

Factsheet - Reykjavik Energy and Yemen

Saving Iceland, July 27th 2008



April 2008, Minister of Industry Ossur Skarphéðinsson and REI director Gudmundur Sigurjonsson visited Yemen and signed an agreement on electricity generation.

It was reported (1,2) that the agreement details a plan for REI to lead a study into the geothermal potential at Lesi Mountain in the Dhamar region of Yemen. If the potential for a geothermal project would be there, REI will initiate drilling works in the location.

Reykjavik Energy: what's your position?

A representative of Saving Iceland contacted Reykjavik Energy to enquire about the current status of the project. It was said that there was not a 'real agreement', 'there was only talk of research assistance, not 'real investment'. Also it was said that the director responsible for this agreement, who might have been in favour of investment with the current Yemen government, had left.

However, Gudmundur Sigurjonsson is still mentioned as a managing director for REI (3).

REI is planning to invest 300 million ISK in geothermal projects in Djibouti (4). When asked by Saving Iceland whether REI would invest any similar amount in Yemen or arrange to make any statement to clarify its position, they refused to comment further.

Situation in Yemen

Yemen is associated with warfare between the current government and fundamentalist rebels, and those suspected of sympathies with the al-Houthi rebels are arrested without trial and done away with.

The country has Islamic fundamentalist law. A typical illustration of this is that girls can be married from the age of nine which is said to be the onset of puberty (5). The current regime under president Ali Saleh (since 1990) is supported by the Saudi Royal Family and the US in the conflict with al-Houthi rebels and other tribal and religious groups in the country, who are pictured as muslim extremists, although the conflict has been more political and economic than religious (6,7).

The government has been elected, but media are under control of the government. "The Ministry of Information administers all broadcasting through the Public Corporation for Radio and Television. It controls most printing presses and funds some newspapers. The press is strictly controlled and newspapers have often been prosecuted over political articles," reports the BBC (8).

Amnesty reported in 2007 (9): "Dozens of people arrested in previous years in the context of the "war on terror" remained in indefinite detention without trial. Two escaped prisoners were killed by the security forces in circumstances that suggested they may have been extrajudicially executed. Political prisoners were tried in special courts whose proceedings fell far short of international standards [...] Death sentences continued to be imposed and at least 30 people were reported to have been executed." Amnesty furthermore reports torture of an underage prisoner who was forced to confess and then executed and the execution of a number of other underage prisoners.

In 2005 Yemen security forces opened fire on a demonstration of refugees outside of a UNHCR office where seven were killed. Thus far the Yemeni government have refused to investigate this.

Will investments benefit the poor?

One could argue that to invest in Yemen, one of the poorest countries in the Arabic world, and provide them with an opportunity to decrease their dependence on oil, would be welcome.

However, Yemen is a highly corrupt country with a high level of group inequality (10, 11). Foreign investments, rather than benefitting the poor, will typically benefit the groups associated with the government of president Ali Saleh, that Reykjavik Energy Invest has struck a deal with.

Ironically, the Embassy of Yemen in the US is advertising for aluminium corporations to come and invest in Yemen (12). In recent decades, revenues of oil and gas revenue have mainly benefited the ruling elite and the oil corporations working with the Yemen government. Will new geothermal plants benefit the poor, or will the energy be sold to foreign investors and the revenue used to benefit the current rulers, who have been responsible for a long list of human rights violations?

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