

NK RECAP: MAY 2006

The month of May has been active, if not particularly productive. Inter-Korean exchanges were up, although passing of blame back and forth for unmet goals is not the most positive type of exchange possible. In addition, a number of foreign governments and bodies chimed in with both critiques and support for developments out of North Korea, so that while no noticeable gains were made in major projects, the international community has remained steadfastly focused on peninsular issues, which both Koreas see as positive.

Nuclear Negotiations

As six-party talks are still stalled with no apparent restart in sight, China proposed an unofficial meeting of delegates in Shanghai. Chinese representatives visited the U.S. and other countries involved in an attempt to persuade them to join. China made a similar attempt prior to a conference in Tokyo in April that was attended by all six delegates, but there was no breakthrough.

White House Spokesman Tony Snow announced that the U.S. policy is “very likely to approve” a new policy line to consider peace treaty talks with North Korea within the framework of six-party talks. He stressed, however, that the North must return to the talks before the U.S. would make any concessions.

The Asia Cooperation Dialogue opened in Qatar on May 23, with 28 countries joining the talks. The talks focus on economic issues and avoid politics, but the Iranian and North Korean nuclear issues were the focus of sideline negotiations between members. All six nations from the six-party talks had representatives in Doha.

Christopher Hill arrived in Seoul on May 25 following a trip to China. His tour is geared

toward working on cooperation between delegates of the six-party talks.

North Korea reiterated through Malaysian Foreign Minister Syed Hamid Albar on May 27 that U.S. economic sanctions must be lifted as a prerequisite to returning to nuclear negotiations.

Inter-Korean Politics

Approximately 600 policy advisors from several nations gathered in Seoul for the annual National Unification Advisory Council at the beginning of May to review the South's DPRK and Unification policies.

Ninety cultural artifacts from North Korea arrived in Seoul on May 4 as part of cultural cooperation between the two countries. The artifacts will be on display from Jun 12 to August 16.

President Roh Moo-hyun made remarks during a trip to Mongolia on May 9 that South Korea was prepared to provide "institutional and material aid without conditions" to North Korea as long as it does not involve "conced[ing] in matters of fundamental validity." Opposition Grand National Party spokesman Lee Ke-jin wondered publicly if the Roh administration actually had anything left to concede. Other opposition leaders criticized Roh for everything from politicizing inter-Korean cooperation just prior to May 31 elections to making fundamental policy statements from a podium in Mongolia rather than directly to his constituency. In response, Unification Minister Lee Jong-seok stated that this was a policy direction, but that there was no concrete plan for an offer to the North, such as the offer to double the DPRK energy sector by transmitting electricity across the DMZ.

Almost immediately following Roh's offer of aid as long as the North does not threaten the "fundamental validity" of the South, it was reported that the North moved a Taepodong-2

ballistic missile to a launch site. This piqued the interest of many nations, as the Taepondong-2 has a range of 9,300 miles and could reach the U.S. mainland, but there has been no indication that the North has taken further steps to prepare the missile for launch. U.S. officials were quick to state that they would seek U.N. sanctions in the event of a launch. South Korea's response was muted.

370 ROK university students met with 120 of their DPRK counterparts at the Mount Kumgang Tourist resort on May 10 for a two day conference on peace, independence, and national united spirit.

On May 16, the Committee for the Peaceful Reunification of the Fatherland of the United Front Department of the (North) Korea Workers' Party warned that citizens of Seoul need remember the "warphobia which made people fear that Seoul could be the site of a sea of fire" in an article on its website in which it warned against allowing the election of GNP party members. It stated that the GNP was against reconciliation, cooperation, and mutual assistance. The 'sea of fire' threat was first heard on March 19, 2004.

Leaders of the pro-Seoul Korean Residents Union in Japan and the pro-Pyongyang General Association of Korean Residents in Japan shook hands on May 17 at a meeting in Tokyo where they agreed to end confrontation between the two groups.

Working-level talks opened on May 23 to prepare for inter-Korean celebrations marking the June 15 Joint Declaration signed in 2000. The events will be held in Gwangju, ROK from June 14~17.

Seoul Central District Court sentenced Professor Kang Jeong-koo of Dongguk University to two years in prison, suspended, on May 26. Kang was charged with violating the National Security Law for a series of articles condemning U.S. involvement in the Korean War. The judgment

stated that spreading pro-DPRK ideas and speaking out in the manner Kang did could damage the existence of liberal democracy in South Korea.

Kaesong Industrial Complex (KIC)

On May 1, it was reported that a Philippine diplomat agreed that an FTA between South Korea and ASEAN would include goods from the KIC.

On May 9, ROK Unification Minister Lee Jong-seok visited the KIC for the first time since his appointment. There, he vowed that the project would be completed no matter what obstacles it might face.

South Korea stated again, this time on May 16, that it plans on having goods made in the Kaesong Industrial Complex (KIC) included in the Free Trade Agreement currently being negotiated with the U.S. This is despite U.S. statements that a free trade agreement with South Korea could only involve products actually made in that country. U.S. acceptance of jointly-produced goods from Kaesong is considered a key component of successfully completing the second and third stages of development in the KIC.

German Free Democratic Party Chairman Guido Westerwelle endorsed inter-Korean economic activity, and the Kaesong Industrial Complex in particular, during an interview on May 26. He said that, had a divided Germany had the opportunity for such inter-state cooperation, they would have taken advantage of it, and he stressed that during such cooperative efforts, it is key that both sides think and act flexibly.

North Korea refused entry to a scheduled group of 200 South Korean journalists planning to visit the KIC on May 30. The cancellation was in protest to criticism in South Korean media over the North's earlier cancellation of the cross-border rail test. The visit was scheduled two

months ago. On May 27, North Korea canceled the Kaesong City-portion of the tour, stating that the reporters would only be allowed in the KIC. That portion was then canceled on the 30th.

Inter-Korean Railways

The 12th Inter-Korean Working-Level Contact on the Reconnection of Railways and Roads was held in Kaesong from May 11~12. At the meeting, both sides agreed to test runs of trains on both the east and west lines, to be held on May 25. In support of this test, it was agreed that communication networks, a train service office, and a joint committee on operation of railways and roads all be established as soon as possible.

On May 24, less than a day before scheduled test runs of inter-Korean trains was to take place, North Korea dispatched a message to the South canceling the test. The message cited the lack of a military guarantee for the safety of those involved, and the unstable conditions in South Korea. The South issued a statement calling the cancellation “very regrettable” and that “the responsibility for the collapse of scheduled trial runs lies in North Korea.” The North responded on May 26 with another telegram from Kwon Ho-ung, North Korea’s chief delegate in inter-Korean ministerial talks, accusing the South of attempting to mold public opinion “as if the break-down...was caused by [the DPRK] side.” He specifically cited opposition party GNP activities and the burning of the North Korean flag by conservative groups just days before the scheduled trials. He also criticized South Korea for linking the test runs with aid and supplies connected to DPRK industrial assistance. This was in addition to a telegram the day before, one day after canceling the trial, proposing that the two Koreas hold talks on economic cooperation next week.

A senior South Korean official on May 26 suggested that an aid package that had been promised to the North may be delayed due to the failed test. He said that humanitarian aid, such as a

promised 200,000 tons of fertilizer, would not be affected, but rather, railroad construction material and other industrial supplies.

Inter-Korean Military Talks

Military talks between the two Koreas broke down on May 18 after failing to agree on an agenda. South Korea sought an agreement guaranteeing the safety of personnel involved in cross-border rail trials to be held on the 25th, but North Korea insisted that re-drawing of the Yellow Sea border, further to the South. At the time, the North claimed to still be interested in the rail trials, although they would later cite the failure of these talks as one reason for their cancellation. The South also proposed follow-up measures to tension-reductions along the DMZ as well as the establishment of a joint fishing area near the contested border. The North rejected all proposals. Instead, the delegates discussed the increasingly diverse nature of the South Korean population, with North Korean Major General Kim Yong-chul criticizing marriage with foreigners, stating that he was “concerned that our singularity will disappear.” South Korean Major General Han Min-gu assured him that this tainting of Korean blood was “but a drop of ink in the Han River”, an excuse that was still unable to satisfy the North Korean, who believed that “since time immemorial” the Korean race has been pure.

On May 26, two North Korean soldiers briefly crossed approximately 30 meters into South Korea in Hwacheon, Gangwon-Do, drawing fire from South Korean soldiers in the DMZ for the first time since September 2001. ROK Joint Chiefs concluded that the soldiers were not attempting to infiltrate, but the possibility of intentionally trying to provoke military tensions was not ruled out.

Kim Dae-jung

On May 5, North Korean delegate Kwon Ho Ung proposed working-level discussions regarding

the proposed visit to Pyongyang of former ROK President Kim Dae-jung. The visit was scheduled for May 16 at the Mount Kumgang resort.

During talks, an agreement was reached that DJ would travel to Pyongyang for a four-day trip some time in late June. South Korean delegates delivered the former president's wishes to travel by the recently connected inter-Korean railway, while Pyongyang representatives declined and offered a non-stop flight over the Yellow Sea.

Following the cancellation of the first inter-Korean rail test, on May 29 South Korean officials reiterated the request that Kim Dae-jung travel by train, citing his poor health as a reason not to board an airplane. Both sides agreed that the previously agreed upon four-day visit would take place from June 27, but there has still been no agreement as to mode of transportation.

The U.S. State Department released a statement that it has high hopes for the former president's proposed summit with Kim Jong-il. It also said that it supported the current president's proposals to meet with the head of North Korea, and to create an environment conducive to dialog on the peninsula.

Humanitarian Assistance

As of the second week of May, the UN World Food Program was back in North Korea, albeit on a much smaller scale than before. Regional Director Tony Banbury pointed out that the scaled-down aid was the result of North Korean restrictions. The number of people to receive aid dropped by 4.2 million, to 1.9 million. Citing Pyongyang's recent request to Seoul for an additional 500,000 tons of food, he said they still cannot feed the population. WFP staff will be cut to 10, down from 48, will be allowed only one office, down from five, and will be allowed access to only 30 counties, down from 163.

U.S. State Department Spokesman Sean McCormack said that the U.S. played no part in the agreement between the DPRK and WFP, and still had reservations as to the ability to monitor aid in the North. There are no plans for the U.S. to restart food aid to Pyongyang.

South Korean Red Cross President Han Wan-sang and a delegation of 53 officials from government and medical groups began a five-day tour of North Korea on May 26. The delegation delivered 3.9 million dollars worth of medical supplies and equipment as part of the deal.

DPRK Economics

As of May 8, ships flying the North Korean flag are off-limits to U.S. citizens. "U.S. persons cannot own, lease, insure, or operation DPRK-flagged vessels."

Japan's National Police Agency reported on May 12 that to date, 1.5 tons of illegal DPRK amphetamines have been seized over seven occasions from 1997 to 2002. No cases on North Korean drug smuggling in Japan have been reported since 2003.

On May 14, a group of South Korean officials and business representatives arrived in Pyongyang to attend the Pyongyang International Trade Fair. 200 companies from 10 countries were represented there. Upon return, several members of the delegation stated that despite the low grade of production, facilities were in better condition than had been expected.

North Korea and China reached an agreement on May 14 to build two hydroelectric power plants along the border between the North Korean city Manpo and China's Jian. Combined, the two will generate 42,000 kilowatts of electricity.

A Ministry of Unification report issued on May 15, North Korea's foreign trade fro 2005 was

estimated at 3,001 million dollars, up 5.1% from the year before. Exports dropped 2.1% to 998 million dollars, while imports rose 9.1% to 2,003 million dollars. The DPRK's five largest trading partners were: China, Thailand, Russia, Japan, and Singapore, in that order. 80% of trade was within Asia, while trade with EU countries climbed 12% to 292 million dollars.

On May 22, Moody's Investor Service Vice-president Thomas Byrne announced that despite some movement, North Korea has not shown indications for internal economic reformation, and rated the possibility toward reformation as negative. He said that the Kaesong Industrial Complex was merely symbolic, and that the North would need five more similar industrial zones before it could be seen as in a reformation process. He also warned that continued South Korean support would lead to economic crisis.

AP Television became the first Western news agency to open a permanent office in North Korea on May 22. AP staff will work in conjunction with DPRK staff from Korean Radio and Television.

It was reported on May 25 that North Korea withdrew its visa waiver program for Chinese nationals. Concerned with the number of Chinese businesspeople entering the North, Chinese will now be required to obtain a visa before crossing the border, and is expected to have the biggest impact on small-business trade in the border region. It had been reported on May 1 that the Chinese airline China Southern Airlines had just restarted a thrice-weekly service to Pyongyang.