

[Joint statement of Korea]

The Prosecution Must Crack Down on Daewoo International's Suspicious Illegal Exports of Defense Industry Materials to Burma, and Daewoo Should Expose the Truth

Press reports revealed recently that the prosecution has set into motion an investigation into Daewoo International Co. on the charge of exporting defense industry materials to the military dictatorship of Burma. We, civil organizations and trade unions acting for democracy and human rights in Burma, express our shock and deep concern over the news. If Daewoo's exporting happens to be true, we can hardly conceal our shame regarding Daewoo's unscrupulous and immoral act, which would aid Burma's military regime and ignore democratization efforts there, to further Daewoo's own economic interests. The prosecution should carry out a strict investigation to reveal the facts of the matter.

It has been reported that the prosecution searched Daewoo International on August 31st under the suspicion that they were exporting key munitions technology to Burma, such as lathes and other materials used for fabricating the fuses of bombs. Daewoo International is being accused of violating the "Act on Foreign Trade and Act on Promotion of Technology in Defense Industry" by exporting, without permission from the Ministry of National Defense, the latest munitions technology for more than a year, beginning in 2000, on behalf of a defense industry company in Gimpo, Gyeonggi Province. Since exporting strategic materials to Burma can aid the survival of the military dictatorship and thus aggravate the human rights abuses upon the Burmese people, this suspicion over Daewoo International should be given a full accounting.

Daewoo International has been the target of criticism by the international community, specifically because of the implication that Daewoo backed up the Burmese Junta's human rights violations by investing in the exploitation of natural gas in the country. Aung San Suu Kyi, winner of the Nobel Peace Prize, and many other activists fighting for democracy in Burma have long pointed out that a foreign company can only make investment there by maintaining close connections with the military and the Burmese military regime gains profits from selling natural resources and uses those profits to buy weapons to maintain its political power, ignoring the needs of its own people. Burma is one of the poorest countries in the world, and the health of its citizens and medical care

status is one of the lowest in the world but the dictatorship is estimated to spend 40% of its GDP solely on military expenses. Despite this, Daewoo International has been stressing only its own commercial advantage while turning a deaf ear to the voice of the international community including Korea, which calls for further measures to redress human rights abuses ahead of the gas exploitation which is likely to further deteriorate the Burmese people's right to live. Daewoo should recognize that it will not only end up being criticized, but will also be highly liable to bear the legal burden of their actions. It should keep in mind that Unocal and Total bore liability as supporters of the dictatorship's human rights abuses in precedents.

What is more, the report released in October 2005 by the United Nation's Oil-for-Food program revealed that Daewoo International was included in the list of companies which committed bribery in the program during Saddam Hussein's era in Iraq; the U.N. Secretary General urged member nations to take legal actions against those companies. Such reports and suspicions surrounding Daewoo International inevitably pose the question of whether the company lacks social responsibility or even the lowest degree of ethics in carrying out their operations.

The South Korean government can neither be freed from criticism. Activists for democracy in Burma expect much of S. Korea to aid the democratization of the Burmese regime, since S. Korea itself has a history of struggling against military dictatorship. However, S. Korea keeps silent about the Burmese Junta's human rights violations and actions against democracy, and it even seems to lend support to the regime under the slogan of energy security. South Korea must assume responsibility for extending a helping hand to the Junta. Moreover, current suspicion regarding Daewoo International's exportation of strategic weapons arouses all the more misgivings in the international community, that business in Burma is impossible without acting in collusion with the military. If such suspicion happens to be true, South Korea will be violating the Wassenaar Arrangement which restricts exporting conventional weapons and relevant technologies to a country that is likely to harm world peace. S. Korea won't be able to avoid the censure of the international community in this case. We strongly demand the responsibility of the South Korean government in its failure to monitor the issue for more than five years since the incident occurred — is it evidence of incompetence in regulation, or of its countenance of the Burmese dictatorship? Exporting weapons to the Burmese military will not only mean turning away from the

Burmese people's wish for democracy, but will also help the Junta to persist and thus lead to the retrogression of democracy and human rights protection in Asia.

We hereby urge the following:

- The prosecution must make a through and stringent investigation into the suspicion over Daewoo International's exportation of strategic weapons to Burma. If the exported goods are indeed strategic materials, it should also investigate the receivers of the material and its utilization purposes therein.
- Daewoo International must make a full disclosure of the facts of the case in exporting strategic weapons to Burma, and confess the real state of their gas exploitation before the people of Burma and South Korea.
- The South Korean government must establish the machinery to monitor illegal acts and human rights abuses that constantly occur in the foreign investments made by Korean companies. In addition, it should review all existing investments and diplomatic relations with the Burmese dictatorship, and do its best to promote democracy and human rights protection in Burma.

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