

# NAPSNet Daily Report 19 January, 2010

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# NAPSNet Daily Report 19 January, 2010

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### 2. DPRK on Nuclear Talks

Agence France-Presse ("SANCTIONS 'MUST END' BEFORE NUCLEAR TALKS: N.KOREA", 2010/01/18) reported that the DPRK demanded an end to sanctions before it returns to nuclear disarmament negotiations. Pyongyang's foreign ministry, reiterating its earlier stance, said it would not return to the six-nation disarmament talks it abandoned last April until the United Nations sanctions are lifted. "The dignity of the DPRK will never allow this to happen," the ministry said in a statement. The DPRK said it "is not opposed to the six-party talks and has no ground whatsoever to delay them". But it added: "There will be a starting point of confidence-building only if the parties concerned sit at a negotiating table for concluding a peace treaty."

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### 3. Inter-Korean Relations

The Associated Press ("SKOREA: TALKS WITH NORTH STILL ON DESPITE THREATS", 2010/01/18) reported that the DPRK and ROK will hold talks this week on developing their joint industrial complex in the DPRK despite Pyongyang's threat to break off all dialogue and negotiations, an official said. Unification Ministry spokeswoman Lee Jong-joo said that the DPRK has informed her government that it will allow Seoul officials to cross the border to attend talks in the city of Kaesong. The talks will allow the two sides to assess their joint tour of industrial parks in the PRC and Vietnam undertaken last year to get ideas about how to further develop the Kaesong complex.

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# 4. Inter-Korean Economic Relations

Xinhua News ("INTER-KOREAN TRADE DECLINES 8.5% IN 2009", 2010/01/18) reported that Inter-Korean trade has declined 8.5 percent in 2009 from a year earlier as a result of the global economic downturn that slowed demand and investment, ROK government said Monday. The Korea Customs Service (KCS) said trade between the ROK and the DPRK dropped to 1.66 billion U.S. dollars from the previous year's record-high of 1.82 billion U.S. dollars. ROK exports marked 732.62 million U.S. dollars while imports were 933.46 million U.S. dollars, with a trade deficit of 200.84 million U.S. dollars for last year.

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# 5. DPRK Security

Donga-Ilbo ("CELL PHONES PROVIDING VALUABLE PEEK INTO N. KOREA", 2010/01/18) reported that ROK civic organizations related to the DPRK have used cell phones to break major news stories on the DPRK, such as its currency revaluation and the outbreak of swine flu there. Information that the ROK government says it cannot confirm is broadcast live on the homepages of such organizations. Mobile phones make this possible. Among more than 18,000 DPRK defectors in the ROK, a few can use mobile phones to find out what is happening in the reclusive country.

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# 6. DPRK Economy

IFES NK Brief ("DPRK WON EXCHANGE RATES FALLING AFTER CURRENCY REFORM", 2010/01/18) reported that following the currency reform undertaken by the DPRK at the end of 2009, the PRC newspaper International Herald Leader reported on January 7 that the Choson Bank of Trade had set the USD:DPRK Won exchange rate at 1:96.9. There have been other reports of the DPRK's new exchange rate through organizations related to the DPRK, but this is the first report of an official exchange rate by an official PRC media source. The International Herald Leader is the global news paper of the government-run Xinhua news agency.

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### 7. DPRK Natural Resources

Press Trust of India ("NORTH KOREA TIGHTENS GRIP ON RARE NATURAL RESOURCES", 2010/01/18) reported that the DPRK, known for its rare metals globally demanded for household electric appliances and industrial machinery, is curbing their exports and tightening grip on such precious resources. At an international conference held in Yanjiin in October, Director of the Economy Institute at the DPRK Academy of Social Sciences Kim Chol Jun revealed that his country is

restricting exports of unprocessed resources. He added that "Mineral resources are exported at high prices by processing them. Exports of cheap unprocessed goods are a loss to the state."

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# 8. DPRK Human Rights

The Associated Press ("UN OFFICIAL SAYS NORTH KOREA INCREASING PUNISHMENT", 2010/01/18) reported that the DPRK is meting out harsher punishment to citizens who try to flee the country, a sign that overall human rights conditions remain dire in the DPRK, a United Nations official said. "The current situation is extremely grave," said Vitit Muntarbhorn, a Thai professor who investigates human rights in the DPRK for the U.N., though he has never been allowed to enter the country. Vitit told reporters that during his term as the U.N.'s key human rights official for the DPRK there have been what he described as nominal improvements, such as legal revisions. "But in terms of substance there have been very serious transgressions and violations throughout the six years that I have tracked this," he said.

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### 9. ROK Truth and Reconciliation Commission

United Press International ("S. KOREA TRUTH COMMISSION TO DISBAND", 2010/01/18) reported that the ROK Truth and Reconciliation Commission's window of opportunity to investigate government crimes is running out, observers say. The commission, which was established in 2005 to probe the deaths of as many as 100,000 South Koreans at the hands of the government -- many of them during its years as a dictatorship prior to the 1980s -- is scheduled to be disbanded within four months. "I think the work of this commission is extremely important because this country has some very serious issues with itself," Michael Breen, author of "The Koreans". "There's a lot of guilt and a lot of unpleasantness surrounding its formation. There's a lot of cases of it brutalizing its own people."

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# 10. Indo-ROK Relations

Yonhap (Lee Chi-dong, "S. KOREA, INDIA TO LAUNCH 'STRATEGIC DIALOGUE' ON GLOBAL SECURITY: OFFICIALS", Seoul, 2010/01/19) reported tht ROK President Lee Myung-bak will seek to expand his country's relations with India beyond their traditional economic cooperation to a strategic partnership on diplomacy, security, and global issues during his trip there next week, Lee's aides said Tuesday. "The two sides plan to agree to (establish) a kind of (high-level) strategic

dialogue on the political and security fields," a senior official at the presidential office Cheong Wa Dae told reporters. The official added the agreement will be included in a 32-point joint statement to be issued after a summit between Lee and Indian Prime Minister Manmohan Singh on Monday.

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# 11. US-Japan Security Alliance

Kyodo News ("HATOYAMA HOPES TO RESOLVE FUTEMMA IN TIME TO 'DEEPEN' ALLIANCE ", 2010/01/18) reported that the Japan-US security alliance will not further develop "in a reliable manner" without settling the stalled bilateral issue of where to relocate the US Marine Corps' Futemma Air Station in Okinawa, Prime Minister Yukio Hatoyama said, one day before the two countries are to commemorate the 50th anniversary of the signing of their revised security treaty. "We will at least resolve the Futemma relocation question adequately by May," he told reporters. "That will serve as a test and we will move ahead based on it."

Reuters ("JAPAN, U.S. VOW TO EXPAND TIES DESPITE BASE FEUD", Tokyo, 2010/01/19) reported that Japan and the United States reaffirmed their security alliance on Tuesday. They will work with the PRC and also jointly deal with the DPRK's nuclear and missile threats, the two countries' foreign and defense ministers said in a statement to mark the 50th anniversary of the U.S.-Japan security treaty. "The Ministers stress that the United States and Japan will work to advance cooperative relations with China, welcoming it to play a constructive and responsible role in the international arena," they said.

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# 13. Japan Politics

Kyodo News ("OPPOSITION PLANNING TO ATTACK OZAWA, DPJ OVER FUNDS SCANDAL", 2010/01/18) reported that opposition parties are planning to home in on a funds scandal involving Ichiro Ozawa, secretary general of the ruling Democratic Party of Japan, and the governing party's ability to deal with the problem during deliberations in the Diet, which convened Monday. Ozawa, for his part, has reiterated his determination to spearhead campaigning for the House of Councillors election this summer, which he sees as crucial for the DPJ to maintain a stable government. "I would like to cooperate with a fair investigation (by prosecutors) to the best of my ability and get an early conclusion that will convince people, so that I can work on the upper house election," he told a press conference in Fukui City.

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# 14. Australia-Japan Security Relations

Kyodo News ("IRKED BY WHALING FLAP, LAWMAKERS QUESTION AUSSIE MILITARY ACCORD", 2010/01/18) reported that ruling party lawmakers on Monday questioned Japan's plan to sign a defense logistics agreement with Australia that would enable the two countries to share food, fuel and other supplies and services, Senior Vice Defense Minister Kazuya Shimba said. The government is considering submitting a bill during the current Diet session on the acquisition and cross-servicing agreement, and some members of the Democratic Party of Japan and its coalition partners sought "careful handling" of the proposed legislation in view of Australia's antiwhaling policy. Shimba said the lawmakers pressed the government to further assertJapan's policy on whaling.

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# 15. Sino-Japanese East Sea Territorial Dispute

Reuters ("JAPAN THREATENS ACTION ON CHINA GAS PROJECT - MEDIA", 2010/01/18) reported that Japan warned the PRC that it would take action if Beijing starts gas production in a disputed field in the East China Sea, Japan's Kyodo news agency reported. Although the two countries reached a broad agreement in 2008 on principles intended to solve the dispute by jointly developing gas fields, progress has been slow and Japan has accused the PRC of drilling for gas in violation of the agreement. Japanese Foreign Minister Katsuya Okada indicated to his Chinese counterpart Yang Jiechi at a meeting in Tokyo on Sunday that Japan might also start its own development in the disputed area, if the PRC moves ahead with its gas production at the site, Kyodo reported, citing a ministry source.

Kyodo News ("CHINA HAS SOVEREIGNTY OVER DISPUTED GAS FIELD, YANG TELLS OKADA", 2010/01/18) reported that PRC Foreign Minister Yang Jiechi reiterated to his Japanese counterpart Katsuya Okada on Sunday that Beijing has sovereignty over a disputed gas field it is developing, Foreign Ministry spokesman Ma Zhaoxu said. Okada told Yang during a meeting in Tokyo that Japan will take countermeasures if the PRC begins gas production in the Chunxiao gas field, arguing that Japan will regard such action as a violation of a 2008 agreement to jointly explore gas resources in the East China Sea.

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# 17. Sino-Indian Territorial Dispute

Press Trust of India ("TALKS WITH CHINA GOING ON OVER BORDER ROW: INDIA", 2010/01/18)

reported that with reports from Jammu and Kashmir indicating PRC hold over Indian territory in Ladakh, Minister of State for Defence M M Pallam Raju on Monday said India 'need not be alarmed' as talks were in progress to settle border disputes. He also gave the benefit of doubt to the PRC on reports of PRC produced arms finding their way to militants in the Northeastern states. "As long as the border dispute is being worked on and debated between the two countries, we need not be alarmed about all these incidents, whether actual or reported," said Raju.

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#### 18. Sino-Russian Relations

Xinhua News ("CHINA, RUSSIA TO FURTHER ENHANCE POLITICAL MUTUAL TRUST: AMBASSADOR", 2010/01/18) reported that with more frequent high-level exchanges in 2010, the PRC and Russia will further enhance their political mutual trust, said the PRC ambassador to Russia on Thursday. In 2010, the PRC and Russia will fully implement major bilateral projects including oil and gas pipeline construction and stage a series of rich and multiform events within the framework of the Year of PRC Language in Russia, said Ambassador Li Hui.

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### 19. Cross Strait Relations

Agence France-Presse ("TAIWAN-CHINA FINANCE PACTS TAKE EFFECT", 2010/01/18) reported that three agreements leading to closer cooperation between Taiwan and PRC in banking, insurance and securities came into effect over the weekend, the island's financial authority said. The three memoranda of understanding, which were signed in November, are the latest step in rapidly improving ties between the two former arch foes, after Ma Ying-jeou became Taiwan's president in May 2008. The Financial Supervisory Commission said the MOUs followed pressure from the island's finance industry for greater access to the huge mainland market.

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### 20. Cross Strait Labor Relations

Xinhua News ("WORKERS OF TAIWAN COMPANY PROTEST OVER LABOR DISPUTE", 2010/01/18) reported that employees of a Taiwan enterprise smashed vehicles and blocked a road Friday to protest against poor company management in east Jiangsu Province. No casualties were reported. Rumors saying that the company planned to cancel the year-end bonus evoked more than 2,000 workers to gather in the United Win (China) Technology Ltd. Co. Friday morning in the Suzhou Industrial Park (SIP). Officials from the SIP bureaus of economic development, social security and

work safety were communicating with representatives of the employees.

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#### 21. PRC Role in Middle East

Agence France-Presse ("CHINA SEEKING TO RESCUE ABDUCTED ENGINEERS", Beijing, 2010/01/15) reported that the PRC said Tuesday it was making an all-out effort to rescue two Chinese engineers kidnapped in Afghanistan, and seeking to verify reports that they were seized by the Taliban. "On January 16, two staff members of a Chinese corporation were kidnapped in Afghanistan. They were kidnapped by unknown armed forces," foreign ministry spokesman Ma Zhaoxu told reporters. "The relevant departments are investigating relevant issues and verifying the situation. They are making every effort to rescue these two people and ensure their safety." Taliban spokesman Yusuf Ahmadi claimed responsibility for the abduction, saying the Taliban's Islamic court, or shura, would decide on their fate.

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# 22. PRC Energy Security

People's Daily online ("FIRST PHASE OF CHINA'S STRATEGIC OIL RESERVE PROJECT FINISHED", 2010/01/18) reported that the PRC has finished the first phase of the country's strategic oil reserve, and the average cost was around 58 U.S. dollars per barrel in 2009, said Zhang Guobao, vice minister of the National Development and Reform Commission (NDRC) and head of the National Administration of Energy, at a conference held on January 17, 2010. Last year, the PRC extended over 60 billion U.S. dollars of loans to oil producers in Russia, Brazil and Venezuela in exchange of annual oil supply of 75 million tons, he said. The global financial crisis has led to a downward trend in the demand for energy resources, said Zhang. The PRC should seize the chance and implement the "go out' strategy of its energy sector.

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### 24. PRC Environment

Yinchuan Evening News ("YINCHUAN GETS ENVIRONMENTAL FUND FROM CENTRAL GOVERNMENT", 2010/01/18) reported that Ministry of Environment Protection has allocated 11.65 million RMB to Yinchuan Municipal Bureau of Environment Protection, to help capacity building of environment monitoring and supervisory agencies of all levels in the city, sources with Yinchuan Municipal Bureau of Environment Protection said recently.

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# 25. PRC Civil Society and Poverty Alleviation

Bandao Urban News ("10 PUBLIC WELFARE PERFORMANCES HELP RAISED FUND FOR POOR SICK CHILDREN", 2010/01/18) reported that Qingdao Red Cross and Qingdao municipal culture bureau will co-organize 10 public welfare performances of the world's famous fairytale opera, to raise fund for helping sick children in poor families. Sick children in poor families and disabled children from the city's children welfare center will be invited to see the opera for free.

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# 26. PRC Civil Society and the Disabled

Evening News ("FIRST LEGAL AID CENTER FOR DISABLED PERSONS IN YINCHUAN FOUND", 2010/01/18) reported that the first legal aid center for disabled persons in Yinchuan was found on January 15. The center will create a right protection platform for disabled persons, effectively prevent the occurrence of right infringement against disabled persons, and alleviate the imbalance between supply and demand of disabled persons in legal aid.

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