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South Korea-North Korea Relations: Will a "Good Season" Ever Come?



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With Jang Song Thaek's blood still fresh on the snow, it hardly needs emphasizing that the main event in North Korea in the last four months of 2013 was internal rather than external. The sudden, public, and brutal purge and dispatch of the young leader Kim Jong Un's uncle-by-marriage and erstwhile mentor sent shock waves around the world, and doubtless inside the DPRK too. Of course, major domestic events have wider repercussions. Jang was close to China, so others in this issue will discuss the implications of his ouster for DPRK-PRC ties.

By contrast, inter-Korean relations in recent months were mostly undramatic, if also not very satisfactory. In September the Kaesong Industrial Complex (KIC), the last remaining North-South joint venture, reopened after five months in limbo since the North withdrew its entire workforce in April. Uneven progress since then raises doubts as to the North's sincerity and hence this project's viability and long-term prospects, beyond the damage already done by its enforced closure for almost half a year. Hopes that the KIC's reopening might usher in a wider thaw were dashed when the North, at the last minute and on a flimsy pretext, canceled reunions of separated families – they would have been the first for three years – scheduled for end-September. After that debacle, the old year played out with no fresh initiatives or significant developments on either side. For both, perhaps, policy priorities lay elsewhere. Meanwhile DPRK media subjected ROK President Park Geun-hye and her government to a barrage of often puerile, petty, and personal sniping.

With typical ambiguity, Kim Jong Un's second New Year message mixed familiar criticism of Southern "war maniacs" with a seemingly contradictory olive branch. Seoul responded by making a concrete call for family reunions in January. Pyongyang dismissed this as untimely, yet held out hope that at some point "both sides can sit together in a good season." Which indeed they may and probably will, once each of these still relatively new leaders has decided what to make of the other and how they want inter-Korean relations to go forward – if at all. Kim Jong Un remains hard to read, but if one reason for purging Jang was to reduce Chinese influence then his best bet would be greater warmth toward South Korea. On the other side, Park Geun-hye's vaunted "trustpolitik" is more slogan than policy, and the general cautiousness she has shown since taking office hardly augurs well for bold imaginative steps.

While Park and/or Kim may yet surprise us, overall as 2014 opens the two Koreas seem to be pretty much back to first base and starting over – not for the first time. In the "sunshine" era of engagement (1998-2007) – which now seems a very distant memory, chronicled in detail as it unfolded from 2001 in *Comparative Connections* – an often-repeated mantra was the Korean proverb *Sijaki banida*: The first step is half the journey. As noted here before, the sad truth is the

opposite: Over time there has been almost no cumulative and lasting progress. As in the board game Snakes and Ladders, any temporary gain made can be undone – as most have been – by a swift reversal. Both sides share the blame for this, though not equally. There is alas no reason to suppose that two fresh leaders, one headstrong and the other timid, will be up to the task of breaking this crippling mold. But Korea often surprises us, so we can but hope.

Hopes raised, then dashed

In early September, when the <u>previous issue of this journal</u> appeared, there were grounds for cautious optimism about the direction of inter-Korean relations. After a false start in June and tortuous negotiations thereafter, two dates had been set. The Kaesong Industrial Complex (KIC) was to reopen on a trial basis on Sept. 16, and the first reunions of separated families since 2010 were to be held at the otherwise semi-mothballed Mount Kumgang resort over six days starting Sept. 25.

Hopes were also raised by a pan-Asian weightlifting competition in Pyongyang. South Korea allowed 22 athletes and 19 support staff to head North – the first Southern sportspersons to do so since 2003 – after the DPRK agreed that if they won, the ROK flag would be raised and its national anthem played. In the past Pyongyang had refused that, in breach of international sporting regulations; so inter-Korean soccer matches that it was supposed to host were moved to China. Seoul is a better sport: it follows the rules and allows the DPRK flag and anthem. In the event, all four ROK junior weightlifters won medals, including one gold; so North Korean spectators and (briefly) TV viewers got their first ever glimpse of the *Taegeukgi*.

Days later the KIC reopened – more on that below. But there were to be no family reunions as the North abruptly postponed these just four days before they were due to start. The two sides had failed to agree on accommodation; the North insisted that the hotels used in the past were full already. That seemed unlikely, as by all accounts Mount Kumgang has seen few visitors since the South suspended tourism in July 2008 after one of its tourists was shot dead there.

In canceling the reunions, Pyongyang's Committee for the Peaceful Reunification of Korea (CPRK) accused Seoul of abusing dialogue as a "tool for confrontation." That too is specious. What it really means is that Pyongyang is cross at Seoul's refusal to discuss resuming regular tourism to Mount Kumgang in tandem with family reunions. Even as it rightly denounced the cancellation as inhumane, the South's Unification Ministry (MOU) reiterated that it still had no plan to discuss resuming wider tourism after its five-year hiatus – far longer than the KIC's.

One might ask, why not? Kumgang tourism would have been on the agenda, if planned high-level talks in June had not been called off in a row over protocol – for which (in this writer's view, expressed in our last issue) the South was partly to blame. Perhaps President Park, who in office is proving ultra-cautious, wants to build trust one step at a time. But ROK presidents serve for only five years, and her first year is almost up already. A snail's pace will not cut it.

Kaesong reopens

That leaves Kaesong as the sole ray of sunshine, or perhaps a sputtering candle. The KIC did partially reopen on Sept. 16 as agreed. According to MOU, 90 of the 123 ROK firms invested

there began trial operations, and 33,000 of the 53,000 DPRK workers who had walked out in April showed up. Figures quoted by the semi-official ROK news agency *Yonhap* two months later, on Nov. 24, show that in October, the first full month of resumed operations at the KIC (which since May 2010 has been the sole inter-Korean commerce permitted by the South), North-South trade reached \$132.15 million; 81 percent of the figure in the same month of 2012.

Yet the harm has been done, and may not be quickly mended. Remarkably, considering that this venture now comprises the totality of North-South trade, as we reported a year ago the latter had hit a record high in 2012 of almost \$2 billion, with the North's imports worth \$902 million and its exports \$1.074 billion. Naturally, then, the closure had a devastating impact on 2013's figures. In the year to November both sides of the ledger plunged by more than half, with Northern imports of \$442 million and exports of \$521 million. The total should top \$1 billion once December's data are in, but clearly there is much ground to make up in 2014.

That applies to individual firms invested in Kaesong, too. In addition to the obvious disaster of several months with no output and hence no revenue stream – Seoul compensated them, but they claim inadequately – nor access to their property, several reported losing customers permanently since the shutdown, which undermined buyers' confidence. These SMEs are in an unenviable position. They are subject to political whims and winds in both Seoul and Pyongyang, but rarely daring to chafe. Given those constraints, it was interesting that in the early weeks of resumed operations some dared criticize MOU as boosterist for claiming that the KIC was back up to 90 percent of normal operations, when according to them it was more like 50 percent.

Worryingly too, despite reopening the KIC and accepting a new management structure where the South has more say, some signs suggest the North still has a bad or at least unpredictable attitude. As detailed in the chronology, several sub-committee meetings, which are supposed to convene monthly, were postponed for no clear reason. And as 2014 opens, Pyongyang has yet to give ground on two fundamental tools of 21^{st} -century business – mobile phones and the Internet. A special economic zone which lacks these is a joke. How can it possibly compete?

In a further bad sign, as 2013 ended North Korea suddenly demanded taxes for that year from firms invested in the KIC, even though these were explicitly waived as part of the agreement to reopen the zone. But one area saw progress. The North seems not to mind the South using radio frequency identification (RFID) tagging, as an electronic means of tracking cross-border passage. All being well, during the next few months this will replace the present cumbersome system of faxing details of all goods and persons due to cross the DMZ into or out of the KIC.

Other Northern moves are more ambiguous. In November, Pyongyang gazetted no fewer than 13 new economic development zones (EDZs). Some are specifically designated as producing goods for export, and all offer preferential rates for foreign investors. This could cut either way. Creating further EDZs should suggest some grasp in Pyongyang of what is needed for such a policy to work – e.g., not to close such sites arbitrarily. A more pessimistic reading is that the new zones may be intended to replace Kaesong, or at least make it more marginal.

All this begs the question: who is going to invest in a state that not only treats investors so cavalierly, but is under UN Security Council (UNSC) sanctions for defying the world with its

nuclear and missile tests? That query also applies to the Park administration's bizarre idea of attracting non-Korean foreign direct investment (FDI) to Kaesong. As we discussed last time, this seems not only unrealistic, but also misconceived in its assumption that internationalizing the KIC would somehow make North Korea behave better. At all events, an investor relations (IR) meeting at the KIC planned for late October was canceled, and none has been scheduled since. In December, attendees at a G20 meeting in Seoul toured the KIC at the South's behest. Some expressed general pieties about opening up the North, but nothing concrete emerged.

A spiky New Year olive branch

As oft times before, a new year brought fresh hopes – or perhaps, clutching at straws. Not for the first time, North Korea's annual New Year message – it used to be a joint press editorial in the Kim Jong II era, but Kim Jong Un has reverted to his grandfather Kim II Sung's habit of making a special speech – included, among and after much else, what might be construed as a partial olive branch to South Korea. Call it, as they tend to in Seoul, a "peace offensive." Excerpting a sentence or two could mislead. This needs to be read in its context. Here is the entirety of what Kim Jong Un had to say about inter-Korean relations:

This year marks the 20th anniversary of the date when President Kim II Sung wrote his last signature on a historic document concerning the country's reunification.

True to the behests of President Kim Il Sung and General Kim Jong Il, we should make fresh headway in the national reunification movement for this year.

To resolve the reunification issue in keeping with the aspirations and desires of our fellow countrymen, we should reject foreign forces and hold fast to the standpoint of By Our Nation Itself.

The driving force for national reunification is all the members of the Korean nation in the north, in the south and abroad; only when we remain steadfast in this standpoint can we reunify the country independently in line with our nation's interests and demands. To go on a tour around foreign countries touting for "international cooperation" in resolving the inter-Korean relations issue, the one related with our nation, is a humiliating treachery of leaving its destiny in the hands of outside forces. The north and the south should uphold the principle of independence which is one of the three principles for national reunification and has been confirmed in the north-south joint declarations, hold fast to the standpoint of By Our Nation Itself, and respect and implement the declarations with sincerity.

We should make positive efforts to defend national security and peace.

The US and south Korean war maniacs have deployed legions of equipment for a nuclear war in and around the Korean peninsula and are going frantic in their military exercises for a nuclear war against the north; this precipitates a critical situation where any accidental military skirmish may lead to an all-out war. Should another war break out on this land, it will result in a deadly nuclear catastrophe and the United States will never be safe. All the Korean people must not tolerate the manoeuvres for war and confrontation by the bellicose forces at home and abroad but stoutly resist and frustrate them.

A favourable climate should be established for improved relations between the north and the south.

It is heartrending to see our nation partitioned by foreign forces, and it is more intolerable to see one side slinging mud at and showing hostility to the other. This will serve merely as an occasion for the forces who are undesirous of seeing one Korea to fish in troubled waters. It is high time to put an end to such slander and calumny that bring no good to both sides, and they should desist from doing anything detrimental to national unity and reconciliation. The south Korean authorities should discontinue the reckless confrontation with their compatriots and the racket against the "followers of the north," and choose to promote inter-Korean relations in response to the call of the nation for independence, democracy and national reunification. We will join hands with anyone who opts to give priority to the nation and wishes for its reunification, regardless of his or her past, and continue to strive for better inter-Korean relations.

All the Korean people in the north, in the south and abroad should achieve solid unity under the truly patriotic banner, the principle of By Our Nation Itself, and turn out in the nationwide struggle for the reunification of the country. By doing so, they should open up a new phase for independent reunification, peace and prosperity this year.

Last year, in the international arena, the imperialists persisted in interference and war moves threatening the independence of other sovereign states and the right of mankind to existence. Especially the Korean peninsula, the hottest spot in the world, was in a hair-trigger situation due to the hostile forces' manoeuvres for a nuclear war against the DPRK, which posed a serious threat to peace and security in the region and the rest of the world.

Nothing is more precious for our people than peace, but it is not something that can be achieved if we simply crave and beg for it. We can never just sit back with folded arms and see the dark clouds of a nuclear war against us hovering over the Korean peninsula. We will defend our country's sovereignty, peace and dignity by relying on our powerful self-defensive strength.

Who slung mud?

With apologies for making readers wade through all that – there is much more: 4,434 words in all – it is salutary to be *au fait* with the tenor of North Korean propaganda, in general and here in particular. Specifically, the 'making nice passage' which got all the attention – how heart-rending is mudslinging, we'll join hands with anyone, etc. – is firmly sandwiched within a very familiar and altogether sterner discourse. The South Korean government is first and foremost accused of being "war maniacs" who commit "humiliating treachery." Even in the hand-holding paragraph, the South is accused of "reckless confrontation." Some olive branch.

It also reeks of hypocrisy. North Korea is furious at any supposed slight, disingenuously not distinguishing between South Korea's government and its citizens. In a free society the latter include those hostile to the DPRK – not a few of them defector victims of this cruel regime – who demonstrate against the DPRK, burn or deface pictures of Kim Jong Un, and so on. By contrast the ROK government, though critical when necessary, is measured in its comments.

Not so Northern media, whose constant barrage of hostility regularly rises to shrill peaks of contumely. Readers will recall the vile cartooning in 2012 of the ROK's then President Lee Myung-bak as a rat, which this journal was alone in English in analyzing in all its gory detail.

If not on that scale, the last few weeks of 2013 saw Park Geun-hye regularly and viciously insulted. On Nov. 12 a headline in the official *Korean Central News Agency (KCNA)* jeered that South Korea's mild reaction to revelations of eavesdropping by the US National Security Agency (NSA) was a "Servile Attitude of Political Waiting Maid." Warming to that image, it went on: "The puppet forces['] behavior reminds one of a political waiting maid defending a hooligan who stole a look at her petticoat." The peroration got personal and seriously nasty:

Political servants are fated to depart the world once they offend their masters ...This is proved by the miserable ends of successive south Korean rulers including traitor Park Chung-hee. It is Park Geun-hye's logic of existence that she has to play the coquette with the US and flatter it if she is not to follow in the footsteps of her father. It is exactly for this disposition of Park that GI criminals go on the rampage in south Korea with impunity and the upkeep for the US forces in south Korea snowballs every year. It is quite natural that the Park group is derided as a group of political prostitutes and traitors by the public. The world people are also snubbing the political waiting maids of south Korea.

What was that about slinging mud again? South Korea brushes this off, and did not dwell on it in response to Kim's New Year speech. If understandably cautious, Seoul decided to test the waters – or call the North's bluff. In her belated first-ever press conference since she became president last Feb. 25, on Jan. 6, Park Geun-hye urged the North to hold the postponed family reunions during the Lunar New Year holiday (*Seollal*), which this year falls on Jan. 31.

Three days later on Jan. 9 the North's CPRK rejected Park's proposal, citing several grounds:

The south side ... behaved from the outset of the New Year quite contrary to our sincere efforts; media, experts and even authorities were indiscreet in their speeches and behaviors. It staged war drills firing bullets and shells. What was worse, the south side at a New Year press conference argued even our internal matter pro and con, blaming us. As regards the principled questions raised by us, it gave incoherent answers to them under the pretext of the nuclear issue.

Three glosses on this. The main "war drills" are in fact yet to come, namely the usual annual US-ROK *Key Resolve* and *Foal Eagle* joint exercises that run from late February through April. "Our internal matter" means the purge of Jang Song Thaek. "Principled questions" refers to a CPRK "open questionnaire" issued on Christmas Day – unmarked in the DPRK, of course – which the South rightly dismissed as propaganda. The North cannot seriously have expected the South to be silent on Jang's sudden and brutal dispatch, with its potential implications for stability; still less to cancel exercises that check its preparedness against any provocation.

Yet the overall tone this time turned down the treble and attack dials. Feigning sorrow more than anger, the CPRK also spoke of "a good offer ... we are glad that the south side proposed it." While "querying can the separated families and relatives have reunions in peace amid gunfire" – in fact the joint maneuvers would not yet have started – the reply concludes: "[If] there is no other thing happening in the south side and if the south side has intent to discuss the proposals of our side, too, both sides can sit together in a good season." In other words: Come back in the spring, and be ready then to talk Mount Kumgang tourism, too.

Train in the distance?

Finally, one other possible straw in the wind should be flagged. A chaotic – he ran late throughout – one-day foray to Seoul in November by Russian President Vladimir Putin, included in its outcomes a rather odd memorandum of understanding. As reported, this would allow three ROK firms – Posco, Hyundai Merchant Marine (HMM), and state-owned Korail – to acquire nearly half of Russia's 70 percent stake in RasonKonTrans – a \$340 million Russian Railways project that in September, five years late, finished upgrading 54 km of track from the border with the DPRK at Khasan southwest down to Rajin, east Asia's most northerly ice-free port.

As I have noted <u>elsewhere</u>, there are several questions here. For a start, the alleged investors seemed not to know much nor sound keen. Also, since May 2010 Seoul has banned its firms from investing in North Korea, except the KIC; so would this even be legal? MOU's efforts to affirm so did not convince. Third, has anyone asked North Korea? – whose territory this is, after all, and whose government owns the other 30 percent of the venture. If Pyongyang was not consulted, does this mean South Korea and Russia have learned nothing from their once much-hyped plans to build a gas pipeline across the DPRK? There is no sign of that, and it remains to be seen whether North Korea will let the South invest in its railways.

In separate and much bigger railway news, a South Korean opposition lawmaker claimed on Dec. 11 that China and North Korea have agreed to build a new 380-km high speed railway, and also an eight-lane highway, the entire length of the DPRK from Sinuiju to Kaesong via Pyongyang, meaning from the Chinese to the South Korean border. Next day MOU said this has yet to be finalized, adding that the idea has been around since 2010. Both the ROK and PRC are extending their high-speed rail networks; the latter is scheduled to reach Dandong on the border in 2015, slashing the journey time to Shenyang from 3.5 hours to just an hour.

In transportation as much else, North Korea is thus the missing link – the final piece needed to complete the jigsaw. Given that South Korea still claims the North is its territory (and vice versa), and in view of geopolitical rivalries, it is strange how since 2008 Seoul has in effect stood back and watched while Beijing tightens its grip there by the day. A bolder leader than Park Geun-hye would exploit the at least temporary frisson in PRC-DPRK relations caused by Jang's purge to step in and compete, offering, say, to help rebuild Northern infrastructure as an act of patriotism. That would be radical and risky, but absent some such grand gesture South Korea is well on the way to losing the North to China permanently.

What price reunification then? In her press conference Park Geun-hye gave listeners a rare surprise when, answering a question, she called unification a "jackpot." She did not elaborate. One might query this on many grounds, but to even stand a chance of winning the "jackpot" entails buying a ticket. Waiting on the sidelines makes you a spectator, not a player.

Chronology of North Korea-South Korea Relations September – December 2013

- **Sept. 2, 2013:** 615 businessmen and technicians from South Korean companies invested in the Kaesong Industrial Complex (KIC) make a day trip across the Demilitarized Zone (DMZ) to check on their facilities and work with their Northern employees to prepare for the complex's reopening. Next day another of 560 does the same.
- **Sept. 2, 2013:** Unification Ministry (MOU) says South Korea will give aid worth \$6.3 million to the North via the World Health Organization (WHO), to train healthcare workers, help repair medical facilities, and provide essential drugs. Seoul also permits 12 civic groups to send aid worth 2.35 billion won (\$2.13 million) for 13 different projects in the North.
- **Sept. 2, 2013:** The new joint committee to manage the KIC holds first meeting, lasting 12 hours. No date to reopen the complex is set, but sub-committees will meet later this week and the full committee will reconvene Sept. 10. Its agenda will include compensation for Southern investors, who claim losses totaling 1.05 trillion won (\$954 million).
- **Sept. 3, 2013:** South Korea's Ministry of National Defense (MND) reports to the National Assembly (NA) that the North's nuclear program "was at a developmental and experimental stage till 2010, but it has developed into a real threat in 2013 that can actually be weaponized and used at any time."
- **Sept. 3, 2013:** 29 South Koreans, mostly Hyundai Asan staff, cross the DMZ into the Mount Kumgang resort. On Sept. 4, 19 others join them.
- **Sept. 3, 2013:** *Voice of America* (*VoA*) quotes a DPRK member of the International Olympic Committee (IOC), Chang Ung, as suggesting that the Masik Pass ski resort, a flagship new project under construction near Wonsan, "could possibly hold Olympic events."
- **Sept. 4, 2013:** Organizers of the 2018 Winter Olympics say it would be "impossible," legally and logistically, to divide skiing events between the host city, Pyeongchang in South Korea, and the planned Masik Pass ski resort in North Korea as suggested by the DPRK's Chung Ang. *Inter alia* the two sites are some 300 km apart, across (obviously) mountainous terrain.
- **Sept. 4, 2013:** By 258 votes to 14, the ROK NA approves the arrest of Rep. Lee Seok-ki, who faces charges of conspiring to mount an insurrection.
- **Sept. 4, 2013:** Two sub-committees of the new KIC management structure, on investment protection and global competitiveness, convene at the complex. Details are not published, but MOU says the former agreed to set up a panel to arbitrate disputes and damages, while the latter will discuss how to have KIC-made products included in free trade agreements.
- **Sept. 5, 2013:** The other two new KIC sub-committees on passage, communications and customs, and guaranteeing personal safety meet at the zone. They agree to restore the military hotline used to liaise on traffic across the DMZ, which the North cut in March, at 0900 next day.

- **Sept. 5, 2013:** MOU reports that the two Koreas are at odds over lodgings for the upcoming family reunions. The South suspects the North is cross at its refusal to discuss resumption of actual tourism until October, after the reunions.
- **Sept. 6, 2013:** A test call at 10:15 local time confirms that the west coast military hotline is working again, as agreed the previous day.
- **Sept. 6, 2013:** In its first comment on the Lee Seok-ki case, the North's Committee for the Peaceful Reunification of Korea (CPRK) denounces any attempt to link it to the arraigned farleft Southern lawmaker as an "unpardonable provocation."
- **Sept. 6, 2013:** MOU says it will allow a 41-strong delegation of 22 weightlifters plus coaches and officials to head North on Sept. 10 for the 2013 Asian Cup and Interclub Weightlifting Championship on Sept. 11-17.
- **Sept. 10-11, 2013:** After talks that run on overnight, the second meeting of the new Kaesong joint management committee agrees that the KIC will reopen the following week: initially on a "trial basis" on Sept. 16. Further meetings will be held to thrash out details.
- **Sept. 11, 2013:** South Korea, or strictly the United Nations Command (UNC), returns to the North via Panmunjom in the DMZ the body of a Korean Peoples' Army (KPA) soldier recovered in the Bukhan River on July 31, having been swept downstream by floods. This is the 10th such return of a corpse since 2007.
- **Sept. 13-14, 2013:** After all four junior South Korean weightlifters at an Asian competition held in Pyongyang win medals, the ROK flag is raised and its national anthem played for the first time ever in the DPRK. State TV identifies and shows the flag, briefly. (See Sept. 6).
- **Sept. 16, 2013:** Kaesong complex partially reopens. MOU says 90 of the 123 ROK firms invested there began trial operations. 739 Southern managers and technicians workers enter the zone; 459 stay on overnight.
- **Sept. 16, 2013:** The third meeting of the new KIC joint management committee agrees to hold an investor relations (IR) event for foreign companies on Oct. 31. This is later cancelled.
- **Sept. 18, 2013:** Kim Kye Gwan, North Korea's first vice foreign minister and former nuclear negotiator, tells a multilateral forum in Beijing on the tenth anniversary of the start of nuclear Six Party Talks (6PT) that the DPRK is ready to resume the talks "without preconditions."
- **Sept. 21, 2013:** Pyongyang abruptly postpones what would have been the first reunions of separated families, due to start four days later. The CPRK accuses Seoul of abusing bilateral dialogue as a "tool for confrontation." South Korea denounces the cancellation as inhumane.
- **Sept. 23, 2013:** MOU says the South still has no plan to discuss resuming tourism to Mount Kumgang. Anger at this is thought to be one reason why the North canceled family reunions.

- **Sept. 25, 2013:** Without giving any reason, the North postpones a meeting of the key KIC subpanel on communications and travel scheduled for the next day.
- **Sept. 25, 2013:** MOU publishes a five-year plan to foster inter-Korean trust-building and "a small form of unification." The latter apparently means only various bilateral programs. Nuclear disarmament, human rights and other thorny issues are absent.
- **Sept. 30, 2013:** KIC's new 13-strong secretariat 8 from the South, 5 from the North begins work, providing support to the joint committee and four sub-panels under the zone's revised management structure.
- Oct. 5, 2013: South Korea's Defense Ministry (MND) says the <u>remains of Sohn Dong-shik</u>, an ROK army sergeant captured in the Korean War but who (like thousands of others) was never repatriated, have arrived in South Korea.
- Oct. 10, 2013: Yonhap notes that since late September DPRK media <u>have begun a new campaign of verbal attacks on President Park Geun-hye</u>.
- **Oct. 15, 2013:** Chung Hee-soo, a lawmaker of the Saenuri Party, says that the military reckon <u>DPRK cyber-attacks since 2009 have caused damage worth \$805 million</u>.
- Oct. 24, 2013: North Korea <u>agrees to let a group of South Korean lawmakers inspect the KIC</u>. Separately, it says <u>it will return six unnamed South Koreans via Panmunjom next day</u>.
- Oct. 25, 2013: Six male South Koreans aged between 27 and 67, plus the body of the wife of one, are returned by the North at Panmunjom and are at once whisked off for questioning.
- Oct. 26, 2013: Pyongyang tells Seoul that Cho Myung-chul, a defector from the North who is now a lawmaker of the South's Saenuri Party, may not join the group visit to the KIC.
- **Oct. 27, 2013:** *Yonhap* quotes unidentified "public safety authorities" as saying the six South Koreans returned on Oct. 25 had all entered the North illegally via China between 2009 and 2012 in hopes of a welcome and a better life. <u>Instead they were kept in detention</u> for up to four years before being handed back.
- Oct. 30, 2013: A cross-party group of 21 ROK lawmakers plus 26 support staff spends the day at the KIC. Working-level DPRK officials escort them, but nobody senior is on hand.
- **Nov. 1, 2013:** Unification Minister Ryoo Kihl-jae tells ROK lawmakers that the government is "weighing various considerations" about lifting the 'May 24 measures,' the usual name for the ban on all non-KIC commerce with the North imposed on that date in 2010. However on Nov. 4 MOU says the administration is not reviewing the lifting of these sanctions right now.
- **Nov. 2, 2013:** In an interview with the French daily *Figaro*, President Park Geun-hye, on a state visit to France, says she can meet Kim Jong Un "at any time, if necessary, for the development of inter-Korean relations or peace." MOU says that this is not a policy change.

- **Nov. 12, 2013:** KCNA lambastes South Korea's mild reaction to the issue of potential eavesdropping by the US National Security Agency (NSA) under the headline "Servile Attitude of Political Waiting Maid."
- **Nov. 13, 2013:** Accords signed on a one-day visit to Seoul by Russia's President Vladimir Putin include a Memorandum of Understanding allowing three ROK firms to buy almost half of Russia's 70 percent stake in RasonKonTrans.
- **Nov. 13-14, 2013:** Three sub-panels at the KIC meet for the first time since September. No date is yet set for the fourth sub-panel, covering travel and communications issues.
- **Nov. 15, 2013:** MOU urges Pyongyang to stop insulting President Park Geun-hye: "If vulgar expressions used by the North [were] applied to the North's leader in the same manner, how [would] they respond to it? The North should think about this." Interestingly, the Chinese newsagency *Xinhua* carries this report and quotation.
- Nov. 29, 2013: Fourth KIC sub-panel finally meets for first time in over two months. MOU says agenda includes use of mobile phones and the Internet, plus radio frequency identification (RFID) technology.
- **Dec. 3, 2013:** South Korea's National Intelligence Service (NIS) tells an emergency briefing of an NA committee that Jang Song Thaek the uncle-in-law of Kim Jong Un, who played a key role in his nephew's rise and succession has been purged.
- **Dec. 6, 2013:** Kaesong sub-panel on communications fails to agree on connecting the KIC to the Internet. MOU admits this is the first time the issue, which the South first tabled in Sept., has even been discussed; earlier meetings were confined to administrative issues.
- **Dec. 9, 2013:** Reporting an "enlarged meeting" of the WPK Central Committee Politburo, in a lengthy indictment alleging a multitude of both major and petty sins, *KCNA* confirms that Jang Song Thaek has been purged for "anti-party, counter-revolutionary factional acts"
- **Dec. 13, 2013:** Another long KCNA diatribe against Jang reports his trial by a military court and swift dispatch, under the terse headline "<u>Traitor Jang Song Thack Executed</u>."
- **Dec. 19, 2013:** At the fourth meeting of the KIC joint committee, the South suggests holding an "investment expo," postponed from October, at end-January. A 30-strong delegation of attendees at a G20 meeting in Seoul, plus reporters, visits the zone the same day.
- **Dec. 23, 2013:** The ROK's <u>Statistics Korea</u> publishes <u>comparative data for the two Koreas in 2012</u>. The South's Gross National Income (GNI) of \$1.21 trillion was 38.2 times the North's, or 18.7 times on a per capita basis as Southern population of 50 million is twice the North's. ROK trade volume of \$1.07 trillion was 157 times the DPRK's \$6.8 billion; its exports of \$548 billion are 189 times bigger (these figures exclude North-South trade). The South's power generating

capacity of 81.8 million kilowatts a year is 11.3 times larger than the North's, but the latter produced 10 times more coal (25.8 million tons.)

Dec. 25, 2013: The North's Committee for the Peaceful Reunification of Korea (CPRK) publishes what it calls an "open questionnaire," one year after "Park Geun-hye became 'president' through fraud-marred election." As that suggests, CPRK has its own answers: "Park's policy surpasses that of the Lee [Myung-bak] regime in its crafty and vicious nature."

Dec. 26, 2013: MOU retorts that CPRK's questionnaire "lacks even the basics of mutual respect for its counterpart and is not worthy of our government response.... [We] suspect the reason North Korea is asking such disrespectful questions is to cover up its internal state of confusion." MOU further accuses the North of "inhumane and unreasonable behavior."

Dec. 30, 2013: MOU says North Korea sent a notice last week to Southern firms invested in the KIC, <u>demanding that they pay tax for the period Jan.1-April 8</u> this year (i.e., before the North pulled its workers out).

Jan. 1, 2014: Kim Jong Un's New Year speech attacks the South for internationalizing inter-Korean issues, yet also calls for an end to mud-slinging and offers to "join hands with anyone who opts to give priority to the nation and [wants] reunification regardless of his or her past."

Jan. 2, 2014: South Korean Foreign Minister Yun Byung-se urges "extra caution" in dealing with the North, in view of "growing uncertainty and vicissitudes in North Korean politics."

Jan. 6, 2014: In her first press conference since taking office last Feb. 25 President Park calls on North Korea to hold the family reunions it postponed in September at end-January. <u>In questions she calls Korean reunification "a jackpot."</u> Though some fear its costs, she believes this "would be a chance for the economy to make a huge leap."