

**MINNESOTA
STATE
BOARD OF
INVESTMENT**



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DATE: January 4, 2010

TO: Senator Ann Rest, Chair, Senate Committee on
State and Local Government Operations and Oversight

Senator Don Betzold
Chair, Senate State Government Budget Division
Chair, Legislative Commission on Pensions and Retirement

Representative Gene Pelowski, Jr., Chair, House Committee on
State and Local Government Operations Reform, Technology
and Elections

Representative Phyllis Kahn
Chair, House State Government Finance Division

FROM: Howard Bicker, Executive Director

SUBJECT: Report on Sudan Required by *Minnesota Statutes*, Section
11A.243.

Minnesota Statutes, Section 11A.243 requires the State Board of Investment (SBI) to submit a report to the chairs of the legislative committees and divisions with jurisdiction over the State Board of Investment concerning the SBI's identification of, communication with, and discontinuance of investment in certain companies with operations in Sudan.

Section 11A.243, subdivision 8, specifies that the SBI include in the report:

- 1) a summary of correspondence with companies;
- 2) a list of all investments divested;
- 3) a list of prohibited investments;
- 4) a description of any progress in having investment management firms create investment funds that exclude Sudan companies.

As provided for in Section 11A.243, subdivision 2, the SBI relies on publicly available information provided by the Conflict Risk Network (CRN), formerly known as the Sudan Divestment Task Force, regarding companies with business operations in Sudan.

SBI divested shares of several companies in 2008, as reported in the January 13, 2009 Sudan report. ABB Limited was placed on the divestment list in December 2008 for full divestment by August 31, 2009. The SBI divested 282,933 shares in the first quarter of 2009. In April 2009, ABB was removed from the restricted list and divestment list. There were no companies placed on the divestment list in 2009 that required divestment.

SBI sent letters to two companies in December 2009 as required by the law. No responses have been received to date.

Attachment 1 displays the current list of restricted stocks sent to SBI equity managers. The managers are explicitly instructed to refrain from purchasing shares in the stocks of companies on this list.

SBI staff is exploring the feasibility of having a non-Sudan company investment fund. As of this date, no conclusions have been reached.

Enclosures

ATTACHMENT 1

Restricted Sudan Stocks	
Company Name	Country of Origin
AviChina Industry & Technology Company Limited	China
Daqing Huake Group Company Limited	China
Dongfeng Automotive Company Limited	China
Hafei Aviation Industry Company	China
Harbin Dongan Auto Engine Company	China
Jiangxi Changhe Automobile Company Limited	China
Jiangxi Hongdu Aviation AKA Hongdu Aviation	China
Jinan Diesel Company Limited	China
PetroChina	China
Sinopec Corporation AKA China Petroleum and Chemical Corporation	China
Sinopec Shanghai Petrochemical Company Limited	China
Sinopec Yizheng Chemical Fibre Company Limited	China
Wuhan Boiler Company.	China
China North Industries Group Corporation AKA CNGC/Norinco	China
Norinco International Cooperation Limited	China
CNPC Hong Kong	Hong Kong
Sinopec Kanton Holdings Limited	Hong Kong
Bongaigaon Refinery & Petrochemicals Limited AKA BRPL	India
Chennai Petroleum Corporation Ltd. AKA CPCL	India
Indian Oil Corporation Ltd. AKA IOCL	India
Lanka IOC Limited	India
Mangalore Refinery and Petrochemical Limited	India
Mercator Lines	India
Oil and Natural Gas Company AKA ONGC	India
Alstom Projects India Limited	India
Oil India Limited	India
Egypt Kuwaiti Holding Company	Egypt
Kingdream PLC	Egypt/China
AREF Energy Holding Company	Kuwait
ONA S.A.	Morocco
Managem	Morocco
Malaysia International Shipping Company AKA MISC Berhad	Malaysia
Muhibbah Engineering Berhad	Malaysia
Petronas Gas Berhad	Malaysia
Petronas Dagangan Berhad	Malaysia
Ranhill Berhad	Malaysia
Scomi Group Berhad	Malaysia

ATTACHMENT 1

Restricted Sudan Stocks	
Company Name	Country of Origin
Scomi Engineering Berhad	Malaysia
Electricity Generating PCL AKA EGCO	Thailand
PTT Public Company AKA PTT	Thailand
Mercator Lines Singapore	Singapore
Alstom	France
Areva SA	France
Seadrill Limited	Bermuda

Note: List contains parent companies and subsidiaries publicly traded.
AKA means "Also Known As"

Source: Genocide Intervention Network

December 4, 2009