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I. NAPSNet

1. US - DPRK Talks

Associated Press ("U.S. ENVOY SAYS NORTH KOREA TALK WAS 'USEFUL'", 2007-01-17) reported that U.S. Assistant Secretary of State Christopher Hill and the DPRK's Kim Kye Gwan met for six hours Tuesday at the U.S. embassy in Berlin, and were to meet again Wednesday at the North Korean embassy. Hill described the talks as "useful" and said he was hopeful the talks can resume by the end of this month. He would not comment on what exactly they discussed. However, asked when the six-party talks might resume, Hill said: "We hope we can do this by the end of January, but we have to talk to the Chinese since they are the hosts in the process." Hill is to travel to Asia later this week for more separate discussions with his counterparts in the region. He will be in Seoul on Friday, in Beijing on Saturday and in Tokyo on Sunday.

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2. Bolton on Six Party Talks

Associated Press ("FORMER U.S. AMBASSADOR BOLTON RAPS NORTH KOREA NUCLEAR TALKS", 2007-01-16) reported that the former U.S. ambassador to the United Nations expressed skepticism over the Six Party Talks, saying the negotiations were only giving the DPRK time to develop more weapons. John Bolton, whose appointment to the U.N. job expired in December, also told Japan's defense minister Fumio Kyuma there would be security benefits to the region even if the DPRK collapses, according to a defense official who declined to give her name, citing protocol. Bolton, who stressed he spoke on a personal capacity. The former U.S. ambassador then emphasized the importance of applying pressure on the DPRK, and of convincing the PRC to take a stronger stance even at the risk of bringing about a collapse of Kim Jong Il's regime, she said. The former diplomat, who was admired as a skilled negotiator but became increasingly unpopular among fellow envoys for his abrasive style, resigned last month as his temporary appointment as U.N. ambassador was about to expire. He is in Tokyo on a weeklong visit at the invitation of the Foreign Ministry. Bolton is now a senior fellow at the conservative think tank, the American Enterprise Institute.

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3. DPRK Frozen Assets

Reuters ("U.S. SAID CONSIDERING RELEASE OF SOME N.KOREA FUNDS", 2007-01-16) reported that the U.S. Treasury Department is scrutinizing \$24 million in DPRK accounts frozen in a Macao bank to see if some of the money could be considered legitimate and released to Pyongyang. Several US officials told Reuters they believe the Bush administration is now inclined to find a solution to the year-long dispute over the accounts in Banco Delta Asia. But they stressed this would not affect U.N. sanctions and U.S. laws and regulations that provide other authority for cracking down on Pyongyang's finances and weapons trade. The DPRK has cited the frozen Banco Delta Asia accounts as a major reason for stonewalling six-country talks. Chief U.S. negotiator Chris Hill met his DPRK counterpart in Berlin on Tuesday to discuss resuming the talks and the BDA issue was expected to be on the agenda. Experts say \$7.5 million of the \$24 million was from Daedong Credit Bank, a British bank representing foreign companies doing business in the DPRK. The Treasury Department on Tuesday refused to comment on the status of the BDA investigation and whether it was looking

for a compromise solution.

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4. DPRK Sanctions Loophole

Yomiuri Shimbun ("DPRK USING CAMBODIAN SHIP TO BEAT SANCTIONS", 2007-01-17) reported that the DPRK is exploiting an apparent loophole in Japan's sanctions, by using a Cambodian-registered freighter to import 8,500 used bicycles from Sakai Port in Sakaiminato, Tottori Prefecture. The 2,740-ton Argus was provided by a Russian shipping firm at the request of a Nagano-based trading company among others. The firms distribute such bicycles in the country and resell them to the PRC and other countries to earn marginal profits, according to a company that has had dealings with the DPRK. Although bicycles are not included in the list of luxury items prohibited for export to the DPRK, the ban on ships entering the nation's ports has effectively restricted the export of bicycles to the DPRK.

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5. Inter-Korean Relations

Chosun Ilbo ("UNIFICATION MINISTRY TRANSFERS PROJECTS TO RED CROSS", 2007-01-16) reported that ROK Unification Minister Lee Jae-joung signed a memorandum of understanding with Han Wan-Sang, head of the Republic of Korea National Red Cross, that transfers to the aid organization some projects related to the DPRK, including separated-family meetings and fertilizer shipments. Under the agreement, the Ministry will hand over to the Korean Red Cross responsibility for arranging the meetings of separated families, providing financial support for the exchange of separated families, humanitarian supplies such as fertilizer, flood relief and the return to the DPRK bodies which have drifted south in floods. The agreement has provoked criticism from pundits who claim that the government is trying to open the way to help Pyongyang despite the North's nuclear test and expanding aid projects at the expense of government funds. "These projects were already being carried out by the Red Cross," an official in the unification ministry said, explaining that the agreement was simply making the practices official. "The government, including the Unification Ministry, will continue to handle North Korean issues such as policy-making, coordination with relevant departments and negotiations," the official said.

[\(return to top\)](#) Associated Press ("SOUTH KOREAN-MADE COMPUTER GAME ADDRESSES STANDOFF WITH NORTH KOREA FOR FIRST TIME", 2007-01-16) reported that the game "Sting" will be the first produced in the ROK which tackles the sensitive topic of inter-Korean relations. YNK Korea said its game "Sting" is in production and will go on sale sometime in the first half of this year. Players are on a secret mission to locate the missing Kim and prevent nuclear proliferation. (A recent article from the Enquirer, which quoted the above article and was carried in yesterday's DR mistakenly reported that the game would be available in the DPRK.) [\(return to top\)](#)

6. DPRK Food Situation

Associated Press ("REPORT: NKOREA SKIPS NEW YEAR DAY EXTRA FOOD RATIONS TO ITS PEOPLE", 2007-01-17) reported that the DPRK skipped giving extra food rations to its people on New Year Day, except the elite citizens of Pyongyang. An ROK aid group suggests this indicates the country's food situation may be worsening. New Year Day is a major holiday in the DPRK and the authorities usually give special rations to its 23 million hunger-stricken population, but did not, said the Seoul-based Good Friends in its newsletter. The group does not say where it obtained the

information. However, many of its previous reports of what was happening inside the isolated country have later been confirmed.

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7. US-ROK Trade Relations

Yonhap ("SOUTH KOREA, US MAKE PROGRESS ON STICKY ISSUES IN FTA TALKS", 2007-01-17) reported that the ROK and the US have made progress in three of the most sensitive issues in their crucial round of free trade agreement (FTA) talks, Washington's chief negotiator said, and will meet again in February. On Wednesday, 10 committees convened as scheduled in this week's round for discussions on lowering tariff and non-tariff barriers for relatively less sensitive farm and industrial products, both sides said. Although both sides have made progress in the knotty issues at informal meetings, obstacles seem to remain.

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8. ROK Military

Joongang Ilbo ("A FOREIGN CONTRACTOR WILL SUPPLY 20 JET PLANES", 2007-01-17) reported that the ROK has decided to choose a foreign contractor, through open bidding, to supply 20 "next-generation" fighter jets in the coming years, which are expected to cost about 2.3 trillion won (\$2.4 billion), defense officials said. The ROK has sought to buy 120 next-generation fighter jets as part of its blueprint to overhaul the military and drastically increase its combat ability by 2020.

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9. ROK Presidential Term of Office

Joongang Ilbo ("ROH SWINGS AT AMENDMENT CRITICS, BUT SOOTHES EDITORS", 2007-01-17) reported that President Roh Moo-hyun told senior editors yesterday that he would probably send a constitutional amendment to the National Assembly before the middle of February. He wants to allow his successors to bid for re-election to a second term after four years in office.

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10. Japan Constitutional Revision

Kyodo ("ABE VOWS TO PROCEED WITH CONSTITUTION REVISION, ELECTION VICTORY", 2007-01-17) reported that Prime Minister Shinzo Abe reiterated his determination to revise Japan's pacifist Constitution, his main policy goal, by first passing a referendum bill during the upcoming session of parliament. Abe also vowed to lead the ruling party to victory in local elections set for April and in the House of Councillors election expected in July, which he described as a "political showdown." "We will emphasize education, while verifying history, in order to realize a Japan that stands proud and beautiful," the plan says.

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11. LDP on Yasukuni Shrine Issue

The Associated Press ("JAPAN PARTY WON'T STOP WAR SHRINE VISITS ", 2007-01-17) reported

that Japan's ruling party declared that its members would continue to visit a Tokyo war shrine, defying critics who say the visits glorify militarism and risking a deterioration in relations with the PRC and ROK. Dozens of Japanese lawmakers pay respects to the country's war dead at Yasukuni Shrine during festivals in April and October. "We will carry on visiting the Yasukuni Shrine, to mourn those who sacrificed their lives as the foundation of the country, to make an anti-war pledge and renew our commitment to peace," the party announced.

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12. US-Japan Defense Cooperation

Yomiuri Shimbun ("GOVERNMENT PLANS TO PROVIDE DATA GATHERED BY BADGE TO U.S. FORCES", 2007-01-17) reported that the Defense Ministry's Joint Staff Office is planning to provide the US armed forces with data collected by the Air Self-Defense Force's Base Air Defense Ground Environment (BADGE) system in emergencies in areas surrounding Japan, it has been learned. The BADGE system is composed of 28 radar sites around the country as well as airborne warning and control system (AWACS) planes intended to detect incursions into airspace surrounding Japan. The system also has the potential to be used to gather information on planes flying in airspace over the Korean Peninsula and the coast of the PRC.

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13. Cross Strait Trade Relations

BBC News ("CHINA-TAIWAN TRADE TIES INCREASE ", 2007-01-17) reported that trade between the PRC and Taiwan continues to grow significantly despite political tensions between the two. The PRC's annual trade with Taiwan grew 18% to \$107.8bn (£54.8bn) last year, PRC government figures show. The PRC imported \$87bn worth of goods from Taiwan, up 16.6% on the year before, while Taiwanese firms invested \$2.14bn on the mainland.

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14. Sino-Indian Territorial Dispute

Agence France-Presse ("INDIA, CHINA HOLD TALKS TO RESOLVE BORDER ROW ", 2007-01-17) reported that Indian and PRC officials started a fresh round of talks aimed at working to resolve a decades-old border dispute, the Indian foreign ministry said. The two-day talks are being led by India's National Security Adviser M.K Narayanan and PRC Vice-Premier Dai Bingguo, both appointed special representatives to address the issue in June 2003. "The two officials will conclude the talks Thursday," a foreign ministry official said.

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15. Sino-EU Relations

Agence France-Presse ("CHINA AND EU LAUNCH PARTNERSHIP TALKS", 2007-01-17) reported that the PRC and the European Union began negotiations on broadening an existing economic and commercial treaty into other fields such as the environment. Benita Ferrero-Waldner, the EU's external relations commissioner, said a new partnership and cooperation agreement expanding the treaty agreed in 1985 was necessary because of the growing power of both the PRC and the 27-nation EU. He also called again for a European arms embargo, applied after the Tiananmen Square

massacre in 1989, to be lifted.

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16. PRC Anti-Corruption Measures

The Los Angeles Times ("CHINA'S LEADERS TAKE AIM AT MILITARY CORRUPTION", 2007-01-17) reported that the PRC government signaled a tougher line on military corruption, but in characteristic fashion provided few details about how it intended to clean up one of the world's most secretive armed forces. The timing suggests Hu, who took office in 2003, is confident enough to tackle corruption in the military and install his allies in key positions before an important Communist Party congress next fall.

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