

## **MONTHLY RECAP: JULY**

### **DPRK NUCLEAR PROGRAM**

It was reported on July 2 that U.S. President Bush signed HR 2642, the Supplemental Appropriations Act of 2008, setting aside 15 million USD for DPRK energy aid and opening the door for U.S. funding to cover the costs of North Korea's nuclear dismantlement. The act supersedes the Glenn Amendment, which bans financial assistance to countries having conducted nuclear tests. In addition, on July 3, State Department spokesperson Sean McCormack stated, "The Department of State's Nonproliferation and Disarmament Fund...has 20 million USD in available funds and has obligated thus far approximately 19.5 million dollars for disablement measures [in North Korea]."

### **SIX-PARTY TALKS**

Six-party talks resumed in Beijing on July 10, focusing on the creation of a verification protocol to complete Phase 2 of North Korea's nuclear program dismantlement. On July 12, the six countries agreed to a plan by which North Korea would disable its main Yongbyon reactor by the end of October in exchange for fuel oil and economic aid deliveries from the other five parties. The agreement also calls for a team of experts, in cooperation with the International Atomic Energy Agency, to visit the North and visit facilities, review documents, and interview technicians. Further details will be determined by a working group.

On July 16, Radio Free Asia reported that North Korea was demanding that it be allowed to verify the non-nuclear status of United States Forces, Korea (USFK), and that it continues to

oppose IAEA participation in verification procedures.

On July 23, foreign ministers of the six nations involved in six-party talks met on the sidelines of the ASEAN dialog in Singapore, where North Korea was pressed to accept terms of a verification plan. While not an official six-party meeting, several participating ministers expressed confidence in the gathering, with South Korean Foreign Minister Yu Myung-hwan commenting that the meeting reflected the “maturing” nature of six-party talks, and Chinese Foreign Minister Yang Jiechi stating that the meeting “shows the six parties have the political will to move forward.” U.S. Secretary of State Condoleezza Rice told reporters that all parties had reaffirmed their commitment to DPRK denuclearization and North Korean spokesperson Ri Tong Il verified that North Korea is willing to “implement its own obligations...on the principle of action for action.”

#### MOUNT KUMGANG SHOOTING INCIDENT

On July 11, a South Korean tourist at the Mt. Kumgang resort was shot and killed by a North Korean soldier after crossing into a restricted military zone. Inter-Korean relations have soured as North Korea has refused South Korean demands for a joint investigation and for access to the scene of the shooting. Information from the North has been sporadic and at times inconsistent. A South Korean task force has been collecting available evidence from witnesses and cameras along the path of the South Korean tourist’s last steps. The North Korean Central News Agency stated, “The responsibility for the incident entirely rests with the South side,” and called on Seoul to apologize. Tours to the complex have been suspended, and the South Korean government has called on private-sector organizations to cancel planned trips to the

North, but tours to and operations in the Kaesong Industrial Complex are still running, although over 2000 South Koreans have canceled their tour reservations since the Kungang shooting.

On July 25, a representative from the (South Korean) Advisory Council on Democratic and Peaceful Unification announced that a trip to North Korea for 128 South Korean officials, earlier postponed at the request of the government, was now being canceled by order of the Ministry of Unification. A visit to the North by South Gyeongsang Province Governor Kim Tae-ho has also been canceled.

The Californian 'San Luis Obispo Wind Orchestra', scheduled to visit North Korea in August, has canceled the DPRK leg of its tour as a result of the Kungang shooting. Instead, the orchestra will extend its stay on South Korea's Jeju Island.

#### INTER-KOREAN ECONOMIC COOPERATION

Yonhap News reported that a South Korean factory in the Kaesong Industrial Complex had been closed for the better part of the month of June due to a feud with the North Korean 'controller'. The factory, employing 300 North Koreans, shut down on June 12 after North and South Koreans physically struggled over supplies. The factory demanded the controller be replaced, North Korean authorities refused, and the factory was closed indefinitely.

As of July 4, 72 South Korean firms were operating in the Kaesong Industrial Complex, employing 30,084 North Korean workers.

On July 7, it was reported that, despite cooling relations on the Korean Peninsula, inter-Korean trade for the first six months of 2008 was up 23 percent, for a total trade volume of 880 million USD.

On July 17, it was reported by the Ministry of Unification that the collapse of a steel frame in a South Korean factory in the Kaesong Industrial Complex killed one North Korean worker, and injured four others, two critically.

North Korea began restricting traffic crossing from the ROK to the DPRK at 8:30am on July 25. Citing a lack of communication infrastructure along the road between South Korea and the Kaesong Industrial Complex, North Korea is enforcing a limit of 200 vehicles per 30 minutes.

#### INTER-KOREAN MEDICAL COOPERATION

The Busan-based group 'Green Doctors' reported that an agreement has been reached between North and South Korea to allow ROK doctors to examine DPRK patients at the medical facility in the Kaesong Industrial Complex.

#### DPRK-ASEAN COOPERATION

It was announced on July 10 that North Korea had agreed to sign the Association of Southeast Asian Nations' non-aggression treaty. A letter from Foreign Minister Pak Ui Chun to ASEAN Chairperson George Yeo conveyed North Korea's desire to sign the ASEAN treaty, and he signed the treaty on July 24, the last day of this year's ASEAN Regional Forum (ARF) security

conference.

At the end of the ARF, an early draft of the chairman's statement "expressed strong support for continued development of inter-Korean dialogue based on the October 4 Declaration," and announced that "the ministers also expressed their concern over the shooting of the ROK tourist at the Mount Kumgang resort area." In the final draft, both of these statements had been removed, as South Korea called for the removal of the reference to the October 4 Declaration and North Korea argued for the removal of any mention of the shooting incident at Mount Kumgang.

#### DPRK FOOD CRISIS

South Korean NGO Good Friends reported on July 27 that, while North Korea's food crisis is still serious, the region suffering has changed as double cropping of potatoes staved off some food shortages. In addition, the fluctuation of food prices in July was less severe, leading to "a comparatively stable situation."

It was announced at the beginning of the month that the United Nations World Food Program had signed a new agreement with North Korea that would increase the size of its in-country operation, providing increased access to monitor distribution and making it possible to increase the number of recipients from 1.2 million to 5 million.

ReliefWeb, a website operated by the UN Office for the Coordination of Humanitarian Affairs, reported that this summer, North Korea will face the most harsh food crisis in its northeastern

regions. The website categorized North Korea's situation as an "acute food and livelihood crisis." And warned of the spread of malnutrition and disease.

UN World Food Program Directory Jean-Pierre de Margerie told a news conference on July 30 that 20 million USD would be necessary to get through the fall harvest.

#### DPRK-PRC RELATIONS

On July 11, North Korea celebrated the 47<sup>th</sup> anniversary of the Treaty of Friendship, Co-operations and Mutual Assistance between the People's Republic of China and the Democratic People's Republic of Korea.

#### DPRK-MONGOLIA COOPERATION

The Mongolia-DPRK Inter-governmental Agreement on work force exchanges was ratified on July 20. The Mongolian Ministry of Social Welfare and Labor is to negotiate the details of the exchange with the DPRK Foreign Trade Ministry in the near future.

#### ROK-UK DEFECTOR IDENTIFICATION COOPERATION

The South Korean government has agreed to help Britain verify the identities of almost 450 people claiming refugee status as North Korean defectors. The British government has asked the South Korean Foreign Ministry to check fingerprints of those filing refugee status to see whether they have already been granted South Korean citizenship. There are approximately

850 North Korean defectors in Britain.

#### DPRK ENGLISH

A group of Americans have been sent to North Korea to teach its middle-schoolers English. The Institute for Strategic Reconciliation, a U.S.-based research center, arranged to send the Americans to the North.

#### KIM JONG IL MOVEMENT

North Korean leader Kim Jong Il made five public appearances during July, inspecting Korean People's Army Unit 895 on July 11, KPA Unit 280 on July 12, viewing a performance by Russian dancers on July 18, inspecting a KPA artillery company on July 20, and inspecting KPA Unit 3898 training recruits on July 20.