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Preceding NAPSNet Report

I. NAPSNet

1. DPRK Economy

Financial Times (Anna Fifield , "N KOREA REFORMER'S RETURN MAY BRING CHANGE", Seoul, 2007/11/26) reported that reports this week that Mr Kim's brother-in-law, Jang Song-taek, has been appointed head of the powerful security services will fuel hopes that the Pyongyang regime is at least prepared to tweak its rusting communist system, and at a time when it is taking unprecedented steps to roll back its nuclear programme in return for economic aid. Mr Jang, who married Mr Kim's beloved younger sister Kim Kyung-hui in 1972, has been one of the few "reformers" promoting gradual change inside the DPRK. He previously appeared to be in charge of a tentative economic opening that included plans to develop the city of Sinuiju on the Chinese border into a special economic zone. He also led an economic delegation to Seoul in 2002, visiting =ADSamsung Electronics, Hyundai Motor and Posco Steel.

Yonhap ("SURVEY SHOWS 77 PCT OF FOREIGN COMPANIES WILLING TO BUY N. KOREAN-MADE GOODS", Seoul, 2007/11/26) reported that more than three-quarters of foreign companies surveyed in six developing nations said they were willing to buy goods made at an inter-Korean industrial zone in the DPRK, according to a survey by the ROK's state-run trade promotion agency. The survey by the ROK's Korean Trade and Investment Promotion Agency showed that 76.7 percent of the 30 respondents from PRC, Russia, South Africa, Mexico, Saudi Arabia and Indonesia said they would import goods from the joint complex in the DPRK's border city of Kaesong, if quality and price are guaranteed.

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2. PRC-DPRK Trade Relations

Chosun Ilbo ("N.KOREA BECOMING CHINA'S 'FOURTH NORTHEASTERN PROVINCE'", 2007/11/26) reported that the PRC last year bought US$274.5 million worth of DPRK mineral resources. The total volume of the ROK's imports of DPRK mineral resources was $59.73 million, just one fifth of the PRC's volume. The ROK's trade with the DPRK amounted to $1.2 billion, which was not much different than the PRC's $1.6 billion. But when it comes to DPRK minerals, the PRC is sweeping them up. This is what's written in a report compiled by the Korea Chamber of Commerce and Industry on ways to cooperate in developing DPRK underground resources. Valuable resources that could be used to build up a Korea after unification are being sold off to the PRC at bargain rates.

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3. DPRK Deforestation

Bloomberg (Bradley K. Martin and Hideko Takayama, "KIMS' CLEAR-CUTTING OF KOREAN FORESTS RISKS TRIGGERING FAMINE", 2007/11/26) reported that following Kim Il Sung's death in 1994 -- just before a flood- linked famine gripped the nation -- his son and successor Kim Jong Il continued the sacrifice of forest cover until 2000, when he began encouraging reforestation. But the shift hasn't reversed the damage, and some analysts warn that another famine, close to the scale of the 1990s disaster that may have killed millions of people, might occur as soon as next year. A report on the DPRK's environment as of 2003, jointly prepared by DPRK government agencies, the United Nations Environment Program and the United Nations Development Program, blamed severe "land degradation'' on "conversion of forest land in hilly areas to agricultural land.''

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4. DPRK Public Executions

The Associated Press (Kwang-Tae Kim, "PUBLIC EXECUTIONS IN N.KOREA ON THE RISE", 2007/11/26) reported that the DPRK has resumed frequent public executions, among them a factory chief accused of making international phone calls who was shot in a stadium before 150,000 spectators, a ROK aid group said Monday. Public executions had declined since 2000 amid international criticism but have been increasing, targeting officials accused of drug trafficking, embezzlement and other crimes, the Good Friends aid agency said in a report on the DPRK's human rights.

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5. ROK-EU Trade Relations

Donga Ilbo ("KOREA-EU FTA TALKS RUN INTO STUMBLING BLOCK", 2007/11/24) reported that the outlook for the early settlement of the Free Trade Agreement (FTA) between the ROK and the European Union remains murky as the fifth round of negotiations concluded without being able to bridge the gap between the two sides' positions on the stickiest issues. "The remaining tasks are to uncover and improve a balance point on issues such as the country of origin labeling rule, auto-related technical standards, and tariff concessions on goods, which is the most important issue," stated Kim Han-soo, Seoul`s chief negotiator for the talks. Although the three issues that Kim addressed above were the three key agenda items indicating the possibility of an early settlement, the two sides failed to narrow their differences.

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6. ROK-Canada Trade Relations

Chosun Ilbo ("KOREA-CANADA TRADE TALKS RESUME", 2007/11/26) reported that the ROK is about to hold a 12th round of free trade talks with Canada. The Foreign Affairs and Trade Ministry said the negotiations will open at the Shilla Hotel in Seoul on Monday. Since they launched trade

talks in July 2005, the two countries have come close to agreement in the services, investment, communications, financial and dispute settlement sectors. But they failed to find common ground in several knotty issues like automobiles. The last round of talks was held in Ottawa in October.

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7. Japan Missile Defense Program

Reuters (Chisa Fujioka, "JAPAN TO TEST PAC-3 MISSILE DEFENSE IN TOKYO: REPORT", Tokyo, 2007/11/26) reported that Japan is to test the deployment of high-tech PAC-3 missile interceptors next month at about 10 locations in Tokyo , the Yomiuri Shimbun newspaper reported on Sunday. Given their limited range, the interceptors would need to be moved closer to the political and financial hub of Tokyo to provide optimal protection if a ballistic missile attack was believed likely. The exercises next month will determine where the best locations for re-deployment would be, with checks to be conducted into the quality of communications and whether there are any obstacles such as skyscrapers in the areas, the Yomiuri said, quoting sources.

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8. Japan SDF Indian Ocean Mission

The Asahi Shimbun ("FUKUDA SETS STAGE FOR ANOTHER DIET EXTENSION", 2007/11/24) reported that after failing to win over opposition parties, Prime Minister Yasuo Fukuda is set to raise the stakes by pushing through legislation in the Diet to resume Japan's anti-terrorism mission in the Indian Ocean, sources said. As expected, the opposition party leaders said they could not support the special measures bill to allow the Maritime Self-Defense Force to resume its refueling mission to vessels fighting terrorism in Afghanistan. The government is now prepared to resubmit the bill to the Lower House and pass it into law with the support of two-thirds of the members of that house.

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9. PRC Environment

The New York Times (Howard W. French, "FAR FROM BEIJING'S REACH, OFFICIALS BEND ENERGY RULES", Qingtongxia, 2007/11/26) reported that concerned about the PRC's roaring economic engine consuming too much energy, national officials aimed to cut energy use by 20 percent per dollar of output within five years. Officials in Beijing, faced with the likelihood that they will fall short of their target, have issued uncharacteristically scathing assessments of the performance of some local leaders, and they have vowed to use more of their powers to bring wayward officials into line. The struggle to meet the target highlights the challenge of making the PRC greener at a time when the PRC's top leaders have continued to emphasize breakneck growth, even as they worry about its costs. The tug of war between localities and the central government also shows the limits of the PRC's ability to impose change on a vast, unruly country by edict, while exposing the weaknesses of a one-size-fits-all approach to reform in a country where regional economic disparities are rapidly growing.

Reuters ("CHINA WANTS RICH NATIONS TO TAKE LEAD IN CLIMATE TALKS", Beijing, 2007/11/26) reported that the PRC wants next month's international talks on global warming to focus on future greenhouse gas cuts by rich countries and moving more "clean" technology to poor countries, an official said. Song Dong, an official in the PRC Foreign Ministry's section preparing for the Bali talks, said negotiations should focus on developed countries' responsibilities, not the PRC. He said rich countries needed to "do better in transferring (emissions reducing) technology so developing countries can afford it. That's one of our fundamental claims in the climate change sphere."

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10. PRC Energy Supply

The Associated Press ("CHINA IN CLOSER WATCH OF FUEL SUPPLY", Beijing, 2007/11/26) reported that the PRC has ordered increased monitoring to ensure steady fuel supplies, especially of diesel, that keeps the nation's exports moving to global markets. The Commerce Ministry's late order was made late Saturday amid a squeeze on supplies from PRC refiners, who must pay more for imports but are restricted from raising pump prices by government policy. An almost 10 percent rise in the price of diesel and gasoline on Nov. 1 helped ease the pinch, although fuel is so scarce in the southern manufacturing base that filling stations continue to ration supplies, requiring truckers to sometimes wait for hours to tank up.

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11. PRC Space Program

Agence France-Presse ("CHINA PM HAILS LUNAR PROBE'S FIRST MOON PHOTO ", Beijing, 2007/11/26) reported that the PRC published the first photo of the moon taken by its lunar probe, with Premier Wen Jiabao hailing the image as evidence of the nation's rise as a space and technological power. The black-and-white image taken by the Chang'e I satellite, which took off on October 24, was unveiled by Wen at the Beijing Aerospace Control Center. Wen hailed the PRC as one of the few powers capable of conducting a space probe, saying the mission was the third milestone in the PRC's space exploration, after the successes of man-made satellites and manned space flights.

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II. ROK Report

12. Inter-Korean Meetings

Yonhap News ("DPRK SUGESSTS PRIVATE NEGOTIATION ON NLL", Seoul, 2007/11/27) reported that one government official said that the DPRK suggested the talks between generals, where they

will be dealing with settling the Northern Limit L ine issue, be held privately from next month. It seems that the DPRK is willing to discuss this matter at the talks between defense ministers, commencing on November 27. One expert from Korea Institute for Defense Analyses (KIDA) analyzed that the DPRK would mention this issue in order for them to make it easier for them to argue other matters. It is likely that if the DPRK keeps on insisting to negotiate the matter at private talks between generals, the ROK would suggest that they should activate inter-Korean military cooperation committee to deal with the matter publicly.

Hankyure (Son Won-je, "TWO KOREA'S NATIONAL DEFENSE MINSTERS NOT TO DISCUSS NLL MATTER", Seoul, 2007/11/27) reported that the government has decided not to discuss the Northern Limit Line (NLL) when negotiating the establishment of joint fishing area during the inter-Korean ministerial meeting which is to be held from November 27-29. One official said that both Koreas implicitly agreed to discuss the issues from a practical and economic point of view. The government also expected that they would not mention the NLL issue first unless the DPRK does. Another crucial issue, namely whether to open the railroad, is also expected to be resolved along with consideration of the results of the talks between prime ministers.

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13. Six-Party Talks

Joongang Daily ("DPRK PRESS: 'JAPAN ELIGIBLE TO BE IN SIX-PARTY TALKS?'", Pyongyang, 2007/11/27) reported that the DPRK's Rodong Shinmun criticized Japan for its consistent attempt to stop the U.S. from removing the DPRK from the list of terrorist-supporting nations. The article emphasized that the matter is something that has already been decided in the six-party talks and questioned whether Japan is eligible to participate in the talks. They also said that Japan should stop mentioning the DPRK kidnapping issue, which they think is useless and should no longer be an obstacle the six-party talks. It added that even though Japan has been sanctioning them for decades, they haven ' t been concerned about it at all, but what is really urgent and necessary for Japan is to apologize for their past actions.

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Nautilus Institute
608 San Miguel Ave., Berkeley, CA 94707-1535 | Phone: (510) 423-0372 | Email: nautilus@nautilus.org