

**DELEGATION FOR RELATIONS WITH THE KOREAN PENINSULA (DKOR)****Working group visit to Pyongyang and Seoul****22 October - 1 November 2007**

A working group from the Delegation for relations with the Korean Peninsula visited North Korea from 23 to 26 October, and subsequently South Korea on 27 October to 1 November 2007.

The group was led by Hubert PIRKER (EPP-ED), Chair of the Delegation. It included Glyn FORD (PSE), Jas GAWRONSKI (PPE-DE)<sup>1</sup>, Astrid LULLING (PPE-DE)<sup>2</sup>, Petya STAVREVA (PPE-DE)<sup>2</sup>, David MARTIN<sup>3</sup> (PSE)<sup>2</sup>, Philip CLAEYS (ITS)<sup>2</sup>.

The purpose of the visit to the DPRK, which took place a few months only after the previous visit on 23-27 June, and between the Inter-Korean Summit and the South Korean presidential election, was to attend and give support to the 3rd DPRK/EU economic modernization workshop organized by the European Commission in cooperation with the Friedrich Naumann Foundation, an event which had been long awaited due to the political situation.<sup>4</sup>

**MAIN CONCLUSIONS**

The seminar, and the subsequent political contacts, confirmed the positive climate already noticed in June. North Korean interlocutors expressed eagerness for more recognition and contacts, including sending people abroad, both official delegations and people going for training.

There was an upbeat atmosphere regarding the DPRK's commitment to the denuclearisation as agreed in the Six-Party talks, with some concern towards the USA's willingness to accept the results as satisfactory, in particular regarding the declaration of all nuclear programmes.

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<sup>1</sup> North Korea, 23-24 October only

<sup>2</sup> South Korea, 27 October - 1 November only

<sup>3</sup> As rapporteur on the EU-Korea FTA for INTA Committee

<sup>4</sup> As mentioned in the report from the previous visit: "we expressed concern at the fact that there seems to be no progress regarding the organization of the next economic modernization workshop to be organized in cooperation with the European Commission."

The visit also allowed the delegation to visit both special economic zones at the Inter-Korean border, namely the Gaesong Industrial Complex (from the North) and the Mt. Geumgang Tourist Area (from the South) and witness examples of North-South co-operation.

The visit to South Korea allowed the delegation to obtain a comprehensive vision of the current developments towards deepening of inter-Korean dialogue and bring them in the framework of the currently ongoing presidential campaign.

It was also an opportunity to assess the current situation of negotiations towards an EU-Korea FTA, after the unsatisfactory outcome of the latest round of negotiations and convey to politicians and business people alike the European concern that the shared objective of signing an agreement by the end of 2007 could only be achieved if the Korean side balanced the European offers at a matching level, instead of resorting to negotiation tactics based on low proposals ignoring EU's main areas of concern. Our delegation insisted consistently on the various points involved (in particular automotive, pharmaceuticals, banking and financial services, standards and other non-tariff barriers).

While the US-Korea FTA has been subject to major political debates in the last months, our delegation was surprised at the low level of knowledge or interest generally manifested outside the very limited circle of specialists.

All our interlocutors welcomed the strong engagement of the EP Delegation. In both the DPR of Korea and the Republic of Korea all interlocutors expressively stated the wish that the European Parliament and the European Union amplified their role as neutral partners in the political processes on the Korean Peninsula.

## **ACCOUNT OF MEETINGS**

### **North Korea**

- **Economic Workshop**

North Korea says it is aspiring to economic modernisation. A significant indication has been the inclusion of economic development as a priority in this year's "Joint Editorial" (amounting to the Party's programmatic political directions).

The workshop involved a number of industry consultants and development experts from different EU countries, especially from Eastern Europe.

Its purpose was to discuss with people responsible for strategic planning the conditions for such modernisation in various economic branches.

Specialised workshops were conducted on:

- Agriculture
- Light industry (in particular textile) - working group chaired by MEP Glyn Ford
- Finance
- Information Technologies - working group chaired by MEP Jas Gawronski)

and the participants joined in for a synthesis plenary meeting co-chaired by MEP Hubert PIRKER and President of the DPRK Chamber of Commerce Mr Ri Hak Kwon.

The aim was also to create conditions for direct business-to-business dialogue: the Korean side seemed impatient to have already at this stage this kind of contacts (very clearly: to receive direct investment and concrete aid).

Such contacts will certainly be the objective of a next edition. However, policy objectives expressed by the North Koreans, in particular in the agriculture and industry panels focused on heavy equipment and infrastructure, while the European side made clear that the economy of the 21<sup>st</sup> century requires in priority those elements able to attract investors: a legal framework providing security for investment, easily usable communications, and a financial system compatible with generally accepted international practice<sup>1</sup>.

- **Supreme People's Assembly**

The delegation met with Mr Ri Jong-Hyok and reported on the conclusions drawn from the seminar, in particular the need for efficient telecommunications means and the ability for Korean managers to establish contacts and stay in touch with the latest technological and market developments.

Mr Ri Jong-Hyok confirmed the current positive climate, insisting on the need for more concrete measures beyond generalities. He mentioned the upcoming meetings at ministerial and technical level between the two Koreas, following the successful Summit meeting of 3 October. He viewed things as going smoothly, in an atmosphere of reconciliation.

The South was ready to increase co-operation while respecting the system in place in the North. No problem was expected from the change of leadership in the South next year, but this had to be confirmed in the facts. While the main South Korean parties have different views on some international issues (eg. Iraq), they did not have fundamentally different views regarding North-South relations.

The DPRK was on track regarding its commitments to de-nuclearisation under the Six-Party Talks.

He mentioned that 2008 would include a general election and mark the 60th anniversary of the DPRK, and invited the EP delegation to attend this major event.

Chairman Hubert Pirker approved these positive signs, and reminded that positive achievements could allow in the future an extension of the level of co-operation from the EU beyond the mere level of humanitarian aid.

He called for more freedom of movement and contact for foreign citizens in the DPRK.

He confirmed the proposal mentioned in June to invite DPRK trainees to the EP, mentioning that the budgetary and regulatory conditions for these traineeships should be worked out between the last weeks of 2007 and early 2008.

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<sup>1</sup> The full report of the workshop is available at the Secretariat of the Delegation.

- **Vice-Minister for Foreign Affairs Mr Kim Yong Il**

The Vice-Minister assessed the EU-DPRK relations as mediocre, complaining that since the establishment of relations in 2001, which marked a historic beginning; and despite the exchange since then of delegations and political talks on 8 occasions, the exchanges of technical visits, invitations in the EU, various assistance given (he mentioned in particular tractors and other actions of food security), the lack of exchange of ambassadors was abnormal. By lagging behind, the EU behaved against the trend.

He described the political situation in the country very stable. He recognised the economic hardships (which he attributed to natural hardship but also to artificial causes created by the hostile forces in the form of sanctions and embargos), which needs solutions, but expressed firm optimism in the country's Leader

Chairman Pirker reminded that the EP was in favor of closer diplomatic contacts, especially a DPRK Embassy in Brussels, but the Vice-Minister said that the point was not one of location, but a formal recognition for a DPRK Mission to the EU.

MEP Glyn Ford mentioned that the new leadership in France might be more open to reconsider that country's negative attitude to the formal recognition of the DPRK, provided significant progress was achieved with denuclearisation.

- **Workers' Party of Korea, International Department**

The delegation met with Mr Pak Kyong Son, Vice-Minister of International Department, who exposed the leading role of the party towards independence, edification of socialism, and unification of the fatherland.

He reminded that Leader Kim Jong Il had started being active in the party since 1964.

The current priorities were to uphold the Songun doctrine (national defence first) through the following directions:

- economic power - improve living standard rebuild economy on modernising techniques  
primary focus agriculture increase output ; light industry ; power, coal, metal, railway - state of the art tech. socialist principle of eco. management
- consolidate ideological basis of society ; unity within revolutionary ranks
- potentials for national defence to safeguard revolution - the Korean People's Army was the mainstay of revolution, consolidating in military ideological and political affairs.

National reunification was a priority task and should not be delayed. Reunification by the nation itself should be carried without foreign interference

He exposed his expectations for developing relations with parties in the EU, mentioning the party's contacts with sister parties, like Vietnam, or with non-communist parties, basing on the principle of mutual respect, citing recent exchanges of delegations with Egypt, Syria, Yemen, Malaysia, Indonesia, Laos, India and Sudan

He mentioned a planned visit to Europe early 2008, following alleged invitations by the German CDU and Belgian PS.

He expected from the USA that they withdraw their hostile policies, from Japan to stop its unilateral anti-DPRK moves and give compensation for the sufferings under imperialist occupation.

He reminded the principles governing international relations of the DPRK: independence, peace and friendship, that is to say a development of diplomatic relations but upholding independence ranks stronger than peaceful relations.

### **South Korea**

As usual, all our interlocutors in South Korea expressed a very high interest in our visit to the North and asked many precise questions. This was visible both in official contacts and in the eagerness shown by the media.

- **Prime Minister Han Duck-soo**

Explained his objectives for the first North-South meeting at Prime Minister level, due mid-November, in which he wanted to address in particular the question of operating businesses in North Korea. Investments, rather than humanitarian aid, would bring more leverage to co-operation with the DPRK, and for the Defence Ministers meeting at the end of that month, due to address the contentious issue of the Western sea border.

He was confident that the DPRK would keep up to its commitments from the Six-Party talks and declare properly the existing programmes. “Negotiating with North Koreans is tough, but once they commit, they deliver”. The only delay this year was related to the Banco Delta Asia problem, and was more technical and unintentional than political.

- **Minister of Unification, Lee Jae-jong**

reported on the Inter-Korean Summit. The fact that the peace regime was now an explicit project, aiming at the future and not just at settling the past, and starting with practical objectives like the Western joint fisheries area, and not just a vague reference was a big achievement. explaining that President Roh Moo-Hyun had tried to convince Kim Jong Il of the necessity to open the North's society if he wanted to attract more investment.

He expressed confidence in the DPRK's move away from nuclear.

He said that EU's support would be needed to press for a normalisation of the DPRK/Japan and DPRK/USA relations.

- **Vice Minister of Foreign Affairs and Trade, Cho Jung-pyo**

explained that the Summit rested upon three pillars: Peace regime for the peninsula, economic co-operation (which does not mean just aid, but mutual benefit for South Korean companies also) and reunification, not as a principle, but in a gradual and pragmatic way (the Vice-Minister explicitly quoted the example of the EU).

The recent visit of the Secretary-General of the Vietnamese Communist Party is a sign that the DPRK is actively looking for possible models of economic opening.

EU support was requested in particular by accepting to include the Gaesong Industrial Complex in the FTA.

- **Campaign team of Conservative candidate Lee Myong-Bak**

The main advisers of the Presidential candidate (credited of over 40% of votes at the time of the visit) strongly criticised the "Sunshine policy" for its ineffectiveness in achieving a change in the North Korean system. They confirmed the orientation towards dialogue, co-operation and assistance with the DPRK, but insisted that the aid should not be unconditional: any action should be matched by reciprocal concessions.

A priority would be to improve the relations with the USA, whose presence guarantees the security and stability on the peninsula but also in the whole of Northeast Asia, and furthermore guarantees the economic prosperity.

Another objective regarding the conditions of regional security were the pursuit of a collective framework, and a long-term plan for energy supply and management.

- **Government party candidate Chung Dong-young**

Mr Chung Dong-young, a former minister for unification, reminded that the international community had contradictory views on how to deal with North Korea, ranging from hardliners who want a policy of "stick, no carrot" to more flexible diplomatic approaches. He denied the accusations that the "Sunshine policy" was an unconditional giveaway, as absorbing help and developing joint operations required a change of pattern in North Korean thinking about the South and the outside world. A project like the Kaesong Industrial Complex deserved being expanded and replicated. He felt that the DPRK would keep up their promise of dismantlement and declaration of nuclear programmes, reminding that the reciprocal lack of trust in relations with North Korea had the major difficulty to overcome in the negotiations and would not disappear overnight.

Asked by Mr Chung Dong-young, Chairman Pirker expressed confidence in the change of climate witnessed by the delegation; the genuine willingness of the DPRK to comply with its commitments was realistic, as the North Koreans have understood that there was no other way for them to come back to the international community and receive sufficient aid and investment. This meant that both South Korea and international partners had to be firm on conditionality.

On a question by Mrs Lulling on the prospects for the EU-Korea FTA, Mr Chung Dong-young expressed a very strong and unambiguous support for the FTA (this being particularly notable, as the whole meeting was held in presence of the press), however he did not comment on the content of the negotiations nor on the concerns voiced by Mrs Lulling and Mr Pirker.

# EUROPEAN PARLIAMENT

## DELEGATION FOR RELATIONS WITH THE KOREAN PENINSULA

**Working group visit (Pyongyang - Seoul - Geumgang-san)**

**22 October - 1 November 2007**

### PROGRAMME

*All times local*

*12:00 in Brussels = 19:00 in Korea  
18:00 in China*

#### **Sunday 21 October**

Depart Europe

#### **Monday 22 October**

afternoon Arrivals in Beijing airport and transport to

*Swissotel Beijing  
2, Chao Yang Men Bei Da Jie  
Beijing 100027  
Tel: +86 10 6553 2288  
Fax: +86 10 6501 2501*

19.30 Dinner briefing by Friedrich Naumann Stiftung representatives

*Happy Valley Chinese Restaurant  
Swissotel Beijing*

#### **Tuesday 23 October**

11.55 Air Koryo JS 152 flight to Pyongyang

14.55 Arrival in Pyongyang airport

16.15-16.45 Transport and check in at

*Koryo Hotel  
Tel. +850 2 381 4397  
Fax. +850 2 381 4422*

- 17.30-18.00 Preparatory meeting for the Economic Workshop
- 18.00-19.10 Opening Session of the 3rd DPRK/EU Economic Workshop
- 19.15-21.15 Dinner hosted by the European Commission and Friedrich Naumann Foundation

**Wednesday 24 October**

- 09.00-17.30 3rd DPRK/EU Economic Workshop (see separate programme)
- 19.00 Dinner hosted by the Presidency of the Council of the European Union

**Thursday 25 October**

- 10.00-10.30 Meeting with Mr Kim Yong Il, Vice Minister for Foreign Affairs
- 10.40-11.20 Meeting with Mr Ri Jong Hyok, Chairman of Parliamentary Friendship Group
- 11.30-12.10 Meeting with Mr Son Kwang Ho, Vice-Chairman of Sports and Physical Culture Guidance Committee and Vice-Chairman of DPRK Olympic Committee
- 12.30-15.00 Lunch with European Business Association
- 15.30-17.10 Meeting with Mr Pak Kyong Son, Vice-Minister of International Department, Workers' Party of Korea
- 17.30-18.30 Visit to Pyongyang Maternity Hospital

**Friday 26 October**

- 09.00-16.00 Tour of Kaesong city and visit to the Inter-Korean Kaesong Joint Industrial Complex

**Saturday 27 October**

- 08.55 Air Koryo JS-151 flight to Beijing
- 09.55 Arrival in Beijing and
- 12.10-15.00 Depart with Asiana Airlines OZ 332 Flight Beijing to Seoul

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## PROGRAMME SOUTH KOREA

afternoon Arrivals from Beijing or Europe, met by Mr Sagar at Incheon airport and transfer to

*Hotel Lotte*  
*1, Sogong-dong, Chung-ku*  
*Seoul, Korea 100-070*  
*Tel (82-2) 771-1000*  
*Fax (82-2) 752-3758*

### **Sunday 28 October**

Further arrivals from Beijing or Europe at Incheon airport

17.00 Members' preparatory meeting  
*Hotel Lotte*  
*Executive Lounge - 17th floor*

18.30 Depart from New Wing Entrance of Lotte Hotel for

19.00-21.00 Briefing with Ambassador Brian McDonald, Head of EC Delegation followed by  
dinner  
*Ambassador's Residence*

### **Monday 29 October**

09.00-10.00 Press Conference  
*Emerald Room, 2nd floor*  
*Lotte Hotel*

10.05-10.25 Transfer to National Assembly

10.30-11.00 Courtesy Call on Mr Lee Sang.deuk, Vice Speaker of the National Assembly

11.05-11.25 Transfer to

11.30-12.00 Meeting with the EU Heads of Mission  
*EC Delegation Office*

- 12.05-12.15 Transfer to Lotte Hotel
- 12.15-13.45 Lunch with EUCCK hosted by European Parliament Delegation  
*Athenee Garden, 2nd floor*  
Lotte Hotel
- 14.40 Departure from New Wing Entrance of Lotte Hotel and transfer to
- 15.00-15.50 Meeting with Mr Lee Jae-joung, Minister of Unification
- 15.50 Short walk via bridge MoFAT
- 16.00-16.45 Meeting with Mr Cho Jung-pyo, Vice Minister of Foreign Affairs and Trade
- 16.50 Return to Lotte Hotel
- 17.15-18.00 Meeting with the Chairman of the Presidential Campaign Team for the Grand  
National Party Candidate, Mr Lee Myung-bak (former Foreign Minister, Yoo  
Chong-ha and Ambassador Kwon Jong-rak)  
*Hotel Lotte*  
*Drawing Room - 17th floor*
- 19.00-19.30 Depart from New Wing Entrance of Lotte Hotel and transfer to
- 19.00-21.00 Dinner hosted by the Portugese Ambassador with Member State Ambassadors  
*Residence of Portuguese Ambassador*

**Tuesday 30 November**

- 11.00 Check out of Lotte Hotel
- 11.30 Transfer to
- 12.00-13.30 Lunch hosted by Lee Hee-beom, Chairman of the Korea International Trade  
Association
- 13.30-14.00 Transfer to headquarters of Hyundai Motors
- 14.00-15.00 Meeting with Chung Mong-koo, Chairman of Hyunda-Kia Automotive Group
- 15.00 Transfer by bus to Sokcho

19.00 Arrive and check in at  
*Sorak Kensington Hotel*  
*Sokcho, Kangwon Province*  
*#106-1 Sorak-dong Sokcho-shi Gangwon-do*  
*Tel+ 82 2 6670 7288*

19.30 Dinner (on own account)  
*Sorak Kensington Hotel*  
*2nd floor*

### **Wednesday 31 October**

06.00-06.50 Breakfast and check out of the hotel

07.00-08.30 Transfer to South Korean border post (CIQ)

08.30-09.00 Departure formalities (South Korea CIQ)

09.00-09.40 Entry formalities (North Korean CIQ) and military escort through the Demilitarized Zone

10.00-10.30 Briefing on Hyundai Asan's Inter-Korean Business, presentation on Mount Kumgang Tourism project  
*Hotel OeKumgang*  
*Seminar Room, 2nd floor*

10.40-11.40 Site survey of the Mt. Kumgang Special Tourism Zone

11.50-13.15 Lunch (on own account)

13.30-15.50 Samilpo Lake tour and hiking option

16.00 Depart from Onjeonggak for

16.15 Departure formalities (North Korean CIQ)

17.15 Entry formalities (South Korean CIQ)

17.30 Return to Seoul

21.30 Check in  
*Hotel Lotte*

**Thursday 1 November**

09.40 Departure from Lotte Hotel for

10.00-10.30 Meeting with Han Deuk-soo, Prime Minister of the Republic of Korea

10.30-10.45 Transfer to headquarters of the United New Democratic Party

11.10-11.45 Meeting with Presidential Candidate Chung Dong-young

14.00-16.00 Secretariat meeting with EC Delegation

**Thursday 1 November/Friday 2 November**

Individual departures to Europe

# EUROPEAN PARLIAMENT

## DELEGATION FOR RELATIONS WITH THE KOREAN PENINSULA

Working group (Pyongyang - Seoul - Geumgang-san)

21 October - 2 November 2007

### List of Participants

<b><u>MEMBERS</u></b>	<b><u>Political Groups Nationality</u></b>	<b><u>Committees</u></b>
<b>Mr Hubert PIRKER</b> <i>Chairperson</i>	PPE-DE Austria	Committee on Foreign Affairs Subcommittee on Security and Defence
<b>Mr Jas GAWRONSKI</b> <sup>1</sup>	PPE-DE Italy	Committee on Foreign Affairs
<b>Mr Glyn FORD</b>	PSE UK	Committee on International Trade Committee on Petitions Subcommittee on Security and Defence
<b>Ms Astrid LULLING</b> *	PPE-DE Luxembourg	Committee on Economic and Monetary Affairs Committee on Women's Rights and Gender Equality
<b>Ms Petya STAVREVA</b> *	PPE-DE Bulgaria	Committee on Agriculture and Rural Development
<b>Mr David MARTIN</b> *	PSE UK	Committee on International Trade
<b>Mr Philip CLAEYS</b> *	ITS Belgium	Committee on Foreign Affairs Subcommittee on Security and Defence

PPE-DE Group of the European People's Party (Christian Democrats) and European Democrats  
PSE Socialist Group in the European Parliament  
ALDE Group of the Alliance of Liberals and Democrats for Europe  
ITS Identity, Tradition and Sovereignty Group

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<sup>1</sup> to North Korea only  
\* to South Korea only  
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<b><u>STAFF</u></b>		
<b><u>SECRETARIAT</u></b>		
<b>Mr Thierry JACOB</b>	France	
<b>Ms Claudia SCHWENDENWEIN *</b>	Austria	
<b><u>POLITICAL GROUPS</u></b>		
<b>Mr Romain STRASSER *</b>	PPE-DE Luxembourg	
<b>Ms Emmanuelle LE TEXIER *</b>	PES France	

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