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I.NAPSNet

1. DPRK Missiles Launch

KBS News ("'NO SIGNS DETECTED OF NK MISSILE LAUNCH'", 2009/07/02) reported that the ROK military says there are no signs of an imminent DPRK missile launch. Responding to foreign media reports suggesting the DPRK may launch ballistic missiles early this month, a military official in Seoul said it did not see any signs of an imminent launch at the DPRK's launch base in Gitdaeryeong, Anbyeon County where the DPRK has been preparing for a mid-range missile launch.

Agence-France Presse ("JAPAN PM SAYS N KOREA MISSILE FIRINGS 'PROVOCATIVE ACT'-MEDIA", Tokyo, 2009/07/02) reported that Japan's Prime Minister Taro Aso on Thursday called the DPRK's latest firings of short-range missiles a "provocative act," the Jiji news agency reported. "We have repeatedly warned that such a provocative act is not beneficial for North Korea's national interest," he told reporters at his residence.

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2. US on DPRK Missile Launch

Agence-France Presse ("US READY FOR NKOREAN MISSILE: MILITARY COMMANDER", Washington, 2009/07/02) reported that the United States is prepared to intercept any DPRK long-range missile as Pyongyang further tested international patience with fresh launches, a top US military commander said. "The nation has a very, very credible ballistic-missile defense capability," General Victor "Gene" Renuart, the top US commander in North America , told The Washington Times. "I think we are certainly ready and capable of responding," Renuart said.

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3. PRC on DPRK Nuclear Talks

Deutsche Presse-Agentur ("CHINA STEPS UP EFFORTS TO REVIVE NORTH KOREA NUCLEAR TALKS", Beijing, 2009/07/02) reported that the PRC on Thursday sent its envoy for the DPRK to four other nations in a bid to revive stalled talks on ending Pyongyang's nuclear program, the Foreign Ministry said. Wu Dawei, the ministry's top official for DPRK affairs, left Beijing for Russia, Japan, ROK and the United States . The aim of the trip was to promote the six-nation nuclear talks and "engage in a thorough exchange of views on the North Korean nuclear issue and developments in North-East Asia."

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4. US on DPRK Nuclear Talks

Associated Press ("OBAMA KEEPS DOOR OPEN FOR NKOREAN NUCLEAR TALKS", Washington, 2009/07/02) reported that President Barack Obama says the United States is trying to "keep a door open" for the DPRK to return to international nuclear disarmament talks , even as Washington pursues sanctions against the DPRK. Obama told The Associated Press on Thursday that there could be more sanctions in store for the DPRK for its May nuclear test . Obama says the implementation of U.N. sanctions meant to punish the DPRK is "going very well." But he says the DPRK abandoning its nuclear weapons programs is the only way Pyongyang is going to improve its economy and join the world community.

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5. US on DPRK Sanctions

Reuters ("U.S. NORTH KOREA SANCTIONS TEAM TO VISIT MALAYSIA", Washington , 2009/07/02) reported that the US envoy coordinating financial, arms and other sanctions against the DPRK under a recent U.N. resolution will visit Malaysia on Sunday, the U.S. State Department said. The steps are part of a push to get tough with the DPRK. "His delegation plans to have similar meetings in Malaysia at the ministry of foreign affairs and other ministries on this same issue of implementing security council resolution of 1874," Kelly sa id.

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6. US Interdiction of DPRK Vessels

Chosun Ilbo ("IS N.KOREAN MYSTERY SHIP A TRAP FOR OBAMA? ", 2009/07/02) reported that one high-ranking official in the Barack Obama administration said officials were cautious of the risks of the contents of the boat turning out to be sea bass, or ping-pong balls, following heightened tensions with the U.S. government as it seeks cooperation from various countries in searching the ship. "Members of Mr. Obama's team who served in the Clinton administration remember past embarrassments, including the interception of a Chinese ship suspected of carrying chemical precursors in the early 1990s. When the ship was finally cornered, the cargo turned out to be benign," the NYT said.

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7. Inter-Korean Relations

Yonhap News (Lee Chi-dong, "S. KOREA TO TAKE DETAINED WORKER ISSUE TO ARF: FOREIGN MINISTER", Seoul, 2009/07/02) reported that Seoul's foreign minister will raise the issue of a ROK worker in detention in the DPRK when he attends a regional security forum in Thailand later this month, a move expected to provoke the communist neighbor.

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8. DPRK Leadership

Reuters (Jon Herskovitz , "N.KOREA STABILITY RESTS ON ABUSES AND PROPAGANDA, SAY CRITICS", Seoul, 2009/07/02) reported that the DPRK's leaders have assured stability in the communist country by instilling a sense of paranoid nationalism and carrying out massive human rights abuses, experts say. Moreover, they say, the DPRK system could easily survive after leader Kim Jong-il , 67, leaves the scene because the hermit state has so successfully isolated itself that change is nearly impossible for most DPRK citizens to fathom. "The people of North Korea live their lives subject to messages from the government of pride, paranoia and fear," said Kay Seok, a Seoul-based researcher for the international group Human Rights Watch . Experts have also said the DPRK's leadership was extremely brittle, where any crack or opening that allows for greater openness having the potential to be destabilizing.

Chosun Ilbo ("S.KOREAN MILITARY WATCHING FOR SIGNS OF KIM JONG-IL ILLNESS", 2009/07/02) reported that the Defense Ministry is on the lookout for fake photographs of ailing DPRK leader Kim Jong-il. At a session of the National Assembly's Defense Committee on Tuesday, Defense Minister Lee Sang-hee said intelligence authorities are watching for deterioration in Kim's health "in light of recent photos and public activity."

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9. DPRK Food Shortage

Agence-France Presse ("US: NEEDS ASSURANCE THAT FOOD FOR N KOREA WOULD REACH PUBLIC", Washington, 2009/07/01) reported that the United States said Wednesday it is "very concerned" about the DPRK people but cannot send needed food without assurances from DPRK's government that the food will reach the people. State Department spokesman Ian Kelly voiced concern after the U.N. World Food Program said DPRK citizens, especially children, are facing a "critical" food situation as donations have dried amid Pyongyang's nuclear standoff with the world. "We currently have no plans to provide additional food aid to North Korea and any additional food would have to have assurances that it would be appropriately used," Kelly told reporters. Torben Due, the World Food Program's country representative in the DPRK, said in Beijing Wednesday that Pyongyang had told the agency to scale back its operations without giving clear reasons. He said the WFP, which launched an emergency operation in North Korea late last year, has had to pare back its goal of reaching 6.2 million of the hungry, and is now targeting just 2.27 million.

Agence-France Presse ("N KOREA TO RUN SHORT OF 840,000 TONS OF FOOD - S KOREAN REPORT", Seoul, 2009/07/02) reported that the DPRK is expected to run short of up to 840,000 tons of food this year, a ROK government report said Thursday. The M inistry of Strategy and Finance and the state-run Korea Development Institute said total grain resources might be around 4.29 million tons compared with the minimum 5.13 million needed to feed the 24 million people. It said that if Pyongyang continues to refuse to accept 330,000 tons of grain from the U.S., foreign aid would only amount to 120,000 tons and the shortfall might grow to 1.17 million tons.

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10. DPRK Economy

Chosun Ilbo ("N.KOREA 'TRAFFICKING IN SLAVE LABOR'", 2009/07/02) reported that the DPRK government is directly engaged in the trafficking of slave labor, claimed Luis de Baca, the director of the U.S. State Department's Office to Monitor and Combat Trafficking in Persons, on Wednesday. He said the regime is sending DPRK nationals overseas to work under exploitative contracts with Southeast Asian, Eastern European and Middle Eastern nations. The report states that "Worker salaries are deposited into accounts controlled by the North Korean government, which keeps most of the money for itself, claiming fees for various 'voluntary' contributions to government endeavors."

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11. ROK Energy

Chosun Ilbo ("LEE TO VISIT EUROPE FOR G8 SUMMIT", 2009/07/02) reported that President Lee Myung-bak and First Lady Kim Yoon-ok will be leaving Seoul on Tuesday for an eight-day trip to Europe. The President will first pay an official visit to Warsaw, Poland, then move on to L'Aquila in Italy for the G8 Summit before the final leg of his tour in Stockholm, Sweden. Key issues expected to be on the agenda at the G8 Summit in Italy include trade, energy and climate change. Officials say President Lee will be highlighting the ROK government's efforts to tackle climate change and that contacts are currently underway for one-on-one meetings with several leaders attending the annual gathering.

Yonhap (Lee Chi-dong, "S. KOREA SEEKS EXPANSION OF PEACEFUL NUCLEAR ACTIVITY: FM ", Seoul, 2009/07/02) reported that the ROK wants to expand its peaceful nuclear program for commercial gains, signaling tough and lengthy negotiations lie ahead with its key ally, the United States, which says there is no need for Seoul to have the right to reprocess spent fuel. Foreign Minister Yu Myung-hwan said that the Seoul-Washington nuclear cooperation agreement should be revised to allow for more activity, as it expires in 2012. The ROK has several nuclear power plants but it is banned from reprocessing spent fuel under the 1974 agreement with the U.S. Yu pointed out that the ROK will have to depend more on nuclear energy in countering climate change.

Joong-Ang Daily ("SPENDING ON NUCLEAR POWER STILL STRONG", 2009/07/03) reported that the Korea Hydro and Nuclear Power Co., provider of about 40 percent of the ROK’s electricity, plans to increase its capital expenditure by 42 percent this year to fund the construction of eight nuclear power plants. The state-run company will spend 4.7 trillion won ($3.68 billion) in 2009, up from 3.3 trillion won last year, as the global recession fails to put a brake on Korea’s nuclear expansion, Chief Executive Officer Kim Jong-shin said. That spending excludes 1.3 trillion won for raw materials. The

ROK wants to reduce reliance on oil imports after crude reached a record $147.27 a barrel last July, in favor of nuclear energy, viewed by the government as a cheaper and cleaner source of electricity.

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12. ROK Trade

Joong-Ang Daily ("KOREA-EU FAIR MARKET PACT KICKS IN", 2009/07/03) reported that an agreement between the ROK and the European Union aimed at increasing cooperation on anti-competitive activities took effect this month, Seoul's corporate watchdog said yesterday. Under the accord, they promised to increase bilateral cooperation in clamping down on anti-competitive corporate activities in their markets. The accord with the EU will help ROK companies reduce the risk of being investigated by the EU authorities over anti-competition practices, the FTC earlier said.

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13. Japan Territorial Dispute

Agence-France Presse ("JAPAN MAY DEPLOY TROOPS NEAR DISPUTED ISLANDS", Tokyo, 2009/07/02) reported that Japan's defense ministry is considering deploying troops on an island in the East China Sea near a group of islets that is claimed by Tokyo, Beijing and Taipei, according to a ministry spokesman. The ministry official said the location of military deployments along a chain of islands between the southern tip of Japan's Kyushu island and Taiwan is "an important factor in the nation's defence deployment."

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14. Japan Politics

Kyodo News ("ASO'S FAILED LDP LEADERSHIP REVAMP SPARKS CRITICISM ", Tokyo, 2009/07/02) reported that Prime Minister Taro Aso faced renewed criticism Thursday over his apparent failure to reshuffle the top officials of the ruling Liberal Democratic Party, with LDP lawmakers arguing that his reluctance to implement personnel changes only highlighted the turmoil in the party ahead of a looming general election.

The Yomiuri Shimbun ("ASO'S EARLY AUG. POLL PLAN LOSING FAVOR", 2009/07/03) reported that many members of the ruling camp are growing increasingly vocal in their calls to put off the dissolution of the House of Representatives for a general election, as attention turns to the poll following Prime Minister Taro Aso's thwarted attempt at a major reshuffle of his Cabinet and the Liberal Democratic Party's top cadre, party sources said.

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15. Japan and the IAEA Leadership

Agence-France Presse (Simon Morgan, "JAPAN'S AMANO WINS RACE TO HEAD IAEA", Vienna, 2009/07/02) reported that veteran Japanese diplomat Yukiya Amano won the contest on Thursday to

head the International Atomic Energy Agency , giving him a pivotal role in dealing with Iran 's nuclear ambitions. Tokyo's current envoy to the UN nuclear watchdog was chosen after six rounds of voting when he scraped together the requisite two-thirds majority with backing of 23 of the 35 board members. Eleven voted against and one abstained. Speaking to reporters after the vote, Amano said he was determined to prevent nuclear proliferation and saw a unified approach among IAEA members as crucial to achieving that goal.

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16. US and Cross Strait Relations

Associated Press ("US NAMES NEW HEAD OF DE FACTO TAIWAN EMBASSY", Taipei, 2009/07/02) reported that the United States on Thursday named a career diplomat with wide-ranging experience in East Asia to be the new head of its de facto embassy in Taiwan. William Stanton, currently the No. 2 U.S. diplomat in the ROK, will replace outgoing institute head Stephen Young in August. One of Stanton's main challenges will be to maintain a robust U.S. profile in Taiwan, as President Ma Ying-jeou presses forward in his ambitious program to improve relations with the PRC.

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17. Sino-US Environmental Cooperation

Agence-France Presse ("CHINA BLASTS US CLIMATE BILL", Beijing, 2009/07/02) reported that the PRC said that it was "firmly" opposed to provisions in a new US clean energy bill that will make it easier to impose trade penalties on nations that reject limits to globe-warming pollution. On Friday, the US House of Representatives narrowly passed legislation to limit pollution blamed for global warming , handing President Barack Obama a hard-fought major victory. However, after the House of Representatives passed the legislation, Obama said he did not want the bill to be used to impose trade penalties on countries in the interest of curbing global warming, The New York Times reported.

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18. PRC African Trade

Xinhua News ("CHINA TO FURTHER AGRICULTURAL COOPERATION WITH AFRICAN NATIONS", 2009/07/01) reported that the PRC will continue to develop bilateral and multilateral agricultural cooperation with African countries and boost the "South-South cooperation" within the framework of "Special Program for Food Security (SPFS)," Assistant Foreign Minister Zhai Jun said. In an interview with Xinhua on the sidelines of the 13th Africa Union (AU) Summit currently underway in Libya's seaside city of Sirte, Zhai said the agricultural cooperation between the PRC and Africa constitutes an important part of bilateral cooperation.

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19. PRC Environment

Economic Observer Online (Xi Si, "CHINA CONSIDERS ENVIRONMENTAL TAX", 2009/07/02) reported that the PRC has edged closer to levying an environmental tax on polluters, but remains divided over how to introduce the tax. Departments disagree on whether the new tax should be introduced as simply an addition to existing excise tax legislation, a shift which would require little more than the approval of the State Council, and hence expedite the introduction of the new tax, or as an independent piece of legislation, a move which would require scrutiny and approval from the country's top legislative body, the National People's Congress (NPC).

Associated Press (Robert Wielaard, "EU: CHINA, INDIA MUST MAKE EMISSIONS CUTS", Stockholm, 2009/07/02) reported that the chances of concluding a new global climate change pact remain dim unless the PRC, India and Brazil make significant cuts in carbon dioxide emissions as well, a senior Swedish climate change official said Thursday. Lars-Erik Liljelund, special climate change adviser to the Swedish government, said cuts from richer countries in the 27-nation bloc or planned cuts in the United States will not be enough to meet aims to cut at least 25 percent of emission from 1990 levels.

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20. PRC Energy

Associated Press ("CHINA PUTS OUT COAL FIRES AFTER 60 YEARS", Beijing, 2009/07/02) reported that PRC miners in the far west of the country have put out a number of underground and surface coal fires that have been burning for 60 years, the official Xinhua News Agency said Thursday. The fires in the Xinjiang region caused by illegal mining and spontaneous combustion had spread over 9.7 million square feet (900,000 square meters) at the Tielieke coal mines, Xinhua said. The fires caused losses of more than 10 million tons of coal a year and produced huge amounts of harmful carbon monoxide and sulfur dioxide, the report said. Cai Zhongyong, chief engineer with the Xinjiang coal fire engineering bureau, said the fires were put out after the government developed a plan that included drilling, water injection and using earth to cut off oxygen to the fire.

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21. PRC Internet

Associated Press (Joe McDonald, "PC MAKERS VOLUNTARILY SUPPLY WEB FILTER IN CHINA", Beijing, 2009/07/02) reported that a everal PC makers were including controversial Internet-filtering software with computers shipped in the PRC on Thursday despite a government decision to postpone its plan to make such a step mandatory. Also Thursday, a government newspaper said regulators will revive the plan to make Green Dam mandatory at some point, a move that would disappoint opponents who hoped the government would drop the effort.

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II. PRC Report

22. PRC Economy

Xinhua Net ("CHINA APPROVES NEW ECONOMIC ZONE IN NE COAST", 2009/07/02) reported that China's State Council approved plans Wednesday to develop the coastal economic belt in the northeastern Liaoning Province in effort to rejuvenate the traditional industrial base. The economic belt, covering about 700 square km, will focus on shipbuilding, petroleum refining, advanced equipment manufacturing, raw materials, high-tech industries and agriculture processing.

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23. PRC Development

Xinhua Net ("XINJIANG TO GET $100M LOAN FROM ADB", 2009/07/02) reported that Xinjiang Uygur Autonomous Region will receive a loan of US$100 million from the Asian Development Bank (ADB) for urban living improvements designed to spur sustainable growth and improve the environment, ADB announced Wednesday. The ADB Board of Directors approved the loan from its ordinary capital resources for the Xinjiang Urban Transport and Environmental Improvement Project, the bank said in a statement.

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