



~FACTSHEET~

Brussels, 29 April 2013

The EU and the Democratic People's Republic of Korea

Overview of EU-DPRK relations

The EU has three key interests regarding DPRK: regional **peace and stability; denuclearisation / non-proliferation** and **human rights**. The EU's policy is balanced between a firm and principled stance on non-proliferation (defending global non-proliferation/the Non-proliferation Treaty is a key EU objective) and advancing human rights.

The **domestic situation** in DPRK remains grim.

The UN estimates that some 16 million people there suffer from malnutrition or food insecurity. Access to healthcare and sanitation is poor in rural areas, while infant mortality is rising. Chronic and acute malnutrition represent an obstacle to growth and productivity. With widespread deforestation and land erosion, agricultural projects have not reduced food shortages; cereals output increased by 10% in 2012 but is expected to decline again in 2013 due to a shortage of winter and spring seeds. Energy is also in short supply, as are raw materials and fertilisers.

Economic growth is subdued at an average of 0.4% of GDP. DPRK's main trading partners are China and South Korea.

The Gaesong Industrial Complex is a bilateral project allowing South Korean companies to employ North Korean workers, which generate revenues of approximately € 65 million a year. Operation of the Kaesong Industrial Complex was interrupted on 9 April as North Korean workers were not sent to work.

In its policy approach to DPRK, the EU uses various instruments at its disposal, with a general approach being that of critical engagement¹ : regular political dialogue, development assistance programmes (roughly €6 million a year under European Commission food security programmes as well as a small number of other operations) on one hand, and diplomatic pressure and sanctions on the other.

¹ There is no EU Delegation in Pyongyang but the EU is represented, on a six-months rotating basis, by one of the seven EU Member States present there (currently Sweden).

In response to three nuclear tests in recent years, the UN has adopted several resolutions, condemning the tests and introducing restrictive measures while calling on DPRK to respect its international obligations. Tensions began escalating again at the end of 2012: first with a "satellite" launch on 12 December using ballistic missile technology; followed by a third nuclear test on 12 February 2013 and further provocative acts and statements (announced intention to reopen the Yongbyon nuclear facility, deployment of two mid-range missiles on the east coast, threats of pre-emptive nuclear strikes against the South and the U.S. and nullification of the Korean war armistice).

High Representative for Foreign Affairs and Security Policy/Vice-President of the Commission Catherine Ashton has reacted to the developments with several statements and interventions (see statements and remarks), as has the Foreign Affairs Council (see conclusions).

Given DPRK actions, the EU is closely consulting its key partners in the region and strongly supports UNSC Resolution 2094, including restrictive measures. The EU is working on implementing these measures in addition to its own restrictive measures. The EU also supports the resumption of the Six Party Talks process.

In the context of its policy of critical engagement with the DPRK, the EU remains open to political dialogue with the DPRK, timing being contingent upon political and security circumstances.

Human Rights

The human rights situation remains an issue of great concern. In the light of the gravity and chronic nature of the violations in the Democratic People's Republic of Korea and the persistent refusal of its authorities to co-operate with the UN Special Rapporteur, the EU, together with Japan, presented a resolution concerning the establishment of a **Commission of Inquiry** to investigate the grave and persistent violations of human rights in the DPRK to the UN Human Rights Council. The resolution was adopted by consent on 21 March 2013 in Geneva in the Human Rights Council.

Reliable information about the humanitarian situation remains scarce. There are cogent reports of extensive use of political prison camps, poor prison conditions and prisoners being subjected to forced labour, torture and corporal punishment. Some 150,000 to 200,000 people are estimated to be imprisoned in six camps for alleged political crimes.

DPRK imposes severe restrictions on the rights to freedoms of expression and assembly uses various, and extensive, social control mechanisms to exercise almost total control over society. Surveillance is widespread and overt. There is virtually no official access to external information; foreign media and the internet are forbidden to almost all DPRK citizens and the still relatively new mobile phone network is assumed to be closely monitored. Individuals possessing contraband materials face harsh punishment.

International monitoring bodies – notably the UN Special Rapporteur for human rights in DPRK – have reported abuses including: the widespread use of torture and labour camps against political prisoners and DPRK citizens who have attempted to flee the country; extensive use of the death penalty; pervasive and severe restrictions on freedoms of thought, expression, assembly and religion as well as the complete exclusion of citizens from participation in the conduct of public affairs. Violations of social and economic rights are reflected in severe malnutrition and widespread health problems.

Sanctions

EU restrictive measures against DPRK were introduced to implement UNSC Resolutions (UNSCR 1718 (2006), 1874 (2009) and 2087 (2013) all following DPRK nuclear tests) and include further additional EU autonomous measures. The measures are targeted at the nuclear and ballistic missile programmes of the DPRK. Measures include prohibitions on the export and import of arms and goods and technology which could contribute to the DPRK's nuclear-related, ballistic missiles-related or other weapons of mass destruction-related programmes. Additional measures – including in the trade, transport and financial sectors – have also been taken, both by the UN and autonomously by the EU. The EU last strengthened its measures on 22 April 2013, giving effect to the measures of UN Security Council resolution 2094 (2013).

**EU restrictive measures against the Democratic People's Republic of Korea (North Korea)
as in force on 23 April 2013**

Export and import restrictions

Arms

- Prohibition on the export and import of arms and related materiel of all types, including a prohibition on the provision of related technical and financial assistance.

Dual use goods

- Prohibition on the export and import of goods and technology which could contribute to the DPRK's nuclear-related, ballistic missile-related or other weapons of mass destruction-related programmes, as determined by the UN Security Council, including a prohibition on the provision of related technical and financial assistance.
- Prohibition on the export and import of certain other dual-use goods and technology, including dual-use goods as contained in Council regulation (EC) No 428/2009 (EU dual-use regulation), including a prohibition on the provision of related technical and financial assistance.
- Prohibition on the export and import of certain key components for the ballistic missile sector, including a prohibition on the provision of related technical and financial assistance.
- Prohibition on the export and import of any other item that could contribute to the DPRK's nuclear or ballistic missile programme, or to the evasion of prohibited activities, including a prohibition on the provision of related technical and financial assistance.

Gold, precious metals, diamonds

- Prohibition on trade in gold, precious metals and diamonds with the government of the DPRK, its public bodies and the Central Bank of the DPRK, or persons and entities acting on their behalf or at their direction.

Banknotes and coinage

- Prohibition on the delivery of DPRK denominated banknotes and coinage to the Central Bank of the DPRK.

Luxury goods

- Prohibition on the export to the DPRK of certain luxury goods.

Restrictions on financial support for trade

- Prohibition on provision of public financial support for trade with the DPRK where such financial support could contribute to the DPRK's nuclear-related, ballistic missiles-related or other weapons of mass destruction-related programmes or to other prohibited activities, or to the evasion of prohibited activities.

Financial sector

Financial assistance by Member States to the DPRK

- Prohibition on new commitments for grants, financial assistance and concessional loans to the DPRK by member states, except for humanitarian and developmental purposes addressing the need of the civilian population or the promotion of denuclearisation. Member states shall exercise vigilance with regard to reducing current commitments.

Monitoring of financial activities of financial institutions

- Enhanced monitoring by member states of activities of financial institutions within their jurisdiction in relation to their activities with regard to DPRK banks, branches and subsidiaries of DPRK banks and financial both inside and outside the EU and, entities controlled by DPRK persons and entities, to avoid such activities contributing to the DPRK's nuclear programme.
- EU financial institutions are required in their activities with such banks and financial entities to exercise continuous monitoring of account activity, require completion of all information fields of payment instructions, keep records of all transactions and report transactions they suspect may contribute to the DPRK's nuclear-related, ballistic missile-related or other weapons of mass destruction-related programmes to national competent authorities.

Branches, subsidiaries or corresponding banking relations

- Prohibition for DPRK financial institutions to open new branches, subsidiaries or representative offices in the EU.
- DPRK banks may also no longer establish joint ventures with, take an ownership interest in EU banks or establish corresponding banking relations with EU banks.
- DPRK banks may also no longer maintain corresponding banking relations with EU banks where there are reasonable grounds to believe that this could contribute to the DPRK's nuclear or ballistic missiles-programmes or to other prohibited activities, or to the evasion of prohibited activities.
- Prohibition for EU banks to open representative offices, subsidiaries, branches or bank accounts in the DPRK.

DPRK bonds

- Prohibition on trade and related services for DPRK public or public-guaranteed bonds issued after 18 February 2013 with the government of the DPRK, the Central Bank of the DPRK and other DPRK banks or financial institutions.

Transport sector

Inspections

- Obligation for member states to inspect all to and from the DPRK, and cargo brokered or facilitated by the DPRK or DPRK nationals or persons or entities acting on their behalf, where there are reasonable grounds to believe that the cargo contains prohibited items.
- Requirement to inspect vessels on the high seas where there are reasonable grounds to believe that vessels carry prohibited items.
- Obligation for aircraft and vessels transporting cargo to and from the DPRK to supply additional pre-arrival and pre-departure information for all goods brought into or out of the EU.
- Obligation to deny vessels which refuse inspection entry to an EU port.
- Obligation to deny permission for airplanes to land in, take off or overfly EU territory, if there are reasons to believe that their cargo contains prohibited items.

Bunkering

- Prohibition on the provision of bunkering or ship supply services to DPRK vessels if there are reasonable grounds to believe that the vessels carry prohibited items, unless necessary for humanitarian purposes.

Restrictions on admission and residence

Restrictions on admission

- Prohibition to admit persons responsible, including through supporting or promoting, for the DPRK's nuclear-related, ballistic missile-related or other weapons of mass destruction-related programs, including through supporting or promoting, and persons acting on their behalf or at their direction, to EU territory.
- Prohibition to admit persons who provide financial services or the transfer to through or from EU territory of any financial or other assets or resources that could contribute to the DPRK's nuclear-related, ballistic missile-related or other weapons of mass destruction-related programmes, or persons who are involved in the supply to or from the DPRK of arms and related materiel of all types, or dual-use goods, to EU territory.
- Prohibition to admit persons working on behalf of or at the direction of listed persons and entities, or persons assisting in the evasion of sanctions, to EU territory.
- This admission ban currently applies to 29 persons: 12 of them have been designated by the UN, the others are autonomous EU designations.

Restrictions on residence

- Expulsion of DPRK nationals from the territory of the EU if a member state determines that they work for a listed person or entity or help evade sanctions.

Freezing of funds and economic resources

- Freeze of all funds and economic resources belonging to the same persons as referred to under “restrictions on admission” and on entities involved in the activities mentioned above for “restrictions on admission”. Exemptions may be made by member states for funds and economic resources necessary to satisfy basic needs and for the payment of legal services.
- The asset freeze concerns 35 entities in total, of which 19 have been designated by the UN, the others are autonomous EU designations.

Other restrictive measures

Specialised teaching or training

- Obligation for member states to prevent specialised teaching or training of DPRK nationals in disciplines that could contribute to the DPRK's proliferation sensitive nuclear activities and the development of nuclear weapon delivery systems.

DPRK diplomats

- Obligation for Member States to exercise enhanced vigilance over DPRK diplomats in the EU so as to prevent them from contributing to DPRK's nuclear and ballistic missile programmes.