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Korean Government Rejects OECD Complaint Against Daewoo International and KOGAS



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Complicity in Human Rights Abuses in Burma (Myanmar) Insufficient to Begin Investigation

Negative social and environmental impacts on-going and set to increase; affected communities ignored

December 23, 2008 -- The Government of Korea has rejected a complaint filed by EarthRights International on behalf of the Shwe Gas Movement (SGM) and nine Korea-based organizations alleging Daewoo International and the Korea Gas Corporation (KOGAS) are in breach of the *OECD Guidelines for Multinational Enterprises* related to their involvement in a large-scale natural gas development project in military-ruled Burma. As an OECD-member state, Korea has committed to promote the Guidelines, which are a set of principles for corporate responsibility.

The 48-page Korean-language complaint, filed in person in Seoul on October 29, 2008 by representatives of ERI and the Shwe Gas Movement (SGM), alleges that Daewoo and KOGAS have failed to take the steps necessary to proactively prevent negative human rights and environmental impacts of the Shwe Gas Project in Burma, and are currently and potentially in violation of at least six of the *OECD Guidelines* for: failure to respect human rights; failure to promote sustainable development; failure to disclose information about the project; failure to consult with local populations and failure to conduct an Environmental Impact Assessment (EIA) according to international standards.

The complaint called on the companies and the Korean government to postpone the Shwe Project until breaches of the Guidelines are investigated and addressed. The Korean Ministry of Knowledge Economy (MKE), the governmental ministry of the OECD National Contact Point (NCP), rejected the complaint on all counts, expressing opinions uniformly consistent with those of Daewoo International. Moreover, the MKE opined that the general situation in Burma and specifically around the Shwe Project does not merit an investigation or arbitration between the companies and the complainants. The MKE's position flies in the face of evidence from groups and communities from within the proposed pipeline area in Burma.

[Read the full text of the complaint - English & Korean versions available](#)

"This project will transport the peoples' resources without their consent, and it threatens human rights abuses on a massive scale" said SGM Global Coordinator Wong Aung, a native of Arakan State, an area of Western Burma through which the pipeline will traverse. "We are already seeing human rights impacts in Arakan State - the government of Korea is making a terrible mistake for the people of Arakan State and Burma by not intervening."

Daewoo International is the operator of the Shwe Project, with a 51 percent stake, while KOGAS holds an 8.5 percent stake in partnership with two Indian state-controlled firms and the Myanmar Oil and Gas Enterprise (MOGE). Daewoo discovered the offshore Shwe gas deposits in 2004, and in an agreement with China National Petroleum Corporation (CNPC), the company is preparing to transport the gas to Kunming, China through what will be one of Asia's longest natural gas pipelines. Prior natural gas pipelines in Burma have led to widespread and well-documented abuses, including forced labor.

"If Daewoo and KOGAS were to genuinely conform to the Guidelines, the Shwe Project would have to be postponed, which evidently is against the priorities of both the companies and the ministry," stated Matthew Smith, Burma Project Coordinator at EarthRights International. *"These companies and the Korean government are now on notice that negative social and environmental impacts from this project have begun, and are likely to continue and accelerate if this project moves forward. These companies bear responsibility for these abuses, and the Korean government is failing in their obligations under the OECD guidelines to prevent these harms. The blood of the people of Burma will be on their hands."*

ERI and the SGM learned of the rejection, dated Nov. 27, in an unofficial English translation by the Korean House for International Solidarity (KHIS), dated Dec. 19. There were nine co-complainants to the complaint, including the KHIS, Korea's two largest labor organizations, the Korean Confederation of Trade Unions (KCTU) and Federations of Korean Trade Unions (FKTU), and Citizen's Action Network (CAN), People for Democracy in Burma, Writers for Democracy of Burma, Solidarity for New Society, The Association for Migrant Workers' Human Rights, and Burma Action Korea.

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