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Contents in this Issue:

1. [I. NAPSNet](#)
2. [PRC on DPRK Nuclear Talks](#)
3. [US on DPRK Nuclear Talks](#)
4. [US, ROK on DPRK Nuclear Talks](#)
5. [DPRK-UNC Meeting](#)
6. [Russo-DPRK Relations](#)
7. [Japan Sanctions on the DPRK](#)
8. [Inter-Korean Relations](#)
9. [Inter-Korean Economic Relations](#)
10. [DPRK Leadership](#)
11. [US-ROK Joint Naval Exercises](#)
12. [ROK Military](#)
13. [US-ROK Security Relations](#)
14. [ROK Nuclear Energy](#)
15. [USFJ Base Relocation](#)
16. [Japan Politics](#)
17. [Sino-Japanese Relations](#)
18. [Sino-Indian Relations](#)

19. [PRC Energy Security](#)
20. [PRC Civil Society](#)
21. [PRC Environment](#)

1. I. NAPSNet

[\(return to top\)](#)

2. PRC on DPRK Nuclear Talks

Yonhap News ("CHINA REITERATES CALL TO RESUME SIX-PARTY TALKS", Hong Kong, 2010/07/13) reported that the PRC reiterated its call Tuesday to resume stalled multinational talks aimed at denuclearizing the DPRK. It was the second call from the PRC foreign ministry following last Friday's adoption of a U.N. Security Council (UNSC) statement on the deadly sinking of a ROK warship in March.

[\(return to top\)](#)

3. US on DPRK Nuclear Talks

Agence France-Presse ("US SAYS N.KOREA MUST TAKE ACTION BEFORE TALKS", Washington, 2010/07/13) reported that the US voiced skepticism over the DPRK's offer to return to talks on its nuclear program, saying the DPRK must first show it is serious about dialogue. "If North Korea wants to engage seriously in the six-party process, there are very specific actions that North Korea has to take first before we would consider a resumption of the six-party process," State Department spokesman Philip Crowley told reporters. "If they're not prepared to show through affirmative actions a willingness to fulfill existing commitments under the six-party process -- that it's prepared to give up its nuclear program -- then you have to ask the fundamental question: What are we going to talk about?"

[\(return to top\)](#)

4. US, ROK on DPRK Nuclear Talks

Reuters ("N.KOREA'S CALL FOR TALKS HARDLY WELCOME BY SOUTH, US", 2010/07/13) reported that the DPRK is signalling it wants to restart nuclear weapons negotiations. For the US and ROK, the talks are fraught with risk. The question is how to avoid simply letting Pyongyang go through the motions only to later renege, again, on promises to roll back its nuclear arms programme. In the end, analysts say Seoul and Washington have little choice but to heed the PRC's urging to return to six-party nuclear talks that the DPRK has boycotted for the past 1-½ years. "They know there is no other way; there's no other exit," said Paik Hak-soon, an expert on the DPRK's negotiating tactics at the Sejong Institute.

[\(return to top\)](#)

5. DPRK-UNC Meeting

Agence France-Presse ("N.KOREA WANTS UN TALKS MOVED TO THURSDAY: PENTAGON", Washington, 2010/07/13) reported that the DPRK wants talks on the sinking of a ROK warship to be rescheduled for Thursday after abruptly postponing the meeting hours before it was to begin Tuesday, the Pentagon said. Pyongyang was scheduled to participate in the talks with the US-led United Nations Command, which oversees the Korean War truce, on Tuesday, but sought a postponement for "administrative reasons," a command statement said. Pentagon spokesman Bryan Whitman said DPRK officials say they still want to hold the meeting.

[\(return to top\)](#)

6. Russo-DPRK Relations

Voice of Russia ("S-400S WILL PROTECT RUSSIA AGAINST MISSILE THREATS - OFFICIAL", 2010/07/13) reported that the deployment of up-to-date S-400 Triumph surface-to-air missiles in the Russian Far East will help avert potential missile threats from the DPRK, a Russian defense official has told Interfax. The DPRK's missile test field is not far from the Russian border, the official said in an interview following an earlier statement by Air Force Commander Colonel General Alexander Zelin that two S-400 missile systems would be put on combat duty in far-eastern Russia.

[\(return to top\)](#)

7. Japan Sanctions on the DPRK

Kyodo News ("KUMAMOTO TRADING FIRM HEAD INDICTED OVER ILLEGAL EXPORTS TO CHINA", 2010/07/13) reported that prosecutors indicted the president of a trading company in Kumamoto Prefecture on a charge of illegally exporting to the PRC a power shovel that can be used in the development of weapons of mass destruction and which was later transported to the DPRK,

investigators said. Hiromitsu Tsutsumi, 63, of Yatsushiro, Kumamoto Prefecture, was arrested last month along with the 37-year-old head of another trading firm in Fukuoka City, but prosecutors have decided not to indict the latter due to insufficient evidence. Power shovels are designated as items subject to the export control regulation as they could be diverted for military use, such as for launch pads for ballistic missiles.

[\(return to top\)](#)

8. Inter-Korean Relations

Chosun Ilbo ("N.KOREAN RISK 'BIGGEST DRAG ON SEOUL'S CREDIT RATING'", 2010/07/13) reported that Korean reunification risk is the biggest drag on the ROK's sovereign rating, according to an expert at ratings agency Standard and Poor's. David Beers of S&P on Monday said, "Korea unification, that's going to be very economically and financially challenging for South Korea, because of the huge gap in income levels of the two countries." Beers also pointed to the war risk between the ROK and DPRK as a hurdle to raising the ROK's rating, even though the likelihood is slim.

Donga Ilbo ("PSYCHOLOGICAL WAR VS. N. KOREA RECONSIDERED ", 2010/07/13) reported that the Defense Ministry is reportedly reconsidering waging a psychological war against the DPRK in retaliation for the DPRK's March 26 sinking of the Cheonan. "The announcement that we will set up propaganda speakers and spread flyers means the beginning of a psychological war," ministry spokesman Won Tae-jae told a news briefing. "We need to decide when and if to start it." "We cannot start it immediately just to keep our pledge. We also need to consider inter-Korean relations."

[\(return to top\)](#)

10. Inter-Korean Economic Relations

Yonhap News ("OUTPUT AT INTER-KOREAN FACTORY PARK DECLINES FOR SECOND MONTH", 2010/07/13) reported that production at a ROK-financed factory park in the DPRK fell for a second straight month in May, figures showed Tuesday, as manufacturers complained of a decrease in orders amid tension between the divided states. Production at the joint complex in the DPRK border city of Kaesong stood at US\$27.79 million in May, a 1.2 percent decrease from a month earlier, according to the Unification Ministry in Seoul. The number, however, marked a 56 percent increase from a year earlier, the ministry said, a sign that the complex is expanding on a yearly basis.

[\(return to top\)](#)

11. DPRK Leadership

Yonhap News ("N. KOREA SAYS UPCOMING PARTY MEETING WILL BE HISTORIC", 2010/07/13) reported that the DPRK stressed the historical importance of its upcoming meeting of core ruling party delegates, urging the younger generation of party members to be as loyal to the leadership as their predecessors. In an editorial seen here on Tuesday, the Rodong Sinmun, the party's daily, heaped praise on party members who died loyal to the founder and called on new members to "follow suit." The paper, considered to be Pyongyang's main mouthpiece, also described the September meeting as one that will "shine as a notable event in the history of the holy Workers' Party."

[\(return to top\)](#)

12. US-ROK Joint Naval Exercises

Chosun Ilbo ("U.S. SHIPS COULD MOVE TO EAST SEA FOR JOINT DRILL", 2010/07/13) reported that the ROK and the US are mulling a joint maritime drill in both the East and West Seas this month after the PRC lodged a protest against a huge US military presence on its doorstep. The idea is to deploy some of the bigger American ships including an aircraft carrier to the east of the Korean Peninsula instead of the West Sea as originally planned. A government source on Monday said there is "near-consensus" for turning the planned West Sea drill into an exercise in both the East and West Seas to reflect the positions of Beijing and Washington.

Korea Times ("US AIRCRAFT CARRIER MAY JOIN EXERCISE IN EAST SEA", 2010/07/13) reported that a US nuclear-powered aircraft carrier could be dispatched to the eastern coast of the Korean Peninsula, rather than the western waters as originally planned, to hold joint naval drills with the ROK Navy, military sources said. "South Korean-U.S. maritime exercises are held about 15 times every year," Defense ministry spokesman Won Tae-jae told reporters. "It's not important where the exercises are held. The thing is how the allies will demonstrate their strong combined defense readiness against the North following the Cheonan sinking."

[\(return to top\)](#)

14. ROK Military

Agence France-Presse ("S.KOREA DEPLOYS SENTRY ROBOT ALONG N.KOREA BORDER", 2010/07/13) reported that the ROK has deployed a sentry robot capable of detecting and killing

intruders along the heavily fortified border with the DPRK, officials said. "Our military has been testing such robots along the border," a defence ministry spokesman told AFP. Two robots with surveillance, tracking, firing and voice recognition systems were integrated into a single unit, he said, declining to give details. The robot unit costing 400 million won (330,000 dollars) was installed last month at a guard post in the central section of the Demilitarised Zone, Yonhap news agency said.

[\(return to top\)](#)

15. US-ROK Security Relations

Hankyoreh (Lee Jae-hoon, "USFK COMMANDER VOICES OPPOSITION ABOUT LOUDSPEAKER BROADCASTS", 2010/07/13) reported that United States Forces Korea (USFK) Commander Gen. Walter Sharp has reportedly expressed his virtual opposition to the ROK Army's plan to restart loudspeaker broadcasts at the DMZ aimed at the DPRK. Donald Gross, Asia policy advisor to Barack Obama during his presidential campaign, stated through a column in the Hankyoreh on June 21 that the ROK army's psychological warfare operation could ignite a wide-ranging military conflict on the Korean Peninsula of which the end would be impossible to accurately predict. Cautioning that it would have the unintended effect of causing a fissure in the ROK-US alliance, Gross called for the plan to be indefinitely postponed or scrapped all together.

[\(return to top\)](#)

16. ROK Nuclear Energy

The New York Times ("DISPUTE OVER NUCLEAR FUEL LOOMS IN SOUTH KOREA", 2010/07/13) reported that the ROK, which has no oil reserves, derives 40 percent of its electricity from nuclear reactors and is running out of space to store the highly radioactive spent nuclear fuel. So the ROK government wants to reprocess the used material — both to provide fuel for its next generation of fast-breeder reactors and to reduce its stored waste. But South Korea is barred from such activities under a 1974 agreement with the United States. Possible options, according to analysts in the United States and ROK, include sending the ROK's spent nuclear fuel to another country, for instance to France, for reprocessing, or constructing a recycling facility in the ROK and placing it under multinational control for security.

[\(return to top\)](#)

17. USFJ Base Relocation

Mainichi Shimbun ("DPJ LOSS COULD COMPLICATE JAPAN-U.S. COOPERATION ON FUTENMA",

2010/07/13) reported that the setback of Japan's ruling party in Sunday's upper house election may complicate attempts by Japan and the US to "reset" their political relationship strained over the relocation of a key Marine base in Okinawa, according to US experts on the politics of the two countries. "The Japanese are going to be embroiled in their own domestic politics for quite a while to come, and there's not going to be a lot of bandwidth" for dealing with the United States, said Dan Sneider, a Japan expert at Stanford University's Freeman Spigoli Institute.

Kyodo News ("OKADA SEEKS OPPOSITION CAMP'S SUPPORT ON FOREIGN POLICY", 2010/07/13) reported that Foreign Minister Katsuya Okada called for support from opposition parties Tuesday in carrying out the nation's foreign policy after the ruling Democratic Party of Japan suffered a setback in Sunday's House of Councillors election. "I don't think the divided parliament will directly damage Japan's influence in foreign affairs," Okada told a press conference. "We have to offer more careful explanations to the opposition camp and try to find common solutions on foreign policy issues." Specifically, Okada said he expects the DPJ and the main opposition party to find common ground over the Japan-US accord on the relocation of a US military base in Okinawa.

[\(return to top\)](#)

19. Japan Politics

Agence France-Presse ("JAPAN PM PLEDGES 'FRESH START' AFTER POLL DEFEAT", Tokyo, 2010/07/13) reported that Japan's prime minister pledged a "fresh start" and appealed for cabinet unity as he faced pressure from within his own party over a stinging weekend defeat in upper house polls. "I hope you will cooperate with me, as I have decided to address issues facing this country and seek reforms with a united cabinet," Naoto Kan told his ministers, according to top government spokesman Yoshito Sengoku. "Because of my comments I forced you to face a harsh election. I want to make a fresh start," Kan said. "The cabinet must be united to address the country's challenges and to bring reforms. I call for your cooperation."

[\(return to top\)](#)

20. Sino-Japanese Relations

Xinhua News ("CHINA HOPES FOR CONTINUED STABLE RELATIONS WITH JAPAN", 2010/07/13) reported that a PRC Foreign Ministry spokesman said Tuesday that the PRC hoped its strategic relationship with Japan would continue its stable development after Japan's ruling party suffered a setback in Upper House elections. "The Upper House election is a domestic affair of Japan and China is not in the position to comment," said spokesman Qin Gang at a regular press briefing. Nevertheless, Qin said he hoped the PRC-Japan strategic relationship of reciprocity would maintain a stable and continuous development.

[\(return to top\)](#)

21. Sino-Indian Relations

Phayul ("CHINA TELLS INDIA TO HANDLE TIBET ISSUE CAUTIOUSLY ", 2010/07/13) reported that the PRC asked India to "honour its commitments and cautiously handle" issues related to Tibet and Tibetan exiles in India, PRC state-controlled news agency said. PRC foreign ministry spokesman Qin Gang's remark at a regular news briefing in Beijing follows Indian foreign secretary Nirupama Rao's meeting with His Holiness the Dalai Lama in Dharamsala, the seat of the Tibet's government in exile in north India, on Saturday. "The Indian government has repeatedly acknowledged to China that it recognizes Tibet as part of China's territory and does not allow exiled Tibetans to conduct anti-China activities on the Indian territory," Qin told reporters.

[\(return to top\)](#)

22. PRC Energy Security

OilOnline ("CHINA DEEPENS ITS RESOLVE ON ENERGY SECURITY", 2010/07/13) reported that PRC companies have stepped up their activities over the last year, and two recent reports from analysts Infield Energy Analysts and Wood Mackenzie suggest increased activity in the near future. Over the next two decades, CNOOC plans to invest \$30 billion in deepwater plays in the South China Sea with an aim to increase production of oil and gas to over 1 million b/d by 2020. Sinopec's plan is to gain deepwater experience offshore Angola and use the experience to develop its deepwater assets offshore PRC. PetroChina has also acquired three deepwater blocks offshore Myanmar. The company plans to start deepwater exploration in the South China Sea in 2015.

[\(return to top\)](#)

23. PRC Civil Society

The Wall Street Journal ("GROUP AIMS TO ADD TRANSPARENCY TO CHINA'S CHARITIES", 2010/07/13) reported that some of the PRC's most recognized philanthropic leaders gathered in Beijing this past week for the launch of the China Foundation Center, a new organization that aims to help increase the transparency of PRC charitable groups, which have sometimes struggled with public suspicion of mismanagement and even corruption. The organization looks to bolster trust in PRC foundations by making information about their activities available to the public—thus hopefully encouraging more participation in charitable work. The center's website will initially archive data on more than 1,800 foundations across the PRC.

[\(return to top\)](#)

24. PRC Environment

Agence France-Presse ("CHINA'S ZIJIN DEFENDS HANDLING OF POLLUTION SPILL", 2010/07/13) reported that the PRC's top gold producer defended its handling of a toxic pollution spill that killed off vast numbers of fish, saying heavy rains were to blame, as the company's shares slumped. Pollution from a copper mine owned by Zijin Mining Group Co. has contaminated the Ting river, a major waterway in the southeastern Fujian province, leading to the poisoning of up to 1,890 tonnes of fish, reports said. "There has been no cover-up, no misrepresentation of the facts and no important omissions," the company said.

[\(return to top\)](#)

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