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Preceding NAPSNet Report

MARKTWO

I. NAPSNet

1. ROK, PRC on Six Party Talks

Earthtimes ("CHINA, SOUTH KOREA DISCUSS NORTH KOREA NUCLEAR STALEMATE ", 2010/03/18) reported that the foreign ministers of the PRC and the ROK on Thursday discussed efforts to revive stalled six-nation talks on ending the DPRK's nuclear programme, an official said. PRC Foreign Minister Yang Jiechi and his ROK counterpart Yu Myung Hwan discussed a range of bilateral and regional issues, including the six-party talks, PRC Foreign Ministry spokesman Qin Gang told reporters. Yonhap news agency quoted an unidentified ROK official as saying Yang and Yu were expected to issue a joint call for the DPRK to return to the six-party talks.

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2. ROK on DPRK Economy

Yonhap News (Sam Kim, "N. KOREA UNLIKELY TO WIN INVESTMENT IF NUCLEAR FEARS PERSIST: OFFICIAL", 2010/03/18) reported that ROK Vice Unification Minister Hong Yang-ho said Thursday the DPRK should not expect to win foreign investment without addressing investors' fears over its nuclear arms ambitions. "Capital does not flow where there are (political) uncertainties," Hong told an academic forum in Seoul. "North Korea is wrong if it thinks it can develop its economy by receiving help from the international society and capital with its nuclear problem still intact."

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3. US on Korean Reunification

Korea Times (" UNIFICATION OF KOREAS TAGGED AT $1.7 TRIL. ", 2010/03/18) reported that a U.S. economist has estimated that the costs of the unification of the two Koreas would be $1.7 trillion, nearly twice the ROK's gross domestic product (GDP). In a Forbes commentary posted Monday, Charles Wolf, a senior economic adviser at the RAND Corporation, projected the astronomical figure based on the assumption that the goal of unification was equalization of per capita GDP between the two Koreas. The economist noted that such a large bill was attributable to the wide income disparity, saying, ``A reasonable estimate of per capita GDP in the North is perhaps $700. In South Korea it's about $20,000.''``If a more modest goal is adopted focusing on dramatically increasing per capita income in the North ? say, by doubling it within five or six years ? instead of equalization with the South, the cost burden decreases sharply to $62 billion,'' he said.

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4. Inter-Korea Economic Relations

Agence France Presse ("N.KOREA SAYS MAY SEIZE S.KOREAN ASSETS AT RESORT", 2010/03/18) reported that the DPRK has threatened to seize ROK assets at a resort in its territory, Seoul officials said Thursday, amid growing impatience at the ROK's refusal to let its citizens travel there. The DPRK's Asia-Pacific Peace Committee, a state body in charge of cross-border exchanges, recently told Seoul that all ROK citizens with assets at Mount Kumgang should visit the resort by March 25. "All assets of those who do not meet the deadline will be confiscated and they will not be able to visit Mount Kumgang again," the ROK's unification ministry quoted the DPRK's faxed message as saying.

Yonhap ("HYUNDAI ASAN UNDECIDED ON N. KOREA'S THREAT TO SEIZE ASSETS", Seoul, 2010/03/19) reported that Hyundai Asan said Friday it has yet to decide how to respond to Pyongyang's threat to seize its real estate. The company issued a statement saying it hopes the situation will not deteriorate further. "Even though the situation is difficult, we hope both sides will resolve the issue through consultations," the statement said.

Financial Times (Christian Oliver and Song Jung-a , "SEOUL CUTS NORTH KOREAN LIFELINE", 2010/03/18) reported that the ROK is phasing out sand imports from the DPRK. Sand was the biggest export to the ROK from the DPRK in 2008, earning Pyongyang $73 million. This represents about twice as much as it gains annually from wages at factories in Kaesong. ROK officials told the Financial Times that Seoul would phase out sand exports when existing contracts expired.

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5. ROK-US Military Relations

Agence France Presse ("WAR GAMES OVER DESPITE N.KOREA THREATS", 2010/03/18) reported that a major US-ROK military exercise ended Thursday without incident despite harsh DPRK criticism of the drill and its threats of retaliation for any aggression. "No unusual North Korean military movements were detected during the exercise," said a spokesman for the ROK's Joint Chiefs of Staff . Instead, the DPRK's military is currently engaged in its own annual exercise which began in December and runs through April, Seoul defence ministry officials said

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6. US Illicit Defense Exports

Associated Press ("US COMPANY CHARGED WITH EXPORTING TECHNOLOGY USED BY US MILITARY TO SOUTH KOREA, RUSSIA", 2010/03/18) reported that a U.S. company is accused of illegally exporting defense technology used by the U.S. military to the ROK, the PRC, Russia and Turkey, federal prosecutors said Wednesday. Rocky Mountain Instrument Co., based in Colorado, said it is working toward a plea agreement with prosecutors and that it has been cooperating with investigators for more than two years. Prosecutors allege that RMI, which manufactures optics components, exported prisms and technical data for optics used in military applications to the four countries from April 1, 2005, to Oct. 11, 2007. They say RMI did so without permission from the U.S. Department of State.

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7. ROK Climate Change

Reuters (" S.KOREAN ASSEMBLY APPROVES RENEWABLE ENERGY BILL-GOVT", 2010/03/18) reported that the ROK, heavily dependent on oil and gas imports, said on Thursday its parliament had approved a government bill to hike the country's consumption of renewable energy and support solar, wind power and fuel cell markets. The assembly passed the bill, dubbed Renewable Portfolio Standard (RPS) and submitted in late 2008, to require 14 state-run and private power utilities to boost supplies of renewable energy starting in 2012, according to a statement from the ministry of knowledge economy. Under the bill, the utilities should boost renewable energy by two percent of the total power generation in 2012, and the requirement will grow by five times to 10 percent in 2022.

Reuters ("SOUTH KOREA GREEN GROWTH TO HURT ENVIRONMENT: REPORT", 2010/03/18) reported that a massive river restoration project at the center of ROK President Lee Myung-bak's green growth strategy will harm globally threatened bird species and destroy critical habitat, a conservation group's report said. Lee's government intends to spend 22.2 trillion won ($19.68 billion) to dredge, dam and beautify four major rivers with golf courses and bike trails in a plan that is supposed to increase the supply and quality of fresh water and prevent flooding. "(It) will impact 50 bird species negatively, causing further declines in several sensitive waterbird species that are ecologically dependent on shallow rivers, flood-plain wetlands and estuaries," the conservation group Birds Korea said in a report released on Thursday.

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8. US on ROK, Japan Nuclear Capabilities

Korea Times ("S. KOREA, JAPAN CAN BUILD NUCLEAR WEAPONS QUICKLY", 2010/03/18) reported that the ROK, like Japan, has the technology to build a nuclear arsenal quickly if it decides to do so, a U.S. defense report said Thursday. "Several friends or allies of the United States, such as Japan and South Korea, are highly advanced technological states and could quickly build nuclear devices if they chose to do so," said the Joint Operating Environment (JOE) 2010, released on Feb. 18, by the U.S. Joint Forces Command.

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9. Japan-US Secret Nuke Pact

Kyodo News ("PAPERS ON SECRET PACT MAY HAVE BEEN INTENTIONALLY DESTROYED", 2010/03/18) reported that Foreign Ministry documents compiled mainly in the 1960s that indicate the existence of a Japan -U.S. secret pact over passage and port calls of U.S. nuclear-armed warships disappeared after 1999, raising suspicion that ministry officials intentionally destroyed them, several sources close to a ministry panel said Thursday. Kazuhiko Togo compiled a list of important documents relating to the bilateral secret pact in 1999, when he served as the ministry's treaties bureau chief, and submitted it last year to a panel examining the issue. The panel cross-checked the list with existing documents to find that some of the papers are missing, according to the sources. As it is unusual for documents designated as important by a treaties bureau chief to disappear, speculation has grown that the ministry officials destroyed them to avoid being questioned by the opposition bloc in the Diet.

Kyodo ("EX-ENVOY SAYS PAPERS ON JAPAN-U.S. SECRET PACTS POSSIBLY DUMPED", Tokyo, 2010/03/19) reported that former Japanese Foreign Ministry treaties bureau chief Kazuhiko Togo said he heard from a person familiar with the internal situation of the ministry that some documents had been discarded before an administrative information disclosure law took effect in 2001. He said he turned over to his successor documents on the pacts including one that led Japan to allow port calls by U.S. vessels carrying nuclear weapons without going through a bilaterally agreed prior consultation process.

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10. Japan-US Security Relations

Agence France Presse ("US SAYS BASE NEEDED TO DEFEND JAPAN", 2010/03/18) reported that the United States has said that it needs to maintain a base on the Japanese island of Okinawa to defend the region. Michael Schiffer, a senior Pentagon official, told a congressional panel that troops in Okinawa were the only ground forces "between Hawaii and India" which the United States could quickly deploy. "Futenma may be but one base and one part of a larger alliance relationship, but peace and stability in the region depend in no small part on the enduring presence of forward deployed US forces in Japan," said Schiffer, the deputy assistant secretary of defense for Asia. "The United States cannot meet its treaty obligations to defend Japan, cannot respond to humanitarian crises or natural disasters, cannot meet its commitments for regional peace and stability without forward deployed ground forces in Japan," he said.

Kyodo News ("U.S. AGREES WITH JAPAN TO RETURN OKINAWA AIR CONTROL ON MARCH 31", 2010/03/18) reported that the United States officially agreed with Japan on Thursday to return on March 31 air traffic control rights around the main Okinawa island that have long been controlled by U.S. forces in Japan, the Japanese Foreign Ministry said Thursday. The move means that Japan will basically regain air traffic control rights over Okinawa for the first time since the southern island returned to Japan from U.S. occupation in 1972. The two countries initially agreed in 2004 to finish the transfer of the Kadena radar approach control, known as "Kadena RAPCON," within three years. But they rearranged in 2008 to set the deadline at March this year.

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11. USFJ Base Relocation

Mainichi Japan ("FUTENMA WILL STAY IN OKINAWA, HATOYAMA DECLARES", 2010/03/18) reported that Prime Mister Yukio Hatoyama declared his intention Thursday to relocate the U.S. Marine Corps Air Station Futenma within Okinawa Prefecture. "We will draw up a government proposal (for the relocation within the prefecture) later this month. Following that, we will ask for the understanding of the U.S. government and the people of Japan too, though perhaps mostly that of Okinawans," Hatoyama told reporters. Chief Cabinet Secretary Hirofumi Hirano is planning to discuss the proposal with Cabinet ministers involved in the issue. Meanwhile, Foreign Minister Katsuya Okada is planning to meet with U.S. Secretary of Defense Robert Gates in the United States later this month.

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12. Japan on Iran Nuclear Issue

Agence France Presse (" JAPAN, FRANCE CALL ON IRAN TO RESOLVE NUCLEAR CRISIS NOW", 2010/03/18) reported that Japan and France Thursday pushed Iran to allay international suspicions about its nuclear programme, saying the time has come for Tehran to reject suggestions that it might be developing atomic bombs. Japanese Foreign Minister Katsuya Okada and his French counterpart Bernard Kouchner said they "share serious concerns" about Iran's nuclear programme, as the US and European nations mount pressure for new sanctions on Tehran. "If Iran were to hold nuclear weapons, the seriousness of the matter is immeasurable," Okada told a joint press conference after his meeting with Kouchner. "I said Iran has no more time left. They have to decide now," he told the press conference.

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13. UN on Japan Politics

Kyodo News ("INCLUDE PRO-NORTH SCHOOLS IN TUITION WAIVER: U.N. PANEL", 2010/03/18) reported that a U.N. panel monitoring racial equality and nondiscrimination expressed concern about Japan's possible exclusion of pro-Pyongyang schools for Korean residents from its planned tuition waiver program for public high school students. In a report, the U.N. Committee on the Elimination of Racial Discrimination said it "expresses concern about acts that have discriminatory effects on children's education, including . . . the approach of some politicians suggesting the exclusion of North Korean schools" from the program. The panel urged Tokyo to "ensure that there is no discrimination in the provision of educational opportunities."

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14. Sino-Japan Territorial Dispute

Kyodo News ("CHINA REJECTS JAPAN'S SOVEREIGNTY CLAIM OVER SENKAKU ISLANDS ", 2010/03/18) reported that the PRC on Thursday rejected Japan's claim to sovereignty over the

Senkaku Islands in the East China Sea, the official Xinhua News Agency said. " China has indisputable sovereignty over the Diaoyu Islands and adjacent islands," Xinhua quoted Foreign Ministry spokesman Qin Gang as saying. "Diaoyu and surrounding islands have been inalienable part of China's territory since ancient times," Qin said. Qin made the comments after Japanese Foreign Minister Katsuya Okada said Tuesday that Japan has sovereignty over the Japan-administered islands.

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15. Japan on Sino-US Trade Relations

Reuters ("JAPAN NODA: U.S. SHOULDN'T PUNISH CHINA OVER YUAN", 2010/03/18) reported that Japan's deputy finance minister Yoshihiko Noda said on Thursday that the PRC needs to understand global calls for a more flexible yuan, but that Washington should not resort to sanctions to make this happen. "I don't know if the United States will impose sanctions, but I don't think that would be the right way of dealing with it," Noda told a news conference. "Basically, such an action is not desirable. But I want China to understand there are expectations for a more flexible yuan, not only from the United States," he said.

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16. Sino-US Relations

Agence France Presse ("CHINA LASHES OUT AT U.S. RESOLUTION ON FALUN GONG", 2010/03/18) reported that the PR C on Thursday lashed out at a US House of Representatives resolution that urged Beijing to end its "persecution" of the outlawed Falungong spiritual group. "The US House of Representatives passed a so-called resolution on Falungong which made groundless accusations and confuses right and wrong," foreign ministry spokesman Qin Gang told reporters. "China is firmly against such a resolution." The resolution, which is not legally binding, asked China to "immediately cease and desist from its campaign to persecute, intimidate, imprison and torture Falungong practitioners".

Bloomberg ("U.S. SEES 'BLUE SKIES' FOR CHINA TIES AMID YUAN SPAT", 2010/03/18) reported that U.S. Ambassador to the PRC Jon Huntsman said he is confident bilateral ties are improving following disputes ranging from currency valuations to weapons sales to Taiwan. "The recent turbulence we have experienced is part of a natural cycle," Huntsman said in a speech at Tsinghua University in Beijing today. "I am convinced that blue skies are already on the horizon." He added, "Differences on Taiwan and Tibet cannot, must not, prevent us from working together to create jobs, address climate change, and prevent Iran from developing a nuclear weapons capability."

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17. Sino-Australia Relations

Voice of America ("CHINA WARNS AUSTRALIA NOT TO POLITICIZE RIO TINTO SPYING CASE", 2010/03/18) reported that the PRC has warned Australia not to politicize the case of the four employees of Australian mining giant Rio Tinto. PRC Foreign Ministry spokesman Qin Gang said Thursday the accused - three PRC citizens and one Australian citizen - would have their rights and

interests fully protected. But he warns those critical of the case to respect the PRC's judicial authority. Qin describes the trial as an individual business case and says it will not and should not be politicized. He also says it will not hurt Australia-PRC relations.

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18. PRC on Human Rights Issue

British Broadcast Corporation ("CHINA HITS OUT AT UK HUMAN RIGHTS REPORT ", 2010/03/18) reported that the PRC has accused Britain of putting on a political show after a UK review of human rights around the world was highly critical of Beijing. The report, issued on Wednesday, named PRC as one of some 20 nations where there was cause for serious concern about human rights. The report said there had been a marked deterioration in some areas of human rights in the PRC. The PRC's response was blunt. He asked why Britain did not talk about itself and other Western nations which, he said, had violated human rights.

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19. PRC Censorship Issue

Financial Times ("BEIJING WARNED OF DAMAGE BY TEXT CRACKDOWN", 2010/03/18) reported that Tencent, the world's third-largest internet company by market capitalisation, said the PRC's crackdown on mobile text messaging was starting to hurt its business. The warning by the company, which operates the world's most popular instant messaging service and online games with titles such as Dungeon & Fighter, is an early indication that the PRC's strict censorship regime could start to damage the country's internet boom. In virtual world, the PRC's consumers best the U.S. and its mobile services business accounts for 17 per cent of its revenues.

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20. PRC Tibet Issue

Reuters ("TIBETAN HIGH SCHOOL STUDENTS PROTEST IN WEST CHINA", 2010/03/18) reported that Tibetan high school students protested in the streets of at least two towns in western the PRC this week to mark the anniversary of an uprising against PRC rule, and some have been detained, residents said on Thursday. At least 20 teenagers were taken into custody by police in the remote western town of Hezuo on Wednesday, shortly after a larger group began a protest, a hotel clerk there said.

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21. Cross-Strait Relations

Central News Agency ("TAIWAN DOES NOT WANT TO BECOME SECOND NORTH KOREA: MAC FILM", 2010/03/18) reported that an infomercial released by Taiwan's top PRC policy coordinating body Thursday to push the signing of a proposed economic cooperation framework agreement (ECFA) across the Taiwan Strait says that Taiwan "does not want to become a second North Korea."

The 90-second infomercial in Taiwanese dialect launched by the Mainland Affairs Council (MAC) describes the DPRK as the only nation in Asia to have been excluded from all kinds of regional economic integration in the region. "The description should allow the people in Taiwan to get a better picture of Taiwan's situation, " said MAC Vice Minister Liu Te-shun.

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II. PRC Report

22. PRC Civil Society

Xinhua News Agency (Guan Guifeng, "300 MLN RMB READY FOR AIDING YUNNAN DROUGHT", 2010/03/18) reported that the worst drought in 80 years is leaving millions of people and animals without drinking water in Yunnan province. In recent days, staff of many public institutions, school students, and other people have actively donated funds or materials. As of March 16 th , there are 300 million RMB of donations, and the usage of the fund will be made known to the public by related sectors.

China News Net (Zhang Ximin, "NOMINATION LIST OF 2009 CHINA CHARITY PRIZE PUBLISHED", 2010/03/18) reported that the China Charity Prize Office of Ministry of Civil Affairs published the nomination list of 2009 China Charity Prize Wednesday in Beijing. 80 institutions, individuals, projects stood out from 582 candidates and got the nomination.

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23. PRC Climate Change

Economic Information Daily ("CHINA TO ESTABLISH FIRST CARBON FOUNDATION", 2010/03/18) reported that National Forestry Bureau is planning to establish the country’s first carbon foundation, said the General Secretary of the China Green Foundation Wednesday to the press. It will adopt a public-raising method and is now under declaration, waiting for the approval of the government.

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