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# NAPSNet Daily Report 11 June, 2010

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# NAPSNet Daily Report 11 June, 2010

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## **I. NAPSNet**

### **1. Sino-DPRK Relations**

Reuters ("NORTH KOREA SEEKS TO SOOTHE CHINA OVER BORDER SHOOTINGS", 2010/06/10) reported that the DPRK has told the PRC it will punish those responsible for shooting dead three PRC nationals near the two countries' border last week, and vowed to prevent any repeat, PRC state media said. PRC Foreign Ministry spokesman Qin Gang said both countries were now "further investigating and handling the case". He provided no other details. "The North Korean side expressed its grief over the Chinese deaths, and offered condolences to the families of the dead and to the injured, and will severely punish the perpetrators," said the report.

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### **2. US on Sino-DPRK Relations**

Agence France-Presse ("US PRESSES CHINA TO REIN IN N.KOREA", Washington, 2010/06/10) reported that the United States is pressing the PRC to rein in the DPRK. Admiral Mike Mullen, the top US military commander, said that the PRC needed to take a greater role after the purported torpedo attack, which claimed 46 lives in one of the deadliest incidents since the Korean War. "I've been encouraged by public statements made recently by the Chinese leadership as to the seriousness of this incident and the need for accountability and yet dismayed by a fairly tepid response to calls by the international community for support," Mullen said.

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### **3. PRC on ROK Naval Ship Sinking**

The Associated Press ("CHINA REBUFFS U.S. CRITICISM ON NORTH KOREA", 2010/06/10)

reported that the PRC said it has taken a "fair and responsible" attitude in dealing with the DPRK's alleged attack on a ROK warship, batting aside criticism by a top U.S. military official that Beijing hasn't done enough. Foreign Ministry spokesman Qin Gang said the PRC's goal has been "to safeguard peace and stability" on the Korean peninsula. "All that we have done is based on this position, so we hope that all parties can understand that and cooperate with China to properly deal with this issue," he told a regularly scheduled news conference.

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## **4. ROK on Naval Ship Sinking**

Xinhua News ("25 S.KOREAN TOP MILITARY OFFICIALS FACE DISCIPLINARY ACTION FOR CHEONAN INCIDENT", 2010/06/10) reported that the ROK's Board of Audit and Inspection (BAI) said it has asked the Ministry of Defense to discipline 25 military officials for their failing to properly handle the sinking of the warship Cheonan. The ROK national audit agency said in an interim investigation report that the probe confirmed problems in the military authorities and Defense Ministry's combat prevention and preparedness, reporting structures, crisis response systems and management of military secrets. The report also said the Joint Chiefs of Staff, Naval Operations Command and the Second Navy Fleet Command also failed to take proper measures in preparing for possible attacks by the DPRK in the western water off the Korean Peninsula.

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## **5. ROK Aid to the DPRK**

Agence France-Presse ("S.KOREA TO SHIP AID TO NORTH DESPITE TENSIONS", 2010/06/10) reported that the ROK approved two aid shipments of baby formula to the DPRK despite rising tensions over the sinking of one of Seoul's warships. The unification ministry, which must authorise all cross-border exchanges, said the shipments from private groups of milk and other items totalling 320,000 dollars would be sent late this month.

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## **6. Inter-Korean Relations**

Korea Times (Lee Tae-hoon, "DP CALLS FOR 2-TRACK APPROACH TOWARD NK", 2010/06/10) reported that a top official of the main opposition Democratic Party (DP) Thursday urged the government to resume dialogue with the DPRK, saying it should take a two-track approach in dealing with the DPRK. In his speech at the National Assembly, DP floor leader Park Jie-won said that the administration should continue to make efforts to make the DPRK return to the six-party talks, despite the sinking of the Navy ship Cheonan. Park, a former close aide of the late former President Kim Dae-jung, claimed that it is not appropriate to resolve the Cheonan incident as a precondition of resuming the six-party talks on the nuclear issue.

Korea Broadcasting System ("S.KOREANS BANNED FROM ATTENDING 6.15 EVENT IN NK", 2010/06/10) reported that the Unification Ministry is prohibiting South Koreans from going to the DPRK to celebrate the tenth anniversary of the signing of the June 15th Joint Declaration. The ministry recently rejected a ROK group's request to travel to the DPRK to attend the ceremony

marking the signing in Pyongyang. The ministry said it could not allow the trip due to heightened inter-Korean tensions over the sinking of the Cheonan.

Yonhap News ("ANTI-N.K. GROUPS FLY DVDS ON SUNKEN SHIP INTO NORTH", Paju, 2010/06/10) reported that Anti-Pyongyang activists flew DVDs and propaganda leaflets across the border into the DPRK containing details on a ROK warship that investigators concluded was attacked by the DPRK. Defectors from the DPRK, families of those abducted by the communist neighbor, and members of conservative activist groups sent some 300 DVDs and 150,000 leaflets using large balloons from Imjingak, a pavilion in this border town about 40 kilometers northwest of Seoul.

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## **7. Inter-Korea Economic Cooperation**

Yonhap ("TRADE SUSPENSION TO COST N. KOREA US\$280 MLN ANNUALLY: REPORT", Seoul, 2010/06/11) reported that a suspension of inter-Korean trade is expected to cost the DPRK about US\$280 million annually. According to the report by the state-run Korea Development Institute (KDI), the loss estimate is based on the DPRK's trade with the ROK last year, but excludes figures for the Kaesong industrial complex. "Excluding the Kaesong complex, the immediate impact will be felt in general trade that belongs to commercial exchanges and processed goods trade," the report noted. General trade accounted for 15.6 percent of inter-Korean trade last year, while processed goods made up 25 percent. The ratio of the Kaesong complex was the largest at 57.3 percent, the report said. Last year, inter-Korean trade totaled US\$1.68 billion.

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## **8. DPRK Economy**

The New York Times ("VIEWS SHOW HOW A NORTH KOREAN POLICY SPREAD MISERY", 2010/06/10) reported that the DPRK is used to struggle and heartbreak. But the Nov. 30 currency devaluation, apparently an attempt to prop up a foundering state-run economy, was for some the worst disaster since a famine that killed hundreds of thousands in the mid-1990s. Interviews in the past month with eight North Koreans who recently left their country paint a haunting portrait of desperation inside DPRK, a nation of 24 million people, and of growing resentment toward its erratic leader, Kim Jong-il. What seems missing — for now, at least — is social instability. Widespread hardship, popular anger over the currency revaluation and growing political uncertainty as Mr. Kim seeks to install his third son as his successor have not hardened into noticeable resistance against the government.

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## **9. ROK Space Program**

The Associated Press ("SKOREAN ROCKET LIKELY EXPLODED SOON AFTER LIFTOFF", Seoul, 2010/06/10) reported that a ROK rocket carrying a climate observation satellite apparently exploded 137 seconds into its flight early Thursday, the country's second major space setback in less than a year. The two-stage Naro rocket operated normally during and after liftoff from the country's space center, Minister of Education, Science and Technology Ahn Byong-man said. But then

communications with the rocket were lost after it reached an altitude of about 43 miles (70 kilometers). "We believe that the Naro rocket is likely to have exploded," he told reporters. "We are sorry for failing to live up to people's expectations."

Agence France-Presse (Park Chan-Kyong, "S.KOREA, RUSSIA PROBE ROCKET FAILURE", Seoul, 2010/06/11) reported that ROK and Russian experts launched an investigation Friday after the failure of the ROK's latest rocket launch. Korea Aerospace Research Institute (KARI) said the debris fell into the sea, some 470 kilometres (295 miles) south of the Naro Space Centre's launch pad off the southern coast. KARI on Friday convened a meeting of a joint investigation committee of the two countries to determine the cause of the failure, a spokesman for the Education, Science and Technology Ministry said. "It went wrong after the first-stage rocket completed two-thirds of its work," KARI research fellow Chae Yeon-Seok told AFP.

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## **10. US-Japan Security Alliance**

The Associated Press (Audrey McAvoy , "US, JAPAN NAVY LEADERS DISCUSS SECURITY ALLIANCE", 2010/06/10) reported that the commanders of the U.S. and Japanese navies met Wednesday to discuss the 50th anniversary of their security alliance and its importance to each nation and regional security. U.S. Chief of Naval Operations Gary Roughead and Adm. Keiji Akahoshi, chief of staff of Japan's navy, met and had lunch at Pearl Harbor. They later spoke at a symposium on the alliance attended by junior officers from both countries. "The cooperation between the U.S. navy and the Japanese Maritime Self-Defense Force over the past 50 years has supported the U.S.-Japan alliance," Akahoshi said. "It is our duty to pass on this past, the present, as well what the future should be."

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## **11. Russo-Japanese Territorial Dispute**

Kyodo News ("OKADA, LAVROV AGREE ON SEAMLESS EFFORTS TO RESOLVE TERRITORIAL DISPUTE", 2010/06/10) reported that Japanese Foreign Minister Katsuya Okada and his Russian counterpart Sergey Lavrov have agreed to continue efforts to resolve a long-standing territorial dispute between the two countries under the new Japanese government led by Prime Minister Naoto Kan. "We'd like to aim for progress in both political and economic areas as a whole," Okada was quoted as saying, calling for an early visit by Lavrov to the country to discuss matters in both areas, including the territorial row. In response, Lavrov told Okada that Russia is also hoping Kan's government will inherit the "constructive bilateral cooperation" promoted under the Hatoyama government and expand it even further.

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## **12. Japan Politics**

Kyodo News ("DIET WON'T BE EXTENDED MORE THAN 1 DAY, JULY 11 ELECTION LIKELY", 2010/06/10) reported that wrangling continued within the ruling coalition over whether the current Diet session should be extended to pass a postal reform bill, but Prime Minister Naoto Kan's

Democratic Party of Japan will not extend the session by more than one day, a senior DPJ official said. "We have decided not to extend the session (set to expire next Wednesday) beyond next Thursday," said the official, who spoke on condition of anonymity. His remarks mean that an upper house election is most likely to be held July 11 under the election law's provisions on parliamentary sittings and election dates.

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## **13. Japan Environment**

The Asahi Shimbun ("METI: CO2 EMISSIONS TO DROP 30% BY 2030", 2010/06/10) reported that by 2030, Japan will reduce its greenhouse gas emissions by 30 percent from the 1990 level, according to a Ministry of Economy, Trade and Industry draft plan released Tuesday. To achieve the emissions reduction target, next-generation green vehicles and energy-saving housing must be put into wide use, a ministry official said. The 30-percent reduction will be achieved through domestic efforts, and will not include emissions credits purchased from overseas.

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## **14. Sino-US Military Relations**

Bloomberg News ("POOR CHINA MILITARY TIES HURT NORTH KOREA PLANS, U.S. SAYS", 2010/06/10) reported that strained ties between the US and PRC militaries are holding back a "more robust" discussion of how to plan for a possible collapse of the DPRK regime, US Ambassador to the PRC Jon Huntsman said. "We could have a more robust discussion on this subject, without question, if we had mature military-to-military ties," Huntsman said. "This is one reason why it would be good to have more military-to-military contact."

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## **15. Sino-Indian Relations**

New Kerala ("INDIA, CHINA WILL NOW BE ENGAGED IN NEW 'GREAT GAME' IN INDIAN OCEAN", 2010/06/10) reported that a new 'Great Game' between the PRC and India for primacy in the Indian Ocean is likely in the coming decades, especially in the wake of India and Sri Lanka taking steps to take their bilateral relationship to the next level. The Guardian quotes Brahma Chellaney, a professor of strategic studies at Delhi's Centre for Policy Research, as saying: "China is building up naval forces and is eager to secure safe bases and anchorage in the Indian Ocean. But India's position and coastline give a tremendous operational advantage."

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## **16. Cross-Strait Relations**

PC World ("CHINA AND TAIWAN CONNECT ON NEW UNDERSEA CABLE PROJECT", 2010/06/10) reported that the PRC and Taiwan have been building closer business ties. One project full of symbolism for the two is an undersea cable project that will link the northern Taiwan town of

Tamsui (also called Danshui) to the PRC's Fujian Province. The DanFu Cable is the first collaboration of its kind between telecommunications companies in Taiwan and the PRC and is aimed at promoting peace as well as prosperity, according to a Taiwanese government official who spoke on condition of anonymity. Data sent across the new cable will ostensibly be open to all but is meant to connect Taiwan more directly to the PRC.

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## **17. PRC Labor Unrest**

Reuters ("CHINA LABOR UNREST SPREADS AS WORKERS SEEK MORE", 2010/06/10) reported that labor unrest that began among foreign firms in south PRC's Pearl Delta area is showing signs of spreading to poorer interior regions, as a new generation of workers seek a bigger portion of the nation's growing wealth. The burst of reported strikes is a worry for the PRC's ruling Communist Party, which has long discouraged independent worker action and punished protesters. "All it takes now is a single spark and news will spread all over China, which could lead to similar industrial action in other factories," said Paul Tang, chief economist at Bank of East Asia in Hong Kong.

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## **18. PRC Ethnic Unrest**

Agence France-Presse ("POLICE IN CHINA'S XINJIANG HOLD ANTI-RIOT EXERCISE", Beijing, 2010/06/11) reported that police in Xinjiang have held massive anti-riot exercises to prepare for the first anniversary of ethnic unrest. Nearly 1,000 police, anti-riot squads, special forces and paramilitary police participated in the joint exercises in Urumqui, the China News Service said. "This is a comprehensive test of the emergency response of the Urumqui police at all levels," the report quoted a police official as saying. "We are assessing our level to address sudden incidents and to better clarify the responsibilities and methods of police forces."

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## **19. Sino-Indian Territorial Dispute**

Calcutta News ("CHINA WAY AHEAD OF INDIA IN BORDER INFRASTRUCTURE", 2010/06/10) reported that the PRC's border infrastructure is way ahead of India, strategic experts observed here Wednesday and cautioned that increasing face-offs along the boundary with the PRC may lead to conflicts and skirmishes as the two Asian powers grow economically and militarily. The experts, mostly from military backgrounds, at a roundtable on 'India's border infrastructure' organised by Observer Research Foundation here pointed out that the lack of clarity on the Line of Actual Control between India and the PRC and the perceived boundary lines by both the countries were a big threat to strategic stability.

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## **20. Sino-Russian Relations**



The New York Times ("CHINA'S HUNGER FUELS EXPORTS IN REMOTE RUSSIA", 2010/06/10) reported that the Kimkan open pit mine in Siberia is a muddy square mile surrounded by birch and cedar forests so vast they seem to stretch to the ends of the earth. As with many places in Siberia, it is nearly impossible to drive here. Yet just under the surface, Russian geologists say, lies enough iron ore to build hundreds of millions of cars. That is why PRC government officials and business executives are interested, despite a decades-old legacy of bilateral distrust along this stretch of Russia-PRC borderland. The encounter was emblematic of a business frenzy in this foreboding region, as Russian companies clamor to sign deals over Siberian resources — including iron, coal and timber — to sell into the insatiable PRC market. Russian oil, too, is an increasingly sought-after commodity passing through Siberia to the PRC.

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## **21. PRC Environment**

Xinhua ("CHINA APPROVES GUIDELINES TO ENHANCE FOREST PROTECTION", 2010/06/10) reported that the State Council, the PRC's cabinet, approved guidelines Wednesday that protect, restore and ensure the sustainable use of forests for the 2010-2020 period. Participants at the State Council meeting, chaired by Premier Wen Jiabao, reviewed and approved the guidelines for forest protection and utilization for the 10-year period. The guidelines say the PRC will lift its forest coverage to 223 million hectares by the end of 2020, or 23 percent of the national area.

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## **22. Sino-Burmese Relations**

Xinhua ("DEEPENED SINO-MYANMAR RELATIONS CONTRIBUTE TO REGIONAL DEVELOPMENT: MEDIA", 2010/06/10) reported that a Myanmar official daily said that Myanmar and the PRC will be able to closely cooperate for regional development, peace and stability and the well-being of the two peoples as friendship and amity between the two countries have been deepened. Hailing the 60th anniversary of the establishment of diplomatic relations between Myanmar and the PRC, the New Light of Myanmar recalled that over the past 60 years since the establishment, bilateral friendship has developed on a sustainable basis, underlining that there has been smooth progress in bilateral exchange and cooperation in all sectors including economy, trade, energy, transport, education and culture.

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## **II. PRC Report**

## **23. PRC Civil Society and Development**

Xinhua News ("CHINA VOWS EQUAL TREATMENT FOR PRIVATE SECTOR TALENTS", 2010/06/10) reported that according to the newly unveiled National Medium-and Long-term Talent Development Plan (2010-2020), non-public economic groups and social organizations can enjoy equal treatment in government policy on the training, attracting, appraisal, and use of talents.



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## 24. PRC Migrant Labor

China News Net ("CHINESE FARMERS ACCUMULATE POINTS FOR HUKOU", 2010/06/10) reported that Guangdong province has taken the lead in the country by introducing a new accumulating points system to grant urban hukou, or household registration, to migrant workers. The accumulating points system aims to let more migrant workers share in the province's economic growth achievements together with urban residents and help build a harmonious society.

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