

MONTHLY RECAP: DECEMBER

DPRK NUCLEAR ISSUE

December 1st set the tone for the month with the United States adding new demands to the list of requirements for North Korea's removal from Washington's list of terror-sponsoring states. The new conditions require that Pyongyang provide details of its uranium enrichment program, including the amount of uranium it has extracted, as well as the alleged transfer of materials and technology to other countries. This announcement was made on the heels of a comment by Christopher Hill that he has seen "credible evidence" that North Korea has purchased equipment and materials used for uranium enrichment. In addition, a report prepared for the U.S. Congress by the Congressional Research Service (CRS) accused North Korea of providing arms and training to Hezbollah and the Tamil Tigers, both of whom Washington considers terrorist organizations.

U.S.-DPRK COMMUNICATIONS

On December 6th, White House officials confirmed that President Bush had written a letter to Kim Jong-il, which was delivered by Christopher Hill during his latest visit to Pyongyang. In the letter, Bush urged Kim to keep promises regarding nuclear negotiations. In the letter, Bush referred to Kim as the "Dear Mr. Chairman", a significant change from the "tyrant" label he had used in the past. North Korea responded by promising to meet its obligations under the six-party talks deal, and stating that it expects the United States to do the same.

6 PARTY WORKING GROUP

Two days of six-way talks were held in Beijing from December 11th. The talks were held to discuss energy and economic assistance to be provided to North Korea in exchange for the

freeze of its nuclear facilities.

DPRK MISSED DEADLINE

December 31st passed without a declaration by North Korea of all its nuclear programs. Throughout the month, reports from all parties reflected smooth progress on the dismantlement of nuclear facilities, but North Korea continues to deny the existence of a uranium enrichment program, and has promised to slow the facility dismantlement process until more of the energy assistance and political concessions promised to Pyongyang are granted. U.S. officials expressed disappointment that the deadline was missed, but stated that a complete and correct declaration was more important than the deadline.

INTER-KOREAN RELATIONS

Deputy prime ministers of North and South Korea held three days of talks beginning on December 4th at the Grand Hilton Hotel in Seoul. The talks focused on inter-Korean economic cooperation. North Korean negotiators focused on projects agreed upon at the latest summit meeting, while the South Korean delegation brought up a broader spectrum of projects, including the development of an oil field off the west coast of North Korea. North Korea responded with a proposal to establish an additional working-level subcommittee for cooperation on resource development.

On December 5th, it was reported that working-level military officials from the two Koreas had signed a security guarantee for daily cross-border freight train operations scheduled to begin on December 11th. Since December 11th, cargo trains have made the 10-mile round trip every weekday.

On December 11th, an ROK naval ship rescued a North Korean fishing vessel that had drifted into South Korean waters after experiencing engine failure. The five-person crew had been adrift for 27 days before rescue, and are receiving medical treatment in the South. An ROK government spokesperson has said that the crew may return to the North, if they wish.

The South Korean Namkwang Engineering and Construction Company, Ltd. has announced plans to form a joint venture with the DPRK's 516 Construction Company for construction projects in both North Korea and abroad. Namkwang is to provide capital and construction technology while 516 would supply the labor.

On December 14th, three days of inter-Korean military talks came to a close without reaching any agreement on the creation of a joint fishing zone in the West Sea. The two sides did sign an agreement providing safety assurances to people and equipment passing through the DMZ, relaxing customs procedures and expanding allowable travel times for cross-border traffic, and permitting the use of wireless communications and Internet within the Kaesong Industrial Complex and Kumgang tourist resort.

On December 9th, a ship set sail from Cheju heading to the North with 1,400 tons of tangerines. An ROK official stated that it was the first shipment of a total of 10,000 tons of tangerines to be sent by the end of January.

South Korea shipped 5,100 tons of steel to North Korea on December 17th, as the original agreement of 500,000 tons of heavy fuel oil or equivalent has moved away from oil shipments.

The ROK Ministry of Commerce, Industry and Energy reported on December 27th that South Korea would invest in mining operations in North Korea's eastern Dancheon region in South Hamkyung Province and the Haeju-Nampo region in the west. The areas are to be built up as special resources zones, with South Korea funding the construction of electrical power plants, infrastructure and railways.

A four-member DPRK delegation visited the South Korean city of Busan on December 25th to begin four days of talks to discuss the establishment of joint shipbuilding projects in North Korea. The sub-committee for shipbuilding and marine cooperation was following up on agreements made during the October summit meeting.

From December 28-29, the first meeting of the Committee for the Promotion of the Special Peace and Cooperation Zone in the West Sea was held. The two Koreas signed an agreement to construct a Haeju Special Economic Zone in connection with the Kaesong Industrial Zone, to jointly develop and use Haeju's port, and to hold further talks on creation of a joint fishing zone and joint development of the Han River estuary.

ROK PUBLIC OPINION POLL

A poll carried out by the National Unification Advisory Council asked 1,015 South Koreans whether the next president should follow up on agreements made at the October summit meeting between the two Koreas. Respondents were evenly divided, with 44.6 percent saying yes, 44.2 percent saying that the agreements should be reviewed by the new administration, and 11.2 percent not responding.

ROK CONSERVATIVE VICTORY

ON December 19th, Lee Myung-bak, of the conservative Grand National Party, won South Korea's presidential election. While he has not announced a formal DPRK policy, his party and campaign platforms indicate that he will push for further economic cooperation with the North while at the same time stressing give-and-take with Pyongyang. Lee has promised to increase the DPRK per-capita income to 3,000 USD over the next 10 years if the North completely abandons its nuclear programs.

ROK-DPRK-RUSSIA GAS

South Korea and Russia have agreed to hold a joint feasibility study on the construction of a natural gas pipeline from the Russian Far East and Siberia to South Korea. Such a pipeline would most likely be overland, which would require the cooperation of North Korea, and could provide North Korea with much needed energy.

DPRK-RUSSIA RAIL

State-run Russian Railways issued a statement on December 18th announcing plans to build a 100 million USD container terminal in the North Korean port city of Rajin. The terminal will be capable of handling 320,000 containers per year and be capable of loading containers from South Korean ships to trains bound for Europe. Russian Railways will spend an additional 70 million USD improving 34 miles of track between Rajin and the DPRK-Russia border.

DPRK-PRC COOPERATION

It was reported by the PRC official news agency Xinhua News on December 13th that the

Chinese Ministry of Science and Technology had signed an agreement with the DPRK National Academy of Science calling for cooperation in the development of software and medicines, and the launching of joint agricultural and power generation projects.

DPRK HUMAN RIGHTS

The National Human Rights Commission of (South) Korea announced on December 10th that the commission would become actively involved in DPRK human rights issues. Previously, the commission had avoided criticizing Pyongyang's human rights record on the grounds that it was powerless to influence change in the North.

On December 19th, the United Nations adopted a resolution condemning widespread human rights violations in North Korea. The resolution expresses "very serious concern" of the DPRK's "all-pervasive and severe restrictions on the freedoms of thought, conscience, religion, opinion and expression, peaceful assembly and association."

INTER-KOREAN TOURS

On December 4th, Hyundai began daylong sightseeing tours to Kaesong. The tour groups travel to the North by train, and then tourists take one of three tours offered, with options to visit the Goryeo Museum, Kaesong City, and the Kaesong Industrial Complex.

DPRK NEWS

A bi-monthly magazine reporting on DPRK domestic issues was recently launched, and is available in Korean, English, and Japanese. The magazine, "Rimjingang", publishes articles provided by a staff of undercover journalists in North Korea.

DPRK FLOOD RECOVERY

The Chosun Sinbo, a pro-North newspaper in Japan, reported on December 3rd that the North had completed 90 percent of repairs to roads and bridges wiped out by floods earlier in the year, and has also built new roads and bridges to improve transit to affected areas.

A survey by the ROK Rural Development Administration found that the flooding in August and September wiped out approximately 11 percent of DPRK rice paddies, leading the DPRK's gross production of grains in 2007 to be down 470,000 tons from the year before, with rice down 360,000 tons.

DPRK MUSIC

On December 10th, the New York Philharmonic announced that plans had been finalized for a concert to be held in Pyongyang. The trip by the United States' oldest symphony orchestra will be the first major American cultural visit to North Korea. The Philharmonic stated that conditions set for the concert included the presence of foreign reporters, a nationwide broadcast, assurances that eight musicians of Korean origin would not face any difficulties, and that 'The Star-Spangled Banner' could be played. The performance is to be held on February 26.

DPRK SPECIAL RATIONS

The Daily NK reported on December 27 that special rations were provided to North Koreans on the 21st and 23rd of December in commemoration of the 90th birthday of the late Kim Jong-suk, mother of Kim Jong-il. Rationed items included rice, corn, noodles, oil, liquor, gum, juice, socks, hot pepper paste, and soap.

DPRK CIGARETTES

The Japanese paper Sankei Shimbun reported on December 10th that North Korea has produced approximately 41 billion counterfeit cigarettes each year for the past several years, raking in an estimated 700 million USD annually.

OLYPIC TORCH ROUTE

Chinese and North Korean officials reached an agreement to have North Korea host a leg of the 2008 Beijing Olympic Games torch relay, the first time the Olympic torch has traveled to the North. As the torch passes through Pyongyang, Olympic sponsors will be allowed to advertise from cars and to distribute leaflets. This means that on April 28th, Coca-cola and Samsung billboards will be seen by North Koreans.