NAPSNet Daily Report 15 September, 2003

Recommended Citation

"NAPSNet Daily Report 15 September, 2003", NAPSNet Daily Report, September 15, 2003, https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-15-september-2003/

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I. United States

1. US on DPRK Nuclear Crisis

Reuters (Francois Murphy, "US SAYS WORLD MUST LEARN FROM N.KOREA NUKE CRISIS," Vienna, 09/15/03) reported that US Energy Secretary Spencer Abraham said on Monday that the world should learn from the DPRK crisis and work hard to prevent other countries from secretly

developing nuclear weapons. "We must deal immediately and effectively with any state seeking to exploit the Nuclear Non-Proliferation Treaty (NPT) to its own advantage," he told delegates at an International Atomic Energy Agency (IAEA) conference in Vienna. "We have seen what happened when (North Korea) took this route," he said. "We need to look at why North Korea was able to make so much progress on its weapons program in the first place. It makes clear that the (DPRK) precedent is unacceptable, and the non-proliferation regime can withstand serious challenges, when member states are prepared to take firm and necessary action," he said. Six-country talks in Beijing aimed at resolving the crisis ended without agreement last month but all parties agreed to meet again. Abraham said he was confident the six-party talks would make progress toward convincing the DPRK to return to the NPT fold. Separately, Abraham signed a five-year agreement with ROK Technology Minister Park Ho-Koon to jointly research and develop advanced fuel cycle technologies aimed at making it easier to dispose of spent fuel from nuclear power plants. Abraham said the bilateral deal would enhance US energy security and help develop safer, less waste intensive nuclear technologies that are also more resistant to proliferation. The agreement calls for the US and ROK scientists to work on joint projects and experiments in both countries, including fuels and materials irradiations in the US.

2. US on DPRK Nuclear Consortium

The Agence France-Presse ("US TO FINANCE NORTH KOREA NUCLEAR CONSORTIUM," Washington, 09/15/03) reported that US President George W. Bush indicated he would spend 3.72 million dollars to finance an international consortium charged with implementing a now-defunct 1994 anti-nuclear deal with the DPRK. Bush said in a memorandum to Secretary of State Colin Powell that the money, already earmarked in 2003 spending bills, was vital to US national security interests. But the cash will cover "administrative expenses only" of the Korean Peninsula Energy Development Organisation (KEDO) which represents the US, European Union, the ROK and Japan. The Bush administration has requested no money for KEDO in its 2004 fiscal year budget currently being debated in Congress, officials said.

3. US DPRK Food Aid

Agence France-Presse ("US REVIEWS FOOD DONATION TO NORTH KOREA," Washington, 09/15/03) reported that the US is reviewing whether or not to send the DPRK the remaining 60,000 metric tons of food aid due this year out of concern the food might not get to people who need it, the State Department said Monday. The department's deputy spokesman, Adam Ereli, said the DPRK has restricted the ability of the U.N. World Food Program, which distributes humanitarian aid in the nation, to monitor food distribution and ensure that it gets to "vulnerable North Koreans." "Unfortunately North Korea continues to restrict access and monitoring, which is still a major concern," Ereli said. So far this year, Ereli said, the US has provided 40,000 metric tons of its 100,000 metric ton commitment to the DPRK. Washington is one of the biggest aid donors to the Asian nation. He said the US has discussed food aid directly with the DPRK as well as with the World Food Program and other international donors. Aid agencies have appealed to donors to put aside unease over helping the DPRK during the crisis over its nuclear program and missile tests.

4. PRC Soldiers on DPRK Border

The Associated Press (Joe McDonald, "CHINA PUTS SOLDIERS ON NORTH KOREA BORDER," Beijing, 09/15/03) reported that the PRC said Monday that its military has taken over patrolling its frontier with the DPRK, but wouldn't disclose why it made the change. The Foreign Ministry would

not confirm reports in Hong Kong media that the PRC moved 150,000 troops to the border to stem crime by DPRK soldiers and to pressure its isolated communist neighbor to halt its nuclear weapons program. "It is a normal adjustment carried out after many years of preparation by the relevant parties," the PRC Foreign Ministry said in a brief statement. It wasn't clear which agency previously patrolled the border, which is off-limits to foreign reporters. But such duties are believed to have been held by the People's Armed Police, a paramilitary force also run by the Defense Ministry. US and ROK analysts, who said they couldn't confirm the troop movements, disagreed over whether Beijing would take such a step to pressure its longtime ally. A US official, speaking on condition of anonymity, said the PRC have been reorganizing border forces for about a year, replacing border guards with army troops to increase security along its frontier, including the DPRK border, and the move does not appear to be linked to a specific issue.

5. PRC on Japan Chemical Weapons Disposal

Agence France-Presse ("CHINA URGES JAPAN TO SPEED UP DISPOSAL OF WWII-ERA CHEMICAL WEAPONS," 09/13/03) reported that the PRC government has urged Japan to speed up the disposal of chemical weapons abandoned by its forces at the end of World War II, state media said. "The Japanese government should provide overall statistics on its abandoned chemical weapons in China to the PRC government," Ge Guangbiao, a chemical weapons expert employed by the PRC foreign ministry, told the China Daily. He said the Japanese information should cover the locations, numbers and categories of the chemical weapons left in the PRC during the chaotic last months of the war. Under the Chemical Weapons Convention, Japan has until 2007 to destroy all chemical weapons found in the PRC, the paper said. The call came as a team of Japanese experts were at work sealing 52 gas bombs found more than a decade ago in Luquan county near Beijing, the paper reported. When they were discovered in 1991, the bombs poisoned about 20 locals, and they were subsequently stored in a mountainous area near Luquan for safety reasons. Fifty-eight years after the end of the war, Japanese bombs continue to be unearthed on a regular basis in China. Eighty bombs were discovered in Heze city in eastern Shandong province earlier this month. Last month, one person died and more than 30 were injured last month by mustard gas dumped by Japan in northeast PRC. More than 700,000 chemical weapons are estimated by Japan to have been abandoned by its armies. PRC experts say as many as two million such weapons are still buried, giving China the world's largest stockpile of leftover chemical weapons.

6. US on DPRK Drug Links

Agence France-Presse ("US 'INCREASINGLY CONVINCED' OVER NORTH KOREA DRUGS LINK," Washington, 09/15/03) reported that US President George W. Bush said the US was "increasingly convinced" that the DPRK had a direct role in international drugs production and trafficking. "We are deeply concerned about heroin and methamphetamine linked to the DPRK being trafficked to East Asian countries," Bush said in his annual report to Congress on drugs producing countries. US officials were "increasingly convinced that state agents and enterprises in the DPRK are involved in the narcotics trade," Bush said. The US leader noted that reliable information on opium poppy cultivation in the DPRK was unavailable, but said there were "clear indications that the DPRK traffic in, and probably manufacture, methamphetamine." Bush said the seizure in April of 125 kilograms (275 pounds) of heroin from a DPRK ship the "Pong Su" raided by Australian special forces was the largest and latest sign of a link between the DPRK state and the drugs trade. "Although there is no evidence that narcotics originating in or transiting North Korea reach the US, the US is intensifying its efforts to stop DPRK involvement in illicit narcotics production and trafficking," Bush said. Washington would work to enhance law-enforcement cooperation with affected countries, he said.

7. PRC-US Trade Surplus Issue

Agence France-Presse ("US STIFFENS CHINA TRADE RHETORIC," 09/16/03) reported that US President George W. Bush's administration bluntly attacked the PRC for shutting out US exporters, dragging its feet on free trade promises, and undervaluing the yuan. Commerce Secretary Donald Evans delivered some of the harshest criticism of the PRC yet by the Bush administration, which has prided itself on tightening political ties with Beijing. The US trade deficit with the PRC, which grew 13 percent in July from the previous month to a staggering 11.3 billion dollars, is an increasing political embarrassment ahead of November 2004 presidential elections. US manufacturers had lashed out at the PRC when questioned by Evans and other Commerce Department officials during a six-month period of "round table" discussions in 20 US cities, Evans said. "During our roundtables no country raised more attention as a source of concern than China," he told the Detroit Economic Club in the manufacturing heartland of Michigan. US manufacturers complained about closed markets, "rampant piracy" of intellectual property; forced transfer of technology from firms in joint ventures, trade barriers; and largely closed financial markets. In Guangzhou, for example, PRC manufacturers were accused of pirating Wrigley chewing gum, copying their trucks and distribution routes, and paying premiums for shops to carry the fake product. "That is a pretty ugly story," Evans said. The US would not wait for ever for the PRC to live up to its World Trade Organization promises for fair trade, he warned.

8. ROK Snap General Election

Agence France-Presse ("KOIZUMI LIKELY TO CALL SNAP ELECTION NOVEMBER 9: REPORT," 09/14/03) reported that Japanese Prime Minister Junichiro Koizumi will dissolve the lower house of parliament on October 10 for a snap general election on November 9 if he is re-elected president of the ruling Liberal Democratic Party (LDP), a news report said. Koizumi has already instructed the LDP leadership to set dates for other important political processes that will follow the party election on September 20, the Yomiuri Shimbun newspaper said, citing sources close to Koizumi. The constitution empowers the prime minister to dissolve the lower house and call for a snap general election within 40 days of the dissolution. Koizumi and three other candidates have been campaigning for the presidency of the LDP, whose dominance in parliament allows it to decide the premiership. Recent polls have indicated that Koizumi is likely to win the party election. Koizumi made his decision because approval ratings for his cabinet have been on the rise as the Japanese economy starts to show signs of recovery, the Yomiuri said. Another factor behind Koizumi's decision was that a planned merger of two opposition parties would have limited impact on the Japanese political landscape, the Yomiuri said.

9. ROK Typhoon Disaster

Reuters (Yoo Choonsik, "SOUTH KOREA COUNTS COST AFTER $1 BILLION TYPHOON," Seoul, 09/15/03) reported that the ROK said Monday the most powerful typhoon to hit the country caused at least $1 billion in damage and killed at least 89 people when it carved a path of destruction through vital industrial areas. Rescue workers were hunting for 26 people still missing three days after Typhoon Maemi howled into the country on Friday with 134 mph winds in the middle of the five-day "Chusok" thanksgiving holiday. The typhoon crumpled giant container cranes, heaved an evacuated ocean liner onto a beach, sank scores of vessels and plunged more than a million homes into darkness in the southeast industrial heartland. Thousands of homes were still without electricity on Monday. "Rescue and repair work is going on round the clock with soldiers, police personnel and others helping residents," Seo Jung-pyo, an official at the National Disaster Prevention and Countermeasures Headquarters, told Reuters. The government is allocating more than $1 billion in

disaster relief and early estimates of the damage are running to at least $1 billion. Financial markets delivered a grim verdict on the cost to Asia's fourth-largest economy, which entered its first recession since the 1997-98 financial crisis in the second quarter. The stock market fell one percent by midday, with top exporters and shipbuilders leading the way, but contractors and cement producers shot up as investors expected rebuilding work to boost their business. The won currency lost ground but government bond prices surged because investors favored fixed assets over stocks amid uncertainty over the US economy and over the domestic one now it had been hit by a typhoon. The government was scrambling to assess whether the typhoon could hurt growth prospects for the third quarter and the year.

Agence France-Presse ("ROK GOVERNMENT UNDER FIRE OVER TYPHOON TRAGEDY," 09/15/03) reported that the ROK's government was under fire after a typhoon left more than 117 people dead or missing and caused more than one billion dollars in damage. Officials said 91 people were confirmed dead and 26 remained unaccounted for three days after the typhoon slammed into the southern part of the country. Commentators said lives could have been spared and property losses reduced had the government taken more rigorous steps as Typhoon Maemi, the most powerful storm to hit South Korea since record-keeping began, barrelled towards the peninsula on Friday. Officials at the Central Anti-Disaster Headquarters (CADH), an inter-government panel set up to handle disasters, had no immediate comment on charges that rigorously enforced evacuation orders from coastal areas battered by the storm could have reduced the scale of the disaster. More than 75,000 homes remained without power and some 2,000 houses were destroyed, leaving 9,000 people homeless, relief officials said, adding that 282 ships were wrecked by tidal waves and five nuclear power plants had been crippled. Intensive relief efforts were under way, involving thousands of troops, said Jin, and three of the nuclear plants were back on line ROK President Roh Moo-Hyun has approved a special budget of 1.5 trillion won (1.28 billion dollars) to aid recovery efforts. Officials were concerned about extensive damage at Busan, South Korea's biggest port, and its potential to hurt the export-dependent country's economy. Weathermen described Maemi as the most powerful typhoon since records began in 1904.

10. US-Multilateral Arms Interception Exercises

Agence France-Presse ("US-LED ARMS INTERCEPTION EXERCISES BEGIN OFF AUSTRALIA," 09/13/03) reported that forces from the US, Australia, Japan and France launched exercises off Australia aimed at stemming the illicit trade in weapons of mass destruction (WMD). The exercises, which follow a meeting of the 11-nation Proliferation Security Initiative (PSI) in Paris earlier this month, began at dawn in the Coral Sea off Australia's northeast coast. The PSI is a global project seeking to impede the flow of WMD, their delivery systems and related materials to and from "state and non-state actors of proliferation concern". In Saturday's drill, a Japanese coastguard vessel was to use its two helicopters to drop armed officers onto the deck of a US navy cargo ship posing as a vessel carrying WMD-related materials. Rules governing the interception of suspect weapons-related cargo were agreed by the 11 nations, comprising those in the exercises plus Germany, Italy, the Netherlands, Poland, Portugal, Spain and Britain at the Paris meeting. They require member nations to stop and search vessels reasonably suspected of carrying WMD, their delivery systems or related materials to or from countries that have created international concern through weapons proliferation. Australian Foreign Minister Alexander Downer said the training drills would "significantly bolster the international community's ability to stem the WMD proliferation threat". This weekend's exercises and notably the inclusion of Japanese vessels were being widely seen as a message to the DPRK that the world is ready to take action on WMD smuggling. But it also comes at a time when the US, the PRC, Russia and others are actively trying to draw Pyongyang into negotiations on its weapons program. While the stated purpose of the PSI is to counter all trafficking

in WMD, delegates at a meeting in Australia in July focused primarily on the DPRK.

11. ROK WTO Conference Collapse

Agence France-Presse ("WTO CONFERENCE COLLAPSED AFTER DEADLOCK WITH SOUTH KOREA, AFRICANS," 09/15/03) reported that the collapse of the World Trade Organization's Cancun conference followed the refusal by the ROK and other developing nations to discuss the so-called Singapore issues, ministers said. "Korea and some other developing countries came to see the (conference) president to tell him that they would not move on Singapore issues," said Danish Foreign Minister Stig Moller. German Economy Minister Wolfgang Clement made similar statements, saying "several African states and South Korea" refused outright to discuss the four issues -- cross-border investment, competition policies, trade facilitation and government procurement. Moller said the European Union "showed flexibility on these issues, but Korea wanted all of them out." "I don't blame anybody for the failure of this conference, but I think we could have reached a compromise if we had negotiated more," he said. Japan's Foreign Minister Yoriko Kawaguchi also said her delegation was flexible in the negotiations. "We need rules, with rules all the countries benefit." "It was unfortunate we could not get developing countries' understanding on the matter," she said at a news conference. The European Union and Japan had urged a prompt start to talks on the Singapore issues.

II. People's Republic of China

1. PRC's Commentary on DPRK Issue

China Daily (Hu Xuan, "NEGOTIATING TABLE SET FOR DPRK, US," 09/13-14/03, P4) carried a commentary saying that the talks on solving the long-standing nuclear crisis on the Korean Peninsula should continue. Only through dialogue and negotiation can peace and stability on the peninsula and throughout the region be safeguarded. The question remains whether the multilateral meetings will continue and resolve this thorny issue in the foreseeable future. It is impossible to thaw the icy relations between the US and the DPRK over the nuclear crisis within three days of talks, the article said. However, for the time being, there is still room for bargaining and compromise. Chinese experts stress the multilateral consultation framework of the six-way talks and the mutual security interests of those involved are key to settling the nuclear stand-off on the peninsula. A New York Times report said that US was prepared to take a range of steps to "aid" the DPRK - from gradually easing sanctions to an eventual peace treaty, which are perceived as a departure from the White House statements earlier this year. But US also made it clear that the first moves are up to DPRK. Given the complex historic background and serious nature of the issue, it is unrealistic to expect substantial breakthroughs in the short term. The Beijing six-party talks are but the first in a series of tough rounds of negotiations. It is the willingness of all concerned to pursue their common interests and solve the issue through peaceful means that has led to an inclusive multilateral dialogue. This same imperative will keep negotiations going. Eventually, they should secure a comprehensive security consultation mechanism on the peninsula and throughout the region, no matter how arduous and plodding the process might be, the article commented.

2. Relations Across Taiwan Straits

China Daily ("REUNIFICATION CONFERENCE CONCLUDES," Moscow, 09/13-14/03, P2) reported that the overseas Chinese world conference for promoting the peaceful reunification of China

concluded in the Russian capital on Thursday with the adoption of the "Moscow Declaration." The declaration calls on overseas Chinese to play a role of bridge in maintaining and developing ties across the Taiwan Straits and make new contributions to the peaceful reunification of China. The declaration says the forces advocating Taiwan independence are the greatest "cancer" in the island province's society, which poses the greatest threat to the stability of the Taiwan Straits and blocks the process of peaceful reunification of China. Their activities will also seriously hamper ties across the Taiwan Straits, the declaration warns. The declaration urges the Taiwan authorities to resume dialogue with the mainland on the basis of accepting the consensus reached by the two sides in 1992 and to establish direct links in trade, mail and transport services across the Straits.

China Daily ("CONFERENCE PUSHES REUNIFICATION," Moscow, 09/12/03, P2) reported that the overseas Chinese world conference for promoting the peaceful reunification of China opened in the capital city of Russia on September 10. During the two-day event, over 600 Chinese delegates from some 60 countries and regions around the world will discuss the obstacles in the path of China's peaceful reunification and possible options for the historic cause pursued by all Chinese people. Luo Haocai, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, reiterated at the opening ceremony the Chinese Government's basic principles on peaceful reunification and especially the "one country, two systems" principle for settling the Taiwan question. The Chinese Government opposes activities of the Taiwan authorities aimed at splitting China, and firmly objects to any cabal of forces working for the "independence of Taiwan," Luo noted in the report.

3. PRC-US Relations

People's Daily ("CHINA STRONGLY OPPOSES US LEADERS' MEETING WITH DALAI: FM SPOKESMAN," 09/11/03, P4) reported that Chinese Foreign Ministry spokesman Kong Quan on September 10 that PRC strongly opposes the US side allowing the Dalai Lama to visit the US and its leaders' meeting with him. Kong made the remark in reply to a reporter's question about the Dalai Lama's visit to the US from September 4 to 24, his meeting with US Secretary of State Colin Powell and his possible meeting with President George W. Bush. PRC has lodged representations with the US on the Dalai Lama's US visit and its leaders' meeting with him, calling for the US side to keep its promise that it acknowledges Tibet as part of China and does not support the "independence of Tibet," Kong said. He said the Dalai Lama is not purely a religious figure, but a political figure in exile, who has engaged in China-separating and national-unity-destroying activities for a long time. The Chinese side urges the US side to stop using the Tibet issue to interfere with China's internal affairs so as to not harm China-US relations, the spokesman said.

China Daily ("STABILIZING TIES," Beijing, 09/09/03, P3) reported that Chinese President Hu Jintao said on September 8 that stable and healthy relations between PRC and the US conform to the fundamental interests of the two peoples, and are conducive to peace, stability and development in the region as well as the world at large. Meeting with visiting former US President Jimmy Carter, Hu said that PRC and the US have conducted fruitful co-operation in fighting terrorism as well as in trade and economic fields in recent years.

4. PRC-Japan Relations

China Daily (Jiang Zhuqing, "PROMOTING EXCHANGES WITH JAPAN," Nagoya, 09/09/03, P2) reported that PRC and Japan should push forward friendly exchange and co-operation in all fields to promote continuing good neighborliness and friendship as well as to make due contributions to peace and development in Asia and the world, PRC's top legislator Wu Bangguo said on September

8. "The two countries, both carrying considerable weight in Asia and the world, shoulder great responsibility for maintaining peace and promoting development," said Wu, chairman of the National People's Congress (NPC) Standing Committee, in a speech to dignitaries from the central region of Japan. Sino-Japanese relations are entering a new stage, Wu said, and Chinese people are ready to join the Japanese people in making greater efforts to promote friendly bilateral exchanges and co-operation to help the two countries continue as good neighbors and partners forever. To achieve this goal, Wu called for continued high-level dialogue and more efforts to promote mutual trust in the political arena. Wu also called for the exercise of caution in dealing with issues of concern involving the two countries. Wu stressed that PRC's development will pose no threat to other countries, and it will strive to safeguard regional and world peace, said the report.

China Daily (Jiang Zhuqing, "LEGISLATOR MEETS JAPANESE PARTY HEADS," Tokyo, 09/08/03, P1) reported that visiting Chinese legislator Wu Bangguo expressed his hope that all of the political parties in Japan, despite their different views on politics, would play an effective role in pushing forward Sino-Japanese relations through cross-Party exchanges with PRC. Wu met leaders of Japan's major parties over the weekend, including the Social Democratic Party of Japan, the Komei Party, the Japanese Communist Party, the Democratic Party of Japan and the New Conservative Party. He briefed PRC's position on the issue of chemical weapons left by the Japanese army in Qiqihar during the World War II, and hoped the parties of Japan could push forward the settlement of the issue. All the party leaders expressed their will to further develop Japan-PRC friendship and co-operation with the Communist Party of China.

5. PRC-Russian Ties

People's Daily (Li Wenyun and Ma Jian, "CHINESE VICE-PRESIDENT MEETS RUSSIAN GUESTS," Beijing, 09/11/03, P1) reported that Chinese Vice-President Zeng Qinghong met on September 10 with the Russian members of the China-Russia Friendship Committee for Peace and Development (CRFCPD) which was headed by Leonid Drachevsky, the CRFCPD's chairman on the Russian side. During his visit to Russia last May, Chinese President Hu Jintao and Russian President Vladimir Putin reached the consensus of creating a new situation for the development of the PRC-Russia relations, which is of vital significance to the development of bilateral ties in the new century, Zeng said. Zeng noted that the CRFCPD has played an important role in increasing mutual understanding and trust, promoting friendly communication and cooperation, and expanding the social basis for the PRC-Russia relations. Briefing Zeng on the fifth plenum of the CRFCPD, which was convened here earlier Wednesday, Drachevsky said Russian CRFCPD members have all realized that it is a glorious mission in promoting the Russia-PRC friendship.

III. Japan

1. WTO Ministerial Talks

Kyodo (Yoichi Kosukegawa, "WTO OFFICIAL SEES DIFFICULTY IN LAUNCING TALKS ON NEW RULES," Cancun, 09/11/03) reported that WTO official sees difficulty in launching talks on new rules the World Trade Organization (WTO) may have difficulty reaching an accord soon on the proposed launch of negotiations over rules for investment and other new areas, WTO spokesman Keith Rockwell indicated Thursday. "An intermediate option could be explored during consultations over the next couple of days," Rockwell said at a news conference. Canadian International Trade Minister Pierre Pettigrew said earlier in the day that the WTO members are divided between those seeking to launch negotiations on rules governing four new areas known as "Singapore issues" and those

opposed to doing so. The four areas, first taken up at a 1996 WTO ministerial meeting in Singapore, are investment, competition, trade facilitation and transparency in government procurement. Launching negotiations on investment and competition rules is one of Japan's top priorities at the five-day WTO ministerial meeting that started Wednesday in the Mexican resort town of Cancun. But developing countries have been reluctant to launch talks on the proposed new WTO rules. A group of 16 developing countries including PRC, India, Indonesia, Malaysia and the Philippines released a statement Thursday expressing opposition to the proposed launch of talks on the Singapore issues. "The issues are technical and complex and some of them are quite unrelated to trade," the statement said. "There is no explicit consensus on the commencement of negotiations on modalities." A negotiations source said stalled farm trade talks have hindered progress on the Singapore issues. "If there is no progress in agriculture, it would be difficult to expect moves in non-farm goods and rules on the new areas," the source said.

Kyodo, ("JAPAN, S.KOREA AFFIRM COMMON STANCE ON KEY WTO ISSUES," Cancun, 09/11/03) reported that Japan and ROK affirmed on Thursday their joint front on all key issues being discussed at a World Trade Organization (WTO) ministerial meeting in Cancun, a Japanese official said. Japanese Economy, Trade and Industry Minister Takeo Hiranuma and ROK Trade Minister Hwang Doo Yun agreed on this in a meeting on the sidelines of the WTO conference, the official said. Like Japan, ROK wants its forestry and marine products to be exempted from proposed tariff cuts, Hwang told Hiranuma, the official said. Hiranuma told Hwang it is important to proceed with discussions on agriculture, market access to nonagricultural products, and the so-called Singapore issues, a package of four issues -- trade facilitation, investment rules, transparency in government procurement and competition policy -- simultaneously, the official said. Japan is eager to start full negotiations on the Singapore issues at the Cancun meeting. Referring to a sharp disagreement between developed and developing nations over the new issues, Hwang told Hiranuma that cooperation with the US will become important in urging developing nations to agree with the launch of the negotiations in Cancun, the official said. The two ministers agreed on their further cooperation in the Doha Round of global trade liberalization talks, the official said. ROK is among eight nations with which Japan submitted a proposal calling for revisions of a draft ministerial declaration to be adopted at the conference. The WTO meeting in the Caribbean beach resort is seen as a last chance to successfully conclude the Doha Round by the Jan. 1, 2005 deadline.

Kyodo (Yasushi Azuma "NO SIGN OF PROGRESS ON 3RD DAY OF WTO TALKS," Cancun, 09/12/03) reported that ministers from World Trade Organization (WTO) member economies struggled Friday to hammer out a framework agreement on key issues in global trade, but there has been little sign of a breakthrough in the tug-of-war between rich and poor nations. Negotiations continued on the third day of the five-day WTO ministerial meeting in the Mexican resort of Cancun, with ministers and officials huddling in working groups and working behind-the-scene over key areas such as agriculture. However, gaps among member economies, particularly between developed and developing nations, remained wide on farm trade liberalization and market access to nonagricultural products. European Union Agriculture Commissioner Franz Fischler said he is dissatisfied with efforts by developing nations to move close for an agreement in the agricultural sector. Referring to a group of 21 developing nations led by Brazil critical of advanced nations, Fischler said at a news conference, "To be frank, the 21 showed no ambition at all. We have shown flexibility." On market access to non-farm products, the United States urged developing nations to respond positively for tariff cuts on nonagricultural products. Deputy US Trade Representative Peter Allgeier said at a separate news conference, "There are many developing countries that are...very cautious, reluctant, hesitant to make a significant opening in their markets." "We will continue to push for a greater openness in nonagricultural market-access area," he said. On agriculture, the stickiest among a host of issues being discussed at the Cancun meeting, ministers are expected to resume their discussions at a working group in the evening. Singaporean Trade and Industry Minister George Yeo Bon, a

facilitator for discussions of the group, said Thursday he will distribute a document on agricultural measures Friday, according to Japanese officials. But the text cannot be an alternative to an alternative to a draft for a ministerial statement to be adopted at the conference and is aimed at discussions by sharpening points at the issue, a Japanese official said.

2. G-7 Financial Ministerial Talks

Kyodo ("G-7 OFFICIALS TO DISCUSS CHINA'S CURRENCYN POLICY IN DUBAI," Tokyo, 09/11/03) reported that top financial officials from the Group of Seven (G-7) economic powers are expected to discuss PRC's currency policy at their meeting in Dubai next week although it will not make the list of items on the formal agenda, a senior Finance Ministry official said Thursday. G-7 finance ministers and central bank chiefs are likely to address PRC's policy on the yuan when they discuss the world and emerging economies during the one-day meeting Sept. 20, said Hiroshi Watanabe, director general of the ministry's International Bureau. The comments were made after US Treasury Secretary John Snow said Wednesday he will discuss currency issues during the G-7 meeting, leading analysts to suspect that Washington will take up the issue of revaluation of the yuan. The yuan has been fixed at about 8.28 to the US dollar since 1994, and critics say the rate makes foreign products more expensive in PRC while helping its exports. Watanabe told reporters that geopolitical uncertainties surrounding the world economy appear to have intensified over the last few months due to unstable situations in Iraq and other parts of the Middle East. "It may be optimistic to say that geopolitical uncertainties have receded" since the April G-7 meeting in Washington, he said. "Situations have worsened since May or June." Watanabe said G-7 officials are unlikely to have substantial talks on Iraq's reconstruction because donor countries and international organizations are now preparing for a donor members' ministerial meeting scheduled for Oct. 24 in Madrid. However, he said G-7 countries are planning to hold an expert-level meeting on Iraq's reconstruction on the sidelines of a series of meetings in Dubai of the International Monetary Fund and World Bank on Sept. 21-24.

3. Joint Maritime Drill

Kyodo ("4 NATIONS BEGIN MARTIME INTERDICTION DRILL OFF AUSTRALIA," 09/13/03) reported that Australia, Japan, France, and the US began a joint maritime drill Saturday aimed to stop the flow of weapons of mass destruction and the proliferation of missile technology. The operation, dubbed the "Pacific Protector," began on the Coral Sea off the coast of Queensland and is scheduled to last for three days. In the exercise, the Japan Coast Guard patrol vessel Shikishima is working with the US destroyer Cutis Wilbur and the Australian frigate Melbourne on a scenario to intercept the Tokyo Summer, a US frigate vessel posing as a Japanese merchant ship carrying chemicals for use in weapons of mass destruction. The maneuvers at 5 a.m. local time and involved about 800 troops. Under the scenario, the three vessels began chasing the target ship after aerial searches by the French navy. A commando unit from the Japan Coast Guard is then to storm the target vessel from a helicopter and conduct inspections jointly with the U.S. Coast Guard. The drill is the first in a series of maritime, air and land interdiction training exercises agreed to by members of the Proliferation Security Initiative (PSI) in Paris last week. U.S. President George W. Bush called for the establishment of the PSI in May to develop ways to prevent the spread of nuclear, chemical and biological weapons and related materials. The initiative involves a total of 11 countries, and seven others that were not taking part in the ongoing drill -- Germany, Italy, the Netherlands, Poland, Portugal, Spain and Britain -- were invited to send observers. The observers visited the drill site with Australian Defense Minister Robert Hill.

The NAPSNet Daily Report aims to serve as a forum for dialogue and exchange among peace and security specialists. Conventions for readers and a list of acronyms and abbreviations are available to all recipients. For descriptions of the world wide web sites used to gather information for this report, or for more information on web sites with related information, see the collection of other NAPSNet resources.
We invite you to reply to today's report, and we welcome commentary or papers for distribution to the network.

Produced by the Nautilus Institute for Security and Sustainable Development in partnership with:

Ilmin Internationl Relations Institute
BK21 The Education and Research Corps for East Asian Studies
Department of Political Science, Korea University, Seoul, Republic of Korea

Center for American Studies,
Fudan University, Shanghai, People's Republic of China

International Peace Research Institute (PRIME),
Meiji Gakuin University, Tokyo, Japan

Monash Asia Institute,
Monash University, Clayton, Australia

Brandon Yu: napsnet@nautilus.org
Berkeley, California, United States

Timothy L. Savage: napsnet@nautilus.org
Berkeley, California, United States

Kim Young-soo: yskim328@hotmail.com
Seoul, Republic of Korea

Hibiki Yamaguchi: hibikiy84@hotmail.com
Tokyo, Japan

Saiko Iwata: saiko@akira.ne.jp
Tokyo, Japan

Hiroya Takagi: hiroya_takagi@hotmail.com
Tokyo, Japan

Peter Razvin: icipu@online.ru
Moscow, Russian Federation

Wu Chunsi: cswu@fudan.ac.cn
Shanghai, People's Republic of China

Dingli Shen: dlshen@fudan.ac.cn
Shanghai, People's Republic of China

John McKay: John.McKay@adm.monash.edu.au
Clayton, Australia

View this online at: https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-15-september-2003/

Nautilus Institute
608 San Miguel Ave., Berkeley, CA 94707-1535 | Phone: (510) 423-0372 | Email: nautilus@nautilus.org