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Korean Government Fails to Investigate Korean Corporations' Involvement in Abuses Connected to Gas Project in Burma

Government's Rejection of Complaint for Violation of OECD Guidelines Shows Unwillingness to Prevent Human Rights & Environment Abuses

June 15, 2009, Bangkok, Thailand – The Korean government is failing to hold Korean corporations accountable for abuses connected to natural gas development in military-ruled Burma, according to a report released today by EarthRights International (ERI) and the Shwe Gas Movement (SGM).

The report, entitled *A Governance Gap: The Failure of the Korean Government to Hold Korean Corporations Accountable to the OECD Guidelines for Multinational Enterprises Regarding Violations in Burma*, details how the Korean government summarily rejected a 43-page complaint filed in October 2008 by ERI, SGM and nine co-complainants, including Korea's two largest labor organizations regarding abuses connected to the Shwe Gas Project, a large-scale natural gas development project in Burma led by Korea's Daewoo International. The complaint detailed violations of six OECD Guidelines, including a failure to respect international human rights law.

The report released today explains substantive problems with Korea's decision, which was issued in late 2008. It highlights how the Korean decision is inconsistent with decisions from NCPs in other countries, and documents inherent conflicts of interest within the Korean government: The ministry tasked with receiving OECD complaints is the same ministry tasked with promoting overseas energy development projects and the same ministry that provided Daewoo a sizable loan to proceed with the controversial Shwe Project.

Coming on the eve of an annual meeting of OECD National Contact Points (NCPs) at the OECD Headquarters in Paris, June 16-17, the report calls on the OECD Investment Committee to use its authority and mandate to address conflicts and inconsistencies within the Korean NCP and among National NCPs. The report was sent to members of the Investment Committee last week.

“This is an opportunity for the OECD Investment Committee to build confidence around the OECD Guidelines as a viable standard for corporate accountability,” said ERI Burma Project Coordinator Matthew Smith. “The Committee must provide guidance to NCPs that the on-going abuses, and risk of future abuses, associated with this project are of the type that should lead to a serious investigation by a NCP.”

The Shwe Project has already been linked to forced relocations and other human rights violations. Local people who criticized the project faced arbitrary arrest and detention, and some were forced to flee the Burma Army.

“The Shwe Project should stop until the people of Arakan State and Burma can genuinely participate in development decisions and realize their human rights,” said Wong Aung, a native of Arakan State, Burma and Coordinator of the Shwe Gas Movement. “The Korean government conveniently dismissed our complaint and now the OECD must fill the gap,” he added.

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