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Preceding NAPSNet Report

MARKTWO

I. NAPSNet

1. DPRK Nuclear Program

Yonhap ("N. KOREA RENEWS CLAIM TO NUCLEAR STATUS", Seoul, 2009/01/23) reported that the DPRK's Korean Central News Agency said Friday that the U.S. military recognizes the DPRK as a nuclear state. KCNA noted that a special U.S. Department of Defense investigations committee for nuclear weapons management "said that the DPRK has not only several nuclear weapons but a missile system capable of delivering them."

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2. DPRK Military

Yonhap News ("MALNUTRITION REDUCING N. KOREA'S MILITARY POOL: REPORT", Seoul, 2009/01/22) reported that c hronic food shortages will considerably reduce the DPRK's pool of military recruits in the coming years, with nearly a quarter of young adults unfit for service due to malnutrition-related mental disabilities, a US intelligence report said. The famine of the 1990s has caused severe cognitive deficiencies among young North Koreans, said the report by the National Intelligence Council. The rate of disqualification will peak in the 2009-2013 period, during which an estimated 17-29 percent of potential DPRK recruits born during the 1990s famine will reach military age, it said.

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3. Sino-DPRK Relations

Xinhua News ("DPRK TO STRENGTHEN ECONOMIC, TRADE COOPERATION WITH CHINA", 2009/01/21) reported that Kim Yong II, prime minister of the DPRK, said that the DPRK is willing to further strengthen economic and trade cooperation with the PRC. 2009 is the "year of DPRK-China friendship," and the DPRK is ready to further expand cooperation with the PRC in such fields as the economy and trade, Kim said. The DPRK is ready to strengthen inter-party dialogue with the PRC and make efforts to build a better friendly cooperative relations with the PRC, he noted.

Yonhap ("N. KOREAN LEADER KIM JONG-IL MEETS WITH VISITING CHINESE OFFICIAL: XINHUA", Seoul, 2009/01/23) reported that leader Kim Jong-il met with Wang Jiarui, chief of the international department in the Chinese Communist Party's central committee, on Friday, Xinhua news agency said. It was Kim's first meeting with a foreign guest since he reportedly suffered a stroke last summer. Wang gave Kim received a letter from PRC President Hu Jintao. Wang Jiarui, "conveyed to Kim Jong-il congratulations and a personal message sent by Hu Jintao" on the occasion of the Lunar New Year's Day, said the Korean Central News Agency. It did not disclose what the letter said.

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4. PRC on DPRK Leadership

Korea Times (Sunny Lee, "CHINA SKEPTICAL OVER DESIGNATION OF NK'S HEIR", Beijing, 2009/01/22) reported that w hile the domestic and some world media outlets are busy piecing together the puzzle of DPRK leader Kim Jong-il's new heir-apparent, PRC scholars remain careful in not jumping into the same game. "Yes, I read the news report,'' said Shen Dingli, executive dean of the Institute of International Studies at Fudan University in Shanghai. "Better not to believe it. For the last 15 years, there has been so much such speculation, none of which has been confirmed." Just like Shen, Zhu Feng, a security expert at Peking University, remains a skeptic as well. "I don't think the North Korean leader is likely to have made the decision yet," he said, adding, "There has been barely any political apprenticeship of a third son so far."

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5. DPRK Economy

The Yomiuri Shimbun (Toru Makinoda, "N. KOREA PLANS FREE TRADE ZONE ON ISLAND", Shenyang, 2009/01/22) reported that the DPRK plans to develop Wi Hwa Island in the Yalu River, which separates the country and the PRC, into a free trade zone for which the PRC will not need visas, according to sources following PRC-DPRK relations. The DPRK apparently wishes to bring food and other goods in short supply into the country from the PRC by strengthening border trade with its neighbor. Pyongyang's move to beef up trade with the PRC in this way can also be seen as an attempt to pressure ROK President Lee Myung Bak's administration, the sources said.

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6. DPRK Urban Planning

Yonhap News ("PYONGYANG BEEFS UP REMODELING DRIVE WITH MORE PARKS", Seoul, 2009/01/22) reported that t he DPRK capital of Pyongyang will undergo a major face-lift this year through the development of recreational gardens and the remodeling of public parks, Choson Sinbo said. It said the People's Committee of Pyongyang plans to plant 300,000 trees and build several "modern" parks across the capital under its 2009 urban management plan. "The plan is characterized by the construction and modernization of parks and recreational gardens, and coincides with North Korea's key aim of enhancing the cultural life and morale of its workers," it said.

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7. US-ROK Relations

Yonhap ("TOP S. KOREAN, U.S. DIPLOMATS AGREE TO SEEK EARLY SUMMIT", Seoul, 2009/01/23) reported that ROK Foreign Minister Yu Myung-hwan and US Secretary of State Hillary Clinton agreed to push for an early summit between their leaders during their telephone talk on Friday, the foreign ministry said. They also agreed to cooperate closely to bolster the two nations' alliance, resolve the DPRK nuclear issue and overcome the financial crisis, it added.

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8. US-ROK Trade Relations

Korea Herald ("'SEOUL WILL REJECT ANY CHANGE TO U.S. FTA'", 2009/01/22) reported that Trade Minister Kim Jong-hoon said that the ROK would not need to respond to a US request for renegotiating the free-trade agreement signed in June 2007. "We do not need to make a response even if the U.S. makes a request," Kim said on a local radio program. "If one were rational and reasonable, renegotiating the deal would not be right."

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9. US East Asia Diplomacy

JoongAng Ilbo (Chae Byeong-geo, "REPORT URGED U.S. TO CENTER ON JAPAN AND CHINA", 2009/01/22) reported that Japan should be considered a major cornerstone in Washington's new diplomatic efforts in the Asia-Pacific region, and it is time for the United States to reshape its policy toward the PRC in a way that recognizes it as a superpower rather than a distant foe, according to a report written by Kurt Campbell, the Obama administration's designated assistant secretary of state for East Asian and Pacific Affairs. The paper also gave signs that the ROK may lose some of its diplomatic leverage in the region as the US is poised to form a stronger political triangle with Japan and the PRC.

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10. Japan-Mongolia Relations

Xinhua News ("JAPAN TO ASSIST MONGOLIA IN DEVELOPMENT", Ulan Bator, 2009/01/22) reported that Japan signed an agreement with Mongolia to provide the country with about 21.74 million U.S. dollars in efforts to help it improve its economic structure and guarantee stable development. The assistance agreement was signed by Yasuyoshi Ichihashi, the Japanese ambassador to Mongolia, and Suhkbaataryn Batbold, the Mongolian minister of external relations. The assistance program, which will start this year, includes 13million dollars in non-programmed aid for the Mongolian government to purchase oil as needed, Ichihashi said.

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11. Japan Politics

The Yomiuri Shimbun ("LDP PANELS OK TAX BILL PROVISION; RISK OF REVOLT OVER SALES TAX EBBS", 2009/01/22) reported that two key Liberal Democratic Party panels endorsed a supplementary provision of a government bill on tax system reform for fiscal 2009, which mentions raising the consumption tax but muddies the waters on the contentious issue of when the hike should be implemented. There had been strong resistance within the LDP to spelling out in black and white just when the consumption tax would be increased, but the bill's opponents agreed to back the proposed legislation after the wording left some wiggle room over the exact timing of the increase.

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12. Japan Climate Change

Associated Press ("JAPAN LAUNCHES ROCKET WITH GREENHOUSE-GAS PROBE", Tokyo, 2009/01/23) reported that Japan's space agency has launched a domestically-made rocket carrying the world's first greenhouse-gas monitoring satellite. The H2A rocket took off Friday from the space center on Tanegashima , a remote island in southern Japan.

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13. Sino-US Relations

The Wall Street Journal (Ian Johnson, "RELATIONS WITH CHINA COULD TEST OBAMA", 2009/01/22) reported that as the Obama administration wrestles with trouble spots around the world, it is likely to see the PRC as an oasis of calm. That could be deceptive. Although ties with the PRC have arguably never been more stable in the 30 years since the two countries resumed diplomatic ties, a host of economic and political issues are likely to surface in the coming months. In the PRC, a deteriorating economic situation could increase pressure to further widen the record trade surplus with the US; while in Washington, the trade deficit, as well as lingering concerns about food and product safety, could spur calls for action against the PRC.

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14. Sino-UK Relations

BBC News (Jonathan Marcus, "BRITAIN AND CHINA 'TO CO-OPERATE'", 2009/01/22) reported that Britain is to make improving relations with the PRC a "major priority" in the years ahead, the foreign secretary is to announce. In a new document, David Miliband says the UK will be "candid" when it disagrees with the PRC, but will build a relationship based on co-operation. The paper, published on Thursday, will stress the importance of economic ties between the two countries.

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15. Cross Strait Relations

Kyodo News ("TAIWAN SAYS WHO TO INCLUDE ISLAND IN KEY REGULATIONS", Taipei, 2009/01/22) reported that the World Health Organization is to include Taiwan, previously excluded from WHO activities, in the U.N. body's legal framework for information sharing on diseases and other health issues, the island said. The announcement by Taiwan's Center for Disease Control marks a breakthrough for the island's international participation and relations with the PRC, which has blocked Taipei's bid to join the United Nations and affiliated agencies since the 1990s.

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16. PRC Economy

Washington Post (Maureen Fan, "CHINA'S ECONOMY SLOWED SHARPLY IN 4TH QUARTER", 2009/01/22) reported that the PRC's economic growth dropped sharply in the fourth quarter of last year, according to new data released, raising the specter of more job losses and worrying experts concerned about the impact on the country's stability. The PRC's gross domestic product from October through December grew by 6.8 percent compared with the same period a year ago. That fourth-quarter growth fell below 8 percent was significant, according to government officials who believe growth of about that level is necessary to put the PRC's vast labor market to work.

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17. PRC Energy Use

Reuters ("CHINA'S ENERGY SAVING A SILVER LINING TO ECONOMIC GLOOM ", Beijing, 2009/01/22) reported that the PRC in 2008 met an unofficial energy-saving target for the first time, government data showed, as a serious economic slowdown succeeded where years of exhortations from the country's leaders failed. The amount of energy used to generate each dollar of national income fell 4.2 percent last year, accelerating from a 3.7 percent fall the previous year as factories closed or cut back production across the country's manufacturing heartland.

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18. PRC Energy Supply

China Daily (Si Tingting, "SHENHUA SHOWS THE WAY TO MAKE GAS FROM COAL", 2009/01/22) reported that in the middle of the Ordos Desert that borders the PRC's Inner Mongolia autonomous region and Shaanxi province, a huge factory was recently built to turn black solid coal into clean liquid fuels. The factory is surrounded by dozens and dozens of coal mines and sits on top of an enormous coal deposit renowned for its quality. It is also home to many top scientists who are undertaking research and development of direct coal liquefaction technology.

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19. PRC Social Welfare

China Daily (Wang Zhuoqiong, "GOVT DISTRIBUTES $1.42B AS HONGBAO AMONG THE POOR", 2009/01/22) reported that the ministries of finance and civil affairs have distributed about 9.66 billion yuan ($1.42 billion) among the needy to help them celebrate Spring Festival. The unprecedented aid package, with one-off payments, will benefit more than 74 million people amid the financial crisis, a senior official has said. The beneficiaries include 62.8 million people who get minimum living allowance, and 5.3 million unemployed or people without relatives who get necessities such as food, clothing, healthcare and housing from local governments. About 6.4 million people getting State subsidy are also among the beneficiaries.

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20. PRC Bird Flu

The Associated Press ("CHINA HEALTH MINISTRY: BIRD FLU EPIDEMIC UNLIKELY", 2009/01/22) reported that the PRC's Health Ministry said there was no evidence of a large-scale outbreak of bird flu even though the country has reported four cases this month, three of which were fatal. The ministry said the illnesses, which have been scattered across different provinces, were isolated, unrelated and did not show significant mutations of the H5N1 virus. They also occurred during the cold months, which experts have determined are high season for infections, it said.

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