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MARKTWO

I. NAPSNet

1. ROK on DPRK Nuclear Program

Agence France-Presse ("SEOUL REJECTS NKOREA'S DEMAND TO SEARCH SKOREA FOR NUKES", Seoul, 2009/01/15) reported that the ROK on Thursday rejected the DPRK's demand for verification that all US nuclear weapons have been withdrawn from its territory. The ROK foreign ministry accused the DPRK of "distorting the substance of the situation" and called for the DPRK's active cooperation to denuclearise the peninsula.

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2. DPRK-US Relations

United Press International ("N. KOREA URGES NORMALIZED U.S. RELATIONS", Pyongyang, 2009/01/14) reported that DPRK leader Kim Jong Il spoke of self-reliance after calling on the incoming US administration to normalize relations between the two countries. Kim visited two machinery plants as part of his stepped-up economic drive to rebuild the DPRK's industrial infrastructure and address its food shortages. The reclusive leader said at one stop he believed plant workers would "invent and produce more modern farm machines invariably under the uplifted banner of self-reliance and realize the comprehensive mechanization of agriculture as early as possible," the DPRK's news agency reported.

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3. ROK on US-DPRK Relations

Kyodo News ("S. KOREA ASKS U.S. NOT TO HASTILY DISPATCH ENVOY TO N. KOREA: REPORT", Seoul, 2009/01/14) reported that the ROK has asked the US not to be too hasty in sending a special envoy to the DPRK — a Seoul daily reported. The call was conveyed to senior officials of US President-elect Barack Obama when a presidential advisory group comprised of officials and civilians visited the US last week. "(South Korea) agrees in principle to holding high-level talks between the United States and North Korea, but North Korea would receive a wrong signal if the U.S. rushes by sending a special envoy while inter-Korean relations and six-way talks remain stalled," the US side was told.

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4. Inter-Korean Relations

Yonhap News ("SEOUL SCHOOLS TO HIGHLIGHT SECURITY, SOVEREIGNTY IN INTER-KOREAN STUDY MATERIAL", Seoul, 2009/01/14) reported that Seoul schools will adjust the way they teach inter-Korean relations from an emphasis on reconciliatory understanding between the ROK and DPRK to stressing the importance of national security, city education officials said. The announcement by the Seoul Metropolitan Office of Education (SMOE) comes amid increasing calls to revise history and civics materials to reflect a more "balanced" perspective since the inauguration of the conservative administration last year.

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5. Australian Aid to the DPRK

The Age ("AUSTRALIA GRANTS \$3.75M AID TO N KOREA", 2009/01/14) reported that Australia has granted \$3.75 million in humanitarian aid to the DPRK. Foreign Affairs Minister Stephen Smith said the funds comprised \$2 million for the World Food Program for emergency food for the DPRK, \$1 million for Unicef for emergency water and water sanitation supplies and \$750,000 for the Red Cross. "Of course, at this time of year in the northern hemisphere food shortages in North Korea are particularly acute," Mr Smith told reporters.

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6. ROK on Future of DPRK

Yonhap (Kim Hyun, "N. KOREA NOT LIKELY TO COLLAPSE: SEOUL THINK TANK", Seoul, 2009/01/15) reported that the Korea Institute for National Unification said in a report that there is little possibility of a regime collapse in the DPRK. Protracted economic woes have weakened social discipline and stirred discontent among North Korea's citizens, but the predominant view is that it is an overreaction to read these as signs pointing to North Korea's collapse," the report stated.

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7. DPRK Economy

The Associated Press (Kwang-Tae Kim, "NKOREA TO CRACK DOWN ON MARKETS TO STEM

IMPORTS", 2009/01/14) reported that DPRK leader Kim Jong Il has reportedly ordered a crackdown on street markets in an apparent move to reassert control over the economy amid an influx of foreign goods. The leader has ordered that all manufactured goods and imported items be sold at state-run shops rather than markets beginning this month. Street markets have been allowed to spring up in the DPRK in recent years, but officials are concerned about the infiltration of movies and music from the US and ROK, analysts said.

Yonhap News ("ALLIES TO SEAL DEAL ON DEFENSE COST SHARING ", Seoul, 2009/01/14) reported that the ROK and the US will sign an agreement later this week on Seoul's financial contribution to the stationing of American troops here, an official said. "Foreign Minister Yu Myung-hwan and U.S. Ambassador to Seoul Kathleen Stephens will hold the signing ceremony on Thursday afternoon at the ministry's headquarters in central Seoul," the ministry official said. The new terms of the Special Measures Agreement (SMA) calls for the ROK to pay 760 billion won (US\$571 million) this year. Seoul has committed to increasing its share each year until 2013 in accordance with the consumer price index.

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8. US-ROK Military Alliance

Yonhap News (Sam Kim, "U.S. AFFIRMS IT HAS 'RIGHT MIX' OF WAR DETERRENTS AGAINST N. KOREA", Seoul, 2009/01/14) reported that the US affirmed its commitment to maintaining the "right mix" of war deterrents against the DPRK, following a notice it will replace half of its air-to-ground attack helicopters in the ROK with a dozen F-16s. The last-minute switch triggered concerns in the ROK that the US may be moving towards reducing its military presence here as it pushes ahead with its global repositioning program. "The U.S. remains committed to the defense of the Republic of Korea," Aptekar said, "and will ensure the right mix of capabilities is deployed on and around the Korean Peninsula."

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9. US-ROK Trade Relations

The Korea Times (Michael Ha, "CLINTON INDICATES RENEGOTIATION OF KORUS FTA", 2009/01/14) reported that there are growing signs that the US, under the incoming Barak Obama administration, will try to renegotiate portions of the Korea-U.S. free trade agreement (KORUS FTA), but the ROK government has reiterated its position that further renegotiations would not be possible. According to U.S. Secretary of State-designate Hillary Clinton, there are some provisions in the pending agreement that failed to secure fair trade conditions between the two economies. Korean Trade Minister Kim Jong-hoon said that "it would be impossible" to renegotiate the bilateral trade pact.

Yonhap ("U.S. BUSINESS LEADER URGES QUICK APPROVAL OF KORUS FTA", Seoul, 2009/01/15) reported that Thomas Donohue, president of the U.S. Chamber of Commerce, urged the US Congress and ROK National Assembly on Thursday to ratify a bilateral free trade deal as soon as possible. "It would be an historic leap forward in commercial relations between Korea and the U.S.," Donohue said in a luncheon meeting here with reporters. "Both nations must overcome political hurdles to get this deal done."

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10. US-Japan Security Alliance

Agence France-Presse ("US ENVOY SEEKS "ALLIANCE OF EQUALS" WITH JAPAN", Tokyo, 2009/01/14) reported that Japan should play a greater role in global security, including reinterpreting its pacifist constitution to allow it to defend an ally if attacked, the outgoing US ambassador said. Thomas Schieffer, wrapping up his tenure in Tokyo, said a "redefinition would be appropriate" of the post-World War II US-Japan security alliance. "I think America would welcome an alliance of equals, and I think Japan would too," he told a news conference. "I think the interpretation of collective defense needs to be looked at, as to what Japan believes that is, in the modern day with the modern kind of technology that we have," Schieffer said.

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11. Japan Politics

Kyodo News ("LDP DEFECTOR WATANABE RULES OUT IMMEDIATE CREATION OF NEW PARTY", Tokyo, 2009/01/14) reported that former state minister Yoshimi Watanabe, who left the ruling Liberal Democratic Party in protest against Prime Minister Taro Aso's policies, said he will not immediately seek to create a new party or partner up with the main opposition Democratic Party of Japan. "Marking out a new party will make it difficult for many people to join a public movement aimed at the elimination of bureaucratic initiatives," the 56-year-old former administrative reform minister said on a morning television program. "It's not as if the idea of forming a party exists from now."

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12. Japan Climate Change

Kyodo ("21 TRANSPORT MINISTERS MEET IN TOKYO TO DISCUSS CUTTING EMISSIONS", Tokyo, 2009/01/15) reported that transport ministers from 21 major countries started a two-day meeting in Tokyo on Thursday to discuss how best to reduce carbon dioxide emissions in the transport sector. The participating countries include Japan, the United States, Australia, Canada, France, Germany, India, Italy, the ROK, Russia and Britain. The PRC abstained from the meeting, saying it and industrial countries have differed over developing countries' role in reducing CO2 emissions, Japanese officials said.

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13. Sino-Russian Energy Trade

RIA Novosti ("RUSSIA TO LAUNCH 1ST LEG OF ESPO PIPELINE ON DEC. 25, 2009", Moscow, 2009/01/13) reported that the first leg of the East Siberia-Pacific Ocean pipeline will come on stream on December 25, 2009, the head of the Transneft pipeline operator announced on Tuesday. The ESPO pipeline is designed to pump up to 1.6 million barrels of crude per day from Siberia to Russia's Far East and then on to the PRC and the Asia-Pacific region. A 1,100-kilometer (680-mile) stretch of

the pipeline was opened in early October in Russia's Far Eastern republic of Yakutia.

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14. Japan Earthquake Reconstruction Assistance

Xinhua News ("JAPAN OFFERS \$1.35 MLN HELP TO CHINA'S QUAKE ZONE", 2009/01/14) reported that Japan will donate ambulances and fund eight projects in PRC areas affected by the May 12 earthquake. The assistance is valued at 1.35 million U.S. dollars. According to an agreement signed Wednesday between the PRC's Commerce Ministry and the Japanese Embassy in the PRC, Japan will help construct one medical clinic as well as a disease control and prevention building. In Da'nangou and Xinzhai villages in the Gansu Province, Japan will fund the construction of two primary schools. The money will also be used to purchase supplies of drinking water, medical equipment and 20 ambulances which will be used in the Sichuan and Shaanxi provinces.

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15. US and Cross Strait Relations

Bloomberg News (Dune Lawrence, "U.S. ARMS SALES TO TAIWAN MAY SLOW 'NEW ERA' OF TIES WITH CHINA", 2009/01/14) reported that U.S. arms sales to Taiwan may strain ties with the PRC even as the two countries cooperate more closely, current and former PRC officials told their American counterparts in Beijing at a conference. "Recently, some hard-won advances have been made in cross- strait relations," said Li Zhaoxing, who was the PRC's foreign minister from 2003 to 2007. "We certainly don't want something like arms sales to disrupt" the progress. "The Taiwan issue is the most important and sensitive one in relations between the two countries," Dai Bingguo, the PRC's highest ranking official responsible for foreign relations, told the conference participants.

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16. PRC Separatist Movements

Associated Press (William Foreman, "CHINA NAMES 7 NEW REVOLUTIONARY MARTYRS", Guangzhou, 2009/01/15) reported that the PRC has bestowed the "revolutionary martyr" honor on seven people killed in Xinjiang during a period of tight security for the Beijing Olympics , officials and media reported Thursday. Sixteen border police killed in an attack in the city of Kashgar had already been named revolutionary martyrs.

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17. PRC Economy

The Washington Post (Ariana Eunjung Cha, "CHINA GROWS TO WORLD'S THIRD-LARGEST ECONOMY", Beijing, 2009/01/14) reported that the PRC leapfrogged over Germany to become the world's third-largest economy in 2007, sooner than predicted, underscoring how quickly the concentration of global economic power has shifted. Revised figures released by the government statistics bureau show that its economy expanded by 13 percent to \$3.38 trillion. That compares

with Germany's 2007 GDP of \$3.32 trillion. Whether the growth trajectory will continue, however, has been complicated by the global recession, which has already prompted massive layoffs and waves of company closures, especially across southeastern PRC.

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18. PRC Internet Use

The New York Times (Andrew Jacobs, "INTERNET USAGE RISES IN CHINA", Beijing, 2009/01/14) reported that the number of Internet users in the PRC has reached 298 million, nearly equal to the population of the US, according to official figures. Although only 23 percent of Chinese use the Web -- compared with 73 percent in the US and 22 percent worldwide -- about 88 million people went online in the PRC for the first time last year, a 42 percent increase over 2007, the official China Internet Network Information Center said.

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19. PRC Environment

Xinhua News ("CHINA PUNISHES 15,000 ENTERPRISES OVER POLLUTION IN 2008 ", Beijing, 2009/01/14) reported that about 15,000 enterprises were punished for pollution last year and nearly 100 people deemed responsible were disciplined, the PRC's environmental regulator told a national environmental protection meeting. Environmental Protection Minister Zhou Shengxian told the meeting that "China made great progress last year in pollution abatement." According to Zhou, 156 projects totaling 473.7 billion yuan (about 69 billion US dollars) were rejected last year because they were deemed to be energy-intensive or highly polluting. Approved projects, numbering 579, will prevent the emission of 468,600 tons of sulfur dioxide and 38,400 tons of chemical oxygen, he said.

Reuters ("CHINA APPROVES CONTROVERSIAL CHEMICAL PLANT IN NEW CITY", Beijing, 2009/01/13) reported that the PRC's environment ministry has approved a petrochemical plant that drew fierce opposition over feared pollution in one eastern city, approving its construction several miles to the west. Plans to build the paraxylene plant in Xiamen, Fujian province, faltered in 2007 after residents there mobilized a rare mass campaign over fears of toxins from the petrochemicals, used to make polyester and fabrics. But now the Ministry of Environmental Protection had passed an environmental impact study to build the petrochemical complex in Zhangzhou, about 50 km (30 miles) west of Xiamen. The approval means the project, costing about 14 billion yuan (\$2 billion), "may move to Zhangzhou," the report said.

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20. PRC Land Use Policy

Caijing Magazine ("PROTECTION OF FARMLAND USE RIGHTS OVERESTIMATED", 2009/01/14) reported that according to an independent investigation, only 59 percent of PRC villagers received contracts or certificates for land use-rights. This contrasts sharply with the 90 percent figure given by the Ministry of Agriculture. The investigation, conducted jointly by the U.S. Rural Development Institute, Renmin University, and the Michigan State University, showed that in 17 major agricultural provinces only 47 percent of local villagers had secured certificates. The independent

study also challenged the effectiveness of some of the central government's agricultural policies.

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II. PRC Report

21. PRC Environment

Xinhua Net ("CHINA PLANS WATER CONSERVATION, CONTROL PROJECTS ALONG YANGTZE RIVER", 2009/01/13) reported that eight conservation and control projects will be started by 2011 along the PRC's longest river, the Yangtze, to improve water use and protect the ecology, a conservation official said. The initiatives included strengthening embankments on the middle and lower reaches, building flood control projects at major tributaries and lakes, and controlling minor rivers and mountain torrents that posed threats to life. Other planned projects include reservoir and flood-control facilities, hydropower plants, soil erosion prevention schemes, water-quality monitoring networks and environmental protection facilities.

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22. PRC Corporate Social Responsibility

Xinhua Net (Liu Lin, Ren Fang, "CHINA BANKS ASSOCIATION ISSUES CORPORATE SOCIAL RESPONSIBILITY GUIDELINES OF CHINA BANKS AND FINANCIAL INSTITUTIONS", 2009/01/13) reported that PRC Banks Association issued a corporate social responsibility guideline for PRC banks and financial institutions on January 12. The guideline writes that the corporate social responsibility of banking institutions mainly refers to economic responsibility, social responsibility and environmental responsibility. Banking institutions should submit in principle a corporate social responsibility report to the Association by the end of June annually.

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23. PRC Economy

Economic Information Daily (Xing Mei, "CHINA ASSOCIATION OF AUTOMOBILE MANUFACTURERS: AUTOMOBILE SALE MAY GROW 5% THIS YEAR",) reported that executive vice president of China Association of Automobile Manufacturers Dong Yang said at an information conference January 1 that China's auto market may grow 5% in 2009, the changing range depending on favorable policies issuing by the government, as well as the time of those measures.

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III. Position Announcement

24. DMZ Forum Position Announcement

The DMZ Forum ("EXECUTIVE DIRECTOR FOR ASIA: POSITION ANNOUNCEMENT", 2009/01/14)
The DMZ Forum, Inc. (www.dmzforum.org), a U.S. registered 501(c) (3) non-profit organization, actively seeks a full or part time Executive Director for Asia to establish, develop and manage an office in South Korea to help achieve the Forum's mission of supporting conservation of the globally unique biological and cultural resources of the Korean Demilitarized Zone (DMZ) and contiguous Civilian Control Zones (CCZs). Activities of the office and Executive Director will include, but not be limited to: developing and supervising a small Korean staff of paid and volunteer personnel; identifying and managing conservation-related projects in South and North Korea; identifying and securing sources of project and operational funding; establishing and developing collaborative partnerships with Korean and international stakeholders and decision makers; working with Korean and international media; assisting in augmenting and maintaining the DMZ Forum website, including a listserv of international stakeholders in DMZ conservation. Qualifications for the position include: advanced university degree; excellent English and Korean language skills (Chinese and/or Japanese language skills are a plus); knowledge of the Korean context (knowledge of the DMZ and its issues is desirable); organizational development, partnership and collaborative relationship-building skills; and a devotion to environmental conservation. Interested individuals should forward a résumé to or contact Hall Healy, President, The DMZ Forum, Inc. (hallhealy@dmzforum.org).

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