

# NAPSNet Daily Report 21 January, 2009

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# NAPSNet Daily Report 21 January, 2009

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**Preceding NAPSNet Report** 

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#### I. NAPSNet

## 1. DPRK Nuclear Program

JoongAng Ilbo (Jung Ha-won, "ROK INSPECTORS SHOWN DPRK'S RODS", 2009/01/21) reported that DPRK has opened its nuclear production plants and stockpiles of nearly 15,000 spent nuclear fuel rods to ROK inspectors. Hwang Joon-gook, the senior diplomat from Seoul in charge of the denuclearization talks with Pyongyang, said the DPRK was "very cooperative" during the visit from Jan. 15 to 19. Hwang went to the main nuclear complex at Yongbyon and met with Hyun Hak-bong, the deputy director general of the American affairs bureau at the DPRK Foreign Ministry. He was denied a meeting with any of the DPRK's senior nuclear negotiators, however.

Associated Press ("REPORT: NKOREA COULD GIVE UP NUKES FOR US TIES", Seoul, 2009/01/21) reported that the DPRK is willing to give up its nuclear weapons if President Barack Obama agrees to conditions, including establishing formal diplomatic relations between the two countries, Choson Shinbo said. "It is too early to predict whether the Obama administration will endorse the North's nuclear possession or try to realize denuclearization through normalization of relations," the paper

said. "But what is sure is that the North side is ready to deal with any choice by the enemy nation ." It said that the DPRK put forward conditions for its nuclear abandonment "ahead of the launch of the Obama administration" and it was now up to Washington to act.

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### 2. ROK on DPRK Nuclear Program

The Associated Press ("S. KOREA: N. KOREA STILL CARRYING OUT NUCLEAR DEAL", Seoul, 2009/01/20) reported that the DPRK is still carrying out a nuclear disarmament pact despite its recent threat to hold onto atomic weapons, ROK's No. 2 nuclear negotiator Hwang Joon-kook said. Despite the threatening rhetoric, the DPRK was still disabling the facilities at its Yongbyon nuclear complex, Hwang said.

Yonhap ("SEOUL LAWMAKERS HOPE FOR CLOSER US TIES OVER N. KOREAN NUKE ISSUE", 2009/01/21) reported that ROK lawmakers on Wednesday congratulated U.S. President Barack Obama on his inauguration. "We hope for the prosperity of both nations through the ratification of a free trade agreement and improved joint efforts in dealing with the North Korean nuclear issue," Rep. Yoon Sang-hyun, spokesman for the ruling Grand National Party (GNP), said in a statement. Rep. Song Min-soon of the main opposition Democratic Party (DP), called upon the ROK government to "fine-tune" with the U.S. a plan to bring the DPRK into the international community.

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# 3. US on DPRK Nuclear Program

Yonhap News (Hwang Doo-hyong, "OBAMA PLEDGES TO ACTIVELY ENGAGE FOES TO RESOLVE NUCLEAR THREATS", Washington, 2009/01/20) reported that President Barack Obama vowed to engage enemies as well as friends to resolve nuclear threats and to use power prudently to regain U.S. global credibility. Obama's reference to nuclear threats, without naming the DPRK and Iran, suggests that those issues remain a priority even as the US confronts an economic crisis and wars in Iraq and Afghanistan.

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### 4. Inter-Korean Relations

Reuters (Johnathan Thatcher, "DPRK STEPS UP WARNINGS AGAINST ROK", Seoul, 2009/01/20) reported that DPRK Tuesday accused the ROK of driving the divided peninsula back into war. "It goes without saying that Lee Myung-bak is the one who has driven the bellicosity high," the official Rodong Sinmun newspaper said in an editorial carried on DPRK's KCNA news agency. "Only those who made up their minds to start a war can say this nonsense ... This is hysterical madness and the situation is grave," the newspaper added.

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### 5. PRC on Inter-Korean Relations

Xinhua News ("CHINA URGES DPRK, ROK TO IMPROVE THEIR BILATERAL RELATIONS THROUGH DIALOGUE", Beijing, 2009/01/20) reported that the PRC urged the DPRK and the ROK to improve bilateral relations through dialogue, and realize reconciliation and cooperation. Foreign Ministry spokesperson Jiang Yu told a regular press conference that this is in the common interest of the people in the Korean Peninsula and is also the shared expectation of the international community.

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### 6. DPRK Economy

Institute for Far Eastern Studies ("DPRK BANS ROK, OVERSEAS GOODS FROM MARKETS", 2009/01/20) reported that it was revealed by Open Radio for DPRK on January 19 that DPRK authorities had handed down a decree to begin enforcing a ban the sale of imported goods in markets across the country on January 20. On January 3, DPRK authorities announced a measure to the Sinuiju Citizen Association and in the Chaeha Market banning the sale of imported goods, telling traders in the market to get rid of imported goods they had with them. Goods made domestically with imported materials were allowed to be sold, but goods made in ROK would be cracked down on especially hard. Authorities are also strengthening crackdowns on homeless vagrants, known as kotjebi, or literally, 'flower swallows'.

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#### 7. DPRK Communications

Korea Times (Kim Sue-young, "'MORE NORTH KOREANS USE CELL PHONE'", 2009/01/20) reported that m ore DPR Koreans are using a cellular phone service provided by an Egyptian company last December, according to the Radio Free Asia (RFA). "At first, a mobile phone was distributed to government officials for \$200. So, ordinary people could not use the service even if they could afford it. But now, they are using phones, promising not to spill secrets," a PRC representative who visits the secretive state was quoted as saying.

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### 8. ROK Navy Somalia Dispatch

JoongAng Daily ("CABINET APPROVES PLAN TO SEND NAVY TO SOMALIA", 2009/01/21) reported that the ROK's cabinet approved a government plan to send a naval ship and forces to waters off Somalia to protect international commercial vessels from pirates operating off the coast of the East African nation, government officials said. A weekly cabinet meeting presided over by President Lee Myung-bak ratified the government plan to dispatch a ROK Navy destroyer and about 310 troops to the sea off the Gulf of Aden, said the officials.

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#### 9. ROK Civil Unrest

Reuters (Lee Jae-won and Jack Kim, "ROK'S LEE UNDER PRESSURE AS FIRE KILLS PROTESTERS", 2009/01/20) reported that five ROK citizens died on Tuesday in a blaze at a five-story building during a standoff between police and residents protesting against demolition and demanding better compensation.

Associated Press (Kwang-tae Kim, "SKOREAN OFFICIALS PROBE CLASH THAT LEFT 6 DEAD", Seoul, 2009/01/21) reported that ROK investigators were trying to determine Wednesday whether police officers used excessive force in storming a building to end a siege staged by protesters. President Lee Myung-bak stated, "It is very heartbreaking and lamentable that lives were lost," Lee said of the incident during a meeting with aides, according to the presidential office. "We are looking into whether police violated human rights" of protesters during the clash, said Yoon Seoul-ah, an official of the National Human Rights Commission .

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#### 10. EU-ROK Trade Relations

JoongAng Daily ("KOREA, EU HAVE 'NARROWED GAP' IN FTA", 2009/01/21) reported that the ROK and the EU will hold their eighth round of free trade agreement talks during the first week of March in Seoul. "Both sides have agreed that they have narrowed the gap in most issues," said the Ministry of Foreign Affairs and Trade yesterday in a formal statement. Kim Jong-hoon, the ROK's trade minister, said that 80 to 90 percent of negotiations are complete and that the talks in March could be the last.

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# 11. ROK-PRC Economic Cooperation

DongA Ilbo ("JOINT CITY DEVELOPMENT PROJECT WITH CHINA APPROVED", 2009/01/20) reported that the ROK and PRC have agree on their biggest joint venture in the Muan enterprise city project. The ROK Land, Transport and Maritime Affairs Ministry said yesterday that it has designated 17.72 million square meters in Muan County in South Jeolla Province as a development area and approved the development plan. The city will include an industrial complex dubbed "China City" and an international university complex, and become an industrial trade enterprise city with the combined functions of housing and education.

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## 12. US-ROK Trade Relations

Yonhap News (Hwang Doo-hyong, "KOREA-U.S. FTA LIKELY TO BE RATIFIED UNDER OBAMA GOV'T: PARK JIN", Washington, 2009/01/20) reported that a senior ROK lawmaker predicted that a free trade deal between the ROK and the US will be ratified under the new Barack Obama administration although it may take some time. "The Korea-U.S. FTA will be eventually ratified

under the Obama administration in consideration of the deal's importance and the disposition of the Obama government, although the FTA appears to be sidelined due to the ongoing economic crisis being a top priority," said Rep. Park Jin of the ruling Grand National Party.

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### 13. Japan SDF Somalia Dispatch

Xinhua News ("JAPAN'S RULING PARTIES AGREE TO DISPATCH NAVY TO SOMALIA", 2009/01/20) reported that Japan's ruling Liberal Democratic Party and coalition partner New Komeito party basically agreed Tuesday to a government plan to dispatch the Maritime Self-Defense Force (MSDF) for an anti-piracy mission off Somalia, local media reported. The anti-piracy project team consisting of lawmakers from both parties will formally approve the proposal after they discuss it in their respective parties, the lawmakers said, adding that they will then request that the government send the MSDF.

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# 14. Japan Politics

The Yomiuri Shimbun ("TAX ROW SPLITS MACHIMURA FACTION", 2009/01/21) reported that the disarray surrounding a planned reference in a bill to a consumption tax hike has fueled the Liberal Democratic Party's intraparty conflict, which was partly generated by a tug-of-war between the leaders of the party's largest faction. Former Prime Minister Yoshiro Mori, a heavyweight member of the Machimura faction, has suggested its breakup might be inevitable, giving rise to more trouble for the party.

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# 15. Japan Technology Transfers

Kyodo ("JAPAN TO TOUGHEN CONTROLS ON SECRET INFO, TECHNOLOGY TRANSFER", Tokyo, 2009/01/21) reported that the Japanese Ministry of Economy, Trade and Industry has also decided to revise the country's trade law to toughen controls on transfer of technology that may pose a security threat. By revising the Foreign Exchange and Foreign Trade Law, the ministry will require entities and individuals to obtain approval from it in advance when they plan to transfer designated security-sensitive technology in any manner, the officials said.

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### 16. Japan Climate Change

Bloomberg (Shigeru Sato and Todd White, "JAPAN TO LAUNCH SATELLITE TO MEASURE GLOBAL WARMING", Tokyo, 2009/01/20) reported that the Japan Aerospace Exploration Agency plans to launch a satellite in two days to measure greenhouse gases in the earth's atmosphere as nations seek better data on the evolution of global warming. The Japanese project will measure the density

of carbon dioxide and other greenhouse gases emitted into the atmosphere at 56,000 points around the globe, Yukiko Kaji, spokeswoman for the agency, said by telephone from Tokyo.

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# 17. Japan-Arab League Talks

Bloomberg (Shigeru Sato, "JAPAN, ARAB LEAGUE TO HOLD TALKS ON TRADE, ENERGY SECURITY", Tokyo, 2009/01/20) reported that Japan and the 22-member League of Arab States will hold a first round of ministerial talks in Tokyo late this year aimed at boosting trade of products including oil, natural gas and automobiles and improving energy security. "Given that the global economy is in bad shape, we need to launch a sales pitch in Arab states for automobiles, in addition to strengthening our energy supply security," Kiyoshi Mori, director of the Middle East and Africa division at the trade ministry, told reporters in Tokyo.

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### 18. Japan Whaling Issue

Bloomberg (Toko Sekiguchi, "WHALING COMMISSION FACES POSSIBLE COLLAPSE, JAPAN OFFICIAL SAYS", Tokyo, 2009/01/20) reported that the International Whaling Commission is in danger of collapsing because it has ceased to function as a forum for resolving disputes, Japan's top delegate said. "The IWC is so polarized, there's no actual dialogue anymore," Joji Morishita, a counselor for Japan's Fisheries Agency, said in a press conference in Tokyo today. "There is still a high possibility of the collapse of the process." "Japan wants to remain in the IWC," he said. "Countries that only argue for conservation should leave" the organization.

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# 19. Sino-Japan Trade Relations

Xinhua News ("PRC'S SENIOR LEADER URGES ENHANCED TRADE, ECONOMIC TIES WITH JAPAN", 2009/01/20) reported that PRC's top political advisor Jia Qinglin on Tuesday called for enhanced trade and economic cooperation between PRC and Japan. He urged more cooperation in energy saving, environment protection, tourism, agriculture and food sectors between PRC and the prefecture for a win-win result and sustainable economic development. Takahashi Harumi said her government is willing to closely cooperate with the PRC side and step up cooperation in trade, investment and tourism to jointly cope with the global financial crisis.

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#### 20. Cross Strait Relations

Bloomberg News ("CHINA SECURITY IMPROVED IN 2008 WITH TAIWAN TIES", 2009/01/20) reported that the PRC's security improved in 2008 as relations across the Taiwan Strait warmed, a Ministry of National Defense spokesman said, as the government released a report showing the

slowest defense budget annual growth in three years. "Relations across the Taiwan Strait have seen unprecedented and tremendous changes," Defense Ministry spokesman Senior Colonel Hu Changming told reporters at a press conference in Beijing. Military exchanges "can help the two sides to reduce concerns about military security and promote the stability across the Taiwan Strait."

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#### 21. Sino-US Relations

Reuters ("DON'T UNDO BUSH'S WORK, CHINA TELLS OBAMA", Beijing, 2009/01/21) reported that the China Daily urged new U.S. President Barack Obama not to ignore the "hard-earned progress" in ties made by George W. Bush. The paper praised Bush for laying "a decent foundation for one of the world's most influential relationships". "After decades of dramatic ups and downs, the once volatile relations are just beginning to show signs of stabilizing," it said in an editorial.

Associated Press ("CHINESE TRANSLATION CUTS OUT PARTS OF OBAMA'S SPEECH", Beijing , 2009/01/21) reported that the official PRC translation of President Barack Obama's inauguration speech omitted his references to communism and dissent. The news channel of China Central Television broadcast the speech live early Wednesday local time, but the translator had no sooner said "fascism and communism" when the audio faded out from Obama's speech and cameras cut back to the studio anchor, who seemed flustered for a second before turning to ask an expert what challenges the president faces in turning around the U.S. economy.

Associated Press (Tini Tran, "CHINA: US ARMS SALES TO TAIWAN 'HARM' TO RELATIONS", Beijing, 2009/01/20) reported that the PRC issued a major policy paper on national defense that said blocking formal Taiwanese independence remains the chief concern for the PRC military. "At present, when China- U.S. military -to-military relations are faced with difficulties, we call on the U.S. Department of Defense to remove obstacles ... and create favorable conditions for the healthy growth of military relations," said Sr. Col. Hu Changming, chief spokesman for the Ministry of National Defense. The policy paper itself said U.S. arms sales to Taiwan caused "serious harm to Sino-U.S. relations."

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### 22. Sino-Russian Economic Cooperation

Itar-Tass ("CHINA, RUSSIA TO STRENGTHEN COOPERATION TO FIGHT FINANCIAL CRISIS", Beijing, 2009/01/20) reported that the PRC and Russia are going to step up cooperation to fight the world financial crisis, Alexei Kudrin, the Russian deputy premier and finance minister, said after the third inter-ministerial financial dialogue between Russia and the PRC. The PRC intends to deepen "cooperation with Russia, expand and enrich the contents of the strategy of economic relations between the two countries, promote the sound and stable development of relations of Russian-Chinese strategic partnership," Xie Xuren said.

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### 23. PRC-Costa Rica Trade Relations

Agence France Press ("PRC AND COSTA RICA BEGIN FREE TRADE TALKS, OFFICIALS SAY", 2009/01/21) reported that Costa Rica on Monday began talks for a free trade treaty under which the Central American nation hopes to export meat, plants, fruit and coffee to the Asian giant, officials said. A major exporter of computer components, Costa Rica has dismissed fears of an invasion of PRC products into the country as it seeks to diversify ties amid worldwide financial woes.

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#### 24. Sino-France Relations

British Broadcasting Corporation ("PRC PM'S TRIP 'SNUBS FRANCE' ", 2009/01/20) reported that PRC Premier Wen Jiabao is due to travel to Europe next week, the foreign ministry has announced but his trip will pointedly exclude France. Correspondents say Beijing continues to snub Paris because of a meeting between President Nicolas Sarkozy and the Dalai Lama late last year. Mr Wen's visit is being seen by analysts as a sign it is ready to mend relations with European leaders following the heated row last year over PRC's crackdown on Tibetan protesters.

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#### 25. PRC Defense

McClatchy Newspapers (Tim Johnson, "PRC RENEWS PLEDGE OF 'NO FIRST USE' OF NUKES", Chengdu, PRC, 2009/01/20) reported that PRC on Tuesday renewed its pledge never to be the first to use nuclear weapons in a military conflict . PRC's nuclear missiles "are not aimed at any country," a 105-page report says. The annual defense survey outlines how the PRC would respond to a nuclear threat, saying that it would first put its nuclear arsenal on full alert, a move designed "to deter the enemy from using nuclear weapons against China." If an enemy nation fires nuclear missiles at PRC , the report says, PRC would "launch a resolute counter-attack."

Xinhua News ("PRC COMMITTED TO INT'L MECHANISMS ON ARMS CONTROL, NON-PROLIFERATION", Beijing, 2009/01/20) reported that the PRC government has always attached importance to and been supportive of international efforts in the field of arms control, disarmament and non-proliferation, said a white paper. On nuclear disarmament, the paper said: "China holds all nuclear-weapon states should make an unequivocal commitment to the thorough destruction of nuclear weapons, and reduce the role of nuclear weapons in their national security policy."

Reuters (Ben Blanchard, "PRC FEARS CONTAINMENT AS DEFENSE SPENDING RISES", Beijing, 2009/01/20) reported that PRC fears containment abroad and separatist groups at home, a defense policy paper said on Tuesday, justifying a drive to increase military spending and push the People's Liberation Army into the high-tech era. PRC's security has been improving as its economy grows and the PLA embraces modernization, the defense "white paper" said, but pro-independence forces in Taiwan, Tibet and the energy-rich western region of Xinjiang still "pose threats to China's unity and security."

#### 26. PRC AIDS Issue

Bloomberg (James Peng, "PRC BEGINS USING NEW DRUGS TO FIGHT AIDS, CHINA DAILY SAYS", Hong Kong, 2009/01/20) reported that PRC started a nationwide program to distribute new drugs among AIDS patients, the state-run China Daily reported \_\_ , citing an official at the Ministry of Health. Three anti-retroviral drugs are being provided free to AIDS patients, the newspaper said, citing Hao Yang, deputy director of the ministry's disease control bureau. The medicines, including two new drugs -- TDF and Kaletra -- as well as 3TC, are all imported and cost as much as 15,000 yuan (\$2,194) a patient a year, it said.

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# 27. PRC Energy

PR Newswire-Asia ("PRC ENERGY RECOVERY REPORTS MORE THAN 140 MW ENERGY GENERATION CAPACITY COMPLETED AND DELIVERED IN 2008", Shanghai, 2009/01/20) reported that China Energy Recovery, Inc., announced today that the company helped complete and deliver the equivalent of roughly 143 MW of energy generation capacity to its clients in 2008. That same amount of power generation, if provided through traditional coal-fired power plants, would have required approximately 309,000 tons of coal (coal equivalent) and generated roughly 822,000 tons of carbon dioxide emission. Instead, China Energy Recovery's systems use nothing but waste energy recovered.

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### 28. PRC Earthquake Reconstruction

Xinhua News ("ADB PROVIDES CHINA 1ST GRANT TO IMPROVE DISASTER MANAGEMENT", Manila, 2009/01/20) reported that the Asian Development Bank (ADB) said it is providing the bank's first grant on enhancing disaster management to the PRC, to solve the aftermath of the 8.0-magnititude earthquake which killed more than 80,000 people in Sichuan province last May. The funds, totaling 650,000 US dollars, will be used to conduct a full review of the current system and to help the PRC develop a risk management strategy that is coordinated, effective, and more inclusive of the civil society and the private sector, ADB said in a statement.

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# II. PRC Report

### 29. PRC Energy Use

Beijing Evening News (Shao Zehui, "BEIJING REPRESENTATIVE SUGGESTS SET "SUMMER

SOLSTICE LIGHTS OUT DAY", 2009/01/20) reported that representative of Beijing municipal people's congress Wang Can, who is also a professor of environmental law of China University of Political Science and Law, suggested to set the annual lunar summer solstice day as a lights out day, and also hold publicity campaigns on energy saving and emission reduction that day. The summer solstice day (June 21 or 22) is a day with the longest sunshine each year, and it also means the arrival of peak of power utilization. He encouraged citizens and all kinds of enterprises, shopping malls, restaurants and other units to close decorative lights during the 20:00 ~21:00 that day.

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# 30. PRC Civil Society and Public Health

Xinhua Net (Zhang Xiaosong, "CHINA ANTI-CANCER ASSOCIATION LAUNCHES NO PAIN SPRING FESTIVAL ACTIVITY", 2009/01/20) reported that as the Spring Festival is coming, Cancer Rehabilitation and Palliative Care Committee of China Anti-cancer Association and Xian-Janssen Company co-sponsored "No Pain Spring Festival", to help cancer patients get rid of cancer pain and enjoy a happy festival with their families. This is the ninth year of the activity. The sponsors will hold educational activities teaching patients how to get rid of cancer pain, and provide free diagnosis in Beijing, Wuhan, Guangzhou and other cities.

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#### 31. PRC Business Associations

Guangdong News Net (Feng Xu, Yuan Shaohong, "SHAOGUAN MUNICIPAL BUSINESS ASSOCIATION OF GUANGDONG PROVINCE HELP 860 PEOPLE START BUSINESS", 2009/01/20) reported that since 2005, Shaoguan Municipal Business Association has undertaken the follow up service of business training from Shaoguan Municipal Labor and Social Security Bureau. To enhance the vocational skills of people who have employment difficulties, the Association and the municipal Labor Union have co-sponsored many training classes. 2950 people have joined in the training classes and 860 have successfully started a business after the training.

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