2 >,4 The Mail on Sunday financial Mail

OIL GIANTS EX-CHAIRMAN TO BE QUIZZED BY AMERICAN LAWYERS IN FIGHT FOR VICTIMS OF NIG

Shell chief 'had

a private army'

From Graeme BeatoINn 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 peo-ple, 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 Niger-ian SDPC subsidiary between 1991 and 1994.
The action alleges that the Ogonis suffered human rights abuses at the hands of the Nigerian govern-ment. 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 'supernumaries' under the oil
company's banner.
In one, dated December 1,1993,
Watts thanks the inspector-gen-
eral of police for his co-operation
'in helping to preserve the secu-
rity of our operation' and requests
1,400 'spy police'.
In another, Watts pledges 'com-
plete logistics, accoutrement and
welfare support' for the police
assigned to Shell's operations.
'It is recognised that in these cur-
rent troubled times, it may not be
easy to release the number of res-
ources required to adequately pro-
tect SDPC's facilities,' he writes.
'However, we must emphasise
that SDPC produces more than
50 per cent of Nigeria's oil which

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

has consequential major impact
on the country's economy.'
Jennifer Green, a lawyer for the
New York-based Centre for Con-
stitutional 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 pri-
vate security. 'This is the only

means to protect your people and
operations from criminals, who
are often well armed and danger-
ous.' 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 inves-
tigating whether shareholders
should have been told sooner.

Now the drug
giants follow
trail to India
FIRST came call cen-
tres, then computer soft-
ware development and
financial analysis.
Now it is drugs re-
search that Western
companies are planning
to outsource to India.

European drugs giants
such as GlaxoSmith-
Kline and AstraZeneca
are building alliances
and increasing invest-
ment in India, which is
now forecast to become
a major centre for clini-
cal trials.

About one per cent of
global clinical trials are
conducted in India, but
Cambridge-based con-
sultancy Oxygen Health-
care predicts that this
could rise to ten per cent
in five years.
Director Sunil Shah
said lower costs and a
highly educated work-
force would encourage
the trend, but one of the

By Andrew Leach

biggest attractions was
the huge pool of poten-
tial patients.
'One of the hardest
tasks in clinical trials is
recruiting the patients to
take part, and if this can
be improved, develop-
ment can be speeded
up,' he said.
'The size of India's pop-
ulation and the preva-
lence 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 Gamier,
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 cen-
tre 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.

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