

NAPSNet Daily Report Wednesday, April 19, 2006

Recommended Citation

"NAPSNet Daily Report Wednesday, April 19, 2006", NAPSNet Daily Report, April 19, 2006,
<https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-wednesday-april-19-2006/>

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I. NAPSNet

1. DPRK Counterfeiting

BBC News ("US PRESSURE ON 'CRIMINAL' N KOREA ", 2006-04-18) reported that US secret service agents have been in Seoul, on the trail of the famed "supernotes" - expertly forged hundred dollar bills that the US says are made by the DPRK government. ROK police this month uncovered a haul of 700 fake \$100 bills. "They're about 95% identical to the real thing," said Suh Tae-suk, the ROK's leading expert on counterfeit currency, "but there's a slight difference in the texture of the paper and the make-up of the chemicals, so experts can still spot them." Most of the notes are brought in from the PRC; and organised crime networks are reported to be distributing them in Asia, and through Russia into Europe. At the centre of much of the trade is the DPRK's top-secret Bureau 39, which defectors say was set up in the 1970s to create a personal slush fund for Kim Jong-il. "Bureau 39 has a monopoly on earning foreign currency," said Kim Dok-hong, who worked for 17 years alongside the bureau's agents at the DPRK Workers' Party Central Committee.

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2. Kaesong Industrial Project

Yonhap ("KAESONG VENTURE BRINGS CHANGES TO NORTH KOREA", 2006-04-19) reported that a senior ROK official, countering concerns about an inter-Korean economic cooperation project, claimed Tuesday that the project is changing the DPRK in a positive way. Kim Dong-geun, chairman of the Kaesong Industrial District Management Committee, said DPR Koreans are talking about the "Kaesong Dream." He said DPRK workers are catching on to the notion of a capitalist market. "They started to realize that workers can enjoy their rights when their company is successful," he said at a luncheon speech sponsored jointly by the Korea Economic Institute and the American Enterprise Institute. "They also started to show much interest in the capitalistic financial system," he said, "What is stock? Why does the exchange rate keep changing? These are some of the questions they often ask." Kim, visiting Washington for a seminar on the Kaesong project, has come with officials from ROK Unification and Foreign ministries to drum up US support for the inter-Korean pilot venture.

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3. Inter-Korean Ministerial Talks

Yonhap ("S. KOREAN ABDUCTEES, NUKE IMPASSE TO TOP AGENDA OF INTER-KOREAN TALKS", 2006-04-18) reported that despite a prolonged stalemate in international negotiations over the DPRK's nuclear weapons ambitions, the DPRK and the ROK are set to hold a new round of dialogue that is expected to touch upon the thorny issue of ROK abductees in the DPRK. Four days of inter-Korean ministerial talks, the 18th of their kind, are to be held in Pyongyang from Friday after a month-long delay due to DPRK protests at annual joint military exercises involving US and ROK troops here last month.

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4. DPRK-Japan Economic Cooperation

Mainichi Daily News ("N. KOREA SEEKING JAPAN INVESTMENT IN RASON PROJECT", 2006-0-17) reported that the DPRK is seeking Japanese investment in a development project in the northern

coastal region centering the city of Rason, it was learned Monday. For the project, the city of Rason has already set up a joint firm with a PRC company based in Hunchun in the northeastern PRC province of Jilin. Most of the construction costs, estimated to total 8 billion yen, are seen to be put up by the PRC side due to the DPRK's financial constraints. But in reality, the DPRK wants to proceed with the project with money from Japan, one source familiar with the matter told Jiji Press. Pyongyang is also concerned that the PRC may not be able to finance the project, the source noted. The DPRK designated the Rason region as a free trade zone in 1991 with the aim of making it an export hub and sightseeing spot. The development initiative, however, has made little progress since then.

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5. DPRK Budget

Yonhap ("N. KOREAN CABINET APPROVES US\$2.9 BILLION BUDGET FOR 2006", 2006-04-19) reported that the DPRK's Cabinet on Wednesday approved the parliament's budget plan for 2006, about 16 percent of which is expected to be used on the country's military. The country's budget plan for this year was adopted at the recently held fourth session of the 11th Supreme People's Assembly (SPA). Earlier KCNA reports said the SPA decided at its April 11 session to increase this year's expenditure by 3.5 percent from last year without providing specific amounts. The ROK government believes the DPRK's 2006 budget is set around 419.7 billion DPRK won (US\$2.9 billion).

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6. DPRK Health

Korea Times ("3.4% OF NORTH KOREANS LISTED AS DISABLED", 2006-04-19) reported that the DPRK has about 763,000 disabled people, 3.41 percent of its total population, according a report. The World Association of Milal, a ROK missionary organization, released the report Wednesday which it obtained from a DPRK organization. In Pyongyang, where the DPRK claims not a single disabled person lives, 1.75 percent of the city's population were disabled. Urban areas had more handicapped people than rural areas, with 64 percent of the total.

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7. Japanese PM on DPRK Visit

Bloomberg ("KOIZUMI SAYS HE'S NOT CONSIDERING THIRD TRIP TO NORTH KOREA", 2006-0-18) reported that Japanese Prime Minister Junichiro Koizumi said he's not considering a third trip to the DPRK to help resolve a dispute over Japanese nationals who were abducted in the 1970s. Koizumi added that Japan needed to make efforts to resolve the issue even after his terms ends in September. He was speaking to reporters in Tokyo today.

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8. Japan-ROK Territorial Dispute

The Asahi Shimbun ("JAPAN COAST GUARD PREPARES SURVEY NEAR DISPUTED ISLAND", 2006-04-19) reported that Japan is preparing to survey waters in its exclusive economic zone around Takeshima island despite strong protests from Seoul, which calls the island Tokto and claims it as its own. Two vessels of the Japan Coast Guard left Tokyo and arrived at a port in Tottori Prefecture on

Wednesday in preparations for the survey.

[\(return to top\)](#) Agence France-Presse ("SOUTH KOREA ON ALERT OVER JAPANESE SHIPS ", 2006-04-19) reported that the ROK has put its coast guard on full alert, with orders to block Japanese ships after Tokyo defiantly launched an ocean survey around disputed islands. The ROK coast guard said 18 patrol ships were deployed around the uninhabited islets with a surveillance plane ready to scramble. [\(return to top\)](#)

9. US-Japan Missile Defense Cooperation

Reuters ("U.S., JAPAN TO INK \$2 BILLION MISSILE DEFENSE DEAL", 2006-04-19) reported that the US and Japan are about to sign a milestone \$2 billion co-development pact for an advanced sea-based missile designed to shoot down ballistic missiles in a wider swath of their flight paths, a senior Pentagon official said. Under an agreement to be inked by the end of May, the two countries will develop, test and produce an enhanced version of the Standard Missile-3 interceptor, or SM-3, to be ready by 2014, said David Altwegg, operations director of the Pentagon's Missile Defense Agency.

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10. US on PRC Military

Agence France-Presse ("US ENVOY CONCERNED OVER CHINA'S MILITARY BUILDUP", 2006-0-19) reported that the US envoy to Japan voiced concern about the PRC's rapid military buildup. Ambassador Thomas Schieffer hailed Beijing's economic opening, saying it has "moderated China's foreign policy." "Now the thing that we view with more concern is the continued military build-up in China," Schieffer said.

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11. US-PRC Relations

The Associated Press ("BUSH TO SEEK CHINA'S HELP, URGE CHANGE ", 2006-04-19) reported that President Bush faces a delicate political balancing act Thursday when he welcomes PRC President Hu Jintao to the White House: seeking the PRC's help to end nuclear standoffs in Iran and the DPRK, while urging changes to economic, military and political policies that critics say hurt US interests.

[\(return to top\)](#) The New York Times ("CHINA'S OIL NEEDS ARE HIGH ON U.S. AGENDA", 2006-0-19) reported that the competition for access to oil is emerging high on the agenda for President Hu Jintao's visit to the White House this week. President Bush has called the PRC's growing demand for oil one reason for rising prices, and has warned Beijing against trying to "lock up" global supplies. Even as Mr. Hu arrived in Seattle on Tuesday, PRC and American negotiators were debating a proposal for the two presidents to announce a joint study of both nations' energy needs as a way to ward off conflict in coming decades. [\(return to top\)](#)

12. PRC Intellectual Property Rights

Agence France-Presse ("CHINA MAKES ASSURANCES FOR IPR PROTECTION ", 2006-04-19) reported that the PRC trumpeted its effort to protect intellectual property rights (IPR), as President Hu Jintao met with Microsoft Corp founder Bill Gates in the first stop of a US visit. "These talks are a signal that the Chinese government will protect IPR and stands for striking at the pirates who violate

rights," spokesman for the State Copyright Bureau Wang Ziqiang told journalists.

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13. PRC Rural Unrest

Los Angeles Times ("FARMERS IN CHINA FACE GREAT WALL", 2006-04-19) reported that events in Yanshou, where powerful local officials stand to make a killing by strong-arming villagers, represent a tiny chapter in the PRC's great land grab. Uneducated farmers, once considered the backbone of the Communist Party, are facing off in growing numbers against well-funded local officials versed in divide-and-conquer tactics, intimidation and backroom dealing.

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14. PRC Bird Flu

China Daily ("HUBEI REPORTS HUMAN CASE OF BIRD FLU", 2006-04-19) reported that a 21-year-old man in central PRC's Hubei Province has been infected with the H5N1 bird flu virus and is in a critical condition, the Ministry of Health reported yesterday. The case brings the total number of human cases of bird flu in China to 17 which have resulted in 11 deaths.

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15. PRC Environment

Reuters ("CHINESE PREMIER WARNS OF ENVIRONMENTAL TOLL", 2006-04-19) reported that PRC Premier Wen Jiabao has said that dust storms that whipped Beijing and northern PRC in recent days were a sharp reminder of the severity of the country's environmental problems. Wen told an environmental meeting in Beijing that the PRC needed to intensify efforts to rein in pollution and environmental destruction, the Xinhua news agency reported.

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Nautilus Institute

608 San Miguel Ave., Berkeley, CA 94707-1535 | Phone: (510) 423-0372 | Email:

nautilus@nautilus.org