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New Power Elite Choe Ryong-hae's Robust Activities



- ① Choe Ryong-hae is seen behind Kim Jong-un and his wife at an amusement park.
- ② Choe (center) visits a renovation site of Kim Hyong-jik University of Education.
- ③ Choe inspects the construction site of Pyongyang Folk Park.
- ④ Choe inspects the remodeling site of Mangyongdae Funfair Park.

North Korean Soldiers Engaging in Military Exercises



North Korean soldiers pledge a merciless and sacred war against their enemies in connection with the Ulji Freedom Guardian South Korea-U.S. joint military exercise in mid-August. ⑤

North Korean marines stand at combat readiness aboard an amphibious vehicle. ⑥

North Korean aviation unit soldiers swear revenge against the United States and South Korea. ⑦

Artillery soldiers of a tank unit of the North Korean army vow to retaliate against the U.S. and South Korea. ⑧

KIM JONG-UN REGIME'S RULING STRUCTURE & PERSONNEL SHAKEUPS

The restructuring of power since Kim Jong-un's leadership has influenced power relations among the groups supporting Kim Jong-un.

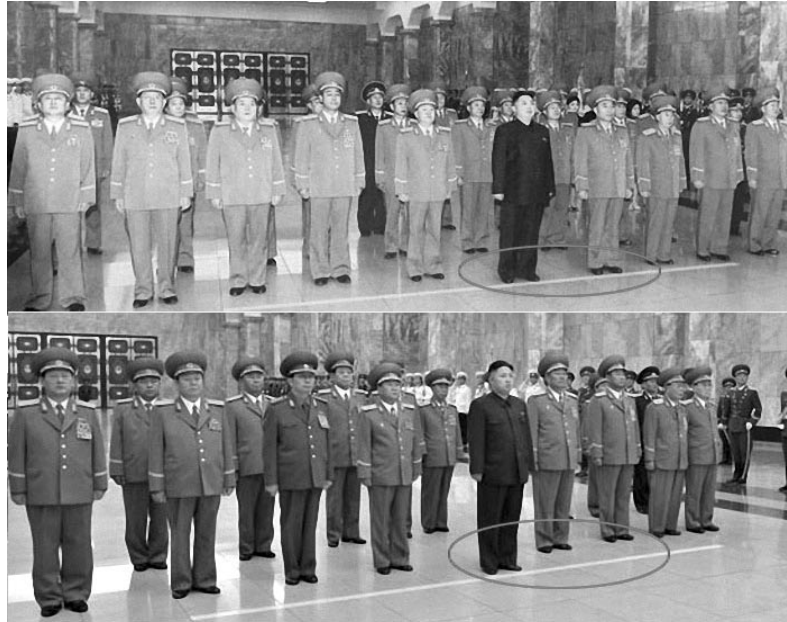
■ By Lee Kwang-ho

In the past nine months since Kim Jong-un assumed power, North Korea has undergone various changes. While these changes cannot definitively point to the direction of the new leader's state policies, watchers say the isolated country of 24 million has started a transition to a "normal country" from its "rogue state" status with brinkmanship tactics. It is needless to say that all these shifts are sustainable strategies for state survival.

At the forefront of the changes is the young leader in his late 20s. Since taking the reins in December following the death of his father, Kim Jong-il, the younger Kim has challenged the military's iron grip on the country, exposed the previously reclusive Kim dynastic family to the public view and begun restructuring the socialist state's economic strategy. In an effort to resuscitate the faltering economy, the Swiss-educated leader has been seen to place economic specialists in powerful positions, while sacking or demoting some hardliners who spearheaded his late father's "songun," or military-first, politics.

Emphasis on the Role of the Workers' Party

Under the burgeoning leadership of Kim Jong-un, North Korea appears to be adopting a new ruling structure and cautiously undertaking economic reform as he grapples with the nation's economic hardship, international isolation and waning public loyalty. In the course of restructuring the party and the military, there have been ups and downs of personnel shakeups, such as the dismissal of chief military staff Ri Yong-ho. The junior Kim has completed his consolidation of



The top photo shows some military officials standing alongside Kim Jong-un on a white line on the floor in Rodong Sinmun photo of July 8. The lower photo shows the military officials one step back from the North Korean leader in Rodong Sinmun photo of Sept. 9. (KCNA-Yonhap Photo)

power in a very short period without any detectable obstacles.

Kim himself places more emphasis on the role of the Workers' Party than the military, which had formerly been the backbone of North Korea's power base. This is an indication of Kim's intention to transfer power away from the military, which is deemed too rigid and conservative to lead economic projects and reformist efforts.

For the junior Kim, one of the major tasks in the process of consolidating his power is to shore up the economy and secure firm public support for his fledgling leadership. The North has focused much attention on economic development projects that are part of its bid to become "strong and prosperous" this year.

Still, experts have raised questions of whether the young untested leader can exercise real power, citing his lack of the

charisma both his father and grandfather, Kim Il-sung, possessed. After the death of Kim Jong-il, the presumption prevailed that Pyongyang would continue to uphold the late leader's legacy, given that the ruling elites favor the status quo and fear reform could lead to the regime's collapse.

In practical terms, Kim Jong-un surfaced to the forefront of the North's power structure two years ago. At the third Workers' Party Conference in September 2010, he virtually made his political debut by being named the vice chairman of the Workers' Party Central Military Commission. Kim Jong-il also named his third son a four-star general a day before the party conference. Kim Jong-un has since been deeply engaged in the management of state affairs. After his father suffered a stroke in the summer of 2008, Kim Jong-un was internally tapped as the chosen successor.

Kim Jong-un quickly ascended to the top power hierarchy after his father died of a heart attack last December. He was named the supreme commander of the North's 1.2 million-strong military on Dec. 30, a mere 13 days after his father's demise. In the following months, he has assumed all top posts of the state organizations, further consolidating the base of the country's ruling structure.

In April, Kim Jong-un was appointed first secretary of the ruling Workers' Party of (North) Korea (WPK) and first chairman of the National Defense Commission (NDC), two newly-created top posts. Even the WPK regulations were revised so the two titles would make Kim Jong-un the supreme leader of the country. In a surprise announcement in mid-July, Kim was awarded the title of marshal, the highest military rank after grand marshal, a title held only by his late grandfather, Kim Il-sung, and late father, Kim Jong-il.

Kim Jong-un's Leadership Style

Now Kim Jong-un has officially started his reign with all the powers of the party, military and government in his hands. He appears to be trying to boost his image as a warm, caring and charismatic leader but has demonstrated a leadership style more similar to his grandfather than his father. Well-choreographed showcases dramatize his personal touch with the people, along with public speeches, frequent appearances with his attractive wife and his personal interest in the welfare of both his soldiers and ordinary civilians.

Kim has made a series of inspection trips

to military units in an apparent move to bolster his support from the military. Top North Korean military officials have repeatedly pledged loyalty to their new supreme commander. His leadership style is distinct from that of his father, who was known as a coercive leader who was rarely in direct contact with ordinary citizens.

On all accounts, experts claim the young leader is almost certain to take the difficult but inevitable path toward openness and reforms rather than shutting down the country's doors with brinkmanship tactics. So far, Kim Jong-un seems to have secured a stable power structure, while building a personality cult around him and his family.

Recent developments indicated there has been no serious division or friction in the North's inner circle over Kim's succession to power. Kim Jong-il had prepared an elaborate succession plan of checks and balances between the party and the military to help his son's rule until the young leader could gain a firm grip on power and attain an unchallenged unitary ruling system.

The country's power base is evidently shifting to the party from the military, according to experts. One example of this was the dismissal of military chief Ri from all powerful positions including those of vice marshal, chief of general staff of the (North) Korean People's Army (KPA), vice chairman of the WPK Central Military Commission and politburo member.

Kim Jong-il rebalanced power distribution between the NDC and the WPK. He transformed his civilian confidants into army generals and appointed them to some of the critical positions in the military. A North Korea expert said the late

leader may have wanted to build a military-civilian cooperative system based on a troika of Ri of the military, Jang Song-thaek of the Kim family and Choe Ryong-hae of the party, without allowing the emergence of a clear number two man in power.

After all, the restructuring of power since Kim Jong-un's leadership has influenced power relations among the groups supporting Kim Jong-un. Experts share the view that North Korea is now firmly under the control of Kim's uncle Jang following the purge of the rival group led by army chief Ri. Jang has emerged as the sole power behind the throne, systematically dismantling the power structure put in place by former leader Kim Jong-il before his death.

Restructuring of Power

Through Jang's promotion from candidate to regular member of the WPK Political Bureau, several of his collaborators or followers also advanced to major positions of importance, including his wife, Kim Kyong-hui, in addition to Choe and Kim Won-hong. Jang's wife is the Kim Jong-il's sister, and both spouses have been appointed to the rank of army general. Jang was later appointed an NDC vice chairman, retaining the chair of the party's department of administration.

Among others, the promotion of Jang's long-time close collaborator Choe was astonishing, as he occupied three of the most important positions in the military, the party and the state following the party conference and the Supreme People's Assembly session in April. His new posi-

tions are the chief of the General Political Bureau of the KPA, vice chairman of the WPK Central Military Commission and a member of the NDC.

As Choe is a civilian with no military background, there have been some changes in power relations between the party civilians and military generals. Two of the most powerful figures at the General Political Bureau of the KPA had to be transferred to other military positions. Kim Jong-gak, the former first vice chief of the KPA political bureau, was appointed minister of the People's Armed Forces and Kim Won-hong, the former vice chief of the KPA in charge of organizational matters, was named as director of the State Security Department.

Observers said the fledgling leader appears to be in the process of replacing military figures appointed by his father with those he can more easily control and use in his drive to shore up the impoverished state. Kim Jong-un has been removing other aged powerful figures from his father's era, including former armed forces minister Kim Yong-chun and U Tong-chuk, who ran the secret police, analysts said.

In January 2009, when Kim Jong-il hand-picked his son Jong-un to succeed him, he handed control of the military to Ri. After Kim died, Jang set about eliminating Ri, U and other key officials. Jang's greatest rival, Ri Je-gang, a one-time first-deputy director of the WPK Organization and Guidance Department, died in a mysterious car accident in May 2010, just a few days before Jang was promoted.

Early last year, Vice Director of the State Security Department Ryu Kyong, another

apparent rival, was accused of treason and purged. Pak Nam-gi, the head of the party's Planning and Finance Department who was apparently executed over a botched currency reform in late 2010, simply disappeared from view. Hong Sok-hyong, a secretary in charge of economic affairs of the WPK, was sacked in June 2011 for his critical remarks on the party's policies.

Former army chief Kim Kyok-sik is still on the dark side of the military. Gen. Kim was demoted to head the 4th Army Corps of the KPA starting in February 2009 and is believed to have led the deadly attack on the South Korean island of Yeonpyeong in 2010 that killed four South Koreans, including two civilians.

Return of Economic Technocrats

The new ruling structure in the North appears to be anchored in the support of Jang, Choe and Vice Marshal Hyon Yong-chol, who replaced Ri Yong-ho. There are other loyal members of the second-tier elite group representing the party, the military and the cabinet who are dedicated to maintaining the continuity of the socialist country. Premier Choe Yong-rim is now in charge of inspecting major industrial sites such as the steelmaking factory. Most of his activities are published in the Workers' Party organ, *Rodong Sinmun*, which has never happened before.

The promotion of economic specialists and return of technocrats has raised the prospect of economic reform. Reports from state media show that the regime has promoted or reinstated in recent months the

four technocrats who played a key role in an unsuccessful economic reform a decade ago – Pak Pong-ju, Ro Tu-chol, Kwak Pom-gi and Jon Sung-hun. Economic technocrat Pak's emergence is notable. He became the party's light industry department chief, a sign that he will follow the junior Kim's economic policy. He served as premier from 2003 and also led the country's economic improvement measures announced on July 1, 2002.

In July 2002, the so-called "Big Four" technocrats tried to relax the rigid command economy by dissolving the rationing scheme, allowing street markets, raising wages and prices and adopting incentives and graded compensation. However, the regime previously rolled back the ambitious program in the mid-2000s as it hiked prices and magnified the pains of the populace, instead of buoying markets and improving productivity. The technocrats were consequently demoted or disappeared from sight.

Some observers even say the four's reinstatement may help thaw frozen cross-border ties, given their experience in inter-Korean projects. Jon visited Seoul in 2007 as head of the North's delegation for a joint committee on economic cooperation, while Pak led an inspection team that toured the South in 2002.

Kim Jong-un emphasizes the role of the cabinet, urging party members to "bring all the problems caused by the economic crisis to the cabinet and create rules and orders to thoroughly resolve them under the direction of the cabinet." Marking the 100th anniversary of his grandfather Kim Il-sung's birth on April 15, Kim said it is

the party's strong determination to make sure the people don't have to tighten their belts ever again and that they enjoy the prosperity and wealth of socialism.

In recent months, the leader was seen striving to forge conditions for a more open, practical policy line as he has sought to normalize the role of the Cabinet and reduce the inordinate influence of the conservative military rulers. The country is implementing a new economic management system under the new leader's guideline announced on June 28. The guideline allows business and factories autonomous rights to choose their production items, sale methods and prices, in a drastic shift from the state-designated production scheme.

Possible Friction among Officials

Ten years ago, North Korea announced a package of economic management reforms. The July 1, 2002 economic measures were characterized by an expanded autonomy in corporate management and introducing some market elements. The plan fizzled due to resistance from the conservative military elite, and insufficient raw materials and infrastructure.

Given the outward appearances so far, Kim Jong-un appears to have consolidated his grip on power to some extent. Observers say he is unlikely to face any challenges to his power as there is no alternative to him in a country that has built a personality cult around his family. South Korea's presidential advisory body on unification said on July 4, "In a short-term perspective, it is believed that there

will be no factor that could challenge Kim Jong-un's succession to power."

The National Unification Advisory Council made the assessment on the grounds that North Korea has been ruled by Kim's family since its foundation in 1948 and that China supports the new leader. China's endorsement is widely seen as crucial in keeping the Kim family dynasty in power as the impoverished North has long relied on diplomatic support and economic aid from its key ally.

However, the advisory body cautioned there could be friction among officials over a power reshuffle and distribution of resources in the future. It also said there could be a policy dispute over whether to keep the country's military-first politics.

While Pyongyang has made moves to resuscitate its beleaguered economy, analysts say it will take some time to see whether the regime will undertake difficult reforms, saying Kim still needs to "normalize" the country under his rule. Some argue that the difficult changes necessary will increase information flow into the North, posing a threat to its socialist ideology.

Moreover, the international community has been continuously disappointed by the North's past reform efforts. Pyongyang so far has not taken any decisive action that would suggest changes in foreign policy since Kim Jong-il's death. It also remains as protective as ever of its nuclear weapons program. Experts stressed the North's campaign to revive the economy cannot move forward without international assistance and a lifting of trade sanctions imposed on the North's belligerent provocations. (Yonhap News)

SEOUL TO BOOST PREPAREDNESS AGAINST N.K.'S PROVOCATIONS

President Lee stressed the importance of thoroughly preparing for the possibility of N. Korean threats and provocations under any circumstances.

■ By Kim Tae-shik

South Korea's defense ministry has released a "national defense basic plan for 2012-2030" featuring the heightening of countering capability against cyber and nuclear warfare.

According to a mid to long-term defense plan reported to President Lee Myung-bak on Aug. 29, the defense ministry will develop a variety of offensive and defensive cyber warfare weapons and reinforce manpower at the military cyber command, as part of its bid to enhance preparedness against threats of cyber attacks from North Korea's military.

It also plans to drastically increase the deployment of mid to long-range surface-to-surface ballistic missiles (SSBMs) targeting North Korea's nuclear weapons facilities and missile bases.

Seoul has blamed Pyongyang for jamming GPS signals on civilian flights and commercial ships operating near the nations' western sea border earlier this year as well as hacking into South Korean government Web sites and banking networks in the last couple of years.

Defense Plan for 2012-2030

The defense plan for 2012-2030 calls for the military to secure intelligence assets and double the number of service personnel at the Cyber Command to 1,000. The special unit was launched in January of 2010 in response to the growing threat of cyber attacks from Pyongyang.

"Programs and vaccines will be developed to help the military carry out cyber warfare and secure comprehensive capabilities (to cope with the North's threats)," said a senior ministry official, who is in charge of crafting defense reform policy.

South Korean President Lee Myung-bak (third from left) attends an emergency economic measures meeting in Seoul to discuss the necessity for civilian and military research and development cooperation to beef up South Korea's defense against the socialist North. (Yonhap Photo)



The proposal also calls for a drastic increase in the number of surface-to-surface ballistic missiles (SSBMs) on the front line to swiftly cope with unprovoked attacks from North Korea's nuclear facilities and missile bases.

"The Air Force and the military's cruise missiles have a clear limit in swiftly countering moves by the North to launch nuclear weapons and missiles," the official explained.

Under the plan, the ministry plans to reinforce the deployment of SSBMs with a range of 300 and 500 kilometers, which will need approval from the United States. South Korea is banned from developing missiles with a range of more than 300 kilometers under a 2001 agreement with the U.S.

South Korea has long insisted on the extension of its missile range. In June, U.S. Secretary of Defense Leon Panetta expressed optimism over talks with South Korea on its push to develop greater ballistic missile capability.

"I think we are making good progress, and our hope is that we can arrive at an agreeable solution soon," Panetta said during a joint press conference with South Korean Defense Minister Kim Kwan-jin following a two-plus-two meeting among foreign and defense ministers of the two countries in Washington on June 14.

Sen. Carl Levin, the chairman of the Senate Armed Services Committee, also said in June that he would not take issue with South Korea's development of longer-range missiles if they are deployed in a "defense and non-threatening" way and at Seoul's own expense.

The longest-range North Korean missile known under development is the Taepodong-2 missile, presumed to have a range of more than 6,700 kilometers, which could hit parts of Alaska.

The defense plan is focused on the expansion of combat readiness of the South Korean armed forces to cope with North Korea's threats and creating various combat units in the

Army, Navy and Air Force.

A top ministry official said the defense plan for 2012-2030 is designed to urgently strengthen the military's countering capability against North Korea's provocations for local warfare.

The Army will focus on enhancing integrated operational capability to cope with up-to-date network centered warfare. A "mountain brigade" will be organized to cope with infiltration of North Korean commandos through mountains in the eastern region. North Korea is known to operate a 200,000 member commando unit for infiltration through the mountains.

The Navy will establish a submarine command in 2015 and deploy six next-generation destroyers, dubbed "mini aegis" vessels, from 2019 to 2026. The next-generation destroyer called KDDX will be larger than the 4,200-ton KDX-II now in operation but smaller than the KDX-III aegis destroyer weighing 7,600 tons.

The Air Force will set up a 200-man aerospace command to monitor information-gathering satellites above the Korean Peninsula.

The ministry asked for an additional budget of 59.3 trillion won (US\$52.3 billion) to fund the plan from 2012-2016. It needs parliamentary approval to be implemented.

The number of South Korean military troops will be reduced from the current 636,000 to 522,000 by 2022. Most of the cuts will come from the Army of which total troops will be down from 500,000 now to 387,000 in 2022. Navy and Air Force will maintain their current levels of service members.

In the Army, the number of enlisted soldiers will be cut down, but the number of commissioned and noncommissioned officers will be increased. The portion of the officers in the Army will be raised from 29.4 percent at present to over 40 percent by 2025.

Strengthening Surveillance Capabilities

The defense plan also calls for drastic improvement in the welfare for enlisted soldiers. The ministry plans to improve residential facilities and food for soldiers by 2017 and improve the supply of clothes and other military supplies and medical treatment by 2018.

To support service members' childcare, daycare facilities will be increased from the current 31 places to 99 by 2016.

The military will also expand the number of female service members, filling 7 percent of officer posts and 5 percent of noncommissioned officer posts with women by 2017, three years ahead of the originally planned 2020.

After receiving the report from Minister Kim Kwan-jin, President Lee stressed the importance of thoroughly preparing for the possibility of North Korean threats and provocations under any circumstances as well as strengthening surveillance capabilities appropriate for future combat environments.

Pyongyang has taken a hostile tone with the South since its young leader Kim Jong-un took power in December last year, following the death of his father Kim Jong-il. Tensions have risen as the North has threatened an "all-out battle" against the South, denouncing the

annual military drill with the United States.

The two Koreas remain technically at war as the 1950-53 Korean War ended in a truce, not a peace treaty.

A South Korean government report showed North Korea may be preparing to conduct a nuclear or missile test in the near future while there is a report that North Korea will likely have a large quantity of nuclear weapons by 2015 or 2016.

"The defense ministry claimed that the socialist country was prepared to carry out tests with little preparation time," said a senior official from South Korea's ruling Saenuri Party, who declined to be identified, on Aug. 17.

Pyongyang has conducted two nuclear tests so far and launched several rockets it claims are designed to carry satellites into orbit. Most outside observers said such rockets are in fact missiles the country is developing to target the United States.

North Korea will likely have a large quantity of nuclear weapons by 2016, according to a U.S. think tank. North Korea may build up to 48 nuclear weapons, both based on plutonium and uranium, by 2015 or 2016 unless negotiations and other proper measures are implemented to head off such a potential threat, the Institute for Science and International Security (ISIS) said in a report on Aug. 16.

If North Korea operates only one centrifuge plant, it is projected to have 28-39 nuclear weapons by the end of 2016, or an increase of 16 weapons since the end of 2011, the report said. The 40-page report was co-authored by David Albright, the head of the Washington-headquartered ISIS, and Christina Walrond, a research associate.

"If North Korea has two centrifuge plants, however, it could produce a much larger quantity of WGU (weapons-grade uranium). It could have 37-48 nuclear weapons, or an increase of 25 weapons, most of which would be produced in 2015 and 2016," they said.

North Korea has worked on a plutonium-based nuclear program for decades and it conducted underground nuclear tests in 2006 and 2009. The international community suspects Pyongyang is now pushing for another method – uranium enrichment.

In a report published in early August, based on satellite imagery, the ISIS said it expects North Korea to complete the construction of a new light-water reactor at Yongbyon as early as in the latter half of 2013.

North Korea is widely believed to have six to 18 plutonium-based nuclear weapons.

"North Korea is not thought to be currently making weapons-grade plutonium," Albright and Walrond said, adding it could resume such production in 2015 and 2016.

They stressed talks remain a useful way to cap North Korea's uranium enrichment program and block the use of the light-water reactor (LWR) to make weapons-grade plutonium.

"If negotiations resume, the issue of the experimental LWR should be taken up," they said.

The defense program was first crafted in 2005 under the Roh Moo-hyun administration, and has since been revised several times as updates are required every three years. The current administration finalized the plan on Aug. 29 after revising the administration's original program drafted in 2009. (Yonhap News)

KEYNOTE OF N. KOREA'S FOREIGN POLICIES IN KIM JONG-UN ERA

What was conspicuous in the North's diplomatic behavior in recent years was a move to restore its northward diplomacy with Moscow and Beijing.

■ By Lim Soo-ho *Senior Research Fellow at the Samsung Economic Research Institute in Seoul*

Many months have passed since the formal inauguration of a new North Korean regime led by Kim Jong-un, the third son of Kim Jong-il, who ruled North Korea for 37 years until his death last December. During the cited period, the young Kim in his late 20s has continued to show an unconventional leadership style, which was unimaginable in the North while his father was alive. Reportedly, he has also sought to make a forward-looking change in the North's economic policies. However, the North has yet to signal a substantial change in its foreign policies.

Noteworthy among the remarks made by the young Kim in relation to the North's foreign policies is a statement in a speech he delivered at a function to mark the centenary of the birth of his grandfather and the North's founding leader, Kim Il-sung, on April 15: "Peace is important. But more important is the principle of self-reliance." It may be the first time a North Korean leader has made a statement of that kind, setting "peace" and "self-reliance" in confrontation with each other. Kim's statement might have revealed his perception of various issues in a compromising way. With that statement, the North Korean leader may have delivered the message, "I am well aware of the fact that the international community views our self-reliant behavior as a threat to peace and stability in this part of the world."

Self-reliance and Diplomacy towards Nonaligned Countries

This might be evidenced by the fact North Korea has refrained from continuously making provocations such as another nuclear test unlike in the past, although the United Nations Security Council issued a statement harshly critical of the North's launch of a long-range rocket last April, with China acting in concert with the U.S. It would be hasty to say, however, that this development indicates a change in the keynote of the North's foreign policies. What is necessary above all for our correct judgement on this matter is to know the remarks exchanged between the North and a U.S. envoy visiting the North shortly before the rocket launch.

It is noteworthy that North Korea has chosen Singapore and Indonesia, both nonaligned countries, as its first diplomacy partners since the inauguration of its new regime – and not China. It is unlikely that the North has made that choice simply by chance, when we add into consideration the U.S. and Russian summit diplomatic activities in recent years.

North Korea's choice can be viewed as a signal it will be active in its moves for restoring diplomatic activities with nonaligned countries based on self-confidence fueled by the restoration of its close relationship with China and its two successful nuclear tests. As is well known, the North's diplomacy with nonaligned countries was one of its two diplomatic axles oriented with self-reliance in the Kim Il-sung era, along with its equidistance diplomacy toward Moscow and Beijing. It might be natural for Kim Jong-un, who wants smooth succession to the absolute authority enjoyed not only by his father but by his grandfather, to push ahead with self-reliant diplomatic activities, alongside diplomacy toward nonaligned countries. The North's diplomatic policy may herald a preemptive diplomatic offensive aimed at pressuring the U.S. to conclude a peace treaty with it, bringing into consideration six-party talks and four-party negotiations.

It would also be hasty to view North Korea's accent on diplomacy toward nonaligned countries and the principle of self-reliant diplomacy as a move to distance itself from China, despite some recent developments in that direction as mentioned above. Kim Yong-nam, who is serving as the North's titular head of state in his capacity as president of the Presidium of the Supreme People's Assembly (SPA), visited Singapore and Indonesia, a development that can give rise to the view that North Korea has begun to realign its relations with China.

But the North's closer ties with nonaligned countries can hardly replace China's status as the North's economic and security partner. In fact, while Kim was visiting those two countries, Kim Yong-il, chief of the International Department under the umbrella of the Workers' Party of (North) Korea (WPK) Central Committee, began his own visit to China, again utilizing the high-level diplomatic channel between Pyongyang and Beijing. The North might have put an accent on the principle of self-reliant diplomacy in order to use it as leverage in its negotiations with China.

Adaptation and Northward Diplomacy

Despite its proclamation of the principle of self-reliance in diplomacy, North Korea as a minor power has no option but to adapt itself to the world order formulated by superpowers. For this reason, the new North Korean regime can hardly change the keynote of the foreign policies pursued by its predecessors unless a structural political change takes place. Moreover, the hereditary leadership transfer in the North guarantees the law of inertia for its policies. Kim Jong-il formulated the keynote of his foreign policies in consideration of a change in the international order in Northeast Asia, which concerns the emergence of China as a superpower and deepening disputes between the U.S. and China. Accordingly, North

Korea has to respect the diplomatic blueprint drawn by Kim for a considerable period. That being so, what is the keynote of the North's foreign policies left behind by the late North Korean leader?

What was conspicuous in the North's diplomatic behavior in recent years was a move to restore its northward diplomacy with Moscow and Beijing, among other countries, which had been brisk until the collapse of the communist bloc at the turn of the 1990s. As is well known, Kim Jong-il visited China in May and August of 2010, and again in May of the following year to observe the developed aspects of China and talk with Chinese leaders, including President Hu Jintao. He also visited Russia in August 2011, for the first time in nine years, for talks with President Dmitry Medvedev, and returned home via China. It is unusual for a North Korean leader to visit the North's former and present allies so frequently.

North Korea's northward diplomacy since the middle of the first 10 years in the 21st century has been aimed at gaining maximum profits, utilizing Chinese and Russian projects to develop its eastern areas and explore foreign markets in the vicinity. For instance, North Korea has provoked keen competition between China and Russia, which both wanted to lease parts of North Korean ports in Rajin and Chongjin, proposing fees for the lease in its negotiations with both countries.

In talks with President Medvedev, Kim Jong-il reportedly gave a green light to the Russian project for a gas pipe linking Russia and South Korea via the North, probably in a move to have the country's debt of \$11 billion to Russia written off and to weaken U.S. and Chinese dominant influences over the Korean Peninsula.

This aspect of North Korea's diplomatic behavior reminds us of the North's pendulum diplomacy toward Moscow and Beijing under the principle of self-reliant diplomacy that was employed by late leader Kim Il-sung in the cold war era. However, there is a need to know that the North's northward diplomacy today differs much from similar diplomatic activities in the past.

Realignment of N.Korea's Strategy for Southward Diplomacy

Above all, there are not many rewards North Korea can win by provoking competition between the two countries because relationship between Russia and China today are dominated by a cooperative atmosphere, rather than disputes. Kim Il-sung was able to obtain war supplies worth billions of dollars from the Soviet Union during his visit to Moscow in 1984, in return for the North allowing the Soviet military the rights to use parts of the ports of Rajin and Chongjin for military purposes and make reconnaissance flights in the North's territorial air space.

When Bill Richardson, then governor of the U.S. State of New Mexico, visited the North in December 2010, Kim Kye-gwan, the North's first-deputy foreign minister, reportedly told him the North's diplomacy had been unbalanced in favor of the U.S. and that the North would restore its diplomatic behavior in the Kim Il-sung era. "North Korea will value the

programs to improve its relationship not only with the U.S. but with South Korea and Japan,” Kim said, adding that it would push ahead with an “expansive global strategy” in the future. Kim might have suggested North Korea’s plan to realign the North’s southward diplomacy involving the three countries, among others.

For a certain period after the end of the cold war era, North Korea pushed ahead with a foreign policy aimed at normalizing its relations with the U.S., Japan and South Korea simultaneously, then gave priority to the improvement of its ties with the U.S. under a strategy favoring Washington and distancing Seoul. Probably, the North’s strategy originated in its judgement that both the joint declaration made by the WPK, the Japanese ruling Liberal Democratic Party, and the opposition Socialist Party in September 1990, plus the Agreement on Reconciliation, Non-Aggression, and Exchanges and Cooperation Between South and North Korea, dubbed the Basic Agreement between the two Koreas and initialed in December 1991, could not be implemented because of the nuclear crisis on the Korean Peninsula in the early 1990s touched off by the U.S.

For this reason, Kim Kye-gwan’s statement may imply that North Korea’s southward diplomacy as it will be pursued by the Kim Jong-un regime will be similar to that of Kim Il-sung era and not the southward diplomacy of Kim Jong-il’s reign. It is noteworthy that North Korea and Japan recently held talks in Beijing for three days, starting Aug. 19, for the first time since August 2008, at the North’s proposal. Also noteworthy is Kim Jong-un’s remarks at a function to mark the centenary of the birth of Kim Il-sung. He said the North will go forward, hand in hand, together with anyone who wants to see the achievement of Korean reunification, plus peace and prosperity to be enjoyed by all Koreans, and that it will exert efforts to achieve the historical task of reunifying the two Koreas, with responsibility and tolerance.

Expansive Diplomacy, or Pendulum Diplomacy

North Korea’s “expansive global strategy” mentioned by the North Korean first-deputy foreign minister may not imply a strategic adjustment within the province of its southward diplomacy but rather a strategic change covering both northward diplomacy and the southward. It is uncertain, however, whether the North’s future diplomacy will be a diplomacy free of ideology, as pursued by the North for a short time in the early 21st century but discarded later, or the pendulum diplomacy with the whole of Southeast Asia which covers both the U.S.-oriented southward arena and the China-oriented northward direction. This will likely serve as a pivotal point in forecasting the direction of North Korea’s foreign policy and its nuclear issue for a considerable period to come.

What will be North Korea’s diplomacy chosen by its new, young North Korean leader, Kim Jong-un? Undoubtedly, developments in relations between the U.S. and China in years to come will affect his choice of diplomatic strategies, or policies. (Yonhap News)

JANG SONG-THAEK'S CHINA TRIP: RESULTS AND TASKS

North Korea has to bear the task of determining to what extent it should accept China's demand for change.

■ By Lim Kang-taek *Senior Research Fellow of the Korea Institute for National Unification in Seoul, Korea*

Jang Song-thaek, director of the central administrative department of the Workers' Party of (North) Korea (WPK) and vice chairman of the National Defense Commission (NDC), visited China for five days in mid-August. Jang's visit attracted special attention, as he is emerging as a key figure in the North Korean hierarchy led by Kim Jong-un, and it was the first official visit by a high-level North Korean official following the death of its late leader Kim Jong-il.

The attention centered on what kind of agreement or decision would come between the two countries. It is regrettable that, as was often the case in the past, suppositions and rumors were raised without knowledge of the actual content of the talks, making it difficult to construct a proper assessment of the significance and results of Jang's China trip.

The trip can be summarized in three points. Firstly, Jang's visit was characterized as a "working" visit to discuss the development of special economic zones, although some experts in South Korea speculate that various pending issues between the two sides may have been discussed on the grounds of the large size of the delegation and China's hospitable treatment of him.

On the day following his arrival in Beijing, Jang attended the third conference of the North Korea-China joint guide committee for the joint development and management of the Rason Economic Trade Zone and Hwanggumphyong Island and Wihwado Economic Zones. He endorsed the full-fledged development of the zones by agreeing with the Chinese officials to establish a management committee.

Secondly, assessing China's intentions for participation and cooperation in the economic zones is complex. It was meaningful in that Jang's trip confirmed China's intention to push ahead with the development of Hwanggumphyong and Wihwado special economic zones, which had previously faced the possibility of suspension. However, that Chinese Premier Wen Jiabao asked for substantial measures from North Korea can be interpreted as a precondition for China's investment in North Korea. Wen reportedly requested that North Korea offer favorable conditions in terms of various supportive measures.

Consequently, it can be said that China agreed on North Korea's request for economic cooperation in principle, but requested North Korea's change as a precondition for economic cooperation.

Thirdly, it is difficult to assess, with the outcome of Jang's China visit this time alone, the prospects on how North Korea under the leadership of Kim Jong-un would set up its relations with China. As a matter of course, it is expected that the situation in which North Korea has to expand economic cooperation with China will last in the future, and in this respect North Korea must heed China's interests in non-economic fields as well. Therefore, North Korea is very likely to take economic and diplomatic measures "suited to China" for the time being. North Korea, which is concerned about China's influence increasing too greatly, may try to demonstrate its "subjectivity" in an opportune time.

Consequently, it can be said that China agreed on North Korea's request for economic cooperation in principle, but requested North Korea's change as a precondition for economic cooperation. It is unusual and reflects China's resolute position that China revealed its Premier Wen Jiabao's request to North Korea. Wen reportedly suggested five points North Korea should improve while mentioning about the hardships of Chinese businesses in their North Korea business projects.

The suggestion of Chinese President Hu Jintao that the two countries positively seek new methods of cooperation by fully displaying each other's superiority is linked to China's demand for North Korea's change. In conclusion, North Korea can be said to have reaped an affirmative result, as it found a possibility for a solution to its current economic problems by confirming China's intention to cooperate.

On the other hand, North Korea has to bear the task of determining to what extent it should accept China's demand for change under a situation in which the new ruling system has not been solidly established and explaining its decisions to China. There is a high possibility for China to control its investment and support to North Korea depending on the degree of North Korea's change.

Above all, North Korea's biggest problem is the application of a market system as demanded by China. China demanded that North Korea apply proper prices in various taxations, but it can be interpreted to mean North Korea should guarantee that the contracts and deals between the businesses of the two countries be carried out based on market principles.

North Korean authorities, which still have a strong aversion to market principles, may find it difficult to show sincerity with China. The measures North Korea will include in its "new economic management system" of June 28, which will be put into effect in earnest sooner or later, are of great interest. (Yonhap News)

NORTH KOREANS MESMERIZED BY CAPITALIST CULTURE

Nowadays, external information and Korean wave are said to be distributed not only to border areas but also to Pyongyang and local provinces.

■ By Kim Min Gi

With the appearance of Disney characters on North Korea's state television, speculation has grown among watchers in Seoul and elsewhere that the socialist regime of new leader Kim Jong-un may be more open to embracing social change. Moreover, recent reports have shown that curiosity about the outside world has dramatically surged among North Koreans – whereby some have adopted elements of a Western lifestyle themselves – despite the socialist regime's efforts to keep a tight lid on the spread of capitalist culture.

Spurred by advances in telecommunications, an influx of smuggled goods and the change in leadership, all eyes have turned to see where the new phenomenon in the North will lead the regime. Since the inauguration of the Kim Jong-un regime, North Korea has outwardly hinted at a more eased and open stance toward capitalist culture, grabbing the worldwide spotlight to see what effect this will have upon its hunger-stricken population.

Swiss-educated Leader's Moves

The Swiss-educated leader was shown on North Korea's state media giving a thumbs-up to Mickey Mouse and Winnie the Pooh during a concert in July, a rare move for the socialist country that has long lambasted American culture as being decadent. Also televised were performers in tank tops and short skirts dancing while clips of Disney movies such as "Beauty and the Beast" and "Sleeping Beauty" played in the background.

Kim has also made a spate of visits to amusement parks and shops,



North Korean leader Kim Jong-un (upper right) enjoys riding a roller coaster with foreign diplomats at an amusement park in Pyongyang. (KCNA-Yonhap Photo)

according to the North's media, all of which were apparently aimed at learning about the working conditions of employees and demonstrating a "proper spirit of serving the people."

Photos of the leader released by North Korean news outlets show him linking arms with his people and displaying affection toward them – differentiating himself from his father and grandfather – which experts claim is an image-building strategy designed to strengthen his weak public support.

Another notable aspect is that Kim Jong-un has been accompanied by his recently-revealed wife Ri Sol-ju during these official public appearances. The first lady has appeared wearing colorful clothes and open toe heels, like modern day aristocrats, and on top of that carrying a designer handbag.

As of now it is unclear how the leader's "western-style" attitude and behavior have been acknowledged by or affected the citizens; however, changes in lifestyle as well as the "hallyu (Korean wave) craze" have since been increasingly reported.

In recent years both local and foreign media have said that many North Korean citizens have been exposed to the Korean wave – the rising global boom of South Korean pop music, film and TV culture – changing their mindsets and most importantly the way they view their neighbor.

From their childhood, North Koreans were taught that South Koreans are very poor, and brainwashed with the perception that the South is a miserable place under the control of American imperialists.

However after viewing soap operas, they have come to realize that their southern counterparts in fact eat rice on a daily basis, dress well and can devote their time to love and leisure.

South Korean TV dramas and shows are available on the black market just a week after

airing, Yoon Sang-hyun, a lawmaker of the South's ruling Saenuri Party, said in a report on July 25. With rising popularity, even pop stars including 2PM and Girls' Generation have become household names.

North Koreans have become so fanatic that it has led to obsession - young men in the upper class don't fit in if they don't know South Korean dances, teens and housewives are left out of conversations if they don't keep up with TV dramas, and high class mothers send their children to learn to dance and sing K-pop rather than the usual accordion or other music lessons.

Besides the mania for South Korea, the everyday lives of the people have also shown signs of modernization. Today, people eating fast food, using cell phones, wearing short skirts and high heels are common sights, especially in the capital city of Pyongyang.

According to the *New York Times* on Aug. 8, recent visitors to Pyongyang said they saw miniskirts, Nike caps and Hello Kitty cell phone accessories. Despite the North's negative inclination against the U.S. and Japan, their products have become widely popular among some citizens.

Moreover, the North Korean communications industry is currently booming - with more than one million mobile phone subscribers as of last year, according to the *Washington Post* on July 26. Although key functions such as the Internet and international calls are known to be blocked, cell phones are said to have become an "it item," particularly among younger generations who no longer see their lives without them - a phenomenon common in capitalist societies.

Key Information Providers

While the possession of a cell phone was limited to the higher class as prices range from US\$350 to US\$1300 (an average worker earns US\$15 monthly), illegal Chinese phones have flooded on the North Korean markets, making it possible for just about anyone to get hold of one - changing their lives more than ever before.

Through such devices, access to external information by North Koreans has been made easy, driving the continuous rise. A study published by U.S. research firm InterMedia in May showed that despite the strict control of information, foreign media in forms of CDs, DVDs and USB drives have been sneaked through the Chinese border, making it possible for people to attain them.

Nowadays, external information and new trends from South Korea are said to be diffused not only to border areas but also to nine other provinces including Pyongyang and South Hwanghae Province. Almost half of North Korean defectors watched foreign DVDs at least once a week while inside the country, according to related sources.

The report also showed that in 2010, 48 percent of North Korean refugees or overseas travelers had accessed external media, up from a mere fifth of those surveyed in 2008.

Another key "information provider" is the children of North Korea's elite, who have the

means to obtain and distribute such material with relative impunity, the report said, adding that the elites are early adopters who have the means to acquire and use advanced technology, resulting in different media behavior patterns from the general public.

Moreover as the DVD market reaps good profits, even members of the North's ruling Workers' Party are jumping into the business, according to watchers, helping external information seep through to the population via a pyramid-like system.

Furthermore, the North Korean broadcasts of Kim Jong-un's style of leadership - 180 degrees different from his predecessors whom in most cases avoided media attention - have yet to reveal the influence on the people.

Experts predict that it may likely impose a top-down effect whereby the open stance of Kim Jong-un will influence his people to following accordingly, or least sow seeds of hope that the harsh regime is "cooling."

Starting from mere curiosity, North Koreans are gradually coming to believe what they see and hear about the outside world. Citizens have already "begun to look critically" at their government, according to a report commissioned by the U.S. State Department, whereby the official propaganda has even ceased to claim that their southern neighbor is a "living hell."

North Koreans in fact "admire South Korea" now, according to "Korean Wave: Shaking up North Korea," a book published by the Korea Institute of National Unification in Seoul.

However the regime's tight regulations on external information have yet to be eased if not altered to be more lenient. North Korean people are still strictly forbidden from consuming information that has not been approved by the state and if caught, they face severe punishment ranging from hefty fines to public executions.

Rapid Spread of External Information

Nevertheless, citizens are reportedly becoming less afraid of their government and its police agencies, while their views, values and assumptions are changing from previous generations. Thus younger North Koreans crave more information, risking their lives at the same time, filled with dreams of a dazzling life elsewhere.

Though skeptics claim that a few USBs and DVDs are not enough to tear apart the regime's tough censorship policy, the illusion of a better life will continue to linger in their heads. Moreover as multiple sources say, the rapid spread of external information has shown that North Korea is not impenetrable to the spread of foreign media - revealing a crack in its propaganda wall. Experts say that even if this "change" does not directly lead to opening up to the outside world or improving the lives of its citizens, it is evident that it helps to narrow the ideological gap between the people.

For the nation that has relied on blockade of external information to maintain control, these traits do not add up well for the regime's stability. The question that remains to be answered is whether this phenomenon will dwell as meager "accessories," or clear the road to embrace and understand the outside world. (Yonhap News)

N. Korea, Japan Hold First Talks in 4 Years to Discuss Mutual Concerns

Talks between Tokyo and Pyongyang have been frozen since August 2008 because of animosity over past friction and disputes.

North Korea and Japan held their first government-to-government talks in four years in late August in an attempt to lay the groundwork to overcome decades of mutual distrust and resolve the legacy of Japan's colonial rule over the Korean Peninsula.

During the working-level talks in Beijing, North Korea and Japan held a hectic dialogue in the hopes they would soon hold higher-level talks that could cover Pyongyang's past abduction of Japanese citizens, a Japanese official said Aug. 31 after three days of preparatory discussions.

Discussions between Tokyo and Pyongyang have been frozen since August 2008 because of animosity over past friction and disputes over the North's nuclear program and its kidnapping of Japanese citizens in the 1970s and 1980s.

After the talks, a Japanese Foreign Ministry official said on Aug. 31 the two countries agreed to put wide-ranging issues of "mutual concern" on the agenda and noted that the abduction issue should be included as it is part of Japan's concerns.

The first government-to-government talks after a four-year hiatus lasted around seven hours over three sessions and carried the hopes of aging relatives of Japanese abductees that progress could be made on an issue that remains a major obstacle to normalizing bilateral ties.

The North maintains the abduction cases have been resolved, but Japan has been seeking a reinvestigation. The last time they held talks in August 2008, the two countries agreed on a reinvestigation, but Pyongyang later broke off the deal.

The official said Japan has repeatedly told North Korea that the abduction issue is a matter of concern, and North Korea "fully understands" Japan's interest in including the topic on the agenda.

But there were no explanations regarding how exactly the North Korean officials responded to Japan's call to take up the abduction issue.

Representatives from Tokyo and Pyongyang also agreed to upgrade their inter-governmental talks to a higher-level meeting to be held as soon as possible in Beijing. Japan envisions the ensuing talks

to be at the director general level, according to the official.

In Tokyo, Chief Cabinet Secretary Osamu Fujimura told a press conference that Japan believes the abduction issue should be discussed between the two sides and that it welcomes the agreement with North Korea to hold higher-level talks.

But several days later, North Korea officially denied news reports that Pyongyang accepted the inclusion of abduction issue in the main agenda items of the Pyongyang-Tokyo talks.

North Korea's denial came on Sept. 5 through a question-answer session of its official Korean Central News Agency (KCNA) with a foreign ministry spokesman on the results of the talks.

The spokesman said, "The Japanese government and political and media fields are saying that the DPRK (North Korea) accepted the inclusion of 'abduction issue' in the main agenda items of the talks and the DPRK is expecting sort of economic rewards through the issue of the remains of Japanese. But this is a sheer lie."

Arrangements will be made for the next talks to take place possibly in the first half of September, Japanese government sources said. The meeting is expected to be attended by Shinsuke Sugiyama, director general of the Japanese Foreign Ministry's Asian and Oceanian Affairs Bureau, and Song Il-ho, North Korea's ambassador for talks to normalize diplomatic relations with Japan.

Other issues likely to be taken up then, the official said, are the issue of the remains of Japanese who died in what is now North Korea during the final phase of

World War II as well as security, which could encompass the North Korean missile and nuclear issues.

Other potential topics of discussion include the cases of missing Japanese suspected of having been abducted to North Korea but who are not yet recognized as such by the government, how to deal with the return of Japanese wives who moved with their Korean spouses to North Korea under a repatriation project from 1959, and the return of Japanese hijackers of a Japan Airlines plane in 1970.

At the recently-concluded meeting, Japan was represented by Keiichi Ono, director of the Northeast Asia Division of the Foreign Ministry, while North Korea's representative was Ryu Song-il, a Foreign Ministry official dealing with Japan affairs.

The talks were characterized as "preliminary consultations" to determine the agenda of full-fledged talks between Japan and North Korea. The meeting in China, North Korea's close ally, was the first official bilateral contact under the leadership of North Korea's Kim Jong-un,

The talks were intended to follow up on an agreement reached earlier in August by their nations' Red Cross officials on the retrieval of the remains of Japanese who died in the northern part of the Korean Peninsula during the closing stages of World War II and afterward.

Based on Japanese government data, around 34,600 Japanese are believed to have died of hunger and disease during and after World War II in what is now North Korea. The remains of around 21,600 people are said to remain there. (Yonhap News)

North Korea Makes Its Debut in Paralympic Games with Sole Participant

N. Korea released statistics about its disabled population for the first time in 2011, saying there were 1.87 million disabled people in the country.

North Korea made its debut in Paralympic Games this year which opened in London on Aug. 29. Although its sole participant, Rim Ju-song, failed to advance to the final round, North Korea seems to be encouraged by the first participation in the Paralympics which were inaugurated 62 years ago.

The 16-year-old double amputee competed in the men's 50-meter freestyle swimming Group B preliminary as a wild-card entry but was eliminated after finishing sixth with a time of 47.87 seconds.

Rim's record was far behind the records of the five swimmers who finished ahead of him at between 29.98 seconds and the latter half of 33 seconds.

The undaunted Rim, however, did not lose his spirit. He said in a press conference after the preliminary competition that he would try to win a gold medal at the next Paralympics in Brazil.

Rim did not even know how to swim before he went to China for training this spring, according to an official of the Green Tree, which sponsored his participation at the games. Rim started intensive

training in May. North Korea had planned to send six athletes in four sports to the London Paralympics but all except Rim failed to qualify.

Rim won his London Paralympics ticket after finishing within 10th place in three international swimming competitions held in Germany at the end of June.

In a press conference held after his preliminary round, Rim said, "I was first nervous but feel good after finishing the competition." "People will get to know more about the Paralympics with my participation" Rim added, vowing "I will practice hard to win a gold medal in the 2016 Paralympics in Rio de Janeiro."

North Korea attached meaning to simply participating in its Paralympics debut. The communist country, which earned provisional membership of the International Paralympic Committee (IPC) in 2011, decided to participate in the London Paralympics only in July of this year.

North Korea sent a 24-member athletic team led by Kim Mun-chol, vice head of the Central Committee of the Federation for the Care of the Disabled of (North)

Korea, to the London Paralympics.

North Korea has recently exerted effort to improve its image of maltreating disabled people, implementing measures to take care of disabled citizens, which critics say is designed to obtain international aid.

In another interview with foreign news media, Ri Pun-hui, a former North Korean table tennis star and a member of the North Korean Paralympics team, said North Korea's participation offers inspiration to others involved in North Korea's nascent disabled sports programs. "Healthy or disabled, if you have the will to succeed, there is no obstacle in your way," Ri said.

Defectors from the North and North Korea human rights watchers have reported the country bars disabled people from living in the capital city of Pyongyang, housing them in group homes elsewhere.

Responding to questions by some foreign reporters, a North Korean team doctor denied allegations that disabled people reside in group homes in restricted areas. Rim Ju-song said the allegation is not true and all people, including the disabled, live together.

Meanwhile, Kim Kyeong-hwa of Green Tree, an international charity that assists North Koreans with disabilities, said, "I think that having a disabled person participate in the games will help improve their image in North Korea."

It was only in the early 21st century that North Korea started to improve its treatment of disabled people. In 2003, North Korea legislated a law to offer free medical care and special education for disabled people and, in 2009, Pyongyang assured the United Nations its disabled were



North Korea's Rim Ju-song is helped to exit the pool after competing in the men's 50 meter freestyle event at the 2012 Paralympics in London on Sept. 4. (AP-Yonhap Photo)

receiving proper care and schooling.

North Korea also released statistics about its disabled population for the first time in 2011, saying there were 1.87 million disabled people in the country.

North Korea established the (North) Korean Sports Association of the Disabled (KSAD) in January 2010 and vigorously sought to join the International Paralympic Committee (IPC) in a bid to take part in the 2012 London Paralympics.

The IPC granted North Korea the status of a provisional member, making its athletes eligible to compete, in March of last year. (Yonhap News)

North Korea Marks Founding Anniversary with Modest Celebration

The North's media emphasized the patriotism of Kim Jong-il, which has emerged as a new catchphrase promoted by new leader Kim Jong-un.

North Korea marked its 64th founding anniversary on Sept. 9 in relatively modest manner without staging extravagant events, but held customary ceremonies and regular political meetings in its capital Pyongyang and other cities across the country.

It was the first anniversary of the founding of the socialist country since North Korea's new leader Kim Jong-un took the helm after the death of his father Kim Jong-il last December.

The new North Korean leader visited the Kumsusan Palace of the Sun in Pyongyang to pay tribute to his grandfather, the country's founder Kim Il-sung, and his late father Kim Jong-il, who ruled the country from 1994 until his death last year, state-run media reported on Sept. 9. Both late leaders lie in perpetual state at the memorial palace.

The (North) Korean Central News Agency (KCNA) said the visit was made to mark the 64th anniversary of the founding of the DPRK, referring to the North's official name, the Democratic People's Republic of Korea.

The KCNA said the tribute was wrapped in a solemn atmosphere of reverence that showed the firm resolve of the people to rally around Kim Jong-un in order to guard the country and seek happiness for its people.

It said Kim Jong-un was accompanied by notables such as Choe Ryong-hae, chief of the Political Bureau of the (North) Korean People's Army (KPA), Hyon Yong-chol, chief of the KPA general staff, Jang Song-thaek, vice chairman of the National Defense Commission (NDC), and other key members of the NDC, the Central Military Commission of the Workers' Party, and staff members of the Supreme Command of the military.

The KCNA, in separate reports, said that foreign leaders, including Chinese President Hu Jintao and Russian President Vladimir Putin sent their congratulatory messages marking the regime's 64th anniversary to Kim Jong-un. Other countries also sent their own delegations to Pyongyang or sent congratulatory messages to the new North Korean leadership.

Chinese President Hu sent a congratulatory message together with Wu Bangguo,



A national meeting is held in Pyongyang to commemorate the 64th founding anniversary of North Korea on Sept. 8. (KCNA-Yonhap Photo)

chairman of the Standing Committee of the Chinese National People's Congress, and Wen Jiabao, premier of the State Council.

In the message, the Chinese leaders said, "The Korean people have achieved laudable successes in the cause of building a socialist country of Korean style for over 60 years under the leadership of President Kim Il-sung, General Secretary Kim Jong-il and the WPK."

Earlier, the North's media reported the festive mood of the anniversary. Various cultural and art performances were held in Pyongyang and other cities and counties across the socialist state.

Newspapers carried articles praising the feats that the late North Korean founder Kim Il-sung performed to build the nation. TV and radio broadcasting services aired documentaries on them. Youth and student dance parties were held in various places around the capital city.

On Sept. 8, the eve of the anniversary, a national meeting was held at the April 25 House of Culture in Pyongyang in the presence of senior party, state and army officials including Kim Yong-nam, president of the Presidium of the Supreme People's Assembly, Premier Choe Yong-rim and other officials.

Premier Choe said the founding of the DPRK on Sept. 9, 1948 by President Kim Il-sung was "a solemn declaration of the birth of people's Korea, the first people's country in the colonial East, and a great event which opened a new era of building the socialist state centered on the popular masses."

"Leader Kim Jong-il who remained loyal to the President's idea and cause of nation-building put forth the original theory of nation-building based on the revolutionary outlook on the leader and led the drive for carrying them out," the premier said.

He continued, "Dear respected Kim Jong-un named patriotism personally showed by Kim Jong-il on the road of devotion to defending the country and the prosperity Kim Jong-il's patriotism and aroused the army and the people to embody it."

Then he said the Korean people will meet vicious challenges and obstructions of anti-reunification forces at home and abroad, but will certainly achieve the historic cause of the country's reunification by concerted efforts of all compatriots under the banner of the June 15 North-South Joint Declaration and the October 4 declaration.

"If a war breaks out again on this land against the will of the Koreans due to the U.S. imperialists and the South Korean puppet forces, the army and the people of the DPRK will not miss the chance but promptly deal deadly blows at them and lead it to a sacred war for national reunification," Premier Choe stressed.

According to a KCNA report, Kim Jong-un enjoyed a performance on Sept. 9 given by the KPA's Army Song and Dance Ensemble on the occasion of the national feat. He was accompanied by key officials of the party, military and the cabinet.

State newspapers also marked the 64th anniversary of the DPRK. The Workers' Party's mouthpiece, *Rodong Sinmun*, said, "The destiny of the socialist country has been firmly protected and a solid foundation laid for building a thriving nation thanks to the indomitable Songun revolutionary leadership of Kim Jong-il."

"It is iron will of the dear respected Kim Jong-un to glorify the DPRK in the world, remaining loyal to the cause of building a

rich and powerful country pioneered and advanced by the great Generalissimos Kim Il-sung and Kim Jong-il," it said.

Minju Joson, the cabinet newspaper, said that the socialist country is the most valuable legacy bequeathed by Kim Il-sung and Kim Jong-il out of patriotism, stressing the DPRK is demonstrating its might as a socialist power of Juche with invincible might under the leadership of Kim Jong-un.

Meanwhile, *Choson Sinbo*, a pro-Pyongyang newspaper published in Japan, emphasized the patriotism of Kim Jong-il, which has emerged as a new catchphrase promoted by Kim Jong-un.

The paper published by the Association of Korean Residents in Japan said in an article that the Kim Jong-il patriotism is a directive for the construction of wealthy and thriving fatherland. The paper said the theory and spirit of the patriotism is penetrating into all fields of state projects to better serve the whole nation.

On July 26, Kim Jong-un called on party officials to manage the country's land with ardent loyalty to the party and warm patriotism to the country, saying land management is a patriotic work for the eternal prosperity of the country, and a noble work for providing people with better living conditions.

Watchers explained that patriotism is a new kind of national spirit being created with the advent of the Kim Jong-un era.

Last year, North Korea held a military parade marking the country's 63rd founding anniversary with then leader Kim Jong-il and his then heir apparent son Kim Jong-un in attendance. (Yonhap News)

COMPULSORY, UNACCEPTABLE CONDITIONS OF WORK

In an annual report on political freedom and civil liberties in 199 nations, the U.S. State Department on May 24 said North Korea's human rights conditions remain "extremely poor." The report also said North Korea is an "authoritarian state led by the Kim family for more than 60 years," referring to a recent leadership transition in the socialist country to Kim Jong-un, the third son of late leader Kim Jong-il. In an effort to help readers understand the human rights situation in the North, Vantage Point has excerpted cases of the limit of worker rights and work conditions in the North in the annual report. – Ed.

Freedom of Association & Right to Collective Bargaining

The constitution provides for freedom of association, but workers do not have the right to organize, strike, or bargain collectively. There were no known labor organizations other than those created by the government. The Workers' Party of (North) Korea (WPK) purportedly represents the interests of all labor. There was a single labor organization, the General Federation of Trade Unions of Korea (GFTUK). Operating under this umbrella, unions functioned according to a classic Stalinist model, with responsibility for mobilizing workers to support production of coals and for providing health, education, cultural, and welfare facilities.

By law, unlawful assembly can result in five years of correctional labor. The government controls all aspects of employment, including assigning jobs and determining wages. Joint ventures and foreign-owned companies are required to hire their employees from government-vetted lists. Factory and farm workers were organized into councils, which had an impact on management decisions.

Although the law stipulates that employees working for foreign companies can form trade unions and that foreign enterprises must guarantee conditions for union activities, the law does not protect workers

who might attempt to engage in union activities from employer retaliation, nor does it impose penalties for employers who interfere in union activities.

There was one special economic zone (SEZ) in the Rajin-Sonbong area. The same labor laws that apply in the rest of the country apply in the Rajin-Sonbong SEZ. Workers in the SEZ were selected by the government.

Under a special law that created the Kaesong Industrial Complex (KIC), located close to the demilitarized zone between the ROK and the DPRK, special regulations covering labor issues negotiated with the ROK were in effect for the management of labor in the area. Those regulations did not contain provisions that guarantee freedom of association or the right to bargain collectively.

Prohibition of Forced or Compulsory Labor

The law prohibits forced or compulsory labor. However, the government mobilized the population for construction and other labor projects, including on Sundays, the one day off a week. The penal code criminalizes forced child labor; however, there were reports that such practices occurred. “Reformatory labor” and “reeducation through labor,” sometimes of entire families, have traditionally been common punishments for political offenses. Forced and compulsory labor in such activities as logging, mining, tending crops, and manufacturing continued to be the common fate of political prisoners. According to HRW, one defector reported that he was forced to work 16 hours a day in a mine.

The penal code requires that all citizens of working age must work and “strictly observe labor discipline and working hours.” There were numerous reports that farms and factories did not pay wages or provide food to their workers. According to reports from one NGO, during the implementation of short-term economic plans, factories and farms increased workers’ hours and asked workers for contributions of grain and money to purchase supplies for renovations and repairs.

Forced labor continued to take place in brick making, cement manufacturing, coal mining, gold mining, iron production, and textile industries. Foreign media and NGOs reported that authorities ordered university students to abandon their studies to work on construction projects related to centennial celebrations of birth of Kim Il-sung planned for April 2012. They included completing 100,000 housing units and a hotel in Pyongyang.

Child Labor and Acceptable Conditions of Work

School children sometimes were sent to work in factories or in the fields for short periods to assist in completing special projects, such as snow removal on major roads, or in meeting production goals. Thousands of children were reportedly held and forced to work in labor camps alongside their parents.

No reliable data was available on the minimum wage in the state-owned industries. After the 2002 economic reforms, compensation underwent significant changes, as citizens sought to earn hard currency to support themselves and their families.

The constitution stipulates an eight-hour workday; however, some sources reported that laborers worked longer hours, perhaps including additional time for mandatory study of the writings of Kim Il-sung and Kim Jong-Il. The constitution provides all citizens with a “right to rest,” including paid leave, holidays, and access to sanitariums and rest homes funded at public expense; however, the state’s willingness and ability to provide these services were unknown. Foreign diplomats reported that workers had 15 days of paid leave plus paid national holidays.

The law recognizes the state’s responsibility for providing modern and hygienic working conditions. The penal code criminalizes the failure to heed “labor safety orders” pertaining to worker safety and workplace conditions only if it results in the loss of lives or other “grave loss.” Workers themselves do not have an enumerated right to remove themselves from hazardous working conditions.

Leave or rest from work were sometimes compromised as mandatory participation in mass events on holidays, which might also require advance practice during work time. Workers were often required to “celebrate” at least some part of public holidays with their work units and were able to spend a whole day with their families only if the holiday lasted two days. Citizens were required to participate in mourning activities following the death of Kim Jong-Il.

Citizens labored under harsh conditions while working abroad for North Korean firms and under arrangements between the government and foreign firms. Contract laborers worked in Africa; Central and Eastern Europe (most notably in Russia); Central, East, and Southeast Asia; and the Middle East. In most cases employing firms paid salaries to the North Korean government, and it was not known how much of that salary the workers received. Workers were typically watched closely by government officials while overseas and reportedly had little freedom of movement outside their living and working quarters.

According to the ROK Ministry of Unification (MOU), 144 South Korean firms were operational at the KIC and approximately 50,000 North Korean workers were employed at KIC as of December. The MOU reported that the DPRK’s Central Special Zone Development Guidance Bureau provided candidates for selection by South Korean companies. Under an inter-Korean agreement, North Korean workers at the KIC reportedly earned a monthly basic minimum wage of \$60.77 after social welfare deductions (according to the KIC Labor Law, wages are set in U.S. dollars). Employing firms reported, however, that with overtime the average worker earned approximately \$88 per month before deductions.

Due to a lack of transparency, it was difficult to determine what proportion of their earned wages workers ultimately took home. Although the special laws governing the KIC require direct payment in cash to the workers, their wages were in fact deposited into accounts controlled by the North Korean government, which withheld a portion for social insurance and other benefits and then remitted the balance (reportedly approximately 70 percent) to the workers in an unknown combination of “commodity supply cards,” which could be exchanged for staple goods, and North Korean won, converted at the official exchange rate. (Yonhap News)

<Internal Affairs>**North Korean Athletes at London Olympics Receive Heroes' Welcome**

North Korean athletes who enjoyed near-record performances at the London Olympics this summer were feted with a heroes' welcome in their nation's capital, the North's state media reported on Aug. 16.

The North's official Korean Central TV Station said the athletes were greeted at Pyongyang's Sunan International Airport by senior government figures, including Kim Ki-nam, a Workers' Party secretary, and Kim Yong-jin, vice premier of the North's Cabinet.

North Korea won four gold medals in London, tying its record for most titles won at a single Olympics, set in Barcelona in 1992. The North, which also won a bronze medal each in weightlifting and wrestling, ranked 20th in the medal standings in London.

The news report said An Kum-ae, the gold medalist in women's under-52 kg judo, was at the head of the delegation as they disembarked from the plane, met by hundreds of family members, friends and Pyongyang residents who "enthusiastically welcomed" the Olympians. Aside from An's gold, three other gold medals came from weightlifting.

The report said more residents lined up Pyongyang streets as the athletes left the airport on a bus, and that the athletes acknowledged the crowd in return.

The athletes later visited statues of their two former leaders, founder Kim Il-sung and his son Kim Jong-il, on Mansudae Hill to pay tributes, before holding a press conference.

Separately, the KCNA credited the athletes' sense of patriotism and their respect for Kim Jong-un, the country's leader and marshal, with giving them mental fortitude.

At a Cabinet-hosted banquet, Kim Yong-jin stressed the need for the athletes to "exalt the resourcefulness and dignity of the country and the nations, and devotedly uphold the dear respected Marshal Kim Jong-un with gold medals," the KCNA said. (Yonhap News)

Kim Jong-un Visits Front-line Artillery Unit ahead of Joint Exercises

North Korean leader Kim Jong-un paid a visit to the front-line artillery unit responsible for the country's 2010 deadly bombardment of a South Korean island, extolling service members as heroes and telling them never to tolerate enemy aggression, state media said on Aug. 18.

The visit to the unit on the North's border island of Mudo near the tense western sea border came days before South Korea and the United States are to launch their annual joint exercise, Ulji Freedom Guardian.

The computer-assisted exercises, set for Aug. 20-31, involved some 56,000 South Korean troops and about 30,000 U.S. soldiers.

“He solemnly declared that if the enemy dares recklessly preempt firing and even a single shell drops on the territory of the DPRK (North Korea), the (North) Korean People’s Army (KPA) should lead the battle to a sacred war for national reunification, not confining it to a local war on the southwest region,” the North’s official KCNA said in an English-language dispatch.

“He also ordered it to turn the west sea into a graveyard of the invaders,” it said.

The North’s unit shelled the South Korean border island of Yeonpyeong in November 2010, killing two civilians and two soldiers. It marked the North’s first attack on South Korean soil since the end of the 1950-53 Korean War, though the sides have fought naval skirmishes.

The socialist nation claimed at the time that it acted in self defense in response to a joint military exercise between South Korea and the United States in waters near the western sea border. The region has been a source of military tensions, as Pyongyang does not recognize the boundary.

Kim said the area “is not only biggest hot spot on the Korean Peninsula but a very sensitive area on which the world attention is focused and where the interests of many countries are intermingled,” according to the KCNA.

The young leader, who rose to power after his father Kim Jong-il died in December, accused the South and the U.S. of “threatening peace and stability of not only the DPRK but of the region and the rest of the world” with “provocative war drills in those waters of the sea.”

“He ordered the servicepersons of the detachment to be vigilant against every move of the enemy and not to miss their gold chance to deal at once deadly counter-blows at the enemy if even a single shell is dropped on the waters or in the area where the sovereignty of the DPRK is exercised,” the KCNA said.

Kim proposed to award the artillery unit “the title of hero” and the “title of heroic defense detachment for demonstrating the mettle” of the country’s armed forces during the 2010 battle, and expressed great satisfaction with the unit’s combat posture, the KCNA said. (Yonhap News)

Metal Industry Minister Jon Sung-hun Appointed as Vice Premier

Jon Sung-hun, North Korea’s minister of metal industry, was appointed as a vice premier of the Cabinet according to a decree of the Presidium of the Supreme People’s Assembly on Aug. 18, the KCNA said.

The KCNA, however, did not reveal whether Jon will retain his post as metal industry minister or resign from the position.

With Jon’s appointment, the number of vice premiers in the North Korean Cabinet led by Premier Choe Yong-rim, increased to 11.

It is noteworthy that all four key officials who led the economic reforms of the North Korean Cabinet in 2003 have been appointed to top economic posts again.

They are Pak Pong-ju, first-vice director of the Light Industry Department of the Workers' Party of (North) Korea (WPK), Vice Premier Ro Tu-chol, WPK secretary Kwak Pom-gi and Jon.

The North's Supreme People's Assembly (SPA) appointed Pak, then minister of chemical industry, as premier in September 2003 and replaced two vice premiers with Ro and Jon.

The quartet spearheaded a series of economic reform measures, including follow-ups to the 2007 July 1 economic management improvement measures.

The four had faded from prominence since the latter half of 2005 when North Korea strengthened the planned economy, but returned to the political scene again when Kim Jong-un took power after the death of his father Kim Jong-il late last year.

Jon, born in 1951, is a graduate of the Kim Chaek University of Technology and was appointed vice minister of the metal industry of the WPK in April 1998.

He served as the minister from September 1998 to September 2003 and served as vice premier of the Cabinet until April 2009.

Jon was later dismissed as vice premier and was confirmed as minister of metal industry again in January of this year. (Yonhap News)

North Korea Holds Massive Meeting to Celebrate Youth Day

North Korea held a massive rally in Pyongyang on Aug. 27 to celebrate Youth Day, which was televised live by the (North) Korean Central TV Broadcasting Station.

North Korean leader Kim Jong-un sent a congratulatory message that was read out during the celebration. In attendance were North Korean dignitaries including Premier Choe Yong-rim, Choe Ryong-hae, chief of General Political Bureau of the (North) Korean People's Army (KPA), and other senior officials of the party, the state and the army.

"The celebrations of Youth Day this year are a grand political event that demonstrates the loyalty and stamina of the Korean youth dynamically advancing toward the final victory following the Workers' Party of (North) Korea (WPK) while glorifying the proud history and tradition of the Korean youth movement that has emerged ever-victorious thanks to the WPK's idea of attaching importance," Kim wrote in his message.

North Korea has celebrated Youth Day since 1991, to commemorate the inauguration of the Korea Communist Youth League by the country's founder and late leader Kim Il-sung on Aug. 28, 1927. This year's celebration, however, was unprecedentedly massive.

To add to the festive mood, North Korea held torchlight relay races over two courses from Aug. 13. A torch carried by members of the young vanguard arrived in Pyongyang on Aug. 24 to mark Youth Day.

Another torch was carried by North Korean soldiers from Mount Osong, near the border with South Korea, to Pyongyang.

North Korea watchers in Seoul say the massive celebrations were designed to cement loyalty to young leader Kim Jong-un in various walks of society since his inauguration as the North's top leader. North Korea has been exerting special efforts to draw the loyalty of the young generation.

Kim Jong-un has taken measures to celebrate the first Youth Day in the new century of "Juche," or self-reliance, with splendor as a great event of the entire country, the North's media was quoted as saying.

The watchers say the North's leadership believes the young generation will be a mainstay of the new regime and it is them who will inject fresh energy into the North Korean society, including at production sites.

By making young people a force loyal to Kim Jong-un, North Korea hopes to strengthen Kim's regime.

Meanwhile, North Korea on Aug. 29 held a massive torch parade to mark the country's "Youth Day," with tens of thousands of people holding torches in unison to form the names of leader Kim Jong-un and his father and grandfather, and signs pledging loyalty to the leader.

The scale of the ceremony was larger than usual, and state TV broadcast the event live from Pyongyang's main Kim Il-sung Square, a move seen as aimed at rallying support for the young leader who took control of the country after his father Kim Jong-il died in December. (Yonhap News)

North Korean Leader Resumes Inspections in Economic Field

North Korean leader Kim Jong-un visited a restaurant in Pyongyang, the country's state media reported on Sept. 1, as he conducted his first inspection in the economic field in almost a month.

Kim went around different sections of Haemaji Restaurant in Pyongyang along with his wife Ri Sol-ju, according to the KCNA.

Kim "expressed great satisfaction" over the construction of the restaurant, saying the environment is very friendly and he likes everything there, the KCNA dispatch said.

The dispatch did not say when the restaurant will officially open for business.

The visit came after Kim made a series of tours to front-line military units in recent weeks amid tensions with South Korea and the United States over their recent military exercise in the South.

North Korea frequently condemns the annual joint military maneuvers as a rehearsal for invasion. Seoul and Washington have said the drills are defensive in nature.

Kim's resumption of economic inspections also comes amid speculation that the isolated country is gearing up for reform measures to revive its faltering economy.

The North has relied on international handouts since the late 1990s when it suffered a

massive famine that was estimated to have killed 2 million people. (Yonhap News)

Typhoon Bolaven Claims 48 Lives in North Korea: KCNA

At least 48 people were killed and more than 50 people were injured or missing after Typhoon Bolaven struck North Korea early last week, the country's official media said on Sept. 3.

The typhoon also left an estimated 6,700 houses destroyed or inundated and 21,180 people homeless across the country, the KCNA said.

In addition, at least 50,000 hectares of farmland and crops in 45,320 hectares of paddy and non-paddy fields were severely damaged by the typhoon, the news outlet said.

The KCNA also said more than 16,370 trees fell down and 880 industrial and public buildings were destroyed, with dozens of educational and medical service buildings put out of commission.

Earlier on Aug. 30, the KCNA said Typhoon Bolaven left three dead and 3,300 homeless and submerged farmlands, as the disaster-prone nation braced for the second major storm in less than a week.

The news agency also reported the human casualties caused by Bolaven, which swept the North on Aug 28 to 29, without giving the number of those injured or missing, citing "data available on Aug. 30." (Yonhap News)

North Korea to Convene Unusual Assembly Session Sept. 25

North Korea on Sept. 5 called for the opening of an unusual second session of its Supreme People's Assembly (SPA).

According to the North' official KCNA, the sixth session of the 12th SPA will be held in Pyongyang on Sept. 25. Legislators have been informed to register for the event on Sept. 23-24, the media report said.

North Korean watchers in Seoul say it is very unusual for the North to hold two sessions of its parliament in one year. The SPA met back in April and named North Korean leader Kim Jong-un the first-chairman of the National Defense Commission, the communist state's top military organ.

During the 17-year rein of late leader Kim Jong-il, the assembly held double sessions only twice, in 2003 and 2010.

Sources speculated the unexpected gathering may be linked to approving laws that can support new economic reform programs, believed to be in progress under the new regime of Kim Jong-un.

"The unusual gathering of the Supreme People's Assembly means there is a decision to be

made through consent from all the citizens,” said Chang Yong-suk, a researcher at the Institute for Peace and Unification Studies of Seoul National University. “Economic reform measures or reshuffling power groups like the National Defense Commission could possibly be (such decisions).” (Yonhap News)

Kim Jong-un Pays Unconventional Visit to Homes of Working People

In another unconventional public appearance, North Korean leader Kim Jong-un visited the homes of working people in Pyongyang, the North’s state news media said on Sept. 5.

Accompanied by his wife Ri Sol-ju, Kim visited the homes of three ordinary families who recently moved into the newly-built apartments in Pyongyang’s Changjon Street, a new town project celebrating the centenary of North Korean founder Kim Il-sung’s birth this year, said the KCNA.

In the meeting with the families of a university teacher, city employee and a newlywed couple, Kim inspected the apartment facilities and held talks with them while Ri gave them homemade food, according to the KCNA.

“The interests of the people are placed above everything else and all the policies of the party and the state are enforced to serve the people,” Kim was quoted by the KCNA as telling the families.

Kim’s unconventional visit to the homes of ordinary families follows his unusual public appearances as the leader of the reclusive country, widely believed to be aiming to promote his image as a down-to-earth leader catering to the livelihood of his people.

He was recently shown riding a scantily-guarded wooden boat to visit a border-area artillery unit, while North Korean media aired the image of him riding a roller coaster with top officials. (Yonhap News)

Pyongyang Folk Park Located in Mt. Taesong Dedicated

North Korea dedicated a massive history education park called Pyongyang Folk Park in near Mount Taesong in Pyongyang on Sept. 11, according to the North’s news outlet.

The park, built on a site of 2 million square meters, consists of the district for comprehensive history education, a district for the display of historic relics, modern district, folk village district, folk playing district, park district of Mounts Paektu and Kumgang, and the management and operation district, the North’s official news outlet KCNA said.

In an open-air history museum, visitors can see and experience the good qualities of the (North) Korean nation and the genuine socialist national culture developing day by day, the KCNA added.

“The construction of the park greatly helps the (North) Korean people, including school

youth and children, inherit and glorify the excellent tradition and brilliant culture of the nation,” the news agency said.

Top officials from party, state and armed forces of North Korea attended the dedication ceremony for the park which the KCNA says greatly helps the (North) Korean people inherit and glorify the excellent traditions and brilliant culture of the nation.

Vice Marshall Kim Jong-gak, minister of the People’s Armed Forces, said in a speech the park is one of the nation’s treasures and the monumental edifices in the Songun (military-first) era initiated by leader Kim Jong-il.

He stressed that Kim Jong-un gave field guidance to the construction site several times, true to Kim Jong-il’s plan for building the park and underscored the need to spruce up the park and successfully manage and operate it. (Yonhap News)

North Korea Extends Arirang Festival Until September 27

North Korea has extended its annual dance and gymnastics performance, called the Arirang festival, until late this month, according to a Beijing-based travel agency on Sept. 12.

Koryo Tours, the agency which specializes in tours to the North, said on its official Web site, “We have been informed (from the North) that the Mass Games 2012 is extended until Sept. 27.”

This year’s performance began on Aug. 1, marking the centenary of the birth of the North’s late founder Kim Il-sung, and was originally scheduled to run through Sept. 9.

The travel agency said that the reason for the extension is not known, but the extension itself is not unusual since the performance has been prolonged every year since 2008.

Experts in Seoul are speculating that the country is extending the show in a bid to earn foreign currency.

In earlier August, *Choson Sinbo*, a Tokyo-based newspaper seen as a mouthpiece of Pyongyang, said that a total of 10,000 foreigners and North Koreans based overseas had applied for the entry to the socialist country to watch the performance.

The performance, named after a famous Korean folk song, features tens of thousands of young gymnasts performing synchronized acrobatics, dance routines and flip-card animations, in what are believed to be the largest mass games in the world.

First introduced in 2002 to celebrate the 90th anniversary of the late founder’s birth, the performance has been held every year since 2007 to praise the Kim dynasty and its policies.

The North added new scenes this year dedicated to praising new leader Kim Jong-un, who inherited power after the sudden death of his father, Kim Jong-il in December last year. (Yonhap News)

N. Korea Beefs up Entertainment Facilities under New Leadership

North Korea, under a new leadership, seems to be concentrating its scarce resources on beefing up amusement facilities, as the country tries to put on a new face following its regime change last year.

In July, the country opened the Rungna People's Pleasure Ground on Rungna islet in Pyongyang, with new leader Kim Jong-un paying three reported inspection visits to the complex with an amusement park, a golf course and other sports facilities, according to the North's state-run KCNA.

A swimming pool, an aquarium and other amusement rides will be added to the complex, which became partly operational in July, the Choson Sinbo, a pro-North Korean newspaper in Japan, said on Sept. 13.

A subway line connected to Rungna park is being extended to transport more park visitors, while a lift linking the park to major districts has been planned in order to attract more interest in the amusement park, the Korean-language newspaper said.

It also noted that major amusement parks and a swimming facility in Pyongyang and other areas are being renovated for modernization, while new amusement park projects are being planned outside of Pyongyang.

Eager for the string of amusement facility projects, the North has even set up a state-run agency in charge of managing such facilities across the country, the report also added.

The North says the recent entertainment projects reflect its efforts for people's welfare enhancement, but analysts have pointed out the projects are probably being promoted as contributions by the leader believed to be in his late 20s, who came to power after late leader Kim Jong-il's sudden death last December.

"This trend seems to be one of (policy results of) the new leadership, which is trying to build up social support by increasing the focus on younger generations," said Lee Yoo-young, a professor at the University of North Korean Studies.

<External Affairs>

N. Korea Repeats Threats against South-U.S. Military Drills

North Korea threatened use of force on Aug. 21 as the country ramped up its vitriolic campaign against the joint military exercise by the South and the U.S.

The North has long denounced the annual military drills, which kicked off in South Korea on Aug. 20 for a 12-day run.

The annual war game mobilized some 56,000 South Korean troops and about 30,000 U.S.

soldiers this year. The Combined Forces Command in Seoul said it informed the North the Ulji Freedom Guardian exercise is “defensive in nature,” but Pyongyang has insisted it is “drills for a war” against the North.

“The war drills prove that the U.S. is the harasser of peace and provoker of a war in the new century that upsets the stability on the Korean Peninsula,” said a statement by the Panmunjom Mission of the Korean People’s Army, carried by the KCNA.

“As it has become clearer that the nation’s sovereignty and peace which are more valuable than one’s own life can be guaranteed only by arms, the army and people of the DPRK (North Korea) will take physical counteraction any moment, unhindered, to safeguard its sovereignty and peace,” the English-language statement reads.

“The DPRK can not but take the resolve to use force,” the North noted, referring the military drills as “an actual war scenario.”

Seoul vowed earlier in the day that it will take much stronger actions than usual in the event of North Korea launching an artillery attack during the war exercise. The two Koreas have often fired artillery shells near the sea border a few days prior to the start of the annual military event. (Yonhap News)

Kim Yong-nam Defends ‘Self-defensive War Deterrent’ in Iran

Kim Young-nam, the ceremonial leader of North Korea, touted the regime’s move to “build up the self-defensive war deterrent” at a Non-Aligned Movement (NAM) summit in Iran, the North’s state news media said on Aug. 31.

“The situation of the Korean Peninsula tells us that we were absolutely right to have chosen the path of Songun politics and built up the self-defensive war deterrent,” Kim Young-nam, the president of the Presidium of the Supreme People’s Assembly (SPA), said in the opening speech at the 16th NAM Summit, according to the KCNA.

The North Korean official, meanwhile, blasted the U.S. for its “aggressive” policies, citing an annual joint military drill with South Korea.

“Even at this moment, the U.S. is staging aggressive joint military exercises Ulji Freedom Guardian targeting the DPRK (North Korea) and is driving the situation on the Korean Peninsula to the brink of war, fanning up the hysteria of war against the North,” Kim said, adding such moves have turned the peninsula into “the biggest hotspot of the world.”

Kim represented North Korea at the Tehran event. North Korea is among the 120 member states that claim not to be aligned with any major power bloc.

The North Korean official, meanwhile, met U.N. chief Ban Ki-moon on the sidelines of the summit. The U.N. leader expressed hope for improved relations between the two Koreas, according to his spokesman.

The KCNA said on Sept. 4 Kim Yong-nam and his party return home after participating in the 16th Summit of the Non-aligned Movement. (Yonhap News)

North Korea Blasts U.S. Troops Stationed in South Korea

The presence of U.S. troops in South Korea vividly reflects its hostile policy toward North Korea, which will prod the socialist state to bolster its nuclear deterrent, the North's Foreign Ministry said on Sept. 7.

"The U.S. Forces' presence in South Korea turned the Korean Peninsula into the world's biggest hotspot and it has become a malignant tumor that seriously threatens peace and stability in Northeast Asia and, furthermore, the rest of the world," the North's Foreign Ministry spokesman said in a statement carried by the KCNA.

"As long as its forces remain in South Korea, the U.S. is not entitled to claim that it has no hostile intent toward the DPRK (North Korea) and no one will believe it, either," he said.

The spokesman said if the U.S. seeks to keep its forces in South Korea, it is tantamount to an all-out war with the North.

In addition to some 650,000 South Korean troops, about 28,500 U.S. soldiers are stationed throughout South Korea, a legacy of the Korean War. The conflict ended with an armistice, not a peace treaty, and left the two Koreas technically at war. (Yonhap News)

<Inter-Korean Affairs>

Seoul Approves Christian Charity Group's Visit to North Korea

A Christian relief organization on Aug. 17 visited North Korea to discuss humanitarian aid to the socialist country.

Three World Vision officials including vice chairman Park Chang-bin crossed the border through the Dorasan transit office in Paju on Aug. 17 and held a one-day meeting in Kaesong with a North Korean organization dealing with non-governmental aid, an official from the relief group said.

But, the meeting between two sides failed to reach an agreement on how to deliver shipments of food because of the issue of monitoring, the official said.

Earlier, Seoul's Unification Ministry on Aug. 16 said Seoul approved the Christian charity group's visit to North Korea.

The ministry noted a total 13 non-governmental organizations have given humanitarian relief aid to the North on 22 occasions so far this year, valued at 4.1 billion won (US\$3.6 million).

Meanwhile, a North Korean official told a visiting civilian relief group that the socialist country suffered "considerable damage" due to heavy downpours and floods last month, an official at the relief group said on Aug. 19.

“During the consultations with the North’s side, a North Korean official told us that there was considerable damage from floods,” the official told Yonhap News Agency by telephone.

According to North Korean media reports, more than 100 people were killed and “tens of thousands” of people were left homeless last month due to torrential rain. The impoverished country has appealed for emergency aid from the international community, including the United Nations.

World Vision has planned to send 1,000 tons of flour to feed women and children in North Korea, but differences with the North over how to monitor the food delivery have hampered the plan, according to the official.

The two sides plan to hold additional consultations through fax messages, the official said. (Yonhap News)

N.K. Refuses Seoul’s Flood Aid Offer, Saying, ‘We Don’t Need Such Aid’

In a reversal of its previous position, North Korea refused to accept South Korea’s flood relief aid on Sept. 12 as the two sides failed to nail down what types of aid items should be given.

A Seoul official said the North cabled a notification earlier in the day that reads, “We do not need such aid.”

The North changed its position only two days after expressing its intention to accept Seoul’s proposal for assistance which was initially made on Sept. 3.

A week later on Sept. 10, Pyongyang said through its Red Cross that it was ready to accept flood aid from the South.

South Korea has offered aid to the North to help it recover from recent floods, which the socialist country said left 176 people dead and 220,000 homeless.

The floods also submerged or washed away 1,140 square kilometers of farmland, raising concerns about chronic food shortages in a country that has relied on international handouts since the late 1990s.

Responding to Pyongyang’s acceptance, Seoul proposed the following day that it would provide 10,000 tons of flour, 3 million packs of instant noodles and medicine all worth a total of 10 billion won (US\$8.88 million). The government had also said it was open to negotiations over what would be sent, according to the official.

Pyongyang’s refusal is an indication that the flood-stricken country do not want the types and quantity of the proposed items, the official said.

North Korea is believed to want rice, cement and heavy equipment for reconstruction work, which Seoul worries that the regime may divert for military and other unintended uses.

The official also said South Korea regrets the refusal, but will continue to keep the window open for further negotiations with the North regarding flood relief aid.

He, however, said time may be needed before the South again offers to send aid to victims of the recent flooding.

The official made clear that despite the rejection, humanitarian aid from nongovernmental groups will still be allowed to reach the North and such aid has never been affected by Seoul's inter-Korean cooperation ban that went into effect following the sinking of a South Korean warship in March 2010.

The North has refused to communicate with the South after the incumbent Lee Myung-bak administration took a hard-line policy toward the socialist nation.

Last year, Pyongyang spurned an offer of emergency supplies and demanded rice and cement instead. South Korea refused, citing suspicions they would be diverted to the military.

This time, North Korea stressed, however, that the situation that "happened last year should not be repeated," in an apparent reference to Seoul's cancellation of the offered aid last year because of differences over what items to send.

Last year, South Korea rejected the North's request for rice and cement and said it would deliver baby food, biscuits and instant noodles amounting to some US\$5.4 million to the North. Pyongyang refused the offer. (Yonhap News)

N. Korea Refuses to Take over Dead Soldier's Body Swept to S. Korea

North Korea has refused to accept the dead body of a North Korean soldier that was swept to the South near the front-line region due to heavy rains in late August, military officials said on Sept. 14.

The South Korean military said it retrieved the soldier's body from the Hantan River in Gangwon Province on Aug. 23, and handed it over to the U.N. Command Military Armistice Commission, an agency in charge of supervising the implementation of the truce terms.

After being notified, Pyongyang had agreed to accept the body on Sept. 14 morning, but it has not yet responded to the U.N.'s call, a U.N. official said. "It is seen that (the North) refused to take over the body," the official said, asking for anonymity due to the sensitivity of the issue.

The North's refusal sparked speculation over its intention, as the impoverished socialist nation on Sept. 12 rejected Seoul's offer to send aid for flood victims. The North's state media called the South's proposal to provide 10,000 tons of flour, 3 million packages of ramen noodles and medical supplies an "insult."

Torrential rains were reported north of the border in late August, prompting the North to discharge dam water into rivers flowing to the South. Besides the dead body, South Korea's military has discovered several wooden-boxed land mines near the border area, apparently swept here from the North by heavy rains. (Yonhap News)

PATTERNS OF NORTH KOREA'S FOREIGN TRADES BETWEEN 2000 AND 2011

I. Introduction

North Korea's infrequent economic statistics are based on a unique system of "our own style of socialism," which is an extension of the North Korea's pervasive political philosophy known as "juche", or our own master structure. This philosophy was introduced as a policy of non-involvement with a bitter feud between the North Korea's two main benefactors, i.e., China and the former U.S.S.R.¹⁾

Consequently, North Korea's economic data do not conform to the generally accepted norm of statistics, and are often intended to serve for political purposes.²⁾

At present, the only alternative for studying North Korea's economy with a reasonable confidence is an analysis of its foreign trades over years, which may identify the country's comparative economic (dis)advantages vis-a-vis the world economy. In addition, the patterns of the trades may provide a glimpse of North Korea's overall economic policies.

Although North Korea does not publish the trade data, its trade partners report annually detailed trade activities to the United Nations. From these data, we are able to extract indirectly the trade data of North Korea. With these data, we will analyze the recent patterns of North Korea's trades for the last twelve years from year 2000 to 2011.³⁾

By Sungwoo Kim,
Professor of Economics
Northeastern University
Boston, MA, U.S.A.

II. North Korea's Foreign Trades in the Aggregate

During the last twelve years, North Korea's total exports and imports were US \$19 billion and \$33 billion, respectively, with a \$14 billion negative total trade balance. It is possible that some of these debts were settled by cash or other means not reported in the UN trade data. For example, from weapon exports, North Korea earned anywhere between \$18 million to \$ 230 million annually.⁴⁾

In addition, North Korea was implicated with several illicit economic activities such as counterfeit currencies and cigarettes, drugs, and money laundering, which were reputed to have netted the country with \$5 billion slush fund stashed in Macao and Luxemburg banks.⁵⁾ Nevertheless, large part of the debts may still remain unpaid,

which would have seriously disrupted the North Korea's ability to continue importations of the most essential materials for its economic survival.

In order to analyze the patterns of trades over years, we plotted annual trade data in Chart 1. In general, both exports and imports were expanding over years, part of which may be attributed to an inflation over years. However, in every year, the imports always exceeded the exports, and the gaps between them remained at the same level. This phenomenon is totally contrary to the basic pattern of economic development. At an onset of economic development, exports and imports converge, after which the exports start to outpace the imports, as were evidenced by the early stages of the South Korean and Chinese economic developments.

In order to evaluate the yearly changes

Chart 1. North Korea's Aggregate Trades

(units : US\$ million)

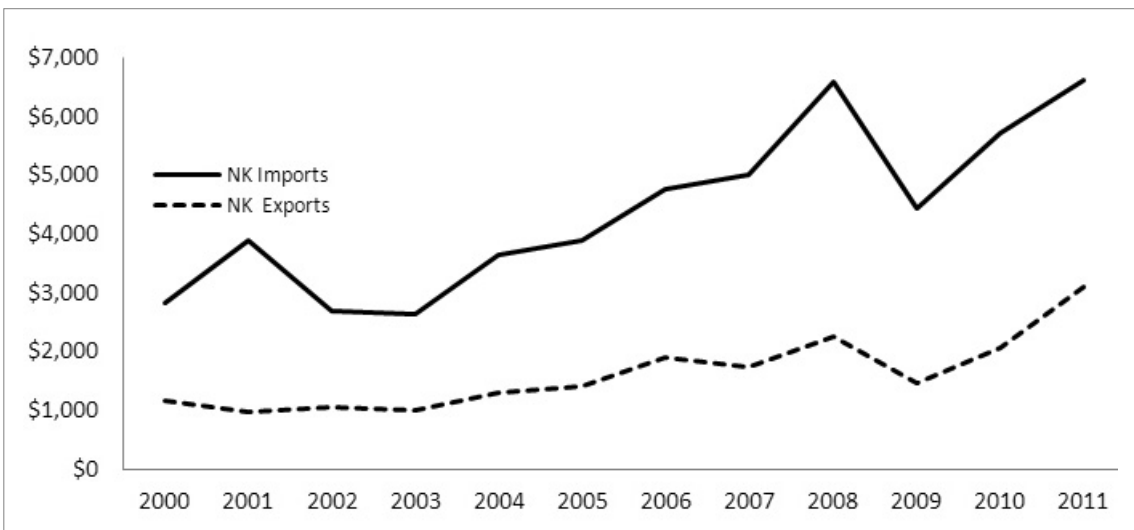
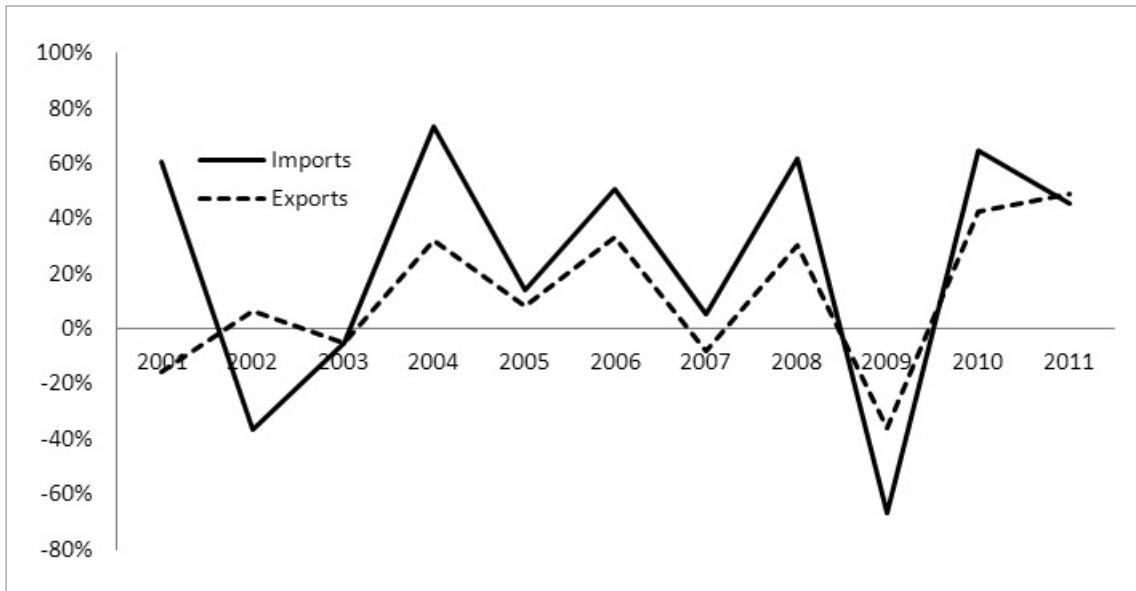


Chart 2. Growth Rates of North Korea's Trades



of the North Korea's trades, we graphed the annual growth rates of its exports and imports in Chart 2. The chart reveals tumultuous fluctuations of both rates over years. For example, the annual growth rates of the exports ranged from the lowest -36% to the highest 40% and for the imports the rates fluctuated between -43% and 76%.

As will be discussed, North Korea's major exports consisted of mainly raw materials, such as coal, dried fish, or pig iron. Why did the exports of such basic commodities fluctuate so widely over years? Without official explanations from North Korea, we can only speculate. One reason might be that North Korea accumulated unpaid debts to such an extent that some of its trade partners simply terminated their trades with North Korea.

However, more likely explanation is

two-fold. First, North Korea's current commercial technology has not kept pace with an increasing necessity to explore deeper into the depleting sources of its raw materials. Second, North Korea's lack of expertise as well as its passive approaches to the foreign trades made her exports very vulnerable to the rapidly changing environments of international trades. Constantly, new developing economies emerge in the world markets and are willing to undersell the similar raw materials as the North Korea's exports.

Severe fluctuations of the North Korea's exports must have imposed seriously adverse constraints on its imports. As can be seen from the Chart 2, the annual growth rates of exports and imports were very closely correlated, especially in terms of their peaks and troughs, indicating that North Korea was allowed to import more

only when she was able to increase its exports. North Korea imports only those goods which are not currently available in its domestic economy. Thus, the frequent interruptions of the North Korea's imports of these critically important goods must have imposed the debilitating bottlenecks for a mere existence, not to mention the growth, of its economy.

III. Trade Partners of North Korea

In the last twelve years, North Korea traded with 176 countries in the world. Table 1 lists the top ten partners in terms of their aggregate (both exports and imports) amounts of trades with North Korea. China was the largest trade partner, accounting for half of the North Korea's

total trades. North Korea also had the largest negative trade balance with China, amounting to \$8 billion. It is almost a certainty that large part of this balance remained simply as an outstanding debt.

Among the countries listed in Table 1, we were especially interested in the North Korea's trades with China, Japan, Russia, and India, because the first three countries were the North Korea's most important former trade partners, and India is a new partner.

With China, in spite of the North Korea's increasing negative trade balances, the trades between the two countries increased almost exponentially in the recent years. This seems to suggest that China's economic support for North Korea has been increasing in the recent periods. We may speculate the motives behind the China's support.

First, historically, North Korea was a

Table 1. Major Trade Partners of North Korea

(units : US\$ million)

Country	NK Exports	NK Imports	Sum	Balance	% of Aggregate Trade
China	\$8,230	\$15,987	\$24,217	-\$7,757	46%
India	\$947	\$3,451	\$4,398	-\$2,504	8%
Japan	\$1,266	\$1,712	\$2,977	-\$446	6%
Brazil	\$1,114	\$1,269	\$2,383	-\$154	5%
Thailand	\$622	\$1,647	\$2,269	-\$1,025	4%
Russia	\$156	\$1,325	\$1,481	-\$1,169	3%
Dominica	\$370	\$630	\$1,000	-\$260	2%
Germany	\$309	\$678	\$987	-\$369	2%
Singapore	\$27	\$767	\$794	-\$741	2%
South Africa	\$20	\$748	\$768	-\$728	1%
NK Total	\$19,437	\$33,357	\$52,794		

direct route of the former foreign invasions into China, and China wants to keep North Korea as a military buffer zone for such eventualities in the future.

Second, there is a large number of ethnic Koreans in China, especially in the border areas between the two countries, who have many immediate relatives currently residing in the North Korean side. On the onset of North Korea's collapse, there will be a mass exodus of the North Korean refugees into China with an abetment of their Chinese relatives. This will incur huge economic burdens as well as serious political problems of minority issues in the border regions of China. Thus, the current economic support for North Korea may be a cheaper insurance for the prevention of such predicament.

Third, especially in recent years, China's support is strongly motivated by economic considerations. Rapidly growing Chinese economy requires a huge amount of raw materials, especially for energy, and China carried out a large number of joint ventures with mineral rich countries in Africa and South America.⁶⁾ China sees North Korea as a very opportune source for such resources due to the North Korea's huge potential reserves of important minerals, its geographical proximity, extremely low wages of its workers, and almost a total lack of competition from other countries.

With Japan, North Korea's trades reflected a love-hate relationship between the two countries. Before 2007, North Korea's annual exports to Japan ranged around \$200 million level, and its imports from Japan reached even to \$1 billion in 2001. Yet, starting from 2007, North Korea's exports to Japan plummeted to almost

zero, and its imports from Japan were reduced to a mere \$9 million level.

In the earlier years, the North Korea-Japan trades were heavily subsidized by the North Korean residents in Japan who were politically sympathetic toward North Korea. However, younger generations of these residents were becoming increasingly indifferent or in fact hostile toward North Korea for its egregiously irrational behavior, and the cash donations declined appreciably.⁷⁾

In addition, the Japanese government, greatly incensed over North Korea's failure to fully account for the status of the abducted Japanese nationals, as well as North Korea's belligerent attitude toward Japan with nuclear weapon and missile developments, significantly restricted its trade with North Korea. It might be also possible that the Japanese government used the North Korea's provocative behavior as a convenient catalyst for the remilitarization which was prohibited by the earlier constitution.⁸⁾ If this trend continues, North Korea's trades with Japan may totally expire in a very near future.

With Russia, North Korea's exports remained rather insignificant at an annual average of \$13 million, whereas its imports from Russia were much larger with an annual average of \$110 million, yet with the turbulent fluctuations over years. In 2000, North Korea's imports from Russia were \$38 million which quickly grew to \$226 million in 2005, but started to decline exponentially to \$99 million in 2011.

Russia's economic relationships with North Korea have been strongly influenced by the perceptions of Russia's individual leaders on the geo-political importance of

North Korea. Before 1990, the U.S.S.R.'s exports to North Korea, mainly petroleum products, were heavily subsidized by the so-called "friendship prices" which were much below the world prices.⁹⁾

However, in 1990, Soviet's president Gorbachev normalized relationship with South Korea and immediately stopped economic and military aid to North Korea. The subsequent president Yeltsin became totally indifferent or hostile to North Korea. However, the new president Putin wanted to reassert the Russian power in Asia and resumed a new economic cooperation with North Korea.¹⁰⁾ A large number of North Korean workers were allowed to work in the Siberian area primarily to pay off the North Korea's outstanding debts to Russia. Now that Putin is back in power again, more friendly economic relationships between North Korea and Russia are expected to be forthcoming.

To compensate for the declining trades with Japan and Russia, North Korea turned to India, which became the North Korea's second most important trade partner in the last twelve years. Since there was no known political or ideological affinity between India and North Korea, it is safe to assume that the trades between the two countries were motivated mainly by the mutual economic interests.

In every year, the North Korea's imports from India were significantly larger than its exports to India. Yet the patterns of the imports and exports were very similar, especially in terms of their peaks and troughs. This seems to suggest that when North Korea was able to increase its exports and pay off at least part of its outstanding debts, North Korea was then

issued additional credits for imports. However, when the outstanding debts reached beyond a tolerable level, North Korea was suddenly denied import credits.

In fact, the patterns of North Korea's trades with other countries without any known political relationships were very similar with the patterns of India. North Korea's expansions of its exports enabled her to increase its imports, whereas North Korea's contractions of its exports immediately resulted in significant declines in its imports. This is a very vicious circle. North Korea imported only domestically unavailable goods for its economic survival. Especially, higher technology goods were essential for the expansions of its export sectors. Denial of these goods resulted in the further reductions in the production of exportable goods, which in turn adversely affected North Korea's abilities to import higher technology goods.

IV. North Korea's Trades in One-digit Commodity Classifications

Table 2 represents the North Korea's exports and imports in terms of the one digit levels. For the exports, the three most important sectors were, as indicated by bold Italic numbers, Sector 7, Machinery and Transport Equipment (26% of the North Korea's total exports), Sector 6, Manufactured Goods (16%), and Sector 3, Mineral Fuels (16%).

On annual basis, the exports of the Sector 7 continuously increased until year 2008 with an annual value of \$832 million, but a year later, the exports precipitately

Table 2. North Korea's Trades in One Digit Commodity Classifications

(unit : US\$ million)

Sector	Descriptions	NK Exports	%	Rank	NK Imports	%	Rank
0	Food and live animals	\$1,890	10%	6	\$4,533	14%	4
1	Beverages and tobacco	\$28	0%	9	\$488	1%	9
2	Crude materials	\$2,291	12%	4	\$2,837	9%	5
3	Mineral fuels	\$3,140	16%	3	\$8,972	27%	1
4	Animal and vegetable oils	\$3	0%	10	\$401	1%	10
5	Chemicals and related products	\$1,281	7%	7	\$2,510	8%	6
6	Manufactured goods	\$3,144	16%	2	\$5,604	17%	2
7	Machinery and transport equipment	\$4,955	26%	1	\$5,297	16%	3
8	Miscellaneous manufactured articles	\$2,129	11%	5	\$2,091	6%	7
9	Commodities not classified	\$545	3%	8	\$522	2%	8
	Total	\$19,406			\$33,256		

declined to \$266 million and thereafter remained around this level. The most likely explanation for such steep decline is that the outputs of this sector were semi-high tech goods, and other developing economies were able to produce similar goods at lower prices and pushed out North Korean goods from the world markets. This sector will be discussed more in details later.

On the other hand, exports of both Sectors 6 (mainly low tech labor intensive goods such as clothing) and Sector 3 (mainly coal) increased over years. Especially, the exports of the Sector 3 increased from a mere \$96 million in 2000 to \$1.2 billion in 2011, more than twelve fold increases in the last twelve years. Rapidly expanding Chinese economy required a huge amount of coal from all over the world and North Korea benefited

from this development. From these analyses, it appears that the North Korea's exports were regressing from a semi-high technology to low and non-technology sectors.

Turning to North Korea's imports, the most important imports were Sector 3, Mineral Fuels, which accounted for 27% of the North Korea's total imports. Almost 92% of mineral fuel imports was petroleum products, such as gasoline and kerosene. This sector was followed by Sector 6, Manufactured Goods (17%), Sector 7, Machinery and Transport Equipment (16%), and Sector 0, Food and Live Animals (14%).

Without any indigenous sources for petroleum, North Korea completely depended upon the imports. The petroleum imports steadily increased over years from \$295 million in 2000 to the peak of

\$1.8 billion in 2008, and then sharply declined to \$757 million a year later.

The most likely explanation for this significant reduction in the petroleum imports is that China significantly reduced its subsidized oil exports to North Korea and Russia's demand for payments by hard currencies instead of the former barter system for its oil exports to North Korea.

Turning to other important imports of North Korea, the imports of both Sector 6 and 7 were gradually increasing over years, doubling their amounts in the last twelve years. However, other study shows that the North Korea's imports of capital goods and advanced machinery, which are an index of economic development of a country, were perhaps the lowest in the world, signifying that North Korea did not make serious efforts for its economic development.¹¹⁾

The imports of Sector 0, Food and Live Animals, reveal an interesting pattern over years. In the year 2000, the annual imports of this sector were \$199 million, which jumped to \$1.2 billion in 2001, yet a year later, it declined to \$281 million and remained around this level in the remaining years.

North Korea's extreme chronic shortage of food, especially grains, is a well known fact, and the country depended on the international humanitarian food aid in order to avoid mass starvation of its ordinary citizens. Yet the country allocated a very low priority for food imports in preference for importations of military hardware and defense industry.¹²⁾ For example, in 1999, North Korea drastically cut the grain imports from the world, whereas at the same time the country appropriated

precious hard currencies to purchase forty Mig-21 fighters and eight military helicopters from Kazakhstan.¹³⁾ Thus, well-intentioned humanitarian food assistances in fact indirectly aided the North Korea's military industry.

North Korea typically blames natural disasters for its food shortage, such as severe floods and droughts. No doubt, they were partially responsible for its agricultural predicaments. However, similar disasters also inflicted South Korea yet without any serious repercussions on its food productions. The main culprit of North Korea's agricultural problem is totally irrational and unscientific agricultural policies dictated by its leadership often during the impromptu field trips.

We may cite the two worst examples of such ad-hoc agricultural policies. The first is a mammoth campaign, so called "nature remaking project" carried out in year 1976 and 1981, which attempted to convert mountains and hills into farm lands by cutting all trees and bushes. During heavy rainfall, the denuded mountains deposited dirt, sand, even boulders into nearby rivers and reservoirs, thus significantly raising their bottoms and reducing their capacities to hold water. As a consequence, even mild rain causes a severe flood and a slight drought results in the shortage of irrigation water.

The second example is the 1966 goat breeding policy for its meat and milk. Goat is not an indigenous animal of North Korea and had to be imported to be bred on high mountains by subsisting on shrubs. Initially, the policy was successful, yet the goats quickly devoured all the remaining bushes and further aggravated the agricul-

tural problems.¹⁴⁾

V. Summary and Conclusions

This study indicates that the patterns of the North Korea's foreign trades have not changed in any significant ways from the past. Instead of actively promoting the trades as a major instrument of economic development, North Korea maintained a very passive approach to the trades basically as means for exchanges of goods. Without a proper and comprehensive coordination, North Korea simply reacted belatedly to the constantly changing world markets, and this put the North Korea's trades at great disadvantages.

The country imported the most vital commodities not available domestically for its economic survival, especially gasoline and high tech machineries, and exported the goods that its trade partners were willing to purchase from North Korea, mainly raw materials and clothing. With the dwindling sources of raw materials, coupled with primitive technology to explore the sources deeper, the North Korea's exports suffered significantly in the recent periods, which in turn reduced the country's ability to import those indispensable products for its economic survival, a vicious circle which remained as a core cause for the country's economic stagnation.

What are the causes for this passivity of North Korea's foreign trades?

The first culprit is the country's pervasively unique political ideology known as "Juche" or a complete economic self-sufficiency, which treats its foreign trades as a temporary evil to provide its economic

needs until a complete self-sufficiency. However, as North Korea's economy progressed, its vital economic needs were ever increasing and its dependency on the foreign trades became permanent rather than diminishing. Yet, the country was not able to discard its facade of the eventual economic self-sufficiency. Consequently, the country did not attempt to introduce the most successful economic policy of the import substitutions in order to minimize its dependency upon imports.

The second is that formerly North Korea was a highly pampered economy by the socialist world. Along with East Germany, North Korea was a frontier of the cold war between the two super powers and was given a massive economic aid by the socialist world. In hindsight, this was a curse in disguise. Like an infant industry syndrome, a protected economy never wishes to grow out of its cocoon. Nobody, least of all North Korea, could have expected such a sudden and complete disintegration of the socialist world and an immediate termination of most of the aid. Totally unprepared, North Korea simply resorted to ad-hoc remedies to mitigate its economic predicaments, even to this day.

The third is almost a paranoid fear of its leadership for contamination of its people with foreign ideas through enhanced trades. Such contamination may reveal to its people the unnecessary and inhuman poverty of the country in the contemporary world as a consequence of totally unscientific and irrational economic policies of its leaderships. Consequently, the trades were carried out on the needs only basis by small groups of the government employ-

ees.

Yet the worst culprit is its hereditary political leaderships. Since the legitimacy of each successive leader is derived from the previous leaders, the new leader cannot denounce the policies of the previous leaders. As a consequence, new economic policies simply attempt to justify and protect the old policies even with egregious fundamental defects. Over time, each layer of new policies solidified as well as magnified these defects. The “*juche*” was the policy of the founding leader and was maintained by the subsequent leaders although with a lesser enthusiasm.

In order to preserve the current leadership and system, the country devotes an enormous amount of its resources to its military, including nuclear weaponry. The military is economically totally unproductive entity and imposes almost unbearable burdens on the North Korea’s economy.

This is a very unfortunate situation, because North Korea possesses all necessary ingredients for a rapid and high level of economic development. Its labor force is highly educated and strongly motivated for any arduous works at very low wages.

North Korea has a very large deposit of important industrial minerals, such as gold, silver, iron ore, and even molybdenum, a very rare mineral which is used to make heat-resistant aircraft parts and electrical contacts, as well as potential reserve of crude oils. The values of these minerals were estimated to be 140 times of the North Korea’s current GDP of \$40 billion, or \$5.6 trillion.¹⁵⁾ Therefore, if properly mined, these minerals alone may put the North Korea’s economy almost at a par with the South Korean economy with the

current GDP of \$1.6 trillion.

Then why does North Korea hesitate to exploit these mineral resources? Simply put, the country does not possess the necessary technologies and machineries to do so. The only other option is joint ventures with other countries with such expertise, including South Korea. Yet, the leadership’s extreme xenophobia, especially the fear of potential impacts of the industrialized countries upon its own people, discourages any large such ventures, except for the limited joint ventures with China, especially for mining the North Korea’s molybdenum.

China is the largest producer as well as exporter of molybdenum. With the exponentially expanding world demand for the mineral, its price skyrocketed in the recent periods. Had North Korea produced and directly exported the mineral, the country could have enjoyed huge economic benefits from the mineral. Instead, the North Korean minerals are exported indirectly through China at a great economic disadvantage to North Korea.

Once the North Korea’s economy is put on a proper trajectory toward economic growth, the country may quickly emulate the current growth rate of China. The most critical step toward this development is an economic reform, however slowly, from the current defunct economy to a rational system of the proven path. However, this reform should not be imposed by outsiders, which will most likely lead to a new war with almost unimaginable costs of human lives and materials.¹⁶⁾

The reform has to be initiated internally by its leadership or preferably by its people. Outsiders can only wait patiently, yet

with continual efforts to encourage cultural, economic, academic and political exchanges of its people with the outside world.

Notes

- 1) In 1969, military skirmishes between China and the U.S.S.R. convinced Mao of China that an invasion by the U.S.S.R. into China was imminent and ordered constructions of massive underground air shelters in Beijing. North Korea then relied on military assistance from the U.S.S.R. and economic aid from China, and it was imperative not to take a side between the two feuding benefactors. For the intensity of the feud, see a memoir of Mao's personal physician, Li Zhisui, *The Private Life of Chairman Mao*, New York: Random House, 1994, p. 514.
- 2) Often, these statistics are greatly inflated to impress foreign and domestic audiences, as well as concealments of failures by economic planners. For further discussion on this point, see Nicholas Everstadt, *The North Korean Economy Between Crisis & Catastrophe*, New Brunswick: Transaction Publisher, 2007, p. 21.
- 3) The U.N. data are available from International Merchandise Trade Statistics, U.N. Statistics Division, annually. For an analysis of the North Korea's trades for earlier years, see, Sungwoo Kim, "North Korea's Foreign Trade with the World between 1980 and 1994," *World Competition*, June 1996, pp. 69-80.
- 4) Kim Jung-ho, "Demand for foreign currencies in North Korea and the North's measures to meet that demand," *Vantage Point*, May 2012, pp. 47-56.
- 5) Bruce E. Bechtol, *Red rogue, The Persistent Challenge of North Korea*, Washington, DC: Potomac Books, 2007, p. 6 and p. 89.
- 6) For a pattern of China's economic growth, see for example, Sungwoo Kim, "China's Economic Growth between 1991 and 2009 and its Comparison with Japan" *Asian Profile*, forthcoming.
- 7) In the past, the pro-Pyongyang General Association of Korean Residents in Japan served as an intermediary for generous financial subsidies of the Korean residents in Japan for North Korea. See, Nicholas Eberstadt, *The End of North Korea*, Washington, DC: AEI Press, 1999, p. 98.
- 8) Tim Beal, *Crisis in America, China, and the Risk of War*, London: Pluto Press, 2011, p. 48.
- 9) Glyn Ford with Soyoung Kwon, *North Korea on the Brink, Struggle for Survival*, London: Pluto Press, 2008, p. 112.
- 10) Victor Cha, *The Impossible State, North Korea, Past and Future*, New York: Harper Collins, 2012, p. 359.
- 11) Nicholas Eberstadt (1999), *op.cit.*, p. 102.
- 12) North Korea's economy consists of two distinctive industries, defense and civilian sectors. The defense industry exports such advanced weaponry as heavy tanks, submarines, and missiles, and accounts for 30% of the country's GNP and thus claims a priority for hard currency allocations. See, Sungwoo Kim, "Recent Economic Policies of North Korea: Analysis and Recommendations," *Asian Survey*, September 1993, pp. 864-878.
- 13) Stephan Haggard and Marcus Noland, *Famine in North Korea, Markets, Aid, and Reform*, New York: Columbia University Press, 2007, p. 50.
- 14) Victor Cha, *op.cit.*, p.110.
- 15) Victor Cha, *op.cit.*, p.111.
- 16) One study estimates that a new war in Korea would result in 30,000 to 50,000 South Korean and American military casualties in the first ninety days of the war, along with enormous number of civilian casualties as well as a colossal physical damage to the South Korean economy. Tim Beal, *op.cit.*, p. 187.

Obama Signs N. Korean Human Rights Act Extending Until 2017

<Yonhap from WASHINGTON/ August 17, 2012>

— U.S. President Barack Obama on Aug. 17 signed into law legislation aimed at promoting human rights in North Korea, according to the White House.

— The law, which passed Congress with overwhelming bipartisan support, extends until 2017 the authority of the North Korean Human Rights Act of 2004. It is meant to put pressure on Pyongyang on the issues of human rights, democracy, refugee protection and freedom of information.

— It is the legal ground for the U.S. government's financial support for radio stations broadcasting into North Korea and the appointment of a special envoy on the North's human rights issues.

— The act also urges the U.S. government to demand China immediately halt its forcible repatriation of North Koreans, saying "there are genuine refugees among North Koreans fleeing into China who face severe punishments upon their forcible return."

N. Korea's Mineral Resources Potentially Worth \$9.7 Trillion

<Yonhap from SEOUL/ August 26, 2012>

— The potential value of North Korea's underground mineral resources is estimated at more than 11 quadrillion won (US\$9.7 trillion) as of this year, a report by a private think tank showed on Aug. 26.

— The findings are based on the potential value and commercial prices of 18 key minerals in the socialist country, the Seoul-based North Korea Resource Institute (NKRI) said.

— The figure is much higher than a 7 quadrillion won estimate released by state-run Korea Resources Corp. in 2010, which calculated the value of resources based on 2008 market prices. "The 4 quadrillion won gap is mainly due to a sharp rise in global prices for raw materials," Choi Kyung-soo, head of the institute said.

— Based on the latest estimates, he said, the value of North Korea's mineral resources is roughly 21 times larger than those of South Korea, which stands at \$456.3 billion for this year.

'Significant Progress' in North Korea's New Nuclear Reactor: IAEA

<Yonhap from WASHINGTON/ August 30, 2012>

— The U.N. nuclear watchdog said on Aug. 30 that North Korea has made "significant progress" in the construction of a new light-water reactor (LWR).

— In a new report, the International Atomic Energy Agency (IAEA) said the dome has been placed on a reactor containment building in the secretive nation's main nuclear complex in Yongbyon.

— "There have been indications that some components may have been installed inside the building and a system for pumping water from the river to the LWR for cooling purposes has also been built," the agency said.

— IAEA's assessment is in line with various previous reports, based on commercial satel-

lite imagery, about the development of Pyongyang's new uranium enrichment facilities. "Deeply troubling" are the socialist country's statements about uranium enrichment activities and the construction of the reactor, added IAEA.

North Korea, China Agree on Joint Use of Chongjin Port: Report

<Yonhap from SHENYANG, China/ September 10, 2012>

— A Chinese company has been allowed to share the rights to use a northeastern North Korean harbor in a deal with Pyongyang, a move expected to accelerate China's forays into the East Sea, a report said on Sept. 10.

— The North forged the agreement on the use of the port of Chongjin with the private firm based in the city of Tumen, Jilin Province, on Sept. 1, according to China's Korean-language press *Yanbian Daily*, which caters to ethnic Koreans living in China.

— Under the deal, Pyongyang and the company established a joint venture in charge of managing and utilizing two piers in Chongjin Port for the coming 30 years, the news report said. The Chinese firm invested nearly 9,430,000 euro (US\$12 million) in the port-sharing deal, or over 60 percent of the total capital, according to the newspaper.

U.S. House Passes Bill on Adoption of North Korean Orphans

<Yonhap from WASHINGTON/ September 11, 2012>

— The United States House of Representatives passed a bill on Sept. 11 aimed at encouraging U.S. families to adopt North Korean children.

— The bill calls for the U.S. secretary of state to develop a strategy to facilitate the adoption of orphaned North Korean refugee children by families here. Under the legislation, the secretary would have to issue a report on the strategy within 180 days of enactment.

— The bill, introduced by Rep. Ed Royce (R-CA) in 2011, says, "Thousands of North Korean children do not have families and are threatened with starvation and disease if they remain in North Korea or as stateless refugees in surrounding countries; and thousands of United States citizens would welcome the opportunity to adopt North Korean orphans living outside North Korea as de facto stateless refugees."

Group of Writers from N. Korea Joins PEN International

<Yonhap from SEOUL/ September 14, 2012>

— A group of writers who defected from North Korea gained membership on Friday to PEN International, a London-based worldwide association of writers pursuing freedom of expression, the group said.

— PEN International approved the establishment of a PEN center for writers who fled North Korea during the 78th PEN International Congress held in the South Korean tourist city of Gyeongju, southeast of Seoul. It became the 144th center of PEN International.

— "We will make efforts to encourage more writing critical of the North Korean regime and teach novice writers," Jang Hae-sung, head of the PEN center for North Korean writers, said.

PEOPLE

Kim Jong-un (김정은) : Supreme Commander of the (North) Korean People's Army, First Secretary of the Workers' Party of (North) Korea (WPK), First Chairman of the National Defense Commission (NDC)

- Aug. 18 inspects defense detachments stationed in Jangjae islet, the biggest hot spot in the southwest front of the country.
- 23 orders the servicemen during an inspection of military units to deal immediate and deadly counter-blows to the enemy if even a single shell is dropped on the waters or in the territory of DPRK (North Korea).
- 24 inspects the Thrice Three-Revolution Red Flag Kamnamu Company under the KPA Unit 4302 .
- 28 inspects the command of KPA large combined Unit 313 and a unit under it standing guard over the eastern sector of the front.
- Sept. 1 inspects newly-built e-library at the Exhibition of Arms and Equipment of the KPA.
- 2 sends a wreath to the bier of O Ik-je, vice chairman of the Committee for the Peaceful Reunification of (North) Korea and Advisor to the Central Committee of the Chondoist Association of (North) Korea, who died on Sept. 1 at the age of 83.
- 2 conducts field guidance of the expanded Taedong River Tile Factory.
- 2 attends a concert of the brass band of the KPA, accompanied by his wife Ri Sol-ju and military leaders.
- 8 receives a congratulatory message from Chinese President Hu Jintao on the 64th founding anniversary of the DPRK.

Kim Yong-nam (김영남): President of the Presidium of the Supreme People's Assembly (SPA)

- Aug. 23 meets with Giancarlo Elia Valori, chairman of the Italian General Investment Group, at Mansudae Assembly Hall in Pyongyang.
- 24 meets with Morteza Moradian, outgoing Iranian ambassador to the DPRK, at the Mansudae Assembly Hall.
- 28 visits Tehran, Iran, to take part in the 16th summit of non-aligned countries and to pay an official goodwill visit to Iran. He on Aug. 30 makes a speech at the Summit and on -Sept. 4 Sept. 1 holds talks with Iranian President Mahamoud Admadinejad.
- 10 meets with a visiting military delegation from the Revolutionary Armed Forces of Cuba.
- 13 receives credentials from Nigerian Ambassador to the DPRK Nwofe Alexander at the Mansudae Assembly Hall.

Choe Yong-rim (최영림) : Premier

- Aug. 16 visits Sukchon County, South Phyongan Province, to learn about its farming.
- 23 inspects Hyangsan and Kujang counties in North Phyongan Province to inspect the flood damage and the recovery operations.

- Sept. 8 makes a speech in the national meeting to celebrate the 64th founding anniversary of the DPRK.
- 11 visits flood-stricken Komdok area and called for united efforts to recover from flood damage.

Jang Song-thaek (정성택) : Director of the WPK and Vice Chairman of the NDC

- Aug. 18 returns home after wrapping up six day visit starting Aug. 13. During the stay in Beijing, he on Aug. 17 met with China's President Hu Jintao and Premier Wen Jiabao.
- 8 accompanies North Korean leader Kim Jong-un as he visited the Kumsusan Palace of the Sun to pay tribute to Kim Il-sung and Kim Jong-il.

Yang Hyong-sop (양형섭), Vice President of the SPA Presidium

- Sept. 13 meets with a Chinese youth friendship delegation headed by Wang Hongyan, member of the Secretariat of the Central Committee of the Communist Youth League of China, at the Mansudae Assembly Hall when it paid a courtesy call on him.

Pak Ui-chun (박의춘) : Foreign Minister

- Aug. 22 hosts a reception to mark the 45th anniversary of ASEAN.
- 25 leaves Pyongyang to participate in a ministerial meeting to be held before the 16th summit of the non-aligned countries in Iran.
- Sept. 4 returns home after participating in a ministerial meeting held before the 16th summit of the non-aligned countries in Iran.
- 6 meets Pratap Singh, Indian ambassador to the DPRK, who paid a farewell visit to Pak.

CHRONOLOGICAL REVIEW

(Local Events)

- Aug. 17 A national exhibition of sci-tech achievements by young Koreans opens with due ceremony at the Three-Revolution Exhibition in Pyongyang.
- 18 The KCNA says the defense detachment of the KPA on Mu Islet and artillery piece No. 1 of a coast artillery company of the detachment were awarded the title of DPRK hero along with a gold star medal and Order of National Flag First Class under a decree of the SPA Presidium.
- 18 Jon Sung-hun (전승훈) is appointed as vice premier of the Cabinet, according to a decree of the SPA Presidium.
- 21 The Panmunjom Mission of the KPA issues a statement calling the military drills of South Korea and the U.S. intolerable actions that go against Koreans' desire and wish for national reconciliation, unity and reunification.
- 24 A national meeting is held at the April 25 House of Culture in Pyongyang to mark the

- 52nd anniversary of the late North Korean leader Kim Jong-il's start of the Songun (military-first) revolutionary leadership.
- Aug. 24 North Korea erects statues of its late leaders, Kim Il-sung and Kim Jong-il, at the building of the Ministry of People's Armed Forces.
- 25 The Central Military Commission of the WPK and the NDC host a banquet on the occasion of the 52nd anniversary of leader Kim Jong-il's start of the Songun revolutionary leadership.
- 27 A national meeting celebrating Youth Day takes place at the Pyongyang Indoor Stadium, with Choe Ryong-hae, director of the General Political Bureau of the KPA; Hyon Yong-chol, chief of the General Staff of the KPA, attending.
- 27 The 12th national exhibition of inventions and new technologies opens with due ceremony at the Three-Revolution Exhibition in Pyongyang.
- 28 The KCNA reports an International Commerce and Trade Center is to be built in Rason.
- 30 A national scientific and technological forum in the field of environmental conservation is held at the Grand People's Study House in Pyongyang for two days starting Aug. 29.
- 31 A new railway line branching into the Taedong River Combined Fruit Processing Factory becomes operational with due ceremony.
- Sept. 1 O Ik-je (오익제), vice chairman of the Committee for the Peaceful Reunification of Korea and advisor to the Central Guidance Committee of the Chondoist Association of (North) Korea, dies at 83.
- 4 The 7th National Martial Arts Championship for September 10 Prize opens with due ceremony at the Taekwon-do Hall in Pyongyang.
- 4 The (North) Korean Central Broadcasting TV Station reports the 13th Education Program Competition opened at the Electronic Library of Kim Il-sung University in Pyongyang.
- 4-6 The KCNA reports a national farm machine exhibition and a meeting of inventors took place in Sukchon County, South Phyongan Province
- 5 The SPA Presidium decides to convene the 12th SPA session in Pyongyang on Sept. 25.
- 6 An event to observe World First Aid Day is held at the Pyongyang Secondary School No. 1.
- 7 The 14th national exhibition of scientific and technological achievements in public health opens with due ceremony in the Hall of New Technology and Innovation of the Three Revolution Exhibition in Pyongyang.
- 7 A mosaic depicting Kim Il-sung and Kim Jong-il is erected in Thongil Street in Pyongyang.
- 7 The SPA Presidium confers a National Reunification Prize upon the late Moon Sun-myung (문선명), president of the World Peace Federation.
- 8 A national meeting is held at the April 25 House of Culture in Pyongyang to celebrate the 64th founding birthday of the DPRK.
- 9 A banquet is held at the People's Palace of Culture in Pyongyang to mark the 64th founding anniversary of the DPRK.

- Sept. 10 Kim Un-hwa, the North's top scorer at the 2012 U-20 Women's World Cup, receives a gold boot at the 2012 U-20 Women's World Cup.
- 10 A ceremony to inaugurate the Pengnian Light Action charity in the DPRK takes place at the Pyongyang Ophthalmology Hospital.
- 11 Construction of Pyongyang Folk Park is completed in the area of Mt. Taesong with Premier Choe Yong-rim and other North Korean dignitaries attending.
- 14 The 9th national folk games of agricultural workers closes after ending a 3-day run starting Sept. 12 to celebrate the 64th founding anniversary of the DPRK.
- 14 A national floricultural show opens with due ceremony at the April 15 Children's Flower Garden.
- 14 The 10th National Ssirum (Korean wrestling) Tournament for the Grand Bull Prize begins on Rungna Islet, Pyongyang.
- 15 A groundbreaking ceremony for the construction of the management board for the Hwanggumphyong Economic Zone, to be jointly developed and run by the DPRK and China, takes place on Hwanggumphyong Islet.

(Foreign Events)

- Aug. 16 A delegation from the Olympic Committee returns home after attending the London Olympics.
- 17 A delegation from the DPRK-Russia Friendship Association led by So Ho-won (서호원), vice chairman of the (North) Korean Committee for Cultural Relations with Foreign Countries, and a delegation from the General Bureau of Diplomatic Corps Affairs led by Deputy General Director Han Yong-bok (한영복) leave Pyongyang to visit the Amur Region of the Russian Federation.
- 17 The KCNA says the issue of sexual slavery for the Japanese army during World War II remains unsettled still, although 67 years have passed since the Japanese imperialists suffered defeat in the war.
- 20-27 The second Rason International Trade Fair opens with due ceremony in Rason. More than 110 groups from North Korea, China, Russia, and Sweden presented electrical and electronical products, vehicles, light industrial goods and medical products for the fair.
- 22 The Foreign Ministry hosts a reception to mark the 45th anniversary of ASEAN.
- 23 Glyn Ford, a member of the National Policy Forum of the British Labour Party, arrives in Pyongyang for a visit.
- 24 The Order of DPRK Friendship Second Class is awarded to Morteza Moradian, Iranian ambassador to the DPRK.
- 27 The 26th Pyongyang International Invitational Table Tennis Tournament opens with due ceremony at the Table-Tennis Gymnasium in Chongchun Street in Pyongyang.
- 28 A delegation from the Ministry of Foreign Affairs of Malaysia led by Secretary-General Tan Sri Mohamad Radzi Abdul Rahman arrived in Pyongyang.
- 29 Vice Premier Kang Sok-ju (강석주) meets with the Vietnamese government economic delegation headed by Nguyen Thanh Bien, vice minister of Industry and Trade, which paid a courtesy call on him at the Mansudae Assembly Hall.

- Aug. 29 A delegation led by Vice Minister of Electric Power Industry Kim Yong-chol (김영철), president of the DPRK side of the board of directors of the DPRK-China Hydroelectric Power Company, leaves Pyongyang to take part in a ceremony for the completion of facilities to prevent flood damage of the Suphung Power Station to be held in China.
- 29 The minutes of the 8th meeting of the inter-governmental economic, scientific and technological cooperation committee between the DPRK and Vietnam are signed in Pyongyang.
- 30 An MOU on cooperation between the DPRK Ministry of Foreign Affairs, and the Fijian Ministry of Foreign Affairs and International Cooperation is signed in Tehran, Iran.
- Sept. 1 Minister of Public Health Choe Chang-sik (최창식) leaves Pyongyang to take part in the 30th Meeting of Health Ministers of Southeast Asian Regional Countries of the World Health Organization (WHO) and its 65th General Assembly to be held in Indonesia.
- 1 An MOU on cooperation in science, technology and education between the governments of the DPRK and Iran is signed in Tehran.
- 4 British Ambassador to the DPRK Karen Suzanne Wolstenholme throws a reception to celebrate the successes at the 30th Olympic Games in London.
- 5 So Kil-bok (서길복), vice minister of foreign trade, leaves Pyongyang for Changchun, China, to attend the eighth Jilin Northeast Asia trade-investment fair and the sixth high-level talks on Northeast Asia economic trade joint venture.
- 5 A foreign ministry spokesman says it is a “sheer lie” that Japanese political and media sectors are saying North Korea accepted the inclusion of “abduction issues” in the main agenda items of governmental talks between North Korea and Japan in Beijing.
- 5 A foreign ministry spokesman denounces the United States and the International Atomic Energy Agency for “pulling up” the DPRK over its light water reactor construction.
- 6 Military delegations from the KPA and the Cuban Revolutionary Armed Forces hold talks in Pyongyang.
- 6 The WPK Central Committee hosts a reception in honor of Osvaldo Napoli, vice president of the Parliamentary Group of the Popular Liberty of the Chamber of Deputies of Italy, at the Koryo Hotel in Pyongyang.
- 9 Foreign delegations and delegates arrive in Pyongyang to take part in the 8th Pyongyang international scientific and technological book exhibition.
- 10-12 The 8th Pyongyang International Science and Technology Book Fair is held with due ceremony at the Grand People’s Study House in Pyongyang.
- 12 North Korea refuses to accept South Korea’s flood relief aid as the two countries failed to nail down what types of aid items should be given.
- 12 The KCNA denounces South Korean military’s “basic plan for defense reform” as a “grave provocative act of inciting extreme hostility toward the DPRK.”
- 12 The KCNA says the KPA command threatened it would “turn the West Sea of Korea into the final grave of the provokers if the South Korean warmongers made a reckless military provocation.”

- Sept. 13 Cuban Ambassador to the DPRK German Hermin Ferras Alvarez hosts a reception at his embassy to celebrate the 64th anniversary of the DPRK.
- 15 A delegation from the State Academy of Sciences led by Vice President Ri Chol-jin (리철진) leaves Pyongyang to take part in the 12th World Conference of Academies of Sciences of Developing Countries to be held in China.
- 15 A delegation from the Red Cross Society led by Paek Yong-ho (백영호), vice chairman of its Central Committee, returns home after participating in meetings of the International Federation of Red Cross and Red Crescent Societies in China.

Publisher : Park Jung-chan

Managing Editor : Kim Jin-hyung

Editor : Kwak Seung-ji

Staff Writers : Lee Kwang-ho, Kim Tae-shik

Copyreaders : Adam Lipper, Elaine Ayo, Tracie Barrett, Kimberly Campbell

Contributors : Kim Min Gi, Nam Hyun-woo

Subscription inquiries and address changes should be mailed to : The Editor, **VANTAGE POINT**

YONHAP NEWS AGENCY, 67 Center One Bldg. Suha-dong, Jung-gu, Seoul, 100-210, Korea

P.O. Box Kwanghwamoon 1039, Korea Tel : 82-2-398-3519 Fax : 82-2-398-3463

Internet Address : <http://www.yna.co.kr>

E-mail Address : vpnk@yna.co.kr

Subscription rates (mailing cost included) : US\$70.00 for one year, US\$7.00 per copy

VOL. 35 NO. 10 Copyrights © 2012 by **YONHAP NEWS AGENCY**

Publication Registration No : Culture RA-08259

Printed by The Korea Herald Company, Seoul, Korea
