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# NAPSNet Daily Report 14 August, 2008

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## **I. NAPSNet**

### **1. PRC, ROK on DPRK Nuclear Program**

Yonhap News ("S. KOREA, CHINESE FOREIGN MINISTERS DISCUSS N. KOREAN NUKES ", Seoul, 2008/08/13) reported that Foreign Ministers of the ROK and PRC exchanged views surrounding the DPRK's nuclear issue and ways to advance bilateral relations, government sources said. Sources said that Seoul's top diplomat, Yu Myung-hwan, and his PRC counterpart, Yang Jiechi, agreed to work together to establish a thorough verification process for Pyongyang's past nuclear activities, allowing the negotiations aimed at ridding the DPRK of its nuclear weapons to move to the next stage.

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### **2. DPRK Nuclear Program**

Agence-France-Presse ("US DISPATCHES ENVOY IN BID TO BREAK NKOREA NUCLEAR DEADLOCK", Washington, 2008/08/13) reported that the US sent an envoy to Beijing for talks to help break a deadlock over a mechanism to verify the DPRK's nuclear weapons program. Sung Kim, the State Department's top Korea expert, "is going to consult with the Chinese regarding efforts to secure a strong verification regime and additional progress in the six party talks," a department official told AFP. "He is expected to conclude his meeting in Beijing over the weekend," said the official, speaking on condition of anonymity.

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### **3. East Sea Maritime Collision**

Yonhap News ("N.K. SAYS SHIP COLLISION CAUSED BY S. KOREA'S NEGLIGENCE ", Seoul, 2008/08/13) reported that the DPRK claimed that the recent inter-Korean ship collision in the East Sea was caused by the negligence on the part of the ROK vessel, the official news agency of the DPRK said. In a telephone message issued by a lower-level military command in the area of the collision, the DPRK said the accident happened when the captain of the large ROK sand excavator carelessly piloted his ship alone while the crew was asleep. "This accident happened because the captain of the south side's transport ship failed to see the fishing boat of the north side before his ship as he was steering the ship alone after letting its crewmen, who felt tired, go to sleep," the message said.

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## **4. Inter-Korean Economic Cooperation**

Yonhap News ("S. KOREAN FIRMS RAISE MINIMUM WAGE FOR N. KOREAN WORKERS", Seoul, 2008/08/13) reported that ROK companies operating at an industrial complex just north of the heavily fortified Korean border have raised the minimum wage for their DPRK workers by five percent this month, according to company statements. About 23,000 North Koreans were hired by some 70 ROK factories to work at the industrial complex, touted as a model for eventual reunification between the two Koreas, located in the DPRK's western border city of Kaesong.

Chosun Ilbo ("ASAN PAYS N.KOREA FOR JULY TOURS", 2008/08/13) reported that despite stalemate over the shooting death of a ROK tourist at the DPRK's Mt. Kumgang, tour operator Hyundai Asan made its July payment for tours to the DPRK. Asan said it paid US\$675,250 to the DPRK to cover costs accrued by 10,380 ROK tourists who visited the mountain resort on July 1-11.

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## **5. DPRK Internet Service**

Chosun Ilbo ("N.KOREA LIKELY TO PROVIDE INTERNET SERVICE FROM 2009", 2008/08/13) reported that it seems likely that the DPRK will finally join the worldwide web and provide Internet service from next year. Kim Sang-myung, the chief of the DPRK Intellectuals Solidarity, a group of former DPRK professionals, at a symposium in the National Assembly on Wednesday said, "According to the Internet Access Roadmap it launched in 2002, North Korea will begin providing Internet service for special agencies and authorized individuals as early as next year."

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## **6. US-ROK Trade Relations**

Chosun Ilbo ("U.S. EXPECTS KOREA-U.S. FTA RATIFIED BY 2008", 2008/08/13) reported that US Secretary of Commerce Carlos Gutierrez says Congress could ratify Washington's free trade agreement with Seoul this year. During a news briefing, Mr. Gutierrez said ratification could happen during the period after the U.S. presidential election in November. The commerce secretary declined to elaborate further but did add that congressional approval for the FTA is just a matter of when, rather than if.

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## **7. Japan SDF Indian Ocean Refueling Mission**

The Yomiuri Shimbun ("MSDF DISPATCH PROVING DIVISIVE", 2008/08/13) reported that growing discontent among the ruling Liberal Democratic Party's coalition partner, New Komeito, has raised the prospect that the Maritime Self-Defense Force's refueling mission in the Indian Ocean will be suspended early next year, as it was last year. New Komeito is taking a more cautious approach

toward the legislation than it did last year, when the main opposition Democratic Party of Japan opposed continuing the mission. Some analysts attribute New Komeito's change of heart to a desire by the party to concentrate on the Tokyo Metropolitan Assembly election scheduled for next summer, as Soka Gakkai, a lay Buddhist organization that forms the core of its support, has its headquarters in Tokyo.

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## **8. Sino-Indian Relations**

Press Trust of India ("DISPUTE OVER TAWANG BLOCKING INDIA-CHINA BORDER TALKS: NSA", Kuala Lumpur, 2008/08/12) reported that India and the PRC will hold the next round of boundary talks soon but the lingering dispute over the Buddhist enclave of Tawang in Arunachal Pradesh is preventing efforts by the two countries to "cross the rubicon," National Security Adviser M K Narayanan has said. "We are working toward an agreed framework. Five or six points, the more difficult points are settled. What is important is that areas of convergence are increasing. But areas of divergence remain. Tawang, in Arunachal Pradesh state, remains the most important," Narayanan, also the Special Representative to the India-PRC boundary talks said.

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## **9. PRC Protest**

The Associated Press (Audra Ang, "8 ACTIVISTS DETAINED AFTER OLYMPICS PROTEST", Beijing, 2008/08/13) reported that police detained eight foreign activists and a British journalist attempting to cover their protest, as the latest in a series of demonstrations spurred jumpiness about dissent during the Olympics. Seven of the activists were Americans; the eighth was a half-Tibetan woman with Japanese citizenship, said Lhadon Tethong, executive director of Students for a Free Tibet, the group that organized the protest. John Ray of London-based ITV News said he was detained as he rushed to the Chinese Ethnic Culture Park, south of the main Olympic stadium, where two protesters were blocking the main entrance and unfurling a "Free Tibet" banner on a park bridge.

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## **10. PRC Environment**

The Associated Press ("CHINA RAISES TAX ON BIG CARS TO CUT POLLUTION", Shanghai, 2008/08/13) reported that the PRC is raising its sales tax on big cars to as high as 40 percent, and drastically cutting taxes on small cars, in its latest attempt to combat emissions that contribute to heavy blankets of smog over most of its cities. The tax on passenger vehicles with engines bigger than 4 liters will be doubled to 40 percent from 20 percent, effective Sept. 1, the Finance Ministry said Wednesday in a statement on its Web site. Those buying vehicles with engines sized from 2 liters up to 4 liters will have to pay a 25 percent tax, up from the current 15 percent, it said.

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## **II. PRC Report**

## **11. PRC Economy**

Shiquan Government website, <http://sq.aklaw.gov.cn/> (Ye Youyun, "SHIQUAN CULTIVATES 130 RURAL PROFESSIONAL ECONOMIC ASSOCIATIONS", 2008/08/12) reported that by vigorously cultivating rural professional economic associations, Shiquan county of Shanxi province is positively developing the rural economy. The model is "Company+Association+Farmer". This year, a total of 46 associations have been set up, among which 10 are typical. The task is finished 4 months ahead of schedule. After two years' cultivation, the associations have begun to take shape, with 5000 members and an annual output value of 68 million yuan.

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## **12. PRC Civil Society**

Xinhua Net (Wang Rutang, "CHARITABLE ASSOCIATION ESTABLISHED IN A VILLAGE", Jinan, 2008/08/13) reported that recently, 3 poor households and 2 college students in poor families received the charitable fund of 30,000 yuan, from Gangshangcun Charitable Association in Gangshangcun, Zhubao county, Lanshan District, Linyi city, Shandong province. It is a rich village with 2540 villagers. There are more than 260 collective corporations or private corporations, with an annual output value of more than 20 million yuan. To help the poor families in the village, Gangshangcun established a Charitable Association recently, approved by the civil affairs bureau of Lanshan District. In only 2 hours during the opening ceremony, 150,000 yuan had been raised. The fund will be specially used to help poor college students, poor families and the disabled.

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## **13. PRC Energy**

Legal Daily, <http://www.legaldaily.com.cn/> (Li Li, "PROMULGATION OF ENERGY-SAVING ORDINANCE FOR PUBLIC ENTITIES", Beijing, 2008/08/12) reported that the Energy-Saving Ordinance for Public Entities was promulgated by the State Council recently. It will be formally implemented on Oct.1. It regulates that the director will take full responsibility for energy-saving in his public entity, which is directly linked with his performance assessment. The public entity should use the energy under the rated range formulated by relevant sectors. Any overuse of energy should be explained.

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## **III. ROK Report**

### **14. ROK Diplomacy**

Korea Institute for Future strategies ("TO BECOME INDEPENDENT OF US", 2008/08/14) wrote that

ROK diplomacy until today has been too obedient to the US, and independent activity has been slight. The ROK-U.S relationship should be changed to a more practical one. Security should not be the sole purpose anymore. The ROK now can actively establish the sustainable peace structure in the Korean Peninsula, and take an important role in global society.

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## 15. Inter-Korean Relations

Tongil News ("PRIVATE LEVEL ACTION HAS CLEAR LIMIT W ITHOUT GOVERNMENT CLEAR STANCE TOWARD 6.15, 10.4 DECLARATIONS", 2008/08/14) reported that Jung Sae-hyun, former minister of unification, emphasized that private level engagement should continue. However it is in large part limited without government's clear stance toward the 6.15 and 10.4 declarations. Once the government clarifies its attitude, the deadlock can be resolved through secret negotiations, the former minister suggested.

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