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1. US-PRC Talks on BDA Funds

Agence France-Presse ("US, CHINESE OFFICIALS DISCUSS FROZEN NKOREAN MONEY", 2007-03-26) reported that the US Treasury's point man on financial crime met PRC officials on Monday in hopes of resolving a banking dispute that has stalled DPRK nuclear disarmament talks. Daniel Glaser, the deputy assistant secretary for terrorist financing and financial crimes, held talks with officials from the PRC's foreign ministry, the central bank and the country's banking industry regulator, said spokeswoman Molly Millerwise, who added further talks were expected Tuesday. Glaser's Beijing visit is aimed at clearing obstacles blocking the transfer of 25 million dollars of DPRK funds that had been frozen in Macau's Banco Delta Asia.

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2. DPRK on Japan's Role in Six Party Talks

Yonhap ("JAPAN NOT QUALIFIED FOR SIX-PARTY TALKS: N. KOREA", 2007-03-26) reported that the DPRK on Monday criticized Japan for putting up a roadblock to the implementation of a nuclear agreement by making demands related to the kidnapping of Japanese by the DPRK decades ago, saying Japan is not qualified for the talks. "Japan wants to use every means and method to disrupt the six-party talks for fear that a solution to the nuclear issue can remove an excuse for its becoming a power in the region," the DPRK's official Korean Central News Agency (KCNA) said.

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3. ROK on Relations with US, DPRK

Korea Times ("ROH STRESSES FRIENDLY TIES WITH US, NK", 2007-03-26) reported that President Roh Moo-hyun has emphasized that the ROK should maintain friendly relations with both the US and DPRK for survival. Some critics categorized "my administration as pro-North Korea but there is no such thing as a pro-Pyongyang government in South Korea," he said in a meeting with ROK residents. Roh stressed that if the ROK could help the DPRK revive its economy, it would be a catalyst for the ROK economy to take a leap forward.

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4. Inter-Korean Relations

Chosun Ilbo ("TWO KOREAS' UNIONS TO CELEBRATE MAY DAY IN ULSAN", 2007-03-26) reported that the labor unions of the two Koreas have agreed to celebrate this May Day together in Ulsan, ROK. It will be the first time joint celebrations are held in the ROK. Key leaders of the ROK's two unions including Federation of Korean Trade Unions (FKTU) chairman Lee Yong-deuk and Korean Confederation of Trade Unions (KCTU) president Lee Seok-haeng on Saturday met with their DPRK counterparts, including General Federation of Trade Unions chairman Yeom Soon-gil in Kaesong, DPRK.

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5. Inter-Korean Economic Cooperation

Yonhap ("S. KOREA TO PREPARE FOR 2ND-STAGE DEVELOPMENT OF N.K. INDUSTRIAL COMPLEX", 2007-03-26) reported that the ROK will begin preparations for the development of a 2.5-million-pyeong area in the inter-Korean industrial complex in Kaesong, DPRK in the second half of this year, the Unification Ministry said. One pyeong equals 3.3 square meters. The government will measure and conduct a geological survey of the land in the western DPRK border town for the second-stage construction of the industrial complex, the ministry said.

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6. US-ROK Joint Military Drill

Xinhua ("S. KOREA, U.S. LAUNCH LARGE-SCALE JOINT MILITARY DRILLS", 2007-03-26) reported that the ROK and the US launched their annual joint military exercises on Sunday despite Pyongyang's condemnation that the drills are raising tension on the peninsula and threatening a peaceful solution to the nuclear issue. According to the Combined Forces Command (CFC), a total of 29, 000 US troops will take part in the Reception, Staging, Onward Movement and Integration (RSOI) exercise as well as the Foal Eagle exercise conducted throughout the ROK. The exercise will be concluded on March 31.

(return to top). Yonhap ("N. KOREA VOWS TO REDOUBLE DETERRENT POWER AMID S. KOREA-U.S. WAR EXERCISE", 2007-03-26) reported that the DPRK stepped up its criticism of the US for staging joint military exercises with the ROK, calling it a tactic aimed at breaking the mood of peace following a recent deal on the DPRK's denuclearization. "The US hawkish forces pushed to stage large-scale war exercises aimed at our republic to break the mood of dialogue, block the implementation of the six-party agreement, push us out of the dialogue table and make an excuse of invading the North," said the Rodong Shinmun. (return to top)

7. Sino-DPRK Economic Relations

Donga-Ilbo ("CHINA, NORTH DISCUSS POSSIBILITY OF NEW YALU RIVER BRIDGE", 2007-03-26) reported that the DPRK and PRC are discussing plans to build a new Yalu River bridge connecting Sinuiju in the DPRK and Dandung in the PRC. One DPRK-related source in Dandung said on March 20, "The designing of the bridge has been already been completed as the Chinese government subcontracted the job to a designing company in Shanghai." However, it has been reported that even if the PRC recently proposed to pay the total construction costs, the DPRK has not expressed its official agreement to the plan.

(return to top). Yonhap ("N. KOREA CONSIDERING BUILDING SPECIAL ECONOMIC ZONE ON TWO ISLANDS", 2007-03-26) reported that the DPRK is considering establishing a special economic zone on two small islands bordering the PRC to help resuscitate its moribund economy, a ROK source said. The DPRK has been pushing to form a free trade zone on the Bidan and Wihwa islands on the Yalu River on the western border between the DPRK and PRC, and has sounded out ROK companies on their investment plans for the area, the source privy to inter-Korean economic projects said. (return to top).

8. Russo-DPRK Energy Trade

Vladivostok Times ("NORTH KOREA'S EAGER TO BUY THE FAR EAST ELECTRIC ENERGY", 2007-03-26) reported that the DPRK proposes to Russia to participate in the construction and reconstruction of three thermoelectric power stations (TPS), of more than 2 thousand Mega-Watt total capacity, as well as to supply electric energy to this country. The DPRK expressed its interest in electric energy supplies from the electric system of the Russian Far East, while for the purpose an electric line of 500 kV should be erected.

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9. US-ROK Trade Relations

Agence France-Presse ("SKOREA READY TO WALK AWAY FROM US TRADE DEAL", 2007-03-26) reported that the ROK said it was prepared to walk away from a free trade agreement with the US rather than make unacceptable concessions, as the two sides started a make-or-break final round of talks. "If the FTA fails to meet our expectations, or if the US side insists on demands that we cannot accept such as rice concessions, we will resolutely deal with it, risking the breakdown of talks," Seoul's chief negotiator Kim Jong-Hoon told reporters. He said there had been little progress in narrowing differences after a "tense" first day.

(return to top). Chosun Ilbo ("MORE THAN ONE IN TWO LAWMAKERS BACK FTA WITH U.S.", 2007-03-26) reported that some 55 percent of ROK lawmakers think a free trade agreement with the US is in the national interest, a survey suggests. In a poll of 296 lawmakers conducted by the Chosun Ilbo, 113 out of 204 respondents answered that a trade pact with the US is beneficial to the ROK. But 70 lawmakers wanted to postpone their decision until the results of ongoing negotiations are known. That suggests the FTA will have a tough passage through the National Assembly if conditions are seen as unfavorable to the ROK. (return to top).

10. Japan on Comfort Women Issue

Agence France-Presse ("JAPAN LEADER RENEWS 'COMFORT WOMEN' APOLOGY", 2007-03-26) reported that Japanese Prime Minister Shinzo Abe, who is seeking to end an uproar over his remarks on World War II sex slaves, on Monday apologised again to the so-called "comfort women." Abe has repeatedly said he stands by Japan's landmark 1993 apology to the thousands of former sex slaves, while saying he felt no need to make a fresh statement. But questioned in parliament by a leftist lawmaker on whether he was apologising himself, Abe said he was.

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11. Japanese Politics

Kyodo News ("ABE'S LDP BACKERS SEEK TAIWAN-INDIA CHINA FOIL", 2007-03-26) reported that 20 LDP lawmakers who see the PRC as a threat will form a parliamentary league to push closer ties with Taiwan and India. Members of the planned group apparently aim to counter moves by pro-PRC groups within the LDP. The LDP's pro-PRC ranks, including former Secretary General Koichi Kato and others critical of Abe, are trying to form another group by bringing together three like-minded camps. LDP Policy Research Council Chairman Shoichi Nakagawa, who has termed the PRC a "threat" because of its military spending, will become the pro-Taiwan-India group's senior adviser.

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12. Sino-Japanese East Sea Gas Dispute

United Press International ("JAPAN, CHINA TALK ON E. CHINA SEA THURSDAY", 2007-03-26) reported that Japan and the PRC plan to resume talks on gas exploration in the East China Sea Thursday, the Japanese Foreign Ministry said. The two sides agree the dispute should be resolved through joint development of the gas-rich region, but are split on where the work should occur, the Kyodo news service reported.

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13. Sino-Russian Relations

Agence France-Presse ("CHINA'S HU EYES ENERGY IMPORTS ON RUSSIA VISIT", 2007-03-26) reported that the PRC President Hu Jintao arrived in Moscow for crucial talks with Russian counterpart Vladimir Putin as part of a worldwide drive to secure new energy sources for the PRC. Officials from the two countries were expected to seal trade deals worth up to four billion dollars during Hu's three-day visit to Russia. But the key to the visit is energy-hungry the PRC's bid to obtain guarantees of increased oil and gas deliveries from Russia analysts said.

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14. US and Cross Strait Relations

Reuters ("CHINA PRESSURES U.S. OVER TAIWAN ARMS SALES", 2007-03-26) reported that the PRC's envoy to the US stepped up pressure on Washington on Thursday to abandon arms sales to Taiwan following recent pro-independence comments from Taiwan's president. While stressing that Sino-US relations "continue to make new progress," Beijing's envoy to Washington said the US was sending the wrong signals to independence forces in Taiwan. "If you are serious about your commitment to one China, you will stop selling weapons to Taiwan," Zhou Wenzhong said.

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15. US on PRC Military

The New York Times ("HEAD OF JOINT CHIEFS CALLS CHINA'S MILITARY AIMS UNCLEAR", 2007-03-26) reported that the PRC's recent test of an antisatellite weapon sent a confusing message to the world about its military intentions, but the US and the PRC are slowly building stronger military-to-military ties, the top-ranking US military officer said. Gen. Peter Pace, chairman of the Joint Chiefs of Staff, said he urged his PRC counterparts in meetings on Thursday and Friday to provide more information about the aims of their military buildup. He called the meetings "encouraging," but said he did not get concrete answers.

(return to top). Agence France-Presse ("TOP US COMMANDER PLAYS DOWN CHINA THREAT ", 2007-03-26) reported that the US military's top commander said that he did not believe the PRC's armed forces were a threat and played down the prospects for hostilities in the Taiwan strait. "Clearly, both the United States and China have enormous military capacity, but equally clearly neither country has the intent to go to war with the other. So absent of intent, I don't find threat," Pace said. Pace said he had repeated President George W. Bush's position that the US leader "would not support Taiwan independence" and that Washington wanted the issue to be handled peacefully. (return to top).

16. US-PRC Military Relations

The Associated Press ("CHINA'S MILITARY PROPOSES COOPERATION ", 2007-03-26) reported that the PRC's military is proposing officer exchanges and other confidence-building measures with the US Army and may be inching closer to setting up a "hotline" for emergency communication with Washington, the top US general said. Pace said he immediately agreed to study the proposals put forward Friday by Gen. Liang Guanglie, chief of the PLA's General Staff Department. Liang's proposals included sending PRC cadets to the Army academy at West Point as well as participating in joint exercises and humanitarian and relief-at-sea operations.

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17. PRC Latin American Diplomacy

Xinhua ("CHINA, VENEZUELA TO ADVANCE MUTUALLY BENEFICIAL ENERGY COOPERATION", 2007-03-26) reported that the PRC and Venezuela are to sign several deals on energy and resources development when Li Changchun, a PRC senior official, meets with President Hugo Chavez in Venezuela on Monday.

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18. Hong Kong Chief Executive

The Associated Press ("BEIJING PICK GETS EASY WIN IN HONG KONG ", 2007-03-26) reported that Beijing's favored candidate was selected for another term as Hong Kong's leader, spawning calls for universal suffrage after the former British colony's first contested leadership race since its return to PRC rule. Veteran civil servant Donald Tsang beat pro-democracy lawmaker Alan Leong 649-123 in the vote by an election committee loaded with tycoons and other elites, which has always picked the candidate with Beijing's blessing. Tsang promised during the campaign to produce a timetable for full democracy in Hong Kong.

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19. PRC Leadership

The Associated Press ("CHINA NAMES 2 MORE PARTY LEADERS", 2007-03-26) reported that the PRC's Communist Party named two more provincial bosses in a widening reshuffle likely to consolidate President Hu Jintao's power ahead of a party congress later this year. In the latest promotions, Li Jianguo was named party secretary of Shandong in the east and Qiang Wei was appointed party secretary of Qinghai in the west, the party's Central Committee said in a statement carried by the official Xinhua News Agency.

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20. PRC Drought

BBC News ("MILLIONS FACE DROUGHT IN SW CHINA", 2007-03-26) reported that more than 5.5 million people are short of drinking water because of an acute drought in south-western PRC, state media reports. Low rainfall in the province of Sichuan has forced officials to deliver clean water to the worst-hit areas. Lack of rainfall and unusually warm temperatures are to blame for the drought that has hit farmers in Sichuan province, causing losses of nearly 300 million yuan ($38m, £19m), the official Xinhua news agency said.

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