

# NAPSNet Daily Report 7 December, 2009

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Contents in this Issue:

- I. Napsnet
  - [1. US-DPRK Talks](#)
  - [2. US-DPRK Relations](#)
  - [3. DPRK Nuclear Program](#)
  - [4. DPRK Currency Reform](#)
  - [5. ROK on DPRK Currency Reform](#)
  - [6. DPRK Economy](#)
  - [7. Inter-Korean Relations](#)
  - [8. ROK Nuclear Exports](#)
  - [9. US-ROK FTA](#)
  - [10. US Military Bases in Japan](#)
  - [11. Japanese Politics](#)
  - [12. Taiwan Politics](#)
  - [13. Sino-Indian Relations](#)
  - [14. PRC Ethnic Unrest](#)
  - [15. PRC Censorship](#)
  - [16. PRC Energy Security](#)

- [17. PRC Climate Change](#)
- II. PRC Report
  - [18. PRC Civil Society](#)
  - [19. PRC Economy](#)

[Preceding NAPSNet Report](#)

MARKTWO

## I. Napsnet

### 1. US-DPRK Talks

Associated Press ("U.S. ENVOY STOPS IN SOUTH KOREA EN ROUTE TO NORTH", Seoul, 2009/12/07) reported that US special envoy Stephen Bosworth met with ROK chief nuclear envoy Wi Sung-lac Monday to discuss his upcoming trip to the DPRK. He told Wi that the U.S. intentionally decided to start the DPRK trip from the ROK. "It's not an accident. We intended that," Bosworth told Wi at the start of their meeting. Further details of their discussions were not immediately made available.

Korea Herald (Kim Ji-hyun, "BOSWORTH TO LEAVE FOR PYONGYANG TODAY", Seoul, 2009/12/07) reported that the U.S. special envoy to the DPRK Stephen Bosworth left for Pyongyang Monday. "Special representative Bosworth has said he hopes for the visit to result in the quick resumption of the six-party dialogue and a recommitment to the denuclearization pledge of the Sept. 19 agreement," said Moon Tae-young, the Foreign Ministry spokseman. "We expect the envoy to listen to what North Korea has to say and vice versa." Other Foreign Ministry officials predicted that President Barack Obama may have a "message" to send to the DPRK, either a verbal or written one.

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

### 2. US-DPRK Relations

Yonhap ("N.K., U.S. MUST ENGAGE IN 'DIRECT ACTION': CHOSUN SINBO ", Seoul, 2009/12/06) reported that the DPRK and the United States must engage in direct bilateral action to end hostilities, Choson Sinbo said Saturday. The article said in order to guarantee peace on the Korean Peninsula the two main belligerent countries (of the Korean War) and those that have direct interest in Pyongyang's nuclear program should meet to resolve differences. It also said the focus of Stephen Bosworth's planned visit next week must be centered on "peace" since this is a subject that cannot be ignored.

Yonhap ("NOBEL LAUREATE TO GIVE LECTURE IN N.K. ", Seoul, 2009/12/06) reported that Nobel Laureate Peter Agre will give a special lecture to DPRK students and scientists during a visit there, a

Radio Free Asia broadcast on Saturday said. Agre and other U.S. scientists will visit the Kimchaek University of Technology to give his lecture and hold talks with representatives from DPRK academia to discuss ways to advance bilateral scientific cooperation.

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

### **3. DPRK Nuclear Program**

Yonhap ("N.K. NOT YET DEVELOPED NUKE DELIVERY SYSTEM", Seoul, 2009/12/07) reported that the DPRK's detonation of two nuclear devices in recent years does not guarantee its status as a nuclear weapons state due to lack of an adequate delivery system, Hans Kristensen, director of the Nuclear Information Project at the Federation of American Scientists, said Sunday. "Two experimental nuclear test explosions don't make a nuclear arsenal," Kristensen said in a statement on the Website of the FAS. Kristensen added, "We are not aware of credible information on how North Korea has weaponized its nuclear weapons capability, much less where those weapons are stored. We also take note that a recent U.S. Air Force intelligence report did not list any of North Korea's ballistic missiles as nuclear-capable."

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

### **4. DPRK Currency Reform**

BBC ("NORTH KOREA CURRENCY REFORM SPARKS ANGER", Seoul, 2009/12/04) reported that the Daily NK website said people in the DPRK had been burning piles of old bills in anger over the government's reported redenomination of the currency. Old notes were being burned at two separate locations in Hamhung, the Daily NK said, citing an unidentified resident.

Chosun Ilbo ("N.KOREA PREPARED FOR CURRENCY REFORM YEARS AGO", Seoul, 2009/12/07) reported that the pro-DPRK Chosun Shinbo on Friday published pictures of new bills and coins which the DPRK is releasing in its latest currency reform. The large-denomination bills bear the stamp "2008" on the upper left. Images of the 500, 200, 100, 50, 10 and 5 won bills and those on the back of 1 won, and 50, 10, 5 and 1 jeon coins bear the stamp "2002." "It seems that the North printed the new bills and coins in 2002 when it implemented the July 1 economic reform plan, where it introduced a modicum of market capitalism, but decided not to circulate the new currency that year apparently due to runaway inflation," a source said. "And the North again apparently prepared for currency reform in 2008 by printing new large-denomination bills but postponed the reform because leader Kim Jong-il had a stroke."

Chosun Ilbo ("N.KOREAN TROOPS 'READY TO SHOOT' AFTER CURRENCY REFORM", Seoul, 2009/12/07) reported that the DPRK Army is on standby and ready to quell any protests against last week's drastic currency reform, Russian business daily Kommersant last Friday quoted diplomatic sources in the DPRK as saying. Foreign diplomats are meeting with DPRK authorities in efforts to persuade them to reverse the reform, the sources added. According to sources in the DPRK, the National Defense Committee has ordered guards on the border with the PRC to shoot at will at anyone who crosses without permission. One ROK intelligence officer said, "We don't have any information that there'll be a riot or a mass defection, but since North Koreans have never so far taken collective action, they are more likely to choose defection if the situation gets worse."

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

## 5. ROK on DPRK Currency Reform

Dong-A Ilbo ("CURRENCY REVALUATION FEARED TO SPARK NK UNREST", Seoul, 2009/12/07) reported that the ROK government believes riots could erupt in the DPRK following the currency revaluation last week, an official in Seoul said Sunday. "The government is closely watching the situation in the North considering that the currency revaluation is a very significant matter," he said. A source at a nongovernmental organization that publishes newsletters on the DPRK said, "The (ROK) government is asking us to share data on the North's internal situation, and we are closely cooperating." Another official in Seoul said, "The North Korean leadership apparently keeps making bad moves. Whether the latest move is aimed at maintaining the regime or establishing a succession system for Kim Jong Il's third son, Kim Jong Un, it will likely cause significant side effects."

Korea Herald ("N.K. CURRENCY REFORM WILL INCREASE POVERTY", Seoul, 2009/12/07) reported that the DPRK currency reform is expected to deal a blow to the nation's ordinary populace, many of whom make a living in marketplaces, instead of having a major impact on the rich, who have plenty of foreign currency, ROK experts said. "North Korea's capitalists or middle and upper class have conducted financial transactions and amassed wealth mostly in U.S. dollar, euro or yuan," Dong Yong-seung, senior fellow at the Samsung Economic Research Institute, said. "Major transactions and bribes were paid in foreign currency, as the North Korean currency had already lost value (before the currency reform)."

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

## 6. DPRK Economy

Associated Press ("STOCKHOLM STORE DROPS NORTH KOREAN JEANS LINE", Stockholm, 2009/12/06) reported that a Stockholm department store has removed a new line of DPRK-made designer jeans from its shelves. The PUB department store's management had not been informed that the jeans would be carried in its space, Rene Stephansen, the store's director, said Saturday. "For us, this is not a question of Noko Jeans — this is a question about a political issue that PUB doesn't want to be associated with," he said. "This is not the forum for the discussion" of the DPRK.

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

## 7. Inter-Korean Relations

Yonhap ("N.K. LAMBASTES SEOUL FOR HUMAN RIGHTS CAMPAIGN ", Seoul, 2009/12/06) reported that the DPRK lashed out Saturday at the ROK's move to introduce a law on the DPRK's human rights abuses. "This is an intolerable insult and unpardonable politically motivated provocation to the DPRK as it is a revelation of the ambition of traitors to the nation to escalate the confrontation with the DPRK because they are steeped in it to the marrow of their bones," KCNA said. KCNA said that the move "proves that the smear anti-DPRK human rights campaign of the puppet clique of South Korea has reached a graver phase."

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

## 8. ROK Nuclear Exports

Arirang News ("KOREA EXPORTS 1ST NUCLEAR PLANT", Seoul, 2009/12/07) reported that the ROK science ministry said on Friday that the Korean Atomic Energy Research Institute and Daewoo Engineering & Construction won a bid to build Jordan's first atomic research reactor, after competing with Argentina, the PRC, and Russia. The government said this is expected to lay the groundwork for the ROK to join Argentina and Russia as one of the world's top three atomic exporters.

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

## 9. US-ROK FTA

Yonhap ("U.S. CONSIDERING KOREA-EU FTA IN REVIEWING FTA WITH KOREA ", Seoul, 2009/12/07) reported that Wendy Cutler, Assistant U.S. Trade Representative for Japan, Korea and APEC Affairs, said at a forum in Seoul Monday that the United States is considering a free trade agreement between the ROK and the European Union. "We are looking very carefully at tariff schedules of the Korea-EU FTA," Cutler said. "Some of our suppliers have expressed concerns because once the Korea-EU deal goes into effect, their European competitors would gain price advantages," said Cutler.

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

## 10. US Military Bases in Japan

Asahi Shimbun ("OKADA: FUTENMA TALKS NEAR LIMIT", Tokyo, 2009/12/07) reported that Japanese Foreign Minister Katsuya Okada on Saturday criticized the idea of prolonging negotiations over the U.S. Futenma air base. "We have had an intensive discussion for two months," Okada said in a meeting with Masao Kishimoto, president of the Okinawa Times newspaper, and others in Naha . "(The negotiations) are reaching the limit." Okada said he had explored a plan to integrate the Futenma functions with the U.S. Kadena air base, but that would have been "difficult" to realize. The foreign minister also said the current plan for Henoko had been finalized in detail by the two countries, and that it would be impossible to start negotiations all over again. "There is no other option any more" but to go with the Henoko plan, Okada was quoted as saying.

Asahi Shimbun ("HATOYAMA SAYS GUAM A POSSIBLE FUTENMA OPTION", Tokyo, 2009/12/05) reported that Japanese Prime Minister Yukio Hatoyama said Friday that Guam is among possible relocation sites of the U.S. Futenma air station but said the plan to keep the base in Okinawa Prefecture is "still on." Hatoyama told reporters, "I've been saying all along, 'Is Henoko the only option? Aren't there any other places?'" Hatoyama said, "We need to discuss if it would be appropriate to move everything to Guam in light of the U.S. deterrent power." Defense Minister Toshimi Kitazawa told reporters the same day he plans to visit Guam as early as next week to see U.S. military facilities there.

Yomiuri Shimbun ("NAGO RESIDENTS RAP OKADA AT BASE MOVE MEETING", Nago, 2009/12/07) reported that local anger at the relocation plan for a major U.S. base erupted at a meeting with Japanese Foreign Minister Katsuya Okada on Saturday, with some people wondering if the

government was more concerned about the view of the U.S. government than Okinawans. The meeting, which was held at a community center in Nago, was attended by about 100 people. Reporters were asked to leave the venue as soon as Okada had finished his opening address. About 40 minutes after the reporters had been excluded from the meeting, the local people emerged from the venue, appearing in an angry mood. Many of them vented their frustration to the media.

Yomiuri Shimbun ("U.S. HINTS AT CONTINUED USE OF FUTENMA", 2009/12/05) reported that the United States on Friday told Japan that if the current dispute over the U.S. Marine Corps' Futenma Air Station continues to drag on, Washington might consider continuing to use its airfield by repairing the obsolete facilities at the base. The remark was made during a meeting of a ministerial-level working group at the Foreign Ministry in Tokyo. U.S. officials urged Japan to settle the controversy as soon as possible by implementing an earlier bilateral accord on the matter. During the group's Friday meeting, the United States described the existing relocation plan as the only feasible option.

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

## 11. Japanese Politics

Yomiuri Shimbun ("CABINET APPROVAL RATE FALLS TO 59%", Tokyo, 2009/12/07) reported that the approval rating of Japanese Prime Minister Yukio Hatoyama's Cabinet has dipped below 60 percent for the first time, falling from 63 percent last month to 59 percent, according to the latest Yomiuri Shimbun survey. The Cabinet disapproval rating rose from 27 percent to 29 percent according to the telephone survey, which was conducted from Friday to Sunday by calling numbers selected by computer. Of the numbers called, 1,723 households had at least one eligible voter. In all, 1,092 voters, or 63 percent, responded. The reason most cited by the respondents for not supporting the Hatoyama Cabinet was that the prime minister has showed no leadership, at 27 percent, which surged from 13 percent in the previous survey.

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

## 12. Taiwan Politics

Agence France-Presse ("POPULARITY SOARS FOR TAIWAN OPPOSITION LEADER", Taipei, 2009/12/07) reported that Tsai Ing-wen, the head of Taiwan 's opposition Democratic Progressive Party (DPP) has seen her popularity rise to a new high after her party gained ground in local elections at the weekend, a survey said Monday. Tsai is backed by 43 percent of people on the island, up from 27 percent in May, the United Daily News reported. President Ma Ying-jeou of the KMT was supported by 33 percent of the respondents, compared with 52 percent in May, according to the paper.

Associated Press (Peter Enav, "OPPOSITION SCORES GAINS IN TAIWAN LOCAL ELECTIONS", Taipei, 2009/12/05) reported that with all votes counted in Saturday's elections in Taiwan, the opposition Democratic Progressive Party held onto its three county magistracy positions — equivalent to governorships — and won back one other from the ruling Nationalists . It also closed the gap in a number of other localities, including a traditional Nationalist stronghold in suburban Taipei . The Nationalists held onto 12 of their 14 county magistracies and mayoralities, losing one to the DPP and one to a Nationalist rebel disowned by the party because of corruption convictions.

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

## 13. Sino-Indian Relations

Hindustan Times ("ULFA LEADERS HELD, ADMIT CHINA LINK", New Delhi, 2009/12/05) reported that Arabinda Rajkhowa, chairman of the United Liberation Front of Asom (Ulfa), and Raju Baruah, the outfit's deputy commander-in-chief, surrendered to Indian authorities near the India-Bangladesh border in Meghalaya, along with eight others on Friday morning. Raju Baruah has told security agencies about the Ulfa cadre receiving arms training at camps in the PRC. Sources said PRC official agencies like the army were helping Baruah, not only on PRC territory but also in Myanmar. Ulfa's 'foreign secretary' Sashadhar Choudhury and 'finance secretary' Chitrabon Hazarika — who had surrendered earlier — also told his interrogators earlier that the outfit was getting its arms from Chinese manufacturers.

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

## 14. PRC Ethnic Unrest

Associated Press (Isolda Morillo and Cara Anna , "UIGHURS USING MISSIONARY RAILWAY TO FLEE CHINA", Beijing, 2009/12/05) reported that an underground network of Christian missionaries that usually works with DPRK refugees says it has helped smuggle nearly two dozen Muslim Uighurs out of the PRC. It's the first time the Christian interfaith network has worked with a group of Uighurs, and it won't be the last, with more currently using the so-called underground railway to make their way out of the country and requests for assistance surging into the hundreds, missionaries said.

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

## 15. PRC Censorship

New York Times (Sharon LaFraniere, "ANOTHER CLUE TO HOW CHINA MANAGED OBAMA'S VISIT ", Beijing, 2009/12/04) reported that some students who went to Barack Obama's town hall meeting in Shanghai last month wanted to know how he gets along with Secretary of State Hillary Rodham Clinton, but weren't allowed to ask. "This is a sensitive question," Ni Shixiong, one of the Chinese organizers of the event, said in an interview published in the new edition of Southern People Weekly. "It's better not to ask things related to U.S. politics."

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

## 16. PRC Energy Security

BBC (Chris Hogg, "CHINA'S SINOPEC SECURES GAS FROM EXXON MOBIL IN PNG", Shanghai, 2009/12/04) reported that Sinopec, the PRC's second biggest oil and gas company has secured a 20-year supply of gas from Papua New Guinea. Sinopec, which is owned by the Chinese government, will buy around 2 million tonnes of liquefied natural gas each year. The LNG supply will come from a project being developed by Exxon Mobil and other investors.



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

## **17. PRC Climate Change**

The Guardian (Jonathan Watts, "CHINA'S CARBON EMISSIONS WILL PEAK BETWEEN 2030 AND 2040, SAYS MINISTER", 2009/12/06) reported that PRC carbon emissions will peak between 2030 and 2040, Wan Gang, the country's science and technology minister, told the Guardian. "There are some uncertainties here, so it is difficult to say whether it will be in the beginning, the end or the middle, but I can say for sure it will be within that range," he said. "As the minister of science and technology I would say the sooner the better."

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

## **II. PRC Report**

### **18. PRC Civil Society**

Inner Mongolia Radio Net ("INNER MONGOLIA ESTABLISHES VOLUNTEER'S ASSOCIATION FOR DISABLED", 2009/12/04) reported that the first Volunteer's Association for Disabled in Inner Mongolia was established yesterday in Inner Mongolia University. 52 university students become the first batch of volunteers who are registered and have their own profile.

Sina.com ("CHINA CHARITY SPRING FESTIVAL PARTY TO BE HELD", 2009/12/04) reported that 2010 China Charity Spring Festival Party is to be held in the Auditorium of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) on January 19, 2010. The party is organized by All-China Charity Federation, and co-organized by China Xiaojun Institute, Fujian Jingnan Charity Federation, Hong Kong Jinmilai Group, China Charity International Exchange Center and so on.

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

### **19. PRC Economy**

Jinghua Times ("LENOVO HELPS YOUNG PEOPLE START BUSINESS", 2009/12/04) reported that Lenovo Group has financially supported a CEO special training class for excellent venture teams. Over ten thousand teams all around the country have participated in competition, and the best ten will have choice to attend the class and get fund of 10,000 RMN.

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

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