



Press Review South Korea – April 2015

1. Foreign Policy

Japan steps up Dokdo claim in schoolbooks / S. Korean PM warns Japan against history distortion

The Korea Herald, 06.04.2015

Yonhap News Agency, 09.04.2015

Japan on Monday approved a batch of updated middle school textbooks carrying stronger claims than before to Korea's easternmost islets of Dokdo. The Korean government immediately lodged a protest, calling the decision a "provocation" against its sovereignty over its indigenous territory. Vice Foreign Minister Cho Tae-yong summoned Ambassador Koro Bessho and delivered a written complaint. "The Japanese government's ceaseless injection of misleading historical views and territorial views into the country's young generations is no different from seeking to repeat past wrongdoings, while displaying a lack of resolve to take a responsible role as a trusted neighbor" ministry spokesperson Noh Kwang-il said. Of the 18 textbooks newly certified by Japan's Education Ministry, 15 describe Dokdo as indigenous territory and 13 describe it as illegally occupied. All four geography texts and all but one of the six social studies workbooks carry both statements. The move is likely to dampen Korea's efforts to reconcile with Japan ahead of the anniversary by promoting trilateral partnerships involving the U.S. or China and resuming bilateral security cooperation.

South Korean Prime Minister Lee Wan-woo issued a strong warning against Japan Thursday for its continued attempt to distort the countries' shared history. In a press conference, Lee warned that the Japanese government will face "grim historical judgment" if it sticks to such a wrongful campaign. He stressed Japan "can't cover up unequivocal historical truth." It is highly unusual for South Korea's prime minister to directly deliver such a tough message.

<http://www.koreaherald.com/view.php?ud=20150406001088>

<http://english.yonhapnews.co.kr/national/2015/04/09/40/0301000000AEN20150409008051315F.html>

North's ICB missile could hit U.S. mainland

Korea Joongang Daily, 09.04.2015

Pyongyang is capable of mounting a miniaturized nuclear warhead on an operational road-mobile intercontinental ballistic missile (ICBM) that can strike the United States, according to the head of the North American Aerospace Defense Command (Norad). "Our assessment is that [Pyongyang has] the ability to put a nuclear weapon on a KN-08 and shoot it at the [U.S.] homeland," Navy Adm. Bill Gortney, the commander of the U.S. Northern Command and Norad, said in a briefing Tuesday at the U.S. Department of Defense. Pyongyang's KN-08 road-mobile ballistic missile was first revealed in a military parade commemorating North Korean leader Kim Il Sung's 100th birthday anniversary in April 2012. Some analysts initially suspected the missile was a mock-up.

"We assess that it is operational today," based on intelligence assessments, Gortney said in a tone starkly different from that set by the commander of U.S. Forces Korea, Gen. Curtis Scaparrotti, less than six months ago. When asked about the KN-08 in a Pentagon briefing in October, Scaparrotti said that the North may have the capability to miniaturize a nuclear warhead but was skeptical of its effectiveness. "For something that's that complex, without it being tested, the probability of it being effective is pretty darn low," he said. However, he added cautiously that Pyongyang may "have the technology to potentially actually deliver what they say they have."

American analysts have estimated that the range of the missile is more than 10,000 kilometers (6,200 miles), which would put the mainland United States within its range. But Gortney added there is no evidence indicating North Korea had tested the missile yet.

<http://koreajoongangdaily.joins.com/news/article/Article.aspx?aid=3002900>

Korea clinches better nuclear deal

Korea Joongang Daily, 23.04.2015

After four and a half years of grueling negotiations, Seoul and Washington signed a new bilateral nuclear cooperation accord allowing more leeway than its predecessor. The agreement - rewritten for the first time in 42 years - was inked by Korea's chief negotiator Park Ro-byung, ambassador for nuclear energy cooperation, and U.S. Ambassador to Seoul Mark Lippert at the Ministry of Foreign Affairs in central Seoul on Wednesday.

This new civilian nuclear cooperation agreement does not include the so-called "gold standard" provision - which explicitly prohibits uranium enrichment and reprocessing spent fuel - that was the crux of contention between the two countries in the negotiations. The Korean Foreign Ministry called the pact "a new agreement that reflects Korea's advanced status" because it includes several key areas that Seoul had been determined to amend since the previous accord.

Korea, the fifth-largest consumer of nuclear power in the world, derives more than a third of its energy from nuclear reactors and expects to run out of storage space for spent fuel within the next decade. The new agreement is expected to help alleviate such concerns. In this new deal, Seoul will be allowed a mechanism to produce uranium enriched to less than 20 percent, which meets the low-enriched uranium standards for peaceful nuclear usage, according to the Foreign Ministry. The majority of nuclear power reactors use uranium which is enriched to 4 to 5 percent. The agreement will allow a limited low-enrichment program which requires consent from "a high-level bilateral commission" comprising vice-ministerial level officials from both countries. Korea also will be given long-term consent to do collaborative research into early-stage pyro-processing technology in order to recover uranium in spent nuclear fuel. The term of the new agreement was shortened to 20 years.

<http://koreajoongangdaily.joins.com/news/article/Article.aspx?aid=3003425>



US Ambassador Mark Lippert and Ambassador Park Ro-byung

Park carrying back 78 MOUs

Korea Joongang Daily, 27.04.2015

Completing a 12-day trip to Colombia, Peru, Chile and Brazil, Park is scheduled to arrive in Seoul today. According to the Blue House, the president signed 78 memorandums of understanding (MOU) in a variety of sectors, such as increasing recruitment of Korean youth in South America and expanding the telemedicine market.

<http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3003549>

Seoul approves first fertilizer aid to North Korea since 2010

The Korea Herald, 27.04.2015

South Korea on Monday approved a civic group's plan to provide fertilizers to the North, marking the first authorization of the politically sensitive aid since 2010. The decision will allow the Ace Gyeongam Foundation to shore up agriculture in Sariwon, the capital of North Hwanghae Province, by building an additional 50 greenhouses and providing 15 tons of fertilizers and other construction and farming materials. "They will provide technical support such as for establishing gardens and greenhouses so that the project will proceed smoothly," Unification Ministry spokesperson Lim Byeong-cheol said at a news briefing.

The last package by a private group was authorized in April 2010. State-level support has not taken place since 2007, although humanitarian aid directed at women and children has continued. Along with cement and heavy equipment, fertilizers and grains such as rice and flour remain sensitive items due to concerns that they can be stored for a relatively long time and thus the communist regime may divert them for military and other unintended uses through resale to other countries.

<http://www.koreaherald.com/view.php?ud=20150427001064>

Revision piques Korea

The Korea Times, 28.04.2015

The revised defense guidelines between the United States and Japan are increasing concerns that Tokyo may revert to militarism. The agreement signed Monday is also anticipated to bring a challenge for Seoul to avoid being sandwiched between Washington and Beijing. South Korea is walking a tightrope between joining a Washington-Tokyo military alliance and its economic partnership with China, the country's largest trading partner. The revision of the 1997 U.S.-Japan defense cooperation pact, during a 2+2 meeting in New York, removes current geographic limits on the role of Japan's Self-Defense Forces and expands its role globally to help U.S. forces in the case of military emergencies.

http://www.koreatimes.co.kr/www/news/nation/2015/04/120_177937.html

Inter-Korean trade hits record high in 2014

Yonhap News Agency, 30.04.2015

The value of inter-Korean trade reached US\$2.343 billion last year, up 106.2 percent from a year earlier, according to a 2015 white paper on unification issued by the Ministry of Unification. The volume accounted for 99.8 percent of the total inter-Korean trade.

The ministry said that an increase in inter-Korean trade mainly resulted from a rise in exchanges at the Kaesong Industrial Complex even as Seoul has imposed punitive sanctions that ban economic exchanges with North Korea since 2010 following the North's deadly sinking of a South Korean warship.

The joint factory park, which opened in 2004, is the last remaining symbol of inter-Korean reconciliation. It has served as a major revenue source for the cash-strapped communist North, while South Korea has utilized cheap but skilled North Korean laborers. A total of 124 South Korean small- and medium-sized enterprises have hired about 53,000 North Korean workers at the industrial complex in the border city of the same name.

<http://english.yonhapnews.co.kr/northkorea/2015/04/29/87/0401000000AEN20150429009900315F.html>

2. Domestic Policy

Prosecutors seek death sentence in appeals trial for Sewol captain /

Yonhap News Agency, 07.04.2015

Korea Joongang Daily, 29.04.2015

Prosecutors had sought a death penalty for the captain and life imprisonment for three crew members in charge of steering the ship and jail terms ranging from 15 to 30 years for 11 other crew members. But a district court sentenced Lee to 36 years in jail, clearing him of manslaughter and other major charges in November. The 14 others were given jail terms ranging from five to 30 years, while the ferry's operator Chonghaejin Corp. was fined 10 million won (US\$9,161).

The Gwangju High Court Tuesday quashed the original ruling, which convicted Captain Lee Jun-seok of involuntary manslaughter and sentenced him to 36 years in prison. The appeals court said he was guilty of murder and handed down a life sentence. The punishments for the 14 other crew members who escaped the Sewol were made lighter as the judges said the crew had to follow Captain Lee's orders. They received prison terms ranging from 18 months to 12 years. A further appeal is very likely.

<http://english.yonhapnews.co.kr/news/2015/04/07/35/0200000000AEN20150407009551315F.html>

<http://koreajoongangdaily.joins.com/news/article/Article.aspx?aid=3003649>



Lee Jun-seok

Protesting Sewol kin end up at police station

Korea Joongang Daily, 20.04.2015 / 28.04.2015

Demonstrators calling for a truly independent investigation into the sinking of the Sewol ferry clashed with police following the first anniversary of the tragedy, leading to the arrest of more than 100 protestors, including the parents of children who perished in the disaster. A large rally with more than 10,000 protestors that included the families of the victims scuffled with police Saturday as they tried to break through barricades of police vehicles to get to Gwanghwamun Gate in central Seoul.

<http://koreajoongangdaily.joins.com/news/article/Article.aspx?aid=3003279>

NPAD pressures Lee to quit job / Back from trip, Park accepts Lee's resignation

Korea JoongAng Daily, 21.04.2015 / 28.04.2015



A political firestorm gathered force in the National Assembly Monday as the main opposition party prepared a motion to remove the Park Geun-hye administration's prime minister over a payoff scandal. "For the sake of a fair investigation and to minimize impairment of state affairs, we will push forward a motion to recommend the president to fire her prime minister." Chairman Moon Jae-in of the New Politics Alliance for Democracy (NPAD) said Monday.

Sung, former head of Keangnam Enterprises claimed that he had given 30 million won (\$27,786) to Lee on April 4, 2013. The money was used to fund Lee's campaign in a legislative by-election, Sung said, describing Lee as "greedy" and "corrupt." Sung also said it was hypocrisy for Lee to champion the Park government's war against corruption. According to a special team of prosecutors investigating the scandal, Lee and Sung had about 217 phone calls with each other over the past one year. Although Lee has vehemently denied that Sung was close to him, the facts suggested otherwise. According to the prosecution, Sung telephoned Lee 153 times while Lee telephoned Sung 64 times.

Presidential spokesman Min Kyung-wook said Park did not make any other remarks when she accepted Prime Minister Lee Wan-woo's resignation. Lee tendered his resignation a week ago and on Monday [April 27, 2015] attended his departure ceremony.

<http://koreajoongangdaily.joins.com/news/article/Article.aspx?aid=3003336>
<http://koreajoongangdaily.joins.com/news/article/Article.aspx?aid=3003600>

3. Economy / Finance

Hanwha gets additional Iraq contract of \$2 billion

Korea JoongAng Daily, 07.03.2015

Hanwha E&C on Monday announced it received a construction order worth \$2.1 billion from the Iraq government to build basic infrastructure like schools, hospitals, gas stations and bus terminals in the Bismayah New City project. Since 2012, Hanwha has been signing contracts to design and build Bismayah New City, an 18.3 million square meter (4,448 acre) area 10 kilometers (6 miles) southeast of Baghdad. The Bismayah project was worth \$8 billion in 2012, and was the largest overseas construction project for a Korean company. With the additional order, Hanwha E&C will have a \$10 billion deal.

<http://koreajoongangdaily.joins.com/news/article/Article.aspx?aid=3002807>



Hanwha E&C's construction of new apartments in Iraq's Bismayah

Inflation is still falling, admits Bank of Korea

Korea JoongAng Daily, 10.03.2015

The Korean central bank finally accepted that the country is faced with low inflation and readjusted its outlook for consumer price growth for this year to below 1 percent. But the Bank of Korea continues to brush off claims that Korea is facing deflation and maintained an economic growth outlook of over 3 percent, although it was lowered from the previous estimate made in January.

Less expectations
BOK's new outlook for 2015

	Earlier projection (January)	Revised (April)
GDP	3.4%	3.1%
Inflation	1.9%	0.9%
Consumer spending	2.6%	2.3%
Facility Investment	6%	5.4%
Export	3.4%	2.9%
Import	3.4%	3%
Current account balance surplus	\$94 billion	\$96 billion

Source: Bank of Korea

The BOK readjusted its projection for this year's inflation rate from the previous outlook of 1.9 percent in January to 0.9 percent. If so this would be the first time that the nation's consumer price growth has fallen below 1 percent in 16 years. The readjustment of the inflation rate came as a surprise to the market.

The central bank also revised the economic growth outlook for this year from 3.4 percent to 3.1 percent. Although the outlook has been adjusted downward, the central bank governor remained optimistic about the possibility of a mild recovery starting in the second half. While consumer spending has been slowly recovering, it still hasn't fully rebounded from the tragic sinking of

the Sewol ferry a year ago. Even exports have seen growth slow on the back of the weaker euro and Japanese yen. The biggest questions remains: Will the BOK make another rate cut in May? The central bank's monetary policy committee took a breather Thursday when it decided to keep the key interest rate at 1.75 percent for this month.

<http://koreajoongangdaily.joins.com/news/article/Article.aspx?aid=3002940>

Companies' debts reach 105% of Korea's GDP

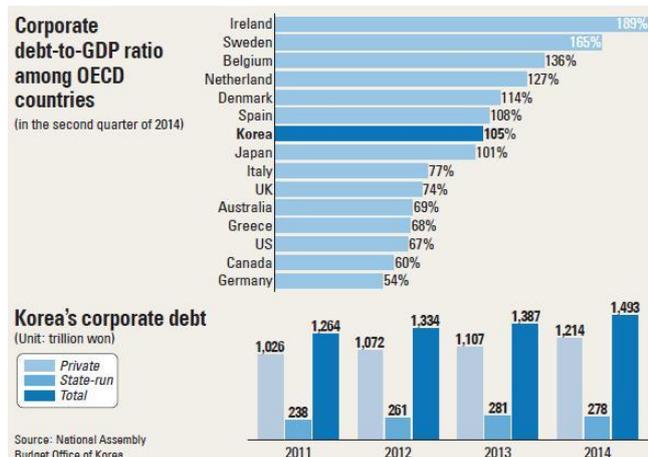
Korea JoongAng Daily, 21.03.2015

According to a report titled "The current situation of corporate debt and comparisons with other countries," which was based on a report by McKinsey Global Institute titled "Debt and (Not Much) Deleveraging," the debt-to-GDP ratio of Korea's non-financial corporates stood at 105 percent in the second quarter of 2014. The ratio of Korean companies' debt to gross domestic product (GDP) ranked seventh among 15 members of the Organization for Economic Cooperation and Development.

Based on statistics by the Bank of Korea, the report said Korean corporates saw a

steady increase in debt since 2011, an 18.4 percent increase among private companies and 16.8 percent for state-owned companies. As of 2014, debt of Korean companies totaled 1,493 trillion won (\$1,379 billion), the report said. About 81 percent of the corporate debt of Korea was held by private companies, 1,214 trillion won, and debt from banks amounted to 929 trillion won. State-run companies, accounting for the remaining 19 percent, had 278 trillion won of debt in 2014. The report said most of that debt was in government bonds. The debt held by private companies has been steadily rising since 2002, the report showed. When Korea was hit by the global financial crisis in 2008, debt of companies in the private sector rose 39.3 percent to 932 trillion won in 2008 from 669 trillion won in 2006.

<http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3003326>



U.S. firm bids to build casino at Incheon Int'l

Korea JoongAng Daily, 21.03.2015

A U.S. casino operator is offering to invest \$5 billion to build and operate a first-of-its-kind casino resort connected to Incheon International Airport by 2040. Kevin Brown, chairman of the Mohegan Tribal Gaming Authority, signed a memorandum of understanding with the president of the Incheon International Airport Corporation, Park Wan-su, to build a multipurpose resort-oriented entertainment complex for foreigners on a lot of 3.27 million square meters (327 hectares) at the International Business Complex located north of the airport.

<http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3003366>

4. Switzerland in the local press

Korean Engineering Faculties Perform Well in Global Rankings

The Chosunilbo, 29.04.2014

The lists, which are published every April, rank universities by academic discipline, while the firm's rankings in September show universities' overall standing. This year, they highlight the top-performing universities in 36 disciplines. Korean universities are most competitive in chemical engineering, with 10 Korean universities in the top 200.

Overall, American and British universities led the pack. MIT ranked first with 11 disciplines, followed by Harvard with 10. Other than that, the National University of Singapore ranked first with 11 disciplines. Next came the **Swiss Federal Institute of Technology in Zurich** (10 disciplines), [...].

http://english.chosun.com/site/data/html_dir/2015/04/29/2015042901888.html

POSTECH loses its title as best young university

The Korea Herald, 30.04.2015

The university, which had topped the list since its inception in 2012, slid to second place, with Switzerland's Ecole Polytechnique Federale de Lausanne snatching the No. 1 spot.

The fourth annual ranking by Times Higher Education ranked the top 100 universities that were founded less than 50 years ago, using 13 indicators across four areas -- research, teaching, knowledge transfer and international activities.

<http://www.koreaherald.com/view.php?ud=20150430000399>

5. Special Focus: 7th World Water Forum, Daegu & Gyeongju April 12-17, 2015

The six-day forum organized by the World Water Council and the Korean national committee was the largest ever with about 41,000 people from 168 countries and 400 seminars, discussion sessions and exhibitions in Daegu and Gyeongju.

<http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3003240>

Post-2015 development to falter without attention to water issues



Pio Wennubst (back row, 5th from left), Vice-Director of the SDC and head of the Swiss delegation to the World Water Forum, amid some of the 164 heads of delegation in South Korea

The World Water Council co-organized a high-level panel discussion called "Water is the Key for Sustainable Development: High-Level Panel on Water in the Post-2015 Development Agenda at the Hotel Hyundai in Gyeongju. In attendance were water-related ministers from Denmark, the Netherlands, South Africa, as well as SDC's Vice Director Pio Wennubst. The president of the WWC, Benedito Braga, joined representatives of other stakeholders at the discussion. The council organized the session, it said, to "urge policy makers and water

stakeholders from all nations to maintain the momentum for a dedicated Sustainable Development Goal for water in order to achieve water security in all domains." The council challenged the water community to focus attention on how such a goal would be implemented.

Braga emphasized that theme in remarks at the panel discussion. **"The year 2015 is an opportunity the world cannot afford to miss: we must invent our water future together,"** he said. "[...] in September, the United Nations General Assembly will adopt the Sustainable Development Goals; and we will end the year debating a global climate agreement in Paris in which water is to be recognized as a major factor to reach consensus." He continued, "To succeed, we need the political decision-makers and the international community to come together to implement changes. There is no time to waste." At the session, the high-level panelists discussed how to set a dedicated water goal as part of the post-2015 development agenda.

http://eng.worldwaterforum7.org/m/news/news/view.asp?news_seq=15&page=1

The Swiss Agency for Development and Cooperation (SDC) and the Swiss Water partnership (SWP) have jointly organized a Swiss Booth at the Forums exhibition venue in Daegu. The SWP is a multi-stakeholder platform bringing Swiss organisations from the academic, civil society, public and private sectors together to find innovative solutions for water challenges in developing and transition countries. At the Swiss Booth, high quality solutions were presented and discussed during several events from different SWP Members.

<http://www.swisswaterpartnership.ch/swp-news/swiss-high-quality-solutions-at-the-world-water-forum-2015/>

WaterLex (Member of SWP) has been invited by the United Nations Economic Commission for Europe (UNECE) to participate in the Thematic Process by taking part in a panel discussion. The event was attended by Luc Recordon (Swiss Council of States) who presented the Swiss experience in an address. Mr. Recordon also took part in the parliamentary Process at the Water Forum.

http://www.waterlex.org/?post_events=7th-world-water-forum-safe-drinking-water-for-all-realising-the-human-right-to-water-and-sanitation