

MONTHLY RECAP: FEBRUARY

INTER-KOREAN RELATIONS

As February began, North Korea continued to publicly warn that the two Koreas were on a path toward war, stating on February 1 that downward spiraling relations between the two Koreas were brought on by ROK President Lee Myung-bak. The (North) Korean Central News Agency (KCNA) printed that Lee's policies toward the North were "the very source of military conflicts and war between the North and the South," and warned that tensions on the peninsula "may lead to an uncontrollable and unavoidable military conflict and war."

Poll results released by the Korea Economic Research Institute on February 2 indicated that 68.4 percent of South Koreans support President Lee Myung-bak's aid-for-denuclearization policy toward the North, and a separate poll by Gallup Korea showed on February 23 that 62 percent of South Koreans blame North Korea for strained inter-Korean relations.

A South Korean official stated on February 4 that 3,000 tones of steel plates that were to be sent to North Korea as part of the energy aid-for-denuclearization deal reached in 2007 would be delayed due to the North's recent saber-rattling. According to the official, "It is hard to predict when we will send the steel plates. For now, we are not even seriously considering the timing...North Korea should first change its attitude."

The South Korean government has shot down a project by an ROK journalist organization that would allow the exchange of news with North Korea. It was reported on February 4 that a Unification Ministry Spokesman Kim Ho-nyoun stated, "There are concerns that the exchange of news articles may undermine national security, public order and the interests of the general public."

On February 16, it was reported the ROK Defense Minister Lee Sang-hee has mandated field commanding officers in all branches of the South Korean military to immediately respond to any North Korean provocation without first seeking permission from superiors. This has further heightened concerns over the possibility of a naval confrontation in the Yellow Sea around the disputed Northern Limit Line.

On February 19, North Korean media warned, "Now that the political and military confrontation between the North and the South has gone into extremes, a physical clash may break out at any

moment,” and, “North-South relations have reached such a pass that there is no way to improve them or bring them under control.”

INTER-KOREAN TOURISM

Hyundai Asan, the South Korean company running the Kumgang Mountain tourist resort and the Kaesong City tours in North Korea is on the brink of bankruptcy. A Hyundai representative stated on February 4, “We are reaching a critical situation...unless the tours resume by April, it will be difficult for us to stay afloat.” Hyundai Asan brought in 255.5 trillion Won, or approximately 170.3 million USD, through tour sales in 2007, but in 2008, the company sold only 228.8 billion Won, or 152.5 million USD-worth of tours in 2008. The company employed 1,084 workers when tours were in operation, but has cut back to 479 employees. Of those, approximately 20 percent are receiving only 70 percent of their wages while they work from home. The tours have been on hold since a South Korean tourist was shot and killed at the Kumgang resort last summer.

ROK lawmaker Song Hun-suk stated on February 22, “Since the suspension of the [tourism] program, dozens of South Korean businesses and approximately 1,000 travel agents that offered organized trips to the North have gone to the brink of bankruptcy,” and he reported that approximately 30,000 North and South Koreans were on the verge of unemployment due to the travel ban, with 80 percent of shops and restaurants in South Korea’s Gosung, Gangwon Province, which is near the border, have been forced to close due to the absence of tourists passing through.

INTER-KOREAN TRADE

On February 3, the Korea International Trade Association (KITA) launched a new website, “Inter-Korean Economic Cooperation Information Center”, at <http://interkoreatrade.kita.net>. The website is designed to provide information and education on North Korean investment and inter-Korean cooperation

On February 8, South Korea’s Unification Ministry released statistics for 2008 regarding the Kaesong Industrial Complex. According to the ministry, production in the complex was up 36 percent over the previous year, reaching a value of 251.42 million USD. The total value of goods produced in the complex since it began operations in 2005 comes to 524.84 million USD.

The Economic Times ran an article on February 15 titled, “Ever heard of Gaesung? Gear up for its products,” in which it reports that the India-South Korea Comprehensive Economic Partnership Agreement (CEPA) soon to be signed will mean that India recognizes goods produced in the Kaesong Industrial Complex as South Korean goods.

ROK UNIFICATION MINISTER

On February 12, Korea University Professor of Political Science Hyun In-taek was sworn in as the new South Korean minister of unification. At his inauguration, Hyun stated that he is willing to meet with North Korean counterparts “at any time, at any place” in order to repair inter-Korean relations. Hyun has been criticized as being a hardliner, and an architect of the Lee Myung-bak administration’s “Vision 3000: Denuclearization and Openness” policy. Hyun was a key advisor during Lee’s presidential campaign, at which time Lee introduced the Vision policy, and was also a member of Lee’s presidential transition team, which at one point had advocated the shuttering of the Ministry of Unification.

U.S.-DPRK RELATIONS

A group of high-ranking former U.S. officials now advising the Obama administration on the DPRK visited North Korea during the first week of February. The group included Stephen Bosworth, Jonathan Pollack, Morton Avramowitz, and Leon Sigal. The delegation reported that North Korea does not appear to be rushed, and that they had taken a “wait and see” attitude in Pyongyang. Bosworth stated that “[North Korean officials] understand the Obama administration will need some time to sort itself through the policy review and the expressed patience, there is no sense of alarm or urgency.” He also noted that the officials were willing to move forward with denuclearization talks.

Leon Sigal stated on February 1, just prior to his visit to the North, “the Obama administration should promptly send a high-level emissary, perhaps former President Bill Clinton or former Secretary of State Henry Kissinger, to Pyongyang.” Sigal also wrote in an online opinion piece that Obama should “hold a summit meeting with Kim Jong-il in return for North Korea disposing some of its plutonium.”

On February 2, the U.S. State Department announced that it would impose sanctions on three North Korean companies for missile export violations. In accordance with the Arms Export Control Act, the Export Administration Act of 1979, the International Emergency Economic

Powers Act, the National Emergencies Act, Executive Order 12851 of June 11, 1993, Executive Order 12938 of November 14, 1994, the Korea Mining and Development Corporation, the Mokong Trading Corporation, and Sino-Ki are subject to Nonproliferation Measures and Category II missile sanctions.

U.S. Secretary of State Hillary Clinton stated on February 13 that the Obama administration would be willing to normalize bilateral relations with North Korea if the North is genuinely prepared to completely and verifiably eliminate its nuclear weapons program. She stated that the U.S. would have a “great openness” to North Korea, and added, “It’s not only on the diplomatic front,” but that Washington had a “willingness to help the people of North Korea, not just in narrow ways with food and fuel but with energy assistance.” Two days later, North Korea’s head of state Kim Yong Nam reaffirmed that North Korea would “develop relations with countries that are friendly toward us.”

On February 17, Clinton reiterated the U.S. offer of a peace treaty officially ending the Korean War, normalization of relations, and aid, but stated, “The decision as to whether North Korea will cooperate in the six-party talks, end provocative language and actions, is up to them,” and , “If North Korea abides by the obligations it has already entered into and verifiably and completely eliminates its nuclear program, then there will be a reciprocal response,” indicating that North Korea will have to make the next move.

During a trip to South Korea, Clinton stated that North Korea was “badly miscalculating” if it thinks it can “drive a wedge” between Washington and Seoul, and that “North Korea is not going to get a different relationship with the United States while insulting and refusing dialogue with the Republic of Korea.”

U.S. SPECIAL ENVOY TO NORTH KOREA

Following his return from a trip to North Korea at the beginning of the month, former U.S. Ambassador to South Korea Steven Bosworth was named by Secretary of State Clinton as the Obama administration’s special representative for North Korea. He will remain dean of the Fletcher School of Law and Diplomacy at Tufts University, but will now be responsible for coordinating U.S. policy regarding the DPRK. Special Envoy Sung Kim is responsible for ‘day-to-day’ negotiations with Pyongyang.

UK-DPRK RELATIONS

A British parliamentary delegation arrived in North Korea on February 3, coinciding with a visit to London by a DPRK Workers' Party of Korea delegation. EU Parliament member Glyn Ford stated that he hoped to reopen dialog that was broken off in 2005 on human rights, and denuclearization, hinting that restarting dialog could lead to the transfer of renewable energy technology to the North.

PRC-DPRK TRADE

It was reported on February 24 that trade between China and North Korea reached 2.78 billion USD in 2008, a 41.2 percent increase over the previous year. DPRK imports were up 46 percent, at over 2.03 billion USD, while its exports to China grew 29.7 percent, to 750 million USD. Mineral resources made up 54.7 percent of North Korea's exports to China, and machinery and electronics made up the majority of imports.

DPRK NUCLEAR PROGRAM

January 31 was the deadline for North Korea to shut down and seal the Yongbyon nuclear reactor as part of 6-Party negotiations, but it failed to meet the deadline. Christopher Hill stated on February 3 that the U.S. would "hold on for a few more days," but that "we're not happy that the DPRK essentially has missed this very important deadline."

On February 2, it was reported that the Nuclear Threat Initiative (NTI) would open a new office in Seoul in order to help prepare DPRK nuclear scientists for peaceful civilian employment. The NTI is in the process of building a program to retrain the North's experts, and "is also considering ways to support not only nuclear scientists at Yongbyon, but also farmers near Yongbyon who provide them with rice," according to Roy Kim, a professor at Drexel University.

The U.S. government criticized Pakistan's decision on February 6 to release Abdul Qadeer Khan from house arrest. Khan has been under house arrest for the past 5 years, after admitting to selling nuclear weapons technology to North Korea, as well as Iran and Libya. In 2004, A.Q. Khan took full responsibility for selling the nuclear secrets, stating that the military and government were unaware of his actions. He recanted this confession last year, stating that he had been a scapegoat.

DPRK MISSILE LAUNCH PREPARATIONS

Several countries have reported intelligence pointing to a launch by North Korea of a Taepodong-2 long-range missile. The U.S. State Department warned on February 3 that “a ballistic missile launch by North Korea would be unhelpful and, frankly, provocative,” while the ROK Foreign Ministry noted that a missile launch would “constitute a clear breach of the UN resolution” adopted in 2006. Chinese Foreign Ministry Spokeswoman Jiang Yu stated, “We hope all the parties can recognize that maintaining stability is in the common interest of the people of the Korean Peninsula.” Preparations appear to be underway at its Musudan-ri base, near the DPRK-PRC border. A Taepodong-2 is thought to have a range of 6,700 kilometers (4,150 miles).

Amid reports that it was preparing the missile launch, North Korea’s Rodong Sinmun printed, “The DPRK’s policy of advancing to space for peaceful purposes is a justifiable aim that fits the global trend of the times. There is no power in the world that can stop it,” and, “As long as developing and using space are aimed at peaceful purposes and such efforts contribute to enhancing human beings’ happiness, no one in the world can find fault with them.” North Korea continues to deny preparations for a long-range missile launch, and insists that it is preparing to launch a satellite

According to a researcher at the South Korean Agency for Defense Development, if North Korea were to launch a satellite, “given the size of the rocket, the satellite will likely be a low-orbit device,” and low-orbit devices usually need to be fired toward either the North or South Pole in order to successfully reach orbit. This would mean North Korea would need to use Chinese, Russian, Japanese or South Korean airspace.

JAPANESE FIRM, DPRK MISSILES

On February 26, Japanese police raided Toko Boeki, a Tokyo trading company with ties to the DPRK residents’ association in Japan. The company is suspected of trying to export magnetic measuring instruments that could be used to manufacture missiles to North Korea via a third country.

DPRK MOBILE COMMUNICATIONS

It was reported on February 5 that North Korea’s new 3G cellular network, built by the Egyptian company Orascom Telecom, has been very popular. Orascom Telecom Chairman Naguib

Sawiris stated, that in the first two weeks of service, “so far we have about 6,000 applications. The important point is that they are normal citizens, not the privileged or military generals or party higher-ups. For the first time, they have been able to go to a shop and get a mobile phone.”

DPRK SPORTS

North Korea’s soccer squad defeated South Arabia 1-0 as it moved closer to the World Cup finals. The North now has seven points in Group 2, after four games, and is in second place, with only South Korea having more points. North Korea has not been in the World Cup finals since 1966.

KIM JONG IL BIRTHDAY CELEBRATIONS

Kim Jong Il’s 67th birthday was marked on both sides of the DMZ. In the North, ceremonies were held throughout the country on February 16, and special rations were provided to the people of the country, with extra noodles, rice and other grains given out to mark the day.

In South Korea, the Abductees’ Family Union marked the day by flying 100,000 leaflets with North Korean currency and criticisms of the North’s leader. South Korean authorities announced plans to investigate, as it is illegal for South Koreans to possess North Korean bank notes without permission.

DPRK SUCCESSION

More rumors were heard in February concerning who might succeed Kim Jong Il as leader of the North Korean regime. Kim’s youngest son, Kim Jong-un has reportedly registered as a candidate for the March 8 parliamentary elections, which would launch his political career. In addition, an editorial marking Kim Jong Il’s 67th birthday stressed the “inheritance of bloodline of Mount Paektu,” further stoking rumors that one of Kim’s sons may be next in line.

DPRK CENSUS

Results of a preliminary census by the United Nations Population Fund were released in February. According to the data, there were 24.05 million North Koreans as of October last year, with 11.72 million males and 12.33 million females. South Pyongan Province was the

most populous, with 4.05 residents. 3.26 million people reside in the North's capital, Pyongyang. This census, conducted by the United Nations Population Fund, was the first in 15 years to be conducted in North Korea.