

South Korea's monthly report Summary (January 2010)

Politico-Strategic Front;

Sejong City revision plan, Govt. is to unveil details of its alternative proposal to replace the Sejong administrative city plan, setting the stage for an escalated battle with the opposition parties. The blueprint, aimed at developing it into a science, education and business center, will include the list of companies, universities and research institutes. Lee, Park on Collision Course over Sejong Project, President Lee Myung-bak said that the government and the ruling Grand National Party (GNP) should push ahead with the revision of the Sejong City plan. In a meeting with GNP leaders at Cheong WA Dae, Lee said his administration has done its best to find alternatives to the original Sejong plan. Sejong debate continues over weekend, Government officials and politicians kept themselves busy over the weekend by visiting different areas across the nation to stress their views on the contestable Sejong City revision plan. Park slams GNP leader over Sejong, Former and incumbent leaders of the ruling Grand National Party collided over a government proposal to redress the Sejong administrative city plan. Govt to Propose Sejong City Revision Bill, The government will give public notification of its submitting of a revision bill on the plan to build a multi-billion dollar administrative town in South Chungcheong Province. Assembly set to approve student loan system, the two major political parties agreed to hold a one-day plenary session Monday to pass the four bills related to implementing the new state student loan system. Choo Faces Disciplinary Action over Labor Bill, The main opposition Democratic Party (DP) has decided to take disciplinary action against Rep. Choo Mi-ae for her role in railroading a controversial labor bill. However, Choo threw the blame on party leaders, saying they had failed to represent the voices of party members. The ethics committee of the main opposition Democratic Party proposed suspending Rep. Choo Mi-ae's party membership for one year for defying the DP's official policy regarding a controversial labor union bill last month.



N. Korea Wants Talks on Gaeseong Site, Pyongyang has expressed interest in having working-level talks with Seoul on issues regarding the inter-Korean industrial complex at Gaeseong. The Ministry of Unification said that it was willing to have talks if the North makes an official request. Lee Wants Turning Point in S-N Ties, President Lee Myung-bak pledged to step up efforts to make a breakthrough in stalled inter-Korean relations, saying the two Koreas should establish dialogue channels first. Seoul, Tokyo oppose removing N. K. sanctions before denuclearization South Korean Foreign Minister and Japan's Foreign Minister urged North Korea to quickly return to negotiations on ending its nuclear programs, saying any concessions will only be made after the North starts to denuclearize. Seoul to support U.N. project to train N.K. technicians, South Korea plans to contribute 1.88 billion won (\$1.67 million) this year to a U.N. project to help train North Korean officials and technicians. N.K. dragging its feet on industrial park talks, North Korea has yet to grant access to a team of South Korean delegates scheduled to cross the border to attend an inter-Korean dialogue on the development of a joint industrial park. The sides are set to hold a meeting at the Kaesong industrial park to discuss ways to improve their

joint management of the complex. South Korea Warns North on a First Nuclear Strike, South Korea would launch a pre-emptive conventional strike against the North if there were clear indications of an impending nuclear attack, the South Korean defense minister said in Seoul. Even as both countries were holding talks about improvements at their jointly operated industrial park. Korea's close talks empty-handed, North Korea and South Korea have made no significant progress in two days of talks about their jointly-run Kaesong industrial park. They were expected to plan development of the project and set an agenda for future meetings, but failed to do so. North Korea Warns of Military Action, North Korea threatened to take stern military action, blasting the South Korean defense minister for his remarks on a preemptive strike against the North in the case of an imminent nuclear threat. Seoul Proposes Inter-Korean Talks on Tour Feb. 8 South Korea has proposed holding talks over the resumption of tour programs to the North Korean city of Gaeseong and Mt. Geumgang resort on Feb. 8, a spokesman from the unification ministry said. N. Korea Fires into Waters near Sea Border, North Korea fired dozens of artillery shells into waters near the inter-Korean sea border, while the South responded immediately with warning shots into the air. President Ready to Meet NK Leader This Year, President Lee Myung-Bak has reiterated his willingness to meet with North Korean leader Kim Jong-il at anytime for direct talks, should the communist state's nuclear programs be included in the agenda of the summit.

Vice Foreign Minister Begins Africa Trip, First vice Foreign Minister Shin Kak-soo began visits to four African nations as part of the government's global diplomacy. Shin arrived in the Democratic Republic of Congo on the first leg of his trip that will also bring him to South Africa, Ghana and Kenya. Lee's India Visit to Focus on Nuclear, IT Exchange President Lee planned visit to India from Jan. 24 to 27 which is expected to pave the way for closer bilateral cooperation in the development of nuclear and information technologies. Korea-India Summit to Discuss Nuclear Pact President Lee Myung-bak arrived in India for a summit with India's Prime Minister Manmohan Singh on boosting bilateral relations and partnerships on the global stage.



Korea, Panama to seek joint summit with Central America, The foreign ministers of Korea and Panama agreed to seek a joint summit of their presidents and leaders from other members of a regional forum in Latin America, while also agreeing to improve their countries' bilateral ties. Korea to deal with U.S.-proposed rules, Korea seeks cooperation with Japan to deal with a move by the United States to limit air-transport of rechargeable lithium batteries, a government official said. Washington has asked Seoul to submit its view on ways to enhance safety related to the transport of rechargeable batteries by planes before the end of February. S. Korea Seeking to Amend Nuclear Accord with US, South Korea is moving to hold behind-the-scenes discussions with the United States in a bid to amend an agreement on cooperation in nuclear energy. Second Vice FM to Meet UN Chief Chun Young-woo, second vice foreign minister, will visit New York to meet with U.N. Secretary General Ban Ki-moon and senior U.S. State Department officials between Jan. 22 and 27. .

New liberal political party launches A new liberal political party, formed by close associates of late President Roh Moo-hyun, is officially launched. Party members include former Welfare Minister Ryu Si-min and former presidential chief of staff Lee Byung-wan, who all served their posts in Roh's administration.

Crackdown Starts to Ban Civil Servants From Participating in Political Activities, The prosecution said it would crack down on civil servants and teachers engaging in political activities ahead of local elections slated for June 2. The decision came after police said they had found that some 290 members of unions representing progressive teachers and government employees either participated in rallies organized by a left-wing party or financially supported it on a regular basis.

One Judge Reignites War of Ideology, Whether it was predictable or not, Judge Lee Dong-yeon at the Seoul Southern District Court has brought the Korean judiciary into chaos, which is unlikely to end in the foreseeable future. Rather, it is being fueled by pro-government newspapers and politicians and shaped as an "ideological clash" between conservative and progressive groups. The judiciary is taking a wait-and-see attitude. Lawmakers Renew Call for Judiciary Reform, Lawmakers called Monday for drastically changing the judiciary. Rep. Lee Ju-young of the governing Grand National Party (GNP), a former judge, urged an in-house task force to devise a complete overhaul. Meanwhile, Rep. Park Joo-sun of the main opposition Democratic Party (DP), a former prosecutor, asked the panel to change the way prosecutors work. Parties Politicizing Judiciary Reform Leaders of the governing Grand National Party (GNP) again criticized the judiciary Thursday, claiming that a group of politically-motivated junior judges have hurt the nation by making biased rulings on major cases. The main opposition Democratic Party (DP) dismissed the GNP's claim, saying the accusation was aimed at forcing judges to align with the ruling camp. GNP hones in on chief justice, the ruling Grand National Party yesterday zeroed in on chief justice Lee Yong-hoon as it upped the ante in a dispute over controversial court rulings.

Korea aims for No. 3 spot in nuclear power sector Korea aims to export 80 nuclear reactors worth \$400 billion by 2030 as part of its effort to become the world's third-largest exporter of atomic energy technology. Fighter, Helicopter Plans to Start in 2011, Seoul Plans to locally develop a fighter aircraft and an attack helicopter will start next year. The plan is part of comprehensive projects to develop the nation's aerospace industry over the next decade. Japan, S. Korea to boost security Japanese Prime Minister Yukio Hatoyama said on Friday that Tokyo was considering boosting its security cooperation with South Korea, in the face of the threat of a possible North Korean attack. Asked about reports that Tokyo and Seoul may issue a joint security declaration this year, PM Hatoyama told reporters: 'This is being discussed as the momentum for greater cooperation between Japan and South Korea is increasing.' Marines to Join Drills in Thailand About 330 South Korean Marines and sailors will participate in the U.S.-led multinational Cobra Gold exercise in Thailand to hone their joint humanitarian and peacekeeping operational skills with other nations, the Navy announced Friday. The exercise will be held from Jan. 28 to Feb. 11, it said in a news release.

Economic Front;

G-20 officials will meet in South Korea next month to discuss spurring the global recovery. Korea will train aspiring development consultants and aid workers who are interested in providing overseas development aid in order to meet the rising demand for relief workers. South Korea's central bank froze its record low interest rates for an 11th straight month, but the government faced claims of meddling as it emerged a minister sat in on the policy meeting. It had cut the rate by a total of 3.25 percentage points between October 2008 and February to bolster the economy. Korea's national debts grew sharply last year from a year earlier mainly due to the government-led expansionary fiscal measures aimed at bolstering the sluggish local economy.



Korea's top 30 business groups plan to increase investments by 16.3 percent this year in preparation for a recovery in consumption. Nearly five out of 10 new lawyers remain unemployed, the Judicial Research and Training Institute (JRTI) said that Korea's legal service market is indeed frozen. S. Korea to add 250k jobs South Korea said it aims to create more than 250,000 new jobs this year because the employment market remains fragile despite a growing economic recovery.

The Seoul government will send some \$10 million of relief aid to Haiti simultaneously Korean firms were also moving to support quake-stricken Haiti, with the country's No. 1 automaker, Hyundai Motor Co., sending US\$100,000 to the Red Cross.

North Korea has accepted an offer of food aid from South Korea, officials in Seoul have announced. The offer of 10,000 tonnes of food was made in October, but no response has been given until now. South Korea said it is preparing for talks with North Korea on economic cooperation. Inter-Korean venture OK'd in Raseon, North Korea has approved the establishment of an inter-Korean joint venture company in the northeastern city of Raseon for the first time since it was designated as the nation's first free trade zone in 1991.



KIA Motors Corp aims to grow its US market share further this year following sharp gains in 2009, driven by new launches including the all-new Sorrento crossover. Korea, India to Double Trade by 2014, President Lee Myung-bak and India's Prime Minister Manmohan Singh agreed to double the bilateral trade between Korea and India to \$30 billion by 2014 from 2008. Korea and Costa Rica have agreed to boost their bilateral cooperation while also working to improve Seoul's ties with Central America. A Korean business body said that it has signed a deal with a Chinese business lobby group to enhance bilateral cooperation in the renewable energy sector. Korea has signed agreements with the United Arab Emirates (UAE) to expand cooperation in the shipbuilding and semiconductor sectors as part of effort to forge a strategic partnership with the Middle Eastern country.



Korea's Money Circulation Back to Pre-Crisis Level Money is circulating through the economy almost as fast as it was before the worldwide financial crisis, the statistics from the central bank showed. Hyundai Motor Profit Doubles as its 2009 net profit more than doubled from the previous year on strong sales and favorable exchange rates. Samsung Electronics confirmed its status as the world's largest technology company by posting record sales and operating profit last year, edging Hewlett-Packard (HP) of the United States and Siemens of Germany. South Korea's electronics giant said it expects to post an estimated US\$3.3 billion (\$\$4.6 billion) profit for the fourth quarter to December last year. Samsung said it expects an operating profit of 10.92 trillion won on a record revenue of 136.05 trillion won for the full year 2009. LG Chem. said it clinched record annual sales and operating profit in 2009, led mainly by sustainable growth in its rechargeable battery segment. A local economist said that soft local currency and low oil prices helped Korea post a record trade surplus last year. South Korea's trade surplus hit a record high of US\$40.4 billion (\$\$56 billion) last year as exports recovered faster than expected from the global recession while imports shrank. W. 61 Tril. To Be Spent on Infrastructure Projects, The government said

that it will push for over 60 trillion won (\$52 billion) worth of state-initiated construction projects this year as part of efforts to bolster private investment and help accelerate the economic recovery.



Social Façade;

'Study Now, Pay Later' Plan to Be Delayed, The government has delayed the implementation of its "*study-now-pay-later*" program, which was intended to help college students from low-income backgrounds with tuition. Stiff Fine on Soured Loans Angers Students, Students are complaining after the education ministry announced that those who fail to repay loans will face a fine of 5 million won. This is aimed at helping ease the financial burden on the students at a time when colleges and universities are competing to raise tuition. Opposition Party Pledges Free Pre-School Education The main opposition Democratic Party (DP) announced a set of education policy goals, including free pre-school education. School chiefs face tough evaluation, Principals at primary and secondary schools in Seoul will be subject to a new stringent evaluation scheme, under which poor performers would face a de facto dismissal. The Seoul Metropolitan Office of Education said it will implement a system this month as part of efforts to enhance public education. Teachers Can Write Own Textbooks, Books written by school teachers will be able to win government authorization to be used in classrooms as textbooks, according to the Seoul education ministry. In addition, they will be distributed in CD-ROM format from March, opening the era of the "e-textbook."

Lecturer charged with helping students cheat on SAT Police in Seoul have booked a lecturer on charges of allegedly helping two Korean students cheat on the U.S.-based Scholastic Aptitude Test (SAT) by taking advantage of the time difference between test centers in Asia and the U.S. Police Widen Probe Into Leak of SAT Papers Four Koreans were apprehended for attempting to leak test information of the Scholastic Aptitude Test (SAT) police said last month. Leakage of SAT Questions Linked to Lax Supervision, The supervisory role played by ETS is under scrutiny over the theft of test questions. According to Police, ETS didn't know about the latest cases until Korean police informed them. Illegal Foreign Tutors on Rise, According to the Korea Immigration Office the number of "*illegal*" foreign private tutors arrested rose to 226 last year, compared to 211 in 2008, 172 in 2007 and 143 in 2006. Among those arrested in 2009, Americans made up the largest portion with 79, followed by 36 Canadians and 31 Filipinos. W100 Mil. Reward Offered for Report on Education Corruption, The Seoul Metropolitan Office of Education said that 100 million won (\$87,000) will be rewarded to those who report corruption among education officers. Corrupt Teachers Face Tougher Penalty; The Seoul Metropolitan Office of Education said that educators will be relieved of their posts, once they are confirmed to have taken bribes.

South Korea Confronts the open secrete of Abortion, In a country where abortion is both widespread and, with few exceptions, against the law, Dr. Choi and Dr. Shim are hoping to force South Korea's first serious public discussion of the ethics of the procedure. South Korea's fertility rate, which stood at 4.5 children per woman in the 1970s, had fallen to 1.19 children by 2008, one of the lowest rates in the world. The government fears that the recent financial downturn may have depressed it further, and that the

country's rapidly aging population will undercut the economy's viability. 54% of Victims of Childhood Trauma Develop Mental Disorders, Children who suffer from extreme cases of abuse can often be left with significant mental or physical damage that is difficult to heal even with long-term therapy, doctors and researchers at Seoul National University Hospital expressed their views. Seoul Alert over Fake AIDS Certificates, The Philippine Department of Labor and Employment is cracking down on fake AIDS test certificates after 57 Filipino entertainers were deported by South Korea last year for possessing fraudulent documents.



Gender Equality Ministry gets bigger role, The Ministry of Gender Equality makes a new start in March as the government office in charge of family affairs as well as gender issues. Korean scientists identify remedy for H1N1 flu, Korean scientists have identified a substance commonly used in traditional Oriental medicine that can destroy the Type-A H1N1 flu virus responsible for thousands of deaths worldwide last year. Lights out, make babies, South Korea's health ministry, which is charged with boosting the nation's low birthrate, is turning off the lights in its offices once a month to

encourage staff to go home early and make more babies. Three in 10 Women at Risk of Osteoporosis, About 3 out of every 10 women aged 50 years old or over are likely to suffer from osteoporosis, but less than half of them visit their doctors to check up on their bone health, according to the Ministry for Health, Welfare and Family Affairs.

'Transparency key to competitiveness', Top corruption fighter Lee Jae-oh yesterday urged high-ranking officials to take the lead in efforts to make the nation clean and transparent. The chairman of the Anti-Corruption and Civil Rights Commission launched a three-day series of special lectures to senior public servants and business leaders. Whistleblowers to Get More Protection The Ministry of Justice is planning to reduce sentences and fines for informants in corruption scandals. The ministry also plans to severely punish those making false testimonies during prosecutor's questioning.