

# NAPSNet Daily Report 18 July, 2008

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**Preceding NAPSNet Report** 

#### I. NAPSNet

#### 1. DPRK Nuclear Program

Kyodo News ("N. KOREA PULLS HALF OF FUEL RODS FROM KEY REACTOR", Beijing, 2008/07/17) reported that the DPRK has pulled half the 8,000 nuclear fuel rods from a key nuclear reactor it is disabling under a six-way denuclearization deal, sources close to the multilateral negotiations said. The discharging of the fuel rods from the reactor in Yongbyon, about 90 kilometers from the capital Pyongyang, is one of the last steps being taken to render the nuclear facility difficult to restart.

Chosun Ilbo ("N.KOREA IN OFFENSIVE AGAINST USFK 'NUKES'", Seoul, 2008/08/18) reported that Radio Free Asia said Wednesday that DPRK delegates claimed they could not agree on a verification scheme unless the six-party talks permit verification of whether the USFK has nuclear weapons. RFA added the DPRK remains opposed to the IAEA joining in verifying whether it really is abandoning its nuclear program.

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#### 2. Six Party Talks

Xinhua ("CHINA WELCOMES SIX-PARTY MINISTERIAL INFORMAL MEETING AMID ASEAN MEETINGS", Beijing, 2008/07/17) reported that the PRC Foreign Ministry said the country has "no difficulty" in having a six-party ministerial informal meeting during the ASEAN Foreign Ministerial

meetings in Singapore on Sunday. He said relevant countries had suggested an informal consultation gathering of the six foreign ministers from countries involved in the Korean Peninsula nuclear issue on the sidelines of the ASEAN meetings.

Associated Press (Burt Herman, "U.S., N. KOREA TO MEET AT NUCLEAR DISARMAMENT TALKS", Seoul, 2008/07/18) reported that foreign ministers from the six-party talk nations will meet next week, an ROK official said Friday. The talks, including U.S. Secretary of State Condoleezza Rice and DPRK Foreign Minister Pak Ui Chun, will take place on the sidelines of an Asian security meeting in Singapore that all the countries' foreign ministers had already planned to attend, the official said.

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#### 3. US Candidate on DPRK Nuclear Program

Korea Times (Michael Ha, "OBAMA TOUGH ON NK'S NUCLEAR PROGRAM", Seoul, 2008/07/18) reported that U.S. Democratic presidential candidate Barack Obama in his campaign speech this week said that if the DPRK doesn't verifiably abandon all its nuclear weapons, it would face "strong and increasing sanctions." He also said that the United States must do its own part in the denuclearization effort by supporting the disarmament objective of the Nuclear Non-Proliferation Treaty. He stated, "As long as nuclear weapons exist, we'll retain a strong deterrent. But we will make the goal of eliminating all nuclear weapons a central element in our nuclear policy."

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## 4. PRC on Energy Aid to the DPRK

Kyodo News ("CHINA URGES JAPAN TO JOIN ENERGY AID FOR N. KOREA: LAWMAKERS", Beijing, 2008/07/17) reported that using what are believed to be its strongest words yet, the PRC urged Japan to end its refusal to participate in energy assistance to DPRK in the six-party denuclearization process, Japanese lawmakers said. Taku Yamasaki and Gen Nakatani, veteran lawmakers of the ruling Liberal Democratic Party, quoted PRC Vice Foreign Minister Wu Dawei as saying in a meeting that continued refusal would hurt Tokyo's ties with Pyongyang and harm Japan's international image. "While North Korea needs to seriously tackle the issue of the kidnapping cases, Japan should also think about energy aid in a serious manner," Yamasaki quoted Wu as saying.

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## 5. Mt. Kumgang Shooting

Yonhap News ("S. KOREA TO DISCUSS TOURIST'S DEATH IN N. KOREA AT ARF", Seoul, 2008/07/17) reported that Seoul plans to discuss the recent shooting death of a South Korean at a DPRK mountain resort during a meeting of senior officials of the ASEAN Regional Forum (ARF), a government source said. The shooting death of the ROK tourist at the Mount Geumgang resort can be addressed in the plenary meeting of the regional forum, scheduled to take place in Singapore next week, as an official agenda item because it can influence the regional security environment, said the source. The government also plans to make an effort to have the ARF chairman include the issue in his statement.

Agence France-Presse ("KILLING MUST NOT DISRUPT NKOREA NUCLEAR TALKS: SEOUL ENVOY ", Seoul, 2008/07/17) reported that the DPRK's killing of a ROK tourist should not be allowed to disrupt international nuclear disarmament talks which include the two nations, Seoul's envoy to the forum said. Kim Sook said in an interview with Seoul-based PBC radio the two issues must be handled separately.

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#### 6. Inter-Korean Economic Cooperation

Chosun Ilbo ("LEE THREATENS TO END MT. KUMGANG TOURS", 2008/07/17) reported that Seoul cannot resume tours to the Mt. Kumgang resort in the DPRK unless the DPRK agrees on a joint probe into the fatal shooting of a ROK tourist there, promises to take measures to prevent the recurrence of similar incidents, and guarantees safe passage of tourists, President Lee Myung-bak said. Presidential spokesman Lee Dong-kwan quoted the president as making the remarks after the DPRK rebuffed all ROK attempts to investigate Friday's fatal shooting of Park Wang-ja (53) at the mountain resort.

BBC News ("N KOREA WORKER KILLED IN KAESONG", 2008/07/17) reported that a DPRK worker was killed and four others were injured in an accident in the Kaesong industrial complex in the DPRK, ROK officials said. It happened when a steel frame collapsed at a factory owned by a ROK company, Pyeongan. An investigation into the cause of the accident is reportedly under way. Two of the four injured are in critical condition, a spokesman for the ROK Unification Ministry said.

Associated Press (Hyung-jin Kim, "OFFICIAL: SKOREA MULLS HALTING OTHER NKOREA TOURS", Seoul, 2008/07/18) reported that ROK President Lee Myung-bak convened a National Security Council on Friday to discuss last week's killing of an ROK tourist at Mt. Kumgang. It was the first time Lee has convened the council since taking office in February. Officials at Friday's meeting agreed that the Kaesong tours would also be put on hold if strict safety measures for visitors were not assured, presidential spokesman Lee Dong-kwan told reporters.

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## 7. DPRK Economy

IFES NK Brief ("DPRK BOLSTERS SOCIAL SECURITY LAWS", 2008/07/17) reported that recent transformations in the DPRK economy and society have led the government to draft policies to link the social welfare matrix to the social security law. The 'Democratic Chosun', a publication of the Central Peoples' Standing Committee and the Cabinet, has on five occasions (April 3 and 4, May 14, 16, and 23, 2008) run articles titled, "Regarding the Social Security Law," explaining recent changes to the law and its affects on the the DPRK's social welfare.

Reuters (Jon Herskovitz, "NORTH KOREA'S "HOTEL OF DOOM" WAKES FROM ITS COMA", Seoul, 2008/07/17) reported that the DPRK's phantom hotel is stirring back to life. The 105-story Ryugyong Hotel is back under construction after a 16-year lull in the capital of one of the world's most reclusive and destitute countries. According to foreign residents in Pyongyang, Egypt's Orascom group has recently begun refurbishing the top floors of the three-sided pyramid-shaped hotel whose

330-metre (1,083 ft) frame dominates the Pyongyang skyline. The firm has put glass panels into the concrete shell, installed telecommunications antennas and put up an artist's impression of what it will look like.

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### 8. DPRK Toxic Waste Recycling

Daily Telegraph (Michael Rank, "NORTH KOREA IN BID TO RECYCLE TOXIC WASTE", 2008/06/30) reported that through a Chinese-language website, the DPRK is seeking supplies of plastic and electronic waste which "can be processed in the port but which other countries and territories are restricted from dealing in." Waste recycling plans are part of a much bigger, £5 million (\$10 million) project to enlarge a port on its west coast and develop it into an export base including a duty-free zone. "There are no limits, any business taking advantage of [DPR] Korea's low labour costs for intensive processing is welcome," the website states. Although the port is not named, it is almost certainly Nampo. The port currently accepts vessels of up to 10,000 tonnes but the plan is to increase this to 50,000 tonnes.

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#### 9. ROK Anti-Beef Demonstrations

Korea Herald ("AMNESTY INT'L CALLS FOR PROBE ON BEEF PROTEST CRACKDOWN", Seoul, 2008/07/18) reported that Amnesty International on Friday criticized the ROK government for using excessive force against street protesters over U.S. beef imports and called for its immediate investigation into claims of alleged human rights abuses, according to Yonhap News. Wrapping up a two-week inquiry into the government's handling of months-long beef protests, AI called the candlelight rallies "an impressive tribute" to ROK democracy.

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### 10. ROK-Japan Territorial Dispute

Joongang Ilbo (Jung Ha-won, "TANGIBLE THREATS AGAINST JAPAN IN DOKDO DISPUTE", 2008/07/17) reported that Tokyo is facing more than just angry words from Seoul in the diplomatic storm over its decision earlier this week to list the Dokdo islets, called Takeshima in Japan. Seoul may withdraw support for Tokyo's efforts to find civilians kidnapped by DPRK agents and to stop the DPRK from developing long-range missiles that can reach Japan. The ROK's ambassador to Japan, Kwon Chul-hyeon, indicated all of these possibilities in a press briefing in Seoul yesterday, two days after he was recalled to Seoul as a gesture of protest.

Korea Herald (Lee Joo-hee, "SEOUL REBUFFS TOKYO'S PROPOSAL FOR TALKS", 2008/07/17) reported that Seoul has turned down Tokyo's recent proposal for ministerial talks because of the diplomatic dispute over the Dokdo islets, government sources said. Japan has offered to hold a bilateral meeting of foreign ministers on the sidelines of the ASEAN Regional Forum which opens in Singapore next week. "We sent back a reply saying that we do not plan to do so," said a source speaking on condition of customary anonymity.

Donga Ilbo ("KOREA-JAPAN FISHERIES AGREEMENT CRITICIZED AGAIN", Seoul, 2008/07/18) reported that critics argue that the Japan-ROK bilateral fishery agreement provided an excuse for Japan to once again claim sovereignty over Tokdo/Takeshima. "Ulleungdo was chosen as the starting point of the exclusive economic zone (EEZ) and Dokdo was designated as a "middle zone" in the Korean-Japanese Fisheries Agreement. However, many people criticized the government, saying that it was not appropriate to designate Dokdo as a middle zone, given that its concept does not exist under the international law," said Rep. Chung Mong-joon, a member of the Grand National Party's decision-making Supreme Council, on Thursday. "I urge the government to officially notify the Japanese government the termination of the fisheries agreement."

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#### 11. US-Japan Security Alliance

The Associated Press (Mari Yamaguchi, "COMPENSATION OVER US JET NOISE IN JAPAN", 2008/07/17) reported that a court ordered Japan's government to increase compensation to hundreds of residents suffering from ear-throbbing jet noise produced by a US military base in Tokyo's suburbs, a court official said. The Tokyo High Court upheld appeals by most of the 257 residents, saying they deserved more than 190 million yen (\$1.8 million) collectively, up from the 160 million yen compensation ordered by a lower court in 2003, a court spokeswoman said on condition of anonymity, citing department policy.

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### 12. Japanese Overseas Deployments

Kyodo ("JAPAN FORGOES SENDING SDF TO AFGHANISTAN FOR WORSENING SECURITY", Tokyo, 2008/07/18) reported that Japan has withdrawn an idea of dispatching the Self-Defense Forces to Afghanistan to help its reconstruction efforts due mainly to the deteriorating security situation there, senior government officials and lawmakers said Friday. The government sent a research team to the conflict-torn country last month but only found the security situation worsening, they said. The finding caused a split over the issue even in the ruling coalition led by Prime Minister Yasuo Fukuda's Liberal Democratic Party.

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#### 13. Japan-India Trade Relations

Agence France-Presse ("JAPAN, INDIA LOOK SET TO MISS TRADE DEAL GOAL", Tokyo, 2008/07/17) reported that Japan and India look set to miss their goal of reaching a free-trade deal by mid-2008, with the two sides still far from agreement on tariff reductions, officials indicated. Negotiators from both sides wrapped up four days of talks in Tokyo aimed at drafting an economic deal, which they hope will boost stagnant bilateral trade. "We have only just started to understand what the other side is really seeking in tariff reductions, so we have lots of work to do in the future round," a Japanese trade ministry official said.

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#### 14. Sino-Japanese Relations

Kyodo News ("CHINA ASKS JAPAN FOR INFORMATION ON FALUN GONG MEMBERS", Beijing, 2008/07/17) reported that PRC public security authorities have asked Japan to provide information on Japan-based members of the Falun Gong, a spiritual group banned in the PRC, ahead of the Beijing Olympics, sources close to Japan-PRC ties said. The Japanese government has rejected the request, which included a list of the group's members, citing protection of information on individuals, according to the sources. PRC authorities believe that Falun Gong members are the biggest threat among Japanese tourists, who will be able to visit the PRC without visas during the Olympics.

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#### 15. Cross Strait Relations

Agence France-Presse (P. Parameswaran, "US FREEZES ARMS SALES TO TAIWAN", Washington, 2008/07/17) reported that the US has frozen arms sales to Taiwan following concerns expressed by the PRC and amid warming ties between Beijing and Taipei, top US military commander in Asia Admiral Timothy Keating said. The decision was made after having "reconciled Taiwan's military posture, China's current military posture and strategy that indicates there is no pressing, compelling need for, at this moment, arms sales to Taiwan," he said.

BBC (Caroline Gluck, "CHINA STEPS UP TOURISM TO TAIWAN", Taipei, 2008/07/18) reported that large groups of PRC tourists are set to begin arriving in Taiwan as restrictions are further relaxed. The PRC had promised that that from Friday it would allow up to 3,000 of its citizens to visit Taiwan every day. Nearly 2,000 PRC tourists will arrive in Taiwan this weekend, all travelling in mandatory tour groups.

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#### 16. Sino-US Joint Disaster Relief Drill

Reuters ("U.S. EYES HUMANITARIAN DRILLS WITH CHINESE MILITARY", Washington, 2008/07/17) reported that the US hopes to conduct its first ever humanitarian disaster relief drills with the PRC military in late 2009 or 2010, the head of the U.S. Pacific Command said. Admiral Timothy Keating said he and Lt. Gen. Zhang Qinsheng, a senior commander of the People's Liberation Army, had agreed to begin "active consideration the formulation of a plan that will lead to humanitarian assistance exercises relatively soon."

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#### 17. PRC Olympics

Agence France-Presse (Francoise Chaptal , "OLYMPIC CHIEF SAYS COMMITTEE WON CHINA RIGHTS REFORMS", Lausanne, 2008/07/17) reported that the International Olympic Committee (IOC) persuaded the PRC to pass new laws on sensitive rights and environment issues ahead of the

Beijing games, its head Jacques Rogge told AFP. The Belgian president of the IOC outlined the "quiet diplomacy" it waged with the PRC, which he said led to three new bills to protect child labourers, media rights and the environment.

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#### 18. PRC Media

The Associated Press ("CHINA WILL ABIDE BY FOREIGN MEDIA COMMITMENTS", Beijing, 2008/07/17) reported that Beijing will abide by its commitments to provide unfettered access for foreign reporters during the Olympic Games, a government spokesman said. Cabinet spokesman Guo Weimin said authorities have been working hard to ensure access, including allowing television networks to broadcast live from Tiananmen Square. The Beijing Olympic organizers "have done a lot of work to help overseas media to cover the Olympic Games, to fulfill our commitment to the International Olympic Committee," Guo said.

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#### 19. PRC Earthquake

Agence France-Presse ("CHINA QUAKE ZONE GOVT TO SELL LUXURY HQ AFTER OUTCRY: REPORT", Beijing, 2008/07/17) reported that the capital of the PRC's quake-hit Sichuan province has bowed to public pressure and will auction off its luxurious new government headquarters to aid the recovery effort, state media said. Proceeds from the sale of the controversial Chengdu city government building will go towards rehousing quake victims and for reconstruction, the China Youth Daily quoted He Huazhang, head of the Chengdu propaganda department, as saying. The move follows a public outcry after rumours circulated online that government personnel began moving into the building just three days after the 8.0-magnitude earthquake.

The New York Times (Edward Wong, "GRIEVING CHINESE PARENTS PROTEST SCHOOL COLLAPSE", Beijing, 2008/07/17) reported that hundreds of parents protesting shoddy school construction that they said led to the deaths of their children in the May earthquake were harassed by riot police officers and criticized by local government officials, the parents said. Local officials were also trying to buy the silence of the parents by offering them about \$8,800 if they signed a contract agreeing not to raise the school construction issue again, several parents said. The confrontation between the parents and the police officers erupted on Tuesday morning as 200 parents protested outside government offices in Mianzhu, a city in the earthquake-ravaged Sichuan Province.

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#### 20. PRC Civil Society

The Christian Science Monitor (Carol Huang, "CHINESE NGOS STRUGGLE TO GROW", Beijing, 2008/07/17) reported that two months after the PRC's devastating earthquake, where do PRC unofficial nongovernmental organizations stand? Two months after such volunteer groups won widespread praise for delivering urgent quake relief, the government has not adjusted its restrictive policies toward them, as people in the field had hoped. But some of them say NGOs' main challenge

now isn't that the government won't let them grow. It's that they don't know how to grow. "The biggest problems for NGOs are from inside the field.... They lack abilities and methods," says Zhai Yan, director of the Huizeren Volunteer Development Center, based in Beijing. "People who work in this field are not professionals."

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#### 21. PRC Energy

The Financial Times (Jamil Anderlini and Geoff Dyer, "CHINA ON BRINK OF ELECTRICITY SHORTFALL", Beijing, 2008/07/17) reported that the PRC faces its worst power shortage in at least four years as soaring coal prices and government-set electricity tariffs force dozens of small power plants to shut down rather than face mounting losses. Nearly half of the PRC's provinces have started to ration electricity as the country enters the peak summer season, facing what analysts describe as its worst coal shortage.

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### II. PRC Report

#### 22. PRC Environment and Public Health

Xinhua News Agency (Yan Liang, "BEIJING USES REMOTE VIDEO TO MONITOR FOOD, AIR AT OLYMPIC VENUES", 2008/07/16) reported that Beijing will use remote video monitoring to check food hygiene and air quality at Olympic venues. Yu Luming, deputy head of the Beijing Health Bureau, said here that three remote viewing systems, costing 20 million yuan, will monitor 30 food processing spots. The bureau will also monitor water quality in the pump houses at the athletes village and media village, he said, and has 192 stations to monitor air quality at designated hotels and Olympic venues, Yu said.

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### 23. Sino-Japanese Relations

Xinhua Net (An Lu, "CHINA HOPES TO FURTHER PARTY-TO-PARTY RELATIONS WITH JAPAN", Beijing, 2008/07/16) reported that Senior leader of the Communist Party of China (CPC) Li Keqiang voiced his hope to enhance the party-to-party exchange between the PRC and Japan to contribute to the relationship between the two countries. He told Katsuya Okada, the visiting vice president of the Democratic Party of Japan (DPJ), that bilateral relations were facing a new opportunity for further development as this year marked the 30th anniversary of Sino-Japanese Treaty for Peace and Friendship. Recalling PRC President Hu Jintao's state visit to Japan in May and his attendance at the G8 summit this month, Li, also a vice premier, said both the PRC and Japan should earnestly push forward the strategic and mutually-reciprocal relations. Li expressed his gratitude for the assistance of Japan for the May 12 massive earthquake in the southwest Sichuan Province.

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#### III. ROK Report

#### 24. Inter-Korean Relations

Herald Media ("A WEEK AFTER THE MT. KUMGANG INCIDENT, THREE THINGS THE DPRK WILL LOSE", 2008/07/18) wrote that a week after the Mt.Kumgang shooting incident, the DPRK is still refusing the on the spot investigation and there are voices insisting on a more harsh reaction, including sanctions, communications severance and international level pressure. The DPRK is expected to suffer a considerable loss if the deadlock with the ROK is more drawn out. The DPRK will get serious damage economically, including on long-term development programs and economic cooperation projects. The most serious damage will be loss of international confidence. The opendoor policy, which the DPRK pursued in spite of the nuclear abandonment, will face great trouble when the it loses the trust of international society. Yoo Ho-yul, a professor of the DPRK studies at Korea University, expected that the DPRK would get serious damage by decrease of international trust in the long-term along with the short-term economic loss.

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### 25. DPRK Nuclear Program

newsis ("CONDOLEEZA RICE 'REMOVAL FROM THE STATE SPONSOR OF TERRORISM IS MERELY SYMBOLIC", 2008/07/18) wrote that US Secretary of State Condoleeza Rice said that the removal of the DPRK from the state sponsor of the terrorism is merely symbolic, and the heavy oil that was given in return for the nuclear report is nothing valuable. On a nationwide radio show, the U.S. secretary of state mentioned that the removal from the state sponsor of terrorism would not give any actual benefit, and that is because international multilevel sanction still exists. She also mentioned that the U.S. is planning individual verification, and the heavy oil given in return can only be used for heating. This speech could cause of further diplomatic trouble in that it is implying that the DPRK volutarily doing the agreements, although the compensation is nearly worthless.

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