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Preceding NAPSNet Report

I. NAPSNet

1. DPRK Nuclear Program

Associated Press ("NKOREA MEDIA: US NOT MEETING COMMITMENTS", Seoul, 2008/01/22) reported that the DPRK's Minju Joson newspaper accused the United States on Tuesday of failing to meet its commitments to remove Pyongyang from U.S. terrorism and trade blacklists by the end of 2007. "Under this situation, it is pretty evident that we cannot carry out our commitments unilaterally," the commentary said, according to the official Korean Central News Agency. "If the U.S. truly intends to move the Korean peninsula denuclearization forward, all it should do is be sincere about its own commitments." "We have never flinched or ducked our heads in front of U.S. confrontational policy. We have responded to hard-line U.S. policy with super hard-line policy," it said. "The Korean peninsula denuclearization process can move forward only when the U.S. sincerely carries out its commitments."

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2. Inter-Korean Economic Cooperation

Yonhap ("HIGH TARIFFS LIMIT EXPORT OF KAESONG-MADE PRODUCTS: THINK TANK", Seoul, 2008/01/21) reported that high tariffs limit the export of products made by ROK companies in the joint industrial complex in the DPRK's border town of Kaesong, a state-run think tank said Sunday. The Korea Institute for Industrial Economics and Trade (KIET) said in a report on the industrial complex just north the of demilitarized zone, that as of September 2007, only US$47.2 million worth of Kaesong goods were exported. This is equivalent to 22.4 percent of $213.8 million worth of goods made by the complex so far. "The main reason why Kaesong products are not exported is because countries including the United States and Japan slap high import duties on North Korean goods," a researcher said.

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3. DPRK Economy

IFES NK Brief ("DUPLICITY IN THE NORTH KOREAN FOREIGN CURRENCY MANAGEMENT SYSTEM", 2008/01/21) reported that it appears that moves to strengthen the so-called ‘Royal Economy’, done in order to fortify Kim Jong Il’s reign over the DPRK, have led to the dismantlement

of the DPRK's uniform foreign currency management system, and now two systems are in place. DPRK authorities are attempting to reestablish one foreign currency management system centered on the Cabinet, but the existence of the 'Royal Economy' is blocking these moves. Additionally, "through supplementing North Korea's legal system, there is an attempt in progress to reestablish a single foreign currency management system centered around the trade bank and Cabinet, but the military economy and entities such as Room 38 and Room 39 oppose it, so it is as-of-yet not possible. North Korea tries to strengthen its role in and control over public finances through government foreign currency management, but is hampered by the fetters of the 'Royal Economy'."

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4. DPRK Information Technology

Yonhap ("N. KOREAN LEADER VISITS COMPUTER PROGRAM EXHIBITION: REPORT", Seoul, 2008/01/21) reported that the DPRK's leader Kim Jong-il recently visited a computer program exhibition and called for further development of the country's computer technology and education, the communist state's official news agency reported. Kim checked "computer programs displayed at the 18th national program contest and exhibition" and expressed "great satisfaction" over the achievement of the nation's scientists and technicians, the Korea Central News Agency (KCNA) said.

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5. Aid to the DPRK

Korea Herald ("N. KOREA MORE AND MORE OPEN TO U.N. AID: RAPPORTEUR", 2008/01/21) reported that the DPRK has become more and more receptive to help from United Nations agencies, mostly due to the country's dire need of food and other aid, a special rapporteur from the U.N. said, reported Yonhap News Agency. Vitit Muntarbhorn, a U.N. special rapporteur on DPRK human rights currently visiting Tokyo, assessed Pyongyang's reception of help from U.N. agencies since the devastating floods last August as a "constructive development." The official, however, also noted that problems such as the mismanagement of food and distorted budget allocations benefited the military and elites.

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6. US-ROK Relations

Yonhap ("PRESIDENT-ELECT VOWS CLOSER TIES WITH U.S. IN LETTER TO BUSH: ENVOY", Washington, 2008/01/21) reported that the ROK's incoming administration will try to further strengthen its alliance with the US to address the DPRK's nuclear ambitions and other issues of regional concern, a special envoy of President-elect Lee Myung-bak said. "South Korea-U.S. relations have been seriously damaged because there has been a lack of sincere dialogue between the two sides," Rep. Chung Mong-joon, Lee's special envoy to the U.S., told reporters here. "As the U.S. side must have a lot to say to our government, we will first listen closely to what they have to say before coming up with our position," he added.

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7. ROK-Russia, DPRK Trade Relations

Xinhua ("S KOREA ENVOY SUGGESTS FURTHER ECONOMIC TIES WITH MOSCOW, PYONGYANG", Moscow, 2008/01/21) reported that a special envoy from the ROK suggested the establishment of a northeast Asian economic bloc along with Russia and the DPRK, news agencies reported. Lee Jae-oh, envoy of ROK President-elect Lee Myung-bak, will discuss the ROK president-elect's plan to create a northeast Asian economic community during his six-day visit to Russia. "We propose establishing a joint peace and economic committee between South and North Korea and Russia, which could serve as a platform to discuss peace and economic issues in the region," RIA news agency quoted the senior diplomat as saying.

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8. Japan Politics

Agence France-Presse (Hiroshi Hiyama, "JAPANESE OPPOSITION PRESSES FOR SNAP ELECTIONS", Tokyo, 2008/01/21) reported that Japan's opposition went on the offensive Monday, pledging to push for an early election and spelling stalemate for the divided parliament's new session. The opposition pledged to fight the agenda of Prime Minister Yasuo Fukuda, who opened the 150-day parliament session on Friday with promises of action on fighting global warming and other issues. "In order for Japan to regain its vitality, we must launch an administration run by the Democratic Party of Japan," he said.

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9. Japan SDF Indian Ocean Mission

Agence France-Presse ("US REJECTS JAPAN REQUEST OVER FUEL USE IN 'WAR ON TERROR': REPORT", Tokyo, 2008/01/21) reported that the US has rejected a request by Japan that it verify Tokyo's contribution to the US-led "war on terror" in Afghanistan is not used for military operations in Iraq, a report said. Ahead of the resumption, scheduled for mid-February, Japan and the United States are making arrangements to exchange documents on details of support later this month. But Washington disagreed with Japan's plan to include provisions that would enable Tokyo to verify what the fuel was being used for, Kyodo reported, quoting unnamed sources close to Japan-US relations. US officials said such provisions would affect its military operations in the region and be a burden on the troops engaged in them, the sources said.

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10. Sino-Japanese East Sea Gas Dispute

The Financial Times (David Pilling and Mure Dickie , "CHINESE OPTIMISTIC ON GAS RESERVE AGREEMENT", Tokyo/Beijing, 2008/01/21) reported that a smouldering dispute between the PRC and Japan over ownership of gas reserves in the East China Sea should be resolved by the time Hu Jintao, the PRC's president, visits Tokyo in spring, Beijing's ambassador to Japan said. Foreshadowing what could be the most significant breakthrough in Sino-Japanese relations in years, Cui Tian-kai, the PRC's ambassador, said: "We are making progress. Hopefully, we will arrive at a

solution well before Hu's visit." Mr Cui said it should be possible to come up with a "practical formula" that would allow the two countries to share gas reserves without ceding ground on territorial or legal questions. These would be solved "in the future", he said.

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11. Cross Strait Relations

Agence France-Presse (Felix Mponda, "TAIWAN FEELS THE SQUEEZE FROM CHINA PUSH INTO AFRICA", Blantyre, 2008/01/21) reported that its largesse may still help prop up the economies of some of the continent's poorest countries but Taiwan is being slowly squeezed out of Africa as the PRC's presence grows ever stronger. Malawi last week became the fourth African country to switch diplomatic allegiance to Beijing since Taiwanese President Chen Shui-Bian came to power in 2000, leaving only the minnows of Burkina Faso, Gambia, Swaziland and Sao Tome and Principe still with links with Taipei. While the Taiwanese government has helped bankroll everything from hospitals to roads, Malawi has come to the conclusion that it cannot afford to be left out in the cold as the PRC becomes ever more influential on the continent.

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12. PRC Unrest

Agence France-Presse ("CHINA VOWS TO END VIOLENCE BY URBAN INSPECTORS", Beijing, 2008/01/21) reported that a quasi-police agency in the PRC has vowed to end violence while enforcing the law after officials from its ranks beat a man to death for video-taping their crude tactics, the government said Monday. "Violently implementing the law and using administrative violence is in a way the same as trampling on the spirit of the law," the State Urban Management Bureau said in a statement on a government website. The remarks came after Wei Wenhua, a manager of a construction firm and a Communist Party member, was beaten to death this month by urban inspectors in central PRC's Hubei province.

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II. ROK Report

13. Inter-Korean Talks

Hankyoreh (Lee Je-hoon, "FIRST INTER-KOREAN TALKS DELAYED", Seoul, 2008/01/21) reported that the first talks between the two Koreas, namely the railway talks to be held on 22 were postponed. Even though they tried to convince the DPRK to hold the meeting as it was initially planned, the DPRK suspended the meeting without rearranging the date, the ROK Unification Ministry said. Experts are concerned about why the DPRK had decided to delay the meeting. One government official analyzed that, ever since President-elect Lee Myung-bak's transition team has announced that they were to reconsider the issues that had been already agreed to implement during last summit, the DPRK could have sensed uneasiness in the inter-Korean relationship and delayed the talks.

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14. DPRK Economy

Yonhap News ("DPRK KIM JONG-IL, VISITS TO SEVERAL PLACES TO REVIVE ECONOMY", Seoul, 2008/01/22) reported that Kim Jong-il, the DPRK leader, started visiting several economic institutions in an effort to revive the economy. Experts analyzed that the DPRK could have thought that they had solved problems in improving the DPRK-US relationship and nuclear problem, so that they now can put all their effort in developing the economy. However, the experts said that the reason why the DPRK keeps on asserting to survive "by themselves" is because they are still concerned about the uneasy state of affairs around them. The DPRK should work more on improving the relationship with the US and the ROK, they added.

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15. Incoming Government's DPRK Policy

Joongang Daily (Song Ho-gun, "THE END OF THE SUNSHINE POLICY", Seoul, 2008/01/21) said in an editorial that eliminating the ROK Unification Ministry was something that the former and the current presidents Kim Dae-jung and Roh Moo-hyun were seriously concerned about. Two of the main jobs of the ministry were to facilitate the "sunshine policy" and to encourage the ROK's ideological identity. This is why some people consider the elimination of the ministry as the end of the sunshine policy. Even though the President-elect's transition team keeps on asserting that they would be consistent with the previous policy, it is apparent that there will be less historical meaning or humanistic approach, but more practical calculating for more profits. To be frank, the transition team's policy is quite predictable in the sense that the progressives have been strengthening their power with unification discourse, and finally the conservatives are looking to reverse the tendency. However, this tendency to reverse the whole thing should not function as a denial about what the current government has worked on regarding the inter-Korean relationship for the last decade.

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