telephony for most Sudanese.⁸⁸

Telecom access is most dense in major cities in the north – particularly Khartoum, Port Sudan, and Medani.⁸⁹ Cities in the south-central and west (Darfur) have much less telecom access. Thus any proposals to divest from telecom companies in Sudan must be considered in light of the stark need for more telecom investment and development activity in almost all parts of Sudan. Also, dissident groups in Khartoum and elsewhere likely use or would benefit from using the telecom network.

However, there are disturbing reports that the government shut down cell phone systems shortly before Janjaweed attacks in Darfur so villagers could not warn each other.⁹⁰ It is unclear if any of the telecom companies were directly involved in these highly planned and coordinated attacks. The military and ruling regime in Khartoum almost certainly use the telecom industry to maintain power. Telecom companies often have to pay hefty license fees directly to the Sudanese government to set up their operations. It is unclear to what extent telephone communications are monitored by the government and whether telecommunications companies are aware of and complicit in such practices if they do exist.

Weapons Industry

For some preliminary information please see Amnesty International's *Arming the Perpetrators of Grave Abuses in Darfur*.⁹¹

Sudanese Bonds

Sudan's current external debt is approximately \$26 billion of which \$21 billion is in arrears.⁹² The external debt of the central government of Sudan is managed by the External Debt Unit of the Bank of Sudan (BOS). The domestic debt is managed by the

⁸⁸ "World Telecommunication Indicators 2000/2001"

http://www.uneca.org/aisi/nici/country_profiles/Sudan/sudinfra.htm

⁸⁹ "Mobitel Interactive Coverage Map" *GSM World Website* http://www.gsmworld.com/cgi-bin/ni_map.pl?cc=sd&net=su

⁹⁰ Steidle, Brian. "In Darfur, My Camera Was Not Nearly Enough" *Washington Post*. March 20, 2005. <http://www.washingtonpost.com/wp-dyn/articles/A48943-2005Mar19.html>

⁹¹ Amnesty International. *Arming the Perpetrators of Grave Abuses in Darfur*. November 2004. <http://web.amnesty.org/library/index/engaf41392004>

⁹² "Sudan FAQs" *The World Bank Website*.

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTSITETOOLS/0,contentMDK:20235104~menuPK:487072~pagePK:98400~piPK:98424~theSitePK:95474,00.html>; "Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding" *IMF Website* <http://www.imf.org/external/np/loi/2005/sdn/031805.pdf>

Budget and Finance Directorate of the Ministry of Finance and National Economy and by the Sudan Financial Services Company.⁹³

The Government of Sudan has issued Government Musharaka Certificates, which represent capital shares of public sector units of the government. They are issued by the Ministry of Finance and National Economy and are designed according to Sharia’ principles.⁹⁴ They are traded on the Khartoum Stock Exchange.⁹⁵

V. Company Profiles

This section of the report examines the activities of companies with significant operations in Sudan to the extent that the Lowenstein Human Rights Clinic/Project could ascertain them. The charts below list: first, public companies currently doing business in Sudan by sector (oil, energy, and telecom); second publicly traded companies that have had past business activities in Sudan, but whose current operations could not be ascertained by the Lowenstein Human Rights Clinic/Project; and, finally, companies that are either private or likely private.

Following the tables are a fuller description, with citations to the sources of information, of business activities of companies in Sudan, organized alphabetically within each sector (oil, energy, and telecom). Again, this section is not meant to be a comprehensive list or analysis of companies doing business in Sudan in these sectors of the economy; it undoubtedly omits some such companies as well as some activities of companies that are included. However, it is hoped that it will provide enough information to allow informed divestment decisions for some companies and be a useful starting point for further research into other companies. Before making a divestment decision, it is always important to check whether a company still has current operations in Sudan and, if so, whether the nature of its activities has changed since the issuance of this report. It is also important to continue monitoring the political and humanitarian situation in Sudan and Darfur to determine if divestment is still warranted.

Oil Related Companies:

<i>Al-Thani Investment (UAE)</i>	To be listed on AIM in London	5% share in oil blocks 3 and 7.
<i>Lundin Petroleum (Sweden)</i>	LUPE (SEK)	Block not currently active, but company will start exploration and drilling next year.
<i>Marathon (USA)</i>	MRO (NYSE)	Block not currently active.

⁹³ *GDDS IMF Website*

<http://dsbb.imf.org/Applications/web/gdds/gddscountrycategorycfreport/?strcode=SDN&strcat=CGD00>

⁹⁴ “Government Musharaka Certificates” *Ministry of Finance and National Economy Website*

http://www.mof-sudan.net/English/government_certificates.htm

⁹⁵ “The Transaction Methods in (KSE)” *Khartoum Stock Exchange Website*.

http://www.khartoumstock.com/services_buy.php

		Under US Sanctions law unclear if can restart operations, but will likely be grandfathered in.
<i>Nam Fatt</i> (Malaysia)	NFBS (KLSE)	Building pumping stations. Have had past oil construction contracts in Sudan
<i>ONGC</i> (India)	ONGC (BSE)	Major player in Sudanese oil industry
<i>PECD Berhad</i> (Malaysia)	PECD/5093 (KLSE)	Oil related construction projects
<i>PetroChina</i> (China)	PTR (NYSE), PCA (LSE)	Major player in Sudanese oil industry
<i>Sinopec</i> (China)	SNP (NYSE), SNP (LSE)	Major player in Sudanese oil industry
<i>Tatneft</i> (Russia)	TNT (NYSE), ATAD (LSE)	Current involvement unclear. Past allegations of aiding arms transfers to Sudan. Has not denied reports of involvement in Sudan after divestment by other universities.
<i>Total Elf Fin</i> (France)	TOT (NYSE), TTA (LSE)	Block not currently active (dispute with White Nile), but have stated will begin exploration of block again soon.
<i>Vangold Resources Ltd</i> (Canada)	VAN (TSX)	Has confirmed will bid for Block 13.
<i>Videocon</i> (India)	VIDEOCON (BSE)	Has signed memorandum of understanding to invest \$100 million in a Sudanese oil block.
<i>White Nile</i> (UK)	WNL (AIM)	Awarded exploration right in contested oil block by SPLM

Energy Companies:

<i>ABB</i> (Switzerland)	ABB (NYSE), ANN (LSE)	Building electric dam
<i>Alstom</i> (France)	ALO (Paris), ALS (LSE)	Building electric dam
<i>Harbin Power Equipment Co. Ltd.</i> (China)	HPECYP (HKG)	Building power station
<i>Siemens</i> (Germany)	SI (NYSE), SIE (LSE), Siemens	Around \$20 million worth of business currently in Sudan.

	(Xetra)	Unclear of its exact nature. Constructed now complete diesel power plant in Sudan.
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Telecom:

<i>Daewoo</i> (South Korea)	047050 (SEO)	Sold satellites to Sudatel.
<i>Ericsson</i> (Sweden)	ERIC A (SEK), ERIC B (SEK), ERIC Y (NASDAQ), ERI (LSE)	Supports Mobitel cell phone system.
<i>Etisalat (UAE)</i>	Etisalat (Abu Dhabi Securities Market)	Purchased license from government for second ground line system.
<i>Investcom Holding</i> (Lebanon)	INVT (LSE), plan to be on DIFX	Purchased license from government for second cell phone network.
<i>Mobitel/MTC</i> (Kuwait)	TELE (KSE)	Cell Phone Provider. Presumably purchased license from government.
<i>Sudatel</i> (Sudan)	Khartoum Stock Exchange	Primary phone company. Partially owned/controlled by government of Sudan.

Current activities unclear:

<i>Alcatel</i> (France)	ALA (NYSE), ATT (LSE)	Current operations unclear. Past project to install fiber-optic cable that may be ongoing.
<i>Malaysia Mining Company (MMC)</i>	MMCCorp/2194 (KLSE)	Current involvement unclear. Past oil construction projects.
<i>Ranhill Berhad</i> (Malaysia)	Ranhill/5030(KLSE)	Current involvement unclear. Past oil construction projects.
<i>Weir Group</i> (UK)	WEIR (LSE)	Current involvement unclear. Past provision of oil related equipment.

Private/likely private companies:

<i>Bentini Construction</i> (Italy)	Unknown (likely private)	Oil related construction projects
<i>Cliveden Group</i> (Switzerland)	Unknown (likely private)	Ownership in Oil Block C in Darfur
<i>Dodsal</i> (India)	Private	Oil related construction

		projects.
Higleig Petroleum Services and Investment Comp. Ltd. (Sudan)	Private	Sudanese oil company
Hi Tech Petroleum (Sudan)	Private	Sudanese oil company
Petronas (Malaysia)	National Company	Major player in Sudanese oil industry
Zaver Petroleum/Hashoo (Pakistan)	Unknown (likely private)	Ownership in oil block in Sudan.
DIT Power Kilo-X (Malaysia)	Unknown	Maintain power plant
Lahmeyer (Germany)	Unknown	Building dam

OIL COMPANIES

Al-Thani Investment (UAE)

Al-Thani Investment is a UAE-based investment company. It is a 5% shareholder in blocks 3 and 7 in Sudan, which is operated by a joint-venture operating company called Petrodar.⁹⁶ Al-Thani is scheduled to go on the Alternative Investment Market in London shortly under the name Anglo-Arabian.⁹⁷

Bentini Construction

In July 2004, Bentini, an Italian construction firm, won a contract, along with Nam Fatt's subsidiary NF Energy, from Petrodar to build six pumping stations on the Melut Basin.⁹⁸ The Lowenstein Human Rights Clinic/Project could not determine precisely how much money Bentini received for its portion of the contract or what other projects it has in Sudan. However, this is one of the larger oil investment projects in Sudan. When Africa Intelligence reported the awarding of the Ranhill and Nam Fatt/Bentini contracts for the Melut basin, it stated the total contract worth was \$540 million, which would make Nam Fatt/Bentini's share of the contract \$300 million.⁹⁹

Cliveden Group

Cliveden Group is an independent group of companies privately owned by oil and gas professionals, with headquarters based in Geneva, Switzerland.¹⁰⁰ In particular, British

⁹⁶ Sudan Exploration and Production Map. *Sudan Embassy Website (Netherlands)* <http://sudani.nl/oilexpo.html>; See also Katsouris, Christina. "Sudan Explores New Areas Opened by Peace Agreement" Nov. 11, 2005. *International Oil Daily*.

⁹⁷ "Al Thani Sees Big" *Africa Energy Intelligence*. No. 405. Nov. 23, 2005.

⁹⁸ Alexander's Gas and Oil Connections. "Malaysian Firms Secure \$900 mm in Sudan Oil Jobs." *Company News Africa* Vol. 9 Issue 21. Oct. 28, 2004. <http://www.gasandoil.com/goc/company/cna44323.htm>; See also "Asians to Develop Melut." *Africa Energy Intelligence* No. 372. June 23, 2004.

⁹⁹ "Asians to Develop Melut." *Africa Energy Intelligence* No. 372. June 23, 2004.

¹⁰⁰ "About Our Shareholders" APCO Website. <http://www.apco-sd.com/html/cliveden.htm#sudan>

millionaire Friedhelm Eronat has a sizable share in the group.¹⁰¹ Cliveden is a shareholder in 37% of Block C in Darfur, Sudan.¹⁰² The remainder is held by Hi Tech Group (28%), Sudapet (17%), and Khartoum State (10%), and Heglieg (8%). In October 2003, a joint operating agreement was signed that created Advanced Petroleum Company (APCO) as an operating company.¹⁰³ The Guardian reported that Mr. Eronat switched his U.S. passport for a British one shortly before the deal to avoid coming into conflict with U.S. sanctions law.¹⁰⁴ In November 2005, it was reported that Cliveden is organizing a sale of its Block C concession to Hi Tech Group, a privately held Sudanese company.¹⁰⁵

Dodsal

Dodsal, which is wholly owned by the Rajen Kilachand Family, is an Indian construction firm based in Dubai that has undertaken projects in Sudan. According to its website it has built a pipeline for PDOC in Sudan and a pipeline for ONGC to the Port of Sudan.¹⁰⁶

Higleig Petroleum Services and Investment Comp. Ltd.

Higleig Petroleum Services and Investment Company Ltd. is a private Sudanese Company that owns 8% of Block C as well as providing multiple services to other oil companies.¹⁰⁷

Hi-Tech Petroleum

Hi Tech Petroleum was established in 2003 as a private Sudanese company.¹⁰⁸ It has rights in blocks C (28%), 8 (8%), and 15 (5%).¹⁰⁹

Lundin Petroleum

Lundin Petroleum is an independent Swedish oil and gas exploration company that has operated in Sudan since 1997.¹¹⁰ Lundin's "production is generated from assets in France, Tunisia, Netherlands, Norway, Venezuela, Indonesia and UK," and it holds

¹⁰¹ Leigh, David and Gatton, Adrian. "Briton Names as Buyer of Darfur Oil Rights" *Guardian Unlimited*. June 10, 2005. <http://www.guardian.co.uk/sudan/story/0,14658,1503470,00.html>

¹⁰² Sudan Exploration and Production Map. *Sudan Embassy Website (Netherlands)* <http://sudani.nl/oilexpo.html>

¹⁰³ Sudan Exploration and Production Map. *Sudan Embassy Website (Netherlands)* <http://sudani.nl/oilexpo.html>

¹⁰⁴ Leigh, David and Gatton, Adrian. "Briton Names as Buyer of Darfur Oil Rights" *Guardian Unlimited*. June 10, 2005. <http://www.guardian.co.uk/sudan/story/0,14658,1503470,00.html>

¹⁰⁵ "Cliveden to Bow Out" *Africa Energy Intelligence*. Nov. 9, 2005.

¹⁰⁶ *Dodsal Website*. <http://www.dodsal.com/>

¹⁰⁷ "About Our Shareholders" APCO Website. <http://www.apco-sd.com/html/higleig.htm>; See also Sudan Exploration and Production Map. *Sudan Embassy Website (Netherlands)* <http://sudani.nl/oilexpo.html>

¹⁰⁸ *Hi Tech Petroleum Group Website* <http://www.htpgsd.com/>

¹⁰⁹ "Exploration Blocks" *Hi Tech Petroleum Group Website*. <http://www.htpgsd.com/blocks.htm>

¹¹⁰ "Operations Summary" *Lundin Web Site* http://www.lundin-petroleum.com/eng/operation_sudan.php#summary

“exploration assets in Nigeria, Sudan, Albania and Iran.” According to its website, “Lundin Petroleum has existing proven and probable reserves of 143 million barrels of oil equivalent (mmboe) and a forecast net production for 2005 of 33 500 barrels of oil equivalent per day (boepd).”¹¹¹

“Lundin Petroleum AB was formed in 2001 as a result of the takeover of Lundin Oil AB by Canadian independent Talisman Energy.”¹¹² Reportedly, the agreement arose as “a complex three-way deal that could pave the way for Talisman's exit from the embattled African country.”¹¹³ Lundin Petroleum AB would continue as an independent company with Talisman's former assets in Sudan while Talisman acquired Lundin Oil AB's assets. Talisman, under heavy criticism for its involvement in Sudan from Western human rights advocates, officially pulled out of Sudan in March 2003.¹¹⁴

In 2003, Lundin sold its interests in Block 5A in Sudan to Petronas, Malaysia's oil giant. However, Lundin declares on its website, “We have an excellent relationship with Sudan and its people and intend to maintain our interest in Block 5B which we believe has significant potential for major discoveries as the Muglad Basin is further developed.”¹¹⁵ Lundin holds a 24.5% stake in Block 5B, which it estimates as having a potential of 0.5 to 1 billion barrels of reserves.¹¹⁶ The other shareholders in block 5B are Petronas (41%), ONGC (23.5%), and Sudapet (11%).¹¹⁷

Lundin is one of the only Western oil companies still operational in Sudan. Although Lundin temporarily suspended its active operations, it did so out of security concerns arising out of the North-South Civil War, not out of humanitarian concerns and plans to continue drilling as soon as practicable. In December 2005 the company announced it would acquire 2D seismic data, build the necessary infrastructure to support drilling operations, and drill up to three exploration wells in 2006.¹¹⁸

Lundin clearly has felt the heat of criticism regarding its economic ties to Sudan. Seemingly in response to such criticism, a 2003 report on its website details its social responsibility initiatives in Sudan and the relationship between Lundin and the socio-political situation in Sudan.¹¹⁹ The “Lessons Learned” outlined at the end of the report summarize Lundin's justification for its involvement in Sudan.

¹¹¹ “Operations Summary” *Lundin Web Site*. http://www.lundin-petroleum.com/eng/comp_at_glance.php

¹¹² <http://www.lundin-petroleum.com/eng/history.php#2001>

¹¹³ “Talisman purchases Lundin's interest in Sudan,” June 22, 2001,

<http://www.gasandoil.com/goc/company/cna13123.htm>

¹¹⁴ “Talisman pulls out of Sudan,” *BBC News*, March 10, 2003,

<http://news.bbc.co.uk/2/hi/business/2835713.stm>

¹¹⁵ “Lundin Petroleum Sells Interest in Block 5A, Sudan to Petronas for USD 142.5 Million” 28 April 2003.

Lundin Petroleum WebSite. http://www.lundin-petroleum.com/Documents/pr_sudan_28-04-03_e.html

¹¹⁶ “Lundin – Sudan” June 2005. http://www.lundin-petroleum.com/Documents/op_Sudan_e.pdf

¹¹⁷ Sudan Exploration and Production Map. *Sudan Embassy Website (Netherlands)*

<http://sudani.nl/oilexpo.html>

¹¹⁸ “Lundin Petroleum: Field Operations to Resume in Block 5B, Onshore Sudan” *Lundin Petroleum*

Website. Dec. 7, 2005 http://www.lundin-petroleum.com/Documents/pr_sudan_07-12-05_e.html

¹¹⁹ Christine Batruch, “Oil and conflict: Lundin Petroleum's experience in Sudan,” http://www.lundin-petroleum.com/Documents/ot_sudan_oil&conflict_24-11-03.pdf

During the seven years in which it acted as operator of Block 5A in southern Sudan, Lundin was faced with a constantly changing environment. The company learned that, despite its desire to restrict itself to a commercial role, it could not ignore either the socio-political developments in its area of operations or the claims—even if unfounded—of a possible connection between its activities and the conflict.

A reaffirmation of its values in a Code of Conduct, a greater involvement in community life, stakeholder engagement and the suspension of activities were the tools adopted by the company in response to the challenges it faced.

In the spring of 2003, the company sold its interest in Block 5A at a profit. The transaction was satisfying not only from a commercial perspective but also from the perspective of corporate responsibility. At the time the company left, active peace negotiations were under way and its community development programme was maintained by its successor. This reinforced Lundin's belief that it is possible for business to pursue commercial objectives while meeting ethical concerns, even in areas of conflict.¹²⁰

Human Rights Watch released a report, also in 2003, entitled *Sudan, Oil, and Human Rights*, with a chapter entitled "Lundin: Willfully Blind To Devastation In Block 5A." Human Rights Watch alleged that Lundin attempted to ignore or cover up stories of fighting, forced displacements, and human rights abuses in Sudan throughout its involvement in Block 5A. Human Rights Watch was also critical of Lundin's claims to proactive social responsibility in Sudan. A section entitled "Lundin's 'Oil Policy on Sudan' Substitutes for a Human Rights Policy" explains:

Lundin adopted a policy on Sudan, posted on its website in 2001, but the policy contained no reference to human rights. Its only reference to the war was Lundin's belief that "economic gains, when used to improve the socio-economic and humanitarian condition of the Sudanese people, will enhance the prospects of peace in the country. [Lundin] will, within its possibilities, support initiatives that may lead to long-lasting peace in Sudan."

The significant qualifier in this paragraph is "when used to improve the social and economic condition of the Sudanese people." There is no evidence Lundin provides or that is elsewhere available that the Sudanese government has actually tried to do this. Nor does Lundin state how or whether it would attempt to ascertain whether the economic gains from oil were actually used by the Sudanese government to improve socio-economic or humanitarian conditions.¹²¹

Human Rights Watch also criticized Lundin's so-called community development program.

When interviewed by human rights investigators, however, those displaced from Block 5A in 2002 were not aware of any of Lundin's "social investment" activities. The investigators noted, "Although one of the oil business's contributions made by the Lundin Petroleum-led consortium for the development of the region was the building of a bridge over the Bahr el Ghazal [Nam] River, the bridge's only tangible impact on the well-being of the local communities has been to enable Baggara horsemen and mechanized Government forces to access the area, and to kill, rape and chase away the people."

Block 5A was the focus of increasingly heavy government military operations from 1998 to date. In these operations government forces have relied on the oil company road and the bridge for access to the areas that they have targeted, generating increasing numbers of wounded and killed, as well as tens of thousands of displaced persons. The Sudanese government forces continued to

¹²⁰ Id. at p. 13-14.

¹²¹ Human Rights Watch Report. "Lundin: Willfully Blind to Devastation in Block 5A" *Sudan, Oil, and Human Rights*. Sept. 2003. <http://www.hrw.org/reports/2003/sudan1103/25.htm>

fight to militarize and control the Lundin oil areas even after signing a ceasefire agreement in October 2002, notably in January and February 2003 during a dry season offensive in Block 5A documented by the Civilian Protection Monitoring Team (CPMT).¹²²

While Lundin's development projects may have assisted some people in the area of its operations, they cannot compensate for the abuses that those people have suffered because of the fighting connected to oil development.

Despite selling its share in Block 5A in 2003, Lundin has maintained its interest in Sudanese oil in Block 5B. In December of this year Ahley Heppenstall, President and CEO of Lundin Petroleum commented: "I am very pleased that Lundin Petroleum is able to resume field operations in Block 5B. The signing of the Comprehensive Peace Agreement and the formation of the National Petroleum Commission has provided the necessary framework to explore the large potential natural resources in the area for the mutual benefit of all the people of Sudan."¹²³ No mention was made of the ongoing genocide in Darfur, Sudan.

Malaysia Mining Company (MMC)

Headquartered in Kuala Lumpur, MMC is an investment holding company with interests in transport, logistics, energy, utilities, engineering and construction.¹²⁴

In July 2004, Malaysia Mining Company Berhad led a consortium that won a \$64 million contract from Petrodar Operating Company to build 490 km of a pipeline.¹²⁵ Presumably MMC completed the section of the pipeline that it was awarded in consortium with ZPEB International when ZPEB International announced completion of that section in July 2005.¹²⁶ It is unclear what further projects MMC has in Sudan. MMC is listed on the Kuala Lumpur stock exchange.

Marathon

Marathon Oil Corporation is a major U.S. oil company.¹²⁷ It has rights to 32.5% of contested Block B in Sudan.¹²⁸ Block B is currently producing no oil. It is unclear how U.S. sanctions law will effect Marathon's investment if the block becomes productive.

¹²² Human Rights Watch, "Lundin: Willfully Blind To Devastation In Block 5a," *Sudan, Oil, and Human Rights*, <http://www.hrw.org/reports/2003/sudan1103/25.htm>

¹²³ "Lundin Petroleum: Field Operations to Resume in Block 5B, Onshore Sudan" *Lundin Petroleum Website*. Dec. 7, 2005 http://www.lundin-petroleum.com/Documents/pr_sudan_07-12-05_e.html

¹²⁴ "Corporate Overview" *MMC Website*. http://www.mmc.com.my/corporate/co_overview.php

¹²⁵ Yusof, Nuryushida Laily, "MMC-led group wins US\$65.6m Sudan project" July 27, 2004. *New Strait Times*. http://www.mmc.com.my/media/mc_newsclip_view.php?ID=67; See also ZPEB's Pipeline Section for Package B1 in Block 3/7 in Sudan Fully Completed" *Sinopec ZPEB Webpage*. 7/2/2005.

<http://www.zpebint.com/english/news/listcontentgs.asp?xxid=40737>; See also "Melut Basin Oil Development Project in the Republic of Sudan" July 26, 2004 *MMC Webpage*

http://www.mmc.com.my/media/mc_announcement_view.php?ID=215

¹²⁶ "ZPEB's Pipeline Section for Package B1 in Block 3/7 in Sudan Fully Completed" *Sinopec ZPEB Webpage*. 7/2/2005. <http://www.zpebint.com/english/news/listcontentgs.asp?xxid=40737>

¹²⁷ *Marathon Oil Company Website*. http://www.marathon.com/Our_Business/Marathon_Oil_Company/

¹²⁸ Sudan Exploration and Production Map. *Sudan Embassy Website (Netherlands)* <http://sudani.nl/oilexp.html>

Nam Fatt

Nam Fatt is a Malaysian construction firm. In July 2004, Nam Fatt's subsidiary, NF Energy, and Bentini Construction won a contract from Petrodar to build six pumping stations on the Melut Basin.¹²⁹ The Lowenstein Human Rights Clinic/Project could not determine precisely how much money Nam Fatt received for its portion of the contract or what other projects it has in Sudan. However, this is one of the larger oil investment projects in Sudan. When Africa Intelligence reported the awarding of the Ranhill and Nam Fatt/Bentini contracts for the Melut basin, it stated the total contract worth was \$540 million, which would make Nam Fatt/Bentini's share of the contract \$300 million.¹³⁰

Nam Fatt has previously worked with Petronas in developing the Muglad field.¹³¹ Nam Fatt is listed in Malaysia.

ONGC Videsh

In March 2003, in the face of mounting pressure from human rights organizations, Talisman, a Canadian oil company, sold its interests in Sudanese oil to ONGC Videsh Limited (OVL), a subsidiary of India's Oil and Natural Gas Corporation (ONGC).¹³²

According to the World Investment Report, prepared by the United Nations in 2005, ONGC "is the only Indian company that is placed amongst the top 50 transnational non-finance companies from developing countries, ranked by the size of their foreign assets. ONGC is in the 27th position and its foreign assets in 2004 were at \$ 2.32 billion."¹³³ In 2005, OVL reported its net worth at 12,226.94 million rupees.¹³⁴ The Indian Government now owns approximately 90% of ONGC after the government sold 10% of the company to the public in March 2004.¹³⁵

According to its official website, "OVL is a wholly owned subsidiary of the Oil and Natural Gas Corporation (ONGC) Limited, India's largest corporate by market capitalisation: US\$ 11,039 million for 2002 - 03 (Economic Times 500) as well as its first integrated oil and gas major. ONGC is ranked 133 on the Forbes Global 'Best Big

¹²⁹ Alexander's Gas and Oil Connections. "Malaysian Firms Secure \$900 mm in Sudan Oil Jobs." *Company News Africa* Vol. 9 Issue 21. Oct. 28, 2004.

<http://www.gasandoil.com/goc/company/cna44323.htm>; See also "Asians to Develop Melut." *Africa Energy Intelligence* No. 372. June 23, 2004.

¹³⁰ "Asians to Develop Melut." *Africa Energy Intelligence* No. 372. June 23, 2004.

¹³¹ "Asians to Develop Melut." *Africa Energy Intelligence* No. 372. June 23, 2004.

¹³² Energy Information Administration, U.S. Department of Energy. *Sudan Country Analysis Brief*. July 2004., <http://www.eia.doe.gov/emeu/cabs/sudan.html>

¹³³ "ONGC Ranked 27th In Size Of Foreign Assets (The Foreign Assets Of ONGC Were At \$ 2.32 Billion In 2004)," *India Business Insight*, October 3, 2005

¹³⁴ "OVL Performance 2000/01 - 2004/05" ONGC Videsh website

http://www.ongcvidesh.com/display1.asp?fol_name=Financial&file_name=fin1&get_pic=perf_Financial&p_title=PERFORMANCE%20:%20Financial&curr_f=1&tot_file=3

¹³⁵ Ramachandran, Sushma. "ONGC Public Issue Oversubscribed" *The Hindu*. Mar 6, 2004.

<http://www.hindu.com/2004/03/06/stories/2004030605320100.htm>; "Financial Results" *ONGC Web Site* http://www.ongc.net/financial_sep30_05.asp

Companies' list for 2002 – 2003.”¹³⁶ The company's profile states that “OVL is the first Indian Company to produce oil & gas overseas” and is today “the ‘Second largest E&P company in India’ second only to ONGC in terms of oil & gas reserves. It has 12 overseas assets and is actively seeking more opportunities across the world.”¹³⁷ OVL rates among its chief accomplishments the “securing of a 25% share in the renowned GNOP fields of Sudan via a one-time investment of US\$ 720 million, yet another record for any Indian corporate.”¹³⁸

The Greater Nile Oil Project (GNOP) in Sudan is “located in the Muglad Basin, around 435 miles southwest of the capital Khartoum.” OVL's website reports that the GNOP has more than one billion barrels of crude oil reserves and that current production is about 300,000 barrels per day. OVL states that “intensive exploratory efforts are ongoing in Blocks 1A, 2A and 4 in order to establish additional reserves.”¹³⁹

In addition, OVL reportedly holds a 24% stake in the White Nile Petroleum Company, “a consortium of Malaysian state oil firm Petronas, which owns 68 percent, [ONGC], and Sudan's state oil company Sudapet with 7 percent.” In March 2005, Sudan awarded the White Nile Petroleum Company a \$400 million deal “to develop its southern Thar Jath oil fields to an initial capacity of 80,000 barrels per day (bpd) by the end of March 2006. The reserves of the Thar Jath oil fields, in Block 5a in the southern Unity state, were estimated at a minimum of 250 million barrels.”¹⁴⁰

Beyond acquiring direct stakes in Sudan's oil reserves, ONGC has been awarded several major oil-related contracts. According to DefenceIndia.com, “In February this year, ONGC was awarded a contract to build a 1.2-billion-dollar oil refinery in Sudan Sudan has also mandated ONGC to build a 200-million-dollar multi-product export pipeline from the Khartoum refinery to Port Sudan on the Red Sea, about 740 kilometres (460 miles) away.”¹⁴¹ According to United States Government statistics from the Energy Information Administration, “The pipeline will have a capacity of 18,330 bbl/d and transport gas, oil, and gasoline from the Khartoum refinery to Port Sudan. Completion is expected in October 2005.”¹⁴² The pipeline was apparently completed ahead of schedule by early October of this year.¹⁴³

¹³⁶ ONGC Videsh website, “Corporate Profile, http://www.ongcvidesh.com/corp_profile.asp

¹³⁷ *Id.*

¹³⁸ *Id.*

¹³⁹ ONGC Videsh website, “Operations: Sudan,” http://www.ongcvidesh.com/op_sudan.asp

¹⁴⁰ “Sudan - Oil And Gas Industry: Exploration & Production,” *MBendi*. Last modified June 2005. <http://www.mbendi.co.za/indy/oilg/ogus/af/su/p0005.htm>; see also S.P.S. Pannu, “ONGC lines up \$350 m for overseas drill,” *The Telegraph*, April 18, 2005,

http://www.telegraphindia.com/1050418/asp/business/story_4628460.asp (reporting that OVL had earmarked \$269 million to explore for oil in Block 5A in Sudan).

¹⁴¹ “Indian Troops Leave to Sudan for UN Peacekeeping Mission” *Defence India* Sept. 30, 2005.

<http://www.defenceindia.com/26-sep-2k5/news37.html>

¹⁴² Energy Information Administration, U.S. Department of Energy. *Sudan Country Analysis Brief*. July 2004. <http://www.eia.doe.gov/emeu/cabs/sudan.html>

¹⁴³ “India to bid for construction of Kenya-Uganda oil pipeline,” *Xinhua General News Service*, October 5, 2005.

As the company itself proclaims, ONGC has become a major player in supporting the oil industry in Sudan. ““The ONGC team has made a very definite contribution in production enhancement and oilfield development which our partners do acknowledge,” said Subir Raha, CMD, ONGC. ONGC has already pumped in around \$1.5 billion in Sudan and is ready to invest more as it has already bid for new oil blocks, is setting new pipelines and modernising refineries.”¹⁴⁴ Yet there are no indications that ONGC and OVL’s growing economic ties to Sudan have been accompanied by an increased concern for the humanitarian crisis within its borders. ““The shadows of Darfur don’t affect us,” said Sanjeev Kakran, Vice President, ONGC, Videsh.”¹⁴⁵ To the contrary, United Press International has pointed to the active involvement of India (and, in particular, OVL) in Sudan as a potential hindrance to unified international economic action against the genocidal regime, reporting that “India's growing interest in Sudanese oil will also complicate any United Nation moves to sanction Sudan over the genocide in Darfur.”¹⁴⁶

PECD Berhad (Malaysia)

The PECD Group is a Malaysian Company principally involved in construction, property development, and the provision of engineering, procurement, construction, and commissioning (EPCC) services.¹⁴⁷

In 2004, PECD Berhad’s wholly owned subsidiary Peremba Construction was awarded a \$232 million contract to construct marine export terminal facilities for the Melut Basin Oil Development Project. Construction began in September 2004 and is expected to be completed in December 2005.¹⁴⁸

Peremba Construction was awarded a \$68.5 million contract in October 2005 to construct GNPOC’s head office.¹⁴⁹ In October 2005, PECD Berhad was reportedly in talks with an international partner to bid for oil and gas refinery projects in Sudan worth \$1 billion.¹⁵⁰ PECD Berhad is listed on the Kuala Lumpur stock exchange.

Petronas

Petronas, the national oil company of Malaysia, is a substantial stakeholder in Sudanese oil. According to its website, Petronas is engaged in active oil production in Blocks 1, 2, and 4 through its share in the Greater Nile Petroleum Operating Company Ltd

¹⁴⁴ “ONGC explores oil in Sudan amidst risks,” http://sudantribune.com/article.php3?id_article=7796 (February 2, 2005)

¹⁴⁵ “ONGC explores oil in Sudan amidst risks,” http://sudantribune.com/article.php3?id_article=7796 (February 2, 2005)

¹⁴⁶ “India seeks more Sudanese oil,” United Press International, November 8, 2005.

¹⁴⁷ “Corporate Profile” *PECD Website*. <http://www.pecd.com.my/corporateprofile.htm>

¹⁴⁸ “International Projects” *PECD Website*. <http://www.pecd.com.my/project.htm>

¹⁴⁹ “Malaysia’s PECD secures US\$68.5 Mln contract in Sudan” *Bernama*

http://www.sudantribune.com/article.php3?id_article=12037

¹⁵⁰ “Malaysian PECD to Bid for \$1 Bln Oil/Gas Refinery Projects in Sudan” *Bernama* Oct. 7, 2005

http://www.sudantribune.com/article.php3?id_article=11955

(GNPOC).¹⁵¹ According to ONGC Videsh's website, Petronas has a 30% interest in GNPOC.¹⁵² With various other partners, Petronas also has interests in Blocks 3, 5A, 5B, 7, and 8, all of which are still in exploratory phases.¹⁵³ Furthermore, Petronas is involved in downstream operations: It "operates service stations and markets petroleum products" and "[o]wns and operates bulk terminals, depots, aviation depots and bunkering facility."¹⁵⁴

In August 2005, Petronas agreed to its latest venture in Sudan: a billion-dollar deal to develop an oil refinery with the Sudanese government.¹⁵⁵

Malaysia's state-owned oil company, Petronas, has signed an agreement to construct a refinery at Port Sudan in a 50:50 venture with the country's energy ministry. The 100,000 b/d facility will be designed to process acidic Dar Blend crude from Blocks 3 and 4 of the Melut basin, in which Petronas has an interest. Start-up is targeted for 2009, with products to be sold in eastern and southern Africa as well as to the domestic market.¹⁵⁶

"According to a report by the Sudan News Agency, the refinery will be built at a cost of around US\$1 billion . . . to be equally shared by the Sudanese government and Petronas."¹⁵⁷

At the same time as the oil refinery deal, Sudan awarded Petronas a 35% stake in Block 15, "its first offshore gas exploration block in Sudan." Reuters reported that "Petronas and its partners are committed to acquire a minimum of 3,500 line kilometers of 2D seismic and 500 square kilometers of 3D seismic, and drill five wildcat wells with total minimum expenditure of \$58 million in three commitment periods over 6 years."¹⁵⁸

Petronas' history of involvement in Sudan's oil industry goes back several years, as detailed in its official website. Petronas completed a \$1.2 billion Muglad Basin Oil Development Project in July 1999. "For this project, OGP [a Petronas subsidiary] provided project management and basic engineering services for the construction of field gathering facilities, including a 1,500-km pipeline system with six pumping stations and a

¹⁵¹ Petronas Website

http://www.petronas.com.my/internet/corp/centralrep2.nsf/frameset_search?OpenFrameset

¹⁵² ONGC Videsh Operations. *ONGC Website* http://www.ongcvidesh.com/op_sudan.asp

¹⁵³ Petronas Website

http://www.petronas.com.my/internet/corp/centralrep2.nsf/frameset_search?OpenFrameset

¹⁵⁴ *Id.*

¹⁵⁵ "Sudan and Petronas Sign \$1 bln Deal for New Refinery/Malaysia's Petronas Awarded 1st Offshore Gas Block in Sudan" http://platform.blogs.com/passionofthepresent/2005/08/sudan_and_petro.html;

"Malaysia's Petronas Strengthens Presence in Sudan by Taking Stake in Refinery" *AFX News Limited*.

Aug. 29, 2005. <http://www.forbes.com/markets/feeds/afx/2005/08/29/afx2195613.html>

¹⁵⁶ "News in Brief," *Petroleum Economist*, p. 41, October 20, 2005

¹⁵⁷ "Malaysia's Petronas to Jointly Build Oil Refinery in Sudan" *AP* Aug. 20, 2005.

http://www.chinapost.com.tw/i_latestdetail.asp?id=30307

¹⁵⁸ http://platform.blogs.com/passionofthepresent/2005/08/sudan_and_petro.html; "Petronas Bags Sudan Refinery Deal." *Business Times*. Aug. 31, 2005.

http://www.mida.gov.my/beta/news/view_news.php?id=2087; "Malaysia Petronas Awarded 1st Offshore Gas Block in Sudan" *Reuters*. Aug. 31, 2005. <http://aseanenergy.org/news/?p=128>

tank farm/loading terminal.”¹⁵⁹ In 2003, Petronas acquired Mobil Oil Sudan Limited from Mobil International Petroleum Corporation and began retailing and marketing Sudanese oil. The same year, it bought out Lundin’s 40.375% participating interest in Block 5A in Sudan.¹⁶⁰ In June 2004, OGP signed an agreement with Sudapet (the Sudanese national oil company) “for the incorporation of a technical services company in Khartoum.” In July of the same year, the PETRODAR Joint Operating Committee (of which Petronas is a shareholder) signed a contract “for the development of Melut Basin in Blocks 3 & 7, Sudan.”¹⁶¹ Petronas recently launched an exploration program in block 5B for next year.¹⁶²

Petronas’ website notes one act of social responsibility in Sudan – the August 2004 launch of a mobile library for “primary school children around Khartoum, to encourage good reading habits among them and to provide them an avenue to pursue and acquire information and knowledge” – but makes no note of the broad human rights abuses occurring in Sudan or of the company’s obligation to the Sudanese people.¹⁶³

PetroChina

The China National Petroleum Company (CNPC) is China’s largest supplier of crude oil and natural gas.¹⁶⁴ CNPC is the largest foreign investor in the Sudanese oil sector today. CNPC, which is wholly owned by the Chinese Government, owns a 40% stake in the Greater Nile Petroleum Operating Company (GNPOC).¹⁶⁵ GNPOC was set up by the Sudanese government and includes, among other investors, Sudapet, the national oil company. This consortium “dominates oil fields” in Sudan.¹⁶⁶

According to CNPC’s website, it has current production in Sudan in Blocks 1, 2, 4, and 6 and is undertaking significant exploration in Blocks 3/7, 4, and 6.¹⁶⁷ CNPC produced

¹⁵⁹Petronas Website

http://www.petronas.com.my/internet/corp/centralrep2.nsf/frameset_search?OpenFrameset

¹⁶⁰Petronas Website

http://www.petronas.com.my/internet/corp/centralrep2.nsf/frameset_search?OpenFrameset

¹⁶¹“This Year 2004/2005 Highlights” *Petronas Website*.

<http://www.petronas.com.my/internet/corp/centralrep2.nsf/59a437a8f6fb7f2948256aa800418c97/24039f58e0532e4d48256a9300378c10?OpenDocument>

¹⁶²“Lundin Petroleum: Field Operations to Resume in Block 5B, Onshore Sudan” *Lundin Petroleum Website*. Dec. 7, 2005 http://www.lundin-petroleum.com/Documents/pr_sudan_07-12-05_e.html

¹⁶³“This Year 2004/2005 Highlights” *Petronas Website*.

<http://www.petronas.com.my/internet/corp/centralrep2.nsf/59a437a8f6fb7f2948256aa800418c97/24039f58e0532e4d48256a9300378c10?OpenDocument>

¹⁶⁴“A Leading Global Energy Company” *CNPC Website*. <http://www.cnpc.com.cn/english/gsgk/gsjj.htm>

¹⁶⁵ *Greater Nile Petroleum Operating Company Website*

<http://www.gnpoc.com/asp/publication.asp?glink=GL009> (accessed 11/21/05)

¹⁶⁶ Goodman, Peter. “China Invests Heavily in Sudan’s Oil Industry.” *Washington Post*. Dec. 23, 2004. <http://www.washingtonpost.com/wp-dyn/articles/A21143-2004Dec22.html>

¹⁶⁷“Overseas Oil and Gas Operations” *CNPC Website*

<http://www.cnpc.com.cn/english/inter/Exploration.htm> (accessed 11/21/05); See also Sudan Exploration and Production Map. *Sudan Embassy Website (Netherlands)* <http://sudani.nl/oilexpo.html>

320,000 barrels of oil per day in 2004 in Sudan. The majority of this production came from blocks 1, 2, and 4, all of which are operated by GNPOC.¹⁶⁸

CNPC bought into GNOP in 1996. It joined with Sudan's Ministry of Oil to build the country's largest oil refinery and, according to the Shenzhen Post, it invested an additional \$300 million in 2003 in the facility to nearly double production.¹⁶⁹ It continues to make new investments in Sudan. In 2005, CNPC won the rights to, along with Petronas, Sudan's first offshore gas production, which will be located in block 15 (CNPC will have a 35% ownership share).¹⁷⁰ Sinopec Group and CNPC currently plan to acquire drilling rights for another oil field in Sudan for \$600 million.¹⁷¹ There are reports that CNPC has also leant the Sudanese government money.¹⁷²

China Petroleum Engineering Construction Corporation (CPECC) is fully owned by CNPC.¹⁷³ CPECC's website states, "To date CPECC maintains business relations with companies in more than 40 countries and regions worldwide, among which Sudan, Kuwait, Pakistan, Kazakhstan and Venezuela are its five nucleus markets."¹⁷⁴ CPECC lists a number of projects it considers "major achievements" on its website. Since 2002, ten of the sixteen projects listed were in Sudan and included the construction of pump stations, transmission lines, and power plants.¹⁷⁵

CPECC participated in building a 1,500-kilometer pipeline from blocks 1 and 2 to the Red Sea. CPECC brought in a labor force of 10,000 Chinese workers to finish the project. Few local workers were hired to build this pipeline.¹⁷⁶

In 2004, Petrodar (a consortium of oil companies that has exploration and development rights for several blocks in Southern Sudan) awarded two contracts worth \$405 million to CPECC. One was to build a pipeline to carry crude oil to Port Sudan; the other was to build a tanker terminal on the coast. CNPC has a 41% stake in Petrodar.¹⁷⁷

The Sudanese military has moved Nuer and Dinka tribes from areas where CNPC owns oil fields. Human rights organizations say these groups were forcibly dislocated because of their alleged sympathies to the Southern rebels. According to the Washington Post, "A recent report in the state-controlled China Business News quotes a Chinese foreign affairs

¹⁶⁸ "Bumper Year for CNPC" *Africa Energy Intelligence*. No. 385 January 19, 2005.

¹⁶⁹ Goodman, Peter. "China Invests Heavily in Sudan's Oil Industry." *Washington Post*. Dec. 23, 2004. <http://www.washingtonpost.com/wp-dyn/articles/A21143-2004Dec22.html>

¹⁷⁰ Kelly, Deborah. "Planting Deep Roots, Petronas, CNPC Take Gas Block Off Sudan." *International Oil Daily*. September 1, 2005.

¹⁷¹ Poon, Aries. "Sinopec, CNPC To Buy Sudan Oil Block" Nov. 15, 2005. *Dow Jones Newswires*.

¹⁷² "Petronas Makes Itself Useful" *Africa Energy Intelligence*. March 24, 2004.

¹⁷³ "General Information" *CPECC Website*. <http://www.cpecc.com.cn/english/1-1-1.htm>

¹⁷⁴ "Major Markets" *CPECC Website*. <http://www.cpecc.com.cn/english/3-1-1.htm>

¹⁷⁵ "Major Achievements" *CPECC Website*. <http://www.cpecc.com.cn/english/3-3-1.htm#1>

¹⁷⁶ Human Rights Watch. "China's Involvement in Sudan: Arms and Oil." *Sudan, Oil, and Human Rights*. September 2003. http://www.hrw.org/reports/2003/sudan1103/26.htm#_Toc54492754

¹⁷⁷ "Asians to Develop Melut." *Africa Energy Intelligence* No. 372. June 23, 2004. See also, Goodman, Peter. "China Invests Heavily in Sudan's Oil Industry." *Washington Post*. Dec. 23, 2004. <http://www.washingtonpost.com/wp-dyn/articles/A21143-2004Dec22.html>

official as saying that Beijing has asked Khartoum to ‘send troops’ to areas in which Chinese companies operate.”¹⁷⁸ The Post continues:

[F]ield reports produced by human rights groups describe a connection between the people extracting the oil and those waging the war. Some of the helicopter gunships used in the attacks on civilians are Chinese-made, according to Akol, the former Khartoum transportation minister. The helicopters, he said, have frequently been based at airstrips maintained by the oil companies -- a statement consistent with the findings of Canada-based World Vision when it interviewed survivors of attacks and defecting government soldiers in 2001.¹⁷⁹

When CNPC attempted to go public on the New York Stock Exchange in 1999, public criticism over its holdings in Sudan forced it to create a subsidiary, PetroChina, which went public instead. At the time of its creation, PetroChina was 90% owned by CNPC and was comprised of CNPC’s domestic holdings. As Human Rights Watch reported:

China’s first foray into the world of high finance—to open up its enormous government-owned corporations to foreign investment—was a controversial offer to sell stock in CNPC to the public on the New York Stock Exchange (NYSE). Its offer, designed to raise a record U.S. \$ 10 billion, had to be withdrawn and refashioned because of the negative publicity suggesting that the proceeds would be used to commit further human rights abuses in Sudan, Tibet, and elsewhere. Ultimately, the 90 percent-CNPC-owned subsidiary PetroChina, with a ‘firewall’ to prevent any of the new capital from going to the Sudanese operations, proceeded with a stock offer to raise U.S. \$ 10 billion. A broad-based coalition opposed to the PetroChina IPO ultimately succeeded in reducing the proceeds from the IPO by some 70% to only U.S. \$ 2.89 billion.¹⁸⁰

Many doubt that there is actually any “fire wall” between PetroChina and CNPC. When PetroChina was created, it inherited \$15 billion in debt from CNPC, some of which was incurred in respect to its GNPOC project.¹⁸¹ Fund managers have been skeptical that PetroChina can make business decisions independent from CNPC. Several major institutions, including such pension funds as TIAA-CREF and Calpers, elected at the time of the IPO not to invest.

The “[t]ransparency in the relationship between PetroChina and CNPC is so poor that investors are often in the dark about potential cross-subsidies.”¹⁸² In September 2005, more than 99% of PetroChina’s shareholders agreed to spend \$2.5 billion to purchase overseas assets of CNPC.¹⁸³ The two companies will be setting up a 50-50 joint venture, known for now as Newco, to hold most of these assets. CNPC’s shares in Sudan will be purposefully excluded from Newco to attempt to shield PetroChina from socially

¹⁷⁸ Goodman, Peter. “China Invests Heavily in Sudan’s Oil Industry.” *Washington Post*. Dec. 23, 2004. <http://www.washingtonpost.com/wp-dyn/articles/A21143-2004Dec22.html>

¹⁷⁹ Goodman, Peter. “China Invests Heavily in Sudan’s Oil Industry.” *Washington Post*. Dec. 23, 2004. <http://www.washingtonpost.com/wp-dyn/articles/A21143-2004Dec22.html>

¹⁸⁰ Human Rights Watch. “China’s Involvement in Sudan: Arms and Oil.” *Sudan, Oil, and Human Rights*. September 2003. http://www.hrw.org/reports/2003/sudan1103/26.htm#_Toc54492754

¹⁸¹ Human Rights Watch. “China’s Involvement in Sudan: Arms and Oil.” *Sudan, Oil, and Human Rights*. September 2003. http://www.hrw.org/reports/2003/sudan1103/26.htm#_Toc54492754

¹⁸² “PetroChina Revamp Builds Global Player” *The Standard* October 25, 2004

¹⁸³ “PetroChina to Pay US\$2.5 for Parent Firm’s Overseas Assets.” *Asia Pulse*. August 18, 2005

responsible investors on the NY Stock Exchange. Newco will be a springboard for future international expansion for the two companies.¹⁸⁴

In an effort to determine whether PetroChina can exercise independence from CNPC despite CNPC's 90% ownership interest in it, Harvard's subcommittee examined the management of the two companies:

The results of that review were striking. The Chairman of PetroChina is the President of CNPC; PetroChina's legal counsel is CNPC's President; PetroChina's Vice Chairmen, Executive Directors, and Non-executive Directors are also CNPC's Vice Presidents; and the four subcommittees of PetroChina's Board of Directors contain substantial representation from CNPC. Indeed, the investment and development subcommittee of the board of PetroChina is comprised solely of two Vice Presidents of CNPC.¹⁸⁵

Ranhill Berhad

Ranhill Berhad is a Malaysian Engineering Corporation focusing on oil and gas, water, and infrastructure.¹⁸⁶

In June 2004, Ranhill announced it was awarded a \$240 million project from Petrodar Operating Company to build a major oil facility located in the Melut Basin in Sudan. This project will be constructed in conjunction with Petroneeds Services International (based in Sudan). Ranhill holds a 55% interest in this project.¹⁸⁷ Ranhill is expected to complete the project in November 2005 after incurring significant cost overruns.¹⁸⁸ This was Ranhill Berhad's first venture in Sudan.¹⁸⁹ Ranhill Berhad is listed on the Kuala Lumpur stock exchange.

Sinopec

China Petroleum & Chemical Corporation (Sinopec Corp.) was set up in 2000 as a publicly traded company by the state-owned China Petrochemical Corporation (Sinopec Group). 67.2% of Sinopec Corp. is owned by Sinopec Group. It is one of the largest oil companies in China today.

ZPEB International is owned by Sinopec Group. It has eight subsidiaries one of which is ZPEB Corporation (Sudan).¹⁹⁰ ZPEB is one of the largest oil engineering service

¹⁸⁴ "PetroChina Sells Shares" *Oil Daily*. September 1, 2005.

¹⁸⁵ "Statement by Harvard Corporation Committee on Shareholder Responsibility (CCSR) Regarding Stock in PetroChina Company Limited." *Harvard University Gazette*. April 4, 2005.
http://www.news.harvard.edu/gazette/daily/2005/04/04-sudan_statement.html

¹⁸⁶ "Company Overview" *Ranhill Berhad Website*
<http://www.ranhill.com.my/about.asp?sectionID=1&subsectionID=1>

¹⁸⁷ "Project Highlights" *Ranhill Berhad Website* http://www.ranhill.com.my/melut_basin_sudan.asp

¹⁸⁸ "US\$240mil Ranhill Project in Sudan Ready Next Month." Oct. 31, 2005. *The Star*.

<http://biz.thestar.com.my/news/story.asp?file=/2005/10/31/business/12467285&sec=business>

¹⁸⁹ "Asians to Develop Melut" *Africa Energy Intelligence No. 372* June 23, 2004.

¹⁹⁰ "Company's Introduction" *Sinopec ZPEB Website*. <http://www.zpebint.com/english/information/jj.asp>

providers in Sudan.¹⁹¹ Its clients there have included CNPC International (Sudan), GNOPC, Petrodar Operating Company, and Great Nile Petroleum Company. It has done geological research, drilling and workover projects, and well testing. Its website lists some 50 such projects in Sudan since 2000.¹⁹² The company states that it has 430 Chinese employees. In addition it has 326 “foreign employees” working in Sudan.¹⁹³

Sinopec International Petroleum Service Corp (SIPSC) is Sinopec Group’s international overseas and engineering and service arm.¹⁹⁴ In 2003, SIPSC received a contract to build a pipeline from 3/7 blocks to Port Sudan. The pipeline cost over \$100 million. ZPEB International worked on a portion of the pipeline.¹⁹⁵ ZPEB International completed its portion of the pipeline in June 2005.¹⁹⁶

Sinopec Group currently owns a 6% share in Petrodar which has rights to blocks 3 and 7 in Sudan.¹⁹⁷ Sinopec Group and CNPC are currently planning to acquire drilling rights for an oil field in Sudan for \$600 million.¹⁹⁸

In November 2000 an article in the Far Eastern Economic Review explained how the discovery of assets in Sudan of Sinopec Corp. affected it’s original IPO:

A second cash-hungry Chinese oil giant has limped on to the New York Stock Exchange after stumbling into protests from human-rights groups, religious organizations and labour unions opposed to its investments in Sudan. China’s second-largest oil firm, China Petroleum & Chemical Corp., or Sinopec, raised about \$3.4 billion in an initial public offer on October 18 in New York, London and Hong Kong. Sinopec had looked set to escape the storm that engulfed the stock offering of PetroChina, China’s largest oil company, in April. But the day before Sinopec was slated to set the price for its IPO, The Asian Wall Street Journal disclosed that one of the company’s subsidiaries maintains an office and has company executives in Sudan. This prompted human-rights activists in the United States to warn that some of the proceeds from the subsidiary could be diverted to the Islamic government of Sudan, which has waged a 17-year war against Christians in the south. But with only a week until the listing, opponents had less time to generate a storm of protest than they had when PetroChina listed.¹⁹⁹

Today, it is unclear whether Sinopec Corp. does business in Sudan, but Sinopec Group does substantial business through ZPEB International, SIPSC, and directly. This situation is similar to CNPC’s relationship to PetroChina.

¹⁹¹ “Sinopec Group won Contract to Lay Pipeline in Sudan.” *Interfax China Business News*. June 21, 2004

¹⁹² “Company’s Achievements” *Sinopec ZPEB Webpage* <http://www.zpebint.com/english/yeji/yj.asp>

¹⁹³ “ZPEB’s Sudan Subsidiary” *Sinopec ZPEB Webpage* <http://www.zpebint.com/english/news/sudan.htm>

¹⁹⁴ “Sinopec Group won Contract to Lay Pipeline in Sudan.” *Interfax China Business News*. June 21, 2004

¹⁹⁵ “Sinopec Group won Contract to Lay Pipeline in Sudan.” *Interfax China Business News*. June 21, 2004

¹⁹⁶ “Letter of Congratulations from Sinopec International Engineering Service Corporation (SIPSC)” 7/2/2005 <http://www.zpebint.com/english/news/listcontentgs.asp?xxid=40701>; See also “ZPEB’s Pipeline Section for Package B1 in Block 3/7 in Sudan Fully Completed” *Sinopec ZPEB Webpage*. 7/2/2005.

<http://www.zpebint.com/english/news/listcontentgs.asp?xxid=40737>; See also

<http://www.washingtonpost.com/wp-dyn/articles/A21143-2004Dec22.html>

¹⁹⁷ Sudan Exploration and Production Map. *Sudan Embassy Website (Netherlands)* <http://sudani.nl/oilexpo.html>

¹⁹⁸ Poon, Aries. “Sinopec, CNPC To Buy Sudan Oil Block” Nov. 15, 2005. *Dow Jones Newswires*.

¹⁹⁹ Heibert, Murray. “Sinopec Stumbles” *Far Eastern Economic Review*. November 2000.

http://www.centerforsecuritypolicy.org/index.jsp?section=papers&code=00-F_52

Tatneft

Tatneft is the 6th largest oil company in Russia. The Chairman of the Board of Directors of Tatneft is the Prime Minister of the Republic of Tatarstan.²⁰⁰

The current status of Tatneft's operations in Sudan is unclear. While Tatneft has been directly implicated in business dealings that provided weapons to the Sudanese government, it may not be actively operating in Sudan right now. Tatneft's history in Sudan is potentially extremely troubling. Allegedly, Tatneft was a party to three-way deals supplying Russian weapons to the Sudanese government in exchange for oil.

Africa Energy Intelligence reported in October 2001, that "a Sudanese delegation headed by foreign trade minister Abdul-Hamid Musa Kasha traveled to Tatarstan to examine the republic's proposals for cooperation in return for an opening for Tatneft in Sudan's offshore [concession]. Among the options under consideration were the sale of Tupolev 214 airliners and Mi-17 military transport helicopters to Sudan and the construction of a KamAZ truck factory in Sudan."²⁰¹ Africa Energy Intelligence reports that shortly after Tatneft set up operations in Sudan, Russia sold MI-17 military transport helicopters to Sudan and the Russian firm RSK MIG later sold 12 Mig-29 fighter aircraft to the government.²⁰²

It is not clear whether Tatneft had a direct role in these weapons transfers. However, Tatneft has indicated a willingness to be part of weapons for oil agreements. Shortly after the transfer of helicopters and MIG-29 aircraft to Sudan were reported, Tatneft announced a cooperation agreement with the Russian state-owned arms exporter Rosoboronexport. In this deal Rosoboronexport could sell weapons to countries short on cash and Tatneft would accept payment in oil or oil concessions.²⁰³

There have been few recent reports of Tatneft's operations in Sudan, and no major oil concessions seem to have been awarded to Tatneft, perhaps pointing to decreased involvement by Tatneft in Sudan.

If Tatneft is not currently operating in Sudan it has made clear that it does intend to resume operations in Sudan if possible. Tatneft's 2003 Annual Report to the United States Securities Exchange Commission, filed on July 14, 2005, acknowledges its historical commercial relations with Sudan and other countries currently or recently the subject of United States or international sanctions.²⁰⁴ Tatneft confirms that "we

²⁰⁰ <http://www.tatneft.ru/eng/index.htm> Tatneft website.

²⁰¹ "Russian Offensive on Sudan's Oil" *Africa Energy Intelligence* No. 309 October 31, 2001. See also <http://english.pravda.ru/economics/2001/06/22/8453.html> "Tatarstan to Exploit Sudan Oil Reserves"

²⁰² "Russian Weapons for Oil" *Africa Energy Intelligence* No. 313, January 2, 2002.

²⁰³ "G.I. Joe - Tatneft Links Up With Arms Exporter." *NEFTE Compass*. February 14, 2002. See also, "Russia steps up oil-for-weapons campaign." *Energy Compass*, February 15, 2002.

²⁰⁴ Annual Report Pursuant To Section 13 Or 15(D) Of The Securities Exchange Act Of 1934, For the fiscal year ended: December 31, 2003, As filed with the Securities and Exchange Commission on July 14, 2005, p. 31, http://www.rustocks.com/put.phtml/tatn_2003_SEC.pdf

participate or intend to participate in projects in Iraq, Iran, Syria, Libya, Oman and Sudan, where both we and Russia have strong historical ties, subject to compliance with applicable international sanctions regimes.”²⁰⁵

Total Elf Fin

TotalFinaElf, a multinational oil producer and refiner with headquarters in France, is a member of a four-member consortium that holds concession and ownership rights over Block B, which is an 118,000 square kilometer territory in southern Sudan. The other members of this consortium include US-based Marathon Petroleum, Kufpec of Kuwait and the state-owned Sudapet.²⁰⁶ Total’s share is 32.5%.

There does not appear to be any oil production activity in Block B at present. Total purchased the rights to this territory in 1980, but ceased exploration activities with the onset of civil war in 1985. After ceasing exploration, Total continued paying fees to the government in order to maintain its license over Block B. In 2004, however, shortly before the signing of peace accords between the SPLM and Khartoum, Total entered into a production-sharing agreement from which the governments of both Khartoum and Southern Sudan would earn revenue.²⁰⁷

Total has stated that on its website that it plans to renew oil exploration and production on Block B, but notes that such activity will take place “. . . with due regard for the safety situation, especially given the presence of mines in the area.” The website also notes:

Total has established links with NGOs and experts to learn more about the region and to be ready when it returns to set up development programmes in liaison with the local communities which will suit the local context and needs. Outside expertise will also help us ensure that business is conducted in Sudan in line with Total’s Code of Conduct and values.²⁰⁸

Recently, there have been reports that Total will resume exploration in Block B very soon. It appears the company’s principal concern is peace and stability in southern Sudan

²⁰⁵ *Id.*, p. 40.

²⁰⁶ TotalFinaElf, “Total’s Presence in Sudan,” http://www.total.com/en/group/corporate_social_responsibility/ethics_governance/ethics/sudan_6816.htm; Securities and Exchange Commission, “Total SA (Form: 20F, received: 04/20/2005, 11:04:45)” http://excite.brand.edgar-online.com/EFX_dll/EDGARpro.dll?FetchFilingHTML1?SessionID=gdKb12b12EcDM3o&ID=3614699”; International Crisis Group, *Sudan’s Uncertain Peace*, 24-5.

²⁰⁷ Human Rights Watch, “Sudan, Oil and Human Rights: Other Oil Companies,” <http://www.hrw.org/reports/2003/sudan1103/27.htm>; International Crisis Group, *Sudan’s Uncertain Peace*, 24-5; “The North-South Divide,” *Middle East Economic Digest*, Sept. 2, 2005; “Africa Analysis: Total Back in Sudan,” *Financial Times*, Feb. 6, 2004.

²⁰⁸ TotalFinaElf, “Total’s Presence in Sudan” *Sudan Tribune*. Sept. 29, 2005. http://www.total.com/en/group/corporate_social_responsibility/ethics_governance/ethics/sudan_6816.htm;

and the company has not indicated that it's activities in Sudan are reliant upon the policies of Khartoum towards Darfur.²⁰⁹

Vangold Resources Limited

Vangold Resources Limited is an oil and mining company based in Canada.²¹⁰ Vangold has recently declared that it will bid for concessions in block 13 in Sudan along with its local partner Petro-Africa International.²¹¹

Videocon

The Videocon group is a \$2.5 billion Indian conglomerate with operations in four business sectors: consumer electronics, home appliances & compressor manufacturing; display industry and its components; colour picture tube glass; and oil and gas.²¹²

Videocon has recently forayed into the Sudanese oil industry. "In March 2005 India's Videocon signed a memorandum of understanding with the government of Khartoum province in Sudan to invest and develop oil projects there. Videocon Industries has decided to invest \$100 million for a 76 per cent stake in an oil field in Sudan."²¹³

Videocon has publicly stated its intent to "expand its Oil and Gas interest in Sudan and Jordan and has initiated the process for furthering such interest."²¹⁴ It has also lauded its own "considerable entrepreneurial flair by becoming active in bagging exploration and production rights in countries where western oil and gas majors are shying away from."²¹⁵

Weir Group

Weir Group is a British company that has produced oil pumps for use in Sudan. The Observer reported in March 2001: "Although British companies are not drilling for oil, British technology plays a crucial role. But the British companies - prime among them being Rolls-Royce and Weir Pumps of Glasgow - like to keep their involvement quiet. . . . Weir Pumps, which built the pumping stations for the pipeline, issued a press release about a first pounds 20 million contract in 1998, but said nothing about a second. A

²⁰⁹ See, e.g., "Total to Resume Sudan Drilling Operations Soon," *Sudan Tribune*, Sept. 29, 2005. http://www.sudantribune.com/article.php3?id_article=11841

²¹⁰ "Company Overview" *Vanguard Resources Limited Webpage* <http://www.integratir.com/overview.asp?ticker=V.VAN&title=null>

²¹¹ Nathoo, Azim. "Sudan: Firms rush to cash in on new exploration." Nov. 24, 2005. *The East African*. <http://www.nationmedia.com/estafrican/current/News/regional211120051.htm>

²¹² Videocon website, "Corporate Profile," <http://www.videoconinternational.com/about/corporate-profile/index.php>.

²¹³ "Sudan – Oil and Gas Industry: Exploration and Production." *MBendi*. Last updated June 2005. <http://www.mbendi.co.za/indy/oilg/ogus/af/su/p0005.htm>; see also Videocon website, "Experience" <http://www.videoconinternational.com/Experience/sudanoil.shtm>.

²¹⁴ "Videocon Emerges as a US \$ 4 Billion Indian Multinational," Press Release, June 28, 2005, <http://www.videoconinternational.com/press-events/global/index.php>.

²¹⁵ Videocon website, "Oil & Gas," <http://www.videoconinternational.com/oil-gas/index.php>

spokesman said the company 'is not prepared to talk about it for commercially confidential reasons'.²¹⁶

In April 2001, the Observer reported: "The Observer has learnt that Khartoum is planning a second pipeline that will bypass eastern regions, where the first pipeline is under attack from opposition forces. The new pipeline will more than double Sudan's production, spreading the oil war far beyond its present borders. Industry sources say Weir Pumps of Glasgow, which provided the pumping stations for the first pipeline, is constructing the pumps for the second, using engines manufactured by Allen Power Engineering of Bedford. A third British firm, Angus Fire of Oxfordshire, is providing integral fire - extinguishing systems."²¹⁷

Although there are a number of reports of Weir Group having contracts in Sudan in 1999-2001 it is unclear what contracts Weir Group currently has in Sudan, but independent media in Britain has continued to chastise them for their alleged involvement there.²¹⁸ The Lowenstein Human Rights Clinic/Project could not find any public denial of these claims by Weir Group.

In December 2004 the Independent reported: "Nearly 100 corporations have continued trading with Khartoum. This includes a British company, Glasgow Weir Pumps, that is helping to develop Sudan's oil fields - and therefore to funnel money to the genocidaires. . . . Glasgow Weir Pumps claims it has consulted with the UK Government and it was not told by the Department for Trade and Industry to stop dealing with these murderers."²¹⁹

If Weir Group is still invested in Sudan it is directly involved in the production of oil revenue for the Sudanese regime. Furthermore, if it is still invested in Sudan it's seeming desire to hide these investments casts serious doubt on any commitment the company might have to transparency and constructive engagement in their business relations in the country.

White Nile

White Nile is a start-up oil firm founded by former England Cricketer Phil Edmonds. It is listed on the Alternative Investment Market (AIM) in London. In February 2005, White Nile signed an agreement with Nile Petroleum, which was set by the Sudan People's Liberation Movement (SPLM), for exploration rights to 60% of Block Ba in Southern Sudan in exchange for 150 million shares in White Nile.²²⁰ However, the same block is also claimed by Total. Total, along with its partners Marathon (MRO) and Kuwait Petroleum Corp.'s (KPT.YY) foreign upstream arm, revived a long-dormant

²¹⁶ Flint, Julie. "British Firms Fan Flames of War." *The Observer*. March 11, 2001.

<http://observer.guardian.co.uk/international/story/0,6903,450030,00.html>

²¹⁷ "Britain Backs Ugly War" *The Observer*. April 16, 2000.

<http://observer.guardian.co.uk/international/story/0,6903,194086,00.html>

²¹⁸ "Weir Pumps in Glasgow being Blockaded Now."

<http://www.indymedia.org.uk/en/2005/07/316962.html>

²¹⁹ Hari, Johann "Darfur: the Holocaust Continues" <http://www.johannhari.com/archive/article.php?id=536>

²²⁰ "White Nile Seeks Sudan Oil Rights." *BBC News* <http://news.bbc.co.uk/1/hi/business/4481193.stm>

1980 production-sharing contract with Khartoum in December 2004.²²¹ It is feared that this dispute will raise new tensions between the SPLM and Khartoum.

White Nile floated on AIM February 10, 2005. Its shares were suspended on February 16th after rising over 1000 percent.²²² In May 2005, White Nile resumed trading on the AIM for institutional investors,²²³ and since then there has been a return normal trading of the stock.

Zaver Petroleum

Zaver Petroleum Limited (ZPCL) was created in 1991 in Pakistan as a Public Limited Company.²²⁴ It is a member of the Hashoo Group which is run by billionaire Sadruddin Hashwani.²²⁵ ZPCL reached an agreement in August 2003 to explore Block 9 in Sudan. The shareholders of Block 9 are ZPCL (85%) and Sudapet (15%). Together they formed a joint operating company named SUDAPAK. They started seismic operations in May 2004.²²⁶ The Hashoo Group is also reportedly building a five star hotel in Khartoum.²²⁷

ENERGY INDUSTRY

ABB

ABB, based in Switzerland, is a leading power and automation technology group with 2004 revenues of \$20,721,000,000. It operations in around 100 countries, including Sudan.²²⁸

According to Steel, ABB has two main business activities in Sudan. The first project provides for power transmission from the Merowe Dam to Khartoum, Port Sudan, and a resort by the Nile. The second project provides flow control instrumentation to Heglg oil fields in southern Sudan.

²²¹ Kerr, Simeon "White Nile S Sudan Could Hamper Peace" *Dow Jones* Feb. 26, 2005

http://www.sudantribune.com/article.php3?id_article=8237&var_recherche=white+nile

²²² Foley, Stephen and Jivkov, Michael. "White Nile Chiefs Fly Out to Finalise Sudan Deal." *The Independent* April 22, 2005.

http://www.sudantribune.com/article.php3?id_article=9191&var_recherche=white+nile

²²³ Kerr, Simeon. "White Nile to Free Stock to 'bail out' Short Sellers." *Dow Jones*. May 29, 2005.

http://www.sudantribune.com/article.php3?id_article=9830&var_recherche=white+nile

²²⁴ *Zaver Petroleum Corporation Website*. <http://www.zpcl.com/>

²²⁵ *Hashoo Group Website*. http://www.hashoogroup.com/companies_zaverpetro.asp

²²⁶ Sudan Exploration and Production Map. *Sudan Embassy Website (Netherlands)*

<http://sudani.nl/oilexpo.html>

²²⁷ Nathoo, Azim. "Sudan: Firms rush to cash in on new exploration." Nov. 24, 2005. *The East African*.

<http://www.nationmedia.com/estafrican/current/News/regional211120051.htm>

²²⁸ "ABB Awarded Industrial IT Fieldbus Control System Project for Greater Nile Petroleum Operating Company" Sept. 10, 2003. *ABB Website*

<http://www.abb.com/global/abbzh/abbzh251.nsf!OpenDatabase&db=/global/abbzh/abbzh250.nsf&v=553E&e=us&url=/global/seitp/seitp202.nsf/0/C391DBAD5867C3A285256D9D006F963F!OpenDocument>

The ABB Company Website provides further information on its role in the Merowe Dam project:

May 7, 2004 - ABB, the leading power and automation technology group, announced today it has signed a contract worth \$16 million for a power transmission project which will strengthen Sudan's power grid. . . . ABB won the order from the main contractor, Harbin Power Engineering Co. Ltd (HPE) of China. Project owner is the Ministry of Irrigation and Water Resources Merowe Dam Project Implementation Unit (MDPIU) of Sudan. . . . ABB is responsible for the design, manufacturing, supply, commissioning and training of the complete secondary electrical system, on a turnkey basis, for seven new substations.²²⁹

The Heglig oil fields project provided equipment to the Greater Nile Petroleum Operating Company Limited (GNPOC) to ease the production and processing of oil.²³⁰

Currently, the company indicates that its business in Sudan is represented through its unit located in Egypt.

The company has engaged in public correspondence with International Rivers Network (IRN) about an IRN report that criticizing the Merowe Dam Project for massive displacement.²³¹ ABB has argued that “Access to electricity and the exploration of natural resources are prerequisites for economic development. . . . The company’s risk review processes are designed to capture and avoid both financial and non-financial risks, including unintentional complicity in human rights violations.”²³² ABB has retained a human rights lawyer to support the company with stakeholder contacts in the country.

The information available publicly explains why ABB should continue to be involved in the Merowe dam despite concerns over the project, but does not directly address concerns about the company’s involvement with a government that has supported genocide in Darfur.

Alstom

Alstom is a large French power company with sales totalling 16,688,000,000 pounds in 2004.²³³ In November 2003, Alstom was awarded a contract by the Ministry of Irrigation and Water Resources of the Republic of the Sudan to supply the electro-mechanical

²²⁹“ABB wins \$16 million order to strengthen power supply in Sudan” May 7, 2004. *ABB Website*. <http://www.abb.com/global/abbzh/abbzh251.nsf!OpenDatabase&db=/global/abbzh/abbzh250.nsf&v=553E&e=us&url=/global/seitp/seitp202.nsf/0/D0D541F0EEC75DF085256E8A006A74C3!OpenDocument>

²³⁰“Processing Made Easy” Sept. 13, 2004. *ABB Website*. <http://www.abb.com/global/abbzh/abbzh251.nsf!OpenDatabase&db=/global/abbzh/abbzh250.nsf&v=553E&e=&url=/global/seitp/seitp202.nsf/0/C1256A8C004ABBA3C1256F0E002B5976!OpenDocument>

²³¹ IRN’s objections to the dam “IRN’s Merowe Campaign” are available at <http://www.irn.org/programs/merowe/>

²³²“Managing Dilemmas” *ABB Website*. <http://www.eg.abb.com/global/abbzh/abbzh251.nsf!OpenDatabase&db=/global/gad/gad02077.nsf&v=9D86&e=us&c=4A7DA995967AE6EEC1256FEB003E6D88>

²³³http://www.alstom.com:80/home/Investors/Key_Figures/23298.EN.php?languageId=EN&dir=/home/Investors/Key_Figures/

equipment for the Merowe Dam Project, located on the Nile River and scheduled for completion in July 2008.²³⁴ The value of the contract is in excess of 250 million euro.²³⁵

This contract is one of the largest non-oil related contracts in Sudan. At the time of receiving the contract Philippe Soulié, President of Alstom's Power Environment Sector said "winning this contract represents a major success for us. At this particular point in Alstom's recovery plan, we regard this award as a strong and encouraging demonstration of confidence on the part of our Customer and we are proud to be associated with this prestigious project."

In 2004, the International Rivers Network wrote to Alstom expressing concerns over displacement and the environmental effects of the Merowe Dam. CEO Patrick Kron replied on March 19, 2004: "Merowe will practically triple the power generation capacity of Sudan (currently only 500 MW, i.e. less than one percent of the installed capacity in California, a US State with the same population as Sudan), providing vital infrastructure which can only aid the country's social and economic development over the years to come. As a member of the International Hydro Association we support all efforts made to ensure that a full and serious assessment of the environmental and social impact of a large-scale hydro project is carried out in the project planning stage. In the case of Merowe, the feasibility and environmental impact of the dam project were studied by reputed international institutions and consulting engineers. To our knowledge, plans are in place to mitigate the social and environmental impact of this project. In conclusion, we have no intention of withdrawing from the Merowe Dam project and will honour our contractual obligations towards our Customer, MDPIU."²³⁶

The Lowenstein Clinic/Project could not find a company statement addressing the troubling human rights record in the country or the current conflict in Darfur.

DIT Power Kilo-X Ltd. (DPKX)

In January 2002, a Siemens press release by the company announced: "A consortium headed by the Siemens Industrial Solutions and Services Group (I&S) has been awarded a contract by DIT Power Kilo-X Ltd. (DPKX), Labuan, Malaysia, to erect a turnkey diesel power station with an output of 257 megawatts in Khartoum, Sudan. The world's largest power station powered by diesel engines will thus be built near the Sudanese capital. The contract is worth more than EUR 200 million, half of which will be

²³⁴ Energy Information Administration, U.S. Department of Energy. *Sudan Country Analysis Brief*. July 2004. <http://www.eia.doe.gov/emeu/cabs/sudan.html>

²³⁵ "Alstom Awarded 250 Million Euro Contract in Sudan" *Aquamedia*.
<http://www.aquamedia.at/templates/index.cfm/id/10179>;

"Alstom Awarded 250 million Euro Contract in Sudan" *Alstom Website*. Nov. 13, 2003.
http://www.alstom.com/pr_corp/2003/20501_EN.php?languageId=EN&dir=/pr_corp/2003/&idRubriqueCourante=15445

²³⁶ "Response Letter from ALSTO CEO, Patrick Korn, Regarding Involvement in Merowe Project" March 19, 2004 <http://www.irn.org/programs/safrica/index.php?id=041222alstom.html>

accounted for by Siemens. Commissioning of the power station is to take place in stages in 2004.”²³⁷

Malaysia's Dar Ikhtisas Technologies (DIT) won the build-operate-own-transfer (Boot) contract from Sudan's National Electricity Corp (NEC) for a 25-year concession. DIT Power Kilo-X Ltd was established specifically to manage the development of the plant, which will be handed over to NEC in 2029.²³⁸

Harbin Power Equipment Co. Ltd.

Harbin Power Equipment Company Ltd is a Chinese electrical company with 2004 sales totaling \$10,216,000,000 whose “principal activities are the manufacture of thermal and hydro power equipment such as boilers and steam turbine; ancillary equipment for power stations, AC/DC motor and other products that include control devices, valves, pressure vessels and axial compressor. Other activity [sic] include provision of engineering services.”²³⁹

The National Electricity Corp. Sudan company website cited the Harbin Corp. as the official contractor for the El Gaili Power Plant Project.²⁴⁰ Additionally, “Harbin Power Company built the Qarre I Station, about 50 km north of Khartoum, at a cost of US \$149 million provided by China's Central Bank. Together with nearby Qarre II it will produce 330 megawatts.”²⁴¹

On August 8, 2005, the Harbin website stated that the company signed an agreement to build seven substations and around 1,000 miles of transmission lines in Sudan.

The U.S. Energy Information Administration stated: “Several projects are underway to increase Sudanese generating capacity. The largest include the proposed 2,500-MW Merowe and 300-MW Kajbar hydroelectric facilities in northern Sudan. France's Alstom, China's Harbin Power, and several Arab investors have contributed funding to construction of the Merowe facility, which is scheduled for completion in July 2008. China is financing 75% of the \$200 million Kajbar dam construction, with Sudan providing the remaining 25%. Environmental groups have expressed concern about the Kajbar project, citing potential damage to the Nile ecosystem and the culture of displaced Nubian residents of the area.”²⁴²

²³⁷ Jan. 24, 2002 Siemens Press Release. *Siemens Website*. http://64.233.161.104/search?q=cache:rml3g-W_7_oJ:https://www.is.siemens.de/data/presse/docs/12012613e.pdf+%22,+half+of+which+will+be+accounted+for+by+Siemens.+Commissioning+of+the+power+station+is%22&hl=en

²³⁸ Nair, Manoj. “UAE Group to Buy Stake in Sudan Power Project” *Gulf News*. Feb. 22, 2002. <http://www.siliconinvestor.com/readmsg.aspx?msgid=17098154>

²³⁹ Wright Investors' Service, http://wrightreports.ecnext.com/coms2/reportdesc_COMPANY_C156B3980

²⁴⁰ “El Gaili Power Plant Project” <http://www.necsudan.com/Annexes/El%20Gaili%20Project%20.htm>

²⁴¹ Shichor, Yitzhak. “Sudan China's Outpost in Africa” *The Jamestown Foundation*. Oct. 31, 2005. jamestown.org/publications_details.php?volume_id=408&issue_id=3491&article_id=2370339

²⁴² Energy Information Administration, U.S. Department of Energy. *Sudan Country Analysis Brief*. July 2004. <http://www.eia.doe.gov/cabs/sudan.html>

Lahmeyer International

Lahmeyer International is a German consulting engineering company. According to the International Rivers Network, Lahmeyer manages the construction of the Merowe dam project.²⁴³

Like other companies, Lahmeyer has responded to the International Rivers Network's criticism of its involvement in Merowe. Egon Failer, Executive Director, Hydropower and Water Resources Division, wrote in July 2005: "Contrary to the understanding of International Rivers Network & Corner House please be informed that the Merowe hydropower station will also supply electric energy to isolated rural areas such as Red Sea State and the Northern State and not only to Khartoum. This electricity is urgently needed to develop small industries and improve life in those poor states. In the past, violence could be observed in those states, because their inhabitants are of the opinion that not sufficient attention was paid by the Government of the Sudan to develop those poor regions. With the implementation of the Merowe power station these poor regions will be interconnected to the National Electricity Grid."²⁴⁴

The company also has past involvement in the country. According to Lahmeyer's website Lahmeyer worked with the National Electricity Corporation of Sudan to increase the security and reliability of the national electric grid (a project which seems to have been completed in 2004).²⁴⁵

Siemens AG

Siemens, based in Germany, is one of the world's largest electrical engineering and electronics companies, with Euros 75,167,000,000 in sales in 2004.²⁴⁶ Siemens has a branch in Sudan called "Siemens AG Sudan Branch." The company has helped develop multiple power facilities in Khartoum and surrounding cities of Sudan.²⁴⁷

In January 2002, a press release by the company announced: "A consortium headed by the Siemens Industrial Solutions and Services Group (I&S) has been awarded a contract by DIT Power Kilo-X Ltd. (DPKX), Labuan, Malaysia, to erect a turnkey diesel power station with an output of 257 megawatts in Khartoum, Sudan. The world's largest power station powered by diesel engines will thus be built near the Sudanese capital. The

²⁴³ IRN "A Critical Juncture for Peace, Democracy, and the Environment: Sudan and the Merowe/Hamadab Dam Project" May 2005. *IRN Website*.

<http://www.irn.org/programs/merowe/index.php?id=050428merowe.html>

²⁴⁴ www.business-humanrights.org/Categories/RegionsCountries/Africa/Sudan

²⁴⁵ "Project Description" *Lahmeyer International Website*. <http://www.lahmeyer.de/e/units/ge/sudan.html>

²⁴⁶ "Siemens at a Glance" *Siemens Website*.

http://www.siemens.com/index.jsp?sdc_p=ft4mls4uo1305779i1330854pcz2&sdc_bcpath=1330815.s_4,1330854.s_4,&sdc_sid=31421762420&

²⁴⁷ Siemens Sudan Contact Information *Siemens Website*.

http://www.siemens.com/index.jsp?sdc_ggid=&sdc_tabidx=&sdc_countryid=0&sdc_flags=0&sdc_pnid=0&sdc_zoneid=&sdc_langid=1&sdc_sectionid=7&sdc_contentid=42&sdc_linkid=&sdc_3dnvlstid=&sdc_siid=27710259303&sdc_rh=&sdc_mpid=0&sdc_sel_arch_period=&sdc_unitid=999&sdc_secnavid=0&sdc_selectedcountryid=171

contract is worth more than EUR 200 million, half of which will be accounted for by Siemens. Commissioning of the power station is to take place in stages in 2004.”²⁴⁸ The plant went online in November 2004 and now sells output to the state owned Sudan Electricity Corporation (SEC).

A May 2005 article in the *Baltimore Sun* states that, “Siemens AG, a German company, has up to \$20 million in contracts in Sudan to build a power plant and for other infrastructure projects. Spokeswoman Paula Davis said that the company has ‘a policy of constructive engagement’ with Sudan and that its projects are ‘key components to improving living conditions.’” She added that, “Obviously, we are very concerned about the situation there and are watching it closely.”²⁴⁹

It is unclear what these \$20 million in contracts include or how Siemens projects are “key components to improving living conditions.” Since Siemens has traditionally conducted most of its projects around Khartoum there is reason for concern that this work mostly benefits the regime and those closest to them without expanding benefits to others in the country.

TELECOMMUNICATIONS INDUSTRY

Alcatel

Alcatel, a French telecommunications company, is one of Europe’s largest companies.²⁵⁰ Alcatel is engaged in the provision of telecoms equipment, and its products are sold to carriers, private customers, and other businesses. For the fiscal year ended December 2003 Alcatel had revenues of \$15.5 billion, a decrease of 22% against the previous years revenues of \$20 billion.

²⁴⁸ Jan. 24, 2002 Press Release *Siemens Website*. http://64.233.161.104/search?q=cache:rml3g-W_7_oJ:https://www.is.siemens.de/data/presse/docs/12012613e.pdf+%22,+half+of+which+will+be+accounted+for+by+Siemens.+Commissioning+of+the+power+station+is%22&hl=en

²⁴⁹ Smitherman, Laura. “Divestment Effort Seeks to Pressure Khartoum Government” *Baltimore Sun*. May 22, 2005. http://www.sudantribune.com/article.php3?id_article=9697

²⁵⁰ “One of France's largest industrial companies, Alcatel is a leading global supplier of high-tech equipment for telecommunications networks. Core network switching and transmission systems for wireline and wireless networks for carriers and enterprises account for most of its sales. Other communications products include cell phones, communications cable, and satellite equipment. The company also manufactures transport automation equipment and provides a wide array of services. Alcatel's clients include top European telecom service providers Orange and Deutsche Telekom. Chairman and CEO Serge Tchuruk (pronounced "cha-RUK") has honed a once lumbering Alcatel with broad industrial interests into a focused telecom heavyweight. He has overseen an extensive restructuring that included the sale of noncore businesses such as electrical power, engineering, nuclear power, and defense electronics. Alcatel's operations are now organized into three main divisions: fixed communications, mobile communications, and private communications. A global leader in the markets for optical and DSL network infrastructure equipment, Alcatel trails its competitors in sales of wireless equipment.” Hoover’s Alcatel Company Overview. <http://premium.hoovers.com/subscribe/co/overview.xhtml?ID=41751>

According to the *Saudi Economic Survey* Alcatel led a project to install fiber-optic cable from Saudi Arabia to Sudan in 2002. The contract was valued at around \$15 million.²⁵¹ Information on Alcatel's current operations in Sudan was not readily available.

Daewoo

Daewoo, the South Korean conglomerate, reportedly sold satellite equipment to Sudatel in helping set up its network. A clause in that contract gave Daewoo a priority in future contracts with Sudatel.²⁵²

Etisalat

In the fall of 2004, Emirates Telecommunications Corporation (Etisalat) won a license to provide Sudan's second fixed line phone service with a \$60 million bid.²⁵³ The contract was awarded from the National Telecommunication Commission to the Etisalat-led Kanartel consortium. The company stated it is committed to providing 500,000 fixed lines in its first year of operation.²⁵⁴ At the launch of the new system in November of this year, Mohammad Hassan Omran, Chairman and CEO of Etisalat stated: "Emirates Telecommunication Corporation – Etisalat – wishes to establish a long-term strategic and continuing partnership with the Sudanese government and all other vital sectors of the country, and will assist Canar Telecommunication Company in their mission to provide excellent services for the benefit of this country."²⁵⁵

Ericsson

Ericsson, the leading Swedish telecom provider, has a branch office in Khartoum.²⁵⁶ In September 2002, Ericsson signed a turnkey contract for the expansion of Mobitel's GSM network.²⁵⁷ Upon request by the World Food Program an Ericsson employee volunteered to give IS/IT support to the Program related to the humanitarian crisis in Darfur.²⁵⁸

Investcom Holding

²⁵¹ Alcatel SA Overview at Divest Sudan (cites Saudi Economic Survey Article which requires subscription). <http://www.divestterror.org/divestsudan/Alcatel.html>

²⁵² "Upgrading an extensive information highway." *United World*. May 27, 2004 <http://www.unitedworld-usa.com/reports/sudan/telecoms.asp>

²⁵³ "Etisalat leads consortium to win Sudan license" meanareport.com. Nov. 24, 2004

²⁵⁴ "Kanartel to start work in Sudan" *The Daily Star*. Dec. 3, 2004.

http://dailystar.com.lb/article.asp?edition_id=10&categ_id=3&article_id=10638

²⁵⁵ "Canar Communication Company inaugurates telecom Network in Sudan" *Etisalat Website* Nov. 29, 2005. http://www.etisalat.co.ae/cgi-bin/view_press_article.cgi?ArticleID=649; Canar Telecommunications Company appears to be the same as Kanartel.

²⁵⁶ "Contact Information" *Ericsson Website*. <http://www.ericsson.com/ericsson/worldwide/sudan.shtml>

²⁵⁷ "Ericsson selected by Mobitel to deliver and install a dual band GSM network in Sudan" *Ericsson Website* Sept. 19, 2002. <http://www.ericsson.com/press/archive/2002Q3/20020919-105922.html>

²⁵⁸ "Sudan" *Ericsson Website*

http://www.ericsson.com/ericsson/corpinfocorpinfo/ericssonresponse/actions/sudan_2004.shtml

Investcom is an international provider of mobile telecommunications services with operations in eight countries in Africa, the Middle East and Europe.²⁵⁹ In July 2005, Investcom announced it had launched its Areeba Network in Sudan to become the second mobile phone operator in the country. The opening ceremony was attended by Sudanese President Al Bashir. The network will have the capacity to reach 250,000 people by the end of 2005. Investcom has a 55% ownership stake in Bashair Telecommunications Company, which in October 2004 was awarded a 15-year license to build and operate a GSM mobile network in Sudan.²⁶⁰ It reportedly paid 150 million euros for the license.²⁶¹

Mobitel/MTC

Mobitel is a mobile telephone network in Sudan operated by the Kuwaiti company, Celtel; Sudatel owns 60% of Mobitel. Celtel is one of the largest mobile telephone service providers in Africa. Comtex News Network, Inc. reported: "With over 6 million subscribers, Celtel enjoys a commanding position in the telephony market of sub-Saharan Africa. Celtel covers 13 countries - Burkina Faso, Chad, Democratic Republic of the Congo, Republic of the Congo, Gabon, Kenya, Malawi, Niger, Sierra Leone, Sudan, Tanzania, Uganda and Zambia."²⁶² Celtel is in turn owned wholly by the MTC Group, which owns and operates four other cellular service providers in the Middle East. MTC's revenue for 2004 was more than \$1.1 billion. MTC's shares are quoted on the Kuwait Stock Exchange under the ticker TELE and had a market capitalization of more than \$7 billion in 2005.²⁶³

Mobitel's network coverage is largely limited to major cities in the north and northwest of Sudan although there is some coverage in Darfur.²⁶⁴ Mobitel also operates an internet service provider that operates in Khartoum, Port Sudan, and Medani.

Sudatel

Sudatel is one of Sudan's largest companies. It reportedly has a market capitalization of over \$2 billion, and is traded on the Bahrain Stock Exchange, the Abu Dhabi Stock Exchange, and the Khartoum Stock Exchange (KSE). Trading of Sudatel shares accounts for 60% of the trading volume on the KSE. Sudatel has enjoyed healthy profits in recent years: this year the company increased its net profit to \$186.1 million for the first nine months of 2005, from \$137.3 million for the same period of 2004, local media reported

²⁵⁹ "What We Do" *Investcom Website*. <http://www.investcomholding.com/WhatWeDo.aspx>

²⁶⁰ "Investcom Launches Areeba Telecom in Sudan." Investcom Press Release. July 27, 2005. <http://www.investcomholding.com/content/press/INVESTCOM-LAUNCHES-AREEBA-TELECOM-IN-SUDAN.pdf>

²⁶¹ Zein, Tarek. "Lebanon's Telecom Adventurers" *Executive-Magazine.com* Nov. 2005. <http://executive-magazine.com/77/article.php?id=558>

²⁶² Published by Comtex News Network, Inc., 19 July 2005, <http://www.albawaba.com/en/countries/186540/&searchWords=celtel>

²⁶³ *MTC Corp. Website*. www.mtc.com.kw

²⁶⁴ See "Mobitel Interactive Coverage Map" on *GSM World website* http://www.gsmworld.com/cgi-bin/ni_map.pl?cc=sd&net=su

on November 1, 2005.²⁶⁵ Although the government's stake in Sudatel has declined from 66.7% in 1997 to less than 25% today, the government still retains 80% of the voting power. Among its shareholders, Sudatel counts 14 local and regional banks, 3 regional telecom companies from other Arab states, and investors from Europe and the Middle East. Sudatel also owns large stakes in a variety of other telecom companies and operators – including a 60% share in Mobitel and a 100% share of Sudanet, the largest Internet Service Provider.²⁶⁶

Sudatel has an ambitious infrastructure development agenda. The company plans to spend \$200 million on network expansion in 2005.²⁶⁷ On its website, Sudatel claims that it is “[e]recting and installing a nationwide fiber optic network of 6778 Km, covering most states and border towns. Installing a ground network with an entire capacity of 1,708,800 lines. Setting up database to keep abreast of developments in the information arena.”²⁶⁸ The company is also operating a satellite phone service that, through a proposed 30-station land network, has the potential to bring telecom access to even the most remote parts of the country.²⁶⁹ Sudatel has also begun soliciting bids from companies to provide satellite broadband access to UN relief teams operating in Darfur.²⁷⁰ Sudatel further claimed in the *Sudan Vision Daily* that Sudanet, a subsidiary of Sudatel, would provide internet services to all three capitals of the Darfur states. In the same article, Sudatel claimed to have provided mobile telephone access to major cities in Darfur, although this could not be independently confirmed.²⁷¹ Finally, Sudatel also engages in a number of “social development projects,” such as hospital building and school funding, for which the company earmarks \$2 million annually.²⁷²

²⁶⁵ Re-published and translated by Sudanese News Digest, 1 November 2005, originally published at www.albayan.ae

²⁶⁶ Sudan Invest 2005 (9 November 2005), conference brochure <http://www.sudaninvest.com/en/index.asp>

²⁶⁷ Re-published and translated by AII Data Processing Ltd. <http://www.aiidatapro.com/>, 3 October 2005, originally published at Al-Khaleej, <http://www.alkhaleej.ae/>

²⁶⁸ *Sudatel Website*. www.sudatel.net

²⁶⁹ 24/2003 Africa Review World of Information

²⁷⁰ “Melbourne broadband firm helps Darfur refugees” *IT New Australia*.

http://64.233.161.104/search?q=cache:AQAtq2YHT1EJ:www.itnews.com.au/storycontent.asp%3FID%3D12%26Art_ID%3D21481+sudatel+darfur&hl=en&client=firefox-a

²⁷¹ “Developments in Darfur Situations and Government” *Sudan Daily Vision*.

<http://sudanvisiondaily.com/modules.php?name=News&file=article&sid=1424>

²⁷² Sudan Invest 2005 (9 November 2005), conference brochure, <http://www.sudaninvest.com/en/index.asp>