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# NAPSNet Daily Report 17 July, 2009

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## **I.NAPSNet**

### **1. UN Sanctions on the DPRK**

Associated Press (John Heilprin, "UN PANEL ISSUES NEW SANCTIONS AGAINST NORTH KOREA", United Nations, 2009/07/16) reported that a U.N. Security Council panel imposed new sanctions Thursday against DPRK officials and companies aimed at curbing the nation's nuclear defiance. The panel named five people and five companies subject to travel bans and a freeze on financial assets. It also designated two types of materials used in ballistic missile parts — certain types of graphite and para-aramid fiber — that nations must refrain from supplying to the DPRK. The designations need no further approval and are effective immediately. U.S. officials expressed satisfaction with the list, and the PRC went along with most of the U.S. recommendations.

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### **2. DPRK on Nuclear Talks**

Joong-Ang Ilbo ("NORTH DECLARES 'PERMANENT END' TO NUCLEAR TALKS", 2009/07/17) reported that despite the DPRK's declaration that the six-nation nuclear disarmament dialogue has ended for good, the international community has increased pressure on the reclusive communist country to return to the negotiation table and give up its weapons programs. The ROK reconfirmed its position yesterday that the DPRK must return to the talks.

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### **3. PRC on Six Party Talks**

Xinhua News ("SPOKESMAN CALLS FOR ALL PARTIES TO CONTINUE SIX-PARTY TALKS", Beijing, 2009/07/16) reported that PRC Foreign Ministry spokesman Qin Gang said Thursday that all parties to the six-party talks on the Korean Peninsular nuclear issue should meet their commitments by adopting practical measures to advance the process. "We hope all parties will properly resolve issues through dialogue and coordination," Qin told a regular press conference here. Qin urged all parties to avoid intensifying the tense situation, and to jointly safeguard peace and stability in northeast Asia.

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### **4. US Policy Toward the DPRK**

Korea Herald ("U.S. SEES TOUGHER EFFORTS TOWARD N.K.", 2009/07/16) reported that U.S. Secretary of State Hillary Clinton indicated Wednesday that Washington had no plans to detour from its currently hawkish policies toward the DPRK. "The long-term result, we believe, will be a tougher joint effort toward the complete and verifiable denuclearization of the Korean Peninsula," Clinton said. Noting the progress thus far, Clinton said, "The short-term results were two unanimous Security Council resolutions with real teeth and consequences for North Korea, and then the follow-on active involvement of China, Russia and India with us in persuading others to comply with the resolutions."

Joong-Ang Ilbo (Kim Jung-wook , "POWER SHIFT IN OBAMA'S NORTH DESK", Washington, ) reported that key U.S. policymakers on the DPRK from the previous U.S. government will be moved to another role or have been relegated from the frontline, as the Obama administration continued to give more power to new faces with a more aggressive approach to Pyongyang. Diplomatic sources in Washington said Kurt Tong will soon be replaced as the director of Korean Affairs at the State Department. The source added that following a string of recent DPRK provocations, "Bosworth and Kim, the two figures handling negotiations with the North, have seen their roles diminished."

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### **5. US-DPRK Relations**

Xinhua News ("U.S. HAS NO PLAN TO MEET WITH DPRK OFFICIALS AT ASEAN MEETINGS", Washington , 2009/07/16) reported that the United States has no plan to meet with officials of the DPRK at the meetings of the Association of Southeast Asian Nations (ASEAN) in Thailand next week, a senior U.S. official said. Ruling out the possibility of a U.S.-DPRK meeting, U.S. Deputy Assistant Secretary of State Scot Marciel also told reporters that there will probably not be a meeting of the five nations pushing the DPRK to abandon its nuclear weapons programs on the sidelines of the ASEAN meeting.

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### **6. Russia on DPRK Nuclear Issue**

MosNews ("MOST RUSSIANS WANT TO ENGAGE IN DIPLOMATIC TALKS WITH NORTH KOREA - POLL", 2009/07/15) reported that many people in Russia say the best way to deal with the DPRK's nuclear program is to engage in diplomatic talks with the Kim Jong-il regime, according to a poll by the Yuri Levada Analytical Center. 48% of respondents share this view, up 12 points since 2003. Only 22% of respondents favour applying diplomatic pressure in the form of sanctions when dealing with the DPRK, while 3% think launching a military operation would be wise. 10% of respondents believe the DPRK's nuclear program is not a threat to global peace, down eight points since 2003.

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## **7. Japan-DPRK Relations**

Associated Press (Shino Yuasa, "MINISTRY: JAPAN SCRAMBLED JETS OVER NKOREAN PLANES", Tokyo, 2009/07/16) reported that Japan scrambled military jets eight times from April to June when suspected DPRK planes came close to Japanese airspace, the Defense Ministry said Thursday. The suspected DPRK aircraft flew near Japanese airspace over the Sea of Japan but did not enter it.

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## **8. DPRK Economy**

Chosun Ilbo ("N.KOREA 'EARNING \$2 BILLION A YEAR IN ARMS DEALS WITH IRAN'", 2009/07/16) reported that the DPRK earns over US\$2 billion annually in arms deals with Iran, according to Larry Niksch, a specialist in Asian affairs with the U.S. Congressional Research Service. Niksch made the claim at a conference Tuesday hosted by the Cato Institute in Washington on the PRC's role in DPRK affairs. He called on the PRC to block flights between Pyongyang and Tehran in addition to financial sanctions against the Stalinist country.

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## **9. DPRK Leadership**

Associated Press (Jean H. Lee, "NKOREAN BIOPICT CELEBRATES LIFE OF KIM JONG IL", Seoul, 2009/07/16) reported that Kim Jong Il's childhood in a secret guerrilla camp and early years before becoming leader of the DPRK are the focus of a multipart film in the works in Pyongyang, state media said Thursday. The movie chronicles the authoritarian leader's "undying feats" and his "extraordinary wisdom and distinguished leadership art, political caliber and noble personality," according to state media. Part 1 of "The Sun of Songun Shedding Its Rays All over the World" focuses on his early years and his development of the "songun," or "military first," policy that has defined his leadership, the Korean Central News Agency said Thursday.

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## **10. Pro-DPRK Japanese Residents**

Agence-France Presse ("JAPAN'S FORMER INTELLIGENCE CHIEF CONVICTED OF FRAUD", Tokyo, 2009/07/16) reported that a Tokyo court Thursday gave a former Japanese intelligence

agency chief a suspended prison sentence for a fraud case involving an organization linked to the DPRK. Shigetake Ogata, the ex-head of the Public Security Intelligence Agency, was given a suspended jail term of 34 months for defrauding the pro-Pyongyang General Association of Korean Residents in Japan, or Chongryon. Ogata, 75, was accused of swindling funds and real estate worth about Y480 million (\$5.1 million) from Chongryon, which was looking for a buyer for their headquarters in Tokyo.

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## **11. ROK-Japan Territorial Dispute**

Yonhap ("SEOUL SLAMS TOKYO'S FRESH CLAIM TO DOKDO", Seoul, 2009/07/17) reported that in a cabinet meeting on Friday, Japan approved its 2009 defense white paper claiming the country's territorial rights to Dokdo/Takeshima islets. The ROK defense ministry issued a statement, saying, "We sternly oppose Japan's description of Dokdo as part of Japanese territory and demand an immediate correction by the Japanese government." "We stress once again that we won't accept Japan's claim to Dokdo, which is clearly Korean territory in terms of history, geography and international laws," the ministry said. It urged Tokyo to seriously recognize that the repeated claims would only get in the way of both countries' bid to develop their relationship into that of a future-oriented partnership.

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## **12. Japanese Defense**

Kyodo ("JAPAN DEFENSE WHITE PAPER RATCHETS UP VIGILANCE OF CHINA, N. KOREA", Tokyo, 2009/07/17) reported that the PRC has begun work to make its military capable of assuming missions other than the Taiwan issue, while the DPRK may destabilize in the near future due to health problems of leader Kim Jong Il, the Defense Ministry warns in an annual white paper released Friday. In such circumstances, Japan is exploring the military use of outer space and working to update the National Defense Program Guidelines that define its basic security policy and targeted capabilities for the coming years, the paper says.

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## **13. Japan Politics**

Kyodo News ("LDP DISSIDENTS' ATTEMPT TO OUST ASO SEEMINGLY ENDING IN FIASCO", Tokyo, 2009/07/16) reported that an attempt by Liberal Democratic Party members to hold a plenary party meeting to dismiss Prime Minister Taro Aso as LDP president seems to be ending in a fiasco, as the party leadership apparently decided Thursday not to stage any such official meeting. The ruling party is planning instead to hold an emergency meeting Tuesday with Aso attending, before the premier later dissolves the House of Representatives for an election in line with his original schedule, according to some party lawmakers. On Thursday morning, the LDP submitted the signatures of 133 LDP Diet members seeking to hold a plenary meeting.

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## **14. Japan-Mongolia Energy Cooperation**

Kyodo News ("JAPAN, MONGOLIA AGREE TO COOPERATE IN URANIUM ORE DEVELOPMENT", 2009/07/16) reported that the leaders of Japan and Mongolia agreed Thursday to cooperate in developing uranium and other minerals rich in Mongolia, with Tokyo promising to step up its aid to bolster the Mongolian economy. Largely an agrarian economy, Mongolia is seeking to become an exporter of natural resources with its rich mineral reserves, such as coal, copper and uranium.

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## **15. PRC Naval Power**

Agence-France Presse (Shaun Tandon, "US SOUNDS ALARM ON CHINA SEAPOWER", Washington, 2009/07/16) reported that the United States voiced concern about rising tension between the PRC and Vietnam in the South China Sea as a senator led calls to boost US seapower faced with Beijing's growing military. State Department official Scot Marciel said that Beijing has told US and other foreign oil companies to halt work with Vietnamese partners in the South China Sea or face consequences inside the lucrative PRC.

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## **16. Sino-US Environmental Cooperation**

The New York Times ("U.S. AND CHINA PLEDGE TO STUDY ENERGY-EFFICIENT BUILDINGS", Beijing, 2009/07/16) reported that ending his first official visit to the PRC, the United States energy secretary, Steven Chu, said the two nations had agreed to plan joint studies on ways to improve the energy efficiency of buildings, a major issue in addressing the PRC's contribution to climate change. Mr. Chu said that the United States and the PRC had drafted a memorandum of understanding for creating a team of experts that will study ways to provide heat, air conditioning and light for buildings while minimizing their electricity needs.

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## **17. Sino-Indian Relations**

Agence France Press ("INDIA 'AWARE' OF CHINA BUILD-UP AT BORDER", 2009/07/16) reported that noting that it is aware about the PRC's infrastructure build up along the Line of Actual Control, government on Thursday said India is also ramping up its infrastructure in border areas to meet its strategic and security requirements. "Government is aware that China is developing infrastructure in border regions opposite India in the Tibet and Xinjiang autonomous regions," Minister of State for External Affairs Preneet Kaur told Rajya Sabha. She said government continues to develop infrastructure in India's border areas in order to meet the country's "strategic and security requirements and to facilitate the economic development of these areas."

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## 18. Cross Strait Relations

Washington Times ("CHINA'S MILITARY BUILDUP WORRIES TAIWAN", 2009/07/16) reported that the PRC's military buildup across the Taiwan Strait remains a major concern for the tiny island even as overall relations between the Cold War foes improve, Taiwan's top official for its relations with Beijing said. The PRC continues to deploy 1,300 missiles pointed at Taiwan, a number that has been increasing since the 1990s, Shin-Yuan Lai, minister of Taiwan's Mainland Affairs Council, told editors and reporters. "Taiwan is a highly democratic country and if the mainland wants to win the hearts of the Taiwanese people, they have to remove the military threat," she said.

Agence France Press ("TAIWAN TO CUT MILITARY AMID WARMING TIES WITH CHINA - OFFICIAL", 2009/07/16) reported that Taiwan will reduce the size of its armed forces by a fifth as ties improve with longtime rival PRC, a defense ministry official said. The defense ministry hopes to cut the number of soldiers to 215,000 within five years from 275,000 now, the official said, adding that about a quarter of the generals would also be phased out.

Associated Press (Peter Enav, "CHINA BOYCOTTS OPENING OF WORLD GAMES IN TAIWAN", Taipei, 2009/07/16) reported that the 100-strong PRC delegation boycotted the opening ceremony of the World Games in Taiwan on Thursday, underscoring the limits of the historic breakthrough in relations between Taipei and Beijing. The PRC gesture is likely to ruffle feathers on this democratic island of 23 million people, which under President Ma Ying-jeou has moved aggressively to improve ties with the mainland, its once-bitter enemy. While the PRC delegation did not say immediately why it boycotted the ceremony, the act is almost certainly related to Ma's role in declaring the games open.

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## 19. PRC-Australia Relations

New York Times ("RIO TINTO BRIBED MOST BIG STEEL MAKERS, CHINA SAYS", 2009/07/16) reported that China Daily said Rio Tinto employees bribed executives from 16 PRC steel companies, all members of the China Iron and Steel Association, to get access to confidential industry data. The paper attributed the allegation to an unidentified "industry insider" and did not identify the 16 companies. Rio Tinto has expressed shock at the allegations and said that the company has strict ethics policies that forbid bribery.

Reuters (Lucy Hornby, "CHINA AND AUSTRALIA TRADE WARNINGS ON RIO CASE", Beijing, 2009/07/16) reported that Australia and the PRC traded warnings on Thursday over Rio Tinto employees detained for spying. The PRC's Foreign Ministry warned Australia against interference. "We resolutely oppose anyone deliberately whipping up this case or trying to interfere in China's judicial independence," ministry spokesman Qin Gang told reporters. "This is not in Australia's interest." Australian Foreign Minister Stephen Smith said he did not expect relations to be harmed by the case, but warned: "China itself does need to think about whether its handling of this matter has any adverse implications for it."

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## 20. US on PRC-Australia Relations

Bloomberg ("U.S. SEEKS MORE INFORMATION ON CHINA'S PROBE INTO RIO", 2009/07/16) reported that U.S. Commerce Secretary Gary Locke called on the PRC to provide more information about the arrest of Rio Tinto Group executives amid allegations of bribery. "All we can say right now to the Chinese government, and I think everyone, should simply urge greater transparency and following due process," Locke said in a Bloomberg Television interview today in Beijing.

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## 21. PRC Ethnic Unrest

Agence-France Presse ("CHINA WARNS ALL COUNTRIES NOT TO PROMOTE UIGHUR LEADER", Beijing, 2009/07/16) reported that the PRC opposed any foreign platform for Rebiya Kadeer, after an Australian film festival accused Beijing of trying to stop a showing of a documentary about the leading Uighur activist.

Associated Press (William Foreman, "CHINA TO ISSUE ARREST WARRANTS FOR XINJIANG RIOTS", Urumqi, 2009/07/16) reported that an initial investigation into ethnic riots that left 192 people dead in the PRC's restive Western region has been completed and arrest warrants will be issued soon, the chief prosecutor for Xinjiang said Thursday. PRC authorities also got more aggressive in blocking foreign media from working in the streets of Urumqi, the regional capital where the July 5 riots occurred. On Thursday, chief prosecutor Hamsi Mamuti said the first group of suspects had been identified, but did not give any numbers, according to Xinhua. The report did not say how many would be arrested, but Li Zhi, the highest-ranking Communist Party official in Urumqi, said last week that those found guilty of the most serious crimes could be executed.

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## 22. PRC Economy

Bloomberg News ("CHINA'S MARKET VALUE OVERTAKES JAPAN AS WORLD'S NO. 2", 2009/07/16) reported that the PRC overtook Japan as the world's second-largest stock market by value for the first time in 18 months, after government stimulus spending and record bank lending boosted share prices this year. The Shanghai Composite Index rose 1.4 percent yesterday, sending the value of the PRC's domestic stock market to \$3.21 trillion, compared with Japan's \$3.20 trillion, according to data compiled by Bloomberg. The Shanghai index has gained 75 percent this year, the best-performing major market, against a 5.5 percent advance in the Nikkei 225 Stock Average. The U.S. has the biggest equities market worth \$10.8 trillion.

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## 23. PRC Internet Use

The Associated Press ("CHINA'S POPULATION OF WEB USERS HITS 338 MILLION", 2009/07/16) reported that more people now go online in the PRC than there are people in the United States.



The country's rapid economic growth and expansion of Internet access in more areas has fueled a sharp increase in Internet users, totaling 338 million by the end of June, a government-sanctioned research group said Thursday. That is a 13.4 percent jump since the end of 2008, the China Internet Network Information Center said in a report.

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## **II. PRC Report**

### **24. Civil Society in the PRC**

Ministry of Health ("LAUNCHING CEREMONY OF MOH-GATES FOUNDATION TUBERCULOSIS PREVENTION AND TREATMENT PROJECT HELD", 2009/07/15) reported that the launching ceremony of the MOH-Gates Foundation Tuberculosis Prevention and Treatment Project was held in Beijing on morning of July 13. Over 100 representatives from Ministry of Health(MOH), Gates Foundation Beijing Office, and local project groups have participated the ceremony.

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### **25. PRC Economy**

Jinghua Times ("13 MILLION RMB FOR EMPLOYMENT AND INSURANCE ALLOWANCE", 2009/07/16) reported that since this year, Haidian District of Beijing has provided employment and insurance allowance of 13.1 million RMB to 8 enterprises seriously impacted by financial crisis, according to Haidian Bureau of Civil Affairs. This move has saved 1801 staff from dismissal.

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### **26. PRC Environment**

Xinhua Net ("HONG KONG TO APPLY FOR CONSTRUCTION OF NATIONAL GEOPARK", 2009/07/16) reported that Director of Environment Bureau of Hong Kong Special Administrative Region(HKSAR) Qiu Tenghua said on July 14 that in order to protect the unique landform and geology, the HKSAR government plans to apply for construction of national geopark. The two scenic areas, Qiaozuzhou and Liangchuanwan, are under consideration as sites of constructing the geopark.

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