

OIL GIANT'S EX-CHAIRMAN TO BE QUIZZED BY AMERICAN LAWYERS IN FIGHT FOR VICTIMS OF NIGERIAN BLOODBATH

Shell chief 'had a private army'

From Graeme Beaton IN NEW YORK

FORMER Shell chairman Sir Philip Watts helped to organise and pay for a virtual private army in the oil-rich deltas of Nigeria, according to legal documents seen by Financial Mail.

American lawyers representing 50,000 Ogoni people, including the family of executed activist Ken Saro-Wiwa, are due to question Watts in London this month as part of a class action started in the US in September 2002.

The lawsuit claims that Shell 'engaged in militarised commerce in a conspiracy with the former military government of Nigeria.' Watts ran the oil giant's Nigerian SDPC subsidiary between 1991 and 1994.

The action alleges that the Ogonis suffered human rights abuses at the hands of the Nigerian government. Hundreds of people died and thousands more were evicted from their homes in a bloody campaign.

Letters bearing Watts' signature have him ordering up what are called 'spy police,' some to be equipped with semi-automatic weapons and wearing Shell insignia on their uniforms to identify them as 'supernumeraries' under the oil company's banner.

In one, dated December 1, 1993, Watts thanks the inspector-general of police for his co-operation 'in helping to preserve the security of our operation' and requests 1,400 'spy police'.

In another, Watts pledges 'complete logistics, accoutrement and welfare support' for the police assigned to Shell's operations.

'It is recognised that in these current troubled times, it may not be easy to release the number of resources required to adequately protect SDPC's facilities,' he writes.

'However, we must emphasise that SDPC produces more than 50 per cent of Nigeria's oil which

has consequential major impact on the country's economy.'

Jennifer Green, a lawyer for the New York-based Centre for Constitutional Rights that has taken up the Ogonis' cause, wants to establish what Watts knew and when. 'We argue Shell's actions worsened the situation,' she said.

Shell denies the allegations, arguing that it was the job of the Nigerian government, not them, to uphold human rights in the Niger delta.

Spokesman Simon Buerk said the company had no choice but to accept the 'spy police' because it was illegal in Nigeria to hire private security. 'This is the only

means to protect your people and operations from criminals, who are often well armed and dangerous.' However, it was decided not to equip them with semi-automatic weapons.

The US lawsuit is the latest headache for Watts and Shell. He resigned after admitting Shell had overstated its proven oil reserves by a fifth - a large proportion of which relates to Nigeria.

It emerged last week that Shell's management was warned by its own planners four years ago about future production levels. UK and US regulators are investigating whether shareholders should have been told sooner.



Under fire: Sir Philip Watts ran Shell's Nigerian SDPC subsidiary. Left, armed police in action in the oil centre of Port Harcourt



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Now the drug giants follow trail to India

FIRST came call centres, then computer software development and financial analysis.

Now it is drugs research that Western companies are planning to outsource to India.

European drugs giants such as GlaxoSmithKline and AstraZeneca are building alliances and increasing investment in India, which is now forecast to become a major centre for clinical trials.

About one per cent of global clinical trials are conducted in India, but Cambridge-based consultancy Oxygen Healthcare predicts that this could rise to ten per cent in five years.

Director Sunil Shah said lower costs and a highly educated workforce would encourage the trend, but one of the

By Andrew Leach

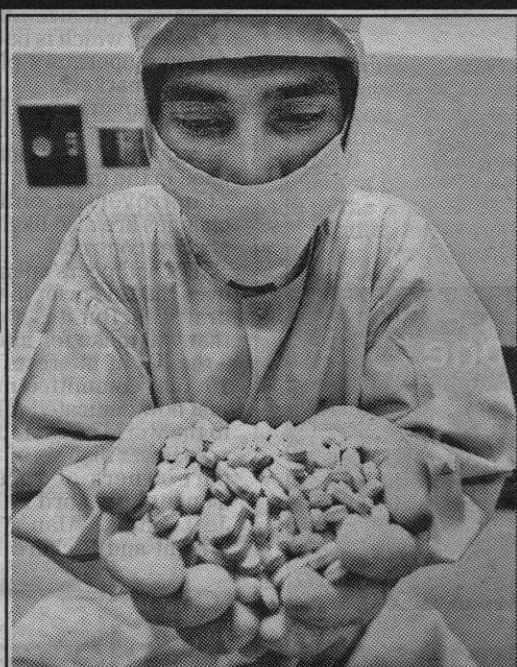
biggest attractions was the huge pool of potential patients.

'One of the hardest tasks in clinical trials is recruiting the patients to take part, and if this can be improved, development can be speeded up,' he said.

'The size of India's population and the prevalence of certain diseases make the country an attractive location for drugs companies.'

GlaxoSmithKline recently formed an alliance with Ranbaxy, India's biggest drugs company, to research new treatments.

Jean-Pierre Garnier, chief executive of GSK, said that research and development budgets went much further in India than in America or



Growing market: A worker at a drugs plant in India

Europe because of lower costs.

The Association of the British Pharmaceutical Industry said India had clear attractions for Western companies.

Spokesman Richard Ley said: 'India is more than likely to emerge as a centre of trials.'

'The country is very attractive for research into diseases such as

tuberculosis, which is common there.'

AstraZeneca has a centre in Bangalore, where more than 100 scientists work on medicines for the developing world.

Last year it opened a new facility there to find new treatments for TB, which is diagnosed in two million people a year in India and more than eight million worldwide.

¹Fundamental Data, Bloomberg AVI. *Source, Lipper (30/9/03): first position out of 29 based on Share Price Total Return, bid-bid, gross income reinvested, £. This advertisement is not intended to be an offer or solicitation of an offer to buy or sell shares in British Empire Securities and General Trust. Subscriptions will only be received on the basis of the current Key Facts for the Trust. If you are in any doubt whether the investment is suitable for you, please contact an independent financial advisor. Issued by Asset Value Investors Limited, Bennet House, 54 St James's Street, London SW1A 1JT. Authorised and regulated by the Financial Services Authority. Registered in England No. 01881101. Registered Office: The Courthouse, Erfstadt Court, Denmark Street, Wokingham RG40 2YF. Halifax Share Dealing Limited. Registered in England No. 3195646. Registered Office: Trinity Road, Halifax, West Yorkshire HX1 2RG. Authorised and regulated by the Financial Services Authority, a Member of the London Stock Exchange and an Inland Revenue approved PEP & ISA Manager. We may record telephone conversations to offer you additional security, resolve complaints and improve our service standards. Conversations may also be monitored for staff training purposes.