

April 20, 2022 | Myanmar

Finland's Wärtsilä Corporation seeking profit from military junta ***JFM calls for immediate withdrawal from junta tenders***

Finnish technology giant Wärtsilä Corporation has won bids for two tenders from the illegitimate military-controlled Electric Power Generation Enterprise (EPGE), for the construction and operation of two hybrid gas and solar power plants in Myingyan and Magway.

The tender was announced by EPGE in December 2021, with a February 2022 deadline. EPGE is based in Naypyidaw, under the Ministry of Electricity and Energy.

Wärtsilä won both tenders as part of a consortium with the Chinese corporation Dongfang Electric International Corporation and Myanmar Chemical and Machinery (MCM).

MCM is a major arms dealer that is also involved in the production of weapons in Myanmar, in partnership with the Directorate of Defence Industries.

On March 25, 2022, MCM was sanctioned by Canada, the UK and US. In its sanctions announcement, the UK government described MCM as “a key source of weapons and commercial support for the junta” and MCM Managing Director, Aung Hlaing Oo, as “an associate of Commander-in-Chief and coup leader, Min Aung Hlaing”

Within the tender, MCM is represented by its Singapore subsidiary MCM Pacific Pte. Ltd. and a Myanmar subsidiary, MCM Energy Ptd. Ltd.

Days after the sanctions announcement, MCM Energy changed its name to Malikha Energy, which may be an attempt to circumvent sanctions.

Aung Hlaing Oo left the company in December 2021, after JFM published an investigation on his involvement in the arms trade.

Malikha Energy continues to use the MCM Group email as its registered contact.

Aung Hlaing Oo remains director and controlling shareholder of the Singapore company.

Following the imposition of sanctions on MCM, a spokesperson from Wärtsilä Corporation told Justice For Myanmar, “we have ceased with immediate effect all business activity or partnership involving MCM and its affiliates. In line with the rest of the international community, Wärtsilä remains committed to the reliable and affordable development of electrification of Myanmar. In this respect, we will maintain our engagement with EPGE provided that EPGE remains free from sanctions as it is today.”

Wärtsilä refused to explain how they were able to remove MCM from the consortium for the Myingyan and Magway power projects. The corporation also refused to respond to

questions regarding human rights due diligence in Myanmar, and whether they had sought advice from the Finnish government regarding their participation in junta tenders.

Since its illegal attempted coup, the junta has targeted Myingyan and Magway with indiscriminate airstrikes and shelling, and troops have committed mass killings and rape.

Wärtsilä Corporation is listed on the Finnish stock exchange, Nasdaq Helsinki. Its biggest shareholder is Sweden's Wallenberg family.

Justice For Myanmar spokesperson Yadanar Maung says: "Wärtsilä is seeking profits from the junta that carries out atrocity crimes with total impunity.

The Myanmar junta is a terrorist organisation that is using the electricity supply as a strategic tool in its attempt to take full control over the country.

Power cuts have been imposed as a collective punishment and masses of people continue their defiance against the military by refusing to pay their electricity bills.

While Wärtsilä has responded to the sanctioning of their partner MCM by ending their business relationship, we remain concerned that they are not disclosing how they have cut out their sanctioned business partner, immediately after winning two tenders with them.

The fact that Wärtsilä entered into a business partnership with a major Myanmar military arms dealer in the first place raises serious concerns about their human rights due diligence.

We call on Wärtsilä to be transparent, fulfil their human rights responsibilities, follow the guidance of the National Unity Government and withdraw from the Myingyan and Magwe power projects, without providing a windfall to MCM or the junta."

More information:

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Justice For Myanmar, a group of covert activists campaigning for justice and accountability for the people of Myanmar, is calling for an end to military business and for federal democracy and a sustainable peace.