

*Speech by Scott Wisor, Senior Field Organizer for the Sudan Divestment Task Force, a project of the Genocide Intervention Network*

As Mr. Wiedmer has just described, exerting shareholder pressure on highest offending companies in Sudan is an extremely effective way to bring an end to the atrocities in Darfur. Investors and activists should seek to reform the behavior of all of the roughly two dozen companies which meet the targeted criteria for divestment. Over two dozen companies based in Asia, the Middle East, and Europe provide unwavering financial support to the murderous regime in Sudan that is frequently accompanied by political cover and the transfer of military equipment.

However, there is no company that has a larger or more problematic presence in Sudan than China National Petroleum Corporation. CNPC raises capital through its wholly owned subsidiary corporation PetroChina. While PetroChina is the majority owned subsidiary of CNPC, investors and activists have long recognized that PetroChina is the appropriate target for shareholder pressure on CNPC. Of the over 70 institutions that have adopted Sudan divestment policies, all have included PetroChina in the list of companies that should be subject to shareholder pressure

However, UBS has recently made the indefensible claim that PetroChina is distinct from CNPC and therefore should not be subject to scrutiny for its relationship to the genocide in Darfur. This is false. PetroChina and CNPC are two sides of a single corporate structure, and if examined by a Western court, parent and subsidiary would be treated as a single corporate entity. There is near unanimous overlap in management between PetroChina and CNPC. PetroChina and CNPC frequently exchange assets at below market rates without any transparency regarding the financing of these exchanges. PetroChina represents the majority of CNPC's profits. When PetroChina initially listed on the New York Stock Exchange as a firewall for activists concerned about CNPC's operations in Sudan, it did so with a promise that it would have no links to the oil industry in Sudan. However, PetroChina has recently announced that it will construct a refinery in China specifically designed to refine Sudanese crude oil from CNPC.

For UBS to claim that it should not exert pressure on PetroChina because it has no links to Sudan represents a deliberate and willful attempt to avoid a real conversation about the problematic relationship between PetroChina, CNPC, and Sudan. Difficult questions are outstanding for one of Europe's most prominent banks. For example, why does UBS think it is appropriate to raise capital for PetroChina, which will be a windfall, just at the moment that some of the world's largest and most prominent fiduciaries are beginning to exert pressure on this company? Why has UBS increased its position in this company by over 1 billion dollars in the past few months? This move sends a very clear signal to PetroChina/CNPC that they can continue to have access to western financial institutions and capital without establishing even the most minimal standards regarding labor practices, environmental practices, and human rights abuses. The actions of UBS clearly condone CNPC's destructive operations in Sudan.

To date the Sudan divestment efforts has had truly stunning successes. Major multi-national companies including Siemens AG, Rolls Royce Plc, ABB Ltd., and CHC Helicopter Co. have all left Sudan since the beginning of the divestment campaign. La Mancha, a Canadian mining company, and Schlumberger, a French oil-field services company, have both committed to responsible business plans to remain in the country that include extensively expanding humanitarian outreach. ICSA of India left Sudan citing "the undesirable policies of the government of Sudan."

These successes are the result of the efforts of campaigners in over a dozen countries. From the United Kingdom to South Africa, from Japan to Australia, activists are demanding that genocide should not happen on their watch, and should not happen on their dime. There

are active Sudan divestment campaigns in over a dozen countries, and this growing pressure has been noted in statements by government leaders, including the European Parliament Resolution of July 8, 2007 which called for the divestment of European funds from Sudan.

It will take a truly global effort to bring peace to an area the United Nations has described as the world's worst humanitarian disaster. We cannot hide behind convenient mistruths to avoid taking the important steps that will be necessary to end the suffering in Sudan. There is no doubt that the failure to change corporate behavior in Sudan is a failure of the first order. How many thousands more need to be murdered, how many millions more displaced, before investors address the companies that provide the economic lifeline for genocide?

Thank you.