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**4TH INTER-PARLIAMENTARY MEETING
BETWEEN THE EUROPEAN PARLIAMENT AND THE SUPREME PEOPLES' ASSEMBLY
OF THE DEMOCRATIC PEOPLES' REPUBLIC OF KOREA (DPRK)**

14 to 20 July 2013

Beijing, Pyongyang, Seoul

REPORT BY THE CHAIRMAN

Mr Herbert REUL

Summary of visit

A 7-strong group of Members from the European Parliament's Delegation for relations with the Korean Peninsula, representing 5 political groups, visited North and South Korea during the week of 14-20 July 2013. This was the only official political exchange between the EU and North Korea since 2011, given that the political dialogue meetings between the EU and the DPRK did not take place in 2012 and will most probably not take place in 2013 either. Therefore, the European Parliament's visit provided a unique, and much needed opportunity for an exchange of views at political level.

Originally, the European Parliament's delegation had the intention of spending an equal amount of time in the North and South Korea, but due to the last-minute cancellation of the only regular flight from Pyongyang to Beijing (there are no direct flights from Pyongyang to Seoul), the delegation had to reschedule its program and spend most of the time in North Korea. Although this provided a good opportunity to visit more venues in the North and meet with more interlocutors, which was appreciated by members, on the one hand, it unfortunately cut the duration of the visit to Seoul very short, on the other hand. However, a stop-over in Seoul, following a week of meetings in North Korea, provided an opportunity to debrief counterparts in the South Korean National Assembly and the Foreign Minister.

Due to logistical reasons, the visit was preceded by a short stop-over in Beijing, which the delegation used for a meeting with the EU Ambassador to China, and the PRC Special Envoy for the Korean Peninsula, Ambassador Wu Dawei. These two meetings provided the opportunity to discuss the current state of relations between the Peoples' Republic of China and the DPRK. The latter plays a crucial role when it comes to relations with the DPRK. Beijing is, for many historical, strategic and political reasons, the closest ally of North Korea, and has, therefore, a privileged access to North Korean Authorities. Members of the European Parliament were keen to ascertain if the different tone in Chinese public statements as regards the DPRK and China's recent approach in the UN Security Council reflected a changing attitude of Beijing towards Pyongyang. The impression that Members gathered was that China is, indeed, approaching its relations with the DPRK in a much more pragmatic way, not exempt of criticism. The North Korean nuclear program is a seriously taken liability for the PRC, and it is in its strategic interest to work towards the denuclearization of the Korean Peninsula. However, China and other members of the international community, in particular those participating in the Six-Party Talks, while sharing the same goal, have differing opinions as to how to get there.

The program for the visit to North Korean included official meetings with the DPRK Authorities in Pyongyang, mainly the Supreme Peoples' Assembly, the vice-ministers for foreign affairs, trade and agriculture, but also meetings with EU Ambassadors resident in Pyongyang, non-governmental organizations and UN agencies operating in North Korea. The delegation also had the opportunity of visiting the DMZ (Demilitarized Zone), Kaesong City, a seed treatment factory in Usan County (EU-funded project) and an essential foodstuff factory in Pyongyang. The original plan to visit the Northeast of the country had to be cancelled due to weather conditions in the area.

The main objective of the European Parliament's delegation during this visit was to enhance its understanding of the current political situation in North Korea, and on the Korean peninsula more generally, to share its concern about the North Korean nuclear program and the hostilities towards South Korea and the international community over the past months, and to hear the views of the DPRK Authorities on the reasons that led to those tensions. Last but not least, the objective of this

mission was to hear the views of interlocutors in the South Korean National Assembly and the South Korean Minister of Foreign Affairs.

There was one question that MEPs had in mind throughout the entire program: what can be done, beyond the usual cycles of tensions and more conciliatory phases, to foster mutual trust on both sides of the DMZ? The visit of the European Parliament's delegation coincided with the first unsuccessful rounds of talks on the reopening of the Kaesong Industrial Complex. The agreement reached later in August on Kaesong and the progress achieved on family reunions are steps in the right direction.

The meetings at the Supreme Peoples' Assembly (EU-DPRK Friendship Group, and Speaker) and the various vice-ministers were very frank and constructive. The European Parliament's delegation was very straight forward in its arguments, shared its concern about the tensions on the Korean Peninsula during the past few months, and in particular about the continuation of the DPRKs nuclear programme. Members also underlined that the North Korean nuclear program is not compatible with economic development. The North Korean interlocutors took note of that concern, but replied with the same arguments as in the past, namely that the nuclear program is vital for the survival of the North Korean society and its social model. The DPRK would be ready for the resumption of the Six-Party Talks, or bilateral talks with the US, but without pre-conditions, whereas the other members of the Six-Party-Talks (excepting China) underline the need for significant measures before the talks could be resumed. MEPs hoped to identify some sort of path that would allow building confidence between North and South Korea on the one hand, and between North Korea and the international community, on the other hand, but only got to hear the known arguments.

Having said that, those MEPs that had visited the DPRK in previous occasions perceived some changes. Generally, the atmosphere in Pyongyang appeared to be more relaxed, the number of cars on the streets had increased considerably and the access to consumer goods, including mobile devices and tablets, had improved very visibly.

In Usan County, the EP delegation had the opportunity of visiting a seed treatment factory, which had been established with EU and German funding (EUR 2,6 million). The hybrid maize seed factory became fully operational after three years and delivers now between 5 and 7 tons of hybrid seed per year. Production is made in accordance with ISTA (International Seed Technology Association) standards, although ISTA certification is not sought due to the cost attached to it. As a result of this European project, the production of maize in the region has increased by 20%, in other words, has led to an increase of 150.000 tons of additional yearly production. Members were satisfied with that result, in particular given the relatively modest initial investment, and most importantly, in view also of the sustainability of the project.

Members also had the opportunity of visiting the Demilitarized Zone (DMZ), including the premises where the Armistice Agreement was signed 60 years ago.

In conclusion, Members were grateful for the official program that was made possible by the Supreme Peoples' Assembly, which included a wide range of interlocutors and venues to visit in North Korea.

Before returning to Europe, the Members of European Parliament's delegation had the opportunity to debrief its counterparts in the National Assembly of the Republic of Korea, and the South Korean Minister of Foreign Affairs. Despite the shortness of time, it was considered useful and necessary to share the impressions gathered in North Korea and contrast them with Seoul's assessment of the

situation. In particular, the EP delegation welcomed the more conciliatory and constructive approach of President Park's Administration, and paid tribute for all the efforts made so far.

A more detailed feedback on the issues discussed in the various meetings is given in the following pages.

Narrative report of individual meetings
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Meeting with H.E. Mr Markus Ederer, Head of the EU Delegation to China

Chairman Reul opened the discussion noting that there is a changing attitude, at least so perceived, in Beijing as regards North Korea. He heard about the strategic dialogue meeting between the PRC and the DPRK just recently. Are these impressions just superficial or is there anything more to it?

The Ambassador pointed out that for China, as is known, the paramount objective is security, and what the PRC wants to avoid is an implosion, with the subsequent massive inflow. In case of an implosion, reunification also might become a more plausible scenario. The perspective of a reunified Korea under the umbrella of the US, with direct border to China is seen as a challenging scenario.

Beijing seems to be concerned about the attitude of the new leadership in Pyongyang, and has the impression also that its influence may be decreasing. For our part, the Ambassador also underlined, the EU needs to offer continued support, even if we do not participate in the Six-Party-Talks (SPT). The degree of distrust in Pyongyang towards the various partners in the SPT varies, but the EU could be seen by North Korea as a trustworthy dialogue partner. The EU could move from a payer to a player on the Korean Peninsula. Not a question about becoming the seventh partner, but a more active and supportive role might indeed be feasible.

The Ambassador also recalled that the political dialogue between the EU and the DPRK has not taken place in two years, so the official visit of the European Parliament comes at a very timely moment.

It was interesting to note that Mongolia is often used as a hub when it comes to dealing with North Korea, as Ulan Bator has a privileged access to Pyongyang also.

Mr Helmer stresses that the US and China have a common interest in avoiding a nuclear North Korea. There would certainly be conditions under which both partners could agree to a reunified Korea. The Ambassador noted that both partners have a certain level of distrust towards each other. Striking a deal over the head of the North Koreans would not appear to be likely. The North Korean leadership could do without the SPT, and deal with the US bilaterally, as the latter is perceived as the most serious threat. Unconditional, bilateral consultations, with a view towards a peace treaty is conceivable in Pyongyang, but that is not an option that Seoul would favour, and Washington, despite expecting significant measures before the resumption of talks, continues to be disappointed that the DPRK did not abide by the deal reached in 2012.

Mr Simon underlines that not revolution, but evolution is needed. North Korea is not comparable with the former GDR.

The Ambassador noted, again on the question as to what the EU can offer, that Europe needs to dare to think outside the box. The sanctions have had questionable results so far. Europe has a great pool of experience when it comes to societies in transition. The EU could offer assistance on economic

development, but one has to be realistic also, Pyongyang would allow so much economic reform as it protects the current status quo. One important element in this complicated equation is obviously the role of the military. The position of the regime in general is very strong for the moment, very little space is left for agents of change.

Meeting with H.E. Mr Wu Dawei, PRC Special Envoy for the Korean Peninsula

Chairman Reul thanked the Ambassador for receiving the European Parliament's delegation. The Chairman underlined that China plays a crucial role in relations with the DPRK, and was keen to learn how Beijing sees the situation developing there.

Ambassador Wu Dawei pointed out that there are frequent exchanges between the PRC and the DPRK. Both share a history of relations that goes back 3000 years. Historic and cultural ties are very strong. That long history may be part of the reason why Europe and the western community see things differently. A number of changes have taken place in the course of this year. On the one hand, we have seen a period of tensions, and we saw a satellite launch and a nuclear test. The UNSC adopted an important resolution, which in turn has added tension on the Korean Peninsula. On the other hand, the US conducted military exercises, which North Korea saw as a provocation. The DPRK then declared that it would consider its right to exercise a nuclear preventive attack.

The position of the PRC is as follows, as Ambassador Wu Dawei pointed out: maintain peace and stability, work towards denuclearisation, and to find ways to cooperate further, dialogue and conciliation. We do not want to see another war in this region. This is in nobody's interest. As permanent member of the UNSC, we stand firm on upholding the non-proliferation treaty. North Korea's nuclear programme is against the interest of China, and will add to tensions in the whole region. We think that North Korea needs to give up their nuclear programme, on the one hand. On the other, the security concerns of North Korea need to be addressed by South Korea, Japan and the US.

The Ambassador went on to explain that the PRC has been following developments very closely. At summits with Russia, the US and South Korea, the matter has been discussed. We are currently at no good terms with Japan, however, so our dialogue is taking place at a lower level.

At a meeting this year with North Korea's special envoy, Ambassador Wu Dawei had the chance of exchanging views on developments. In principle, all parties agree on the need of peace and stability and dialogue. All agree also on the need for North Korea to denuclearize, including North Korea itself in the long run, but once its security needs are met, and once the US discontinues its provocations.

Fortunately, the Ambassador stressed, the situation has relaxed in the past 3 months. North Korea has indicated its readiness for bilateral, trilateral and SPT talks.

The Six-Party-Talks have not yet met their goal, but the PRC still considers them a necessary instrument. The most immediate need is to relaunch the talks. Parties are still divided as regards the relaunching. North Korea would agree, but without pre-conditions. The US, Japan and the South Korea note that significant measures need to take place before talks can begin. China believes we need to come back to the joint position we reached in 2005, with the the September 19th Joint Statement.

Chairman Reul thanked the Ambassador for his comprehensive presentation. We in the European Parliament have followed developments closely, and hoped at the beginning of the new leadership that a new chance for peace and stability could be envisaged, but have seen rather the contrary in

the past few months. We have noticed that the tone in public statements of the PRC has changed a bit. Is that just our impression? And can the EU offer any assistance?

The questions at stake are complicated, replied Ambassador Wu Dawei. The history of division in Korea is not the same as in Germany. The Korean Peninsula is still divided, with diametrically different society models. We support reunification, but it should take place in a peaceful way. It is also true that since the end of the Korean War, relations between the US and North Korea have been one of animosity, and the US has build an alliance with South Korea. North Korea has requested the US to discontinue its policy of provocation towards them. That relationship has not improved, and mutual distrust among both continues to be high. It is said in the international community that China can play a more pro-active role. We have been playing a very constructive role, but we cannot forget that North Korea is a sovereign state. The level of influence Beijing may have is not as high as might be considered in the west. The nuclear capability in North Korea does not have its origin in China. We will continue to play a constructive role, and we do not exclude optimism. We need perseverance, we do not have a timeframe in mind, but progress is possible. The EU can play a useful role, the Ambassador pointed out. Your visit now will allow you to explain how the EU and the international community see the situation.

Mr Helmer noted that the dialogue circles do not seem to get anywhere. We have the impression that China has taken a more critical stance towards North Korea. Has China also changed its policy on returning refugees to North Korea? The Ambassador agreed that the SPT have not yet reached their objective. Indeed, the current relaxation may be followed by more tension. We do hope to be able to break that circle with appropriate arrangements. As to the illegal immigrants, we do not recognise them as refugees. We see them differently. We handle this issue in accordance with Chinese legislation.

Mr Simon pointed out that the DPRK considers its nuclear programme an instrument to guarantee survival. We need to relaunch the SPT without pre-conditions. In reply to that, the Ambassador reports that China does not want to see a further deterioration in the region. The Ambassador has his doubts as to whether all parties are really interested in denuclearisation.

Inter-parliamentary meeting with the Supreme People's Assembly (SPA)

The first official meeting upon arrival in Pyongyang was with the DPRK-EU Friendship Group in the Supreme Peoples' Assembly, chaired by Mr Li Jong Hyok. Also in attendance were Mr Pak Gyu Hong, Mr Jang Jae On, Mr Kim Ung Chol and Ms Kim Song Hui, Members of the Supreme Peoples' Assembly.

Chairman Reul, after introducing his delegation, pointed out that this was a very timely visit. The tensions of the past months have been the cause of much concern in the European Union. We have noticed now a certain relaxation of the situation and a more conciliatory tone coming from Pyongyang. The concern of the European Parliament has been expressed in a number of resolutions, that have focused both on the question of the nuclear programme, but also on the situation of human rights, among others. We are convinced that there is great potential for economic development in North Korea, but this development is hindered by political choices. There is also great potential for more cooperation with the EU, if the conditions would allow that. Progress in the questions of the nuclear programme, inter-Korean relations, and the situation of human rights is essential and possible, as Mr Reul underlined.

Chairman Li noted the concern expressed by the European delegation. He was very satisfied by the fact that this dialogue could take place. The inter-parliamentary relationship between the European

Parliament and the SPA takes place in regular intervals and offers a unique opportunity to share our views. He points out that the EU-funded projects are considered to be very effective instruments in helping improve our agricultural productivity. Humanitarian assistance granted by the EU has also been much welcomed. Chairman Li noted that, due to weather conditions, unfortunately, it has not been possible for the EP delegation to visit the northeastern region. The Chairman agrees that there is much potential for improving our relationship. We believe that the EU can make a contribution to peace and stability on the Korean Peninsula. In principle, so said Chairman Li, we share the same objectives. The DPRK's security is not threatened by the EU. We attach great importance to your visit at this moment, and appreciate your frank words and concern.

The Director of the Rungrado General Trading Corporation, and Member of the SPA, Mr. Pak Kyu Hong, noted that Economic development is the main objective of the DPRK, the improvement of our living conditions under a socialist model. The sanctions regime imposed by the west has an impact on our economic development. In March 2013, tensions in our country reached a peak. It was in this context that a number of measures for economic development were announced by our leader. Economic development needs to take place in parallel with the development of our nuclear programme. Some of our most immediate objectives are to secure access to electricity and improve the availability of meat and fruit. Modern cosmetic factories that produce soap and toothpaste have also been built. We are also aiming at building sports facilities and improving the access to cultural activities. The rapid development of modern technologies in the DPRK is attracting foreign investors. Therefore, the SPA has adopted a number of bills that aim at facilitating foreign investment.

Mr Kim notes that a number of special economic zones have been established and are now available for foreign investors. We would welcome European enterprises to use this opportunity. The development of science and technology is also a main objective of our leadership, as this is one of our options to rapidly improve the living conditions in the DPRK. We have considerable natural resources and a highly skilled workforce that should make the DPRK attractive.

Chairman Li stressed that the DPRK was on the brink of war just a few months ago. There was a presidential election in December 2012 in South Korea and we had high expectations of President Park, following the statements she had made during the campaign. After taking office, however, she seems to have taken the same line as the previous administration. President Park talks a lot about confidence building measures, but the reality is more of a provocation. The symbolic features of north-south cooperation, such as the Kaesong industrial complex, the Mount Kumgang resort and the family reunions have come to a standstill.

We do hope that progress can be achieved at this week's consultations on Kaesong, but I am not optimistic, underlined Mr Li. About 53.000 north koreans worked in Kaesong. We have offered the immediate re-opening of Kaesong, but South Korea has decided to withdraw raw materials from the industrial complex, which we have authorised. The security of South Korean business men in the industrial complex is guaranteed, this has never been an issue, although the RoK is now raising the question on top of the agenda. The question of Kaesong is a purely bilateral one also, there is little point in internationalising the issue, as the RoK seems to aim at. We have problems in exporting products manufactured in Kaesong. The closure of Mount Kumgang has also harmed both sides and we look forward to normalisation.

We hope you understand the real reasons for tensions between the north and the south, said Mr Li. Korean people have been traditionally peaceful. Japanese colonialism aimed at destroying Korean culture. When Japanese imperialism was almost defeated, the US stepped in and laid the foundations for the division of the peninsula. The deployment of US nuclear weapons in South Korea obliged

the DPRK to take the necessary measures to protect its society and social model. The international community is being mis-informed.

Chairman Reul expressed his appreciation for the comprehensive presentation. Foreign investors need confidence and investment security. Enacting legislation and the reality do not go hand in hand in the DPRK. As we see it, it was North Korea that closed Kaesong. Therefore, I can fully understand that businessmen would need reassurances before investing again in Kaesong. We do understand that economic development is an important objective, but we do not understand how a state with a difficult economic situation can decide to close an important industrial complex such as Kaesong, pursue a very expensive nuclear programme, and threaten the international community with pre-emptive nuclear attacks.

Mr Haefner notes that he has visited the DPRK on several occasions for a number of years, and has seen some progress. However, compared with the rest of the world, Korea lies behind in a number of important indicators. The world has changed dramatically since the 1950s. Social and economic progress today require integration into the international community. To attract foreign investors, it will not suffice to guarantee the investment itself, but also create the necessary social environment for foreigners in the DPRK. European investors see with concern what happened in Kaesong.

Mr Caspary underlined that those economies that have opened themselves to globalisation have made very considerable progress. The situation in Germany after re-unification changed dramatically. Your current leader has spent some time in Europe and knows the situation there. Your neighbour China has undergone impressive transformation and economic progress. Mr Caspary sees Kaesong not just as a bridge between North and South Korea, but also an opportunity for economic progress, and considered the closure as very unfortunate. Attracting investors back will not be an easy task, and will have an impact for other planned economic zones.

Ms Rosbach underlined that she comes from a country where individual freedoms take precedence. She wondered how health services and food security can be provided in more remote regions, given the state of infrastructure. If you have a nuclear programme, why not using it for peaceful and civil purposes, for instance to provide affordable energy for your enterprises and affordable electricity and heating for your citizens?

Mr Helmer, who was a business man for many years in Asia, pointed out that he would be very reticent to investing in North Korea today.

Mr Haefner and Chairman Reul concluded by saying that the European Parliament delegation has not come to the DPRK to lecture and pinpoint, but to express the concern of European citizens, to share our differing positions, and to inform ourselves on the situation in the DPRK. We believe that, despite all our differences, it is important to maintain dialogue.

Joint Meeting with the Vice-Minister for Trade, Mr O Ryong Chol, and the Vice-Minister for Agriculture, Mr Jong Son

The Minister of Trade expressed his appreciation for the visit of the EP, and updated Members on the current economic situation and outlook. Priority is being given to the development of basic industries, light industry and agriculture mainly. The DPRK's leadership seeks economic cooperation, but it is very limited given the current sanctions regime. North Korea is the process of establishing export processing and high tech parks. We hope that European enterprises will invest in the DPRK, we have abundant natural resources and a skilled working force.

As regards the agricultural sector, we are aiming at increasing the productivity with a number of measures, such as putting emphasis on high yield seeds, encouraging the production of chemical fertilisers, without neglecting the emergence of organic agriculture. However, output has been affected in 2012 and 2013 by unfavourable climatic conditions. We are grateful for the assistance we have received from the EU in the agricultural sector. Just yesterday we received the parts for the tractors that were provided by the European Union. Every individual farmer in the DPRK is aware of European Union assistance, as the Vice-minister underlines.

Chairman Reul expressed his satisfaction that the EU assistance in the agricultural sector has had a positive impact. We are aware in Europe about the difficult climatic conditions you have had to face in the past 2 years. Cooperation with Europe, however, is now limited to food security and agriculture, and humanitarian assistance. We are in no position, for the time being, to move to a more medium-term oriented cooperation that goes beyond humanitarian aid, the latter not being subject to political considerations. We in the EU are convinced that the standard of living in the DPRK could be improved significantly, given also the considerable economic potential. We are here to learn about the current situation, but also to express our concern about certain developments. North Korea has all the necessary requisites for improving the living conditions of its citizens, but this also requires making a number of social and political choices.

Mr Haefner notes that European investors would require investment security, and the closure of Kaesong did not send a positive signal. Furthermore, an environment with a certain level of freedom and the respect for human rights and the rule of law would be expected by the European investor. Mr Haefner enquires also if there are currently any food shortages.

Mr Helmer notes that, despite the rather ambitious and positive statements, we have seen little progress in a long time. The solution to that will require very fundamental choices that go beyond punctual productivity measures. Development of nuclear weapons is not compatible with economic development, for which you need international trade and foreign direct investment, and both are not going to improve with the current sanctions regime in place.

Ms Rosbach notes that poor infrastructure seriously hinders further economic development and wonders to what extent the development tourism could be envisaged.

Mr Simon recalls that we have no country strategy paper in the EU with North Korea. If we are to make any significant progress, we need to see the conditions that would allow us to adopt such a strategy paper for North Korea and move beyond the current limitation to humanitarian aid and food security.

In reply to Members, the Vice-Minister for Trade stresses that pertinent legislation has just been adopted by the SPA. Hotels and international airports are under construction to cater for international tourists.

Meeting with H.E. Mr Gung Song-Ung, Vice-Minister of Foreign Affairs

The Vice-Minister welcomes the EP delegation and congratulates the EU for the accession of its latest Member State, Croatia.

Chairman Reul wonders why a country such as North Korea has such difficulties in improving significantly the living conditions of its citizens, given the abundance of natural resources and skilled workforce. The EU has been concerned about developments in the past few months, such as the satellite launch, the nuclear test, the development of its nuclear programme, the closure of Kaesong. The bad news keep reaching us in Europe, and these are the kind of news that hinder us in

making progress. We both have our usual arguments and we are going to get nowhere if we just stick to them. My question would rather be the following: what can we do to start making real progress and break this repeating and vicious circle?

The Vice-minister notes that some years ago he attended a European Parliament hearing. You are right, we have hard working citizens and natural resources, and we do have difficulties in improving the living standard, this remains the main objective. We established diplomatic relations in May 2001 and have seen many ups and downs since then. What we need now is the establishment of a DPRK mission in Brussels and a Delegation from the EU in Pyongyang. This would be real progress in our bilateral relationship.

One of the problems we see here in Pyongyang is the level of misinformation in Europe and the western countries in general as regards North Korea, the Vice-Minister underlined. The picture portrait by the mass media in Europe focuses mainly on a belligerent North Korea. We have suffered Japanese occupation for over 40 years, which was followed by the the division of the peninsula. Whereas Russian troops withdrew from North Korea, there still remains an important US military presence in South Korea, with the deployment of nuclear weapons until the 70s. North Korea wonders why this US presence on South Korean soil is still necessary, and the same applies to US military exercises in the region. We would welcome direct bilateral talks with the US with a view to end these provocations and to create the conditions that would allow the denuclearisation of the Korean Peninsula.

The Kaesong industrial zone was a symbol of cooperation between North and South Korea. The policy and attitude of South Korea has led to the closure of Kaesong. North Korea has remained consistent in its demands. Lack of confidence is the main obstacle in relations between the US and the DPRK. We need to sign a peace treaty, that would be real progress.

Chairman Reul replies that this exchange of views is moving in a circle and reiterates his initial question: how can things be taken further in a positive way?

The Vice-minister points out that we cannot stand still in light of US provocation and threats to North Korean security, which is why we have developed our national deterrence capabilities.

Mr Haefner notes that a number of mistakes have been made in the history of our relations. The question is not how to defend our respective arguments, but what progress we can make with a view to the future? We also had that situation in the formerly divided Germany. Besides the historical opportunity we had, one major step taken then, that allowed us to make progress, was to give up confronting and criticising ourselves.

Vice Minister Gung Sonk-Ung stresses that what is at stake is the survival of North Korea. The SPT did not reach its objectives, mainly because the US would not respect the achieved agreements in that context. As long as the US keeps attaching pre-conditions to open dialogue we will not make any progress.

Korea has a history of 5000 years and is a homogeneous nation that is now divided. Almost all families have relatives on the other side of the demarcation line. I myself have brothers I have not seen for many decades on the other side, said the Vice-minister. Foreign intervention is to blame historically for this tragedy. On 4th July 1972 both North and South Korea agreed to criteria for achieving national re-unification. This so-called July 4th Declaration was adopted during a time when the father of the current South Korean President was in power. My point is, so the Vice-minister, that the main obstacle to making real progress is foreign intervention.

Mr Simon notes that the current position of the DPRK has given the US all arguments to further increase its military presence in the region. This strategic rebalancing in Asia would have been more difficult to justify otherwise. Can you afford to lose the support of China? The Vice-Minister noted that Korea is used to being sandwiched historically. Our neighbour China is a traditional partner, we fought together against the US in the Korean war.

Meeting with H.E. Mr Choe Thae Bok, Speaker of the Supreme Peoples' Assembly

The Speaker welcomes the delegation and Chairman Reul introduces the Members. The Chairman noted that we have different positions on a number of matters. The DPRK has a lot of potential for economic and social development and for strengthening relations with the EU, but for that we would need to create an atmosphere of mutual trust. We have had very frank discussions on our relationship, including matters concerning human rights. We are here also to better understand the situation in the DPRK and your view on the matters we have discussed.

The Speaker recalls that the EP has visited the DPRK on several occasions and values the inter-parliamentary dialogue. He noted that the visit of the EP was very timely. The DPRK hopes that the EU will overcome the current financial crisis in some of its member states shortly. He notes that the DPRK favours a multi-polar international community, in which the EU would play a strong role.

We have defined two main priorities: economic development and the continuation of our nuclear programme. The situation on the Korean Peninsula is very tense, due mainly to the hostile policy of the US towards the DPRK. Last year we launched a satellite for civil purposes, but the US criticised that launch. It is, however, our legitimate right to develop this kind of technology. The US threatened the DPRK with a nuclear attack. The US has rejected direct bilateral talks with the DPRK, and we have therefore concluded that the US has no real intention to dialogue with us. We reject any pre-conditions to dialogue. The denuclearisation of the Korean Peninsula has been our objective for a long time, but we need the nuclear programme as a deterrent, and our security concerns have to be addressed. Our objective still remains that the whole Korean Peninsula should be free of nuclear weapons. The Speaker invited the EU to contribute to seeking durable peace and stability on the Korean Peninsula.

Chairman Reul pointed out that, as in every country, citizens want to improve their living conditions. The US is not interested in war. We cannot understand why a country like the DPRK, with a difficult economic situation and a population that faces hardship, invests so much more in its nuclear programme instead of improving the living conditions of its citizens. We have to use the windows of opportunity as they come. It is unfortunate that the closure of Kaesong, a symbol of cooperation between the DPRK and the RoK, has sent a negative signal to the international community, and international investors.

Mr Simon pointed out that he has seen considerable progress in comparison to the last time he was in the DPRK. He proposed that the DPRK should further open up. He noted that the current nuclear programme, in particular the recent test and missile launches, has given the US all arguments to increase its military presence in the region. This policy and attitude, furthermore, strains relations with the PRC.

Mr Haefner also pointed out being impressed by the many changes he noted in the DPRK. The world has changed tremendously since the 1950s, and we have also experienced the tensions of the cold war in Europe. He expressed his impression that dialogue with the DPRK always seems to focus on the historic reasons that led to the current stalemate, but instead, we should be looking at pragmatic ways of improving the situation, and leave the past behind. The international community needs a serious sign that the DPRK is keen to work on peace and stability.

Mr Helmer regretted that the potential for cooperation is not being used. The sanctions regime is admittedly a barrier to more economic cooperation, and by the way, the sanctions are adopted by the UN, not by the US as you seem to point out in conversations. We are concerned by the two-track policy of economic development and nuclear development. You have the sovereign right to decide on your policies, but you are not going to change anything as regards the sanctions regime, nor attract any international investors, if you keep your nuclear programme.

Ms Rosbach refers to the abundance of natural resources and the skilled labour force in the DPRK, but regrets the deficiencies in infrastructure, which hinders further development. If the DPRK has decided to develop its nuclear programme, it should use it for civil purposes and for improving the living conditions of its people.

The Speaker pointed out that he is confident that the DPRK will be able in the next 2 years to considerably improve the living conditions of its people.

Meeting with NGOs and UN agencies (at UNDP office Pyongyang)

This was the last meeting of the EP delegation in Pyongyang, before departing for Seoul. The representative of the French cooperation office reports on the current domestic situation, in particular about the enlarged composition of the DPRK cabinet. Makes reference to the latest CIA report on the DPRK and its main figures on population (24 million) and other social indicators. He reports on massive anti-American rallies underway. Refers also to the current inter-Korean consultations on the re-opening of the Kaesong industrial complex, and to the seized North Korean ship in the Panama Canal. Chinese media, which sometimes report on messages that the Chinese Government wishes to see published, indicated that the DPRK leader might visit Beijing this coming autumn.

The representative of the World Food Programme reported on his 9-day field visit to the north of the DPRK, to assess the impact of their projects in that region. Welcomed progress, in particular, in the agricultural sector, but there are still shortages in some regions.

The representative of the World Health Organisation reports on their monitoring visits. Also points out that the WHO for the moment does not consider the outbreak of the SARS-like virus a global health emergency.

A number of other NGO and embassy representatives reported on monitoring visits of their respective projects in health, education, and food security.

The UNDP representative reports on ongoing consultations at the UN and other stakeholders to enable an exception to the current sanctions regime that would allow and facilitate funding transfers to agencies that are operating in the DPRK.

Chairman Reul briefed the group on meetings that the EP delegation held during the week, and expresses the gratitude and appreciation of the European Parliament for the work done by NGOs and UN agencies in the DPRK.

In the course of the subsequent exchange of views, the group felt that the economic situation has improved over the past few years, even if admitting that it is difficult to verify the statistical data. There are areas where NGOs could do more, one of them is education, noting a certain focus so far on health and food security. The general impression of resident representatives of agencies and NGOs is that the situation is getting better slightly, although progress can be subject often to

difficult climatic conditions. Investment into capacity building and education was felt to be the most sustainable and, in the medium and longer term, the most effective. The DPRK could be, however, in a chronic emergency situation for the next decades, unless some fundamental questions are addressed. It is perhaps time to dare into new areas of cooperation.

Meeting with the National Assembly of the RoK

The European Parliament delegation travelled from Pyongyang to Seoul for a short official visit to the National Assembly of the Republic of Korea. The purpose of the stop-over in Seoul was to debrief the Members of the National Assembly and the Foreign Minister, and to hear the views of South Korean interlocutors on the current state of inter-Korean relations.

Chairman Lee welcomed the European Parliament delegation and introduced the Members of her delegation. Ms Lee underlined that the EU and the RoK have become not only important trading partners for each other, but also strategic partners. The RoK has seen impressive economic and social development in the last 60 years, but the situation in North Korea still is the cause of much concern.

Chairman Reul introduced the Members of the EP delegation, which were accompanied by the Head of the EU Delegation in Seoul, Ambassador Tomasz Kozlowski. Chairman Reul explained that, due to logistical circumstances, the official visit to Seoul had to be cut very short, but the European Parliament delegation felt it essential to share their impressions directly with their counterparts in the National Assembly. We share fundamental values and have a strategic partnership for a good reason.

Chairman Reul starts debriefing the National Assembly Members giving an overview of the programme in North Korea, which included, besides the proper parliamentary exchange with the Supreme Peoples Assembly, meetings with the Vice-ministers for Trade, Agriculture, Foreign Affairs, the Speaker of the SPA and representatives of NGOs and UN agencies that operate in North Korea. The EP delegation also had the opportunity of visiting EU-funded projects.

The political discussions in Pyongyang were very revealing, so Chairman Reul. In all our exchanges, we raised the question as to how the DPRK will reach the two-track objectives of economic development and continuation of its nuclear programme, given that international investors would not come to the DPRK if current circumstances persist. The Members of the European Parliament delegation agreed in their assessment that the DPRK has very considerable potential for economic development, given its abundance in natural resources and skilled labour force. Members often regretted in Pyongyang that a country with such a difficult economic situation would invest so much in developing certain technologies instead of improving the living conditions of its people. The reply to that question always included a reference to historical events that led to the Korea War. European Parliamentarians were very clear in stating that the North Korean nuclear programme and the current attitude shown with the closure of Kaesong is not compatible with its wish to improve the economic situation, and will hinder foreign investment. European parliamentarians tried to get out of the usual circle of arguments on both sides and invited their interlocutors to try find possible venues of cooperation with South Korea and the international community. Unfortunately, the Chairman concluded, the reactions were often the expected ones, and still, Members felt that engagement is essential.

Mr Haefner reported that this had been his fourth visit to the DPRK in the past years. He noted a certain level of economic progress in comparison with the first visits. Furthermore, he noted a change in the attitude of people, reflected in more openness and less fear. It's a different picture today. However, when it came to the political exchanges, we heard the same old arguments. The

world has changed immensely since the armistice agreement, but the DPRK seems caught in old historic patterns of thinking. Mr Haefner was pleased that the European Parliament had the opportunity to express its concern about the situation of human rights, the nuclear programme and the current state of inter-Korean relations and relations of the DPRK with the international community, and still demonstrate also that engagement is essential.

Ms Rosbach shared the assessment that some progress was noticeable. Still, the DPRK is far from offering its citizens the standard of living its leadership would wish to see or at least refer to in political statements. This is even more evident if one looks at the impressive progress achieved in South Korea in the past few decades. She expressed concern, in particular, about the bad state of infrastructure, which again has a negative impact on other aspects, mainly the distribution of humanitarian aid when necessary. Her conclusion was also that engagement is crucial, and invited the Korean interlocutors to continue building bridges to the north.

Mr Simon also noted that considerable progress was visible, but he was most impressed by the change in attitude. He felt that the general atmosphere in the DPRK was more relaxed. He also pointed out that there seems to be a small but growing middle and upper class in Pyongyang that has access to the most modern devices and enjoys the benefits that an improved economic situation brings about.

Ms Seo Young-kyo (Democratic Party) shares those impressions, she had been in the DPRK for some days recently as part of a negotiating team. She wondered, however, if the EP delegation had any concerns that EU funding for humanitarian purposes could be re-diverted to the military?

Mr Jeong Jin-hoo (Progressive Justice Party) noted that he visited the DPRK in 2008 and wondered, despite the increased isolation of the past couple of years, what might be the reason for that perceived relaxation of attitudes?

Ms KANG Eunhee (Saenuri Party) underlined that we need the support of the international community in exerting continued pressure on the DPRK to open their economy and engage in a constructive manner with the RoK.

Mr Helmer stressed that he was deeply disappointed by the replies he received in Pyongyang, which appeared to be political slogans rather than a real dialogue. As regards Kaesong, Mr Helmer underlined that international investors will not come to North Korea as long as the current circumstances do not change. He also reported having conveyed the message that the nuclear programme of the DPRK is not compatible with its economic development aspirations.

Mr Öry pointed out that he has lived in a formerly communist regime for 40 years and has followed the situation in a number of other countries, but has never seen a society as closed as in the DPRK. Some minor changes may be noticeable, but the current regime in Pyongyang still is the harshest of its kind.

In reply to questions, Mr Reul stressed that it is essential that EU-funding goes directly to NGOs and agencies that implement projects. He agrees that assistance should not be provided to the DPRK Authorities themselves, precisely in order to avoid that sort of diversion mentioned above.

Mr Simon pointed out that we should differentiate between what happens inside the DPRK, the perception of a more relaxed atmosphere, and the harsher attitude of the DPRK towards the international community in recent months.

Mr Haefner stresses that the EP delegation differentiates clearly between the regime and the people in North Korea. The engagement of the EU in the DPRK, which has to continue, has to benefit its people directly, despite its regime. The perceived changes are not caused by the government itself, which sees itself even more isolated than in the past.

Ms YOO Ji-young (Saenuri Party) expressed concern about the underground economy in South Korea and was keen to learn about the policies in Europe. Mr Simon indicated that we do face that issue in Europe also, but there are currently a wider number of issues, such as the sovereign debt crisis, youth unemployment and slow growth.

Chairman Reul thanked his counterpart, Mrs Lee, for receiving the European Parliament's delegation and for her hospitality, and noted that the European Parliament looks forward to welcoming the delegation of the National Assembly to either Brussels or Strasbourg in early 2014.

Meeting with H.E. Mr YUN Byung-se, Minister of Foreign Affairs of the Republic of Korea

The Foreign Minister underlined that the European Parliament's visit to the DPRK has been most timely. South Korea believes that the EU can make a significant contribution to peace and stability on the peninsula.

Chairman Reul attached importance to debriefing the RoK Authorities on the visit to the DPRK. The Chairman pointed out that the exchanges in Pyongyang were very revealing, and sometimes, he noted, what was not said was even more so.

In reply to the question if there were any controversial issues, Chairman Reul explained that the EP delegation expressed clearly its concern about the nuclear programme, which is not seen as compatible with more economic development and FDI. Kaesong was also an issue. In general, no change in the wording in official exchanges, but a change of attitude perceived outside the meeting room.

The Foreign Minister wondered if UN sanctions were considered by the EU to be effective. Members of the EP delegation were not convinced about it. It might be more intelligent to discontinue sanctions, to allow more exposure to western consumer goods. The moment of no-return might be reached at some point, so Mr Simon.

The Minister indicates that his main objective now is to maintain stability and to work on confidence building measures. However, the DPRK must be ready to use that opportunity, we are ready to reach out, if North Korea would be willing to cooperate and signal another attitude.

The Minister expressed his satisfaction when hearing that the EP delegation raised concern about the question of refugees. Even if the Chinese argument was the usual one, namely that these are economic migrants, this can lead, behind the scenes, to lay the ground for more cooperation. China has signed all the major instruments on refugees.

The Minister stressed again the role that the EU could play in contributing to peace and stability on the Korean Peninsula, in particular given that North Korea sees the EU as a trustworthy interlocutor.

Conclusions

The official visit of the European Parliament's delegation to North Korea was perceived to be very useful, informative, revealing, and timely, in particular given the absence of any other official political exchanges between the EU and the DPRK in 2012 and 2013.

This visit provided a unique opportunity for Members of the European Parliament to express concern as regards the tensions on the Korean Peninsula in recent months, and to share the view that there can be no support beyond the current humanitarian assistance and food security projects as long as Pyongyang continues developing its nuclear programme. This is particularly unfortunate, as the European Union, and the international community in general, would certainly be willing to assist Pyongyang in developing its economy and the living conditions of its citizens, and to consider medium- and longer-term cooperation programmes, if the circumstances permitted. Some interlocutors even predicted that North Korea is heading towards a chronic social emergency situation. However, without some fundamental changes, Members of this delegation felt that the margin of manoeuvre is limited in this respect, even if one agrees that the time is ripe for "thinking out of the box".

There was a general perception that the EU is seen in Pyongyang as a trustworthy interlocutor, and rightly so as Members of the European Parliament pointed out. This could be an important political asset. There is no question that the EU, and the European Parliament for its part, stand ready to support any measure that can contribute to peace and stability on the Korean Peninsula. The Members of the European Parliament's delegation would also be ready to support cooperation programmes to help with economic reform and the improvement of living conditions that go beyond the current limitations. Its, needless to say, not a question of political will on the side of the EU, its in the hands of Pyongyang.

North Korea has all the necessary requisites for achieving significant economic development, a skilled workforce, natural resources, and a very conducive geo-strategic location. However, under the current circumstances, most foreign investors will also stay away.

Besides the potential threat that emanates from North Korea's nuclear weapons programme, and the risk for nuclear proliferation, the most serious problem is the appalling situation of human rights and the nature of the regime itself. This probably remains the most secluded, harshest and inhumane regime on the globe. Although a certain relaxation of attitudes was perceived by Members in Pyongyang, there is still practically very little space for change. This bleak scenario should, however, be no reason for resignation, rather to the contrary. Positive developments are possible, as we saw after returning back to Europe, as the understanding achieved on the re-opening of the Kaesong Industrial Complex, and the willingness to facilitate family reunions. The Members of this delegation conclude that pursuing the dialogue with Pyongyang, despite all challenges, is useful and necessary. The European Union should remain a reliable interlocutor and maintain its readiness to help, once the circumstances permit.



EUROPEAN PARLIAMENT

2009 - 2014

Delegation for relations with the Korean Peninsula

4TH EP/DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA IPM
17TH EP/REPUBLIC OF KOREA IPM
14-20 JULY 2013
BEIJING, PYONGYANG, SEOUL

PARTICIPANTS LIST (in order of protocol)

<u>MEMBERS</u>	<u>Political Groups Nationality</u>	<u>Committees</u>
Mr Herbert REUL <i>Chairman</i>	EPP Germany	Committee on Industry, Research and Energy
Mr Gerald HÄFNER <i>Vice-Chair</i>	Greens/EFA Germany	Committee on Legal Affairs Committee on Constitutional Affairs
Ms Anna ROSBACH <i>Vice-Chair</i>	ECR Denmark	Committee on the Environment, Public Health and Food Safety
Mr Roger HELMER	EFD U.K.	Employment and Social Affairs Petitions
Mr Peter SIMON	S&D Germany	Committee on Economic and Monetary Affairs
Mr Csaba ŐRY	EPP Hungary	Committee on Employment and Social Affairs
Mr Daniel CASPARY	EPP Germany	Committee on International Trade

Secretariat

Mr Walter MASUR, Head of Secretariat
Ms Claudia SCHWENDENWEIN, Assistant

Politicial Group Advisors

Mr Romain STRASSER, EPP Group
Mr Jörgen SIIL, S&D Group

Interpreters (DE/EN)

Ms Annette STACHOWSKI (team leader)
Ms Maria HORLBECK

Other participants**European External Action Service (EEAS)**

Mr Marcel ROIJEN, Desk Officer DPRK



EUROPEAN PARLIAMENT

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**4th EP/Democratic People's Republic of Korea Inter-Parliamentary Meeting
17th EP/Republic of Korea Inter-Parliamentary Meeting
15-19 July 2013
Beijing/Pyongyang/Seoul**

PROGRAMME

<p><i>All times local GMT +8 12:00 in Brussels = 18:00 in China 12:00 in Brussels = 19:00 in Pyongyang and Seoul</i></p>
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Saturday 13 July

Departure from Europe

Sunday 14 July

Arrival in Beijing and individual transfer by taxi to
Raffles Beijing Hotel (莱弗士北京饭店)
33 East Chang An Avenue (北京东长安街33号)
tel. + 86 10 6526 3388 fax + 86 10 8500 4380

19.30 Dinner with H.E. Mr Markus Ederer, EU Ambassador to China

*Raffles Beijing Hotel
Le Salon room located
7th floor of Heritage Building*

If possible please settle your hotel bill to avoid waiting time in the morning.

Monday 15 July

- 08.30 Check out of the hotel and bring luggage (clearly labelled) to lobby
- 08.45 Depart hotel for
- 09.30 Meeting with Ambassador Wu Dawei, Special Envoy for the Korean Peninsula
Ministry for Foreign Affairs of the Peoples' Republic of China- Department for Relations with North Korea
- 10.30 Depart for airport
- 13.20 Depart with China Air CA 121 to Pyongyang
- 16.20 Arrive in Pyongyang and transfer to
Koryo Hotel Pyongyang
Tonghung-dong, Central District
Pyongyang-DPR Korea
tel. +850 2 38144228
- 17.30 Briefing by H.E. Mr Pietrzyk, Ambassador of Poland, and EU Heads of Mission
- 19.30 Dinner hosted by Supreme People's Assembly

Tuesday 16 July

- 09.00 Departure from Hotel
- 09.30 Visit to President Kim Il Sung's native house at Mangyongdae
- 10.30 Interparliamentary Meeting with Members of the DPRK Friendship Parliament Group of the Supreme People's Assembly
- 14.00 Depart from Hotel
- 14.30 Visit to Academy of Koryo Medicine
- 16.00 Meeting with the Vice Minister of Agriculture and Vice Minister of Trade
- 17.30 Meeting with the Vice Minister of Foreign Affairs
- 19.00 Dinner hosted by H.E. Mr Pietrzyk, Ambassador of Poland and EU Heads of Mission

Wednesday 17 July

07.00	Departure from Hotel
11.00	Visit to Panmunjom
13.00	Lunch
14.00	Visit of DMZ (Demilitarized Zone)
16.00	Visit to historical sites in Kaesong City
20.00	Arriva at hotel

Thursday 18 July

08.30	Departure from Hotel
11.00	Visit EU funded project (corn seed treatment factory) in Usan County, South Pyongan Province
15.00	Visit to Pyongyang Essential Foodstuff Factory
16.00	Courtesy call on Choe Thae Bok, Speaker of the DPRK Supreme People's Assembly
19.00	Dinner hosted by Herbert Reul, Chairman of the European Parliament Delegation

Friday 19 July

09.00	Departure from Hotel
09.30	Visit to the Grand People' Study House
11.00	Meeting with NGO's at UNDP Headquarters
13.00	Return to Hotel
15.30	Depart from Hotel to airport
17.20	Depart with China Air flight CA 122 from Pyongyang to Beijing
18.15	Arrival in Beijing
21.15	Depart with Korea Air flight KE 854 from Beijing to Seoul

00.10 Arrival in Seoul and welcome by Ambassador Kozlowski and John Sagar

00.40-01.40 Transfer to
 Hotel Lotte
 1, Sogong-dong, Chung-ku
 Seoul, Korea 100-070
 tel. + 82 2 771-1000 fax + 82 2 752-3758
 www.lottehotelseoul.com

Saturday 20 July

07.30 Check out of the hotel and transfer to

08.00-10.00 Breakfast meeting with Chairwoman Lee Mi-kyung and other members of the
Foreign Affairs Committee
 National Assembly, Sarangjae building

10.00-10.25 Transfer from National Assembly to

10.30-11.30 Meeting with Minister of Foreign Affairs, YUN Byung-se
 Ministry of Foreign Affairs

11.30-12.30 Transfer to Incheon Airport

12.30-13.15 Chairman Reul interview with the press

End of programme

Individual departures to Europe