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#### I. United States

#### 1. ROK on DPRK Nuclear Program

Agence France-Presse ("NORTH KOREA UNLIKELY TO SCRAP NUCLEAR PROGRAMMES: SOUTH'S DEFENSE MINISTRY," Seoul, 01/29/04) reported that ROK defense ministry has urged the DPRK to disclose and destroy its nuclear weapons program but said there was little hope the DPRK would fully comply. Calling for stepped up surveillance of the DPRK, the ministry said the DPRK should follow the Libyan model and abandon its quest for nuclear weapons, but acknowledged that the regime of Kim Jong-Il was unlikely to do so. "Chances are slim that North Korea will completely give up its nuclear weapons given the DPRK regime's characteristics," the ministry said in a policy report on the nuclear crisis. It predicted a bumpy road ahead for efforts to resolve the 15-month-old crisis amid a renewed drive to reconvene six-party talks bringing together the ROK, the DPRK, the

PRC, Japan, Russia and the US. "Lots of conflicts and difficulties are expected in the course of settling the DPRK nuclear problem," the report said. Security surveillance of the DPRK will be heightened as the crisis plays out, the report added.

#### 2. DPRK-Nigerian Missile Deal

The Associated Press (Hans Greimel, "NORTH KOREA UPS STAKES WITH MISSILE DEAL," Seoul, 01/29/04) reported that the DPRK's latest missile peddling in sub-Saharan Africa underlines some of Washington's worst fears as talks stall on dealing with the DPRK's nuclear weapons programs. Some worry the cash-starved regime could next start selling nuclear arms while Washington holds out for better ground rules for negotiations. With no sign of a breakthrough, each country says time is on its side. "It's a waiting game, a game of chicken," said Kim Sung-han, a North Korea expert at the Institute of Foreign Affairs and National Security, an affiliate of the ROK's Foreign Ministry. "North Korea is trying to coax the US into negotiations, and the US says conditions aren't right yet." Wednesday's revelation that the DPRK was discussing a possible deal to share missile technology with Nigeria, a country far from its traditional customer base in the Middle East, ratchets up the tensions. "North Korea is sending the message that we are already exporting the delivery systems for weapons of mass destruction, so how would you like it if we started exporting nuclear matter as well," Kim said. ROK Unification Minister Jeong Se-hyun said Thursday that talk of a Nigerian deal smacked of a power play. "I see it as a tactic by North Korea to arouse anxiousness from the US ahead of the second round of six-nation talks," Jeong said at a regular briefing.

# 3. ROK on DPRK-Nigerian Missile Deal

The Associated Press (Soo-Jeong Lee, "S. KOREA PLAYS DOWN NORTH'S MISSILE DEAL," Seoul, 01/29/04) reported that the ROK played down a DPRK offer to provide missile technology to Nigeria, saying Thursday it was a tactic to gain leverage ahead of a possible second round of talks on the DPRK's nuclear weapons programs. A Nigerian government spokesman said Wednesday his country had a memorandum of understanding with North Korea to share missile technology, but said no hardware acquisitions had yet been made or decided. Kim Kisu, second secretary of the DPRK Embassy in Nigeria's capital of Abuja, later said no deal had been closed. Weapons sales are a major source of revenue for financially strapped DPRK, but it is unusual for one of its clients to publicly talk about a possible deal. ROK Unification Minister Jeong Se-hyun said it remained unclear whether Nigeria had accepted the offer, but he didn't think the issue would cause many problems. "I see it as a tactic by North Korea to arouse anxiety from the US ahead of the second round of six-nation talks," Jeong said in a regular briefing. PRC Foreign Ministry spokeswoman Zhang Qiyue said her government "noted" Nigeria's assertion that its trade with the DPRK is unrelated to nuclear weapons or weapons of mass destruction. "We attach importance to this question, and we oppose the proliferation of nuclear weapons and delivery systems," she said. "We have adopted a series of measures including comprehensive export control regulations. Our policy has been clear-cut."

#### 4. US-PRC DPRK Discussion Talks

Agence France-Presse ("ARMITAGE ARRIVES IN CHINA FOR TALKS ON NORTH KOREA, IRAQ," Beijing, 01/29/04) reported that Deputy US Secretary of State Richard Armitage arrived in the PRC for a visit that the US embassy said would focus on the year-long DPRK nuclear crisis and Iraq reconstruction. Armitage, who travelled from Japan, told reporters that the US was "extraordinarily grateful" to the PRC for its efforts to organize six-nation talks on the nuclear issue, and hoped there would be a new round next month. "February is a possibility," he said in his Beijing hotel, adding

later, "February is great month." "The answer to this question lies in Pyongyang, not here," he said. Armitage is due to hold talks with PRC foreign ministry officials Friday before leaving for Mongolia early Saturday for the third and last leg of his trip, a US embassy spokeswoman said. "They are going to talk about bilateral issues covering a broad range of mutual interests including North Korea and Iraq reconstruction," she said.

#### 5. PRC on DPRK Six-Party Talks

Xinhua ("CHINA SAYS TIMETABLE FOR DPRK SIX-PARTY TALKS STILL NOT FIXED," Beijing, 01/29/04) reported that PRC Foreign Ministry Spokeswoman Zhang Qiyue said here Thursday 29 January that the timetable for a second sound of six-party talks on the Korean nuclear issue has still not been fixed. All parties had been preparing for an early opening of the second round of six-party talks, and sound progress had been achieved, but the specific time for the talks was still undecided, she said.

#### 6. Inter-Korean Relations

Yonhap ("NORTH KOREA TO HAND OVER WANTED SOUTH CITIZENS," Seoul, 01/29/04) reported that the ROK and the DPRK have reached an agreement on guaranteeing the security of the ROK who cross the heavily fortified inter-Korean border for either business or tourism, a senior ROK official said Thursday. It is the first time authorities from the two Koreas have signed the deal, which pertains to South Koreans visiting either an industrial complex being built by South Korea in the DPRK's border town of Kaesong (Gaesong) or Mount Kumgang, a scenic resort in the east of the country. "We expect the signing of the accord to have a positive influence on overall inter-Korean relations as well as revitalizing cross-border economic cooperation," South Korea's Vice Unification Minister Jo Kun-shik told reporters. The accord, reached at the end of three days of talks in Kaesong, would ensure South Koreans are not investigated and prosecuted unilaterally in North Korea, Jo said.

#### 7. US DPRK Policy Criticism

Japan Economic Newswire ("US SENATE DEMOCRATIC LEADER CRITICIZES BUSH'S N. KOREA POLICY," Washington, 01/29/04) reported a leading Senate Democrat on Wednesday accused the administration of President George W. Bush of delaying serious talks with the DPRK on its nuclear arms program. "The administration's inattention and ideological rigidity has left America less secure today than we were three years ago," Sen. Joseph Biden, the top Democrat on the Senate Foreign Relations Committee, said during a speech at an Arms Control Association Conference at Georgetown University. "It's time to get serious about negotiations," the Delaware Democrat said. "That does not mean paying blackmail." Frank Jannuzi, an aide to Biden, visited the Yongbyon complex in early January as part of an unofficial US delegation. The members were the first foreigners to see the site since international inspectors were expelled in late 2002. According to the US mission, the DPRK removed 8,000 spent fuel rods from the storage facility and showed the delegation a material which is believed to have been plutonium. Biden said the US should assume that the DPRK has reprocessed the spent fuel rods that could provide plutonium for six or eight more nuclear weapons. "North Korea must dismantle its nuclear programs and stop selling missile technology," Biden said. "But we won't achieve that unless the president instructs his officials to negotiate in good faith and gives them the leeway to do so.'

#### 8. Japan Lower House on DPRK Economic Sanctions Bill

Agence France-Presse ("JAPANESE LOWER HOUSE PASSES BILL TO STOP CASH REMITTANCES TO NORTH KOREA," 01/29/04) reported that Japan's lower house of parliament has approved a bill that will make it easier to block cash remittances to the DPRK "The bill passed and was sent to the upper house," said a spokeswoman for the lower house. "It was approved by the members of both ruling and opposition parties, except for the Communist Party." The bill amends the Foreign Exchange and Foreign Trade Control Law to enable the authorities to stop cash remittances when they feel it is justified. Currently, the law says Japan can stop remittances only when necessary to abide by UN resolutions or to co-operate with other countries for world peace, according to the finance ministry. The revision is expected to be approved by the upper house in early February. It is believed that tens of billions of yen are transferred from Japan to the DPRK, mainly by DPRK nationals or sympathisers, providing a key income source for Pyongyang.

# 9. US on Japan Nuclear Fusion Project

Agence France-Presse ("US 'COULD CHANGE' SUPPORT FOR JAPAN ON NUCLEAR FUSION PROJECT," Paris, 01/29/04) reported that the US "could change" its support for Japan's bid to host a massive nuclear fusion project if technical criteria work in favor of a rival French site, President George W. Bush's scientific advisor said. John Marburger said that the support voiced by Washington for the northern Japanese village of Rokkasho-mura was based on a preliminary assessment of the site by the US Department of Energy. Partners involved in the project were now seeking detailed technical information about the rival bids to try to break a negotiation deadlock, Marburger told reporters. Asked whether that meant the Department of Energy34 might switch its recommendation to Bush, Marburger said, "It could change." "There has been a lack of understanding about the nature of this process," Marburger said, referring to a perception that US backing for Rokkasho-mura was set and final. "In the process of negotiating the position of this site, clearly you have to put your position on the table. ... "As more knowledge becomes available, we expect our representatives from the Department of Energy to analyze it and if they come to a different conclusion, then I expect them to make a recommendation to the president based on the facts as they see them," Marburger said.

#### 10. Japan Economic Status

Agence France-Presse ("JAPAN INDUSTRIAL OUTPUT DOWN 1.0 PERCENT IN DECEMBER," Tokyo, 01/29/04) reported that Japan's industrial output in December fell 1.0 percent from November but for 2003 was up 3.2 percent, the first such rise in three years as the economy remains on track for an export-driven recovery. The trade ministry said the December downturn was a temporary dip, reflecting statistical factors in changes in general machinery orders. The December outcome reflected lower output in general machinery and metal products while electronics parts and IT products continued higher in the month, the ministry said Thursday. "Although industrial production suffered a decline in December, it was largely due to falls in the general machinery sector, which saw relatively large, one-off orders in the previous month," a trade ministry official said. He said the ministry's survey of semiconductor processing equipment makers "generally pointed to a favorable production environment." Production shows signs of recovery but requires close monitoring because of the uncertainty of final demand, the trade ministry said in a statement.

## 11. PRC-Egypt Relations and the Middle East

Agence France-Presse ("PRC, EGYPTIAN LEADERS DISCUSS IRAQ, PEACE PROCESS AND ECONOMIC TIES," 01/30/04) reported that PRC President Hu Jintao began talks with his Egyptian

counterpart Hosni Mubarak on Iraq and the Arab-Israeli conflict as the two sides broadened economic ties, officials said. Hu, on his first visit to Egypt since becoming head of state last March, arrived from Paris where the French government stirred controversy with its support for Beijing's opposition to a referendum in Taiwan. Egypt's official MENA news agency said Mubarak and Hu discussed "the situation in the Middle East, especially the (Arab-Israeli) peace process, the situation in Iraq, and how to improve bilateral cooperation." It gave no other details of the talks which were being held at Mubarak's palace in northern Cairo. MENA said that officials traveling with Hu and their Egyptian counterparts signed several cooperation agreements, including on technology and oil exploration in Egypt. The PRC's ambassador to Cairo, Wu Sike, has said the visit would focus on strengthening bilateral and economic links and would also review changes in the Middle East over the past four years. "China is ready to transfer to Egypt its technology in all fields, without restriction," especially in telecommunications and aeronautics, Wu said. But he added that the PRC delegation included no military representative.

### 12. Taiwan-France Relations in Response to PRC

Agence France-Presse ("TAIWAN MINISTERS CANCEL FRENCH VISITS TO PROTEST AT CHIRAC'S REMARKS," 01/29/04) reported that Taiwan has cancelled planned visits to France by two cabinet officials to protest at French President Jacques Chirac's open criticism of the island's referendum plan. To protest against Chirac's siding with the PRC, Cultural Affairs Minister Tchen Yu-chiou and Science Minister Wei Che-ho had called off plans to visit Paris in early February. "We will suspend the exchange programs until there is a proper reaction from France," Premier Yu Shvi-kun told reporters. Wei had been scheduled to host the presentation of the Taiwan-France technology prize on February 4. Tchen had planned to present a cultural prize on February 2, give a speech at the Institut de France on February 3 and attend the opening ceremony of a Taiwan handicraft exhibition on February 5. Consensus among ministries had been reached to put off certain Taiwan-France cultural exchange programs "for the dignity and interest of our country," said foreign ministry spokesman Richard Shih. The suspension of cross-cultural ties comes as a leaked report shows France could have overcharged Taiwan millions of dollars for warships sold to the island in 1991. France could now be fined up to 600 million dollars (476 million euros). Tensions between France and Taiwan blew up when Chirac, while hosting PRC President Hu Jintao, said Monday the planned March 20 referendum on the island's ties with the PRC was "a grave mistake." President Chen Shuibian, following condemnation of Chirac made by his deputy Annette Lu Wedenesday, accused his French counterpart of interfering with the island's domestic affairs.

#### 13. US on France-PRC Arms Embargo

Agence France-Presse ("US REBUFFS CHIRAC'S CALL TO END CHINA ARMS EMBARGO," 01/29/04) reported that the US took a dim view of French President Jacques Chirac's call for an end to a European Union embargo on arms sales to Beijing, in the latest sign of frosty ties between Paris and Washington. Chirac gave the undertaking during talks with PRC President Hu Jintao in Paris, saying the embargo, slapped on the PRC after the 1989 Tiananmen Square massacre "makes no more sense today." The State Department said it viewed bans on arms sales to the PRC by the US and EU as complimentary, and did not agree they should be lifted. "For the US, our statutes and regulations prohibit sales of defense items to China," said spokesman Richard Boucher. "We believe that others should maintain their current arms embargoes as well." "We believe that the US and European prohibitions on arms sales are complementary, were imposed for the same reason, specifically serious human rights abuses, and that those reasons remain valid today." Chirac said Tuesday French foreign minister Dominique de Villepin urged his EU counterparts in Brussels to lift the embargo, "which dates back more than 15 years and which no longer corresponds with the

political reality of the contemporary world." That meeting referred the issue to technical-level officials for review. Chirac said he hoped the restriction would be scrapped "in the coming months."

### 14. Japan Space Policy

Agence France-Presse ("JAPAN TO CHANGE SPACE POLICY, AIMS MANNED MISSION: REPORT," 01/30/04) reported that spurred by the PRC's success in its first-ever manned space flight, Japan plans a drastic review of its space policy and will consider launching manned space trips as well, a report said. The government will "consider realizing a manned space flight by a Japanese astronaut at an early time", the Yomiuri Shimbun daily said in its evening edition, without indicating a timeframe. The government's science and technology council, chaired by Prime Minister Junichiro Koizumi, is expected to agree to draw up a new policy by mid-2004, the mass-circulation daily said without citing sources. Japan had decided to review its space policy primarily because the PRC had succeeded in putting a man into space last October and US President George Bush announced this month a US return to the moon as early as 2015, it said. But the daily added some government officials are cautious towards manned flight programs as they would need to boost the space development budget, currently totaling a relatively modest 300 billion yen (2.8 billion dollars) a year. No immediate comment on the report was available from the science ministry.

#### 15. PRC Denies Role in Bird Flu

Agence France-Presse ("CHINA DENIES RESPONSIBILITY FOR BIRD FLU, INDONESIA AGREES TO CULL," 01/29/04) reported that the PRC has denied allegations it was the source of the bird flu outbreak which has hit 10 Asian nations, as Indonesia caved in to pressure for a mass cull of millions of infected chickens. The PRC became the latest Asian government to face charges of covering up the disease when the respected New Scientist journal in Britain said the epidemic probably erupted there as early as a year ago. "A combination of official cover-up and questionable farming practices allowed it to turn into the epidemic now under way," the weekly said, citing unnamed health experts. But as the PRC halted poultry exports from its three affected provinces, Guangxi in the southwest near the Vietnam border and the central provinces of Hubei and Hunan, the foreign ministry rejected the charges. "We believe that such an allegation is totally inaccurate, groundless and doesn't respect science," foreign ministry spokeswoman Zhang Qiyue said. The World Health Organization has asked for an explanation of the deaths last February of two Hong Kong tourists who had visited southern PRC, as part of efforts to track the origins of the outbreak which has claimed 10 lives. However, the WHO's Beijing-based spokesman Roy Wadia said that despite the suspected link with the dead tourists, it was too early to confirm the PRC as the origin of the disease which could have had several possible sources.

#### 16. Non-State Nuclear Proliferation

Los Angeles Times (Douglas Frantz and Maura Reynolds, "INDIVIDUALS SUPPLYING NUCLEAR TRADE, OFFICIALS SAY; THE GLOBAL BLACK MARKET POSES CHALLENGES FOR COUNTER-PROLIFERATION EFFORTS FOCUSED ON STATES," Washington, 01/29/04) reported that as US and international officials trace the flow of nuclear weapons technology to Libya, Iran and other countries, they are uncovering new evidence that private individuals, rather than governments, have become key sources of nuclear parts and know-how. Diplomats and US investigators examining the Iranian and Libyan programs say that a nuclear black market has flourished beneath the radar of governments and international watchdogs, fed by scientists and engineers affiliated with Pakistan's nuclear arms program. Bush administration officials believe that Pakistan's current inquiry into its

scientists' activities will change the decades-long consensus on the nature of the nuclear proliferation threat. Until now, most counter-proliferation measures -- including the Nuclear Nonproliferation Treaty -- have been focused on restricting the spread of weapons technology by states. A black market existing outside those controls presents a more complex problem, officials say. Pakistan had been suspected of providing nuclear expertise to Iran and the DPRK, but information that has emerged in recent weeks provided compelling evidence that Pakistani technology has been spread more widely than imagined, diplomats and nonproliferation experts say. Pakistani scientists are believed by US and International Atomic Energy Agency officials to have sold to Iran, the DPRK and Libya detailed plans for enriching uranium using gas centrifuges. The Pakistanis are also suspected of having provided a shopping list to Iran and Libya that allowed the nations to tap into a global black market producing arms-related components for the nuclear industry. "There is a black market that did not exist before and that nobody imagined," a senior diplomat in Vienna said in a recent interview. "We are seeing cases where what is bought is almost turnkey facilities." As for combating the black market in nuclear technology, government officials and experts said a mix of measures was required, starting with understanding how the material got to Iran and Libya. "The US has to undo the network and to do that we really need to know how the facility in Malaysia got started," said George Perkovich, a nonproliferation expert at the Carnegie Endowment for International Peace. The US also is expected to push for tougher penalties worldwide for individuals and companies that violate export laws on technology used in weapons of mass destruction, administration officials said.

The NAPSNet Daily Report aims to serve as a forum for dialogue and exchange among peace and security specialists. Conventions for readers and a list of acronyms and abbreviations are available to all recipients. For descriptions of the world wide web sites used to gather information for this report, or for more information on web sites with related information, see the collection of <a href="https://doi.org/10.1001/journal

We invite you to reply to today's report, and we welcome commentary or papers for distribution to the network.

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