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Agence France Presse -- English

October 20, 2005

SOUTH KOREA INVITES APEC COUNTRIES TO HELP DEVELOP NORTH KOREA RESOURCES

GYEONGJU, South Korea

South Korea on Thursday invited Pacific Rim nations to take part in inter-Korean projects to develop mines in North Korea even as tensions over Pyongyang's nuclear weapons program continue.

The proposal was made at a meeting of the 21-member Asia-Pacific Economic Cooperation (APEC) forum on energy and mining in this southeastern resort, a senior South Korean official said.

"With the recent successful conclusion of six-party talks (on the North's nuclear arms program) ... the groundwork was prepared for inter-Korean economic cooperation and peace in Northeast Asia," a South Korean statement released at the meeting said.

It said cooperation between the two Koreas would combine the South's capital and technology with the North's rich natural resources such as iron, gold, silver and magnesite

APEC member states could "positively consider taking part in joint resources development in North Korea," it added.

South Korean officials say inter-Korean dialogue and exchanges will help induce the impoverished North to give up its nuclear ambitions but the United States in particular has been sceptical that this tack will work.

The two Koreas, China, Japan, Russia and the United States resumed six-way talks on scrapping North Korea's nuclear arsenal in Beijing in September.

At the talks, North Korea agreed to a statement of principles under which it would give up its atomic weapons in return for energy and security guarantees.

But North Korea then warned it would not dismantle its nuclear arsenal until the United States delivered light-water reactors to allow it to generate power, leaving the prospect of prolonged wrangling.

September's six-party talks are expected to be followed by a new round of negotiations in November in the Chinese capital.

South Korea's proposal to invite APEC participation came as a landmark inter-Korean mining project is set to start production.

A 50-50 joint venture between South Korea's state-run Korea Resources Corporation (KRC) and its North Korean counterpart, Myongji, will see a graphite mine in the North's northwestern mining village of Jongchon begin production on December 15.

"This will be the first inter-Korean mining project in operation," KRC President Park Yang-Soo told journalists on the sidelines of the APEC meeting.

KRC has contributed facilities and equipment worth six million dollars to the project while the North provided the labor.

The mine's total reserves are estimated at 6.2 million tonnes with annual production of 3,000 tonnes, of which KRC will take 1,830 tonnes annually over the next 15 years.

"It is a significant amount of graphite from a single country as South Korea's annual graphite imports total about 12,000 tonnes," another KRC official said.