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Preceding NAPSNet Report

I. NAPSNet

1. Inter-Korean Relations

Yonhap ("KOREAS TO DISCUSS REPAIR OF N.K. ROAD", Seoul, 2008/02/11) reported that working-level officials of the ROK and DPRK will meet to discuss the repair and joint use of a key DPRK expressway this week, the Unification Ministry said. The two-day meeting will start Tuesday in the DPRK border city of Kaesong. Topics to be covered will include a review of the outcome of an on-site survey of the highway linking Kaesong and the capital Pyongyang, which was conducted in December, and details of plans to repair and jointly use the road, it said in a news release.

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2. DPRK-EU Relations

Yonhap ("N.K. ENVOY TO ADDRESS UK PARLIAMENT", Seoul, 2008/02/11) reported that the DPRK ambassador to Britain will address the country's parliament next month, a move aimed at broadening the DPRK's diplomatic ties with Europe, a U.S. radio station reported. Amb. Ja Song-nam will make the speech on March 4 during a joint session in London of the British House of Lords and House of Commons, the Washington-based Radio Free Asia (RFA) said in an interview with Lord David Alton, a cross-bench member of the House of Lords.

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3. ROK Spy Chief Resignation

Associated Press ("SKOREAN LEADER ACCEPTS SPY'S RESIGNATION", Seoul, 2008/02/11) reported that the ROK’s outgoing president has accepted the resignation of his spy chief, who offered to quit over the leak of a document detailing his secret trip to the DPRK in December. Kim Man-bok, head of the National Intelligence Service, offered to resign, acknowledging that he had

ordered his agency to give a newspaper a document with transcripts of conversations between him and his DPRK counterpart during a trip to Pyongyang.

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4. DPRK Military

Yonhap ("N. KOREA APPEARS TO DIVERT OIL FOR MILITARY TRAINING: SOURCE", Seoul, 2008/02/11) reported that the DPRK has been increasing ground and air maneuvers since December, military sources said, amid concerns that the North might have been diverting some of the heavy fuel oil provided under a multilateral denuclearization deal. "Intelligence authorities of South Korea and the United States have been analyzing the sharp increase in the North's winter maneuvering of armoured units," a military soure said Sunday. "They have recently conducted both armoured unit maneuvers and artillery strike training concurrently, although they had usually focused on artillery strikes." The source attributed the increased mechanized unit maneuvering to improvement in oil supply in the DPRK, questioning the source of the oil spent on the military training amid skyrocketing crude prices in the international market.

Korea Herald ("U.S. VIEWS N.K. MISSILE AS NEW THREAT: SOURCES", 2008/02/11) reported that US military officials have recently taken a new look at the DPRK's missile capabilities following the DPRK's introduction last year of a surface-to-surface missile that is more accurate and takes less time to launch, sources here were quoted as saying by Yonhap News Agency. Gen. Burwell Bell, commander of U.S. Forces Korea, had warned in Senate and House hearings last year that the new DPRK missiles, given the shorter range, are specifically targeted at the ROK. The KN-02 is the first DPRK missile that uses solid fuel and is mobile, giving it better precision, but more importantly it can be fueled and readied for launch much more quickly, sources explained.

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5. DPRK Anti-Corruption Drive

Korea Herald ("ANGRY KIM JONG-IL ORDERS PROBE OF STATE GRAFT", 2008/02/11) reported that the DPRK is conducting a major investigation into corruption at state agencies which handle business projects with the ROK and aid from Seoul, a report said. Its leader Kim Jong-il ordered an investigation into the ruling communist party's United Front Department, following allegations that some top party and administration officials took bribes as they promoted the business projects, Yonhap News said. "The probe was launched as National Defense Commission Chairman Kim Jong-il said there was a lack of supervision over the United Front Department, although lots of suspicions were raised over the department's corruption," one source told Yonhap News. Kim became furious after hearing claims that some party and government officials pocketed bribes and diverted food and other aid from the ROK to the black market.

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6. ROK-Japan Trade Relations

Korea Times ("TOKYO READY TO REOPEN FTA TALKS WITH SEOUL", Tokyo, 2008/02/11) reported that the Japanese government hopes to reopen free trade negotiations with the ROK that have been

stalled for over three years due to differences between the two sides, a Japanese newspaper said. Japan wants to reopen talks soon after the ROK's April 9 parliamentary elections, the Nihon Keizai Shimbun said. President-elect Lee is especially enthusiastic about an agreement with Japan, putting emphasis on the need to improve ties and economic cooperation with the neighboring country.

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7. Relocation of US Bases in Japan

Bloomberg ("JAPAN LOCAL ELECTION WON BY U.S. BASE MOVE ADVOCATE, ASAHI SAYS", 2008/02/11) reported that Yoshihiko Fukuda, who campaigned in favor of moving U.S. troops to Iwakuni from Atsugi near Tokyo, was elected mayor of the western Japanese city. Fukuda yesterday beat incumbent mayor Katsusuke Ihara, who had campaigned against the move. The victory will increase the chances that an agreement between Japan and the U.S. to relocate air squadrons from Atsugi, about 50 kilometers (31 miles) west of Tokyo, to the Iwakuni base in Yamaguchi prefecture by 2014 is fulfilled, the paper said.

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8. Japan Defense Policy

Agence France-Presse ("NORTH KOREA NUCLEAR AND CHINA MILITARY PROGRAMMES A WORRY: JAPAN", Munich, 2008/02/10) reported that the DPRK remains a nuclear proliferation risk and the PRC's military programme lacks transparency, Japan's Foreign Minister Masahiko Koumura warned here Saturday. "The North Korean issues have made the regional security environment extremely difficult since the beginning of the 1990s," Koumura told an international security conference in this southern German city. Koumura also expressed concern over the PRC's military modernisation, saying it lacked transparency, notably as regards funding. "Military modernisation and expansion of military expenses with a lack of transparency will result in increased regional concern," he said.

Japan Times ("KOMURA VOWS MORE ACTIVE JAPAN ROLE IN U.N. PEACEKEEPING EFFORTS", 2008/02/11) reported that Foreign Minister Masahiko Komura told at a multinational security conference held in Munich that Japan is eager to play a greater role in the U.N. peacekeeping operations and consider a permanent law for the overseas dispatch of the Self-Defense Forces for international cooperation. "Japan, as a 'peace fostering nation,' is committed to fulfilling its responsibility by playing an active role in building peace in the international society," Komura said in a speech before the Munich Conference on Security Policy on Asia's role in building an international stability.

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9. EU on Japan Whaling Issue

Associated Press ("EU CONDEMNS JAPANESE WHALING", Brussels, 2008/02/11) reported that the European Commission urged EU governments to take a united stand against whaling. Referring to recent footage of Japanese whalers, EU Environment Commissioner Stavros Dimas said in a statement "the graphic images on our television screens bring home the reality of whale hunting.

This shows that more than ever the EU needs to be united in opposing whaling." Japan kills more than 1,000 whales each year under a scientific research program allowed by the International Whaling Commission, despite a 1986 moratorium on commercial whaling of many species. The meat is sold at market.

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10. Sino-Indian Territorial Dispute

PTI ("CHINA OBJECTS TO PM'S ARUNACHAL VISIT, INDIA REACTS SHARPLY", New Delhi, 2008/02/11) reported that amidst warming of ties, the PRC has taken exception to Prime Minister Manmohan Singh's visit to Arunachal Pradesh and his assertion that the state belongs to India, evoking a strong reaction from New Delhi. Almost a week after Singh visited Arunachal Pradesh and said the state was "our land of rising sun", PRC Foreign Ministry officials have conveyed to officials in the Indian Mission in Beijing that they were unhappy with the visit and his comments there. Beijing feels that it was not appropriate for the Prime Minister to visit a state, major parts of which it claims are its territory.

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11. PRC Rising Food Prices

Agence France-Presse ("CHINA STRUGGLES TO AVOID PAST MISTAKES IN CONTROLLING FOOD PRICES", Beijing, 2008/02/11) reported that rocketing food prices in PRC have sown deep concern among the leadership, ever wary of social unrest, as they fumble to control inflation without repeating past mistakes. Analysts say inflation is now being driven almost exclusively by increases in the price of food, in particular the staple meat, pork, which has spiked 60 percent year-on-year. Analysts add that authorities in Beijing are becoming increasingly concerned about the prospect of food prices getting out of hand, but add that the problem is not yet approaching the levels that led to widespread popular dissatisfaction almost a decade ago.

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12. PRC Unrest

Economic Times ("CHINA FARMLAND PRIVATISATION PROTESTS SET TO GROW", Beijing, 2008/02/11) reported that Chinese activists pushing for private ownership of farms are preparing for spreading protests to "reclaim" disputed land, intensifying a battle between state control and emboldened farmers. Wary of protests spreading, the government recently sentenced two organisers in the northeast province of Heilongjiang and temporarily detained farmers in northwest province of Shaanxi, said Beijing-based activists backing the campaigns. But a similar petition campaign is now underway in southwest PRC and others are likely to follow in coming weeks and months, raising the likelihood of spreading disputes over land throughout 2008, activists and farmers told the media.

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13. PRC Energy

The New York Times ("IN CHINA, SCRAMBLE CONTINUES IN COAL COUNTRY", Datong, 2008/02/11) reported that this Lunar New Year will always be remembered in the PRC as the Year of the Storm. Freak snow and ice storms left millions of people without power in southern China, stranded millions of migrant workers trying to get home and exposed the fragility of the country's transportation system and power grid. The crisis is now abating, but the storm also underscored the PRC's heavy dependence on coal and laid bare the inadequacy of the country's system of producing, pricing and distributing coal to power plants. The PRC is fueled by coal, which accounts for 80 percent of its electricity.

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14. PRC Environment

Agence France-Presse ("BEIJING SAYS SNOW STORMS DESTROY ONE TENTH OF CHINA'S FORESTS", Beijing, 2008/02/11) reported that that PRC has lost about one tenth of its forest resources to recent snow storms regarded as the most severe in half a century, state media reported Sunday. A total of 17.3 million hectares (43 million acres) of forest have been damaged across the PRC as the result of three weeks of savage winter weather, the China Daily website said, citing the State Forestry Administration. More than half the country's provinces have been affected, and in the worst-hit regions, nearly 90 percent of forests have been destroyed, according to the paper.

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15. Russia-Iraq Debt

Reuters ("RUSSIA SEES IRAQI OIL DEAL REVIVAL IN DEBT WRITE-OFF", Moscow, 2008/02/11) reported that Russia agreed on Monday to write off most of Iraq's $12.9 billion debt in a deal that opens up Iraq for $4 billion in investment from Russian firms, including oil major LUKOIL. Finance Minister Alexei Kudrin told reporters Russian companies would be allowed to invest up to $4 billion in Iraq under a new inter-governmental memorandum signed with visiting Iraqi Foreign Minister Hoshiyar Zebari.

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II. ROK Report

16. DPRK Nuclear Program

Herald Economy ("'2.13 AGREEMENT', NOW IS THE CHANCE!", 2008/02/12) said in an editorial that even though it is one of the greatest achievement of the 2.13 agreement for the DPRK to be prevented from making more plutonium, the two dissenting opinions between the DPRK and the US on reporting the nuclear weapons keep on blocking the nations to turn to the final next page, namely denuclearization. This is mainly because the the DPRK only keeps on trying to avoid the problem, since they are now not only unable to threaten the US with nuclear weapons, but also to bring tension to the Korean Peninsula. The DPRK should grab the opportunity which strengthened ROK-US cooperation has given them before the 2.13 agreement becomes a dead letter.

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17. ROK-Japan Relations

Hankook Ilbo ("ROK-JAPAN RELATIONS TO DRAW ANOTHER PICTURE", 2008/02/12) reported that the relationship between the ROK and Japan is now improving, commencing from a few days before incoming ROK president Lee Myung-bak's inauguration. The aim of the 15 Japanese Diet members' visit to the ROK is to investigate the incoming government's diplomatic policy toward Japan. Even though it is often referred that Lee, unlike Roh Moo-hyun, puts priority on practicality, rather than on ideology, it is not easy for him to be thoroughly free from an urge to stimulate the national sentiment. Both sides should try to facilitate synergies. Japan should not kindle the anti-Japan sentiment among the ROK people by mentioning historical problem.

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18. ROK-US FTA

Pressian ("FTA RATIFICATION AGREEMENT THWARTED", 2008/02/12) reported that the ratification bill on the ROK-US Free Trade Agreement (FTA) was thwarted. Both the supporters and detractors of this agreement assert that it was wrong for the ROK National Assembly to ratify it preemptively. Once the ratification is accepted, we need to change the related national laws. The problem is that we must obey the laws that are changed all based on the FTA, even if the US fails to ratify the agreement. According to a reliable source in the US, it is likely that the US Congress, especially the Democrats, see the agreement negatively.

Seoul Economy ("ROH NEEDS TO TAKE ACTION",) said in an editorial that the US administration said that since the ratifiction procedures of FTAs with several nations is taking longer than expected, they would promote the New Pacific Trade Agreement (NPTA), which will be multilateral. The ROK government has been desperately waiting for the agreement, which will bring our nation an opportunity to step forward to become one of the most advanced nations of the world, to be accepted. The Roh Moo-hyun Administration should regard the FTA deal as the very last responsibility granted to them, and make the final political decision on the issue.

Jeonja Shinmun ("FTA SANCTION WILL IMPROVE ROK MARKET COMPETITIVENESS IN US", 2008/02/12) said in an editorial that the ROK merchandise exported to the US market has far less competitiveness than Japan's. Moreover, the PRC is now becoming another growing power in the US Market. We strongly agree with Korea Trade-Investment Promotion Agency (Kotra)'s indication that in order to promote our industrial power, the ROK should pass the bill on the ROK-US FTA.

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19. ROK Economy

Maeil Economy ("STRONG MEASURES FOR ECONOMIC CRISIS NEEDED",) said in an editorial that the possibility of damaging the global economy is consistently growing, due to subprime mortgage turmoil in the US. The US economic crisis damages the global economy including Asia and Europe. For the ROK as well, the economic growth, prices, and international payments are now

suffering. Regardless of such serious economic crisis, none of the officials who are only waiting for the change of the government endeavors to work on the matter. The government should take strong measures to overcome the crisis.

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