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I. NAPSNet

1. DPRK Membership in Int'l Financial Institutions

Korea Times ("NK WANTS TO JOIN IMF, WORLD BANK", 2007-05-06) reported that the ROK has expressed its willingness to back the DPRK's application for membership in the International Monetary Fund (IMF) and the World Bank. The US, a major shareholder in the IMF, World Bank and ADB, played a major role in rejecting Pyongyang's repeated applications for admission.

2. Banco Delta Asia on US Sanctions

Financial Times ("US 'SUPPORTED' BDA'S DEALINGS WITH N KOREA", 2007-05-07) reported that

the chairman of the family-owned BDA has argued that US officials were supportive of the bank's financial dealings with DPRK firms even after the bank reported receiving counterfeit currency. In a statement supporting BDA's recent appeal against the US Treasury ruling, the bank reported the incident to Macao police and was contacted by "agents of the United States government".

The "agents" reportedly said that they would like the bank to continue to deal with the DPRK, as it was better that they conducted business with BDA rather than another financial entity that may not be so cooperative with the United States. For its part, BDA has released a report by Ernst & Young that detailed the bank's long relationship with DPRK companies - including sales of gold bullion on their behalf - but did not turn up any evidence of money laundering.

3. Yasukuni Shrine Issue

Kyodo ("ABE SENT OFFERING TO YASUKUNI IN 'PRIVATE CAPACITY' ", 2007-05-08) reported that Prime Minister Shinzo Abe sent an offering to the war-related Yasukuni Shrine in Tokyo in late April in a "private capacity" and the Japanese government therefore has no comment on the matter, Chief Cabinet Secretary Yasuhisa Shiozaki said. A ROK Foreign Affairs and Trade Ministry official said in a press release that the move was "very regrettable" and called on Japan to adopt a "correct perception of history." The PRC, meanwhile, hinted it was dissatisfied with the development, reminding Japan of the sensitivity of the Yasukuni issue in bilateral relations.

4. Japan Trade Deals

Kyodo ("GOV'T TASK FORCE URGES JAPAN TO CONSIDER FTAS WITH U.S., EU", 2007-05-08) reported that a task force set up under a key governmental economic panel urged Japan to study the possibility of signing a free trade agreement with the US and the European Union, so as not to be put at a disadvantageous position in global competition. The ROK, which is Japan's main rival exporter of autos and electronic appliances, struck an FTA deal with the US in early April. Seoul also started FTA talks with the European Union.

5. PRC on Darfur Issue

The Associated Press ("CHINA, RUSSIA ACCUSED OF ARMING SUDAN", 2007-05-08) reported that the PRC and Russia are supplying arms to Sudan that are being used to fuel the violence in the Darfur region in violation of a UN arms embargo, a human rights group said in a report Tuesday. The PRC and Russia quickly rejected the report and Sudan's government said it was "not justified." "The irresponsible transfer of arms to Sudan and its neighbors are a significant factor in the massive human rights catastrophe in Darfur and its spread into eastern Chad," London-based Amnesty International said.

The Washington Post ("CHINA TO SEND MILITARY UNIT TO DARFUR", 2007-05-08) reported that the PRC will send a military engineering unit to help strengthen the overtaxed African Union peacekeeping force in Darfur, the Foreign Ministry announced. A spokeswoman, Jiang Yu, did not say how many PRC soldiers would be dispatched or what their duties would be, describing them as "multifunctional" military engineers. US officials in Washington estimated the number at around 300, the Reuters news agency reported.

6. Sino-Indian Trade

Agence France-Presse ("INDIA BEGINS RESTORING WWII ROAD TO MYANMAR, CHINA", 2007-0-08) reported that India has started rebuilding a stretch of a historic road linking its remote northeast to southwest PRC amid hopes the route can be reopened to boost trade, officials said. The

1,726-km (1,079-mile) Stilwell Road connects India's northeastern state of Assam to Kunming, the capital of southwest PRC's Yunnan Province, after cutting through Myanmar.

7. US on PRC Religious Freedom

The Associated Press ("CHINA REJECTS U.S. CRITICISM ON RELIGION ", 2007-05-08) reported that Beijing accused a US advisory panel of taking "potshots" at the PRC in a report that accuses the government of imprisoning and torturing people for practicing their religion. The US Commission on International Religious Freedom said in its findings last week that every religious community in the PRC continues to be subject to serious restrictions, state control, and repression. "The report shows the panel's ignorance and prejudice regarding China. It skewed and attacked China's policy on religion and ethnic minorities," Foreign Ministry spokeswoman Jiang Yu said in a statement posted on the ministry's Web site.

8. PRC Anti-Corruption Measures

Agence France-Presse ("CRACKDOWN NETS CHINESE GANGS AND OFFICIALS ", 2007-05-08) reported that the PRC has arrested thousands of criminal gang suspects and dozens of colluding officials in the last year in a crackdown ahead of the 2008 Olympics, state media reported late Monday. Police say they have broken up more than 3,000 gangs across the country in the past 14 months, 54 of which were shielded by corrupt government officials, Xinhua reported.

9. PRC Swine Epidemic

The New York Times ("EPIDEMIC IS KILLING PIGS IN SOUTHEASTERN CHINA", 2007-05-08) reported that a mysterious epidemic is killing pigs in southeastern PRC, but international and Hong Kong authorities said today that the PRC government is providing little information about it, or about the contaminated wheat gluten that has caused deaths and illnesses in other animals. The lack of even basic details is reviving longstanding questions about whether the PRC is willing to share information about health and food safety issues with potential global implications.

II. CanKor

10. Report #280

CanKor ("Current Events", 2007-05-04) During his Panmunjom visit, Canadian Foreign Minister Peter MacKay hints at resumption of humanitarian and educational aid pending DPRK compliance with the February nuclear agreements. Although it is unclear whether this means a softening of Canada's 5-year-old "no business as usual" policy, some NGOs are stepping up their preparations for an eventual increase in aid. Two Canadian NGO delegations (Canadian Foodgrains Bank and Canada-DPR Korea Association) are heading to Pyongyang before the end of May, while a third (Vancouver-based First Steps) has recently returned.

With most international banks unwilling to accept DPRK funds under suspicion by the US Treasury, the DPRK asks Macanese authorities to transfer its funds from Banco Delta Asia to financial organizations in Russia and Italy.

The last two international UNDP staff members depart from Pyongyang after securing documents and other country-office assets. Since the UN suspended UNDP activities while an audit ordered by the UN Secretary-General is under way, the DPRK authorities requested that all staff to be withdrawn.

In a controversial move, the ROK government decides to begin shipping \$152 million worth of rice to the DPRK beginning in May. The agreement reached in inter-Korean talks also includes a symbolic test run of the re-linked railroad. In a separate move, the ROK decides to send \$1.41 million worth of anti-malaria medicines, insecticide, test kits and mosquito nets to Pyongyang.

The Roman Catholic aid agency Caritas Internationalis sends a team to the DPRK and agrees to expand aid for medical and food-producing facilities.

Jack Pritchard, president of the Korea Economic Institute, says it was a mistake for the USA to condone a DPRK-Ethiopia arms deal that clearly violates UN Security Council sanctions, since this sends a message that the USA is willing to bend the rules whenever its strategic interests are involved. Two weeks later, the USA takes North Korean institutions off its blacklist of arms traders suspected of supplying rogue countries like Iran and Syria.

More than 400 North Korean refugees at an immigration detention centre in Bangkok call off a hunger strike after Thai authorities assure them they will be transported to the ROK, rather than back to the DPRK.

The Comprehensive Nuclear Test Ban Treaty Organization credits a Canadian radiation-monitoring station in the Northwest Territories for confirming the DPRK nuclear test on 9 October 2006. Detection of a spike in atmospheric xenon gas more than 7,000 kilometres from the explosion site was an important scientific milestone in the quest for peace, says the CTBTO, describing the relatively small North Korean blast as "an ideal test for the verification regime."

CanKor ("Opinion", 2007-05-04) In this week's CanKor OPINION, Vancouver-based Canadian academic Paul Evans expresses doubt that the Six Party Talks can be a springboard to a new multilateral security system in Northeast Asia, as hoped by three consecutive Korean Presidents and a score of enthusiasts in the ROK.

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