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HEADLINE: GLOBAL FUNDS TELL UNION CARBIDE TO SETTLE BHOPAL GAS LEAK CLAIMS

BODY:

A group of international investor funds which includes Trillium Asset Management, Domini Social Investments and the Calvert Group (together managing a combined asset value of \$ 13 billion) have advised Union Carbide to settle claims of economic, health and environmental liabilities of over \$ 500 million (Rs 2,500 crore) stemming out of the Bhopal gas leak. The company risks losing billions of dollars in market capitalisation if it fails to do so. A letter has been sent jointly by a group of funds to the Dow Chemical Company, which took over Union Carbide in 2001 along with all its assets and liabilities. This advise has been delivered at the ongoing Saloman Smith Barney chemical conference in New York, the annual gathering of the chemical industry leaders. The International Campaign for Justice in Bhopal (ICJB) run by non-governmental organisations (NGOs) including Greenpeace has accused Union Carbide of failing to check leakage of chemicals from its abandoned Bhopal factory. Contaminating the soil and poisoning the ground water, one of the side effects has been the presence of mercury, lead and organochlorines in the breast milk of nursing women. Many died, thousands continue to suffer due to the hundreds of tons of dangerous chemicals still lying at the closed plant site. This will not be the first time Dow Chemical stands to lose in such a situation. Faced with another litigation against Union Carbide for asbestos related damages, Dow's market capitalisation fell by over \$ 7 billion due to investor fears of further damages. Hitherto internal documents recently produced in a court hearing an ongoing class action in New York filed by Bhopal survivors have revealed that the management knew all along that such leakages were taking place over the years. Despite that, they neither took any corrective steps nor did they issue any warnings. NGOs have alleged that Union Carbide violated lease terms by handing back the land after taking only cosmetic steps to contain the contamination. Madhya Pradesh chief minister Digvijay Singh recently announced that his government would petition the Supreme Court to order Dow to pay for the clean up of the site. Greenpeace has estimated this alone could cost over \$ 500 million. Settling of individual liabilities could cost many times over this sum. In a first sign of admission of a possible liability, Dow Chemical India accepted samples of contaminated soil and water for testing from the Bhopal gas affected survivors and their international supporters on the eve of the 18th anniversary of the disaster. Dow India director of finance Anand Vohra assured the ICJB delegation that he would personally recommend to "higher authorities" including Dow CEO Michael Parker that remediation measures be undertaken to alleviate the suffering of the gas-affected people. "Dow is feeling the heat from growing international pressure on the company to act responsibly in regard to their liabilities in Bhopal. This announcement signifies the first time Dow's management has responded constructively to the demands of the Bhopal people. Mr Parker should take Mr Vohra's advice and initiate discussions on clean-up immediately," said G Krishnaveni of the ICJB.

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