

## **NK RECAP: August 2006**

Many of the events related to North Korea during the month of August were a result of or at least related to either the DPRK's missile tests in the beginning of July or the flooding that parts of the country suffered the week following. Issues of aid, sanctions, even contact with the North have been clouded by the concurrent political and humanitarian efforts.

### **MILITARY**

Despite United Nations Security Council condemnation last month, on August 1 North Korea announced its intent to build up its "invincible war deterrent" while on the same day a white paper by the Japanese defense ministry warned that North Korea had developed the capability to pinpoint targets in Japan with ballistic missiles.

A report from the South Korean think tank, the Institute of Foreign Affairs and National Security, warned that the North was working closely with Iran to develop missile technology, and was building a missile command base with up to 30 mobile launch pads only 30 miles north of the DMZ.

Military tensions on the Korean peninsula were raised a notch when North Korean soldiers fired their weapons at a South Korean patrol on the last day of July. No injuries were reported.

A U.S. official stated on August 5 that following consultation with North Korea's regional neighbors, around 80 percent of the countries agreed to prevent the use of their territory, including their airspace, for the export of DPRK missile technology.

North Korea claimed on August 7 to have captured an unmanned U.S. submarine spying on the North in the waters off the city of Hamhung. A U.S. spokesperson dismissed the report as being unverifiable. Some have questioned the U.S. lack of ability to verify the location of its submarines. The sub is said to be displayed alongside the USS Pueblo.

Japanese authorities issued an arrest warrant on August 9 for the former president of a Tokyo-based company accused of exporting equipment to North Korea that can be used to produce biological weapons. The company, Meisho Yoko Exports, deals with North Korea regularly, and the equipment in question was a freeze-dryer sent to the North without proper approval in 2002.

Reports from U.S. officials allude to preparations in North Korea of a nuclear test. As of yet, no hard evidence is available, and North Korean authorities have been patently vague. President Bush has warned that such a test would threaten the world, as Washington builds global support. South Korean authorities announced that there is no clear evidence that the North is preparing a test, but have agreed with Chinese authorities to work toward preventing any such test. After increased pressure on the North, even from historic allies, Kim Jong Il lashed out, criticizing China and Russia as being unreliable.

Despite what has appeared to be North Korea backing into a corner since missile launches in July, and amid criticisms aimed at every other participating country in the six-party talks, on August 26 the North's Ministry of Foreign Affairs reconfirmed Pyongyang's commitment to the multilateral negotiations. While it has done this before, this date marked the first time that North Korea directly expressed that it intended to continue with the talks because "there is much to gain."

## **ECONOMIC**

A report issued by the Korea International Trade Association stated that trade between the North and South was up over 20 percent during the first half of 2006. The report claimed that ROK exports to the North were up 15.1 percent to 358.8 million USD, and that imports from the DPRK to the South were up 39.9 percent, at 199.26 million USD. The report also noted that the majority of this activity was in the Kaesong Industrial Complex.

It was reported on August 6 that, in an effort to avoid U.S. pressures in the wake of moves against Pyongyang's accounts in Macau, the DPRK had shifted its off-shore accounts to a small bank in Singapore. U.S. banking officials have already visited Singapore, and it is said that the new accounts are under scrutiny. A report on August 19 stated that not only Singapore, but Vietnam, Mongolia, Russia, and six other countries were home to 23 banks at which the North has recently opened accounts. As a result, Vietnamese authorities are also investigating possible illicit accounts. This comes ahead of Vietnam's expected entry to the World Trade Organization this year.

A survey team from the Geographical Institute under the State Academy of Sciences has deemed "hundreds of zones appropriate for the generation of wind power," according to the (North) Korean Central News Agency. With energy deficiencies at the heart of many of the social ills faced by North Korea, diversification of power generation could be promising.

ASEAN and South Korea have negotiated an agreement in which 100 products from the North Korean city of Kaesong will be included. ASEAN will recognize these products as having been made in South Korea. Negotiations between ASEAN and South Korea continue on other joint-Korean projects.

China has drastically cut back oil exports to North Korea. According to a report on August 26, Chinese officials in the border city of Dandong report decreased exports in the wake of DPRK missile tests and an agreement with the ROK to prevent nuclear testing.

While DPRK-China trade continues to grow, this year recorded the smallest increase in recent history. Only 4.7 percent on-year growth also marks the first time that trade between the two has slowed since 2002.

On August 25, the Committee to Promote South-North Exchange and Cooperation held its 175th meeting. Minutes from the meeting show that it was agreed that economic investment continue in a number of areas, including Kaesong and Kungang Mountain, IT development, and joint farming projects, but there was a special focus this time on support for flood victims.

From August 29 - 31, a nationwide farming equipment expo was held in Hwangju.

## **SOCIETY & CULTURE**

The South Korean group “Join Together Society” announced on August 2 that it was prepared to send 138,000 USD-worth of goods to North Korea to help Pyongyang deal with the aftermath of last month’s flooding.

This was at the same time that the North Korean branch of the International Red Cross declined to accept aid from its Southern counterpart, stating that the North was capable of handling the issue alone. This stance was short-lived, however, and within days, the North reversed its position and allowed South Korea to send aid northward. A government official stated on August 4 that the North urgently needed food in the wake

of the flooding. On August 5, North Korean state-run media announced that foreign aid was pouring in from around the world, and reported that 45 railway routes blocked due to rains and mudslides were again operational.

Hyundai Asan announced on August 8 that it would send 500 tons of cement and 200 tons of flour to the Mount Kumgang region in order to repair flood damage near the joint Korean tourist area.

On August 15, a third round of aid left for the North, onboard a ship carrying goods donated by the Korean Council for Reconciliation and Cooperation, the Korean Foundation for World Aid, and the Korea Food for the Hungry International.

On August 11 it was reported that the South Korean government was prepared to send official aid to North Korea, contributing over 10 million USD through civilian agencies as well as directly to Pyongyang. Government spokespersons stated that this was not a reversal of the July decision to suspend on-going aid, but rather one-time aid for recent flood victims. On August 20, official reports stated that this aid would reach 230 million USD. The first shipment of this government aid headed North on August 30, and included 300 tons of rice, blankets, and medicine.

On August 18, it was reported that the UN World Food Program would join the South Korean government in sending emergency aid to the North.

Japan has banned a North Korean ferry, the Mankyongbong-ho, for six months in reaction to July's missile tests. This ferry is one of the few means for North Koreans residing in Japan to travel between the two countries.

Trinity Church held its first services on August 13. The church is the first Russian

Orthodox Church to hold services in North Korea. Metropolitan Kirill of Smolensk and Kaliningrad performed a wedding for the Russian Ambassador to North Korea, Andrei Karlov.

On the same Sunday, August 13, Kim Jong Il made a public appearance, touring rabbit and goat-raising farms. Such a tour by the leader is not extraordinary -- what makes this date notable is that it is the first time Kim has been reported as having shown himself in public in over a month. The last sighting was prior to the missile launches in early July.

On August 18, a second DPRK defector living in South Korea was granted asylum in the United States. The U.S. position on defectors originally excluded those legally settled in South Korea, as they were no longer considered at risk of persecution. Recent changes have been said to reflect Washington's criticism of ROK support of DPRK actions. Judith Wood, president of Human Rights Project, stated that approximately 120 defectors had applied for U.S. asylum.

Thailand has increased patrols along the Mekong River after a safe house holding 175 North Korean refugees was raided this month. A small portion of the group was slated for immediate refugee status, while the majority was sentenced to a month in jail, after which they will most likely be sent to South Korea.

A report released on August 17 by the Population Research Bureau, a non-profit demographic institute, stated that the DPRK population now stands at 23.1 million, and is expected to grow 14 percent by 2050. The North's infant mortality was reported at 21 per 1,000, more than 400 percent higher than that in the South. Leading causes of infant death were reported as respiratory infection, diarrhea, and serious malnutrition. Life expectancy for DPRK men is 71, and for women, 73. Sixty percent of North

Koreans live in an urban environment.

On August 20, North Korean Rim Tong-ok, point man on South-North relations and a key player in Pyongyang, died, reportedly of an “incurable disease.” Rim was present at the 2000 summit between Kim Jong Il and Kim Dae Jung, as well as last year when the South Korean unification minister led a delegation to meet the North Korean leader.

On August 21, the South Korean *Joong Ang Ilbo* reported that North Korean workers in the Northern Chinese city of Dandong were being deported. Businesspersons in the area reported that over 300 North Koreans were sent out of the country and customs checks on the Chinese border had been stepped up. The Dandong Customs Office cited drug trafficking as the reason for the increased security.

North Korean culture has made some interesting inroads into South Korean society. A defector from the North was arrested in Seoul this month after selling unlicensed aphrodisiacs that were advertised as being of the sort favored by Kim Jong Il. The defector claimed that both his father and grandfather were personal doctors for the leader.

A new bar has opened, sporting DPRK drinks, posters, songs, and the obligatory picture of Kim Jong Il, and so far has had a very favorable welcome. This welcome has come from the South Korean city of Taejon, reflecting many younger South Korean’s impressions of the North. Defectors have stated that there are more North Korean theme bars in the works.