

# NAPSNet Daily Report Monday, November 28, 2005

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#### I. NAPSNet

## 1. KEDO Project

The Associated Press ("N. KOREA SEEKS COMPENSATION ON NUKE PROJECT", 2005-11-28) reported that the DPRK demanded compensation from the US on Monday over a scuttled project to build two nuclear reactors in the country under a 1994 agreement. "Now that the construction of the (light-water reactors) came to a final stop, (North Korea) is compelled to blame the U.S. for having overturned the (agreed framework) and demand it compensate for the political and economic losses it has caused to the former," an unnamed DPRK Foreign Ministry spokesman said in a statement carried by the Korean Central News Agency. The spokesman claimed the move to shutter the reactor project proved the DPRK was "quite just" in demanding simultaneous actions to build mutual confidence with the US in exchange for disarmament.

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## 2. DPRK Nuclear Program

Reuters ("IRAN OFFERED N. KOREA OIL FOR WEAPONS HELP-MAGAZINE", 2005-11-26) reported that Iran has offered the DPRK oil and natural gas as payment for help in developing nuclear missiles, German weekly magazine Der Spiegel reported on Saturday, citing unidentified Western intelligence sources. A senior Iranian official traveled to Pyongyang during the second week of October to make the offer, the magazine quoted the sources as saying. It was unclear what the DPRK's response was, it added.

(return to top) The Korea Times ("IRAN DENIES PROPOSING DEAL TO NK", 2005-11-28) reported that the Iranian Foreign Ministry has rebuffed Western media reports alleging a cooperation proposal to the DPRK. "Such issue is not raised. This news is fundamentally incorrect," Hamid-Reza Asefi, spokesman of the Iranian Foreign Ministry, was quoted as saying. "Such misinformation and news fabrication comes on the threshold of the IAEA Board of Governors' meeting. This is not correct at all." (return to top) Chosun Ilbo ("3 YEARS NEEDED TIL THE NORTH GIVES UP NUKE PROGRAMS: UNIFICATION MINISTER", 2005-11-27) reported that the ROK's Unification Minister Chung Dong-young said it may take about three years for the DPRK to give up its nuclear weapons program. In an interview with the Japanese daily Mainichi Shimbun on Friday, Minister Chung said based on that assumption, the ROK is preparing a roadmap to provide two-million kilowatts of electricity to the DPRK. He added that details of the energy offer will be presented at the next round of six party talks. (return to top)

### 3. Inter-Korean Relations

Joongang Ilbo ("MILITARY TIES LAG IN EFFORTS BY 2 KOREAS", 2005-11-28) reported that despite the progress in business relations between the DPRK and ROK, military relations between the two Koreas are still frosty. An agreement in July to form a joint fisheries area in the Yellow Sea has gone nowhere because military talks on control of the fishing zone have not taken place. As well, a detailed plan to implement flood control measures on the Imjin River that both sides agreed to last month has also fallen behind schedule. The problem, Seoul officials said, was Pyongyang's concern about security. "In order to conduct an investigation of the area, North Korean military installations would be exposed, and the North's military is opposed," he explained. Also, two cross-border railroads are still not being used because military safeguard measures by both sides are not in place.

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## 4. Inter-Korean Family Reunions

The Korea Times ("SEOUL TO PROPOSE REGULAR VIDEO FAMILY REUNIONS TO NORTH KOREA", 2005-11-24) reported that the Unification Minister Chung Dong-young said Thursday that he will push for more on-screen reunion sessions for separated family members of the ROK and the DPRK at the upcoming inter-Korean ministerial talks. ``We will propose the North to either make the video reunion sessions a monthly event or to hold them at least on a regular basis,'' the minister told reporters at the ministry.

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#### 5. DPRK-US Relations

Kyodo News ("N. KOREA RAPS HILL FOR REMARKS ON POLICY PRIORTIES", 2005-11-25) reported that the DPRK strongly criticized the chief US delegate on Friday for his recent remarks about policy priorities, saying they reveal Washington's ultimate ambition of toppling its regime. In a commentary, the Korean Central News Agency said State Christopher Hill's remarks that the DPRK people's hardship results from Pyongyang's military-first policy poses "a very serious problem as they completely negate the ideology and systems our (North Korean) people have chosen." Hill made the remarks earlier this month in an interview with a group of youth delegates from Asia-Pacific Economic Cooperation member economies.

(return to top) International Herald Tribune ("IRAN-NORTH KOREA TALKS MAY HARDEN U.S. STANCE", 2005-11-27) reported that an apparent improvement in ties between Iran and the DPRK could lead to a hardened US stance in the stalled six party talks, analysts said on Sunday. Washington has previously identified the DPRK as a leading supplier of missile technology to Iran, but in the past week, reports have surfaced alleging a larger-than-expected connection through which Iran is building missiles, capable of carrying nuclear warheads, with DPRK help in a vast underground complex in Iran that was also built with help from the DPRK. (return to top)

## 6. DPRK-Japanese Relations

Kyodo News ("JAPAN SEEKS TO RECONVENE MEETING WITH N. KOREA IN DECEMBER", 2005-11-27) reported that Japan has begun negotiating with the DPRK toward reconvening their talks over abductions and other pending issues in December, government sources said on Sunday. Japan is exploring the timing so that it will come before the expected January resumption of six party talks in which both participate, the sources said.

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#### 7. NIS on DPRK-PRC Relations

Chosun Ilbo ("N.KOREA GETTING MORE DEPENDENT ON CHINA, NIS WARNS", 2005-11-24) reported that the DPRK is becoming increasingly dependent on the PRC in a development that could weaken inter-Korean cooperation, the National Intelligence Service told lawmakers Thursday. The NIS said Beijing is prodding Pyongyang to open its economy, saying it can offer more support when that happens. It said the DPRK and the PRC's officials frequently inspect each other's military and economic facilities. NIS data show that the PRC's investment in the DPRK increased from US\$50 million last year to \$88 million this year, mainly in the mining, fisheries and construction materials industries so it can easily recoup its investment.

## 8. DPRK Human Rights

Reuters ("N. KOREA SAYS CNN EXECUTION IMAGE FABRICATED", 2005-11-26) reported that the DPRK called a recent CNN program depicting a public execution in the country a "sheer fabrication" and dismissed it as a ratings ploy by the US-based broadcaster. "The video tape is full of sheer lies negating the popular and class nature and the democratic principle of the DPRK's laws and tarnishing its image from A to Z," the Korean Central News Agency said on Monday. KCNA said people "who know about the DPRK even a bit claimed that the way of speaking and dressing of those who appeared on the screen and the background against which the scenes were shot were quite different from the reality in the DPRK, a clear proof of a sheer fabrication."

(return to top) The Korea Times ("NK MAY BAR CNN IN RETALIATION FOR DOCUMENTARY", 2005-11-27) reported that the DPRK has indicated it may ban CNN media personnel from entering the country, apparently in retaliation for the US cable news network's recent airing of a documentary on the DPRK's human rights situation. The Korean Central News Agency issued a commentary on Saturday accusing CNN of being manipulated by the US administration. The commentary also said that although CNN reporters have been allowed to visit the DPRK several times, now CNN has ``dug its own grave,'' whatever the reasons were. (return to top)

## 9. DPRK Food Shortage

Joongang Ilbo ("FOOD TARGETS MISSED, WFP SAYS OF NORTH", 2005-11-28) reported that the DPRK government has been unable to meet its own food distribution target of 500 grams of cereals per person per day, the World Food Program said in a report issued on Friday. The WFP's weekly "Emergency Report" said that its workers in the DPRK visited public food distribution centers in the country two months after Pyongyang ended its brief flirtation with a market mechanism to allocate food supplies and returned to doling out supplies itself. "With cereal cuts continuing, approximately 3.6 million out of WFP's 6.5 million targeted beneficiaries will be not be given cereals this month," the report said.

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#### 10. DPRK Economic Issues

Chosun Ilbo ("LOAN SHARKS PROSPER IN N. KOREA", 2005-11-24) reported that loan sharks flourish amid the worsening food shortages of the DPRK, according to a Bank of Korea report released Thursday. Some households in the country are saddled with debts 20-30 times greater than workers' average monthly wages of W100, it said. DPR Koreans mostly borrow to buy food or start their own business. ROK official Park Seok-sam attributed the extraordinarily high interest rate to the high risk for private lenders given that monetary transactions between citizens are illegal.

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## 11. DPRK Economy

Chosun Ilbo ("HYUNDAI SPAT 'SHOWS PERILS OF BUSINESS IN N. KOREA'", 2005-11-25) reported that a rift between the Hyundai Group and the DPRK over the company's dismissal of Hyundai Asan vice chairman Kim Yoon-kyu shows that "doing business on the Cold War's last frontier can make bad business sense," the Washington Post said on Thursday. "Since South Korea

opened up friendly relations with the North in the late 1990s, more than 1,000 South Korean firms have gone bankrupt or lost significant investments in North Korea, according to South Korea's Unification Ministry," the paper said. "Most were small, low-tech enterprises involved in textile-making and rudimentary house wares. But the problems at Hyundai have shown that the fortunes of even the largest investors are linked to the whims of the North's government."

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## 12. DPRK Software Industry

Yonhap News ("N. KOREAN GOVERNMENT SETS UP BUREAU FOR SOFTWARE INDUSTRY", 2005-11-24) reported that the DPRK has recently established a bureau to oversee its software industry, according to a DPRK report Thursday. "A North Korean delegation led by led by Han Woo-cheol, chief of DPRK's General Bureau of Software Industry, departed for Russia," said the Korean Central News Agency. The DPRK government seems to have set up the bureau under its Cabinet in a bid to develop the computer industry as one of its main industries, DPRK experts said.

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## 13. DPRK Bird Flu Program

Kyodo News ("N. KOREA REPORTS NO HUMAN CASES OF BIRD FLU, SAYS KIMCHI MAY HELP", 2005-11-27) reported that the DPRK said it has not had any human cases of bird flu, though it is stepping up efforts to prevent a possible pandemic of the deadly avian virus. A DPRK Health Ministry official said on Saturday that while there is no medicine yet available to effectively treat the bird virus, the traditional Korean dish kimchi might help due to an acidic substance it contains. On Sunday, the Korean Central News Agency reported that "strict" quarantine measures to prevent bird flu are being implemented at the country's ports, airports and land border transit points. "Meanwhile, a campaign is now under way to intensify the researches into vaccine against virus of bird flu, medicine for treating it and reagent to diagnose the case and disinfection," the KCNA report said.

(return to top) Reuters ("EXPERTS PONDER N. KOREA'S STATEMENTS ON BIRD FLU", 2005-1--28) reported that a steady stream of reports issued by the DPRK on preparations to combat bird flu is raising concerns about a possible new outbreak of the disease in the country, experts said on Monday. "Of course all these reports raise questions about whether an outbreak has occurred, but there is no evidence now to suggest one," said Kwon Tae-jin, director of DPRK agricultural studies at the ROK's Korea Rural Economic Institute. "North Korea is on very high alert for bird flu since it does not have enough resources and adequate organization," he said. (return to top)

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