

# South-North Dialogue in Korea

No.74

(February 2008 ~ December 2009)



Special Office for Inter-Korean Dialogue  
Ministry of Unification  
Seoul, Republic of Korea

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# Chapter I

Outlook





# Chapter I

## Outlook

President Lee Myung-bak declared in his inaugural speech (February 25, 2008) that it is South Korea's goal to develop inter-Korean relations more productively; to approach inter-Korean relations without ideological standards, but with pragmatism, and to prepare a foundation for unification that will bring happiness to Koreans in both the North and the South. Therefore, the South Korean government has pursued a policy of 'Mutual Benefits and Common Prosperity.' This policy is based on the pursuit of productive and practical reconciliation and the spirit of cooperation. Furthermore, the policy of 'Mutual Benefits and Common Prosperity' requires transparency and public consensus. While the government has adhered to these principles, it has been flexible in its contacts with the North, and continues to seek harmonious progress between inter-Korean and international cooperation.

However, North Korea demanded unconditional implementation of the June 15, 2000 Joint Declaration and the October 4, 2007 Declaration in addition to the termination of President Lee Myung-bak's 'Vision 3000: Denuclearization and Openness' proposal, while denouncing South Korea with shrill rhetoric. North Korea

evicted South Korean personnel from the Inter-Korean Exchange and Cooperation Consultation Office in Gaeseong (March 27, 2008), unilaterally called off all inter-Korean talks and contacts (March 29, 2008), and on April 1, 2008 began personally criticizing President Lee Myung-bak. Inter-Korean relations then took a serious downturn when a South Korean tourist was shot and killed at the Mt. Geumgang tourism facility on July 11, 2008. However, North Korea tried to shift the blame onto the South and demanded an apology the next day. The project subsequently was suspended for safety reasons, but the North unilaterally expelled South Korean personnel residing in the Mt. Geumgang district. In September, North Korea increased its harsh criticism of the South in response to South Korean civic group's scattering of leaflets into the North by balloon.

As relations deteriorated, the South Korean government adopted a stance of 'problem solving through dialogue' and continuously pursued genuine talks with the North. President Lee Myung-bak explicitly suggested direct Inter-Korean talks during an interview with the *Washington Post* (April 17, 2008), during a speech at a Memorial Day ceremony (June 6, 2008), during his opening address at the National Assembly (July 11, 2008), on Liberation Day and the 60<sup>th</sup> Anniversary of the Founding of the Republic of Korea ceremony (August 15, 2008), and during his opening address for the National Unification Advisory Council (September 23, 2008).

On the other hand, North Korea declared on November 12, 2008 that it would restrict overland transport across the Military Demarcation Line beginning December 1, and unilaterally closed the Panmunjeom Liaison Office and disconnected the inter-Korean hotline. Thereafter, although South Korea pointed out that North Korea's measures are against the spirit of inter-Korean agreements, North Korea refused dialogue and tried to shift the blame on South Korea. As a result of North Korea's unilateral measures, the Inter-Korean Exchange and Cooperation Consultation Office was closed, the Gaeseong tourism project was suspended and inter-Korean trains were halted (November 28, 2008).

While inter-Korean relations were spiraling downward, North Korea requested to hold the 37<sup>th</sup> round of inter-Korean Working-level Military Talks and the South responded affirmatively. The talks convened on October 2, 2008 and the South strongly demanded that the North stop slandering President Lee Myung-bak, and conveyed that the South wanted to open direct inter-Korean talks, as well as resolve the Mt. Geumgang tourist shooting incident and the problem of restricted access to the Gaeseong area. But North Korea focused on the scattering of leaflets by civic organization. The North demanded an apology from the South, punishment of those responsible, and steps to prevent a recurrence.

As for resolving the North Korean nuclear issue, there were four

rounds of Six-Party Working Group meetings (Economic and Energy Cooperation Working Group) between March and September, 2008. During the meetings of this Working Group, which is chaired by South Korea, the parties discussed North Korea's nuclear disablement and energy supply problems. South Korea actively pursued a resolution to the problems surrounding North Korea's declaration of its nuclear facilities, DPRK-Japan relations, and the resumption of the North's nuclear disablement as stipulated by North Korean commitments made in the Six-Party process.

North Korea continued to heighten tensions in 2009. The spokesperson for the chief of the General Staff of the North Korean People's Army announced an 'all-out confrontational posture' on January 17. The North Korean Committee for Peaceful Unification of the Fatherland declared in January 30 that it would no longer "cooperate for the resolution of political and military tensions" and "repealed provisions for the Northern Limit Line of the West [Yellow] Sea." During U.S.-ROK joint military exercises Key Resolve and Foal Eagle (March 9~20), North Korea unilaterally severed the inter-Korean military hotline and suspended cross-border traffic. Furthermore, on March 30, North Korea detained a South Korean employee in the Gaeseong Industrial Complex, and accused him of criticizing the North Korean regime and conspiring to help North Korean citizens defect.

The situation regarding North Korea's nuclear issue has also worsened. Despite concerns and warnings from the international community, North Korea launched a long-range rocket (April 5) and conducted its second nuclear test (May 25); North Korea even lashed out against the resulting international sanctions. Pyongyang took a hard-line policy by implementing the following measures: declaring it would boycott the Six-Party Talks (April 14, Foreign Ministry spokesperson's statement); declaring the intent to construct a light-water reactor and to develop technology to produce nuclear reactor fuel (April 29, Foreign Ministry spokesperson's statement); stating that it would not give up nuclear weapons, and that it would weaponize all of its plutonium and undertake the enrichment of uranium (June 13, Foreign Ministry spokesperson's statement).

Toward the end of 2009, North Korea retracted its unilateral hard-line measures and began showing signs of the will to cooperate. Pyongyang repatriated the detained Gaeseong employee (August 13), lifted restrictions on border traffic (August 21), dispatched a high-level condolence delegation to the state funeral of former President Kim Dae-jung (August 21~23), resumed operations of the Red Cross Liaison Office (August 25), consented to the reunion of separated families (August 28), returned the 29-ton fishing vessel *800 Yeonan* and its crew of four (August 29), and approved the building of military lines of communication between the two Koreas (October 20).

However, the North is still adhering to its hard-line stance, and has not displayed a fundamental shift in its position. Under these strained conditions, there were a total of six inter-Korean talks. In the economic realm, there was an inter-Korean meeting regarding the operation of the Gaeseong Industrial Complex (April 21), in addition to three rounds of Working-level Talks (June 11, 19, and July 2), and there was a working-level meeting regarding the Imjin River flood control issue (October 14).

At the Talks related to the Gaeseong Industrial Complex, South Korea suggested the following: ‘Three Principles for the Development of the Gaeseong Industrial Complex’ (the principles of establishing standards, pursuing economic fundamentals, and seeking future-oriented development); prioritizing the resolution of the detained South Korean employee lifting restrictions on entry/exit and sojourn; improving the three problems of communication, transit, and customs; establishing a joint access/stay committee; and implementing joint inspections of foreign industrial zones. While little progress was made on most issues, South and North Korea did conduct joint inspection visits to industrial zones in China (Qingdao, Suzhou, Shenzhen) and Vietnam (Nguyen Phong) during December 12~22.

At the Imjin River Flood Control Working-level Talks, South Korea demanded a thorough explanation and apology for the Imjin

River accident that resulted from North Korea releasing water from a dam in the North without warning. South Korea suggested ‘Three Principles to Solve the Inter-Korean Shared River Problem.’ The three principles are: rational and fair river usage, mutual cooperation, and mutual trust. North Korea expressed regret and condolences to the bereaved families. Both Koreas agreed to cooperate on the institutionalization of the joint use of shared rivers and a flood warning system.

In the humanitarian sector, there was an inter-Korean Red Cross Talks (August 26~28) and an inter-Korean Red Cross Working-level Contact (October 16). At the Red Cross Talks, South Korea suggested ‘Three Principles to Resolve the Problem of Separated Families’ based on respecting the humanitarian spirit, solving the fundamental problem, and mutual cooperation. The South tried to cooperate on issues such as separated families, POW, and abductee issues, but the North limited the agenda to the reunion of separated families for Chuseok (the fall harvest holiday celebrated in both Koreas). With the coming Chuseok celebrations, both sides collaborated on a reunion event from September 26~October 1 at the visitation facility near Mt. Geumgang.

At the inter-Korean Red Cross Working-level Contact, South Korea pursued the swift resolution of humanitarian problems such as additional reunions of separated families; however, the North

displayed a negative stance, and instead demanded humanitarian assistance. Especially worth mentioning is that when the North's delegation visited Seoul (August 21~23) to express condolences during former President Kim Dae-jung's funeral, the first high-level contact was made during a meeting with Unification Minister Hyun In-taek (August 22) and a courtesy call made to President Lee Myung-bak (August 23). President Lee Myung-bak explained the consistent and firm principles of the government's North Korea policy, and emphasized resolving problems through genuine inter-Korean dialogue. The South Korean government also sent, via Gaeseong, 500,000 doses of HINI flu vaccination as a humanitarian gesture (December 18).

President Lee Myung-bak and his administration have worked to build a new inter-Korean relationship and have been managing to sustain stability within the inter-Korean relationship and the Korean peninsula by exercising restraint when dealing with North Korean criticism and hard-line policies. Through this process, the South Korean government adhered to the principle of resolving pending issues through dialogue, and is maintaining a flexible stance. The years 2008 and 2009 can be evaluated as a time when the South Korean government clarified its principles, prepared, and specifically implemented the foundation for a correct inter-Korean relationship.

## 〈 President Lee Myung-bak's Proposals for the North 〉

Momentum	Content
<p style="text-align: center;">President's Inaugural Address (Feb. 25, 2008)</p>	<p>“We will resolve inter-Korean relations not on an ideological standard but rather on a standard of practicality. As stated in the ‘Vision 3000: Denuclearization and Openness’ plan, if North Korea denuclearizes and chooses the road to development, a new horizon will open in inter-Korean relations. South and North Korean political leaders must meet and figure out what they need to do in order for 70 million citizens to live peacefully, and how we can respect each other and open the door to unification. In order to achieve this, there must eventually be an inter-Korean summit where we open our hearts to each other and have dialogue.”</p>
<p><i>Washington Post</i> Press Interview (Apr. 17, 2008)</p>	<p>“We will suggest a permanent dialogue mechanism, such as liaison offices in Seoul and Pyongyang, for continuous talks between North and South Korea. During the period of adjustment, dialogue may be severed and inter-Korean relations may become more difficult, but I believe at that time, South and North Korea need to be engaged in a new position. This is because past methods have not worked, so we are suggesting a permanent dialogue for the first time.”</p>
<p style="text-align: center;">The 53<sup>rd</sup> Memorial Day Address (Jun. 6, 2008)</p>	<p>“South and North Korea have continuously exchanged dialogue. It has not, however, been at a satisfactory level. I believe that there has been considerable progress. I evaluate North Korea's cooperation with the international community in order to denuclearize as positive. In addition, there needs to be a genuine</p>

Momentum	Content
	dialogue regarding current and future exchange and cooperative enterprises.”
The 18 <sup>th</sup> National Assembly Opening Address (Jul. 11, 2008)	“The ROK policy on North Korea prioritizes the North’s denuclearization, and we aim to develop a plan for mutual benefits and common prosperity. There needs to be direct dialogue between South and North Korea. Based on the spirit of reciprocity, we must move beyond the ‘period of declarations’ and on to a ‘period of action’.”
The 63 <sup>rd</sup> National Liberation Day and 60 <sup>th</sup> Anniversary of the Founding of the Republic of Korea Ceremony Address (Aug. 15, 2008)	“If North Korea participates in the international community and becomes one with the South, we can stand in the middle of Eurasia-Asia Pacific. In order for that to happen, before anything else, peace needs to be achieved. The source of mistrust and conflict - nuclear weapons - must be completely eradicated in order to fulfill the opportunity for mutual benefits and common prosperity. Despite the unfortunate Mt. Geumgang tourist shooting incident, we look forward to direct talks and economic cooperation with North Korea because this is exactly the golden opportunity that North Korea cannot miss.”
The National Unification Advisory Council Regional Opening Address (Sep. 23, 2008)	“We must respect the spirit of all inter-Korean agreements, including the South-North Basic Agreement, the Joint Declaration of the Denuclearization of the Korean peninsula, the June 15 South-North Joint Declaration and the October 4 Joint Declaration, and arrange a specific plan. In order to do this, there needs to be direct dialogue between the South and the North. Since my inauguration, I have consistently kept a position of ‘mutual benefits and common prosperity,’ and I do not plan to change this in the future. Again,

Momentum	Content
	I insist that for the ‘mutual benefits and common prosperity’ of South and North Korea, North Korea needs to participate in direct dialogue.”
State of the Union Speech (Jan. 2, 2009)	“I will resolve inter-Korean relations honorably yet flexibly. Now, South and North Korea must move beyond a period of conflict and opposition into a period of ‘mutual benefits and common prosperity.’ We hope that North Korea also realizes the change in times and moves forward toward a new future with the South. I am ready to hold talks and cooperate with North Korea at anytime. North Korea must now move away from the outdated mindset of inciting conflict and move forward with a spirit of cooperation.”
The 8 <sup>th</sup> Radio Speech (Feb. 9, 2009)	“The South Korean government is ready at any time to sit face-to-face with North Korea and resolve all issues. We are not trying to rush things. This is because I believe that it is especially important in inter-Korean relations to have unshakable and clear principles. I believe that even if the start is difficult, it is important that the course is set correctly from the beginning. The South and North must have a respectful dialogue and on equal terms, and both Koreas must make sure that any problems are addressed with measures to prevent reoccurrences. We are ready to cooperate with North Korea.”
The 90 <sup>th</sup> Independence Movement Day Ceremony Address	“South and North Korea have agreed to acknowledge and respect each other, and to coexist peacefully and prosper. I will respect this agreement between the South and North and wish to use this as a foundation to further develop inter-Korean dialogue and cooperation.

Momentum	Content
(Mar. 1, 2009)	The door to unconditional dialogue is still wide open. South and North Korea must have dialogue as soon as possible. In line with the spirit of the Independence Movement, South and North Korea must join forces in order for the people to leap forward.”
G20 Summit Foreign Press Interview (Apr. 3, 2009)	“If needed, we can send a special envoy whenever the North is ready to receive one. And if they are not ready to do so, we are ready to have dialogue through other means.”
Korea-China Summit at the G20 Summit (Apr. 3, 2009)	“Inter-Korean relations are facing many issues, but the South Korean government is always ready for dialogue with the North.”
The 16 <sup>th</sup> Radio Speech (Jun. 1, 2009)	“If North Korea genuinely is ready to talk about the future of a united nation, we are ready at anytime, anywhere, to improve inter-Korean relations. The South Korean government will handle the situation in a composed and level-headed manner. We will eventually bring North Korea to the table for dialogue.”
The 54 <sup>th</sup> Memorial Day Ceremony Address (Jun. 6, 2009)	“North Korea must keep its promise to denuclearize and return to inter-Korean dialogue and the Six-Party Talks. If North Korea denuclearizes and comes forth ready to reconcile and cooperate, then South Korea, with the help of the international community, will do all that it can to help the North. We intend to continue developing the Gaeseong Industrial Complex, the symbol of dialogue and cooperation.”
The National Unification	“In order to resolve the current, urgent state of tension, North Korea must not worsen the situation.

Momentum	Content
Advisory Council's 14 <sup>th</sup> inauguration Ceremony Address (Jul. 1, 2009)	We must continue a genuine dialogue based on mutual respect with regard to all pending issues. North Korea must unconditionally repatriate our employee, who has been detained for 95 days. No matter how difficult and slow it will be, we will correct the distortions in inter-Korean relations."
Euro News Interview (Jul. 7, 2009)	"It is true that the past government provided a lot of economic assistance to North Korea. The South Korean government provided an enormous amount of economic aid to the North, but there is some suspicion that this aid went toward developing nuclear weapons instead of going towards developing the society. Therefore, we are actively trying to get North Korea to agree to talks through UN sanctions and other international cooperative efforts. The purpose of international sanctions is to get North Korea to join the international community and participate in dialogue."
Overseas Korean Meeting in Sweden (Jul. 12, 2009)	"If North Korea gives up its WMD, South Korea wants to join hands with the international community and teach North Korea farming techniques and how to interact with the international community and economy. In addition, we will develop North Korea's economy by increasing scientific exchanges. I believe that North Korea can stand up faster than any other country. Now, North Korea must make the decision. Denuclearizing is the first priority for the North. And then, we must aim toward inter-Korean national unity and peace."
Press Conference at ROK-Sweden	"I am thankful that all nations, especially EU nations, took part in the UN resolution. I believe that we need

Momentum	Content
Summit (Jul. 13, 2009)	to make North Korea realize that denuclearizing and joining the international community are better than living in poverty by adhering strongly to the measures and pulling North Korea into dialogue.”
The 64 <sup>th</sup> National Liberation Day Ceremony Address (Aug. 15, 2009)	<p>“If South and North Korea reduce our conventional weapons and troops, we can vastly decrease our budgets; this will be a great help in boosting our economies together. Now is the time that South and North Korea must meet for dialogue to address these type of issues.”</p> <p>“The South Korean government has clearly stated that we are ready to meet with North Korea for dialogue on any level to deal with all problems.”</p>
Address the 64 <sup>th</sup> General UN Debate (Sep. 23, 2009)	“North Korea must quickly return to the Six-Party Talks unconditionally. It must adhere to the 1992 Joint Declaration of the Denuclearization of the Korean peninsula. On the premise of this declaration, we want to expand talks and exchange with North Korea and strengthen our cooperation with the international community in order to help develop North Korea.”
East Asia Summit (EAS) Luncheon Speech (Oct. 25, 2009)	“North Korea’s intentions are still not clear, as there is no sign that it has made the decision to denuclearize. We must pull North Korea into talks by continuing a united stance and firmly adhering to resolution 1874, even as we leave open a road for dialogue.”
ROK-U.S. Summit Joint Press Conference (Nov. 19, 2009)	“We fully share the view that the North Korean nuclear issue requires a definite and comprehensive resolution, as I described in our ‘Grand Bargain,’ and agree to closely consult on how to elaborate and

Momentum	Content
	<p>implement this approach. is my hope that North Korea would accept our proposal so that we can usher in a new era in which North Korea can be assured of its security, and its people can enjoy real improvements in their quality of life. We agreed to work closely together with the other countries in the Six-Party process to bring North Korea back to the Six-Party Talks at an early date, and make sure that North Korea takes substantive measures towards its denuclearization.”</p>
<p>Dialogue with the President (Nov. 27, 2009)</p>	<p>“I am thinking about going through very normal procedures to resolve inter-Korean problems. There is no political reason to have a summit. If it is helpful for the denuclearization of North Korea, resolving the humanitarian issues such as the POW issue as well as the abductee issue, then we are ready to meet and have talks any time. With regard to the venue, this time, it does not necessarily have to be in Seoul because the denuclearization problem and resolving inter-Korean relations are important.”</p>



# Chapter II

## Inter-Korean Military Dialogue





## Chapter II

# Inter-Korean Military Dialogue

### 1. The 37<sup>th</sup> Inter-Korean Working-level Military Talks (October 2, 2008)

#### A. Overview

On September 25, 2008, North Korea, through a telephone notification, suggested a military working-level talks on September 30 at the House of Peace, on the South Korean side of Panmunjeom, in order to “discuss problems that arise in the agreements between the South and North Korean military.”

The South Korean government agreed to accommodate North Korea’s request since inter-Korean dialogue is important. However, the South requested that the Talks be rescheduled for October 2. North Korea agreed to this request and thus, the 37<sup>th</sup> Inter-Korean Working-level Military Talks was held at the House of Peace on the South Korean side of Panmunjeom.

### 〈 List of the Two Sides' Delegates 〉

	South Korea	North Korea
Chief Delegate	Lee Sang-chul (colonel, Ministry of National Defense)	Park Lim-soo (senior colonel, Ministry of People's Armed Forces)
Delegates	Han Ki-soo (director, Ministry of Unification) Kim Jung-bae (lieutenant colonel, Ministry of National Defense)	Lee Sun-kwon (colonel, Ministry of People's Armed Forces) Park Ki-yong (colonel, Ministry of People's Armed Forces)

## B. Developments

The North Korean side criticized leaflets sent by South Korean civic groups as an act that may instill hostility in inter-Korean relations, and that may lead to military conflict. The North also threatened that if this continues, it will have a negative impact on Gaeseong Industrial Complex, and that it will influence the transportation and stay of South Korean employees across the Military Demarcation Line.

Regarding South Korea's request that the North stop slandering the President of the South and return to dialogue, the North merely responded with, "We will examine that upon return." With regard to the Mt. Geumgang tourist attack, The North adhered to its original position and suggested that it was South Korea's fault.

### 〈 Summary of North Korea's Keynote Speech 〉

- o The content of the leaflets that are sent to North Korea is becoming increasingly worse, and the range of scattering of the leaflets has also become larger. The South is intentionally violating inter-Korean military agreements.
- o The North warned that sending leaflets is against the June 15 Joint Declaration and the October 4 Declaration, and is not only worsening inter-Korean relations and instilling hostility, but could also lead to new military conflict.
- o If the leaflets continue to be sent over the border, there will be severe consequences for the Gaeseong Industrial Complex. Second, South Korean personnel will not be able to cross the Military Demarcation Line. Third, it could become impossible for South Korean personnel to stay in the Gaeseong Industrial Complex and Mt. Geumgang districts.

South Korea, through its original remarks, suggested that North Korea should immediately cease the slandering of South Korea president, resume inter-Korean dialogue, and open an investigation into the Mt. Geumgang tourist death. The South also requested that the North prevent a recurrence and provide compensation to the victim's family, and resolve the issues surrounding access to Gaeseong district and related transportation difficulties.

In addition, with regard to the leaflet problem raised by the North,

the South pointed out that it is wrong to link the leaflets with the Gaeseong Industrial Complex and the Mt. Geumgang tourism project, and that South Korea is adhering to the military agreement (June 4, 2004) that restricts propaganda across the Military Demarcation Line.

#### 〈 Summary of South Korea's Keynote Speech 〉

- o This being the first meeting after the inauguration of the new administration, there are many issues that must be discussed; among them are a few pressing issues that the South would like to emphasize.
- o First, the South insists that North Korea immediately stop using inappropriate terms toward the South's President and cease slandering him, as this runs counter to the inter-Korean agreement of not slandering each other, and it has the unfortunate result of damaging mutual trust.
- o Second, all problems must be resolved through dialogue and consultation, and talks must be carried out directly at all levels.
- o Third, there is a need for a joint investigation and measures to prevent a reoccurrence of what happened to the female tourist that was shot dead by the North Korean military.
- o Finally, South Korean personnel at Mt. Geumgang and Gaeseong districts are having difficulty with access and transport across the

DMZ; we urge the North to actively resolve these issues.

Both sides exchanged their views on various matters and adjourned the meeting without a specific agreement.

Later, at the request of the North, there was another inter-Korean Military Working-level Contact on October 27 (on the Military Demarcation Line of the West), at which the civilian leaflet issue and the institutionalization of a military communication line were discussed.

#### **< List of the Two Sides' Delegates >**

	South Korea	North Korea
Delegates	Kim Jung-bae (lieutenant colonel, Ministry of National Defense) Cha Doug-cheol (deputy director, Ministry of Unification) Oh Doo-chan (deputy director, Ministry of Unification)	Um Chang-nam (colonel, Ministry of People's Armed Forces) Han Kwon-sik (lieutenant colonel, Ministry of People's Armed Forces) Oh Se-hoon (lieutenant colonel, Ministry of People's Armed Forces)

North Korea stated that the leaflet problem was worsening and insisted that South Korea implement measures to stop civic organizations from launching them towards the North with balloons. In addition, the North raised the issue of having to institutionalize inter-military communications quickly since the

weather was getting cold, and insisted that the South provide the equipment.

The South Korean side explained, again, that it is adhering to the anti-propaganda agreement, and emphasized that, despite the difficulties, the government is actively trying to request that the civilian groups cease sending the leaflets.

Both sides stated that they would take each other's positions and examine them upon return.

# Chapter III

## Inter-Korean Economic Dialogues





# Chapter III

## Inter-Korean Economic Dialogues

### 1. Six-Party Talks ‘Economic and Energy Cooperation Working Group’ Meetings

#### A. Overview

James Kelly, former U.S. Assistant Secretary of State for East Asian and Pacific Affairs, disclosed suspicions surrounding the North’s uranium enrichment program in October 2002 while in Pyongyang. North Korea responded by expelling IAEA inspectors and sparking the second North Korean nuclear crisis.

Afterward, in order to resolve the North Korean nuclear issue, South Korea, North Korea, the U.S., China, Japan, and Russia came together to form the Six-Party Talks, holding the first meeting August 27~29, 2003 in Beijing. In September 2005, during the second phase of the fourth round of the Six-Party Talks, the parties adopted a ‘Joint Statement.’

The nuclear problem worsened after the North’s nuclear test on October 9, 2006, but the situation seemed to improve when U.S.-DPRK talks began in addition to the Six-Party Talks. After

several rounds of U.S.-DPRK talks in February 2007, during the third phase of the Six-Party Talks (February 8~13, 2007), the parties adopted an action plan (February 13 Agreement) to implement the September 19 Joint Statement.

**〈 The September 19, 2005 Joint Statement  
of the fourth Round of Six-Party Talks 〉**

1. The Six Parties unanimously reaffirmed that the goal of the Six-Party Talks is the verifiable denuclearization of the Korean Peninsula in a peaceful manner.

The DPRK committed to abandoning all nuclear weapons and existing nuclear programs and returning, at an early date, to the Treaty on the Non-Proliferation of Nuclear Weapons and to IAEA safeguards.

The United States affirmed that it has no nuclear weapons on the Korean Peninsula and has no intention to attack or invade the DPRK with nuclear or conventional weapons.

The ROK reaffirmed its commitment not to receive or deploy nuclear weapons in accordance with the 1992 Joint Declaration of the Denuclearization of the Korean Peninsula, while affirming that there exist no nuclear weapons within its territory. The 1992 Joint Declaration of the Denuclearization of the Korean Peninsula should be observed and implemented.

The DPRK stated that it has the right to peaceful uses of nuclear energy. The other parties expressed their respect and agreed to discuss, at an appropriate time, the subject of the provision of light water reactor to the DPRK.

2. The Six Parties undertook, in their relations, to abide by the purposes and principles of the Charter of the United Nations and recognized norms of international relations.

The DPRK and the United States undertook to respect each other's sovereignty, exist peacefully together, and take steps to normalize their relations subject to their respective bilateral policies.

The DPRK and Japan undertook to take steps to normalize their relations in accordance with the Pyongyang Declaration, on the basis of the settlement of unfortunate past and the outstanding issues of concern.

3. The Six Parties undertook to promote economic cooperation in the fields of energy, trade and investment, bilaterally and/or multilaterally. China, Japan, ROK, Russia and the US stated their willingness to provide energy assistance to the DPRK.

The ROK reaffirmed its proposal of July 12<sup>th</sup> 2005 concerning the provision of 2 million kilowatts of electric power to the DPRK.

4. The Six Parties committed to joint efforts for lasting peace and stability in Northeast Asia.

The directly related parties will negotiate a permanent peace regime on the Korean Peninsula at an appropriate separate forum.

The Six Parties agreed to explore ways and means for promoting security cooperation in Northeast Asia.

5. The Six Parties agreed to take coordinated steps to implement the afore-mentioned consensus in a phased manner in line with the principle of 'commitment for commitment, action for action.'

6. The Six Parties agreed to hold the Fifth Round of the Six-Party Talks in Beijing in early November 2005 at a date to be determined through consultations.

The February 13 Agreement provided for the shutdown of the Yongbyon nuclear reactor, the return of IAEA monitors, and North

Korea's submission of a declaration listing all of its nuclear programs. In turn, as an initial step for disablement, the other Six-Party states would provide 50,000 tons of crude oil as emergency energy aid. In addition, the Six-Party states will form five working groups (denuclearization of the Korean peninsula; normalization of U.S.-DPRK relations; normalization of Japan-DPRK relations; economic and energy cooperation; peace and a security mechanism in Northeast Asia).

**—〈 Main Contents of the Initial Action Plan for the Implementation  
of the September 19, 2005 Joint Statement  
(February 13, 2007 Agreement) 〉—**

- o ① shut down of North Korean nuclear facilities and the return of IAEA personnel,
- ② a discussion of North Korea's listing of all nuclear programs (within 60 days).
- provide North Korea with 50,000 tons of crude oil as energy aid within 60 days.
- o Begin bilateral talks to normalize U.S.-DPRK and Japan-DPRK relations (within 60 days).
- o Economic, energy, and humanitarian aid for North Korea (in next phase)
  - ① declare all nuclear programs ② provide an equivalent of one million tons (including the initial 50,000 tons) of crude oil while North Korea disables all existing nuclear facilities.
- o Establish five working groups (WG) within the Six-Party Talks (to open within 30 days)

- △ denuclearization of the Korean peninsula, △ normalization of U.S.-DPRK relations, △ normalization of Japan-DPRK relations, △ economic and energy cooperation, △ a peace and security mechanism in Northeast Asia.
- o After the completion of the initial measures, there will be a ministerial-level meeting.
- o Negotiations will be held at other appropriate forums for a peace regime on the Korean peninsula.

The second action plan (October 3, 2007 Agreement) to implement the September 19 Joint Statement was agreed upon during the second phase of the sixth round of the Six-Party Talks. Under the terms of this agreement, North Korea was to submit an accurate declaration of all existing nuclear programs, disable all nuclear facilities, and reaffirm its nonproliferation commitments by the end of 2007. In return, South Korea, the U.S., China, Japan, and Russia agreed to provide the equivalent of one million tons of crude oil, including the initial 50,000 tons for shutting down the Yongbyon nuclear reactor, and the parties promised to work towards the normalization of U.S.-DPRK relations.

**〈 Main Contents of the Second Action Plan to Implement  
the September 19, 2005 Joint Statement  
(October 3, 2007 Agreement) 〉**

- o North Korea is to report all existing nuclear programs and disable all nuclear facilities.
- o North Korea is to reaffirm its pledge that it will not transfer any nuclear material, technology or know-how.
- o Based on the consensus of U.S.-DPRK normalization working group, parallel to North Korean measures, the U.S. will carry out its pledge to normalize relations. Likewise, Japan will work toward normalizing relations according to the Japan-DPRK ‘Pyongyang Declaration’ of 2002.
  - the U.S. pledges to remove North Korea from the State Sponsors of Terrorism list and lift restrictions imposed under the Trading with the Enemy Act.
- o Economic, energy, and humanitarian aid equivalent to one million tons of crude oil will be provided to North Korea.
- o A foreign ministry meeting of the Six-Party states will be held in Beijing within an appropriate period of time

There were six rounds of the Six-Party Economic and Energy Cooperation Working Group meetings in 2008, of which four rounds (March 27~28, June 5, June 11, and September 19, 2008) were held in South Korea’s House of Peace, in Panmunjeom. Two rounds (one round of South Korea-China-North Korea trilateral dialogue from February 21~22, and a second phase meeting on April 10) were held in Beijing.

During trilateral talks among South Korea, North Korea, and China, and during inter-Korean meetings, South Korea, as the Economic and Energy Cooperation Working Group chair, provided information on each country's energy situation and efforts to implement the September 19, 2005 Joint Statement. This included South Korea providing the North with technical cooperation and exchanging views on the problems regarding the fulfillment of obligations for North Korea's nuclear disablement.

During the Six-Party Economic and Energy Cooperation Working Group meeting, the deputy director-general of the North Korea Nuclear Affairs Bureau in the Ministry of Foreign Affairs and Trade, was the South's chief delegate while other delegates from related agencies also participated. On the North Korean side, the director-general of the National Planning Commission was the head of the North Korean delegation.

#### **B. 'Economic and Energy Cooperation Working Group' Inter-Korean Delegates' First Meeting (March 27~28, 2008)**

The South and North Korean delegation met at the House of Peace March 27~28, 2008 to discuss technical issues related to the October 3, 2007 Agreement.

### 〈 List of the Two Sides' Delegates 〉

	South Korea	North Korea
Chief Delegate	Kwon Yong-woo (deputy director-general, North Korea Nuclear Affairs Bureau, Ministry of Foreign Affairs and Trade)	Jin Chul (director-general, National Planning Commission)

Both sides discussed the conditions for the South's provision of equipment and materials, including quantities and technology.

#### **C. 'Economic and Energy Cooperation Working Group' inter-Korean Delegates' Second Meeting (June 5, 2008)**

In accordance with the October 3 Agreement, the five donor countries (South Korea, the U.S., China, Japan, Russia) met on June 10, 2008 while the Six-Party Economic and Energy Cooperation Working Group chief delegates met on June 11 to discuss economic and energy cooperation in the second phase of denuclearization. South and North Korean delegates met at the South's House of Peace in Panmunjeom on June 5 for preliminary preparations.

North Korea hoped that economic assistance and cooperation from the five parties would be accelerated to match the degree of progress of its denuclearization, thereby completing the second phase and beginning the third phase as the Six-Party process.

Both the South and North agreed to cooperate on the second phase of North Korea's economic and energy aid, the North's nuclear disablement and reporting, and other denuclearization measures.

**〈 List of the Two Sides' Delegates 〉**

	South Korea	North Korea
Chief Delegate	Hwang Jun-kuk (director-general, North Korea Nuclear Affairs Bureau, Ministry of Foreign Affairs and Trade)	Hyun Hak-bong (deputy director-general, Ministry of Foreign Affairs)

**D. 'Economic and Energy Cooperation Working Group' Six-Party Chief Delegates' Meeting (June 11, 2008)**

The Six-Party Economic and Energy Cooperation Working Group chief delegates met on June 11, 2008 at the South's House of Peace in Panmunjeom, in order to discuss North Korea's nuclear disablement and energy aid for North Korea.

The chief delegates discussed the issues regarding the process of providing the North energy aid such as crude oil, equipment, and materials based on the results of the June 10 donor countries' meeting.

### 〈 List of Representatives 〉

	Chief Delegates
ROK	Hwang Jun-kook (director-general of the North Korea Nuclear Affairs Bureau, Ministry of Foreign Affairs and Trade)
DPRK	Hyun Hak-bong (deputy director-general of American Affairs Bureau, Ministry of Foreign Affairs)
U.S.	Kurt Tong (National Security Council)
China	Chen Naiqing (Special Envoy on Korean Peninsula Affairs, Ministry of Foreign Affairs)
Japan	Takeshi Akahori (director-general of the Japan-Korea Economic Affairs Division, Ministry of Foreign Affairs)
Russia	Davidoff (deputy director-general of Asian Affairs, Ministry of Foreign Affairs)

#### **E. ‘Economic and Energy Cooperation Working Group’ inter-Korean Delegates’ Third Meeting (September 19, 2008)**

South and North Korean delegation met at the House of Peace in Panmunjeom, on September 19, following the inter-Korean agreement reached during the Six-Party Talks chief delegates meeting in Beijing. At the same meeting, South and North Korean agreed to place their mutual obligations of the second denuclearization phase, including energy assistance to North Korea, on the agenda.

### 〈 List of the Two Sides' Delegates 〉

	South Korea	North Korea
Chief Delegate	Hwang Jun-kuk (director-general, North Korea Nuclear Affairs Bureau, Ministry of Foreign Affairs and Trade)	Hyun Hak-bong (deputy director-general, Ministry of Foreign Affairs)

South Korea's obligations corresponding to the disablement of North Korea's nuclear facilities, such as economic and energy aid to North Korea, were carried out through inter-Korean meetings such as these.

## 2. Inter-Korean Working-level Talks Regarding the Gaeseong Industrial Complex

### A. April 21, 2009 Meeting

#### (1) Overview

The North's Gaeseong Industrial Zone Immigration Department sent a notification to the South on March 30, 2008 stating that the North was investigating a South Korean employee. In the same notification, the North stated that the South Korean employee was being detained and investigated because he criticized the North Korean political system and that the North would guarantee his

health, safety, and human rights during the investigation. Through the Gaeseong Industrial Complex Management Committee, the South demanded details of the investigation and the right to meet with the South Korean employee, but the North did not comply.

While the issue of the detained South Korean employee had not been resolved, on April 16, 2009, the North Korean Central Industrial Zone Development Guidance Bureau informed the Gaeseong Industrial Complex Management Committee chairman of the South that it was proposing an inter-Korean meeting because it had an important notification regarding the Gaeseong Industrial Complex. North Korea requested that the principal parties of the Gaeseong Industrial Complex Management Committee, and those that have authority and responsibility, should participate in the meeting. The request was issued while North Korea was raising military tensions and severely criticizing the South.

Despite these facts, with the understanding that getting South Korea's detained employee released and resolving the problem of his safety was the government's top priority, South Korea accepted North's proposal for a meeting.

### 〈 List of the Two Sides' Delegates 〉

	South Korea	North Korea
Chief Delegate	Kim Young-tak (director-general, Gaeseong Industrial Project Support Directorate, Ministry of Unification)	Park Chul-soo (vice chairman, Central Industrial Zone Development Guidance Bureau)
Delegates	Kim Nam-sik (director-general, Inter-Korean Dialogue Planning Department, Ministry of Unification) Moon Moo-hong (chairman, Gaeseong Industrial Complex Management Committee)	Lee Young-ho (general-manager, National Economic Cooperation Federation) Kim In-joon (councilor, Central Industrial Zone Development Guidance Bureau)

#### (2) Developments

Both liaison officials and delegates met to exchange views on the Gaeseong Industrial Complex and the issue of the detained employee.

South Korea pointed out that, regarding the issue of the detained employee, North Korea was violating the inter-Korean agreements and demanded his immediate repatriation. In addition, South Korea insisted that North Korea stop insisting on the nullification of the inter-Korean agreements, and clarified its intentions in joining the Proliferation Security Initiative (PSI). The South also insisted that it was wrong for the North to keep raising inter-Korean tensions

and to respond with a ‘declaration of war.’

Additionally, the South insisted that North Korea retract the restrictions on the access and sojourn that it had unilaterally implemented on December 1, 2008. And the South also strongly insisted that the North immediately stop slandering the South’s head of state, as well as general criticism of the South.

#### 〈 Summary of South Korea’s Remarks 〉

- o The South Korean government suggested dialogue with the North on a number of occasions and actively supported resolving the North’s humanitarian issues through private and international organizations.
  - Regarding the Gaeseong Industrial Complex, the foundation of the South Korean government’s position is progress with stability.
- o Inter-Korean relations are facing difficulty because of North Korea’s refusal to hold inter-Korean dialogue, its sever criticism toward the South, and its raising of tensions.
- o South Korea’s views of inter-Korean relations and the Gaeseong Industrial Complex are as follows:
  - In order to resolve political and military tensions, the North needs to retract actions that unilaterally raise tensions, such as announcing the nullification of the 1991 inter-Korean Basic Agreement.

- Immediately repatriate the South's detained employee.
  - Detaining and investigating a person without guaranteeing the basic right to visitation is in violation of Article 10, Section 3 of the Agreement for Access and Sojourn of the Gaeseong Industrial Complex and Mt. Geumgang Tourism District.
- Retraction of measures that restrict land transportation to and from the Gaeseong Industrial Complex.
- Immediately stop slandering the South's head of state.
- The South suggests inter-Korean dialogue to resolve the many pending issues and general inter-Korean problems, including the problem of access to and sojourn in the Gaeseong Industrial Complex.

North Korea claimed that South Korea was aggravating tensions and violating existing inter-Korean agreements, such as the June 15, 2000 Joint Declaration and the October 4, 2007 Declaration. The North stated that it would 'fully review all institutional privileges' granted to South Korea in the Gaeseong Industrial Complex.

North Korea made its position clear that the land-lease contract must be renegotiated and that the leasing fees and lease period must be adjusted. In addition, North Korea insisted on the nullification of contracts and that the South should be ready and willing to meet and begin a 'sincere reexamination' of the original contract.

### 〈 Summary of North Korea's Remarks 〉

- o The North must conduct a complete review of all institutional privileges granted to South Korea in the Gaeseong Industrial Complex.
  - Renegotiate the Land-Lease Contract and shorten the leasing period from the original ten years to six years.
  - Raise the wages of North Korean Gaeseong Industrial Complex workers.
- o Begin renegotiations of the original Gaeseong Industrial Complex contract.
  - Request that the South sincerely accept meetings that will be necessary to carry out the above-mentioned measures.

The South continuously insisted during the meetings that the North grant visitation rights to the detained employee and guarantee his safety, but the North refused, stating that this situation was unrelated to the meeting.

Although both sides expressed their arguments through a number of meetings, the result was that both sides expressed their views without agreement; thus, the meetings were halted with the decision to form an agreement on inter-Korean problems such as the Gaeseong Industrial Complex problem at a later meeting.

## **B. First Working-level Talks (June 11, 2009)**

### **(1) Overview**

The first Working-level Talks regarding the Gaeseong Industrial Complex was held on June 11, 2009, approximately a month and a half after the April 21 meeting.

On May 19, South Korea expressed regret that the Gaeseong Industrial Complex Working-level Talks could not be held, and proposed opening a dialogue to negotiate Gaeseong Industrial Complex-related problems, such as the detained employee, as soon as possible.

On June 5, the North's Central Industrial Zone Development Guidance Bureau responded with a proposal for an inter-Korean Working-level Talks on June 11. South Korea sent a reply agreeing to the talks, and thus, the First Gaeseong Industrial Complex Inter-Korean Working-level Talks was held at the Office of Inter-Korean Exchange and Cooperation Consultation.

### 〈 List of the Two Sides' Delegates 〉

	South Korea	North Korea
Chief Delegate	Kim Young-tak (senior representative for Inter-Korean Dialogue, Ministry of Unification)	Park Chul-soo (vice chairman, Central Industrial Zone Development Guidance Bureau)
Delegates	Kim Ki-woong (Manager, General Management Division, Ministry of Unification) Kim Hyeon-cheol (director, Ministry of Unification)	Lee Young-ho (general-manager, National Economic Cooperation Federation) Won Yong-hee (chief officer, Central Industrial Zone Development Guidance Bureau) Hwang Choong-sung (councilor, National Economic Cooperation Federation) Kim In-joon (chief officer, Central Industrial Zone Development Guidance Bureau)

#### (2) Developments

Both sides met at the Gaeseong Office of Inter-Korean Exchange and Cooperation Consultation, once in the morning and once in the afternoon to exchange views.

The South presented its basic position on the issues of the detained employee, the situation on the Korean peninsula, the need to retract the North's restriction of access and sojourn, and other problems regarding the development of the Gaeseong Industrial

Complex. The South insisted that the problem of the detained employee was a critical issue, and strongly demanded to the right to know his whereabouts and to visit him, and confirm his state of health.

#### 〈 Summary of South Korea's Keynote Speech 〉

- o The issue of renegotiating the Gaeseong Industrial Complex regulations and the existing contract should be carried out rationally, with sufficient discussion between all the concerning enterprises and resident corporations that will be affected.
- o The South demanded the immediate release of the detained employee.
- o The South demanded the North's immediate retraction of the Gaeseong Industrial Complex access and sojourn restrictions.
- o The South emphasized the urgent need for discussions on the three problems of communication, transit, and customs, as well as other issues related to the improvement of the Gaeseong Industrial Complex.
- o The South insisted that North Korea stop nuclear testing, cease creating military tensions, and return to the Six-Party Talks.

North Korea avoided discussing the detained employee, and proposed that South Korea prioritize the renegotiation of the land lease. North Korea demanded a reevaluation and renegotiation of

special privileges regarding the Gaeseong Industrial Complex to “match the conditions of altered inter-Korean relations.” Specifically, the North made the following demands: increase land-lease fees to \$5 billion for the first phase of the complex (3.3 million square meters), and increase monthly wages to \$300 (with a subsequent annual raise of 10~20 percent).

North Korea insisted on the immediate construction of a lodging facility for workers, daycare facilities, access roads for the workers’ commute, a discussion on the improvement of working conditions, and a safe management plan for the installation of a water-supplying facility.

South Korea once again demanded confirmation of whether the North would grant visitation rights with the detained employee and a guarantee of his safety, to which the North only responded that “he is doing well, without troubles.” In response to South Korea’s demand for the lifting of restrictions on access and sojourn, North Korea stated that it would do all that it could for the Gaeseong Industrial Complex, and that it was willing to ensure that the number of people entering, exiting, and staying matched the level of business operations for enterprises in the Complex.

#### 〈 Summary of North Korea’s Keynote Speech 〉

o The reason for the reevaluation and renegotiation of Gaeseong

Industrial Complex contracts is because the basis for the continuance of special privileges, which was based on the spirit of 'Korean national unity' has disappeared.

- Denial of June 15, 2000 Joint Declaration, participation in the PSI and ROK-U.S. combined military exercises, and the realities of the Gaeseong Industrial Complex (the relatively low wages of North Korean workers despite hundred millions of dollars of profit for South Korean companies).

- o The North suggested that land lease fees should be at the top of the agenda.

- o North Korea demanded lodging for 15,000 workers, daycare, roads for commuting, and requested a discussion of plans to improve working conditions and the safe management of water supplying facilities.

Although the two parties could not come to an agreement, both agreed to continue discussions regarding the proposed issues at a later meeting and adjourned after deciding to hold the next meeting on June 19.

### **C. Second Working-level Talks (June 19, 2009)**

#### **(1) Overview**

Following the first Working-level Talks on June 11, the second Working-level Talks was held on June 19 at the Inter-Korean

## Exchange and Cooperation Consultation Office in Gaeseong.

### 〈 List of the Two Sides' Delegates 〉

	South Korea	North Korea
Chief Delegate	Kim Young-tak (senior representative for Inter-Korean Dialogue, Ministry of Unification)	Park Chul-soo (vice chairman, Central Industrial Zone Development Guidance Bureau)
Delegates	Kim Ki-woong (manager, General Management Division, Ministry of Unification) Han Ki-soo (director, Inter-Korean Dialogue Division I, Ministry of Unification)	Lee Young-ho (general-manager, National Economic Cooperation Federation) Won Yong-hee (chief officer, Central Industrial Zone Development Guidance Bureau) Hwang Choong-sung (councilor, National Economic Cooperation Federation) Kim In-joon (chief officer, Central Industrial Zone Development Guidance Bureau)

### (2) Developments

The two sides met on June 19 for one morning and one afternoon session.

South Korea pursued an approach that aims to maintain safety and improve Gaeseong Industrial Complex after first resolving the issue of the detained employee. In this context, the South made the

detained employee issue its first priority. Also, the South wanted to deliver two letters from the detained employee's family — one to the employee, and one to the North Korean authorities requesting his release.

In addition, the South presented 'Three Principles for the Development of the Gaeseong Industrial Complex' and suggested that the Gaeseong problems be resolved according to these principles.

**〈 Three Principles for the Development  
of the Gaeseong Industrial Complex 〉**

1. Compliance with existing inter-Korean agreements and contracts.
2. Pursuit of economic development independent of political-military affairs.
3. Establishment of a future-oriented perspective to develop Gaeseong Industrial Complex into an internationally competitive industrial complex.

At the same time, South Korea suggested that both Koreas inspect foreign industrial complexes, such as those in China and Vietnam, in mid-July 2009, as it could be helpful in narrowing the gap in views regarding the Gaeseong Industrial Complex.

The South specifically proposed the North's lifting of access and sojourn restrictions for the Gaeseong Industrial Complex, the establishment of an inter-Korean joint committee on access and sojourn, and the resolution of the problems related to communication,

transit, and customs. The South expressed the position that it cannot renegotiate land-lease fees as proposed by the North, but agreed that other issues, such as the building of a nursery, could be discussed when the North lifted its restrictions on access and sojourn.

### 〈 Summary of South Korea's Keynote Speech 〉

- o Proposed three principles for the development of the Gaeseong Industrial Complex.
- o Pressed for discussions of major issues to be based on the three principles.
  - ① The immediate resolution of the detained employee issue
  - ② Pending issues brought up by the South:
    - Lifting the North's restrictions on access and sojourn for the Gaeseong Industrial Complex.
    - Resolution of the problems related to communication, transit, and customs.
    - strengthening measures to guarantee safety, and establishing an inter-Korean joint committee on access and sojourn.
  - ③ The South agreed building of nurseries and lodging should be examined as suggested by the North.
  - ④ The South demanded that the North comply with existing regulations and contracts regarding the land-lease fees, usage fees, wages, and taxes.
  - ⑤ The South proposed inter-Korean joint inspections of industrial complexes in other countries, which would be phased

inspections inspection beginning in July.

In contrast, North Korea argued that the discussion of land-lease fees must be a priority. North Korea argued that their demand for \$5 billion for land lease fees was submitted after considering the special privileges they had extended in the realms of politics, economics, and military affairs.

Regarding the issue of the detained South Korean employee, North Korea merely repeated its position that it would investigate and resolve the case according to the Agreement on the Access and Sojourn in the Gaeseong Industrial Complex and Mt. Geumgang Tourism District. The North refused to deliver the letter from his family and replied, “He is doing fine, please tell his family.”

Finally, the North expressed the ‘intent to lift restrictions on land transportation, access, and sojourn’ through more proactive measures to resolve administrative difficulties.

#### 〈 Summary of North Korea’s Keynote Speech 〉

- o Regarding the status of the Korean peninsula and inter-Korean relations, the North explained that it views South Korea’s position as one of ‘direct confrontation’ and ‘raising the risk nuclear war’ due to the following:
  - ROK participation in UN Security Council sanctions, the ROK’s joining PSI, opposing the spirit of resolving issues ‘Korean

national unity' (*uriminjok-kkiri*) as referenced in inter-Korean summits.

- o the North repeated its original position regarding land-lease fees, land usage fees, wages, and taxes.
- o the North suggested that the issues of lodging, nursery facilities, and roads for commuting be dealt with by the working group.
- o the North was willing to help resolve administrative difficulties of resident firms and expressed the intention to lift restrictions on access and sojourn.

The meeting was adjourned without resolving the issue of the detained employee, although both sides exchanged their positions regarding this issue as well as issues regarding the management of the Gaeseong Industrial Complex. Both sides agreed to discuss the issue of the detained employee at the next meeting on July 2 at the Office of Inter-Korean Exchange and Cooperation Consultation.

#### **D. Third Working-level Talks (July 2, 2009)**

##### **(1) Overview**

The third Working-level Talks was held on July 2, at the Office of Inter-Korean Exchange and Cooperation Consultation, as agreed to during the second Working-level Talks (June 19, 2009).

### 〈 List of the Two Sides' Delegates 〉

	South Korea	North Korea
Chief Delegate	Kim Young-tak (senior representative for Inter-Korean Dialogue, Ministry of Unification)	Park Chul-soo (vice chairman, Central Industrial Zone Development Guidance Bureau)
Delegates	Kim Ki-woong (manager, General Management Division, Ministry of Unification) Han Ki-soo (director, Inter-Korean Dialogue Division I, Ministry of Unification) Kim Hyeon-cheol (director, Ministry of Unification) Kwon Dong-hyeok (deputy director, Ministry of Unification)	Lee Young-ho (general-manager, National Economic Cooperation Federation) Won Yong-hee (chief officer, Central Industrial Zone Development Guidance Bureau) Hwang Choong-sung (councilor, National Economic Cooperation Federation) Kim Sang-ho (chief officer, Central Industrial Zone Development Guidance Bureau)

## (2) Developments

The South demanded that the North immediately reveal the location and health status of the detained South Korean employee, and demanded his immediate release. However, the North did not reply. Regarding the issues of the Gaeseong Industrial Complex, the South reemphasized the ‘Three Principles of the Gaeseong Industrial Complex’ and suggested discussing issues according to these principles.

South Korea suggested prioritizing the lifting of the North's restrictions on access and sojourn, in addition to the three problems of communications, transit, and customs, and then dealing with the establishment of a joint committee on access and sojourn. Furthermore, South Korea specifically proposed that an inter-Korean joint inspection of a foreign industrial complex begin on July 20.

From a humanitarian perspective, the South expressed that it intended to discuss immediately the issue of constructing a daycare facility. In addition, in order to build mutual trust, the South suggested the North should stop slandering of the South's head of state.

In order to have more effective meetings, the South suggested breaking down the main working group that deals with general issues of Gaeseong Industrial Complex into smaller working groups to deal separately with pending issues.

#### 〈 Summary of South Korea's Keynote Speech 〉

o Reemphasize its three principles.

- Establishing regulations, pursuing economic principles, institutionalizing the principle of future oriented development.
- Emphasizing the importance of trust; the need to cease slandering the South Korean president and release the detained employee.

- o Insisting on the withdrawal of North Korea's unreasonable demands.
  - point out the invalidity of the demand for increased land-lease fees.
  - point out the need to respect the original regulations regarding wages and taxes.
- o Reemphasize major points.
  - propose a specific discussion on a joint inspection of foreign industrial complexes.
  - insist on the immediate lifting of the North's restrictions on access and sojourn.
  - address the problems related to the three issues of communication, transit, and customs, and push for improvement of the transportation system.
  - express the intent to build daycare facilities.
  - express the need to survey the workers and corporate management before building lodging facilities and commuting roads.
- o Propose ways to manage future meetings.
  - propose the formation of sub-working groups under the general working group.

The North repeated its original position, demanding \$5 billion for leasing fees as provided in its original statement.

### 〈 Summary of North Korea's Keynote Speech 〉

- o The land-lease fees are a priority issue and a fundamental problem.
  - The North must take into consideration the unique political, economic, and military circumstances when calculating the land lease fees for the Gaeseong Industrial Complex.
  - Regarding safety standards, the North proposed using U.S. bases in South Korea as a reference point.
- o Called for the South to cease actions that cause difficulty in the working group meetings, and insisted on a sincere attitude.
- o Pointed out that the South has an insincere attitude toward the North's proposals.

Regarding these North Korean statements, the South insisted that the land-lease fee increase is an invalid demand and that it is important to move forward according to the original agreement. The South adopted a new position on carrying out meetings, but the North did not show a change of attitude, continuing to argue that the land-lease fees should be a priority in the discussions.

South Korea proposed new methods of talks; however, North Korea showed no change in attitude, and continued to argue that a discussion on land-lease fees should be a priority. In conclusion, the meeting was halted without closing the gap between the positions.

## **E. Follow-up Measures After Working-level Talks**

Although South and North Korea were able to exchange views regarding the Gaeseong Industrial Complex during Working-level Talks, they were not able to reach any agreements. However, some of the problems discussed during the working-level talks were later partially resolved.

First, the detained South Korean employee was released on August 13, 2009, which was 137 days after North Korea began its investigation on March 30.

On August 20, North Korea announced that it would lift restrictions on land transportation and access that had been adopted on December 1, 2008. Following this announcement, transportation via the Kyung-eui rail line returned to normal operations on September 1, and the Office of Inter-Korean Exchange and Cooperation Consultation resumed normal operations on September 7. On August 25, the Panmunjeom Red Cross Liaison Office resumed normal operations, and the direct inter-Korean hot line was restored.

Regarding the daycare facility that the North requested for the convenience of its female workers, a contract was concluded on September 23 between the Gaeseong Industrial Complex Management Committee of the South and the Central Industrial

Zone Development Guidance Bureau of the North.

Regarding the modernization of inter-Korean military communications, North Korea actively demanded measures be taken by the South, citing connection difficulties. South Korea stated that it intends to provide the equipment to improve the connection.

On October 20, North Korea approved the South's proposal to repair and development inter-Korean communication lines. The work was carried out in both East and West Sea Districts from October 28 to December 22. After testing on December 24 and 25, the lines were connected on December 26 via fiber-optic cable.

In addition, the overseas inter-Korean industrial complex joint inspections (discussed during the second and third Working-level Talks) were conducted at Chinese and Vietnamese complexes on December 12~22.

### 3. Imjin River Flood Control Working-level Talks (October 14, 2009)

#### A. Overview

At dawn of September 6, 2009, a large amount of water was discharged without notice from a dam on the North Korean portion of the Imjin River, resulting in the death of six South Koreans. In

response to this tragedy, South Korea sent a telephone message to the North expressing regret and demanding an explanation. South Korea insisted that in the future, North Korea notify the South before discharging water from dams.

In response, North Korea sent through a telephone message on September 7 stating that the water level had risen at upstream dam, and that they had to discharge water as an emergency measure. However, the message also stated that in the future, the North will notify the South in advance. The South believed this response was insufficient because it did not address the tragic loss of innocent life.

On September 8, South Korean Unification Ministry spokesperson requested a clear explanation and apologies from those in the North who were responsible for the incident. In addition, in order to prevent such an incident from reoccurring, the South proposed exploring an inter-Korean agreement to implement preventative measures and a joint-usage system.

North Korea declined to respond. Thus, on October 12, South Korea suggested holding an Imjin River Flood Control Working-level Talks on October 14, to which the North consented.

### 〈 List of the Two Sides' Delegates 〉

	South Korea	North Korea
Chief Delegate	Kim Nam-sik (director-general, Inter-Korean Exchanges and Cooperation Bureau, Ministry of Unification)	Lee Young-ho (general-manager, National Economic Cooperation Federation)
Delegates	Kim Seok-hyeon (director, Water Resources Policy Division, Ministry of Land, Transport and Maritime Affairs) Kim Chung-hwan (director, Inter-Korean Dialogue Division II, Ministry of Unification)	Kim Chul-man (director, Ministry of National Environmental Protection) Kim Sang-ho (manager, National Economic Cooperation Federation)

## B. Developments

The two sides held two sessions in the morning and one in the afternoon.

South Korea demanded that the responsible parties in the North issue a formal apology and send condolences to the families of the deceased. The South also insisted that the North provide an adequate explanation to the South Korean people regarding the cause of the incident.

In order to prevent a reoccurrence, South Korea proposed the ‘Three Principles for Prevention of Damage and the Systemization of Joint Usage of Inter-Korean Rivers including the Imjin River.’

The three principles are: reasonable and fair joint usage mutual cooperation and mutual trust.

**〈 Three Principles for Prevention of Damage and  
the Systemization of Joint Usage of Inter-Korean Rivers  
including the Imjin River 〉**

1. The principle of reasonable and fair joint usage: using inter-Korean rivers for mutual benefits.
2. The principle of mutual cooperation: establishing an inter-Korean agreement and cooperation regarding the usage of inter-Korean rivers.
3. The principle of trust: there must be mutual trust when it comes to the use of inter-Korean rivers.

Furthermore, with regard to the warning system for the prevention of a similar disaster, South Korea requested that the North notify the South of future dam opening by providing written communication with the name of the dam, the amount of water to be discharged, and the reason for the discharge. In response, the North confirmed that “in the future, the South will be notified.”

In North Korea’s main statements, it offered deep condolences to the families of the deceased by expressing that “it is deeply regretful of the unintentional loss of lives in the Imjin River accident.” With regard to the cause of the sudden discharge of the water, the North explained that “the water was discharged in order to avoid a bigger accident.”

The discussions focused on: a North Korean apology for the Imjin River incident (September 6); an explanation of the accident; and measures to prevent a recurrence. North Korea expressed deep regret and offered condolences to the families of the deceased, and promised to notify the South in advance of any future plans to discharge water.

The meeting was adjourned after both sides agreed to discuss the establishment a flood warning system and a protocol for joint usage of inter-Korean rivers at the next meeting.

# Chapter IV

## Inter-Korean Humanitarian Dialogues





# Chapter IV

## Inter-Korean Humanitarian Dialogues

### 1. Inter-Korean Red Cross Talks (August 26~28, 2009)

#### A. Overview

When the Hyundai Group chairwoman visited North Korea (August 10~17, 2009), she issued a joint press guidance (August 17) that included an agreement for a reunion event for separated families over the Chuseok [Korean Thanksgiving Day] holiday.

The South Korean government decided to pursue a reunion of separated families, as the South views this as a humanitarian issue. Thus, the South proposed an inter-Korean Red Cross Talks on August 20 under the auspices of the president of the Republic of Korea National Red Cross in order to discuss the issue of separated families.

The North accepted South Korea's proposal on August 25, and an inter-Korean Red Cross Talks was held August 26~28 at Mt. Geumgang.

### 〈 List of the Two Sides' Delegates 〉

	South Korea	North Korea
Chief Delegate	Kim Young-cheol (Secretary General, Republic of Korea National Red Cross)	Choi Seong-ik (vice president, Central Committee of the Red Cross Society)
Delegates	Kim Ui-do (senior member, Republic of Korea National Red Cross) Kim Dong-sik (senior member, Republic of Korea National Red Cross)	Park Yong-il (senior member, Central Committee of the Red Cross Society) Ro Hak-chul (vice general-manager, Central Committee of the Red Cross Society)

## B. Developments

### (1) The First General Meeting (August 26, 2009)

South Korea proposed ‘Three Principles to Resolve the Problem of Separated Families,’ which includes: respecting the humanitarian spirit; resolving fundamental problems of separated families; and establishing and maintaining mutual respect. The South suggested the need to discuss ways to resolve the fundamental problems of separated families, including: confirmation of whether family members are still alive; the exchange of letters; family reunions; unfettered access and visits to hometowns; and the normalization of family visits.

In addition, the South brought up details such as the scale and schedule of the Chuseok reunion and the utilization of the Mt. Geumgang visitation facility.

### 〈 Summary of South Korea's Keynote Speech 〉

- o Proposed the three principles for resolving humanitarian issues:
  1. The principle of respecting the humanitarian spirit: continuing reunions unconditionally, regardless of inter-Korean political relations.
  2. The principle of resolving fundamental problems: confirmation of whether family members are still alive or deceased; the exchange of letters; reunions; and, unfettered access and visits to hometowns.
  3. The principle of mutual respect: the need for mutual cooperation to resolve humanitarian problems such as POW and abductee issues.
- o Specific proposals for the Chuseok reunion of separated families:
  - South Korean visitors hold reunions with family members residing in the North (September 27~29); North Korean visitors hold reunions with families residing in South (October 6~8); 100 families each from the South and the North; use of Mt. Geumgang visitation facilities for the reunion.
- o Proposals for another reunion before the end of the year, another reunion over the New Year holiday, and the establishment of

another visitation facility for separated families.

In response, North Korea limited discussion regarding details of the Chuseok reunion occasion, and suggested only some specifics for the schedule, scale, and location for the Chuseok reunion.

#### 〈 Summary of North Korea's Keynote Speech 〉

- o The meeting was for the purpose of reaching an agreement regarding the Chuseok reunion to occur at Mt. Geumgang.
- o The agenda was to include the specifics of the schedule, location, and scale of the Chuseok separated family reunions.
- o The reunion will be held in October with 100 people from both sides.
- o The location will be based on past practices and preparations will begin five days prior to the reunion.

#### (2) Chief Delegate Contacts (3 rounds) and Delegate Contacts (3 rounds)

South Korea suggested the need to discuss ways to resolve problems regarding separated families, including abductees and POWs. The South also proposed additional reunions before the end of the year and in 2010. However, North Korea insisted on limiting the agenda to the Chuseok reunion, so no progress was made on

the South's proposals.

### (3) The Second General Meeting (August 28)

The South suggested the need for wide-ranging discussions in order to resolve the fundamental problems of separated families, and proposed three principles for resolving humanitarian problems. However, the North limited the agenda to the Chuseok reunion.

Both sides were able to discuss the Chuseok reunion without disagreement. However, the two sides were unable to narrow differences on other issues, and merely agreed to continue discussions.

#### 〈 Main Points of the Agreement 〉

1. The reunion between separated families will be held September 26~October 1 at Mt. Geumgang.
  - o The reunion will include 100 people from each side.
  - o submit request for the confirmation whether 200 family members are alive or deceased (September 1).
  - o exchange documents for the meetings (September 15).
  - o exchange final list of family members (September 17).
  - o Group reunions will be held at Mt. Geumgang visitation facility, and individual reunions will be held at Mt. Geumgang Hotel and other local facilities used in the past.
  - o Preparation will begin five days prior to the reunions.

2. The South and North will continue to discuss the issue of separated families and other humanitarian issues as part of efforts to improve inter-Korean relations.

## 2. Inter-Korean Red Cross Working-level Contact (October 16, 2009)

### A. Overview

On October 12, South Korea submitted a proposal through the Panmunjeom Inter-Korean Red Cross Liaison Office to hold an inter-Korean Working-level Contact at Mt. Geumgang to discuss humanitarian concerns, such as the reunion of separated families.

In response, North Korea requested the meeting venue to be changed to Gaeseong; South Korea agreed and an inter-Korean Working-level Contact was held at the Office of Inter-Korean Exchange and Cooperation Consultation at Gaeseong on October 16.

### 〈 List of the Two Sides' Delegates 〉

	South Korea	North Korea
Chief Delegate	Kim Ui-do (senior member, Republic of Korea National Red Cross)	Park Yong-il (senior member, Central Committee of the Red Cross Society)
Delegates	Kim Seong-keun (director, Republic of Korea National Red Cross)	Park Hyung-chul (chief officer, Committee for the Peaceful Reunification of the Fatherland) Li Dong-hyuk (councilor, Council for Reconciliation and Cooperation)

## B. Developments

South Korea reemphasized the three principles it had brought up during the previous Red Cross meeting for resolving the problem of separated families, and proposed an additional reunion before the end of the year and another in 2010. Furthermore, South Korea proposed negotiating an agreement for regular reunions at visitation facilities, and agreement that would allow the permanent presence of Inter-Korean Separated Family Visitation representatives at the facility.

The North responded very passively to the South's proposals and only demanded humanitarian aid throughout the meeting.

Through three rounds of meetings, the South pushed for discussions regarding separated families, requesting and for additional reunions and the normalization of visitation facilities.

However, there was no concrete agreement because the North failed to respond. Consequently, the Working-level Contact ended with only an agreement to continue discussing humanitarian problems in the future.

# Chapter V

## Other Trends in Inter-Korean Dialogue





# Chapter V

## Other Trends in Inter-Korean Dialogue

### 1. North Korean Measures to Discontinue Inter-Korean Dialogue and Restrict Transit

#### **A. Eviction of South Korean Personnel from the Office of Inter-Korean Exchange and Cooperation Consultation**

North Korea unilaterally declared on March 24, 2008 that it would expel 11 South Korean personnel working in the Office of Inter-Korean Exchange and Cooperation Consultation in Gaeseong. The North took the action in response statements made by the South's unification minister at the 'Meeting for Firms Operating in the Gaeseong Industrial Complex' on March 19, 2008.

The North took issue with the Unification Minister's remarks that "the expansion of Gaeseong will become difficult unless the North Korean nuclear problem is resolved." North Korea's decision appears to have been based on the media's partial reporting of his remarks — not on a complete understanding of his whole statement. In response, South Korea pointed out the North Korea's measures were invalid and demanded that North Korea submit an official written notification of its intentions. However, the North did not

accept this request, and repeatedly demanded the evacuation of South Korean personnel from the Office of Inter-Korean Exchange and Cooperation Consultation. Therefore, South Korean personnel were expelled on March 27.

As a result, operations at the Office of Inter-Korean Exchange and Cooperation Consultation were cut back. The office had been established on October 28, 2005 to expand direct inter-Korean business and investment. The two sides had agreed to set up the office at the tenth Inter-Korean Economic Cooperation Promotion Committee meeting.

These North Korean measures violated inter-Korean agreements such as the Agreement for Establishment and Operation of the Office of Inter-Korean Exchange and Cooperation Consultation, and the Agreement for Access and Sojourn of the Gaeseong Industrial Complex and Mt. Geumgang Tourism District.

On March 27, a spokesperson for the Ministry of Unification issued a notification expressing the government's regrets and stating the North was responsible for the eviction of South Korean personnel. The South Korean government also insisted on the swift normalization of operations at the Office of Inter-Korean Exchange and Cooperation Consultation.

Furthermore, the South expressed that although these measures

will cause apprehension for businesses seeking to invest in Gaeseong, the project must continue to operate as a symbol of inter-Korean cooperation. The South also declared that both Koreas must continue to cooperate for successful inter-Korean business ventures.

## **B. Declaration Ceasing Inter-Korean Dialogue and Contact**

On March 29, 2008, North Korea took issue with a statement made during a National Assembly confirmation hearing on March 26 for a Joint Chiefs of Staff nominee. During the hearing, Joint Chiefs of Staff nominee issued a statement that included a reference “preemptive strikes on North Korean nuclear facilities in the case of an imminent North Korean nuclear attack.” North Korea criticized the statement in state media as being “a provocative act no different from an open declaration of war.” North Korea later stated that it would implement measures to restrict South Korean personnel from crossing the DMZ.

On April 2, South Korea’s spokesperson for inter-Korean Military Talks expressed regrets that the North was taking issue with the remarks at the hearing, and the spokesperson also stated that the South has respected the inter-Korean non-aggression agreement, and insisted that the North immediately stop the arbitrary slander and acts to raise tensions.

In response, North Korea declared that the South’s statement ‘was

merely an excuse,' and that the North would adhere to its position to respond with military measures.

### **C. Closure of the Panmunjeom Liaison Office and Inter-Korean Hot Lines**

North Korea criticized the 63<sup>rd</sup> UN General Assembly's resolution censuring North Korean human rights as a challenge to the North Korean regime. On November 12, the North Korean Central News Agency reported that Central Committee of the Red Cross Society would "close the Panmunjeom Red Cross Liaison Office and sever the direct inter-Korean hot line." The North also took other unilateral actions, such as recalling the North Korean Panmunjeom liaison officials to Pyongyang.

Thus, the Red Cross Inter-Korean Liaison Office direct line was severed on November 13, 2008. North Korea has a history of unilaterally cutting off the Panmunjeom Inter-Korean Liaison Office direct line, having previously done so in 1976 and 1980.

Although the severing of the Red Cross inter-Korean hot line by North Korea damages the foundation of inter-Korean relations, other military communication channels regarding access to the DMZ remained open. These military communications links are used for business lines, aviation control lines, and lines to the Gaeseong Industrial Complex.

#### **D. Restricting Access for South Korean Personnel**

At the inter-Korean Working-level Military Talks on October 2, 2008, North Korea criticized the scattering of leaflets by South Korean civic groups. The North stated that if this were to continue, there would be severe consequences for Gaeseong Industrial Complex business and tourism, including restricted access and transportation across the DMZ for South Korean personnel. The delegation also said South Korean personnel would not be able to stay in the Gaeseong Industrial Complex and Mt. Geumgang districts.

South Korea reaffirmed that it was abiding by the June 4, 2004 agreement to cease propaganda activity, and pointed out that it is wrong for North Korea to link this issue to the Gaeseong Industrial Complex and Mt. Geumgang.

On November 12, the head of North Korea's delegation to General-level Military Talks, criticized the South for "crossing dangerous waters with its anti-communist disturbances." He notified the South that the North would take serious measures, including the suspension of land transportation across the DMZ beginning December 1. On the same day, South Korea's Ministry of Unification spokesperson expressed regrets, and on November 13, the South's spokesperson for General-level Military Talks also expressed regrets regarding the North's position.

On November 24, North Korea announced the details of the restrictions on crossing the DMZ that were to become effective on December 1. The details were delivered through the channels of the inter-Korean General-level Military Talks, the Office of Inter-Korean Exchange and Cooperation Consultation, and the Gaeseong Industrial Complex Management Committee. Personnel residing in the Gaeseong Industrial Complex and at Mt. Geumgang were to be expelled and transportation across the Military Demarcation Line was to be suspended. The North also blocked the operation of the inter-Korean rail line from Bongdong to Munsan, and generally restricted access to the Gaeseong Industrial Complex and Mt. Geumgang tourism district.

On the same day, South Korea's Ministry of Unification spokesperson expressed serious regrets, pointing out that restricting access and sojourn in the Gaeseong Industrial District violates inter-Korean agreements, and seriously harms inter-Korean relations. The South strongly insisted that the North retract the measures.

Nevertheless, on November 27, North Korean military working-level head in charge of East and West Sea district announced that beginning December 1, the North would reduce access to the western district in the North from two roundtrips-per-day to two roundtrips every Tuesday. The North would also restrict access to the eastern district in the North, reducing border-crossings from 19 roundtrips-

per-day to only six, and reduce the number of personnel and vehicles allowed to pass from 500 people and 200 vehicles-per-day to 250 people and 150 vehicles-per-day.

In response, the South Korean government emphasized the need to guarantee the safety of its citizens. The South has continued to notify the North in advance when personnel are preparing to transit the DMZ. The South also has implemented training for South Korean personnel to help prevent any problems at the Gaeseong Industrial Complex.

## 2. North Korean Attack on South Korean Tourist at Mt. Geumgang (July 11, 2008)

### A. The Incident

On the morning of July 11, 2008, at the Mt. Geumgang tourist area, a South Korean female tourist, Park Wang-ja (age 53) was shot and killed by a North Korean soldier. North Korea notified Hyundai-Asan, which operates the tourism facilities, that “Mrs. Park Wang-ja left the tourist district, entered a restricted military area, and disobeyed a guard’s order to stop and thus, a shot was fired.”

The South Korean government expressed its regrets through a Ministry of Unification spokesperson briefing and announced that

it would form a special inter-agency team to carry out a thorough investigation and implement future countermeasures.

## **B. South Korea's Demand for an Investigation and North Korea's Response**

### **(1) Request for an investigation and announcement of temporary halt of Mt. Geumgang Tourism**

On July 11, the South Korean government formed the Inter-Agency Joint-Response Team and discussed the investigation of the incident and future countermeasures. The team was led by the vice-minister of unification, and included officials from the President's Office, the Prime Minister's office, the Ministry of Unification, the Ministry of Justice, and the Ministry of Culture, Sports, and Tourism. In addition, the South formed a Mt. Geumgang Response Room overseen by the director-general of the Ministry of Unification's Bureau of Inter-Korean Exchanges and Cooperation. The South also established an emergency response information collection and dissemination system.

According to the results of the response team meeting on July 12, the South expressed regrets to the North and sent a memo through the Panmunjeom Inter-Korean Liaison Office stating that it would temporarily halt Mt. Geumgang tourism until a joint government investigation was conducted. This was done with the belief that the

details of the incident must be thoroughly investigated because it involved the death of a South Korean civilian. However, the North refused to accept the South's position.

(2) Statement by North Korean spokesperson for the Central Development Guidance Bureau of Scenic Attractions

North Korea refused the South's memo that requested a joint investigation, but on July 12, a North Korean spokesperson for the Central Development Guidance Bureau of Scenic Attractions expressed regrets about the death of the tourist in Mt. Geumgang, and placed responsibility for the incident on the South. The North's spokesperson maintained that "the incident was caused by the South Korean tourist, who left the fenced tourism area and secretly entered a military zone."

Furthermore, North Korea demanded that the South apologize and establish measures to prevent the reoccurrence of such an incident, stating it would not accept South Korean tourists until the South extended an apology and put preventative measures in place. South Korea responded by making it clear that the North's explanation and Hyundai-Asan's review by a company employee were not sufficient.

(3) Ministry of Unification spokesperson again presses for an investigation

On July 13, following North Korea's refusal to allow a South Korean investigative team to enter the Mt. Geumgang site, a South Korean Ministry of Unification spokesperson pointed out the inappropriateness of the North's response and again insisted on a thorough investigation, as well as measures by the North to prevent a reoccurrence. Furthermore, the South emphasized the need for a joint investigation, measures to prevent a reoccurrence, and a North Korean guarantee of safety measures. The South insisted that the North take responsible and cooperative measures because this issue is related to the safety of South Korean citizens.

North Korea's passive stance resulted in no cooperation to establish a joint investigation of the incident, so all 350 South Korean tourists at Mt. Geumgang tourists were evacuated at 3:30 pm on July 13.

On July 15, South Korea tried to send a memorandum to the North insisting on the dispatch of the South Korean inter-agency investigative team to the site. However, North Korea refused to accept the notice, stating that "because the North does not have a corresponding delegate to receive the memorandum, it cannot be accepted."

South Korea responded by declaring that this incident is a serious issue that involves the lives and physical safety of South Korean citizens, and that the cause of the incident must be thoroughly investigated. The South also insisted on the need to dispatch a South Korean inter-agency investigative team of experts, as well as the need for North Korea to provide all necessary evidence and information to conclude the investigation. In addition, the South made it clear that the South's requests were based on section 12 of the Agreement for Access and Sojourn in Gaeseong Industrial Complex and Mt. Geumgang Tourism District, which regulates inter-Korean information exchanges and cooperation.

### **C. South Korean Government Inter-Agency Investigative Team Activity**

The South Korean government launched a Inter-Agency Government Investigative Team on July 14 in order to reveal the truth behind the Mt. Geumgang shooting and to resolve suspicions related to the incident. This investigative team was headed by director-general for Dialogue Liaison and Support of the Ministry of Unification, and included representatives from the Ministry of Defense, the Prosecutors' Office, the Police Department, and the National Scientific, Criminal and Investigation Laboratory. The main duties of the team were: 1) collect and analyze information and evidence; 2) analyze North Korean statements and establish plans

for discussions with the North; 3) conduct personal interviews with people related to the incident; and 4) visit and investigate the site.

The Government Inter-Agency Investigative Team comprehensively analyzed autopsy results, witness statements, ballistics tests and re-enactments in order to clear up suspicions and conduct a fair investigation while informing the public of the results and the facts behind the case.

In addition, the National Scientific, Criminal and Investigation Laboratory announced the autopsy results of the late Park Wang-ja on July 16. According to the autopsy results, there were two bullets wounds to the back and buttocks region both shots were fired from a distance exceeding two meters, but the exact distance was undetermined.

Afterward, in order to test the validity of North Korea's statements regarding the Mt. Geumgang Tourist incident, the Government Inter-Agency Investigative Team conducted a re-enactment at Goseong County, an area in the South similar to the site of the incident, July 27~28 and announced the results on August 1.

#### **D. Special Statement by a North Korean spokesperson for the Mt. Geumgang Military District, and the evacuation of South Korean personnel**

On August 3, the spokesperson for the Mt. Geumgang Military District explained the details of the shooting incident through a ‘special statement.’ The spokesperson asserted that the South was responsible for the accident and resolutely refused to allow an investigation. In addition, the North stated that it considered it very provocative for the South to stop the Mt. Geumgang tourism and demand an investigation. Furthermore, the spokesperson announced the following measures regarding the Mt. Geumgang Tourism District:

First, the North is to expel all unnecessary South Korean personnel from the Mt. Geumgang District. Second, the North will impose further restrictions on the transit of South Korean personnel and vehicles across the DMZ to the Mt. Geumgang Tourism District. Third, from now on, the North will respond with strict military measures against confrontational acts in the Mt. Geumgang Tourism District and the military restricted area.

On August 9, North Korea announced that it would implement measures to expel South Korean personnel from the Mt. Geumgang Tourism District beginning August 10. The announcement, issued through a memo from the military working-level head of the East

Sea District, declared that the first phase of the expulsion would include Korea Tourism Organization personnel and government personnel operating the Separated Families Visitation Facility.

In response to the North's expulsion announcement, a South Korean Unification Ministry spokesperson on August 3 expressed regrets and pointed out the inappropriateness of the North's decision. Furthermore, the South emphasized that even from an international standpoint, it was clear that North Korea was responsible for this fatal shooting incident. Furthermore, the North's refusal to cooperate in a joint investigation, and refusal to improve personal safety through countermeasures to prevent a reoccurrence are against the 'spirit of Korean national unity' that the North claims to support.

## 〈 reference 〉

### —〈 Safety Regulations for Mt. Geumgang Tourism 〉—

- o Memorandum of Personal Safety Assurance (signed on July 9, 1998, Department of Social Safety of the North, Paek Hak-rip)
  - Guarantees the personal safety and return of Hyundai working-group representatives and Habyoung Company personnel, construction personnel, Yuram railroad attendants, and South Korean tourists that enter North Korea.
- o Mt. Geumgang Agreement (signed July 30, 1999, Hyundai & the Asia-Pacific Peace Committee, Central Company for Tourism)
  - in case of an incident, to emphasize personal safety, the accident shall be handled by the 'Mt. Geumgang Tourism Industry Management Committee,' which is composed of 3~4 people.

- in the case of a serious incident requiring an intensive investigation, the 'Mt. Geumgang Tourism Industry Management Committee' will discuss and resolve the issue. However, if the case is not settled amicably, all related parties and the 'Mt. Geumgang Tourism Industry Management Committee' will discuss and resolve the issue.
- o Mt. Geumgang Tourism District Access, Sojourn and Residence Regulations (July 26, 2004)
  - Article 26 (access outside of the tourism district): "A visa is required for travel outside of the tourism district into DPRK territory. In this case, a visa application must be processed through the tourism district management organization at the Tourism District Access Bureau."
  - Section 29 (inviolable personal and property rights, guarantee of mail confidentiality): "For those who reside in the tourism district, personal and property rights are guaranteed in addition to the confidentiality of their personal letters and the right to freely transit. Residents cannot be arrested and their personal property cannot be searched without a legal basis."
- o Gaeseong and Mt. Geumgang Access and Sojourn Agreement (signed on January 29, 2004 enacted on August 5, 2005)
  - Article 2: Fundamental Principles
    2. North Korea will provide the necessary conveniences for the personal safety, access and sojourn of South Korean personnel
  - Article 10: Guarantee of Personal Safety
    1. North Korea will guarantee the personal and property rights of South Korean personnel.
    2. If a South Korean violates a law in the district, North Korea will notify the South of the violation and its circumstances. According to the severity of the violation, after an investigation, a warning or penalty will be imposed or the personnel will be extradited to the South. However, in the case of a severe violation,

the South and North must resolve the incident through dialogue and mutual agreement.

3. North Korea must guarantee basic rights while a South Korean is being investigated.

- Article 11: Entrance into North Korean territory between tourism districts

In the case that South Korean personnel and/or transportation vehicles exit the district and enter North Korean territory, or exit North Korean territory and enter the district, North Korean regulations will be followed.

- Article 12: Exchange of Information and Cooperation

1. South and North Korea will mutually notify each other of necessary information regarding the agreement. Unless there is a special reason, both sides will cooperate with the other's request for information.

2. South and North Korea will operate a joint committee to resolve problems pertaining to access and sojourn, and both countries will cooperate to ensure the establishment and operation of tourism.

### 3. North Korean High-level Condolence Delegation Visit to Seoul (August 21~23, 2009)

#### A. Overview

North Korea sent a High-level Condolence Delegation to Seoul August 21~23, 2009 for the state funeral of the late President Kim Dae-jung. The North Korean delegation, led by Kim Ki-nam, secretary of the Central Committee of the North Korean Workers

Party, and Kim Yang-gon, chief of the Unification Front of the Central Committee of the North Korean Workers Party. The delegation was comprised of six members.

**< North Korean Delegation >**

	Position	Note
Kim Ki-nam	secretary, Central Committee of the DPRK Workers Party	Head
Kim Yang-gon	chief, the Unification Front, Central Committee of the DPRK Workers Party	
Won Dong-yon	general-manager, DPRK Asia-Pacific Peace Committee	
Maeng Kyong-il	councilor, DPRK Asia-Pacific Peace Committee	
Lee Hun	councilor, DPRK Asia-Pacific Peace Committee	
Kim Eun-ju	technician, DPRK Defense Commission	

The North Korean delegation arrived at Gimpo International Airport on the afternoon of August 21 on a special Air Koryo flight. The delegation then paid their respects at the funeral of late President Kim Dae-jung. On August 22, the delegation met with the Minister of Unification, and made a courtesy visit to the President Lee Myung-bak on August 23, before returning to North Korea.

### 〈 Schedule of Events 〉

- o Day 1: Arrival→ Pay respects at state funeral→ Meeting with Speaker of the National Assembly→ Visit the Kim Dae-jung Peace Center and meeting with former-first lady Lee Hee-ho→ Dinner with Kim Dae-jung Peace Center personnel
- o Day 2: Breakfast with special adviser Kim Deok-ryong and Peace Center personnel→ Meeting with Democratic Party representative → Meeting Minister of Unification→ Luncheon with Vice-Minister of Unification
- o Day 3: Courtesy visit with President Lee Myung-bak→ Return to Pyongyang

## **B. Developments**

### (1) Preliminary Process

The Kim Dae-jung Peace Center notified the North Korean Asia Pacific Peace Committee of former President Kim's death on August 18, 2009. In response, the Asia Pacific Peace Committee sent its condolences on August 19, notifying the Kim Dae-jung Peace Center that Chairman of Defense Commission Kim Jong-il would allow a Special Condolence Delegation to attend the state funeral in Seoul. The Kim Dae-jung Peace Center then cooperated with the South Korean government to arrange the dates for visit.

Since the late president was to be honored with a state funeral,

the National State Funeral Committee assumed the responsibilities associated with the North Korean delegation's reception, schedule, safety, and security. Minister of Unification Hyun In-taek and Vice Unification Minister Hong Yang-ho participated as members of the National State Funeral Committee.

## (2) Day 1 Schedule (August 21)

The North Korean delegation took a direct flight on Air Koryo and arrived at 3:00 p.m. on August 21. South Korean Minister of Unification Hyun In-taek, a member of the National State Funeral Committee, met and welcomed the delegation. The delegation paid respects to Kim Dae-jung at the funeral arranged by the National State Funeral Committee, and presented a wreath from Chairman Kim Jong-il.

After paying respects at the funeral, the delegation held a meeting with the speaker of the National Assembly at the National Assembly building. At this meeting, the National Assembly speaker expressed gratitude for North Korea's condolences and emphasized the need for inter-Korean cooperation and co-prosperity. The speaker also insisted on the immediate return of the crew of the ship *800 Yeonan*. Secretary Kim Ki-nam expressed deep condolences for the death of former President Kim Dae-jung.

The North Korean delegation then delivered a letter from Kim

Jong-il to the late President's widow Lee Hee-ho and the bereaved family.

### (3) Day 2 Schedule (August 22)

The North Korean delegation began the second day of their visit with an event hosted by the Kim Dae-jung Peace Center. After breakfast with Kim Deok-ryong, chairman of the Korean Council for Reconciliation and Cooperation, and also a special adviser to President Lee Myung-bak, the delegation held meetings with Democratic Party Representative Jung Sei-kyun and other Democratic Party National Assembly members.

The delegation then met with Unification Minister Hyun In-taek and Vice Unification Minister Hong Yang-ho. Both sides discussed mutual concerns during this meeting, the first high-level official meeting since the beginning of the Lee Myung-bak administration.

### (4) Day 3 Schedule (August 23)

The North Korean delegation's visit to Seoul was originally scheduled for two days and one night, August 21~22. However, the North requested to meet with President Lee Myung-bak for a courtesy visit, and thus the delegation extended its trip one day, to August 23.

At the meeting with the President, North Korean delegation

members Kim Ki-nam, Kim Yang-gon, and Won Dong-yon participated. South Korean Unification Minister Hyun In-taek and Senior Secretary for Foreign Affairs and National Security Kim Sung-hwan also were in attendance.

The North Korean delegation delivered a verbal message from Chairman Kim Jong-il to President Lee Myung-bak regarding the progress of inter-Korean cooperation. President Lee Myung-bak explained the South Korean government's firm and consistent principles regarding North Korea, and requested that this message be delivered to Chairman Kim Jong-il. The president emphasized that the South and North can resolve all problems through sincere dialogue. The North Korean delegation agreed and expressed its desire that all inter-Korean problems be resolved through dialogue.

After the courtesy visit to President Lee Myung-bak, the North Korean delegation returned to the North via a special Air Koryo flight.

#### 4. South-North Joint Inspection of Overseas Industrial Complexes (December 12~22, 2009)

##### A. Overview

A joint inspection team comprising ten representatives each from

South and North Korea conducted a joint inspection of a Chinese and a Vietnamese joint industrial complexes for 11 days during December 12~22. This inspection was pursued with the goal of developing a consensus between the two Koreas in order to develop the Gaeseong Industrial Complex into a stable and competitive project.

The inter-Korean joint inspection team comprised ten North Koreans, including Park Chul-soo, Vice Chairman of the Central Industrial Zone Development Guidance Bureau, and ten South Koreans, including Kim Young-tak, Ministry of Unification representative, as well as other officials from the Ministry of Unification, the Ministry of Strategy and Finance, the Ministry of Knowledge and Economy, and the Korea Land and Housing Corporation.

## **B. Developments**

### **(1) Preliminary Process**

South Korea officially proposed the idea of conducting joint inspections at the second Gaeseong Industrial Complex inter-Korean Working-level Talks on June 19. The South proposed that the inspections be conducted in three phases: 1) Chinese and Vietnamese complexes; 2) Central Asian complexes; and 3) complexes in the U.S. and other developed countries. The South again proposed joint

inspection of Chinese and Vietnamese complexes at the third Working-level Talks, and continued to emphasize this issue through the Gaeseong Industrial Complex Management Committee. In response, North Korea's Gaeseong Industrial Zone Guidance Bureau accepted the proposal on November 25, and sent a list of North Korean participants on December 5.

## (2) Summary of main points in the joint inspections

The inter-Korean joint inspection team met in Beijing, China on December 12 and inspected the Qingdao Economic-Technological Development Area December 13~14, the Suzhou Industrial Park December 15~16, the Shenzhen Special Economic Zone December 17~18, and the Nguyen Phong Industrial Park December 19~22. The joint inspection team inspected a total of nine factories, three complexes and six related departments including Transit Offices.

After receiving a briefing from management committees and firms on the present condition of the complexes, the inter-Korean joint inspection team was allowed to ask questions and tour the facilities.

### —〈 Main Facilities and Entities Visited 〉—

- o Qingdao Economic-Technological Development Area (December 14): management committee, and businesses currently in operation.
- o Suzhou Industrial Park (December 15~16): Management Committee, Distribution Center, One-Stop Service Center, personnel resources market, dormitory housing, and businesses currently in operation.
- o Shenzhen Special Economic Zone (December 17~18): Yantian Harbor Container Terminal and Bonded Distribution Center, Huang Gang Transit Office, and businesses currently in operation.
- o Vietnam's Nguyen Phong Industrial Park (December 21): Management Committee, businesses on site.

South Korea's inspection team toured the facilities and inspected various types of infrastructure, tax privileges, investment incentives, preferential treatment, transportation and tourism systems, and workers' recruitment and placement systems.

The North Korean inspection team showed interest in practical aspects, such as the industrial complex management system, workers' wages, tax privileges, insurance, and accounting. Through this joint inspection, the inter-Korean joint inspection team agreed that in order to manage the Gaeseong Industrial Complex in a stable manner and to develop it into a competitive project, many issues must be resolved. Both teams also agreed that in order to resolve these issues, Gaeseong businesses and relevant government officials must hold

several meetings.

## 5. H1N1 Flu Treatment Aid to North Korea (December 18, 2009)

### A. Overview

In the fall of 2009, the H1N1 influenza virus became a major problem as it spread globally. Rumors spread via non-governmental organizations that there was an H1N1 outbreak in North Korea, where nutrition and sanitary conditions are poor. However, North Korea stated that it did not have any H1N1 patients. Nevertheless, at the end of November, rumors spread through North Korean aid organizations that H1N1 cases had been detected.

President Lee Myung-bak gave directions during a cabinet meeting on December 8 to determine the H1N1 flu situation in the North and provide humanitarian aid. On December 9, the North Korean Central News Agency reported that nine cases of H1N1 flu had been diagnosed in North Korea. In response, the South Korean government decided to provide anti-viral medication and hand sanitizer, and notified the North via the Panmunjeom liaison channel.

Upon North Korea's approval, on December 18, South Korea delivered treatment for 500,000 patients through the inter-Korean

agreement for aid.

## **B. Developments**

### **(1) Liaison Officials' Meeting**

On December 10, the president of the Republic of Korea National Red Cross sent a message to the chairman of the North Korean Central Committee of Red Cross Society declaring the South's intent to provide H1N1 anti-viral drugs to the North. North Korea approved and inter-Korean talks were held December 10~17 on the delivery of the aid.

The two sides discussed: the content of the aid; the delivery timeline; aid personnel; and the handling and distribution of the medication. South Korea decided to prioritize the delivery of 500,000 doses of medication (400,000 doses of Tamiflu 100,000 doses of Relenza) and then procured and delivered the hand sanitizer.

Considering the urgent need for the aid, the two sides decided to deliver the medication on December 18 overland. The two sides also decided that South Korean personnel would transport the aid to Gaeseong and work with North Korean personnel.

South Korea informed the North of all matters related to the handling of the drugs. The medications must be stored at room temperature, but a cold front was approaching Korea on December

18 and the winter is very cold in the North. The South delivered the medications in temperature-controlled trucks that maintained the temperature between 1°C~30°C. The North had to make the necessary storage and distributions measures because the drugs lose their effectiveness if exposed to temperatures below one degree Celsius. North Korea acknowledged the information provided by the South, and discussions progressed amicably on issues such as the timeline and delivery route.

## (2) Delivery of Aid

On December 18, South Korea delivered 500,000 doses of anti-viral medications (400,000 doses of Tamiflu 100,000 doses of Relenza) to North Korea via Gaeseong. The South Korean humanitarian team was led by Kim Young-il, director of the Ministry of Unification's Humanitarian Aid Bureau, and included personnel from related departments in the Ministry of Unification, Ministry of Health and Welfare, and the Korea Centers for Disease Control and Prevention.

South and North Korean medical experts shared information regarding the handling and administering of the medications. In addition, the South explained the potential side-effects in case the drugs were misused or abused. North Korea fully understood the South's concerns, and thus the delivery progressed amicably.

Both sides also agreed to cooperate closely for the delivery of the hand sanitizer aid.

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