Korea Chair Monitor

July 11 -July 24, 2013

The Korea Chair team takes a biweekly look back at events of interest in Washington, Seoul and the region.

NORTH KOREA

Panama Interdicts a North Korean Vessel

Panamanian officials requested a UN investigation on July 18 in order to determine whether North Korea's Chong Chon Gang shipment violated existing sanctions prohibiting the import and export of weapons to North Korea. The 1718 Security Council Sanctions Committee will send a team of five experts to Panama on August 5. On July 23, Panamanian officials confirmed the MiG-21 components were parts of dismembered but complete sets of two fighter jets that were built in late 1950s.

DPRK Food Crisis

On July 12, the UN Food and Agriculture Organization's report estimated that 2.8 million North Korean citizens will need food assistance from now until the October 2013 harvest. Korea Rural Economic Institute analyst Kwon Tae-jin cited North Korea's failed distribution system as the cause for the country's chronic food shortages despite improving harvests. On July 18, the UN Office for the Coordination of Humanitarian Affairs announced plans to allocate an additional US$6 million to North Korea after grain shortages led to the shutdown of five food processing factories.

REGIONAL RELATIONS

ROK, U.S. and China "Track 1.5" Meeting on North Korea Policy

The Korea National Diplomatic Academy's Institute of Foreign Affairs and National Security hosted a "Track 1.5" meeting in Seoul with the Center for Strategic and International Studies and the China Institute of International Studies. Dr. Victor Cha led the CSIS delegation, which participated in a day-long seminar focused on three sessions of discussion on peace and stability on the Korean peninsula, denuclearization, and trust-building in Northeast Asia.

U.S.-ROK RELATIONS

South Korea Requests Purchase of U.S. Air-to-Air Missiles

On July 22, the U.S. Defense Department's Defense Security Cooperation Agency (DSCA) notified the U.S. Congress that South Korea has requested to buy a total of 260 AIM-120C-7 AMRAAM missiles with an estimated budget of $452 million. AIM-120C-7 AMRAAM is a mid-range, air-to-air missile that is capable of operating in all weather conditions, and it will be installed on KF-16 and F-15K aircrafts. The DSCA reported that the sale will support the OPCON transition in 2015.

The 60th anniversary of the Korean War Armistice

Saturday, July 27, will mark the 60 year anniversary of the Korean War Armistice. A ceremony to commemorate the veterans of the Korean War will be held at the Korean War Veterans Memorial in Washington, DC. President Obama will deliver remarks at the ceremony. He will be the first U.S. president to join the armistice commemoration. In Seoul, the ROK Foreign Ministry invited ambassadors from 22 combatant nations to a special reception in commemoration of the armistice on July 24. This is the first time that the foreign minister hosted an event to thank the ambassadors of combatant nations. Photo Credit: Kevin Burkett flickr photostream, used under creative commons license.

USFK breaks ground at new headquarters

On Thursday, July 17, the United States Forces Korea held a ground-breaking ceremony at Camp Humphrey for the relocation of its headquarters to the Pyeongtaek provincial city. Photo credit: USAG-Humphreys' flickr photo stream, used under creative commons license.

U.S.-ROK RELATIONS

Special Measures Agreement

The South Korean and U.S. delegations met in Seoul on July 23 and 24 for the second round of talks on the renewal of the Special Measures Agreement (SMA), first signed in 1991 to share the cost of operating U.S. Forces Korea (USFK).

ROK Ambassador to the United States

On July 18, Ambassador Ahn Ho-young presented his credentials at the Credentialing Ceremony in the White House Oval Room.

Cyber Security Dialogue

Ambassador for International Security Affairs Choi Sung-joo and his U.S. counterpart Christopher Painter, first coordinator of the U.S. Secretary of State for Cyber Issues, participated in the Second Cyber Policy Consultation on July 15 in Washington. The ROK has taken steps to increase the security of cyberspace after ROK government websites came under attack on June 25.

SOUTH KOREAN ECONOMICS AND POLITICS

South Korea is the World's Seventh Largest Exporter

On July 18, the World Trade Organization released its 2013 World Trade Report. According to the report, Korea's exports ranked seventh in the world while imports ranked nineth in 2012.

Average Working Hours Decline in Korea

On July 15, a survey conducted from July 3 to July 9 by the employment search engine Job Korea reported the average working hour per day in South Korea was 9 hours and 26 minutes in 2013. This is approximately 40 minutes less than the 2008 results.

A Parliamentary Probe into the NIS

A parliamentary probe began July 24 into the National Intelligence Service's alleged intervention in the 2012 presidential election.

Korea-EU FTA, EU Exports Increase, Imports Decrease

On July 16, Eurostat reported that EU exports to South Korea increased 5 percent, from US$15.9 billion to US$16.6 billion, in the first quarter of 2013. During the same period, imports decreased 2 percent indicating that FTA implementation has been more beneficial to the EU. In the long run, however, both sides anticipate the trade deal will be mutually beneficial.

INTER-KOREAN RELATIONS

Two Koreas' Economies

According to a July 12 Bank of Korea report, North Korea's nominal Gross National Income (GNI) was estimated at KRW33.5 trillion in 2012. South Korea's GNI was KRW1279.5 trillion in 2012, about 38 times larger than that of the North's. The 2012 per capita GNI of the North and the South was KRW1.37 million and KRW25.58 million, respectively.

China bans fishing in North Korean waters

China's Ministry of Agriculture banned Chinese fishing in North Korean waters after negotiations collapsed at the end of June between the Chinese Distant Water Fishery Association and the North Korea Common Fishery Association to renew a 2004 agreement that allowed Chinese fishermen to fish for an annual fee. Photo Credit: felibrilu's flickr photostream, used with creative commons license.

2008 Asian Football Confederation Women's Cup

Pictured above after winning the 2008 Asian Football Confederation (AFC) Women's Cup, North Korea's soccer team beat the South Korean team with a score of 2:1 on July 21 during this year's East Asian Cup. The team arrived in Seoul through Beijing on July 18 and will depart on July 28. The 2013 games started on July 20th and will conclude July 28th. Photo Credit: SinoNK.

INTER-KOREAN RELATIONS

Kaesong Talks

Beginning from the third round of talks held on July 15, Kim Ki-woong, head of the Ministry of Unification's Inter-Korean Cooperation District Support Directorate led South Korea's delegation. The third, fourth, and fifth talks ended without the two sides reaching an agreement. South Korea's demand for safeguards and North Korea's insistence on the swift resumption of operations continue to be the greatest sticking point for negotiations. The sixth round of talks will be held on July 25.

ROK Foreign Ministry Considers a Special Team for DPRK Refugees

South Korea's foreign ministry is in talks with the Ministry of Security and Public Administration about potentially establishing a team specifically assigned to deal with North Korean refugees. In response to recent criticisms, the foreign ministry is seeking to redress the current arrangement in which a regional department only reacts to events such as the recent repatriation of the young nine North Korean refugees.

ROK-JAPAN RELATIONS

Kim Kyou-hyun Calls for Improved Relations with Japan

ROK First Vice Foreign Minister Kim Kyou-hyun was in Japan on a three-day trip to attend the opening ceremony of a new building for the South Korean embassy in Tokyo from July 17 to 19. During his visit, he also met with Japanese Foreign Minister Fumio Kishida on July 18 in Tokyo, where he expressed hope for improved bilateral relations between the Park and Abe governments.

2013 Arirang Mass Games held in North Korea

On July 23, North Korea kicked off its annual Arirang Mass Games and will hold five events every week until the end of the festivities on September 9. Photo Credit: North Korea's KCNA News Agency.

Thank you to Youmin Kim!

The Korea Chair team bids farewell to our research intern, Youmin Kim, this Friday. She will be returning to university in Seoul. Over the summer semester, Youmin has been covering South Korea's domestic politics and economics for the *Korea Chair Monitor*. Photo Credit: ASAN Academy

Looking Ahead

Our Friday morning preview of events to watch in the weeks ahead.

- **July 18-28** | The North Korean women's national football team will be in South Korea to participate in the East Asian Cup Tournament.
- **July 25-28** | Chinese Vice President Li Yuanchao will go to North Korea to participate in celebrations for the 60th anniversary of the Korean War armistice, the highest ranking Chinese official to go to Pyongyang since Li Jianguo in November 2012.
- **July 30-31** | Deputy Defense Minister Lim Kwan-bin will meet his U.S. counter-part, Defense Deputy Assistant Secretary for East Asia David Helvey, to discuss the 2015 OPCON transition at the Korea-U.S. Integrated Defense Dialogue in Seoul.
- **July 30 – August 2** | The second round of the China-Japan-Korea free trade agreement will be held in China.

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