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Preceding NAPSNet Report

I. NAPSNet

1. Inter-Korean Relations

Korea Herald (Jin Dae-woong, "NORTHKOREA LASHES OUT AT SEOUL-WASHINGTON ALLIANCE", 2008/03/17) reported that the DPRK is ratcheting up its criticism against moves by the ROK and the US to tighten their military alliance, calling them "machinations to militarily suppress" the DPRK. The DPRK's state-run Korean Central News Agency on Saturday lambasted the top U.S. commander serving in the ROK, claiming the U.S. chief sought Seoul's participation in the U.S.-led missile defense system against the DPRK's missile arsenal. "The remarks show that there are no changes in the U.S.'s anti-North Korean policy and it is completely taken up with the ambition to squeeze our republic to death," the KCNA said.

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2. DPRK-Russia Relations

Korea Herald ("NORTH KOREA, RUSSIA AGREE TO RENOVATE BORDER RAILWAY", 2008/03/17) reported that the DPRK and Russia have agreed to renovate a cross-border railway, according to Pyongyang's state media being monitored in Seoul, AFP reported. Both sides agreed to start work soon on repairing the railway linking Russia's Far East city of Khasan to the DPRK's northern port of Rajin, Korean Central Television was reported as saying late Saturday. The two sides also agreed to renovate Rajin's port facilities, said the television, which was monitored by the ROK's Yonhap news agency.

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3. DPRK Economy

IFES NK Brief ("WORLD OIL AND GRAIN PRICES UP, DPRK FEELS THE PINCH ", 2008/03/17) reported that international fuel and food prices are skyrocketing, while the cost of PRC goods continues to rise, so that this so-called ‘triple-threat’ is sending shockwaves through the DPRK economy. With oil prices peaking at over 110 USD per barrel, if these high oil prices continue, the DPRK, which imports crude and refined oil from the PRC, Russia and other countries, will face a growing import burden. According to the PRC Customs Bureau, the DPRK imported 81,041 tons of rice and 53,888 tons of corn last year, increases of 109.9 percent and 37.4 percent, respectively. The

DPRK’s corn, rice and oil imports from the PRC are subject to market price controls, so that rising international prices directly affect the DPRK’s cost burden.

Yonhap ("N. KOREA'S GDP ESTIMATED AT $40 BILLION: CIA ", Seoul, 2008/03/12) reported that the DPRK's gross domestic product (GDP) remained unchanged at $40 billion for the third consecutive year in 2007, according to the latest report by the top U.S. intelligence agency. But the DPRK's per capita GDP rose by about 5 percent to $1,900 last year from $1,800 in 2006, the Central Intelligence Agency said in its World Factbook 2008, which is now available on its Website.

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4. Inter-Korean Economic Cooperation

Yonhap ("GOV'T TO INCREASE TAX BENEFITS FOR COMPANIES DEALING WITH KAESONG ", Seoul, 2008/03/17) reported that the government said Sunday that it plans to offer tax benefits to companies that order original equipment manufacturer (OEM) products from businesses operating at the Kaesong industrial complex in the DPRK. The Ministry of Strategy and Finance said the move is expected to provide the 50-plus companies currently based in the complex with more work and bolster local interest for the joint-venture project that aims to help both ROK businesses and DPRK workers. The ministry said local companies that sign OEM deals with counterparts in Kaesong could benefit from special corporate tax deductions that are currently offered within the country.

Yonhap (Shim Sun-ah, "PRODUCTION AT KAESONG COMPLEX TOPS $300 MILLION ", Seoul, 2008/03/14) reported that total production from the ROK-invested industrial complex in Kaesong, a DPRK border city, exceeded US$300 million as of the end of last month, ROK officials said Friday. The jointly operated complex has produced $309.7 million worth of products in total since the first year of production in 2005, according to ROK officials at the Kaesong Industrial District Management Committee, an inter-Korean joint office for managing the complex.

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5. US-ROK Security Alliance

Yonhap (Byun Duk-kun, "SEOUL REBUFFS U.S. COMMANDER'S CLAIM ON BASE RELOCATION COST ", Seoul, 2008/03/17) reported that the ROK rebutted Monday a claim by the commander of U.S. Forces Korea (USFK) that Seoul would pay much more than it agreed to for the relocation of U.S. troops here, nearly calling the U.S. commander a wishful thinker. The reaction from the ROK came one day after Sunday's reports that Gen. Burwell B. Bell recently told a Congressional hearing that Seoul has agreed to shoulder half of the costs to relocate U.S. troops from Seoul's Yongsan Garrison and frontline bases to Camp Humphreys in Pyeongtaek, Gyeonggi Province. In the U.S. House Appropriations Committee hearing, Bell said the relocation project would cost Seoul about US$10 billion in total and that the country has already spent some $2 billion. "The total cost of the USFK base relocation project to be shouldered by the South Korean side is 4.58 trillion won ($4.38 billion)," the Defense Ministry said in a press release.

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6. Japan-India Relations

UNI ("JAPAN'S FOCUS ON HEALTHY RELATIONSHIP WITH INDIA: ENVOY", New Delhi, 2008/03/17) reported that Japan today said its focus is clearly on India for a mature and healthy political and strategic relationship besides the economic ties. Japanese Ambassador to India Hideaki Domichi stated this at a symposium on ''Security and Strategic Challenges in Asia: Prospects of Japan-India Cooperation'' organised by the Observer Research Foundation (ORF), Japan Embassy and Gaiko Forum of Japan here. Speaking on the occasion, for Indian Ambassador to Japan Arjun Asrani urged the Japanese government to amend its Cabinet decision which debars highly potential defence channel cooperation between the two countries.

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7. Japan Whaling Issue

Agence France-Presse ("JAPAN, AUSTRALIA AGREE ON WHALING PROTESTS ", Makuhari, 2008/03/17) reported that Japan said Saturday it and Australia had agreed to oppose aggressive tactics by anti-whaling protesters despite the two countries' strong disagreements on whaling itself. Japanese Environment Minister Ichiro Kamoshita said he raised the whaling row with Martin Ferguson, Australia's minister for resources and energy, on the sidelines of 20-nation climate change talks in suburban Tokyo.

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8. Sino-Japanese Relations

The Yomiuri Shimbun ("JOINT STATEMENT PLANNED DURING HU'S VISIT", 2008/03/13) reported that the Japanese and PRC governments plan to release a political statement on achievements made during talks between Prime Minister Yasuo Fukuda and PRC President Hu Jintao during Hu's visit to Japan, expected to take place in May, government sources said. The envisioned joint statement will spell out the two governments' determination to develop mutually beneficial strategic relations and declare that the two countries have entered a new stage that would facilitate international cooperation in East Asia, in addition to improving bilateral relations.

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9. Cross Strait Relations

Xinhua ("SCO OPPOSES TAIWAN 'REFERENDUM'", 2008/03/17) reported that the Shanghai Cooperation Organization (SCO) stressed its opposition to the Taiwan authorities' attempts to hold a "referendum on UN membership" in the name of Taiwan. "The SCO member states oppose the intention of the Taiwan authorities to make efforts for Taiwan to join the United Nations by holding a "referendum" on March 22, 2008," the SCO said in a statement. The SCO said the plan, which contravenes the provisions of the UN Charter, could exacerbate the situation across the Taiwan Strait and threaten stability in the region and the well-being and security of millions of people.

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10. Tibet Unrest

Reuters (Ian Ransom and Chris Buckley , "PRO-TIBET VIGIL HELD IN BEIJING ", Beijing, 2008/03/17) reported that Ethnic Tibetan students staged a candle-lit vigil in Beijing on Monday, saying it was to pray for the dead, after authorities warned anti-Chinese rioters in the Tibetan capital to surrender. Police kept reporters well away from the peaceful protest by dozens of apparently ethnic Tibetan students gathered inside the Central University for Nationalities. It was a small, rare show of defiance in the host city of this year's Olympic Games, where Communist Party authorities are especially eager to prevent public shows of dissent.

Washington Post (Edward Cody, "BEIJING'S CRACKDOWN GETS STRONG DOMESTIC SUPPORT", Beijing, 2008/03/17) reported that in the PRC, people regard Tibet as a historical part of the nation and see its sympathizers in the West as easily fooled romantics. Thanks to government propaganda, but also to ethnic pride, most Chinese see the Dalai Lama and his monks as obscurantist reactionaries trying to split the country and reverse the economic and social progress that the PRC has brought to a backward and isolated land over the past 58 years. The violent protests by Buddhist monks and other Tibetans that exploded in Lhasa on Friday, therefore, have generated widespread condemnation among the country's majority Han Chinese. In street conversations, Internet discussions and academic forums, most Chinese have readily embraced the government's contention that the violence resulted from a plot mounted by the Dalai Lama from his exile headquarters in India.

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11. PRC Party Congress

Kyodo ("RISING STAR LI APPROVED AS CHINA'S TOP VICE PREMIER ", Beijing, 2008/03/17) reported that the PRC's parliament elected Li Keqiang as the country's No. 1 vice premier on Monday, confirming his status as likely favorite to take over from Premier Wen Jiabao in five years' time. The National People's Congress also approved three other vice premiers and a list of Cabinet ministers on the penultimate day of the annual meeting at the Great Hall of the People.

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12. PRC Environment

The Washington Post (Amy Shipley, "IOC: BEIJING AIR POSES 'POSSIBLE RISK'", 2008/03/17) reported that the International Olympic Committee acknowledged for the first time today that air pollution could be harmful for athletes at this summer's Olympics in Beijing and said it will monitor air quality daily during the Games to see whether events should be moved or postponed. In a statement, the committee predicted that most competitors would not be affected by poor air quality in the PRC capital, one of the most polluted cities in the world. But in "a few sports" -- notably distance and other endurance events -- officials said there was "a possible risk."

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II. ROK Report

13. DPRK Nuclear Program

Joongang Daily ("editorial] IS DPRK NUCLEAR PROBLEM OUT OF ATTENTION?", 2008/03/18) wrote that the DPRK and US had a negotiation last weekend at Geneva concerning the DPRK nuclear problem. It seems as if the nuclear issue as a whole has been excluded from ROK diplomacy. The six-party talks merely confirm the negotiated contents made between DPRK and US. At the DPRK-US relations normalization working level contact held in March 2007, the US once implied that the red-line for DPRK nuclear can be re-located from “dismantlement of the DPRK nuclear program” to “no transfer of nuclear weapons.” It has alluded that according to the benefit of US, the position of the ROK can be not fully considered. In the sense, how the ROK government is coping with DPRK nuclear is disappointing.

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14. ROK Policy Toward DPRK

Chosun Ilbo (Choi Byung-mook, "TANGIBLE ALTERNATIVE PLAN RATHER THAN A DECLARATORY PRINCIPLES", 2008/03/18) wrote that the Lee Myung-bak administration aims at the direct opposite of what the previous administration aimed at. The shift in policies especially shows in policy toward the DPRK. While putting the DPRK nuclear issue in the back of the priority list, administration has said that it will solve the war prisoner problems at a national level. In order for the policies toward the DPRK best represented by the “non-nuclear 3000” plan to be more realistic, what is going to be done must be suggested beforehand. A tangible plan is in desperate need.

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15. ROK-Russian Relations

Korean Institute for Future Strategies (Ryu Jin-sook, "PUTIN AND LEE MYUNG-BAK SHARING ONE BED WITH TWO DIFFERENT DREAMS?", 2008/03/18) carried an article by a professor of political science at Pai Chai University who wrote that while the triangular alliance of US-ROK-Japan has been strengthened with the inauguration of the Lee Myung-bak administration, diplomacy with Russia is restricted to only the energy and natural resources discussions. Considering the rapidly growing Russian political influence over East Asian countries, the maintenance and reinforcement of ROK-Russia relations is still important. The Lee Myung-bak administration’s diplomacy with Russia, clearly restricted to evaluating and utilizing Russia for energy resources, only can lead to troubles in energy security and East Asian security. Therefore, concerning the accomplishment in ROK-Russian diplomacy, a more careful analysis is need in the cumulative energy security route. A more delicate countermeasure that can see through the pragmatic energy diplomacy of Russia that dreams of recovering the glory of superpower among East Asian countries.

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