

# NAPSNet Daily Report 15 December, 2010

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## 1. DPRK Nuclear Program

Korea Herald ("NK LEADER KIM JONG REVEALS INTENTION TO ALLOW IAEA NUKE INSPECTION ", 2010/12/15) reported that DPRK leader Kim Jong-il reportedly revealed his intention to accept an IAEA nuclear inspection in a recent meeting with PRC State Council Dai Bingguo, local broadcaster MBC reported Wednesday. Citing a government source, it said Kim had certain "complicating" preconditions to be met before it would go ahead with the inspections. However, Kim expressed his willingness to let the IAEA look at the country's nuke facilities, MBC said. Details of the preconditions given by Kim were unknown.

<http://www.koreaherald.com/national/Detail.jsp?newsMLId=20101215001067>

Reuters ("NORTH KOREA 'COULD BE PREPARING FOR THIRD NUCLEAR TEST'", 2010/12/15) reported that the DPRK appears to be preparing for a third nuclear test as early as next March, a

ROK newspaper has reported, as a US politician travelled to Pyongyang with a message for it to "calm down". The ROK's Chosun Ilbo daily cited an intelligence official from Seoul as saying a tunnel was being dug at a DPRK nuclear test site that could be completed in March next year, possibly heralding a new test. The ROK's foreign ministry said it was closely monitoring the site and had found no concrete evidence of such preparations. The amount of earth removed from the site at Punggye township, in north-eastern DPRK, indicated the tunnel was about 500 metres deep, half the depth needed for a nuclear test, the Chosun Ilbo report said.

<http://www.guardian.co.uk/world/2010/dec/15/north-korea-preparing-nuclear-test>"><http://www.guardian.co.uk/world/2010/dec/15/north-korea-preparing-nuclear-test>

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## 2. DPRK Economy

Institute for Far Eastern Studies ("DPRK PRICES, EXCHANGE RATE SKYROCKET AFTER SHELLING", 2010/12/15) reported that after the DPRK rained artillery onto Yeonpyeong Island, military tensions have continued to grow, impacting the price of rice and the currency exchange rate in the DPRK's traditional markets. On December 13, NK Intellectual Solidarity reported that this has shaken the livelihoods on DPRK people. According to the group, rice has shot up 77 percent, from 900 won to 1600 won per kilogram, since the November 23 attack. The price of corn has also gone up by 50 percent, to 600 won per kilogram. At the same time, the exchange rate for PRC yuan has risen, at least in the market in Hyeryong, from 220 to 350 won per yuan, a 59 percent increase. Daily NK has also reported that post-Yeonpyeong food price increases have been significant, and as the Autumn harvest comes to a close in December, smaller rations to those working on collective farms is expected. The very first to reflect military tensions between the two Koreas were money handlers and wholesalers. A source in the DPRK compared today's atmosphere with that experienced in 1993, and explained that as people's concerns about war increase, money traders become more conservative, tightening up the exchange of currency and therefore slowing the entire wholesale market, driving up prices.

<http://ifes.kyungnam.ac.kr/eng/m05/s10/content.asp?nkbriefNO=401&GoP=%201>

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## 3. ROK Defense

New York Times ("SOUTH KOREA HOLDS NATIONWIDE AIR RAID DRILL ", 2010/12/15) reported that air raid sirens blared, traffic stopped, fighter planes roared overhead and schoolchildren were hustled into subway stations on Wednesday as the ROK held its biggest no-nonsense civil defense drill in decades. Such a large-scale drill was the first of its kind since 1975, said the mayor of Seoul, Oh Se-hoon, shortly after the exercise ended. "During previous drills, people were not forced to head to shelters or underground facilities. They were just encouraged to do so." Mr. Oh, who said the drill was conducted in a "swift but orderly" manner, added that "fighter jets disguised as the enemy flying across the city to simulate airstrikes made the drill more realistic." The National Emergency Management Agency also sent text messages to remind people through the nationwide cellphone networks. The agency said some 300,000 police officials and Civil Defense Corps members were enlisted to oversee Wednesday's exercise around the country. In Seoul, corps monitors dressed in amber-colored jackets stopped traffic at intersections, firmly directed wayward citizens to shelters

and herded schoolchildren into subway stations.

<http://www.nytimes.com/2010/12/16/world/asia/16korea.html?ref=asia>

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## 4. ROK-PRC Relations

Yonhap News ("S. KOREAN FM CALLS FOR GREATER COOPERATION WITH CHINA ON N. KOREA ISSUES", 2010/12/15) reported that the ROK and PRC should build on progress in their relations and seek greater cooperation in economic and security issues, including tensions over the DPRK's nuclear programs and provocations, Seoul's foreign minister said Wednesday. Minister Kim Sung-hwan made the remark at a ceremony on the opening of a PRC research center at the ministry-affiliated Institute of Foreign Affairs and National Security think tank. "For our country, relations with China have been taking an increasingly important place in security and stability on the Korean Peninsula and our prosperity," he said. "Close cooperation between the two countries is essential on issues related to North Korea and nuclear and other North Korea issues." "It is essential that the two countries take an attitude of actively communicating about differences and cooperating while cherishing the achievement made in their relations so far," Kim said. "It is absolutely necessary and indispensable that South Korea and China constantly exchange views and cooperate closely."

<http://english.yonhapnews.co.kr/national/2010/12/15/79/0301000000AEN20101215008300315F.HTM>

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## 5. ROK, US, Japan, Australia Security Cooperation

KBS World News ("S.KOREA, US, JAPAN, AUSTRALIA MULL REGULAR SECURITY MEETINGS", 2010/12/15) reported that the ROK, the United States, Japan and Australia are reportedly discussing holding security meetings on a regular basis. According to Japan's Sankei Shimbun on Wednesday, the four countries are mulling ways for bureau chiefs of their foreign affairs and defense-related government agencies to meet regularly. The paper said Washington and Tokyo have been actively seeking to organize the four-way meeting since they, along with the ROK, underlined the importance of their cooperation in the field of security during a meeting of their foreign ministers last week. The report said that Washington and Tokyo decided to include Australia in the security talks in a bid to lessen Seoul's strong wariness on engaging in security cooperation with Japan.

[http://world.kbs.co.kr/english/news/news\\_in\\_detail.htm?No=77960](http://world.kbs.co.kr/english/news/news_in_detail.htm?No=77960)

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