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Preceding NAPSNet Report

I. NAPSNet

1. DPRK Nuclear Program

Reuters (Mark Heinrich and Sylvia Westall, "DPRK OUSTS U.N. MONITORS, TO RESTART ATOM BOMB PLANT", Vienna, 2008/09/24) reported that the DPRK has expelled U.N. monitors from its plutonium-making nuclear plant and plans to start reactivating it next week, rowing back from a 2007 deal to scrap its atomic bomb program, officials said. "There are no more seals and surveillance equipment in place at the (plutonium) reprocessing facility," IAEA spokeswoman Melissa Fleming said, referring to the most proliferation-sensitive installation at Yongbyon. "(North Korea) further stated that from here on, IAEA inspectors will have no further access to the reprocessing plant," she said, summarizing Heinonen's remarks. Nuclear analysts have said the DRRK would need several months at least to bring the installation back on line since it had been largely taken apart over the past year.

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2. US on DPRK Nuclear Talks

Reuters (Sue Pleming, "RICE SAYS NORTH KOREA TALKS "BY NO MEANS" DEAD", New York, 2008/09/25) reported that US Secretary of State Condoleezza Rice said that the DPRK's actions to reactivate its nuclear plant did not mean an end to six-party nuclear talks but deepened Pyongyang's isolation. "By no means," said Rice when asked whether the DPRK's latest actions to reactivate its plutonium-producing Yongbyon plant spelled an end to six-nation disablement negotiations. "We have been through ups and downs in this process before," she added.

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3. US on DPRK Nuclear Program

Agence France-Presse (Lachlan Carmichael, "US BEWILDERED, DISAPPOINTED OVER NKOREAN NUCLEAR DEFIANCE", New York, 2008/09/24) reported that the Bush administration voiced bewilderment and disappointment over the DPRK's growing defiance of a landmark nuclear disarmament deal but refused to give up hope of a diplomatic legacy. "We strongly urge the North to reconsider these steps and come back immediately into compliance with its obligations as outlined in the six party agreements," said White House spokesman Gordon Johndroe. "The North Korean actions are very disappointing and run counter to the expectations of the members of the six party talks and the international community," he said on the sidelines of the UN General Assembly in New York.

Agence France-Presse ("US NUCLEAR ENVOY TO MEET CHINESE, JAPANESE DIPLOMATS", New York, 2008/09/24) reported that the top US negotiator on the DPRK's nuclear disarmament is due to meet with a top PRC diplomat on the sidelines of the UN General Assembly, the State Department said. Christopher Hill, the assistant secretary of state for east Asian and Pacific Affairs, will meet in New York with the PRC's Vice Foreign Minister He Yafei, said a State Department statement. Hill will meet Friday with his Japanese counterpart in the nuclear talks, Ministry of Foreign Affairs director general Akitaka Saiki, said a statement quoting the department's deputy spokesman Robert Wood.

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4. DPRK Leadership

Yonhap ("KIM'S BROTHER-IN-LAW LIKELY TO TAKE NK HELM", Seoul, 2008/09/24) reported that the U.S. intelligence agency believes Jang Song-taek, brother-in-law of DPRK leader Kim Jong-il, will likely take the most important role in running the country if the ailing leader either becomes physically disabled or dies, a local daily reported Wednesday.The agency made the suggestions in a report recently delivered to the ROK presidential office, intelligence agency and other security-related offices, the Dong-A Ilbo said, citing sources in Washington and Seoul.

Yonhap News (Hwang Doo-hyong, "KIM JONG-IL LIKELY TO ATTEND OCT. 10 WORKERS' PARTY CEREMONY: NGO", Washington, 2008/09/25) reported that DPRK leader Kim Jong-il will likely appear in public at a ceremony in early October to celebrate the founding of the ruling Workers' Party and quell speculation about his health, a nongovernmental organization said. "We've heard

(from North Koreans) that Chairman Kim Jong-il will appear at the ceremony to mark the 63rd anniversary of the foundation of the Workers' Party on Oct. 10 as speculations abound abroad and North Korean people are concerned about Chairman Kim's health," monk Pomnyun, chairman of Good Friends, said in a statement.

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5. ROK Economy

Yonhap (Lee Joon-seung, "FOREIGN INVESTMENT INTO S. KOREA FALLS FOR 3RD STRAIGHT YEAR IN 2007", Seoul, 2008/09/25) reported that foreign direct investment (FDI) flowing into the ROK fell for the third straight year in 2007 due to a slowdown in the domestic economy and a lack of attractive acquisition prospects, a government report said Thursday. The report by the Ministry of Knowledge Economy, based on data released by the Geneva-based U.N. Conference on Trade and Development (UNCTAD), showed that the ROK received FDI totaling US$2.63 billion last year, a drop of 46.1 percent from a year ago.

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6. Japan-DPRK Relations

Kyodo News ("ASO CABINET VOWS TO RESOLVE N. KOREA ABDUCTIONS, STRENGTHEN ASIA TIES ", Tokyo, 2008/09/24) reported that new Japanese Prime Minister Taro Aso and his Cabinet stressed their determination Wednesday to press the DPRK to resolve the issue of its past abductions of Japanese nationals and vowed to continue to strengthen relations with other Asian neighbors. ''I will utilize all occasions to build trust with my counterparts worldwide and promote (Japan's) diplomacy,'' new Foreign Minister Hirofumi Nakasone told a press conference. ''This includes strengthening the Japan-U.S. alliance and promoting cooperation with neighbors like South Korea and China, while seeking a comprehensive resolution for the North Korean abduction, nuclear and missile issues.''

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7. ROK on DPRK Human Rights

Chosun Ilbo ("RIGHTS COMMISSION TO SET UP N.KOREA COMMITTEE", 2008/09/24) reported that the National Human Rights Commission announced that it decided to form a special committee on human rights in the DPRK made up of three to five members. Then decision came in its 19th plenary meeting. The special committee will review agendas related to improving human rights in the DPRK, which is one of the six priorities of the NHRC this year, and report the issues to the plenary meeting. The chairman of the NHRC will appoint members to the DPRK committee early next month.

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8. ROK-Russian Relations

Yonhap ("VIETNAM: SOUTH KOREAN PRESIDENT LEE TO VISIT RUSSIA NEXT WEEK", Seoul, 2008/09/24) reported that the ROK President Lee Myung-bak will visit Russia from September 28 to October 1 for a summit with his Russian counterpart Dmitry Medvedev. The two leaders will discuss closer cooperation in the energy and resources sectors and in the denuclearisation of the Korean Peninsula. Additionally, the two presidents will hold intensive talks regarding the RoK's long-term and stable imports of Russian natural gas, and joint development of offshore mines in Russia's Kamchatka Peninsula.

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9. US-ROK Relations

Chosun Ilbo ("NEW U.S. AMBASSOR TO KOREA ARRIVES IN SEOUL", Seoul, 2008/09/25) reported that Kathleen Stephens, the newly appointed U.S. ambassador to Korea, arrived in Seoul on Tuesday to take up her post. Stephens taught English in the ROK in the 1970s and later served as a diplomat at the U.S. Embassy in Seoul and the consulate in Busan. The ambassador stressed the two countries should work closely on pending issues such as the free trade agreement and a U.S. visa waiver program as well as the denuclearization of the Korean Peninsula.

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10. US-ROK Security Alliance

Korea Herald (Jin Dae-woong , "SEOUL, WASHINGTON RESUME TALKS ON TROOP FUNDING", 2008/09/24) reported that the ROK and the US began a fresh round of talks in Washington to discuss how to split the cost of stationing U.S. troops in the ROK. Senior officials are seeking to narrow differences over the proportion and the method of payment of the ROK's contribution. The talks are to end Thursday.

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11. Japan Elections

The Asahi Shimbun ("ASO TAKES TOP JOB, PACKS CABINET WITH HIS BUDDIES", 2008/09/25) reported that Taro Aso, the outspoken former foreign minister who was chosen as the nation's 92nd prime minister on Wednesday, named close confidants to his Cabinet formed later in the day. The move symbolized Aso's intent to be front and center in leading the Liberal Democratic Party in a Lower House election that is expected in the next month or so. Aso picked many individuals who helped him in the LDP presidential election that ended Monday with his landslide win. To give a sense of party unity, Aso also named two rivals in the recent party presidential election to Cabinet posts.

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12. US-Japan Relations

The Associated Press (Eric Talmadge, "JAPAN: HUNDREDS PROTEST US CARRIER ARRIVAL ",

Yokosuka, 2008/09/24) reported that hundreds of protesters gathered outside a U.S. naval base to oppose the arrival of the USS George Washington, a nuclear-powered aircraft carrier that is to make its home port just outside of Tokyo. The demonstrators say the ship poses a threat to the city because of the possibility of an accident in its nuclear reactor. They also are opposed to the increase in sailors who will be deployed to Yokosuka as a result of the ship swap, and say the carrier could make Yokosuka a target if hostilities break out between the United States and another country.

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13. US-Japanese Economic Cooperation

The Los Angeles Times (Don Lee, "JAPAN'S BIGGEST BANK TO BUY 20% STAKE IN MORGAN STANLEY", Shanghai, 2008/09/23) reported that Japan's biggest bank said that it planned to spend as much as $8 billion for a 20% stake in investment banking firm Morgan Stanley in New York. Mitsubishi UFJ Financial Group in Tokyo is one of a number of Asian banks that appear primed to seize buying opportunities. With huge stockpiles of foreign reserves, the PRC, Japan and other Asian countries have the wherewithal to plow much more money into distressed American assets in the coming months. Many Asian financial institutions, which a decade ago foundered from bad lending practices and mismanagement, today look a lot better than their U.S. counterparts.

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14. Japan SDF Indian Ocean Mission

Kyodo News ("ASO VOWS TO CONTINUE JAPAN'S ANTITERROR REFUELING MISSION", 2008/09/24) reported that new Japanese Prime Minister Taro Aso expressed his willingness to continue the country's contentious refueling mission in the Indian Ocean next year to help support U.S.-led antiterrorism operations in and near Afghanistan. ''We must definitely continue this job and stay the course,'' Aso told his first press conference as premier, referring to the need to extend the temporary law authorizing the mission beyond its expiration on Jan. 15, 2009. ''It's not only for the sake of Afghanistan, or for the United States, or for Pakistan. It is our responsibility to fight against terrorism in a resolute manner as a member of the international community,'' Aso said.

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15. PRC-U.N. Relations

Xinhua ("CHINESE PREMIER, U.N. CHIEF MEET ON INTERNATIONAL ISSUES", United Nations, 2008/09/23) reported that PRC Premier Wen Jiabao met with United Nations Secretary General Ban Ki-moon to discuss major international issues, including the world's economic and financial situation and the United Nations Millennium Development Goals (MDGs). The PRC premier arrived in New York Tuesday morning for a three-day visit. He is scheduled to attend a high-level U.N. meeting for the MDGs on Thursday. He reaffirmed that the PRC government will continue to support the work of the U.N. chief, to abide by the purposes and the principles of the U.N. Charter and to play an active role in the U.N.

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16. PRC Economy

International Heard Tribune ("CHINA'S BUSINESS, CONSUMER CONFIDENCE WEAKENING", Beijing, 2008/09/23) reported that slow growth, lowered estimates of home purchases and export orders is leading to a weakened confidence in the PRC economy. A government survey, which asked 5,000 businesspeople, 2,900 bank managers, and 20,000 Chinese, found that 40 percent of respondents expect PRC's inflation rate to increase. The survey found that 13.3 percent planned to purchase a home, the lowest level since 1999, and that 24.5 percent thought their incomes would increase in the next three months.

The Los Angeles Times (Don Lee and Mark Magnier, "CHINA OFFICIAL IN MILK CRISIS RESIGNS", Shanghai, 2008/09/23) reported that the official New China News Agency said without explanation that Li Changjiang had stepped down as director of the General Administration of Quality Supervision, Inspection and Quarantine. The Communist Party secretary of Shijiazhuang, the city where Sanlu is based, was also fired Monday. The city's mayor, vice mayor and three lower-level officials previously had been fired. Li is being replaced by Wang Yong, until recently the deputy secretary-general of the State Council, the PRC's Cabinet, the New China News Agency reported.

The New York Times (David Barboza, "CHINA SAYS COMPLAINTS ABOUT MILK BEGAN IN 2007", Shanghai, 2008/09/23) reported that one of the PRC's biggest dairy producers received consumer complaints about its baby milk formula as early as December 2007 — much earlier than previously thought and 10 months before the producer ordered a nationwide recall because of concerns that the formula had been adulterated with a toxic industrial chemical, state media said Tuesday. The disclosure, in a government report publicized by the official Xinhua News Agency, is the latest indication that the producer, Sanlu Group, had repeatedly tried to hide information about its contaminated dairy supplies from the public. The Fonterra Group of New Zealand, which is one of the world's biggest dairy exporters and has a 43 percent stake in Sanlu, says it pressed its PRC partner to announce a recall in August, but company and local government officials refused.

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17. PRC Energy Supply

Associated Press (Christopher Bodeen, "CHAVEZ HAILS OIL COOPERATION WITH CHINA, BLASTS US", Beijing, 2008/09/24) reported that the PRC and Venezuela hailed rising oil exports and growing energy cooperation during a visit to Beijing by Venezuelan President Hugo Chavez. Chavez said oil exports to the PRC could soar to 1 million barrels a day by 2012, up from 330,000 per day now. The two sides also plan to build four oil tankers and to construct three oil refineries in the PRC capable of processing Venezuela's heavy, sulfur-laden crude. Other plans for cooperation with the PRC call for building a refinery in Venezuela and launching a joint oil-development project in the crude-rich Orinoco River belt. The PRC also plans to build oil tankers for Venezuela.

Agence France-Presse ("BHP PLANNING TO SELL URANIUM TO CHINA 'FOR DECADES'", Sydney, 2008/09/24) reported that the world's biggest mining company BHP Billiton said it intended to supply uranium to the PRC for decades to come as the Asian superpower ramps up its nuclear energy programme. The chief executive of the Anglo-Australian miner, Marius Kloppers, said BHP Billiton was "very actively positioning" to take advantage of the PRC's move towards greater use of

nuclear energy.

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18. PRC Human Rights

Guardian (Gwladys Fouche, "CHINESE DISSIDENT TIPPED TO WIN NOBEL PEACE PRIZE", Oslo, 2008/09/24) reported that this year's Nobel peace prize will most likely be awarded to a PRC dissident to highlight the PRC's human rights record in the wake of the Olympic Games, according to experts who closely follow the workings of the award. A likely candidate to receive the prize, the winner of which will be announced on October 10 in Oslo, is Hu Jia, a PRC activist who has campaigned on democracy, the environment and the rights of HIV/Aids patients. Hu is serving three-and-a-half years in jail for "inciting to subvert state power".

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19. PRC Space Program

Shanghai Daily (Lydia Chen, "ALL SYSTEMS GO FOR CHINA'S SPACE WALKER", 2008/09/24) reported that the Shenzhou VII mission, to launch as early as tomorrow night, will be the first to carry a full complement of three astronauts and one of them will perform the PRC's first space walk. The actual walk is expected to occur about 4:30pm on the day after Shenzhou VII blasts off from the Jiuquan Satellite Launch Center in northwestern PRC's Gansu Province and will be telecast live. One of the three astronauts - Zhai Zhigang, Liu Boming and Jing Haipeng - is expected to step out of the craft for the historic 40-minute walk, according to Cui Jijun, the director of the center.

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20. PRC Space Program

The Financial Times (Mure Dickie, "CHINA SET FOR LEAP INTO NEW TERRITORY", 2008/09/24) reported that both publicly deny that they are engaged in a space race but the PRC and India are sending up rockets within a few weeks of each other to push their claims to the final frontier. The PRC's astronauts will attempt a space walk this week. India, meanwhile, plans to map the entire surface of the moon next month. Both countries have ambitious plans for manned and unmanned missions in the years to come. They are not alone; Japan, too, has a space programme.

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21. PRC Typhoon

BBC ("TYPHOON SWEEPS HK, CHINA, VIETNAM", 2008/09/24) reported that the authorities in southern PRC have evacuated more than 100,000 people from their homes as Typhoon Hagupit hit. The weather system killed at least eight people in the Philippines, and closed schools in Hong Kong. As it headed towards Guangdong province in southern PRC, the area was put on the highest level alert. Authorities in Vietnam prepared to evacuate residents of coastal areas as it appeared the typhoon was heading south.

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22. Russia, PRC, Indian Public Health Cooperation

ANI ("INDIA-RUSSIA-CHINA TO ENHANCE TRILATERAL COOPERATION ON PUBLIC HEALTH AND MEDICINE", New Delhi, 2008/09/24) reported that India, Russia and the PRC have agreed in principle, that a working mechanism was needed to facilitate cooperation in the field of health and medicine here today. The three sides exchanged views on the working mechanism proposed by the PRC. It was decided to hold internal consultations on formalizing a cooperation mechanism to take forward collaboration in identified areas. Each side will be designated a focal point in the near future for coordination in this regard.

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II. PRC Report

23. PRC Earthquake

China News Agency (Jiang Yu, "SICHUAN NEEDS ?1670 BILLION FOR RECONSTRUCTION", 2008/09/23) reported that vice-governor of Sichuan province Huang Xiaoxiang went to Shanghai today to participate the “2008 China International Purchasing Conference”. This Conference sets up a special zone for post-disaster reconstruction. Huang said that the large-scale post-disaster reconstruction will cause enormous consumer demand and investment demand. As for the workload of reconstruction alone, Sichuan needs ?1670 billion. So it is a good stage for enterprises including the international purchasing companies to develop themselves and to fulfil their social responsibility.

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24. Jordan-PRC Energy Cooperation

Xinhua News Agency ("CHINA, JORDAN SIGN POWER PLANT DEAL", 2008/09/23) reported that the PRC and Jordan inked a deal on a power station expansion project, the first of its kind implemented by PRC firms in Jordan's power generation sector and hailed by the PRC ambassador in Jordan, Gong Xiaosheng, as a result of bilateral cooperation. The add-on cycle power plant contract, worth of multi-million U.S. dollars, was signed by China's Shandong Electric Power Construction Corp III Electric Power Construction Corp.(SEPCO III) and Samra Electric Power Generating Co. (SEPGCO). Under the deal, the PRC firm will help install a gas-powered generator unit with capacity of 100MW, with which the total capacity of Samra's phase two projects will climb to 300MW.

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III. ROK Report

25. DPRK Nuclear Program

PRESSian ("DPRK TO RESUME NUKE REPROCESSING, CRISIS TO BE CONTINUED", 2008/09/24) reported that the DPRK notified the IAEA that they will resume Yongbyeon nuclear reprocessing facilities within a week. Experts analyze that they are trying to nullify what was agreed previously and to take time until the next U.S. administration comes into the office. It is highly likely for the DPRK to take further steps such as banishing the inspection team or removing seals if the U.S. does not show any response. However, since it is difficult for the U.S. to change their attitude due to the coming presidential election, the DPRK will possibly be continuing their 'bluffing' strategy.

DongA Ilbo ("AGREEMENT ON DISABLEMENT, DPRK'S DISGUISING?", 2008/09/25) reported that the DPRK declared yesterday that they will no more allow IAEA's nuclear inspectors to approach nuclear facilities and will resume operating the reprocessing facilities within a week. It is highly suspicious that the DPRK had disguised as if they were going to abandon nuclear power even though they never intended to do so. All participating nations of the six-party talks other than the DPRK must view the situation seriously and require the DPRK give a more convincing answer about whether they are going to abandon the nuclear power.

Yonhap News ("DPRK NUKE NEGOTIATION, SIGNIFICANT MOMENT", 2008/09/25) wrote that the DPRK's resumption of its nuclear reprocessing facilities is much earlier than the ROK and the U.S expected. If the DPRK, which has been saying that the resumption of the reprocessing facilities is the 'red line' of the negotiation, puts their notification into action, it is highly likely that the six-party talks, which have lasted for more than five years overcoming numerous crises, will encounter the most serious crisis ever. Also, economic support and energy aid provided to the DPRK in compensation for the nuclear disablement will not be stopped. This is why many experts question whether the DPRK has given up to negotiate with Bush administration.

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26. ROK Policy Toward DPRK

Hankyure ("SUH JAE-JEAN, HEAD OF UNIFICATION INSTITUE, UNQUALIFIED", 2008/09/25) reported that Suh Jae-jean, the president of Korea Institute for National Unification (KINU) made a strange remark saying that since the DPRK regime is extremely abnormal and wrong, further dialogue with them would be in vain. His such remark is opposed to how the government has changed their attitude to become more careful about rumors about Kim Jong-il's health. Unrealistic perspectives toward the DPRK pursued by several officials of the Lee Myung-bak administration have been a serious problem for a long time.

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27. Inter-Korea Relations

TongilNews ("10.4'S IMPLEMENTATION TO BRING MORE ECONOMIC BENEFIT", 2008/09/25) wrote that the ROK will gain 1.7 to 3.6 times more profit than what they have invested if the 10.4 agreement is implemented successfully. Kim Yong-yoon, head of the Division of South-North Korean Cooperation Studies at the Korea Institute for National Unification (KINU), said that additional

profits the ROK will gain will be amount to more than 11~17 billon dollars. Therefore, the tension on the peninsula will only result in giving up future economic profits which would be gained by operating several projects of inter-Korean economic cooperation properly, he added. Also, since the inter-Korean economic cooperation is actually one of the best methods for national unification, the government should be cautious about the current situation, not to lose the driving forces for economic cooperation.

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