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Contents in this Issue:

- I. NAPSNet
 - [1. Inter-Korean Relations](#)
 - [2. DPRK Leadership](#)
 - [3. US-ROK Security Alliance](#)
 - [4. ROK Military](#)
 - [5. ROK Economy](#)
 - [6. Russo-Japanese Territorial Dispute](#)
 - [7. US-Japan Relations](#)
 - [8. Tokyo Olympic Bid](#)
 - [9. Cross Strait Relations](#)
 - [10. PRC and Vietnam Flooding](#)
 - [11. PRC Tibet Issue](#)
 - [12. PRC Latin American Diplomacy](#)
 - [13. PRC Economy](#)
 - [14. PRC Space Program](#)
 - [15. PRC Energy](#)
 - [16. PRC Urban Insecurity](#)

- [17. PRC Migrant Labor](#)
- II. PRC Report
 - [18. PRC Public Service](#)
 - [19. PRC Public Health](#)

[Preceding NAPSNet Report](#)

I. NAPSNet

1. Inter-Korean Relations

Xinhua ("S. KOREA EXPECTS OBAMA TO CONTRIBUTE TO INTER-KOREAN TIES", Seoul, 2008/11/05) reported that the upcoming US administration led by Barak Obama is expected to contribute positively to the improvement of inter-Korean relations, ROK Unification Minister Kim Ha-joong said. Obama's administration will surely make a positive effort to resolve the nuclear issues on the Korean Peninsula and improve the relations between the United States and the Democratic People's Republic of Korea, said the minister in a lecture at a university here.

Yonhap News (Shim Sun-ah, "OBAMA WIN LIKELY TO WIDEN N. KOREA'S FOOTING IN RELATIONS WITH SEOUL", Seoul, 2008/11/05) reported that the election of US Democrat Barack Obama will likely widen the DPRK's footing in its campaign to push Seoul back to an engagement policy pursued by his two liberal predecessors. Analysts see a victory by Obama, who is an advocate of the Clinton administration's policy of engaging the DPRK, as likely to help defuse tension on the peninsula in the long term. But the DPRK is unlikely to show immediate interest in mending worsening ties with the ROK, focusing instead only on improving relations with the US and recovering its economy, they said.

[\(return to top\)](#)

2. DPRK Leadership

Reuters (Jon Herskovitz, "NORTH KOREA CAMPAIGNS TO SHOW HEALTHY KIM JONG-IL", Seoul, 2008/11/05) reported that the DPRK said on Wednesday Kim Jong-il had inspected two military sites and it released pictures of the visit. Analysts said that many DPRK citizens had probably heard reports in the outside media that Kim had suffered a serious health setback and DPRK's propaganda machine was responding by saying he is active and in control of the country. The DPRK's state television station showed several still pictures of the visits where Kim, wearing sunglasses and an autumn coat, walks with the troops, claps his hands and poses with groups of soldiers.

Bloomberg (Taku Kato, "FRENCH DOCTOR WENT TO PYONGYANG, DENIES TREATING KIM, FUJI

SAYS", 2008/11/05) reported that French brain surgeon Francois-Xavier Roux said he visited Pyongyang last month, reversing earlier denials, Fuji Television Network Inc. reported. The surgeon said he was in the DPRK to "check hospital data" and hadn't visited to treat anyone, including Kim Jong Il, according to Fuji.

[\(return to top\)](#)

3. US-ROK Security Alliance

The Korea Times (Michael Ha, "SEOUL EXPECTS NEW VISION IN KOREA-US ALLIANCE", 2008/11/05) reported that Seoul officials welcomed Obama's victory, which they hope will bring new vision to the bilateral alliance, but they cautioned over possible protectionist tendencies of the incoming American administration. Obama's Korea policy advisor, Frank Jannuzi, in a speech in Washington last week, described the future of the Korea-U.S. alliance this way: ``What once was a uniquely and exclusively bilateral alliance, oriented against a common threat, is becoming an alliance with a broader purpose, one that is based on common interests and common values." He said the alliance was well-positioned to meet the challenges of non-traditional threats including terrorism, nuclear proliferation and energy-security.

[\(return to top\)](#)

4. ROK Military

Chosun Ilbo ("TWO F-5E FIGHTER JETS COLLIDE, ONE CRASHES", 2008/11/04) reported that two F-5E fighter jets of the Korean Air Force which were participating in a defense exercise collided in midair on Tuesday, and one crashed. In this process, four AIM-9 air-to-air Sidewinder missiles, two carried by each fighter jet, fell to the ground. Only three of them had been retrieved by that afternoon. However, there have been no reports of casualties.

Korea Times (Jung Sung-ki, "F-5E FLIGHTS SUSPENDED AFTER CRASH", Seoul, 2008/11/05) reported that because of a mid-air collision between two F-5E fighter jets, the ROK Air Force has suspended all F-5E jets. "The first aircraft went down following the collision, while the second one returned to the base safely with the tail elevator damaged," said a military spokesman. The cause of the accident was believed to be pilot error. The ROK Air Force operates about 100 F-5Es. The aircraft, manufactured by Northrop Grumman of the United States in 1974, has a maximum speed of Mach 1.6 and an operational radius of 1,000 kilometers.

[\(return to top\)](#)

5. ROK Economy

Associated Press (Kelly Olsen, "SKOREA'S FOREIGN RESERVES FALL AMID CREDIT CRUNCH", Seoul, 2008/11/05) reported that ROK's foreign currency reserves tumbled in October by the largest amount ever, the Bank of Korea said, as authorities dipped into the pool of cash to battle the effects of the global credit crisis. The reserves totaled \$212.25 billion at the end of October, down from \$239.67 billion at the end of September, the central bank said Tuesday in a statement. The decline of \$27.4 billion was the biggest for a single month. At 11.4 percent, it was the largest percentage drop since one of 16.4 percent in December 1997 during the Asian financial crisis.

[\(return to top\)](#)

6. Russo-Japanese Territorial Dispute

Kyodo News ("JAPAN, RUSSIA AGREE ON SUMMIT, CONTINUE EFFORTS TO SOLVE ISLAND ROW", Tokyo, 2008/11/05) reported that Japan and Russia reaffirmed Wednesday that they will continue efforts to seek a mutually acceptable resolution to a longstanding territorial dispute and agreed to arrange for their leaders to meet bilaterally on the sidelines of an international conference in Peru later this month, the two nations' foreign ministers said after talks in Tokyo.

[\(return to top\)](#)

7. US-Japan Relations

Kyodo News ("ASO VOICES HOPE TO COOPERATE WITH OBAMA'S NEW U.S. ADMINISTRATION", Tokyo, 2008/11/05) reported that Prime Minister Taro Aso congratulated Democrat Barack Obama on Wednesday on his victory in the U.S. presidential election, pledging to cooperate with the new U.S. leader in resolving various issues, including the global financial crisis and terrorism. "Working together with President-elect Obama, I will strive to further strengthen the Japan-U.S. alliance and to resolve various challenges the international community faces when addressing issues such as the international economy, terrorism and the environment," he said.

[\(return to top\)](#)

8. Tokyo Olympic Bid

Kyodo News ("TOKYO OFFICIALS FEAR OBAMA COULD BOOST CHICAGO'S 2016 BID", Tokyo, 2008/11/05) reported that officials aiming to bring the 2016 Summer Olympics to Tokyo fear that Barack Obama's victory in the U.S. presidential election will have a positive effect on the bid of his hometown of Chicago, one of the three rival cities competing with Tokyo to host the Games. "I wonder how IOC members will react when Mr Obama appears in a presentation for Chicago," Japanese Olympic Committee President Tsunekazu Takeda said Wednesday. The IOC will name the host city of the 2016 Olympics at its general assembly meeting in Copenhagen on Oct 2, 2009. "Mr Obama is popular and good at speeches, so things could get tough for Japan," said Tomiaki Fukuda, a senior JOC executive board member.

[\(return to top\)](#)

9. Cross Strait Relations

BBC News ("TAIWAN PROTEST OVER BEIJING ENVOY", Taipei, 2008/11/05) reported that demonstrators have surrounded a hotel in the Taiwanese capital to protest against a visit by a top-ranking PRC negotiator. Several hundred protesters gathered at Taipei's Formosa Regent hotel as the envoy from Beijing, Chen Yunlin, was holding talks.

Xinhua ("CROSS-STRAIT PACTS SET TO OPEN SKIES AND SEAS", Taipei, 2008/11/05) reported

that the PRC and Taiwan agreed yesterday to allow civilian planes and ships to directly cross the Taiwan Strait. Chen Yunlin, president of the PRC's Association for Relations Across the Taiwan Strait, and Chiang Pin-kung, chairman of the Taiwan-based Strait Exchange Foundation, signed the pacts on direct shipping and flights, postal services and food safety during their first Taipei summit. The two groups agreed to set up a direct air route between Shanghai and Taipei, reducing travel time from two hours 42 minutes to around 80 minutes. The number of flights will increase to 108 every week.

[\(return to top\)](#)

10. PRC and Vietnam Flooding

BBC News ("FLOOD CHAOS IN CHINA AND VIETNAM", Hanoi and Nanning, 2008/11/05) reported that the toll from flooding and landslides in Vietnam and south PRC are rising, with at least 51 dead in the PRC and reports of 92 dead in Vietnam. Parts of south-western PRC have been hit by the worst flooding in more than a century, PRC media said. Heavy rain over the past 10 days has caused landslides and mud-rock flows in the province of Yunnan. The China Daily newspaper said the downpours in Guangxi province caused the worst floods in its capital Nanning since 1907. Weather forecasters in Vietnam said the country had suffered the worst rains in 35 years, with the death toll at 74 after a week of heavy rain.

[\(return to top\)](#)

11. PRC Tibet Issue

Bloomberg (Stuart Biggs, "CHINA SENTENCES 55 PEOPLE FOR TIBET RIOTS IN MARCH, XINHUA SAYS", Beijing, 2008/11/05) reported that the PRC sentenced 55 people over their involvement in March riots in the Tibetan capital, Lhasa, Xinhua News Agency reported, citing the PRC government in Tibet. The sentences ranged from three years to life imprisonment, the state-run news agency cited Vice Chairman of the Tibet Autonomous Region Baema Cewang as saying. The PRC said 18 civilians and one police officer were killed in the riots and 120 houses and 84 vehicles torched, causing 320 million yuan (\$47 million) in damage. Tibet's government-in-exile says 209 people were killed in the government crackdown.

[\(return to top\)](#)

12. PRC Latin American Diplomacy

Xinhua ("FM: POLICY PAPER SHOWS CHINA VALUES LATIN AMERICAN, CARIBBEAN TIES ", Beijing, 2008/11/05) reported that for the first time, the PRC issued a policy paper on Latin America and the Caribbean. The PRC wants to maintain and increase high-level exchanges between legislatures and political parties. It also wants to establish a consultation mechanism and have more cooperation in international affairs and proposed to increase bilateral cooperation in areas such as trade, investment, finance, agriculture, infrastructure construction, resources and energy, tourism, customs, quality inspection, and debt reduction.

[\(return to top\)](#)

13. PRC Economy

Reuters (Simon Rabinovitch, "UNEMPLOYMENT FEARS STALK ONCE-ROARING CHINA", Beijing, 2008/11/05) reported that the global economic slowdown is taking a toll on the PRC and threatens to swell its ranks of the unemployed. The suddenness with which the PRC's economy has lost momentum is Beijing's immediate concern. Annual growth in the third quarter sank to 9 percent, well down from its 11.9 percent pace in all of last year and putting the country on track for its first single-digit expansion since 2002. Chen Xindong, chief economist at BNP Paribas in Beijing, said that "If economic growth fell below 8 percent there would be tension, social tension, complaints and job losses." Also, Premier Wen Jiabao warned that "Factors damaging social stability will grow," in an article for the Communist Party's journal, Seeking Truth.

Bloomberg (Zhang Dingmin, "CHINA TO FREEZE GOVERNMENT EXPENSES IN 2009, BEIJING NEWS SAYS", Beijing, 2008/11/05) reported that the PRC's finance ministry has asked the nation's central government agencies to keep their "basic" expenditure budgets for 2009 at this year's levels, the Beijing News reported without saying where it got the information. Basic expenditures, which include salaries and business expenses, have typically grown 5 percent a year, the Chinese-language newspaper said yesterday, citing Ma Caichen, a researcher at the Chinese Academy of Social Sciences. The ministry in June urged regional bureaus to "forcefully cut" overhead costs including administration and travel expenses to focus resources on reconstruction after the May 12 earthquake in Sichuan. The government has pledged increased spending on infrastructure and cut taxes to boost economic growth.

[\(return to top\)](#)

14. PRC Space Program

Xinhua ("CHINA PUTS TWO SATELLITES INTO ORBIT", Jiuquan, Gansu Province, 2008/11/05) reported that the PRC on Wednesday morning put two satellites into orbit after they were successfully launched from the Jiuquan Satellite Launch Center in northwest PRC. Chuangxin 1-02 and Shiyao Satellite 3 were launched on a Long March 2D carrier rocket. The smaller satellite, the Chuangxin 1-02, developed by the Chinese Academy of Sciences, will be used to collect and relay hydrological and meteorological data and data for disaster relief. The Shiyao Satellite 3 will be used for experiments on new technologies in atmospheric exploration, according to its main developer, the Harbin Institute of Technology. The launch was the 112th of the PRC's Long March series of rockets.

[\(return to top\)](#)

15. PRC Energy

Xinhua ("CHINA PLANS TO BOOST NUCLEAR ENERGY CAPACITY", Beijing, 2008/11/06) reported that the PRC may raise its total installed nuclear power generating capacity to 70 gigawatts by 2020, 75 percent higher than government target set in 2006, a senior energy official said. The government was considering revising the 40 gigawatt goal in the 2006 national nuclear power development plan, said Huang Li, head of energy conservation and equipment at the National Energy Administration. "The severe winter weather earlier this year in southern China that paralyzed electricity supplies

and coal transportation exposed risks and vulnerability in the traditional power supply system," said Huang. The current installed capacity of nuclear power is about nine gigawatts, or 1.3 percent of the total installed electricity generating capacity.

The Hindu (Aarti Dhar, "WIND POWER CAN PREVENT CLIMATE CHANGE: STUDY", New Delhi, 2008/11/05) reported that the PRC has the world's fastest growing wind power market and is expected to become the biggest manufacturer of wind energy equipment by 2009, led WTG manufacturing companies Sinovel, Goldwind, and Dongfang Electric. Wind power could produce 12 per cent of the world's energy needs and prevent 10 billion tonnes of carbon dioxide emissions within 12 years. These findings were reported in the 'Global Wind Energy Outlook 2008,' published by the Global Wind Energy Council (GWEC) and Greenpeace International. The report also explains how wind energy can provide up to 30 per cent of the world's electricity by the middle of the century. The existing power sector is responsible for around 40 per cent of global carbon dioxide emissions and there are only three options to reduce this by 2020 — energy efficiency, fuel switching, and renewables, predominantly wind power.

[\(return to top\)](#)

16. PRC Urban Insecurity

China Daily ("IT'S TIME TO RETHINK IDEAS ON URBAN PLANNING ", 2008/11/05) reported that in the Zhenjiang Communique adopted by the Congress on Sunday, more than 80 planners from some 40 countries and regions agreed that "today's ailing settlements are the price for failures to plan." They urged governments to "embrace and implement strategic and integrated approaches to the planning of cities, metropolitan areas and regions." The world today is confronted with rapid urbanization of poverty and the hazardous impact of climate change. Planning therefore has become an important tool for healthy urban development and environmental management to halt the formation of slums and mitigate hazards. In other words, planning is a means to realize the social harmony we have been pursuing.

[\(return to top\)](#)

17. PRC Migrant Labor

China Daily (Wang Zhuoqiong, "MIGRANTS 'MUST HAVE MORE SAY'", 2008/11/05) reported that migrant workers and their left-behind families must be better represented in the democratic process as it relates to rural governance, Minister of Civil Affairs Li Xueju said. Li said: "It is an emerging challenge to safeguard the rights of migrant workers and their families through the implementation and revision of the law." The PRC has 140 million migrant workers and their ranks swell by 8 million every year, Li said.

[\(return to top\)](#)

II. PRC Report

18. PRC Public Service

Guangzhou Daily (Liu Chang, Gong Yifei, "HIGH-GRADE ASSOCIATIONS GET PRIORITY OF GOVERNMENT PROCUREMENT", 2008/11/04) reported that over 60 industry associations and chambers of commerce will start self-evaluation and accept evaluation from an objective third party. Those who get high-grade evaluation results will get priority of government procurement. Shenzhen Civil Organization Authority said they will adopt different management and guidance according to their grades and recommend those high-grade associations to the government. The associations will also receive social supervision.

[\(return to top\)](#)

19. PRC Public Health

Xinhua Net ("SECTOR INTEREST RETARD HEALTHCARE REFORM", 2008/11/03) reported that concerning the newly published healthcare reform plan, Executive Vice Chairman of the PRC Pharmaceutical Enterprises Management Association Yu Deming said that the new healthcare reform plan was co-drafted by related sector stakeholders, with different paragraphs representing different sector's interest. He suggested setting up an agency which can cut across the sector interest and further revise the plan. He also believed that the primary problem of healthcare reform was not just about how much the government would put in, but the institutional issue. Competition should be introduced in an all-round way and only in this way can the people become the ultimate beneficiaries.

Beijing News (Wei Mingyan, "BEIJING: INDIVIDUAL SMOKING FINES TO RAISE TO 1000 YUAN", 2008/11/05) reported that on May 1 this year, Beijing has implemented the tobacco control order, requiring that restaurants, bars, cafes, hotels, and waiting rooms must define smoking and non-smoking areas. Smoking in the non-smoking areas will be punished. But according to the statistics from Beijing Patriotic Health Campaign Committee, in the city's 22,435 public places, 1415 have been found violation of the smoking ban, and only 306 received warning punishment. The Committee authorized by Beijing government is researching on new smoking ban which will highly raise the fines for smoking violation, and strives to achieve smoking free in all public places in 2010.

[\(return to top\)](#)

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