

# NAPSNet Daily Report Wednesday, May 9, 2007

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#### I. NAPSNet

- 1. Russia-Italy on DPRK Funds Transfer
  - 2. PRC-DPRK Oil Exploration
  - 3. Inter-Korean Summit
  - 4. Inter-Korean Military Talks
  - 5. Inter-Korean Family Reunions
  - 6. ROK-EU Trade Relations
  - 7. Sino-Japanese Relations
  - 8. Cross Strait Relations
  - 9. PRC Energy Supply
  - 10. PRC Environment

#### II. CanKor

• 11. Report #281

**Preceding NAPSNet Report** 

# I. NAPSNet

## 1. Russia-Italy on DPRK Funds Transfer

Kommersant (Russia) ("RUSSIAN AND ITALIAN BANKS REFUSE NORTH KOREAN MONEY", 2007-05-09) reported that banks in Russia and Italy have refused to accept transfers of DPRK money from

Banco Delta Asia. The account has been unfrozen, but no bank will accept a transfer of it for fear of U.S. sanctions. Russian Deputy Foreign Minister Alexander Losyukov, head of the Russian negotiating team at the six-party negotiations, said in Beijing that there would be no problem transferring the money if the U.S. guaranteed in writing that no consequences would befall the bank accepting the funds. No such guarantees seem forthcoming. The DPRK now says it will close its nuclear facilities only when the money is freed.

# 2. PRC-DPRK Oil Exploration

Hankyoreh ("BOHAI OIL AND NORTH KOREA", 2007-05-09) reported that Bohai Bay, bordering on the Chinese coast and extending to the West off the DPRK city of Nampo, has become known as a "golden sea." Recently a billion ton oil field was discovered; enough to power Korea for close to a decade. The DPRK has reportedly discovered an oil field there. However, the West Korea Bay oil field has never really been developed, because American economic sanctions have prevented the oil industry's big players from access. The fact that the PRC and DPRK are as of yet unable to decide where their border is has also been an obstacle. In December 2005 they signed an agreement on joint maritime oil development, marking the start of West Korea Bay floor exploration.

#### 3. Inter-Korean Summit

Yonhap ("ROH'S OFFICE DENIES REPORTS OF INTER-KOREAN SUMMIT THIS SUMMER", 2007-05-09) reported that the office of President Roh Moo-hyun, Cheong Wa Dae, denied recent media reports speculating that an inter-Korean summit would take place this summer if there is further progress in the settlement of the DPRK nuclear weapons issue.

## 4. Inter-Korean Military Talks

Associated Press ("NORTH KOREA OFFERS TO PROVIDE SECURITY ARRANGEMENTS FOR CROSS-BORDER RAIL TEST", 2007-05-09) reported that the DPRK has offered to provide security arrangements for a historic train crossing between the two Koreas next week. At high-level military talks Wednesday, the DPRK said the two sides' militaries should guarantee the safety of travelers during the rail test set for May 17, said Col. Moon Sung-mook, a spokesman for the ROK's delegation.

Associated Press ("NORTH KOREAN TELLS BUSH JOKE DURING TOP-LEVEL TALKS", 2007-05-09) eported that a DPRK general cracked a joke about US President George W. Bush at the start of inter-Korean military talks. The General's ROK counterpart told him he believed the existence of such a joke about Bush means the US is an advanced democracy, saying such jokes are banned in many countries.

#### 5. Inter-Korean Family Reunions

Associated Press ("KOREAS HOLD FIRST FACE-TO-FACE FAMILY REUNIONS SINCE NORTH KOREA'S NUCLEAR WEAPON TEST", 2007-05-09) reported that hundreds of North and South Koreans held the first face-to-face family reunions since the DPRK's nuclear test amid renewed reconciliation efforts on the divided peninsula after Pyongyang pledged to start dismantling its atomic weapons program.

#### 6. ROK-EU Trade Relations

Yonhap ("S. KOREA, EU AGREE TO SCRAP 95 PERCENT OF TARIFFS ON GOODS IN FTA TALKS", 2007-05-09) reported that the ROK and the European Union agreed to abolish more than 95 percent of each other's tariffs on goods in their first round of free trade talks, Seoul's chief negotiator said,

remarking that the talks are making faster progress than he had expected. He added that some agricultural goods would be excluded from the proposed free trade pact with the EU, declining to reveal what kind of products would be excluded.

## 7. Sino-Japanese Relations

Agence France-Presse ("JAPAN WANTS BETTER TIES WITH CHINA", 2007-05-09) reported that Japan said it hoped to keep improving relations with the PRC after Beijing refrained from criticising the Japanese premier for sending an offering to a controversial war shrine. Chief government spokesman Yasuhisa Shiozaki said Japan and the PRC are building a "mutually beneficial relationship based on common strategic interests," a frequent soundbite from Japanese leaders.

#### 8. Cross Strait Relations

Agence France-Presse ("TAIWAN SAYS CHINA SLOWING TALKS ON EXCHANGES", 2007-05-09) reported that Taiwan's top PRC policy-maker accused Beijing of using its "one China" principle as an excuse to defer civil exchanges with the island. Chen Ming-tung, who was appointed the head of Mainland Affairs Council last month, told parliament that the PRC had slowed negotiations over lifting a ban on visits to Taiwan by PRC tourists.

## 9. PRC Energy Supply

Xinhua ("CHINA'S BOHAI BAY MAY HAVE 20 BLN TONS OF OIL RESERVES: EXPERT", 2007-0--09) reported that the PRC's Bohai Bay may have reserves of 20 billion tons of oil, with half of them still undiscovered, said Zhai Guangming, an oil exploration expert with the PRC Academy of Engineering. The Bohai Bay rim was estimated to have about 60 basins similar to the the newly found Jidong Nanpu oilfield, said Zhai, who is also the first manager of the Jidong Oilfield Co. under China National Petroleum Corporation (CNPC).

#### 10. PRC Environment

Agance France-Presse ("RICE PLANTING BANNED NEAR CHINA CAPITAL", 2007-05-09) reported that rice farmers have been told to stop growing the PRC's staple crop in areas near Beijing to ensure the water supply for next year's Olympic Games, officials said. Rice-growing requires large supplies of water and eight years of drought have left the PRC capital desperately short of supplies, they said.

# II. CanKor

### 11. Report #281

CanKor ("SPECIAL EDITION: Dissecting a Corpse in the Koryo", 2007-05-08) A rather unique publishing event occurred last November, when a mystery novel by a mysterious author arrived in bookstores. "A Corpse in the Koryo" is written by James Church, the pseudonym of a former "Western intelligence officer", as the book's jacket announces. In this CanKor SPECIAL EDITION we collect some of the reviews that have been written by a variety of people, beginning with a conversation between CanKor editor Erich Weingartner and World Vision International DPRK country director Victor Hsu, and ending with a mini sequel written by James Church himself.

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#### back to top

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