

# NAPSNet Daily Report 29 August, 2008

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#### I. NAPSNet

# 1. PRC on DPRK Nuclear Program

Xinhua ("CHINA CALLS ON PARTIES TO OVERCOME DIFFICULTIES ON KOREAN PENINSULA NUCLEAR ISSUE", Beijing, 2008/08/28) reported that the six-party talks are facing both the opportunity of moving forward and difficulties that need to be jointly handled by all parties involved, the PRC Foreign Ministry said. "We hope that relevant parties maintain patience, display wisdom and flexibility, and move towards the same direction to solve the relevant problems," said ministry spokesman Qin Gang at a regular press conference.

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# 2. US on DPRK Nuclear Program

Korea Herald ("U.S. COMMITTED TO DISMANTLING N. KOREAN NUKES WITHIN BUSH'S TENURE", 2008/08/28) reported that the US reconfirmed its commitment to end the DPRK's nuclear ambitions during the Bush administration amid growing skepticism after the DPRK stopped disablement of its nuclear reactor in apparent defiance of a multilateral pledge, reported Yonhap News Agency. "This administration has been trying to have it get done," Robert Wood, deputy State Department spokesman, told reporters when asked if the Bush administration will leave the DPRK nuclear issue to the next administration.

#### 3. US on DPRK Nuclear Talks

Korea Times (Jung Sung-ki, "NUKE TALKS HAVE NOT BROKEN DOWN: VERSHBOW", 2008/08/28) reported that the United States has reiterated the establishment of a protocol on ways to verify the DPRK's nuclear declaration made in June should come first before the delisting. ``Nuclear verification is a fundamental issue and North Korea is well aware of that," he said. ``Talks have not broken off and I think there's still a chance that we can move forward to the next step of denuclearization, which will include deleting Pyongyang from the list of state sponsors of terror."

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#### 4. Sino-DPRK Trade Relations

IFES NK Brief ("DPRK-PRC TRADE SHOOTS UP 25 PERCENT", 2008/08/28) reported that recently published PRC customs statistics reveal that trade between the DPRK and PRC in the first half of 2008 was 1.151 billion USD, 25 percent higher than in the same period last year. Mining topped the list of DPRK export industries, with 118 million USD worth of ores exported to the PRC making up 36.2 percent of all goods sent across the border. Exports included 71 million USD worth of fossil fuel, 39 million USD worth of steel, 30 million USD in clothing, and 9 million USD in aluminum. On the other hand, PRC goods imported by the North included 302 million USD in fossil fuels, making up 36.9% of all imports. 68 million USD in machinery, 37 million USD in electronics, 30 million USD in food, and 30 million USD worth of vehicles (excluding trains) were also brought in.

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#### 5. Inter-Korean Relations

Yonhap News (Byun Duk-kun, "SEOUL TO DROP 'ENEMY' LABEL AGAINST N. KOREA IN WHITE PAPER", Seoul, 2008/08/28) reported that the ROK will not describe the DPRK as an "enemy" in its biennially published defense white paper, but will clearly stress the "very substantial and present threats" the DPRK poses to the security of the country, the Defense Ministry said. The decision comes as a near surprise to many South Koreans who earlier believed the new conservative government of Lee Myung-bak would distance itself from its liberal predecessors by taking a hardline stance against Pyongyang.

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# 6. DPRK Espionage

Korea Times (Jung Sung-ki, "MILITARY ON ALERT AGAINST SPIES", 2008/08/28) reported that Defense Minister Lee Sang-hee pledged to implement measures to prevent soldiers from being seduced by DPRK spies. Lee chaired a meeting of top military brass following the arrest of a female DPRK spy, who disguised herself as a defector from the DPRK, to devise methods to prevent leaks of classified military information. The 34-year-old suspect, identified as Won Jeong-hwa, gathered and passed classified information to the DPRK, including the locations of key military installations and

lists of high-profile DPRK defectors since 2001.

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#### 7. DPRK Defectors in the ROK

Agence France-Presse ("DATING, DEMOS FAZE YOUNG NKOREAN REFUGEES", Seoul, 2008/08/28) reported that dating customs and street demonstrations are part of a major culture shock for young DPRK refugees struggling to adapt to a new life in the ROK, a recent survey shows. Coming to terms with an entirely new relationship between the sexes can be daunting. "Women who participated in the study say they like South Korean men, whom they find considerate compared to their northern counterparts," former refugee Oh Se-Hyek, 31, of the Hankuk University of Foreign Studies, was quoted as saying. "But North Korean men say they are often appalled by women here who speak out and act according to their own will."

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#### 8. ROK-DPRK Separated Families

Yonhap (Shim Sun-ah, "N. KOREA CALLS SEOULS EVENTS TO CONSOLE SEPARATED FAMILIES 'GIMMICK'", Seoul, 2008/08/29) reported that the DPRK on Friday ridiculed the ROK for events to console families separated by the Korean border. Seoul arranged luncheons this month for thousands of elderly citizens across the country whose chance of meeting their loved ones in the the DPRK during their lifetime is fading. "This is, in fact, nothing but a clumsy trick and a burlesque to evade the blame for bedeviling the inter-Korean relations and suspending the reunion of separated families and their relatives," a spokesman for the DPRK Red Cross Society said in a statement.

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# 9. US-ROK Security Alliance

Yonhap ("S. KOREA-U.S. DEFENSE COST SHARING TALKS FAIL TO BRING BREAKTHROUGH", Seoul, 2008/08/29) reported that negotiators from the ROK and the United States have again failed to wrap up talks on readjusting Seoul's financial share in maintaining U.S. troops, ROK officials said Friday. The two sides decided to hold another round of talks in Washington in late September, they said. During the negotiations Washington demanded Seoul pay 6.6 to 14.5 percent more next year, while Seoul limited any possible raise to a maximum 2.5 percent, equal to last year's domestic inflation rate, the officials said. The U.S. also asked Seoul to increase its portion of the cost to 50 percent on a long-term basis, officials said. Seoul proposed to set its share at an "adequate and reasonable" level and to change the cost-sharing method from paying one lump sum to sending materials on a case-by-case basis, they added.

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# 10. ROK Role in Iraq

Chosun Ilbo ("APPLICATIONS FOR OVERSEAS MILITARY SERVICE POURING IN", 2008/08/28)

reported that applications have been pouring in for overseas military service at the Zaytun Unit in northern Iraq and the Dongmyeong Unit in the southern Lebanon. Far more servicemen than the required number of soldiers for the ROK military's units overseas are consistently applying. For soldiers, overseas military service is popular partly because they are curious and feel challenged by serving in trouble spots which are hard for ordinary people to visit. For officers, the appeal is that they believe overseas postings will help their career.

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#### 11. Japan Role in War on Terrorism

Yomiuri Shimbun (Hiroaki Matsunaga, "JAPAN'S INT'L COOPERATION AT A CROSSROADS", Tokyo, 2008/08/29) reported that the killing of a Japanese nongovernmental organization worker in Afghanistan, observers point out, inevitably will affect discussions on a bill to extend the new Antiterrorism Law, which is expected to be the biggest issue in the next extraordinary Diet session. Prime Minister Yasuo Fukuda in his e-mail magazine sent out Thursday stated, "Right now, conflicts are taking place in various regions in the world, and many people are suffering poverty and other forms of hardship. We'll be able to carry on the mission of [Kazuya] Ito [who was killed in Afghanistan] by giving a helping hand to such regions and people. That's the role Japan plays as a nation that engages in international cooperation activities."

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# 12. Japan on US-India Nuclear Accord

Asahi Shimbun ("JAPAN SET TO BACK U.S.-INDIA N-DEAL", Tokyo, 2008/08/29) reported that Japan plans to give its approval to Washington's decision to provide civilian nuclear cooperation to India, sources said. The government is expected to make its stance known at the two-day extraordinary plenary session of the Nuclear Suppliers Group (NSG) in Vienna that begins Sept. 4, the sources said. Still, Japan is expected to insist on certain conditions for the deal to keep the nuclear technologies and fuel provided under the pact from being diverted to military use.

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# 13. Japan-Indonesia Relations

Kyodo News ("JAPAN, INDONESIA AGREE ON MORE EFFORTS FOR MARITIME SECURITY, CLIMATE", Tokyo, 2008/08/28) reported that Japan and Indonesia agreed to strengthen their cooperation in promoting maritime security especially in the Strait of Malacca and disaster prevention as their foreign ministers met in Tokyo, the Japanese Foreign Ministry said. Japanese Foreign Minister Masahiko Komura and his Indonesian counterpart Hassan Wirajuda also signed an exchange of notes finalizing a low-interest loan from Japan of up to 30.8 billion yen to support Indonesia's National Action Plan Addressing Climate Change.

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### 14. Japan-Pakistani Relations

Xinhua ("PAKISTAN, JAPAN TO TIGHTEN TIES", 2008/08/28) reported that Pakistan and Japan have reiterated their desire to further enhance and broaden bilateral cooperation in the areas of trade, economy and particularly defense, official Associated Press of Pakistan reported. The two sides agreed that it was imperative to increase defense cooperation by exchanging defense delegations. Chaudhry Ahmed Mukhtiar sought assistance of Japanese government to provide funding for clean drinking water projects in Pakistan.

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# 15. Japanese Space Policy

Yomiuri Shimbun ("BAN LIFTED ON USE OF SPACE FOR DEFENSE", Tokyo, 2008/08/29) reported that Japan's basic space law went into force Wednesday, lifting a long-standing ban on the government use of space for defense purposes. The headquarters for space development strategy, led by Prime Minister Yasuo Fukuda, also was established with the enactment of the basic law. The law also stipulates that the government formulate a basic plan for space use.

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#### 16. Japan Export Controls

Agence France-Presse ("JAPAN RAIDS COMPANY OVER NUCLEAR EXPORTS", Tokyo, 2008/08/28) reported that Japanese police raided a machine tool maker for exporting equipment without government approval that can be used to make nuclear weapons, officials said. Television footage showed officers raiding the headquarters of Horkos Corp. Police were suspicious about the company's exports of equipment which is normally used to make auto parts but can be converted to produce centrifuge parts for uranium enrichment, a spokesman said. But public broadcaster NHK and Jiji Press, citing unnamed sources, said that the firm was suspected of exporting the machinery to the ROK from which it was sent to a third country.

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#### 17. Japan Demographics

The Washington Post (Blaine Harden, "JAPANESE WOMEN SHY FROM DUAL MOMMY ROLE", Tokyo, 2008/08/28) reported that in numbers that alarm their governments, Asian women are delaying marriage and postponing childbirth. Feminine foot-dragging on the way to the altar has been identified by demographers as perhaps the primary reason for the region's plunging birthrates. "Women on Strike," a recent report on Japan's falling birthrate by the securities firm CLSA, noted that the number of children per married Japanese woman has held steady for three decades. "This suggests that the decrease in fertility is due almost entirely to an increase in women of reproductive age not getting married and not having children," the report said.

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#### 18. Cross Strait Relations

Agence France-Presse ("CHINA RULES OUT TAIWAN JOINING UN AGENCIES", Beijing, 2008/08/28) reported that the PRC ruled out Taiwan joining agencies of the United Nations, frustrating hopes that its stance might soften after the island elected a more PRC-friendly president earlier this year. Taiwan this month launched a bid to join the 16 UN Specialised Agencies instead of seeking membership of the world body itself, but the PRC foreign ministry said it would not accept the attempted compromise. "As everyone knows, the UN and its specialised agencies are organisations made up of the governments of sovereign nations," foreign ministry spokesman Qin Gang said.

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#### 19. US on Cross Strait Relations

The Los Angeles Times (Mark Magnier, "PENTAGON OKS MISSILE SALE TO TAIWAN", Guangzhou, 2008/08/28) reported that Washington will sell \$90 million worth of anti-ship missiles to Taiwan, ending what some analysts said has been a U.S. freeze on arms sales that was designed to ease cross-strait tension between the PRC and Taiwan. The Department of Defense has given the go-ahead for the purchase of 60 Harpoon Air Launch missiles made by McDonnell Douglas Corp. for delivery in 2009, Taiwan's Central News Agency reported. The Harpoon missile deal is in addition to a \$12-billion arms package sought for Taiwan that has been stalled for years.

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#### **20. PRC Energy Supply**

The Associated Press ("CHINA, IRAQ REACH \$3 BILLION OIL SERVICE DEAL", Shanghai, 2008/08/28) reported that the PRC and Iraq have signed a \$3 billion deal revising a prewar agreement for the PRC's biggest oil company to help develop the Ahdab oil field, an official at the Iraq's Oil Ministry said. The deal, restoring a project canceled after the 2003 U.S.-led invasion of Iraq, was signed late Wednesday by PRC officials and Iraqi Oil Minister Hussain al-Shahristani. "The initial agreement has been signed, and we are waiting to see the approval of both governments," said Sarhad Fatah, a spokesman at the Iraqi Embassy in Beijing.

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### 21. PRC Anti-Corruption Drive

The New York Times (David Barboza, "CHINESE OFFICIALS ACCUSED OF EMBEZZLEMENT", Shanghai, 2008/08/28) reported that ten central government departments, including the powerful Ministry of Finance, "misused or embezzled" more than \$660 million last year, according to the latest report from the PRC's top auditor. The report, part of a long-running crackdown on government fraud, said 88 people had been arrested, 14 officials had been referred for prosecution and an additional 104 government employees had been punished for their roles in mismanaging or embezzling government funds, state media reported Thursday.

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# 22. PRC Security

The Financial Times (Jamil Anderlini, "XINJIANG OIL BOOM FUELS UIGHUR RESENTMENT", Korla, Xinjiang, 2008/08/28) reported that "Offer energy resources as tribute [to Beijing] to create harmony" proclaims a giant billboard outside a petrol station in Korla, in the PRC's restive western frontier region of Xinjiang. The increasing importance of the Muslim-dominated Xinjiang autonomous region as a source of the energy and minerals needed to fuel the PRC's booming eastern cities is raising the stakes for Beijing in its battle against separatists agitating for an independent state. "The Chinese didn't want to let Xinjiang be independent before, but after they built all the oilfields, it became absolutely impossible," said one Muslim resident in Korla, who asked not to be named for fear of retribution by government security agents.

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#### II. PRC Report

# 23. PRC Civil Society

Shanghai Government website, http://www.shanghai.gov.cn/ ("SHANGHAI CHARITY FOUNDATION INVEST 6 MILLION YUAN IN PUBLIC WELFARE", 2008/08/28) reported that on Aug.26, Shanghai Charity Foundation signed an agreement with Shanghai Caopeng Music Center, Shanghai Welfare Association, Shanghai Woman Federation and other seven organizations to help them finish their respective public welfare projects more effectively. This year, Shanghai Charity Foundation will invest 6 million yuan on eleven projects. The aid targets include autistics, children of migrant workers, the elderly, cancer patients, rural women and others.

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#### 24. PRC Civil Society and Public Health

Beijing TV, www.crcf.org.cn ("CHINA RED CROSS FOUNDATION HELP MYASTHENIA GRAVIS PATIENTS", 2008/08/28) reported that myasthenia gravis is listed as one of ten intractable diseases by the World Health Organization, also known as the "never died cancer". In the PRC, there are 700,000 patients. To enable more of these myasthenia gravis patients to get better treatment, the Chinese Red Cross Foundation has set up a "Care and Rebirth Action" to help those myasthenia gravis patients in poverty find hope. China Red Cross Foundation will cooperate with the second Affiliated Hospital of People's Liberation Army General Hospital to carry on the specific action.

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#### 25. PRC Environment

Xinhua Net, www.xinhuanet.com ("WATER USING ASSOCIATIONS SOLVE RURAL WATER DRINKING SAFETY PROBLEMS", 2008/08/28) reported that Tongyong county of Sichuan province has set up 860 Water Using Associations in order to solve the difficulties on management and

maintenance of rural water drinking safety project. Now the associations have 24000 members and establish many technique consulting departments and engineering service departments. The Water Using Associations use member management system with water using people, and make water using rules. Most of these practices have received good results.

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# III. ROK Report

JoongAng Ilbo (Kim Tae-woo, "DPRK TALKS, YET NOT FAILURE", 2008/08/29) said in a column that the reason why the DPRK expressed dissatisfaction is complex. Postponing delisting, the verification issue, and remarks about the DPRK human rights are part of it. Even so, the announcement about the suspension made by the DPRK Foreign Affairs Ministry does not necessarily mean that the talks have failed for certain reasons. Both the DPRK and the U.S. still need to maintain their relationship intact for political reasons. In this sense, there is a very high possibility that the DPRK's aim is not to finish the game, but to acquire what they want from the verification talks. However, from a long-term perspective, a final nuke resolution is still quite blurry. Whether the third-step negotiation can be held, if the suspicion about the DPRK-Syria nuke collaboration can be cleared, and controversy over whether the DPRK will maintain its weapon-producing infrastructure are some of the ROK's main concerns.

Segye Ilbo (Koh Yoo-hwan, "WAY TO DISABLE DPRK NUKES", 2008/08/29) said in a column that the DPRK's announcement about suspending the disablement stems from the U.S.'s 'violation' of the action-for-action principle. Even so, the DPRK's move does not necessarily mean that they are to break off the talks, but only to pressure the U.S. to remove them from the state of terrorism sponsor list. If the talks with the U.S. do not go the way they want, the DPRK might become even firmer than they are now. They might urge the U.S. whether they are going to admit the DPRK possessing nuclear power, or to delist them from the sponsor list. Moreover, the tension on the peninsula also contributed to the DPRK making such a decision. The tension might boost the motivation for the DPRKto keep their nuclear weapons, rather than disabling them.

PRESSian (Chang Sung-min, "SUSPENDING DISABLEMENT, TO IMPEDE ROK-US, ROK-PRC RELATIONSHIP?", 2008/08/27) said in a column that the timing when the DPRK announced that they will suspend the disabling process can be interpreted in many ways. From a macro point of view, the announcement tries to weaken the ROK-U.S. alliance, and to keep the PRC away from the ROK. However, the actual point about the whole change in their attitude is about the verification issue. Both parties, without making clear agreement about the verification, interpreted each other's intention from their own perspectives. Meanwhile, there is also a possibility that the DPRK wants to drag out the issue until the Democratic Party comes into power.

Ohmynews (Cheong Wook-shik, "BETTER TO REVIEW THE JOINT STATEMENT BEFORE BLAMING DPRK", 2008/08/27) said in a column that the U.S. insists that the DPRK agreed to adopt the verification protocol. However, according to the remark made by head representative of the six-party talks on July 12, it only said that they established a verification mechanism, but has not mentioned anything about the protocol or special inspection. Further, the way the U.S. treated Iraq gave the DPRK a certain lesson. The issue of verification obviously is a hot potato concerning the six-party talks. However, this does not necessarily mean that the talks will break off. It is rather exact to view that the six parties, including the U.S. and the DPRK, have just finished warming up and will now

#### 26. ROK-DPRK Relations

The Peace Foundation (Dong Yong-seung, "TIME TO RESUME INTER-KOREAN DIALOGUE", 2008/08/26) said in a column that the ROK has been dominant concerning the inter-Korean relationship for the last ten years. However, ever since the government change, which brought tension on the peninsula, the DPRK also started being aggressive again. Thus, it is now time for the ROK government to give "carrots" to the DPRK for at least three reasons. First, the government should be responsible for protecting its people. Current 'visit permission' from the DPRK does not guarantee the safety of its visitors, namely those who visit the DPRK for personal and economic exchanges. Second, the government should be responsible for innocent citizens of the DPRK who are suffering from starvation. Third, the government should be responsible for solving the nuclear problem. Currently, since the U.S. has started their actual electoral campaign, their driving force for the six-party talks has weakened dramatically.

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