

2013

White Paper on Korean Unification

W W W . U N I K O R E A . G O . K R



MINISTRY OF UNIFICATION

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Preface



The year 2012 was marked by growing tension in inter-Korean relations. On two occasions, North Korea launched long-range missiles, and recently, it conducted a third nuclear test, much to the disappointment and frustration of many who have longed to see the development of normal inter-Korean relations and subsequent unification on the Korean peninsula.

Amidst tensions, the ROK government has made steadfast efforts to resolve pending issues through dialogue, at the same time executing its North Korea policy with a set of principles. Recent attempts have yet borne fruit. The government proposed a working-level meeting to discuss the prevention of blight that threatens the ancient Goguryeo tombs, located in the North. In addition, it proposed working-level Red Cross contacts to discuss the reunion of separated families. And in August, the government reiterated its proposal for talks on the reunion of separated families, as well as flood aid, but there was no response from the North.

Preface

Over the last two decades, North Korea has put a significant amount of its resources into launching missiles and conducting nuclear tests, all the while neglecting the welfare of its people. It has chosen to isolate itself from the international community and to follow its past legacy, despite countless opportunities to take the path of change.

Crisis can be an opportunity. The United States, China, Japan, and Russia all have recently undergone a change in political leadership and sought the type of policy that would move their country forward in line with the needs of a new era. As the world undergoes a period of rapid change, countries are breaking away from the past and looking towards the future. Likewise, the South Korean public holds high expectations for change under the leadership of the new government. The people have reached a consensus that finding a solution to the nuclear issue and missile testing is fundamental to bringing security to East Asia. In this context, unification is both the means and the end. Unification is more than a natural course of action to bring together a divided nation; it can be a fundamental solution to many issues to ensure co-existence and prosperity amidst the flurry of changes.

Sixty-seven years have passed since Korea became a divided country. This may not seem like a great deal of time in light of the long history of Korea, but the years of division have cast a deep and far-reaching shadow of paradox over the lives of the Korean people. It is time to walk into the light of a new era and to control our own fate with openness and

creativity.

In this sense, it is meaningful that, last year, the government and the public together set out to make practical preparations for unification. We took the very first step, informing the public of what unification entails and what we need to do to improve our unification policy.

The revision to the Inter-Korean Cooperation Fund Act reflects our effort to move unification preparations from the realm of words to that of action by providing a legal basis for the creation of unification funds. More than a way to raise money, the fund plays other essential roles: to engage the public in the preparatory work, to help us realize that we are witnesses to extraordinary historical circumstances, and that we must consider this process from a long-term perspective.

The White Paper on Korean Unification presents a positive direction for inter-Korean relations and reflects the commitment of the ROK government and the public towards unification. The Korean Peninsula is still undergoing difficult times, but the strained situation may just be part of the inevitable process of developing improved ties with the North. I am convinced that our dedicated efforts will open the way for renewed inter-Korean relations and unification.

Thank you.

February 2013

Yu Woo-ik, Minister of Unification

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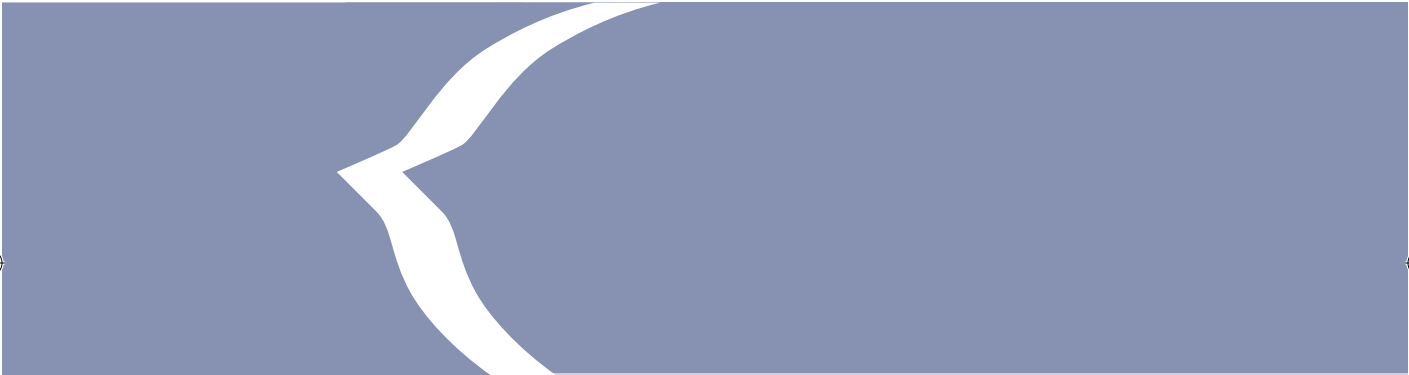
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W H I T E P A P E R O N K O R E A N U N I F I C A T I O N

Chapter 1

Unification Policy

Section 1 Basic Direction

Section 2 Policy Environment

Section 3 Policy Progress

Chapter 1 Unification Policy

From its inception, the Lee Myung-bak Administration has been guided by a clear set of principles in pursuing a coherent North Korea policy. In line with those principles, the government has worked to develop normal inter-Korean relations based on mutual respect and cooperation, to lay the basis for peace and prosperity on the Korean Peninsula, and to achieve peaceful unification.

Among other things, the government set out to resolve North Korea's nuclear issue, which threatens the very backbone of its relations with the North, while seeking mutually beneficial cooperation projects. It also worked to improve human rights conditions in the North and to resolve the issues of separated families, South Korean prisoners of war and abductees, and other humanitarian concerns from the perspective of universal values.

However, North Korea continued to carry out its nuclear development program. Following its second nuclear test in May 2009, the North launched long-range missiles in April and December 2012. It also continued its armed provocations against the South by sinking the Cheonan warship in March 2010 and shelling Yeonpyeong Island in November of the same year, while also launching a libelous attack against the South Korean President and making bold threats among others. The ROK government urged the North to show its sincerity by giving up its nuclear weapons, taking responsibility for its reckless acts, and promising to prevent a recurrence of similar incidents. Meanwhile,

it cooperated with the international community in taking necessary actions to resolve the nuclear and long-range missile issues.

While remaining committed to its principles, the South adopted a series of flexibilization measures to normalize its relations with the North. It kept the windows of dialogue open by proposing talks on key pending issues on several occasions, while creating favorable conditions for the North to choose the right path for the sake of its people. Following the death of North Korean leader Kim Jong-il in December 2011, the ROK government concentrated its efforts on maintaining stability on the peninsula.

Unification preparations proceeded in full swing based on a commitment that North Korea policy should be directed at unification rather than at managing the status quo. Thus, the government worked to achieve five tasks for building unification readiness: encouraging public support for unification, raising unification funds, actively engaging in unification diplomacy, embracing victims of separation, and laying the necessary institutional groundwork.

Section 1. Basic Direction

Beginning with the Korean National Community Unification Plan of 1989, the ROK has pursued for two decades a unification policy that it hoped would bring peace and stability to the Korean Peninsula. The plan was intended to improve inter-Korean relations and gradually achieve peaceful unification through exchange and cooperation. In fact, more frequent inter-Korean dialogues and exchanges seemed to bring positive changes, at least in scale. They resulted in an expansion of inter-Korean programs, including tours at Mount Geumgang, the Gaeseong Industrial Complex, and food aid in large scale.

Unfortunately, enhanced cooperation did not convince the North to cease its armed provocations. In October 2006 and in May 2009, North Korea conducted two nuclear tests and also continued to develop long-range missiles, both of which severely threatened regional security. It has been pointed out that despite South Korea's best efforts to encourage cooperation and exchange, the plan to change the North's attitude failed.

In the belief that developing normal inter-Korean relations would bring prosperity benefitting both sides, the Lee Myung-bak administration endeavored to resolve the North Korean nuclear issue as a top policy priority amid other policy goals.

First, denuclearization of North Korea heads the priority list because the North's nuclear program poses a considerable threat to the stability on the Korean Peninsula and in Northeast Asia, and constitutes a serious challenge to the non-proliferation efforts by the international community. Indeed, unless the North abandons its nuclear program, any kind of confidence-building or cooperation is just a pipe dream. Moreover, the international community would never support unification of a nuclear armed Korean Peninsula.

Based on this knowledge, the ROK government proposed the Vision 3000 initiative, a bold plan to foster a favorable environment in the North so that it will dismantle its nuclear program. In return for any progress in denuclearization, the ROK and the international community would work out a comprehensive package (covering the five key areas of economy, education, finance, infrastructure and standard of living) to help North Korea upgrade its economy by achieving an annual per-capita income of USD3,000 in just ten years, and improve the standard of living of its people. In summary, Vision 3000 clearly and strategically lays out the benefits for North Korea if it cooperates.

Second, the ROK is working to build a healthy and normal relationship with North Korea through mutually beneficial cooperation and respect. That means the ROK will remain firm on its position not to tolerate North Korea's provocations and threats and will insist that the North be held accountable for bad behavior. Following the fatal shooting of a South Korean tourist by a North Korean armed guard at the Mount Geumgang resort, the government urged the North to guarantee the safety of South Korean nationals and to prevent recurrence of a similar tragedy. It also stood its ground after the sinking of the Cheonan warship, announcing the May 24 measures and demanding that the North take responsibility. Meanwhile, it stands resolute against threats from the North, which seems determined to change the rules of the game.

On the subject of inter-Korean dialogue, the ROK government has underscored the need for sincere discussions, rather than engaging in dialogue for the sake of dialogue. And when dealing with the North, it remained steadfast in its position by presenting a set of principles (three for GIC development and three for fundamental resolution of humanitarian concerns).

It has already been proven that building a relationship through one-sided assistance is not sustainable. Thus, the ROK government worked to

bring progress through exchange, cooperation and assistance, and to build a relationship that is mutually beneficial.

Third, the ROK government has been guided by universal values in executing its unification policy. In the course of world history, democratic freedom, human rights, and market economy have emerged as universally accepted values. In that vein, the government believes that restoring human rights is a moral obligation that holds particular importance in the North, where many South Koreans have relatives and close connections. Thus, the South has remained committed to addressing the issues of separated families, South Korean prisoners of war, and abductees from a humanitarian perspective.

Finally, the government began making substantial preparations for unification in earnest. In his Liberation Day speech on August 15, 2010, President Lee proposed extensive public discussion on his proposal of Three Communities and the introduction of a unification tax to finance preparatory work. The government established five tasks that are vital for achieving this goal (promoting public support for unification, raising unification funds, actively engaging in unification diplomacy, embracing victims of separation, and laying the necessary institutional groundwork), and has worked consistently to bring them into the public forum. One key task, for example, is raising unification funds, and the very act of raising funds in the Unification Jar has spurred stronger public support for unification preparation. .

Section 2. Policy Environment

The recent environment surrounding the Korean Peninsula has been marked by increased uncertainty and complexity than in the past. One reason is the global economy, which is mired in a prolonged recession with global economic crises occurring back to back: the financial crisis of 2008 followed by a fiscal crisis in Europe in 2011. Along with economic challenges, the four countries surrounding the Korean Peninsula—the United States, Japan, China, and Russia—have seen changes in leadership that increased the variability of the geopolitical environment. The Obama administration in its second term has declared a U.S. pivot toward Asia and is expected to reinforce relations with U.S. allies there. Under the leadership of Xi Jinping, who took the helm in November 2012, the Chinese regime has called for a new type of great power relations with the U.S., underscoring its intention to raise its national status to be in line with the G-2 era. The arrival of Vladimir Putin’s leadership and his promise of a “strong Russia” and Japanese Prime Minister Abe’s effort to make Japan a “normal nation” also make it difficult to predict how the geopolitical order in Northeast Asia and the world will evolve.

Second, the Arab Spring—referring to democratic uprisings across the Arab world—is ongoing. Democratic revolutions in Arab states have resulted in the ousting of dictatorial leaders in Tunisia and Egypt and an end to the long dictatorial Gaddafi regime in Libya. Nearer still, waves of democracy in Myanmar are an indication that Asia is not immune to global political changes.

Third, North Korea moved forward with a third-generation, hereditary succession following the death of Kim Jong-il on December 17, 2011. On December 30, 2011, the Politburo of the Workers’ Party of Korea formally appointed Kim Jong-un as the Supreme Commander of the Korean People’s Army, consolidating internal unity for a soft and sound arrival of his successive

regime. Subsequently, Kim Jong-un became First Secretary of the Workers' Party of Korea and Chairman of the Central Military Commission of the Workers' Party of Korea at the 4th Party Conference on April 11, 2012. His appointment as the First Chairman of the National Defense Commission at the 5th Session of the 12th Supreme People's Assembly on April 13 completed the formal process of his hereditary succession to power.

Kim Jong-un did everything he could to show off the stability of his regime, such as taking control of the party, politics and military, continuously reorganizing the hierarchy, and allowing his wife Ri Sol-ju to make public appearances. He also reinforced control over his people to ensure a stable foundation for his regime. However, the country is still threatened by structural economic hardships and other potential elements of instability.

Fourth, the increasingly difficult situation caused by the North Korea nuclear threat has limited the ROK's capability to execute its unification policy. North Korea has continuously strengthened its nuclear capacity, proclaiming itself as a nuclear-armed state in the new Constitution of May 2012, and openly demonstrated its ambition to be a nuclear power. Chances for a workable solution are even slimmer now that the North conducted long-range missile launches on April 13 and December 12, 2012.

In light of the rapid changes surrounding the Korean Peninsula, the ROK government has taken a progressive approach to create stability on the peninsula and move inter-Korean relations forward. Internally, it has begun to make practical preparations for unification.

Section 3. Policy Progress

1. Coherent Execution of North Korea Policy Guided by Principle

To ensure peace and stability on the Korean Peninsula and develop normalized inter-Korean relations, the ROK government has firmly responded to the North's wrongful acts in a principled manner, while taking flexibilization measures to induce a positive change in its attitude.

In his New Year address on national policy on January 2, 2012, President Lee Myung-bak stated that the window of opportunity always remains open to the North for peace and stability on the Korean Peninsula and urged the two sides to end mutual distrust through dialogue and move toward the path of mutual benefits and co-prosperity. In his New Year message of January 2, the Minister of Unification stressed that instead of making a wrong decision to remain a closed society and thus, lag behind, the North Korean leadership should make the right decision to open and develop its economy.

New Year's Address on National Policy by President Lee Myung-bak (January 2, 2012)

Fellow Koreans,

Developments surrounding the Korean Peninsula are entering into a new period of transition, but new opportunities always emerge amidst such changes and uncertainties.

The essential goal for us to achieve now is peace and stability on the Korean Peninsula.

The window of opportunity always remains open. The South and North should end mutual distrust through dialogue and move onto the path toward mutual benefits and common prosperity.

I have expectations that this year will set a milestone for resolving the North Korean nuclear issue. As soon as the North stops its nuclear-related activities, we are ready to provide the necessary support to ease North Korea's security concerns and resuscitate its economy based on what will be agreed upon at the Six-Party Talks.

But as long as there continues to be a possibility of North Korean provocation, we

will maintain a watertight defense posture. If any aggression occurs, we will strongly respond.

Peace and security on the Korean Peninsula and reunification are the tasks that should be addressed jointly by both the South and North, the owners of the Korean Peninsula, not by other parties. I expect neighboring countries will readily cooperate as well.

The Government will continue to further step up strategic communications and cooperation with the nations that have close interest in the Korean Peninsula.

At the Korea-U.S. Summit last October, President Obama and I had candid discussions on the developments surrounding the Korean Peninsula and security issues and further solidified own bilateral cooperation.

This month, I will make a state visit to China on the occasion of the 20th anniversary of diplomatic ties between our two countries. There, I will meet President Hu Jintao and discuss matters of mutual interest and the future of Korea-China relations.

In recent summits with Japan and Russia, I had in-depth consultations with my counterparts on peace and cooperation in Northeast Asia, including the North Korean issue.

I am also working in close strategic coordination with key leaders of the European Union and ASEAN.

In a January 2012 briefing, the Ministry of Unification proposed the goals of the unification policy for the year as follows: 1) administering peace and stability on the Korean Peninsula, 2) developing normalized inter-Korean relations, and 3) making practical preparations for unification. Major tasks were proposed to achieve these goals, including taking the initiative on Korean Peninsula matters; establishing a channel of dialogue with the North; resolving humanitarian issues; building peaceful economic and national communities; raising unification funds and gathering public support for unification; and reinforcing support for resettlement of North Korean defectors.

Along those lines, the ROK government proposed inter-Korean dialogues, while steadfastly encouraging the North to change its attitude. On February 7, 2012, it proposed an inter-governmental working-level meeting to talk about preventing blight in the ancient Goguryeo tombs in North Korea. On February 14, 2012, it proposed working-level contacts between the South and

North Korean Red Crosses to discuss reunions of separated families. Also, considering that the May 24 measures are aimed at establishing normal inter-Korean relations rather than imposing sanctions for sanctions' sake, the government ensured the stable management and development of the Gaeseong Industrial Complex project while extending humanitarian assistance to particularly exposed groups in North Korea.

The North, however, did not respond to the proposals for dialogue; rather, it continued its violent threats and criticism. In fact, it heightened tensions even further by threatening to “burn all sources of provocation to the ground” and to “target and hit major media outlets.” This statement was repeated by a spokesperson for the Supreme Command of the Korean People’s Army (April 18, 2012), in a notice of the Special Operations Action Team of the Korean People’s Army Supreme Command (April 23, 2012), and in an open ultimatum by the General Staff of the Korean People’s Army (June 4, 2012).

In the second half of 2012, the government maintained a firm policy toward North Korea while taking a series of flexibilization measures to induce it to change. In his Liberation Day speech on August 15, 2012, President Lee Myung-bak underscored that “for South-North relations to develop in a consistent and sound manner, ties between the two sides should first be on a normal footing.” He also urged the North “to look straight at reality, and take the path to denuclearization and transformation.” He also made clear that the government would “strive to open a viable path for coexistence and co-prosperity and at the same time, make steady preparations for unification.”

Along the same lines, the ROK government kept the window of opportunity open by proposing a dialogue without preconditions, which would enable the two sides to resolve pending issues. On August 8, 2012, it proposed working-level contacts between Red Cross organizations in the South and North to discuss reunions of separated families. However, on the following day, the North as much as rejected the proposal unless the May 24 measures were

withdrawn and Mt. Geumgang tourism resumed. Then, on September 3, 2012, the ROK government offered humanitarian assistance after the ravages of summer floods. However, the North rejected the help on September 12, expressing dissatisfaction with the supplies.

Throughout the second half of 2012, despite the South's efforts to develop normalized inter-Korean relations, North Korea continued to issue threats and slander against the South. In a statement by a spokesman for the National Defense Commission on July 29, 2012, the North even threatened to employ "practical toughest counter-action" and "powerful physical counter-offensive."

On August 2, 2012, North Korea notified the ROK government that it had revised the Detailed Tax Rules for the Gaeseong Industrial Complex. Revision included a number of "poison pills" that effectively destroyed the project's viability. It deleted a clause forbidding retroactive taxation and one on the suspension of extinctive prescription, allowed for arbitrary estimation of tax, removed the obligation of the tax office to explain the basis of taxation, strengthened document submission requirements for businesses, raised some tax rates, and increased financial penalties to up to 200 times the existing level. The revision presented a wide range of changes that disregarded inter-Korean agreements and international practices. In close cooperation with GIC companies and the Gaeseong Industrial District Management Committee (KIDMAC), the ROK government pointed out the unfair nature of the revised rules and urged the North to review them again.

On August 25, 2012, Kim Jong-un gave a speech in celebration of the August 25th anniversary of Kim Jong-il's first day of Songun-based revolutionary leadership, in which he raised the level of threat against South Korea by stating, "I have already issued to the entire army the order to rise up as one to switch over to an all-round counterattack for achieving the great cause of national reunification, reviewed the corresponding operations plan and written down my final signature on it."

In response to plans by South Korean NGOs to scatter leaflets in the North, the Western Front Command of the North Korean People's Army issued an open notice on October 19, 2012, threatening to put into practice "merciless military strike in Rimjin Pavilion and in its vicinity," and warning that "South Korean inhabitants in the area should evacuate in anticipation of possible damage".

The North also brazenly attempted to interfere in the South's presidential election of December 19, 2012. It launched libel and slander attacks against the Lee Myung-bak Administration and the presidential candidate of the Saenuri Party—press conference by the spokesperson for the DPRK's Committee for Peaceful Reunification of the Fatherland (September 27), information bulletin released by the committee's Secretariat (November 3), and open questionnaire by the committee's Secretariat (December 1).

During the Presidential race in the South, the North made an issue of the Northern Limit Line (NLL), dividing opinion within the South Korean society. It tried to invalidate the NLL and highlighted the need to replace the armistice with a peace treaty. The North made good on its threats, encroaching on the NLL with fishing and coast guard boats in blatant disrespect of NLL regulations. According to a report carried by the Korean Central News Agency on September 29, 2012, the North's National Defense Commission called the NLL "a ghost-like, illegal line."

In response to the North's meddling in the Presidential election, the Lee Administration convened a meeting of diplomatic and security ministers on September 26, 2012, after which it urged the North to immediately stop trying to intervene in the election process. Also, in a September 28, 2012 briefing, a spokesperson for the Ministry of Unification stated that the North had gone too far and that it must stop making explicit remarks about the South's presidential election.

2. Sustained Efforts to Resolve the North Korean Nuclear Issue

The North Korea nuclear issue constitutes a serious threat to peace and stability on the Korean Peninsula as well as in Northeast Asia, and is the greatest hindrance to the development of inter-Korean relations. Unless the matter is resolved, there is little chance for peace in the true sense of the word or for normalized development of inter-Korean relations. For this reason, the ROK government proposed specific policy alternatives such as the Vision 3000 and the Grand Bargain, while proposing dialogues or taking sanctions to encourage the North to abandon its nuclear program. At every opportunity, the government urged the North to dismantle its nuclear weapons and, instead, concentrate its efforts on improving human rights conditions and the standard of living of its people.

Together with the international community, the ROK government continued to induce the North to disarm its nuclear program and become a normal member of the international community. Additionally, through close collaboration with U.S. officials, and by taking advantage of various bilateral and multilateral contact opportunities, the South Korean government verified whether North Korea is committed to denuclearization. Starting with the first inter-Korean denuclearization talks in July 2011, one round of South-North dialogue and one round of U.S.-North Korea dialogue have been held. The U.S. and North Korea held their third round of talks in 2012 (February 23-24), when they agreed on some U.S. concessions first before the North take any action to disarm its weapons program and the U.S. provide nutritional aid. The two sides simultaneously announced their agreements on February 29. By cooperating with the U.S. throughout the negotiations process, the ROK government fine-tuned its position and, along with other participants of the six-party talks, announced its hope to see a smooth implementation of the February 29 agreements.

Meanwhile, the 2012 Seoul Nuclear Security Summit was held March 26 to 27 at COEX in Seoul. At the gathering, attended by 58 world leaders from 53 nations and four international organizations, leaders presented a number of issues for discussion. Topics included progress made in the area of nuclear security following the 2010 summit in Washington D.C., the prevention of nuclear terrorism, safe management of radioactive materials, and other pending nuclear security issues faced by the international community. At a briefing session for local and foreign media on the second day, the Minister of Unification urged North Korea to commit itself to denuclearization and make a good decision to open its economy and improve living conditions there.

In a radio and Internet address to the nation on April 16, 2012, President Lee Myung-bak stated that “the way for the North to survive is to voluntarily dismantle its nuclear weapons and to cooperate with the international community through reform and open-door policies” and reiterated the demand that the North dismantle its nuclear program in earnest. In a meeting with reporters on April 18, 2012, the Unification Minister renewed his demand that North Korea “abandon its nuclear weapons program and take steps to improve the livelihoods of its people” and urged the North to choose a path of co-prosperity that is beneficial for both Koreas.

However, North Korea made no secret of its weapons possession, and in fact, even described itself as a nuclear nation in the Socialist Constitution, which was revised by the Supreme People’s Assembly on April 13, 2012. Moreover, in a Foreign Ministry memorandum dated August 31, 2012, North Korea stated that it planned to increase and modernize its nuclear deterrent and openly avowed its intention to gain status as a nuclear nation.

The North continued to develop long-range missiles capable of delivering nuclear warheads, and on two different occasions in 2012, it launched long-range rockets. Despite the February 29 Agreement with the United States, the [North] Korean Committee for Space Technology announced through a

statement on March 16, 2012 its plan to launch what it described as a working satellite. According to that statement, which emphasized the satellite's peaceful purpose, the Kwangmyongsong-3, a polar-orbiting earth observation satellite, would be launched in a southerly direction sometime between April 12 and 16 from the Sohae Satellite Launching Station in Cholsan County, North Pyongan Province.

The ROK government promptly convened a diplomatic and security policy coordination meeting to determine the exact nature of the announcement as well as its repercussions, and to take the necessary measures. Through a spokesperson for the Ministry of Foreign Affairs and Trade, it expressed serious concerns over the North's plan. Pointing out that the launch would be a violation of the UN Security Council Resolution 1874, it urged the North to stop its provocative acts and abide by its international obligations. The government also closely cooperated with the parties to the six-party talks and other relevant countries to urge the North to stop its hostile behavior. During the Nuclear Security Summit held in Seoul from March 26 to 27, 2012, it also held summit meetings with the U.S., China, Russia, and the EU and, in cooperation with the international community, urged the North to stop its missile launch.

Despite deep concerns from the international community and the ROK government, North Korea moved forward with the launching of a long-range missile on April 13, 2012. The ROK government immediately convened a diplomatic and security ministers' meeting presided over by the President and issued a government statement strongly condemning the long-range missile launch. In a report by the Korean Central News Agency, North Korea announced that "the Kwangmyongsong-3 was fired from the Sohae Satellite Launching Station in Cholsan County, North Pyongan Province, but failed to reach orbit." On April 16, 2012, the United Nations Security Council unanimously adopted a presidential statement strongly condemning the rocket launch.

UN Security Council Presidential Statement on the Democratic People's Republic of Korea (April 16, 2012)

1. The Security Council strongly condemns the 13 April 2012 (local time) launch by the Democratic People's Republic of Korea (DPRK).
2. The Security Council underscores that this satellite launch, as well as any launch that uses ballistic missile technology, even if characterized as a satellite launch or space launch vehicle, is a serious violation of Security Council resolutions 1718 (2006) and 1874 (2009).
3. The Security Council deplores that such a launch has caused grave security concerns in the region.
4. The Security Council demands that the DPRK not proceed with any further launches using ballistic missile technology and comply with resolutions 1718 (2006) and 1874 (2009) by suspending all activities related to its ballistic missile program and in this context re-establish its preexisting commitments to a moratorium on missile launches.
5. The Security Council agrees to adjust the measures imposed by paragraph 8 of resolution 1718 (2006), as modified by resolution 1874 (2009). The Security Council directs the Committee established pursuant to resolution 1718 (2006) to undertake the following tasks and to report to the Security Council within fifteen days:
 - a) Designate additional entities and items;
 - b) Update the information contained on the Committee's list of individuals, entities, and items (S/2009/205 and INFCIRC/254/Rev.9/Part.1), and update on an annual basis thereafter;
 - c) Update the Committee's annual work plan.
6. The Security Council further agrees that, if the Committee has not acted pursuant to the paragraph above within fifteen days, then the Security Council will complete action to adjust these measures within an additional five days.
7. The Security Council demands that the DPRK immediately comply fully with its obligations under Security Council resolutions 1718 (2006) and 1874 (2009), including that it: abandon all nuclear weapons and existing nuclear programs in a complete, verifiable and irreversible manner; immediately cease all related activities; and not conduct any further launches that use ballistic missile technology, nuclear tests or any further provocation.
8. The Security Council calls upon all Member States to implement fully their obligations pursuant to resolutions 1718 (2006) and 1874 (2009).
9. The Security Council expresses its determination to take action accordingly in the event of a further DPRK launch or nuclear test.

Following the launch of a long-range missile in April 2012, North Korea announced on December 1, 2012 through a spokesman for the Korean Committee for Space Technology its plans to launch another rocket carrying a “working satellite” between December 12 and 20.

The ROK government held a diplomatic and security policy coordination meeting and took prompt measures in response to the North’s announcement to launch a long-range missile. In a statement by a spokesperson of the Ministry of Foreign Affairs and Trade on December 1, 2012, the government expressed concerns over the North’s planned missile launch and asked for an immediate withdrawal of the plan. It also cooperated with the international community to stop the North’s missile launch. However, despite demands from the ROK and the international community to withdraw its plan, North Korea launched a long-range missile on December 12, 2012.

Following an emergency meeting of the National Security Council convened by President Lee, the ROK government announced a statement strongly condemning the North’s missile launch. It stated that “the firing of the missile by the North is in clear violation of UN Security Resolutions and poses a challenge and threat to peace and security on the Korean Peninsula and around the world.” It “strongly condemns North Korea for defying repeated international warnings against the launch and for going ahead with the provocation.” Considering the seriousness of the situation, the government carefully regulated inter-Korean exchanges and cooperation and worked on ensuring the personal safety of South Korean workers in the GIC.

3. Human Rights and Humanitarian Aid Policy

In order to alleviate the pain of division and to improve the standard of living for people in the North, the ROK government is committed to resolving inter-Korean humanitarian issues, which it regards as a top policy priority. These include separated families, South Korean prisoners of war (POWs) and

ROK government statement regarding North Korea's long-range rocket launch (December 12, 2012)

The government at 9:51:20 this morning detected and confirmed that the North Korea yet again launched a long-range missile, which they called a working satellite, from a launch site situated in Cheolsan County, North Pyeongan Province.

The firing of the missile by the North is in clear violation of UN Security Resolutions 1718 and 1874, which prohibit any launch using ballistic missile technology. It poses a challenge and threat to peace and security on the Korean Peninsula and around the world.

Together with the international community, the government of the Republic of Korea strongly condemns North Korea for defying repeated international warnings against the launch and for going ahead with the provocation. Last April, the UN Security Council issued a grave warning to North Korea through a Presidential Statement. North Korea will have to take full responsibility for the violation.

North Korea's launch this time will only result in the deepening of its isolation from the international community. The government yet again urges North Korea to divert the enormous financial resources wasted in the development of nuclear weapons and missiles to addressing the pressing issue of taking care of the everyday lives of its citizens.

The government, while maintaining an impregnable readiness posture against any threat posed by the North's nuclear weapons and missiles as well as any provocative acts, will closely work together with nations concerned and the whole international community and take corresponding countermeasures.

war-time and post-war abductees; refugees; humanitarian aid to the North; and North Korean human rights issues.

On February 14 and August 8, 2012, the government, through the president of the South Korean Red Cross, proposed working-level contacts between the South and North Korean Red Cross organizations to discuss reunions of separated families, but there was no response from North Korea.

For the first time since the Act on the Inter-Korean Ascertainment of the Life or Death of Separated Families and Promotion of Exchange was enacted in March 2009, the ROK government established in June 2012 a basic plan to promote exchange among separated families from the South and the North. The plan included a survey to determine the exact population of living victims of separation, a proposal for increased exchanges between separated families

at the government level, and measures to deal with the elderly victims of separation. Aware that elderly members are passing away, the government has produced video messages of family members in the South.

South Korean POWs and abductees represent another humanitarian issue that must be resolved, but unless inter-Korean dialogues get underway, there is little chance for progress. However, the government continued to offer financial support to the victims of post-war abduction, and to publicize the truth about them and restore their honor. The government provided victims of post-war abduction with monetary compensation, while officially recognizing 1,107 people as wartime civilian abductees. Finally, the government also worked with the Commission for Abductees, which was established in December 2011.

After a steady increase since 1998, the number of North Korean refugees entering the South fell in 2012 due to tighter border controls. As of 2012, the total number of North Korean refugees is 24,614 including 1,509 North Koreans who arrived in the South that year. Recognizing that the successful settlement of North Korean refugees is a key element of unification preparations and with the number of arrivals approaching the 30,000 mark, the government consolidated its support for the refugees. It helped them find jobs so they can acclimate and become self-supporting as early as possible. It also offered educational opportunities to foster talented and skilled North Korean youths, organized programs that meet the specific needs of women refugees, and improved the education program and medical services of Hanawon. These efforts involved close collaboration among the central government, local self-governing governments, and NGOs. In addition, a new resettlement center, which officially opened on December 5, 2012, was built in Hwacheon (2nd Hanawon) to prepare for an increase in the number of North Korean refugees.

Even while imposing the May 24 measures, the government continued to implement a series of North Korean aid programs through NGOs and international organizations from the perspective that assistance must be

continually extended to vulnerable groups in the North based on humanitarian and brotherly concern. It also continued to make institutional improvements to enhance the transparency of the Inter-Korean Cooperation Fund, raise the efficiency of NGO aid programs, and improve the transparency of North Korean food aid.

On September 3, 2012, the government conveyed its intentions to provide flood relief aid to the North through an announcement by the president of the South Korean Red Cross. It offered 10,000 tons of flour, 3 million packages of instant noodles, and medical supplies in aid for North Korea's flood victims, and also proposed to discuss additional assistance. The North, however, rejected the offer.

The ROK government addressed North Korea's human rights issues based on universal values. The severity of North Korean human rights abuse is widely known, prompting the international community as well as NGOs in and outside Korea to voice deep concern and to urge North Korean authorities to improve their human rights conditions.

The North Korean Human Rights bill, which was initiated at the 17th National Assembly session, was more actively debated at the 18th National Assembly session, but failed to pass due to differences between the ruling and opposition parties. Discussions have resumed at the 19th National Assembly session and if the bill passes this session, the North Korean Human Rights Act will allow for increased activities to help improve human rights conditions in North Korea, make way for a more systematic provision of humanitarian assistance, and provide the legal basis for exerting psychological pressure and deter North Korea from violating human rights. The legislation will likely bring substantial improvements to human rights and the quality of life in the North.

The ROK government has also been active on the world stage—the UN Human Rights Council and the UN General Assembly—to improve North

Korea's human rights conditions. Every year, from 2009 to 2012, South Korea co-sponsored the United Nations Resolution on Human Rights in North Korea. In like manner, the international community has launched wide-ranging activities to urge North Korea to improve its human rights conditions.

4. Substantial Preparations for Unification

In his Liberation Day speech on August 15, 2010, President Lee Myung-bak proposed a new paradigm in unification policy by moving beyond the current state of division and achieving a vision of peaceful unification with a long-term perspective. He proposed unification based on three types of community and the introduction of a unification tax, while encouraging wide-ranging public discussions at all levels of society to boost preparatory work for unification.

The ROK government established and actively implemented five tasks for unification (raising public support for unification, raising unification funds, actively engaging in unification diplomacy, embracing victims of separation, and laying the institutional framework).

In particular, the government focused on unification fundraising. The funds will help prepare South Korea to meet any emergency fiscal needs that might arise in the process of unification and make distribution of the financial burden of unification inter-generational. The unification fund provides the government with the means to draw up a blue-print for unification and move the nation forward in this direction. The significance of unification fundraising lies not just in collecting money, but in uniting the people's will and desire for unification. The government also worked to create legislation, an institutional mechanism necessary for accumulating funds.

To gather public support for unification work, officials made various efforts to promote a public debate across all levels of society. The Unification Jar was selected as a symbol of the preparatory activities toward unification

and to inform the public about the need for this work. The government also organized the Unification Jar Tour around the Nation event, talk shows, online events, and various other promotional campaigns.

Externally, through international cooperation and unification diplomacy, the government strove to enhance the understanding of the international community on major issues on the peninsula and to gather their support for unification. Its multilateral diplomatic efforts include the Korea Global Forum organized with NGOs, high-level policy consultations, working-level international dialogues for unification strategy, and meetings by the Minister and Vice-Minister of Unification with key figures visiting Korea from abroad.

During his visit to Germany and Belgium in February 2012, Minister of Unification Yu Woo-ik delivered the message that unification of the Korean Peninsula contributes to peace in East Asia as well as in the world, thus raising interest in the idea of Korean unification abroad. Also in October, he met with former and incumbent high-ranking officials of the Chinese government to reaffirm the bilateral commitment to cooperate for the sustainable development of Korea-China relations. He also informed the Chinese government that the ROK government had begun to make practical preparations for unification.

The ROK government also made great efforts to alleviate the suffering of North Korean refugees, separated families, South Korean POWs and abductees and to improve their quality of life. Recognizing that the stable settlement of North Korean refugees in the South Korean society is a critical part of preparations for a unified future, the government carried out various programs to help them become independent and self-reliant. In accordance with a basic plan to promote exchange among separated families in South and North Korea, the government produced video messages of members of separated families in the South and developed a number of other programs on its own. No talks were held and thus no progress made regarding South Korean POWs and abductees. Instead, South Korean officials worked to resolve the issue of abductees through the Abductee Commission, a pan-governmental body.



W H I T E P A P E R O N K O R E A N U N I F I C A T I O N

Chapter 2

Substantial Preparations for Unification

Section 1 Establishment of Legal and Institutional Framework

Section 2 Building Public Support for Unification

Section 3 Unification Diplomacy

Section 4 Strengthened Intelligence on North Korea

Chapter 2 Substantial Preparations for Unification

The ROK government's unification policy is driven by two imperatives: to manage the situation of national division and prepare for unification. The management of Korean division involves opening the way for co-prosperity and peace between the two Koreas through dialogue, exchange and cooperation. The preparations for unification are efforts to advance prospects for a unified Korea and prepare for its outcome. Inter-Korean dialogue, exchanges and cooperation programs, which have been in full swing since the Roh Tae-woo administration, are aimed at preventing a recurrence of war and ensuring security on the Korean Peninsula. These ongoing efforts also help promote understanding among the Korean people and reestablish Korean unity.

The ultimate goal of managing the divided Korean peninsula lies in realizing a peaceful unification of the two Koreas. However, managing the divided state alone cannot achieve this objective. Advancing prospects for Korean unification demands that substantial efforts be made beforehand. Thus, the ROK government has moved beyond management efforts to begin making practical unification preparations.

In this regard, five policy tasks were established.

First, the government made significant efforts to gather public support for unification. As such, it strived to dispel public doubt and indifference to unification in a number of ways. One example is the Unification Jar. From

scratch, a traditional Korean moon jar was designed to symbolize the practical works underway for unification. The Minister of Unification jointly worked with pottery master Kim Jeong-ok to shape a real unification jar. Along with these efforts, the government organized discussions with people from all walks of life and launched various campaigns such as nationwide Unification Jar Tours to raise public support. A group called Supporters of Korean Unification was also launched in the private sector to bring in donations and organize various other campaigns to raise public awareness.

The second task involves raising unification funds to brace the nation to meet relevant fiscal needs, and to distribute the financial burden equitably among generations. Considering the hefty price tag that unification would entail, fundraising constitutes an essential part of preparatory work. In this respect, the ROK government publicized the need for unification funds and established a legal and institutional mechanism to oversee the collection endeavors. A revision to the Inter-Korean Cooperation Fund Act was proposed and submitted to the National Assembly on August 29, 2012. The proposed revision included provisions on a unification account as a legal basis for raising unification funds.

Third, the government worked to strengthen diplomacy for unification. Though the parties directly involved are South and North Korea, unification

requires the support and cooperation of neighboring countries and the international community. Thus, the government set out to share the vision of a unified Korea with the U.S., China, Japan, and Russia and the United Nations in order to create the most favorable conditions for unification.

Fourth, the government actively included in the unification process the victims of national division—separated families, the families of abductees and South Korean prisoners of war (POWs), North Korean refugees, and displaced persons. In particular, helping North Korean refugees to settle into South Korean society is a critical part of the unification process. The government supported that cause by organizing a number of programs to help North Korean refugees become secure and self-reliant in Korea. At the same time, it attended to the needs of separated families to alleviate their suffering and improve their quality of life.

The fifth task was to lay the institutional groundwork for unification. Once the goal of unification is attained, the country will face a different set of legal and institutional challenges in politics, education, military, public security, and welfare. Thus, in cooperation with experts and research institutes, the government conducted research on various topics to design the laws and institutions needed for a unified Korea.

In section 1 of this chapter, we describe the ROK government's efforts to raise unification funds and make institutional improvements; its activities to raise public support for unification in section 2; and diplomatic efforts for unification in section 3. The government's support for the settlement of North Korean refugees and victims of separation are presented in a separate chapter. Meanwhile, with a view to strengthening the nation's unification preparedness, the government set out to reinforce its North Korean intelligence by building an integrated intelligence system for sound and systematic collection, management, and analysis of North Korean intelligence. This is covered in more detail in chapter 4.

Section 1. Establishment of Legal and Institutional Framework

1. Unification Fund

With the enactment of the Inter-Korean Cooperation Fund Act in 1990, the inter-Korean cooperation fund has contributed to promoting mutual exchange and cooperation between South and North Korea. Because usage of the fund is restricted to inter-Korean exchange and cooperation programs, however, its role and function has been somewhat limited. When the act was enacted, some had argued for the unification fund to be instituted together with the inter-Korean cooperation fund, but this demand never legally materialized for the reason that it would put too much fiscal burden on the government. Thus, the act would only support inter-Korean exchange and cooperation, and the scope of the inter-Korean cooperation fund was never broadened to incorporate unification funds.

The reason why the inter-Korean cooperation fund should be expanded to incorporate unification funds is because it would provide the institutional basis to finance a peaceful unification, thus allowing for practical measures to be taken in preparation for unification. Second, by accumulating unification funds in advance, the country would overcome any fiscal difficulties arising in the unification process and ensure a more stable integration of the two countries. Third, the unification funds would allow for the cost of unification to be divided among generations now rather than have it be borne only by the generations at the time of unification, ensuring inter-generation equity. Fourth, the collection of private donations would help gather public support for unification and inform North Korea, the U.S., Japan, China and Russia that South Korea is committed to unification.

Thus, the ROK government decided to raise unification funds by legally

instituting it. On November 18, 2011, it consulted with the Ministry of Strategy and Finance and other relevant ministries to revise the Inter-Korean Cooperation Fund Act. On February 6, 2012, the Legislation Review Subcommittee of the Foreign Affairs & Unification Committee reviewed the proposed revisions to the Inter-Korean Cooperation Fund, but due to disagreement between the ruling and opposition parties, the bill failed to pass at the 18th National Assembly session.

The government recognized that preparations for peaceful unification is an obligation of the state and saw the need to legally institute unification funds (or install a unification account). Thus, it decided to get the Inter-Korean Cooperation Fund revised by government legislation. After making a preliminary announcement to revise the Inter-Korean Cooperation Fund Act on May 16, 2012, the government held a Cabinet meeting on August 7 to discuss the revision. The revised bill was sent to the National Assembly on August 29.

Key revisions to the Inter-Korean Cooperation Fund Act

First, the fund shall be divided into the inter-Korean cooperation account and the unification account.

Second, the fund in the unification account shall consist of government contributions, private donations, and any unexecuted amount in the inter-Korean cooperation account; it shall be used in support of a stable integration of the Korean Peninsula after unification.

The National Assembly also recognized the importance of legally instituting unification funds. So, revisions to the Inter-Korean Cooperation Fund Act (proposed by lawmaker Chung Ui-hwa) and a unification fund bill (proposed by lawmaker Lee Myung-soo) were proposed again to the 19th session of the National Assembly.

2. Three-stage Unification Plan and Integration Process

In a 2010 speech marking the 65th anniversary of Korea's liberation from Japanese rule, President Lee Myung-bak proposed a three-stage unification plan envisioning the creation of three "communities." The first stage was the designation of a Peace Community to ensure peace and security on the peninsula. This would be followed by the creation of an Economic Community aimed at transforming the North Korean economy through comprehensive exchange and cooperation programs. The third stage of the plan would be the creation of a National Community founded on the principles of dignity, freedom, and basic rights of all people. The President's speech also highlighted the need for a unification tax to finance the preparatory work for unification.

In 2011, the Inter-Korean Community Foundation Project began in full swing. Not only did the South Korean government complete the Three Communities Road Map, it also looked at fund-raising ideas. In the last half of 2011 and through 2012, research focused on the major tasks needed for the proposed inter-Korean community and unification. Two hundred researchers were engaged in 16 research projects, including creation of a social safety net during the process of integration, strategies for national health care, and strategies to address South-North statistical discrepancies prior to unification.

In the second half of 2012, the government conducted a survey of ministry officials and experts to select the topics for the third year of research. Major categories included revitalized exchanges and cooperation, the drivers and challenges of an inter-Korean community, and finally, institutional improvements. Ultimately, ten research topics were selected, including revitalization of future-oriented inter-Korean economic cooperation, comprehensive development models for different regions in North Korea, and cultural exchange and cooperation. The third-year project will be completed by June 2013.

The work completed so far was designed to establish a comprehensive set of predictions on economic, social, and cultural problems that may arise in the process of building the communities. It also accelerates unification by creating a virtuous circle among the three proposed communities. In the policy research effort, the government engaged not only existing research institutes dedicated to the study of unification but also experts specialized in health care, law, or statistics. This allowed North Korea experts to work in collaboration with specialists from a wide range of other fields. At the same time, a team of experts from various fields was chosen to supervise the policy research tasks, thus ensuring efficiency and professionalism.

3. Unification Legislation

The South Korean government is pursuing stable and peaceful unification with the North in three stages, based on the creation of inter-Korean communities. However, much uncertainty is expected along the path to unification, especially in terms of domestic and foreign political and economic conditions, relations with neighboring countries, and internal factors within North Korea. Recognizing that reinforcing laws and institutions will help manage and stabilize the vagaries of the inter-Korean integration process, the government has worked to enact the necessary legislation since 2009.

Considering the professional expertise required for such legislation, the government organized the Unification Legislation Committee, comprising specialists from ministries (Ministry of Unification, Ministry of Justice, and Ministry of Government Legislation) as well as from the private sector. In 2010, the judiciary (Supreme Court) participated and in 2011, the legislature (National Assembly Legislative Counseling Office) joined as well. In 2012, the committee became a fully functioning public-private consultation body for unification legislation, with greater participation from private sector members.

Organized every quarter, the committee has helped enhance the efficiency of the unification legislation project by collecting opinions on unification legislation and sharing the results of policy research among government ministries to prevent work overlap. The government is building a database to systematically gather all unification legislation-related research outcomes, which had heretofore been scattered among government ministries and academia. Since 2009, it has collected the results of research carried out since the 1960s and organized it into a database, which is updated every year and distributed in a CD format. In 2012, the government built an on-line database for enhanced accessibility and usage, offering a comprehensive body of research on North Korean laws, comparison of South Korean and North Korean laws, exchange and cooperation-related legislation, integration of legal systems of the two Koreas, and case studies of legal-system integration in Russian and East Europe.

The government sponsored symposiums to promote private sector research on unification legislation, expand the number of researchers in this area, and induce more interest among specialists. These include those hosted by organizations like the Korea Society of North Korean Law Studies or Korean Public Law Association. From 2011, the government also supported symposiums hosted by students of the Judicial Research and Training Institute or other graduate schools to raise interest on unification issues and unification legislation among young students and foster young researchers in this field. In 2012, it sponsored the 2nd Asian Forum of Legislative Information Affairs (June 27-29) held under the theme “Toward co-existence and co-prosperity in Asia through advanced legislation” and a seminar on the “Issues of and tasks for building unification legislation infrastructure” hosted by the Seoul National University (November 2).

The government also commissioned four policy research projects on unification legislation in areas of labor, social security, and economy (taxation) in 2012.

Given that unification ultimately entails integration of legal and institutional systems, the construction of unification legislation is as much a means to and a result of building a single national community. Thus, the government will continue to establish and improve the necessary laws and institutions to address any uncertainties that may arise in the process of South-North integration.

Section 2. Building Public Support for Unification

1. The Unification Jar

Hangari jars have long been a prized household possession of Korean mothers and grandmothers, who carefully preserved soy sauce, soybean paste, or foods in the jar, and even hid their most cherished personal belongings. They saved for important family occasions by putting a handful of grain in a jar whenever they cooked rice. In this sense, the Hangari Unification Jar reflects the commitment of the government to prepare for unification and also, symbolizes the support of the public in that effort.

The unification jar was jointly created by Unification Minister Yu Woo-ik and pottery master Baeksan Kim Jeong-ok (Nationally Important Intangible Asset no. 105). Work began on May 12, 2012 at Yeongnamyo Kiln in Mungyeong-eup, Mungyeong-si in Gyeongsangbuk-do Province. The entire process, which involved wedging, shaping, joining the upper and lower parts, inscribing, glazing, and firing, took 40 days. Minister Yu visited Mungyeong several times, actually participating in its creation. The unification jar was completed on June 23, 2012.

The unification jar is a *dalhangari*, or moon-shaped white porcelain, 50 centimeters in both height and diameter. It is inscribed in blue with the words *Pyeonghwa Tongil*, meaning peaceful unification. Using the traditional

dalhangari production method from the Joseon era, the lower and upper parts of the jar were made separately and then joined together before firing. This method also symbolizes the unification of South and North Korea.

The making of the Unification Jar



Shaping the jar



Writing on the jar



Baking (firing) the jar



Taking out the jar

2. Building Public Consensus

(1) Dialogue with citizens

In efforts to clarify its unification policy, the government went directly to the people, holding information sessions and public meetings, including open discussions with youths and college students. It actively participated in events organized by NGOs and research institutes, presenting the most current information on inter-Korean relations and the government's unification policy. Just in 2012, Minister of Unification Yu Woo-ik talked to 56 groups around the nation, clarifying the government's unification policy and highlighting the need to prepare for unification.



Unification lecture for college students
(March 23, 2012, University of Ulsan)



Unification lecture for military personnel
(November 21, 2012,
Korea Military Academy)

To build public consensus on its unification policy, the Ministry of Unification intensified collaboration and organized various cooperation projects with civic groups and institutes engaged in unification campaigns. In this context, the unification minister and vice-minister met with representatives of the National Unification Advisory Council, Council for Reconciliation and Cooperation, Council for National Unification, Council of Unification Educators, and other unification-related institutions to gather their opinions on unification policy. The Ministry also took part in international symposiums hosted by these organizations to help the public better understand the government's unification policy.



Joint meeting of the National Unification Advisory Council
(April 30, 2012, Seoul)

On July 12, 2012, the government organized the Unification Jar Talk Show for college students to discuss the need for readiness in the event of unification. Prior to the show, an online survey had asked students about their concerns regarding unification. During the show, the Unification Minister addressed students' top five concerns, illustrating the issues with humorous anecdotes.

Top Five Unification Concerns

1. Because of different ideologies, South and North Korea have very different lifestyles and culture. If unified, there will be a lot of confusion (social integration problems, 31%).
2. Unification will cost a lot of money to build welfare and infrastructure. This means higher tax burden for people (economic burden, 30%).
3. How will the U.S., Japan, China, Russia and other countries surrounding the Korean Peninsula change? How will our relations with these countries evolve (post-unification diplomacy, 7%)
4. After unification, people from North Korea may be discriminated and there may be new regional conflicts (discrimination against North Korean regions and people, 6%).
5. Efficient school education will become difficult due to differences in the level of South and North Korean students (educational concerns, 5%).

* Crime, welfare, and other concerns accounted for 21%.

* Online survey conducted by the Ministry of Unification from June 22 to July 8, 2012 (3,142 responded to the survey)

Unification Jar Talk Show (July 12, 2012, Institute for Unification Education)



Top 5 student concerns on unification



Unification supporters



Delivery ceremony of the Unification Jar



Unification song cultural performance

In addition to providing these opportunities for direct dialogue with the people, the government also organized expert committees for advice on the direction of the unification policy. It consulted with the Council of Unification Advisors' seasoned veterans. In addition, it held several policy consultation meetings to listen to the views of specialists. These comprised nine subcommittees meetings, including one on unification policy. The subcommittees met quarterly while joint meetings were held twice a year. In addition to consulting with official bodies, the government also met with leaders in various fields to establish the best policy direction.

The private sector was also actively engaged in unification campaigns, with the number of unification-related groups increasing annually. At the end of December 2012, there were 290 nonprofit corporations registered with the Ministry of Unification. At the same time, these groups have taken on more specialized tasks, i.e., research on unification policy and inter-Korean

relations, support for separated families and North Korean refugees, exchange and cooperation programs with the North, and education on unification. The government also sponsored various events, e.g., the National Convention and Unification Forum of the Council for National Unification and the Convention of the Korean Council for Reconciliation and Cooperation. To strengthen the effectiveness of private organizations engaged in unification campaigns, the government also invited organization representatives to information sessions and organized visits to unification and security-related sites. It also granted 800 million won to 38 organizations in recognition of their excellent programs.

(2) Unification campaigns

Diverse efforts were organized to build public consensus on unification readiness. The government adopted the motto “Prepared unification is a blessing” to highlight the benefits of unification readiness, and embarked on a number of unification campaigns.

In June 2012, it launched the official campaign website (www.unijar.kr) to promote its policies and gather public support for the campaign. The site features the *Hangari* Unification Jar, videos of celebrities supporting unification preparedness, and related news. Visitors to the campaign website are invited to post their opinions on unification preparedness and express their support for it. As of December 2012, 99,280 people have endorsed the campaign.



Website of the Unification Campaign

The government held a nationwide drive called the Unification Jar Tour around the Nation from September 13 to 20, 2012. Jointly hosted by the Ministry of Unification and Supporters of Korean Unification and sponsored by the National Unification Advisory Council, the event was aimed at drawing public attention to government preparedness efforts. Participants were the staff of the Ministry of Unification, members of the ministry's Sangsaeng College reporters group, cycling clubs from around the nation, North Korean refugees, and members of the Supporters of Korean Unification. During the 12-city tour (eight days), tour participants explained the need for unification preparedness and gathered attendees' views. Over 20,000 people signed a pledge supporting the campaign.



Tour launching ceremony
(September 13, 2012, Daejeon)



A citizen signing his pledge to unification
preparatory work



Tour launching and ambassador
appointment ceremony in Seoul



Tour completion ceremony
(September 20, 2012, Seoul)

Meanwhile, the government made other PR efforts: it expanded the Open Dialogue Forum in 2012, organized the Open 2040 Dialogue Forum for Unification with Celebrities, and staged unification cultural events to reach a larger number of people and build public consensus on the issue. Held seven times in 2012, the Open 2040 Dialogue Forum for Unification with Celebrities gave the government an opportunity to communicate with citizens between the ages of 20 and 40 who will play a key role in unification. Celebrities taking part included former table tennis player Hyun Jung-hwa, North Korean refugee and pianist Kim Cheol-woong, *Pororo* producer Choi Jong-il, artist Sean, and PR specialist and Professor Seo Kyoung-duk. These cultural events were held nine times nationwide to create a supportive environment for unification.



The 6th Open 2040 Dialogue Forum for Unification

In a further move to gather public support for unification preparations, the government organized the Panmunjeom VVIP policy briefings in 2012. Previously called the Panmunjeom policy briefings (held four times a year), the new format was reorganized to include key opinion leaders to keep them abreast of inter-Korean relations and dialogues through visits to Panmunjeom. Recognizing that the general public also needs to be well informed, high-

ranking policy officials met with citizens and gave presentations and discussions on the government's unification policy.

Convening ten times between August and December 2012, the Panmunjeom VVIP Policy Briefing was attended by a total of 208 people, including 20 public officials from the Prime Minister's Office, the Ministry of National Defense, and other relevant ministries, 13 senior editorial staff from SBS, Dong-a Ilbo Daily and other media, and 28 foreign journalists from AP and AFP, among others. Additional participants were 20 representatives of foreign missions in Korea, including the Indian Ambassador, and 25 representatives in the field of arts and culture, including pop artist Lee Hyun and actor Lee Kye-in. The featured speaker was a career inter-Korean dialogue negotiator attached to the Office of Unification Policy and Preparations at the Ministry of Unification. A policy discussion with the participants followed.



The 6th Panmunjeom VVIP (writers, producers, entertainers) Policy Briefing (November 13, 2012)



The 9th Panmunjeom VVIP (foreign students, students majoring North Korea-related studies) Policy Briefing (December 4, 2012)

The government also mobilized mass media advertisements to publicize the need for unification preparations. An ad featuring the Unification Jar image was published in free daily newspapers distributed in the metropolitan subways and in local daily newspapers in Busan and Gwangju. It also sponsored radio commercials (MBC, SBS, and CBS) and subway platform door ads (Myeongdong, Seoul National University, and Hongik University stations as well as four others).



Newspaper advertisement

In the past, mothers saved for important family occasions by putting a handful of grain in a jar whenever they cooked rice. We want to follow this wise tradition to prepare the nation for unification. Your participation will move us forward towards a blessed Korea. Join us in putting a donation to the Unification Jar.

Radio commercial

On September 20, 2012, the Unification Festival Hanmadang was held in cooperation with a radio program (Im Baek-chun's 7080 program on KBS). The festival featured a Hanmadang pre-event, the closing ceremony of the Unification Jar Tour around the Nation, and cultural performances.



Unification Festival Hanmadang (September 20, 2012, Gwanghwamun Square)



Pamphlets explaining the need for unification readiness were also published and distributed to the public. These included *Preparing for Korean Unification* (50,000 copies) and *The Story of the Unification Jar* (3,000 copies).



Pamphlet 'Preparing for Korean Unification'



Pamphlet 'Story of the Unification Jar'

(3) Online communication

Several organization websites offer information on North Korea, including unification policy updates, news on North Korea and inter-Korean relations, information on unification education, and other materials related to North Korea. They include the official site of the Ministry of Unification (www.unikorea.go.kr), the Headquarters for Inter-Korean Dialogue (<http://dialogue.unikorea.go.kr>), the Institute for Unification Education (www.uniedu.go.kr), and the Information Center on North Korea (<http://unibook.unikorea.go.kr>). A Ministry of Unification blog dedicated to young people, called Dream of a Unified Future (blog.unikorea.go.kr), features North Korea policy news and articles written by the Sangsaeng college reporters group.



MOU website

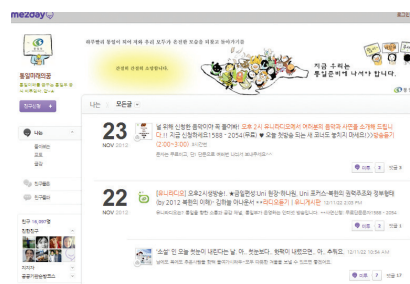


MOU Blog 'Dream of a Unified Future'

In line with the increased use of social networking sites, the Ministry also has accounts on Facebook (www.facebook.com/unikorea), Twitter (www.twitter.com/uni_kr), and me2day (me2day.net/mouni).



MOU facebook



MOU me2day

Moreover, the Minister and Vice-minister of Unification opened Twitter accounts to communicate directly with the public on unification policy and inter-Korean relations. Various divisions and offices within the Ministry of Unification—Unification Policy Bureau, Intelligence and Analysis Bureau, and Institute for Unification Education—also operate a Twitter and Facebook account.

The Ministry of Unification organized various on-line events to raise public interest in unification preparations. These include the Unification Wish Event (June 4-15, 2012), Preparing for Unification with Celebrities (1st event: June 18-July 6, 2012 / 2nd event: July 11-31, 2012 / 3rd event: August 8-24, 2012), and the support verification photo event held in connection with the Unification Jar Tour around the Nation (September 3-30, 2012). The ministry also developed and launched the *Imagine a Unified Korea* Facebook app, which creates a virtual story of the app user and friends living in a unified Korea 20 years in the future.

A number of smart phone applications were launched for smart phone and tablet PC users, including the Tongil Golden Bell, Unification! A Happy

Imagination, Unification Song, and Open Unification Education. The Kakao Talk app was also used to promote the government's unification preparation efforts among smart phone users, 80% of which use the Kakao Talk program.



'Unification! A Happy Imagination' app



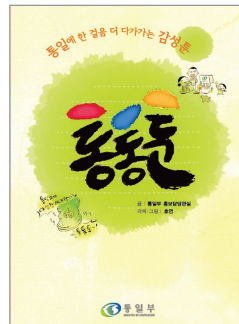
Kakao Talk 'MOU Plus Friend'

To promote online public discussions on unification and engage the public in the policy-making process, various policy debates were organized on the Ministry of Unification's blog and on Facebook. The first topic of debate was "North Korea's long-range missile launch and South Korea's deferment of flexibilization measures for the North" (April 27-May 18, 2012), the second topic "What would you put in the Unification Jar?" (May 21-June 22, 2012), and the third topic "The Inter-Korean Cooperation Fund Act will be reorganized as the Inter-Korean Cooperation and Unification Fundraising Act: Tell us what you think." (September 10-October 31, 2012). Through these debates, various views were collected from the public.

The ministry also produced and distributed *Tong Tong Toon*, a webtoon aimed at informing young people of unification policy. Intended as an educational tool, this fun and engaging series of 19 cartoons was posted online between October 2011 and December 2012. To make it available to people without Internet access, the ministry published the webtoon in hard copy for distribution to schools and public libraries.



Tong Tong Toon



Webtoon series

(4) Internet broadcast

The government operates web-based unification stations—Uni TV and Uni Radio—to inform the public of its unification policy and to build public consensus on unification issues.

In 2012, Uni TV produced and aired 577 programs, including the Uni News, which offers a weekly update of key issues, as well as educational materials on various unification-related topics. It also produced a number of documentaries on unification and inter-Korean relations, including the Unification Jar documentary (15 minutes) and a special program on the Unification Jar Tour around the Nation (30 minutes). The programs were also available on Youtube and other online video sharing websites. Broadcast live through the Internet Monday through Friday (14:00-15:00), Uni Radio programs aired 245 times in 2012. A business agreement was concluded between the Ministry of Unification and KTV/Channel A on March 30, 2012 for sharing unification-related programs. The Unification Jar program and other special programs of Uni TV were distributed for broadcast to KTV (372 productions) and TAN-TV (181 productions), a Korean broadcast channel in the U.S.

In addition, the government runs a web-based unification broadcast

site (<http://unitv.unikorea.go.kr>) and a broadcast site on Facebook (<http://www.facebook.com/unitvboard>) to provide channels of communication on unification and North Korean issues. In January 2012, it also developed a smartphone app (<http://munitv.unikorea.go.kr>) that offers free access to live broadcasts.



Web-based unification station Uni TV



Unification broadcast on Facebook

(5) Sangsaeng College Reporters Group

To raise interest in unification issues and build consensus among young people, the government formed the Sangsaeng Reporters Group composed of college students. The group was launched with 14 student reporters in October 2008. Subsequently, the second cohort included 14 reporters; the third included 20; the fourth, 45; and the fifth, 47 reporters. Unlike previous reporting teams that included mainly students in the Seoul and Gyeonggi region, the fifth cohort of 2012 comprised students from across the nation, including Gangwon-do, Chungcheong-do, Gyeongsang-do, and Jeolla-do. To raise interest in Korean unification and other relevant issues in Northeast Asia, the government also operates an overseas Sangsaeng reporters group made up of Korean students studying abroad. This group was launched in August 2010 with 10 student reporters. In the second group, there were 15 reporters and in the third, 20 reporters. Unlike the previous cohorts, mainly of young Korean

people studying in the U.S., the third team of 2012 included students from the U.K., Sweden, China, Australia, and Japan.

The Sangsaeng College Reporters Group visits sites that are relevant to inter-Korean relations as well as various unification-related events, afterwards, writing articles to post on the Ministry of Unification blog. The group posted a total of 2,087 articles, including 1,900 by the group in Korea and 187 by the overseas group. Of those articles, 74 were featured as Best News on Daum, a major portal site in Korea (<http://www.daum.net>).

Meanwhile, the group also took part in various activities, including a volunteer campaign with Hangeore Middle School and High School (July 17-27, 2012), the Unification Jar Pledge Campaign (August 15, 2012, Express Bus Terminal station), the Unification Jar Tour around the Nation (September 13-20, 2012), and the volunteer campaign marking the 2nd year after the North's shelling of Yeonpyeong Island (November 23-25, 2012).



The 5th Sangsaeng College Reporters Group launching ceremony (May 3, 2012)



Volunteer activities in Yeonpyeong Island (November 23-25, 2012)

(6) Publications and opinion gathering

On the occasion of the fifth anniversary of the Lee Myung-bak administration (February 25, 2012), the government published a booklet entitled *Overview of South Korea's Policy toward North Korea*, which addressed policy progress and key North Korea policy. The material was distributed to relevant

organizations, research institutes, the National Assembly, media, and the general public. On the same day, it also published a brochure entitled *The Republic of Korea's Policy toward North Korea*. Intended to enhance public understanding of North Korea policy, Korean and English versions were published for distribution in Korea and abroad.



Overview of South Korea's Policy toward North Korea booklet



The Republic of Korea's Policy toward North Korea brochure

To gauge public sentiment on unification and North Korea policy as a reference in policy-making, the government conducted surveys (four separate occasions). The results of the 2012 surveys showed that public support for the government's North Korea policy was 65.0% in December, up 14.6% from the figure 50.4% in March the same year.

The level of desire and interest for unification was relatively high, between 73.6% and 83.3%, with slight fluctuations in every quarter.

Level of interest and desire for unification

| Classification | March 2012 | June 2012 | September 2012 | December 2012 |
|-------------------------|------------|-----------|----------------|---------------|
| Interest in unification | 80.1% | 83.3% | 82.7% | 80.1% |
| Desire for unification | 76.0% | 79.6% | 78.8% | 73.6% |

3. Efforts to Prepare for Unification at the Private Sector Level

Some voluntary efforts were made in the private sector to prepare for unification. On May 3, 2012, eight private organizations (Korean Council for Reconciliation and Cooperation, Korean Bar Association, Korean Pharmaceutical Association, Korean Nurses Association, Central Council for National Unification, Council of Unification Education Officials, Unification Education Council, and Committee for Ten Thousand Separated Families) jointly organized the Grand Debate on Unification Preparations, held at the Korea Chamber of Commerce and Industry headquarters. The event was attended by 350 people representing all walks of life, including the economic field, academia, specialized research institutes, and unification-related organizations. The participants discussed the need to prepare for unification and why and how unification funds should be raised. They further concurred that the government should make preparations for unification regardless of the status of inter-Korean relations and that public support for unification should be gathered during that process.

In this regard, two preparatory meetings were held among participants to establish a private organization responsible for carrying out preparatory work for unification.

On June 19, 2012, thirty-two leaders representing vocational institutes, education, culture and the press, and unification-related organizations held a promoters' general meeting at the Press Center to launch the Supporters of Korean Unification Corporation. The organization announced its purpose as "taking action in preparation for unification" which includes engaging the younger generation in unification work, expanding public consensus on preparatory work for unification, and raising unification funds at the private sector level.



Grand Debate on Unification Preparations
(May 3, 2012)



Promoters' General Meeting of the
Supporters of Korean Unification
(June 19, 2012)

As soon as it was inaugurated, the Supporters of Korean Unification organized a series of lectures by experts to raise public interest in the need to prepare for unification. It also opened unification fund raising accounts in eight commercial banks to facilitate public participation.

To emphasize the importance of voluntary efforts by the public, President Lee Myung-bak donated a month's salary to the unification fund on July 17, 2012.



President Lee Myung-bak makes a gift of donation
to the unification fund (July 17, 2012)

Donating to the fundraising campaign were students, housewives, small business owners, North Korean refugees, public officials, and Korean expats living abroad. From the elderly who had experienced the Korean War to young future leaders of the unification era, everyone donated what they could, whether it was their transportation money or an entire month's salary. A large number of people also made anonymous donations.

Section 3. Unification Diplomacy

1. Progress

Unification diplomacy involves activities to garner international support and cooperation through the message that unification is beneficial for surrounding countries and will contribute to the prosperity and peace in East Asia and the world. It is different from the general sense of diplomacy in that it encompasses the creation of a new relationship between the Korean Peninsula and the surrounding countries, not only during the process of unification, but after as well. Unification diplomacy is based on the premise that the two Koreas, as the main actors, should take the initiative for unification, but the cooperation of surrounding countries and the international community is essential in that process.

In this light, the ROK government worked to strengthen cooperation with the international community on matters regarding its unification policy and to enhance the way the other countries consider the issue of unification. Efforts have included visits to neighboring countries and meetings with government officials, seminars on issues of the Korean Peninsula, and information sessions to Korean expats. Moreover, the government explained its views on unification and its North Korea policy to key figures visiting Korea and, in turn, listened to their views. It also worked to put the issue of Korea's unification on the agenda of international conferences.

2. High-level Consultations and International Unification Strategy Dialogue

Through high-ranking consultations, the Minister of Unification visited neighboring countries and met with local government officials and lawmakers

to exchange views on unification and North Korea policy and to garner their active support. Minister Yu Woo-ik spent eight days visiting Germany and Belgium (February 23 to March 1, 2012). In Berlin, he met with Richard von Weizsacker, the President at the time of German unification; Christoph Heusgen, advisor on Foreign and Security Policy to the Federal Chancellor; Ruprecht Polenz, Chairman of the German Bundestag's Committee on Foreign Affairs; Stefan Muller, chairman of the German-Korean Parliamentary Group; and Hans-Peter Friedrich, Federal Minister of the Interior. The minister conveyed the message that the unification of the Korean Peninsula would contribute to the peace of East Asia as well as the international community, raising German interest in the issue. In a meeting with the Deutsche Gesellschaft für Auswärtige Politik and Korean expats living in Berlin, he explained how the ROK government is working towards unification by implementing unification policy and raising unification funds. In Brussels, he visited EU headquarters to meet with the Delegation for Relations with the Korean Peninsula (chaired by Herbert Reul) to explain the international importance of unification, and asked for EU cooperation regarding North Korea's human rights situation.



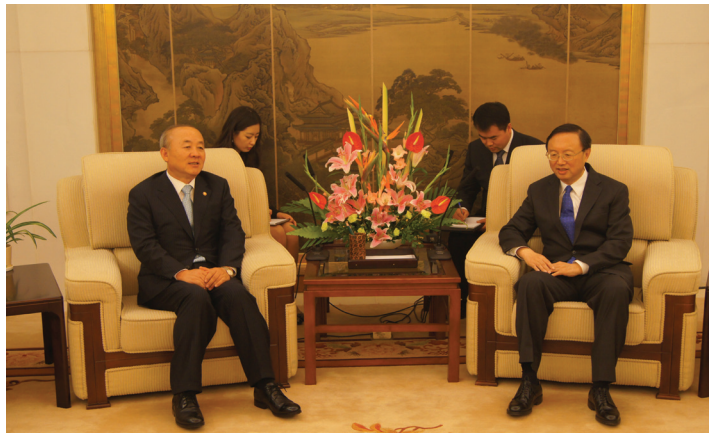
Meeting with Richard von Weizsacker,
former President of Germany (February
29, 2012)



Meeting with European Union lawmakers
(February 29, 2012)

The Minister of Unification also visited China from October 28 to 30, 2012 where he met with former Foreign Minister Tang Jiaxuan, Foreign Minister Yang Jiechi, Vice Foreign Minister Zhang Zhijun, and other former and

incumbent high-ranking officials of the Chinese government. His goal was to reaffirm their cooperation for sustained development of Korea-China relations and to convey to the Chinese government that the ROK government has begun taking practical measures in preparation for unification. At a meeting with Korean expats living in China (during a special lecture given at Peking University) and in a keynote speech to a Chinese region seminar of the Korea Global Forum, he stressed that the unification of the Korean Peninsula was in line with the national interests of China and would contribute to enhancing peace and prosperity in Northeast Asia. He also reaffirmed that the ROK government's proposal for inter-Korean dialogue was still valid, expressing his desire for a response from North Korea.



Minister Yu meets with Chinese Foreign Minister Yang Jiechi (October 30, 2012)

At the working-level, the Ministry of Unification held meetings of the International Unification Strategy Dialogue in the U.S., China, Japan, and Europe, aimed at building support for peaceful unification both in Korea and abroad, and establishing an infrastructure for medium-to long-term unification policy-making. While in those nations, ministry representatives held working-level policy consultations with government officials, organized seminars, and scheduled meetings with Korean expats.

In 2012, the International Unification Strategy Dialogue was held seven times: twice in the U.S., twice in China, and once each in Japan, Europe, and Southeast Asia. For the dialogues in the U.S. (June 18-23, 2012, October 15-21, 2012), participants visited New York, Seattle, Boston, and Washington D.C. to meet with U.S. government officials and lawmakers. Seminars were also organized jointly with local Korean Peninsula specialists. In each city, the ministry organized a policy briefing for Korean expats to explain the government's unification policy and progress on unification preparations, and to gather opinions from the audience.

At the dialogue for the Chinese region held in Shanghai and Beijing (September 12-15, 2012, October 28, 30, 2012), the Ministry of Unification organized a joint seminar with the Center for Korean Studies of Fudan University on the government's unification policy and North Korea-China relations. In addition, officials visited the Chinese Ministry of Foreign Affairs and the Chinese Academy of Social Sciences to meet with local experts on Korean Peninsula issues, and also organized policy briefings for the National Unification Advisory Council and for Korean expats in Beijing to explain unification efforts and reaffirm its policy.

The dialogue for Japan was held in Tokyo and Kyoto (July 24-26, 2012). Meetings were organized with Japanese government officials of the Headquarters of Abductions of Japanese Citizens by North Korea, the Asian and Oceanian Affairs Bureau of the Ministry of Foreign Affairs of Japan, and the Public Security Intelligence Agency. A seminar was also organized with Korean Peninsula experts. Ministry representatives also met with NGOs in Tokyo and Kyoto.

The site of the next dialogue was Europe, which included London, Brussels, and Berlin (September 24-28, 2012). The Ministry of Unification held a strategic dialogue with the Royal United Services Institute for Defense and Security Studies in the U.K., and met with officials of the European External

Action Service and Ministry of Foreign Affairs of Germany. It also explained the government's unification policy and unification preparation efforts to Korean expats in London.

Considering the importance of Southeast Asia and the region's connection with issues of the Korean Peninsula, the Ministry of Unification also organized an International Unification Strategy Dialogue in Southeast Asia (December 10-13, 2012). Visits were arranged with representatives of the Ministry of Foreign Affairs of Thailand and journalists in Bangkok, as well as with the Regional Office for Asia and the Pacific of UNEP, and other international organizations dealing with North Korean issues.

The Ministry of Unification also organized various international forums with North Korean experts and foreign guests visiting Korea. In 2012, it invited Professor Zhu Feng of Peking University, Korea Representative Peter Beck of the Asia Foundation, Professor Manfred Wilke of the Berlin Free University, Division Director Eberhard Kuhrt of the Federal Ministry of the Interior of Germany, and Director Christoph Pohlmann of the Friedrich Ebert Foundation in Seoul.

The Ministry of Unification arranged for key figures visiting Korea to meet with the Minister or Vice-Minister of Unification, or directors at the ministry. In these meetings, ministry officials explained the ROK unification policy and exchanged opinions on Korean Peninsula issues. Visiting from the U.S. were Deputy Secretary of State William Burns, Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell, Special Representative for North Korea Policy Glyn Davies, Congresswoman and chair of the House Foreign Affairs Committee Ileana Ros-Lehtinen, former Deputy Secretary of State James Steinberg, President of Center for Strategic and International Studies John Hamre, Special Envoy for North Korean Human Rights Issues Richard King, and former Deputy Secretary of State Richard Armitage. The ministry also received President Qu Xing of China Institute of International

Studies, Deputy Director Xing Haiming of the Department of Asia of the Chinese Ministry of Foreign Affairs, Minister for the Abduction Issue Jin Matsubara, former Japanese Ambassador to South Korea Masatoshi Muto, and Japanese Ambassador to South Korea Koro Bessho. Key figures who met with the Minister or Vice-Minister of Unification included United Nations Secretary-General Ban Ki-moon, Minister-president of the German state of Hesse Volker Bouffier, former President of Germany Christian Wulff, eight members of the Deutscher Bundestag including Chairman of the Korean-German Parliamentary Friendship Association Stefan Müller, and Minister for Foreign Affairs of Denmark Villy Sovndal.

3. Korea Global Forum

In 2012, the ROK government continued to organize international conferences with a view to engaging the international community and leading discussions on unification issues. As part of this effort, it organized the Korea Global Forum, merging it with the original organization called the Korea Vision Forum.

The Korea Vision Forum was first organized in 2010, the year marking the 20th anniversary of German unification, with the theme “Searching for a new paradigm for Korea.” It was held again in 2011 to engage the international community, college students and the general public in the topic of Korean unification. The new organization, the Korea Global Forum is a 1.5 track (government and non-government actors working together) multilateral conference to discuss peace and unification on the Korean Peninsula. Participants include around 20 government officials and NGO experts from ten countries, including the United States, China, Japan, Russia, and countries in Europe and Asia. The Korea Global Forum is designed to mobilize international interest on security, peace, and unification of the Korean Peninsula and listen to the views of international players.

On November 13-14, 2012, the Korea Global Forum was held in Seoul with the theme “Peace and Unification - Discussion on the Korean Peninsula.” The first day featured an open lecture by former U.S. Deputy Secretary of State James Steinberg and an open seminar. Another open seminar was held on day 2, featuring the 1.5 track format of public-private consultation established in 2010. The open sessions fostered discussions on topics titled “Global Views on the Need for a Unified Korea” and “The Institutionalization of an International Network for Unification Diplomacy”; the expert discussion sessions covered the themes “Leadership Changes in Northeast Asia and the Unification of Korean Peninsula,” “Politics and Economy of the Kim Jung-un Regime,” and “Preparation for Unification of the Korean Peninsula.”

In his lecture, former U.S. Deputy Secretary of State James Steinberg stated that Korea and Northeast Asia may be economically and demographically challenged, and there are also possibilities for territorial disputes and racial conflicts, stressing that a peaceful unification of the Korean Peninsula demands that North Korea undergoes true economic reform and opens itself to the outside world. Those attending the sessions affirmed that bilateral or multilateral cooperation is vital for quieting the concerns of neighboring countries and for proceeding with stable integration.

In 2012, the Korea Global Forum was launched in both China and the U.S. to foster discussions on unification among experts in those countries. Held in Beijing, China on October 30, the Korea Global Forum China Region kicked off with a keynote address by Minister of Unification Yu Woo-ik and a welcome address by South Korean Ambassador to China Lee Kyu-hyung. The open seminar was titled “The benefits of a unified Korean Peninsula,” while the closed-door experts’ seminars were on “New Leadership in Korea and China and their North Korea Policy” and “Korea-China Cooperation for the Unification of the Korean Peninsula.”

Subsequently, the Korea Global Forum U.S. Region Seminar was held in Seattle, Washington on November 27. The Unification and Security official of

the Korean Embassy in the U.S. read the congratulatory address on behalf of Minister Yu, after which there was a discussion on four topics: policy toward North Korea following the U.S. and ROK presidential elections, the current political and economic situation in the DPRK, the strategic implications of Korean reunification, and strategies to prepare for and promote reunification.



Korea Global Forum keynote address
(November 13, 2012)



Korea Global Forum China Region
Seminar (October 30, 2012)

4. Korea–Germany Consultation Committee on Unification

On October 3, 2010, which was the 20th anniversary of the unification of Germany, the Ministry of Unification concluded a memorandum of understanding with the Federal Ministry of Interior of Germany to exchange information and academic resources pertaining to Germany's unification process and to share German expertise on the unification experience with Korea. Then, in January 2011, representatives of the Korean Ministry of Unification joined with Germany's Ministry of Interior for a working-level meeting, culminating in a decision to establish a joint advisory committee on unification. The Korea-Germany Consultation Committee on Unification comprised 12 members from each country, including the Vice-Minister of Unification from the ROK and the vice minister of interior of Germany.

The launching ceremony and first meeting of the committee were held

in Seoul, November 17-18, 2011. It was attended by the Vice-Minister of Unification Kim Chun-sik and 10 other members from the ROK, and Deputy Minister of the Interior Christoph Bergner and 13 others from Germany. The two sides discussed the overall process and outcome of Germany's unification as well as problems that arose during the process of integration. In-depth discussions explored ways for the two governments to cooperate in the Korean unification process.

The second meeting of the committee was held in Berlin on May 3-4, 2012. Participants were the Vice-Minister of Unification Kim Chun-sik and seven other members from the ROK, and Deputy Minister of the Interior Christoph Bergner and 11 other members from Germany. Based on the results of the first committee meeting, members discussed the integration process in different sectors. The schedule included two general meetings and two sectoral meetings dealing with the military, economic, and social integration of East and West Germany, challenges that arose and how they were solved, and how lessons learned by Germany could be applied in Korea.

At the meeting, ROK representatives heard first-hand accounts from people who were actually involved in German unification and the post-unification integration process, which presented several implications for Korean unification. The in-depth, working-level discussions on the challenges affecting different sectors will help Korea to avoid the same mistakes during Korean unification.

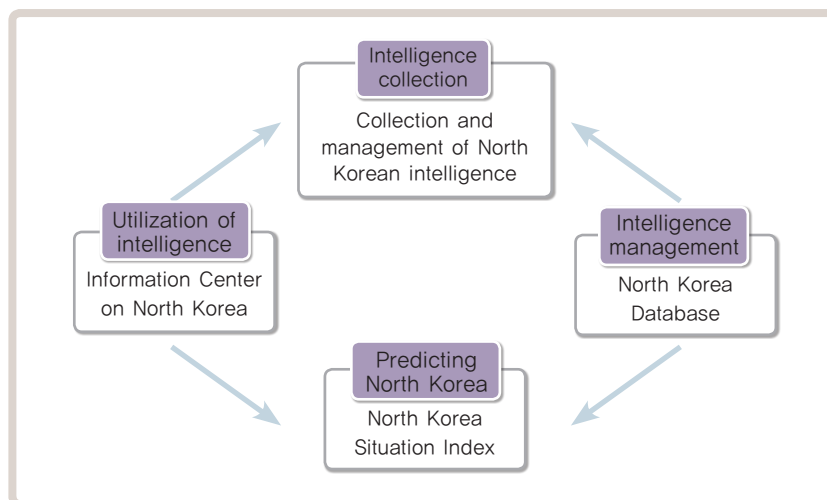


2012 Korea-Germany Consultation Committee meeting (May 3-4, 2012, Germany)

Section 4. Strengthened Intelligence on North Korea

Given the variables and geopolitical uncertainties in North Korea and the Korean Peninsula as a whole, the ROK government built an integrated intelligence system to systematically collect, manage, analyze, and utilize information on North Korea. The system comprises a section to collect and manage North Korean intelligence, a North Korea database, the North Korea Situation Index, and the Information Center on North Korea. In 2012, efforts were concentrated on improving the collection and management of North Korean intelligence, the North Korea database, and the North Korea Situation Index. Information in the integrated system was made available to experts and the general public in published form or on the websites of the Ministry of Unification (www.unikorea.go.kr) and the Information Center on North Korea (<http://unibook.unikorea.go.kr>).

Integrated System for Intelligence on North Korea



1. North Korea Situation Index

Since 2010, the government has worked to develop a North Korea Situation Index to support objective analyses and predictions of the North Korea situation. Integrating quantitative analysis with qualitative assessment, the North Korea Situation Index makes predictions in three measurement categories, i.e. the Stability Index, Crisis Index, and Regime Transition Index.

Structure of North Korea Situation Index

| Category | Description |
|-------------------------|--|
| Stability index | Measures the level of stability of the North Korean regime in politics, military, economy, society, and cultural sphere, and the ability of the North Korean authority to control situations |
| Crisis index | Measures the crisis level of the North Korean regime by capturing the crisis level in different sectors, as well as accelerator and inhibitor factors |
| Regime transition index | Measures the level of change in the North Korean regime in terms of political liberalization, social pluralism, and economic liberalization |

In 2012, priority was given to testing the reliability of the index by using data collected over a 10-year period. For each category, the necessary information included statistical data, surveys targeting North Korean refugees, research reports, and source materials from North Korea. The index system was further improved by computing past index values and verifying their appropriateness.

In addition, a simplified model was developed to enhance the utility of the North Korea Situation Index. The model only employs key indicators, allowing for quick index computation and more frequent usage of the index.

Meanwhile, the Index Knowledge Support System was developed in 2011 and completed in 2012 to support the computation and analysis of the North Korea Situation Index. Improvements were made in the existing index management function (management of the index system and automation of

index computation) and analysis function (analysis of frequency and intensity of terminology), while additional features—statistics/trend analysis and simulation—were developed to support data analysis.

The North Korea Situation Index will be computed and assessed beginning in 2013, allowing for a more objective evaluation and prediction of North Korea and more effective policymaking.

2. North Korea Database

Following a study commissioned in 2010 on strategic informatization planning, the government set out in 2011 to develop a three-part North Korea database (general data, Who's Who, industry and geography of North Korea) according to a phased plan.

In 2011, the first year of the phased plan, an information system was built to manage and utilize, in a systematic way, general data of North Korea (original North Korean texts, materials available in Korea and abroad, analysis reports, etc.) and information on Who's Who in the North. In 2012, the second year of the plan, a geographic information system was built, linking North Korea's topographical information (2D and 3D) and more than 300,000 case files of industrial and geographical information. An information system presenting key statistics in visual, dashboard¹ form was also developed. In 2013, the third year of the plan, the database will be available for use by relevant organizations and the general public.

¹ An online user interface that allows various information to be searched for and shown centrally on the screen



2D map

Statistics dashboard

When the North Korea database is up and running, it will allow for enhanced analysis of the trends and political situation in North Korea. This, in turn, will allow for more systematic unification policy-making by the government. It will also meet the diverse information needs of policy consumers.

3. Collection and Management of North Korean Intelligence

The growing number of North Korean refugees arriving in South Korea since the 1990s and the rise in South Korean visitors to North Korea as a result of increased exchanges with the North have led to a diversification of North Korean information sources. Thus, it became necessary for the government to manage in a more systematic way North Korean information gathered from various new sources.

In 2010, the government developed a standard questionnaire to gather information on the industries and geography for various regions in North Korea in an effective way. The questionnaire was used to collect information from 2,052 North Korean refugees and South Korean nationals visiting North Korea (over time, the questionnaire was continuously improved). In the years 2011 and 2012, 1,521 refugees and 1,526 visitors completed the questionnaire.

Altogether, information was gathered from 5,099 people, which was then reflected in the North Korea database.

The database information is useful for time-series analysis as well as for understanding the situation in North Korea, and thereby strengthens the government's ability to analyze North Korean issues. The information gathered for various regions in North Korea will also serve as important documentation and reference for policy making as well as for preparing the post-unification integration process.

4. Information Center on North Korea

The government opened the Information Center on North Korea on the sixth floor of the Post Office building in Gwanghwamun on May 22, 1989 to make information on North Korea available to the public. The center was subsequently relocated to the National Library on July 28, 2009 to provide service in a more spacious and pleasant environment.

The Information Center on North Korea has a total of 102,097 North Korea-related materials, including 70,000 books, 10,000 periodicals, 3,000 file records, 8,000 audio and video materials, and 6,700 publications of the Ministry of Unification. About 30,000 items are primary source North Korean materials.

Original North Korean Materials at the Information Center on North Korea

| Type of materials | Book | Periodical | Audio visual material | Non-book material | Total |
|---------------------|--------|------------|-----------------------|-------------------|--------|
| Number of materials | 18,847 | 4,441 | 5,560 | 1,185 | 30,033 |

*As of December 31, 2012

The center also organizes colloquiums on the current status of North Korea with unification and North Korean experts, college students, members of relevant organizations, and North Korean refugees, offering a venue for free discussion. In past years (1989-2012), 674 meetings have attracted over 70,000 participants. In 2012, the center organized 60 colloquiums attended by 5,949 participants.

The center maintains a collection of about 2,200 North Korean films. Selected films were shown once a month (since March 1990); but recently, the center has offered regular screenings, allowing visitors to watch North Korean films anytime during opening hours. Since 2007, movies have been shown in eight other regions throughout the nation—Mount Odusan Unification Observatory, and unification centers in Seoul, Incheon, Changwon, Jeju, Busan, and Gwangju. In 2012, North Korean films were shown 1,158 times to more than 90,000 viewers. Between 1990 and 2012, there were about 10,500 screenings for 1.49 million viewers.

In addition to increasing the number of screenings nationwide, the center also made it possible for people to borrow North Korean information and materials by mail. Thanks to the postal, interlibrary book loan service, people living in regions other than the Seoul metropolitan area can now borrow North Korean materials through their local school or public library.

To encourage users to take greater advantage of available North Korean materials, the center introduced several improved features to its online lending system—a radio-frequency identification system (RFID), database of original texts, state-of-the-art search engine, mobile web service, short messaging service, improved web accessibility on its website, digital archives, and electronic library and My Account service. In 2012 alone, 349 items were produced in e-book format. This brings the total number of e-books produced between 2000 and 2012 to 2,847 books, which users can browse anytime and anywhere.

The center also offers various information on its website (<http://unibook.unikorea.go.kr>), including the TV schedule of North Korea's Chosun Central Television, and introductions of North Korean movies and North Korean cartoons. The number of website users has continuously risen over the years, exceeding 520,000 in 2012.

Meanwhile, the center concluded a memorandum of understanding with several research institutes and organizations for exchange of information and materials. As of December 2012, it had formed partnerships with the National Assembly Library and 17 other organizations.



Website of the Information Center on North Korea



Information Center on North Korea

5. Public Access to North Korean Resources

To aid both experts and the general public better understand North Korea, the Ministry of Unification offers various North Korean resources through its website (www.unikorea.go.kr) and publications. The Info on Korean Peninsula section on the ministry website provides major North Korean TV news, as well as important news releases by sector, i.e., politics/military, economy/science, society/culture, and external affairs, all on a daily basis.

The government also publishes *Who's Who of Major Institutions and*

Organizations in North Korea, with information of key figures in North Korea's Workers Party, military, and other institutions. Other publications include the *Directory of Key North Korean Figures* (distributed to relevant organizations and associations), The *Leadership Structure of North Korea* (an annual publication that outlines the organizational structure of key North Korean agencies and organizations) and the *Annual Schedule of Events*, listing North Korea's major political events and national anniversaries (available in leaflet form). These materials are also available at the ministry website.



Who's Who of Major
Institutions and Organizations
in North Korea



Leadership Structure of
North Korea



W H I T E P A P E R O N K O R E A N U N I F I C A T I O N

Chapter 3

Inter-Korean Exchanges and Cooperation

Section 1 Inter-Korean Economic Cooperation

Section 2 Gaeseong Industrial Complex

Section 3 Social and Cultural Exchanges and Cooperation

Section 4 Cross-border Passage and Transport

Section 5 Inter-Korean Economic Cooperation Consultation Office

Chapter 3 Inter-Korean Exchanges and Cooperation

The continued hard-line stance and provocations of North Korea against the South since the launch of the Lee Myung-bak administration have fundamentally hindered the progress of inter-Korean exchange and cooperation programs. The fatal shooting of a South Korean tourist by a North Korean armed guard at the Mount Geumgang resort, the sinking of the Cheonan warship incident, and North Korea's artillery attack on Yeonpyeong Island were major acts of provocation that shook the foundation of inter-Korean exchanges and cooperation and inter-Korean relations as a whole.

On May 24, 2010, the South Korean government announced five key measures suspending inter-Korean exchanges and cooperation (hereafter "May 24 measures") with the aim of taking a firm stance against North Korea's continued acts of provocation and for healthier and more normalized inter-Korean relations. The May 24 measures banned North Korean ships from using the shipping lanes in waters controlled by South Korea; suspended trade, investment, and visits with North Korea; and halted cooperative activity other than assistance for particularly vulnerable groups in the North. The South consistently upheld the May 24 measures while providing humanitarian aid to North Korean infants and children. In the second half of 2011, the government began to take a more flexible attitude toward the North, allowing visits to and contact with North Korea for non-political, social and cultural exchanges. The government also took a series of measures to minimize the difficulties faced by businesses engaged in inter-Korean trade and economic

cooperation as a result of suspension of inter-Korean exchanges.

The government has done its utmost to keep the Gaeseong Industrial Complex (GIC) up and running amidst chilled inter-Korean relations. Considering the special nature of the GIC, it took a series of flexibilization measures—getting GIC companies to resume construction and allowing them to import the necessary equipment or build alternative structures—to ensure that the companies would continue to maintain production. At the end of December 2012, there were 123 commercial tenants and 53,000 North Korean workers in the GIC. Annual production amounted to USD460 million, and the cumulative production for the period 2005-2012 surpassed the USD1.9 billion mark.

The government prioritized the personal safety of South Koreans entering North Korea, at the same time working to ensure quick and convenient passage in and out of the North. Following a series of provocations from the North, passage has been restricted to GIC commuters and vehicles since 2009. On June 27, 2012, the number of personnel passing through the Gyeongui corridor road passed the one million mark.

Since May 26, 2010, the Inter-Korean Economic Cooperation Consultation Office has been unable to conduct normal operations following the North's unilateral decision to shut it down. In 2012, the government met with businesses engaged in inter-Korean cooperation programs to explain the status of inter-Korean relations, listen to their difficulties and gather their views.

Section 1. Inter-Korean Economic Cooperation

1. Inter-Korean Trade

(1) Overview

Despite the May 24 measures, inter-Korean trade increased by 15.0% in 2012, from USD1.71 billion the previous year to USD1.97 billion, owing to enhanced productivity in the Gaeseong Industrial Complex (GIC). Inbound trade or imports accounted for USD1.07 billion with outbound trade or exports totaling USD897.1 million, registering increases of 17.5% and 12.1%, respectively. General trade, which was suspended by the May 24 measures, recorded USD840,000 owing to flexibilization measures (allowing trading companies to recover their advance payments). Thanks to enhanced productivity and flexibilization measures (allowing tenant companies to export new equipment and rebuild storage facilities) in the GIC, trade in the complex totaled USD1.96 billion, up 15.5 % from USD1.69 billion the previous year and representing 99.5% of total inter-Korean trade. Assistance to the North stood at USD9.06 million, which was extended by the private sector to particularly exposed groups in the North.

Inter-Korean Trade Volume by Year

(in millions of dollars)

| Classification \ Year | '89 | '90 | '91 | '92 | '93 | '94 | '95 | '96 | '97 | '98 | '99 | '00 | '01 |
|-----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Inbound (Import) | 19 | 12 | 106 | 163 | 178 | 176 | 223 | 182 | 193 | 92 | 122 | 152 | 176 |
| Outbound (Export) | - | 1 | 6 | 11 | 8 | 18 | 64 | 70 | 115 | 130 | 212 | 273 | 227 |
| Total | 19 | 13 | 112 | 174 | 186 | 194 | 287 | 252 | 308 | 222 | 334 | 425 | 403 |

| Classification \ Year | '02 | '03 | '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|-----------------------|-----|-----|-----|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Inbound (Import) | 272 | 289 | 258 | 340 | 520 | 765 | 932 | 934 | 1,044 | 914 | 1,074 | 9,136 |
| Outbound (Export) | 370 | 435 | 439 | 715 | 830 | 1,033 | 888 | 745 | 868 | 800 | 897 | 9,155 |
| Total | 642 | 724 | 697 | 1,055 | 1,350 | 1,798 | 1,820 | 1,679 | 1,912 | 1,714 | 1,971 | 18,291 |

(2) Inter-Korean trade by type of transaction

Dividing inter-Korean trade into commercial and non-commercial trade, the volume of commercial trade stood at USD1.96 billion in 2012, up 15.3% from USD1.72 billion the previous year. The proportion of commercial trade to total trade was 99.5%, similar to the 99.3% the previous year. In the commercial trade category, inbound trade or imports registered USD1.07 billion and outbound trade or exports USD888 million, a 17.6% and 12.5% rise from the previous year, respectively.

In 2012, GIC-related trade accounted for an absolute proportion of inter-Korean trade. At USD1.96 billion, it represented 99.9% of commercial trade and 99.5% of total inter-Korean trade, up 15.5% from the previous year. General trade recorded USD840,000, up 272.8% from the previous year, but accounted for only 0.04% of total commercial trade (0.01% the previous year). General trade mainly involves the import of fishery products as a result of the South's flexibilization measures, which allowed businesses to import fishery products in place of goods in return for payments made prior to the May 24 measures.

The size of non-commercial trade was USD9.06 million, down 21.4% from USD11.53 million the previous year and representing only 0.5% of total trade. The decrease in non-commercial trade is due to suspended social and cultural cooperation projects and reduced assistance to the North as a result of the May 24 measures imposed in the aftermath of the sinking of the Cheonan warship.

Inter-Korean Trade by Type of Transaction in 2011 and 2012

(in thousands of dollars, %)

| Category | | Commercial trade | | | | | Non-commercial trade | | Total |
|----------|-------------------------|------------------|--------------------------------|------------|-------------------|----------------------|----------------------|---------------------------|-----------|
| | | GIC | Processing on commission trade | Gen. trade | Mt. Geumgang tour | Other economic coop. | Assistance | Social and cultural coop. | |
| 2011 | Trade volume (USD1,000) | 1,697,633 | 3,704 | 226 | 761 | 4 | 11,396 | 130 | 1,713,854 |
| | Proportion (%) | 99.1 | 0.2 | — | — | — | 0.7 | — | 100.0 |

| Category | | Commercial trade | | | | | Non-commercial trade | | Total |
|----------|-------------------------|------------------|--------------------------------|------------|-------------------|----------------------|----------------------|---------------------------|-----------|
| | | GIC | Processing on commission trade | Gen. trade | Mt. Geumgang tour | Other economic coop. | Assistance | Social and cultural coop. | |
| 2012 | Trade volume (USD1,000) | 1,961,195 | — | 843 | — | 4 | 9,064 | — | 1,971,105 |
| | Proportion (%) | 99.5 | — | — | — | — | 0.5 | — | 100.0 |

(3) Trade by sector

In 2012, textiles, and electrical and electronic goods produced in the GIC accounted for a sizable 72% of total trade. Textile trade rose from USD706.34 million in 2011 to USD777.66 million in 2012. This represents 39.5% of total trade, down from 41.2% the previous year. Trade of electrical and electronic goods increased from USD528.11 million in 2011 to USD641.95 million in 2012, accounting for 32.5% of total trade. The trade of agricultural, forestry, and fishery products was USD38.60 million, accounting for 2% of total trade and about the same as the previous year (1.9%).

Inter-Korean Trade by Sector

(in thousands of dollars, %)

| Sector Year | Textiles | Electrical and electronic goods | Agricultural, forestry, and fishery products | Machinery | Daily consumer necessities | Steel and metal products |
|----------------|----------|---------------------------------|--|-----------|----------------------------|--------------------------|
| 2011 | 706,345 | 528,111 | 33,073 | 122,429 | 124,517 | 37,243 |
| | (41.2) | (30.8) | (1.9) | (7.2) | (7.3) | (2.2) |
| 2012 | 777,661 | 641,954 | 38,603 | 139,472 | 149,542 | 32,812 |
| | (39.5) | (32.5) | (2.0) | (7.1) | (7.6) | (1.7) |

| Sector Year | Chemical and industrial products | Mining products | Plastic, rubber, and leather goods | Others | Total |
|----------------|----------------------------------|-----------------|------------------------------------|--------|-----------|
| 2011 | 92,384 | 31,118 | 36,778 | 1,856 | 1,713,854 |
| | (5.4) | (1.8) | (2.1) | (0.1) | (100.0) |
| 2012 | 104,722 | 36,701 | 47,745 | 1,892 | 1,971,105 |
| | (5.3) | (1.8) | (2.4) | (0.1) | (100.0) |

While the number of businesses engaged in inter-Korean trade fell by 10.3%, from 407 in 2011 to 365 in 2012, the number of trade items increased by 29, from 702 in 2011 to 731 in 2012.

(4) Implementation of May 24 measures and efforts to minimize business difficulties

The May 24 measures have been decisively implemented by the ROK government to induce the North to take responsible actions for the sinking of the Cheonan warship and artillery attack on Yeonpyeong Island. On June 14, 2010, it revised the Public Notice on the List of Goods Subject to Approval and Approval Procedures for taking Goods Into and From the DPRK to execute the ban on inter-Korean trade and new investments, thereby making the inter-Korean transfer of all goods subject to approval and reinforcing customs inspections for inbound and outbound trade in cooperation with the relevant authorities. In an effort to block illegal imports of goods made in North Korea but counterfeited through a third country of origin, the government organized monthly monitoring meetings jointly with 11 relevant authorities, including the Ministry of Agriculture, Food and Rural Affairs, Ministry of Justice, Korea Customs Service, National Police Agency, and Korea Coast Guard. On-site inspections of agricultural and fisheries distribution markets are also organized as needed.

The government is also working to minimize the difficulties faced by South Korean businesses as a result of the May 24 measures. First, it is continuously trying to understand the nature of difficulties constraining businesses. In May 25, 2010, immediately after the May 24 measures were announced, it opened and operated an Inter-Korean Trade Difficulties Consultation Center in the Ministry of Unification. The center was operated through the end of November 2010. In the early days of operation, it handled more than 50 consultations a

day and conducted three rounds of surveys (May 25-June 2, 2010; June 18-June 22, 2010; May 13-May 18, 2011) of businesses engaged in inter-Korean trade or economic cooperation as of May 2010.

Second, the shipment of goods was temporarily allowed to ensure that projects under way at the time the sanctions were taken could be completed. Based on the result of the first and second rounds of surveys, it gave businesses a deferment of the ban on imports and exports if they had made an advance payment for the trade of agricultural, fishery, or mining products or had made an outbound delivery of raw materials for commission processing prior to May 24, 2010. The deferment of the ban for advance payments made in relation to general trade was granted from early June to late October 2010, while the deferment given in relation to commission processing was extended until the end of February 2011. The deferment allowed 191 businesses to import general trade goods for which advance payments had been made and commission processed finished goods, all worth USD125.78 million. For businesses that have not yet received goods in return for their advance payment during the deferment period, the government gave additional permission to import fishery products from June 2012. As a result, a total of 26 companies have imported goods worth USD3.92 million.

The government also allowed enterprises that had concluded a processing-on-commission contract with the North prior to May 24, 2010 to ship raw materials they had in storage to the North from June 30 to August 31, 2010. This measure allowed raw materials worth USD41.41 million to be additionally shipped out by 72 companies to North Korea for commission processing while the May 24 measures were implemented.

Third, the government introduced a special loan program called Special Economic Exchanges and Cooperation Loan to the Inter-Korean Cooperation Fund to help cash-strapped businesses. It extended policy funds at a low

annual interest rate of 2% in two rounds of special lending. In the first round, which was organized from August 2010 to February 2011, 184 companies received an aggregate loan of KRW38.4 billion; in the second round organized from January to June 2012, 99 companies received KRW18.5 billion in total lending. Including the 37 companies that had failed to obtain a loan in the first round but succeeded in the second round, a total of 221 businesses benefitted from financing worth KRW56.9 billion.

Considering that the May 24 measures are still being imposed, the government has twice extended the loan period of the Special Economic Exchanges and Cooperation Loan by a year. As a result, 174 companies benefitted from a grace period, which was extended from August 2011 to March 2012. The second grace period has been extended from August 2012.

Fourth, the government has selectively allowed businesses engaged in inter-Korean trade or economic cooperation projects to visit North Korea. From June 2011, it allowed some South Korean businesses to visit the GIC or Mount Geumgang, or contact North Korean personnel in a third country, to inspect and protect their investments in the North. As of late December 2012, there were nine companies that visited Gaeseong and Mount Geumgang on 21 occasions.

Fifth, the government extended emergency operating expenses to businesses engaged in inter-Korean trade or economic cooperation projects for free in order to ease the difficulties arising from the prolonged imposition of the May 24 measures. From September 2012, businesses were granted between KRW5 million and KRW20 million in operating expenses depending on the size of their trade or investment. In total, KRW7.5 billion was appropriated as emergency operating expenses, of which KRW5.2 billion was extended for free to 457 businesses.

2. Mount Geumgang Tour

Tours to Mount Geumgang in North Korea have been suspended since a South Korean tourist at the resort was shot and killed by a North Korean soldier on July 12, 2008. After unilaterally adopting the Mt. Guemgang International Tourism District Act on August 22, 2011, North Korea legislatively disposed of South Korean assets at Mount Geumgang, expelled South Koreans working at the resort, sold off tourist products to foreign visitors, and illegally utilized South Korean facilities at the resort.

The ROK government addressed the illegal measures taken by the North by jointly organizing a Mt. Geumgang Tourism Project Task Force with the relevant ministries on August 25, 2011. The government urged the North to resolve the issue through dialogue and stop and withdraw its unilateral measures. It also made diplomatic appeals to the international community to refrain from engaging in tourism or investing in North Korea.

At the same time, the government has taken measures to support businesses that invested in the Mount Geumgang resort to ease their difficulties following the suspension of tourism. From January 2009 to January 2010, it extended KRW6.65 billion in loans to 26 companies; from November 2010 to January 2011, it extended an additional KRW4.79 billion in loans to 15 companies. The government also financed KRW425 million in free emergency operating expenses for 40 companies from September to December 2012.

Despite the illegal measures taken by the North, the basic stance of the ROK government is that securing the personal safety of its nationals is the top priority for the Mount Geumgang tours to resume and that it would resolve the issue through dialogue. Thus, if the North promises to ensure the personal safety of South Korean tourists, the ROK government would remain committed to working out specific issues and resume the tours through working-level talks with North Korea.

Section 2. Gaeseong Industrial Complex

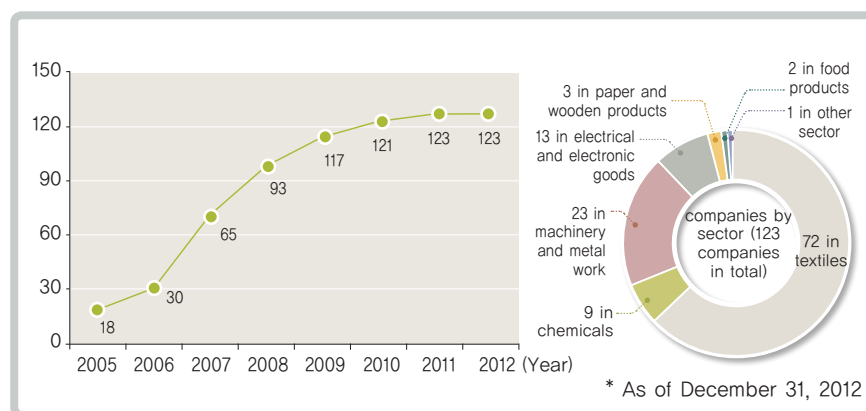
1. GIC Companies and Production

(1) GIC companies

With the ground-breaking ceremony on June 30, 2003, the first stage of development of the Gaeseong Industrial Complex (GIC) began on a land site of 3.3 million square meters. In June 2004, 15 companies were selected for business in the GIC pilot site. The first Gaeseong-made products entered the market in December 2004, and the GIC began full operation following the completion of its first-phase second land sale and the construction of the first-phase infrastructure in 2007.

In late June 2004, 15 companies signed tenant contracts with the GIC pilot site and, in 2005, 18 companies moved into the complex. By the end of December 2012, 123 companies were operating in the GIC. There were 72 firms in textiles, 23 in machinery and metal work, 13 in electrical and electronic goods, nine in chemical products, three in paper and wooden products, two in food products, and one in non-metal minerals.

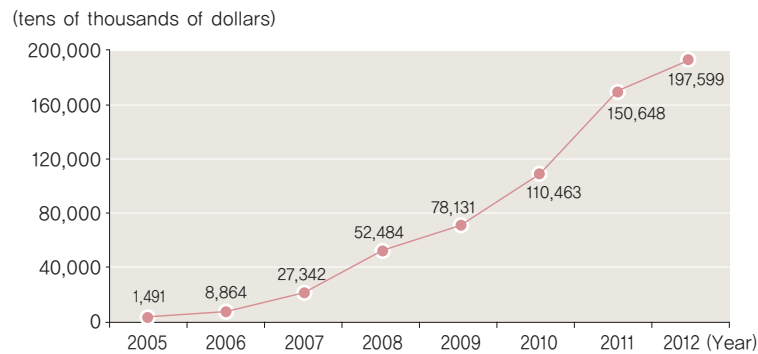
Number of GIC companies



(2) Production

Accumulated production in the GIC passed the mark of USD100 million in January 2007, and reached USD500 million in November 2008, USD1 billion in September 2010, and USD1.5 billion in 2011. As of December 2012, the amount stands at USD1.97 billion.

GIC Accumulated Production by Year



From 2005 to 2012, the textile sector recorded the highest production amount at USD1.06 billion. The amount was USD169.96 for chemicals, USD321.73 for machinery and metal work, USD389.28 for electrical and electronic goods, USD14.78 million for food, USD6.36 million for paper and wooden products, and USD5.25 million for the rest.

GIC Production by Sector

(in thousands of dollars)

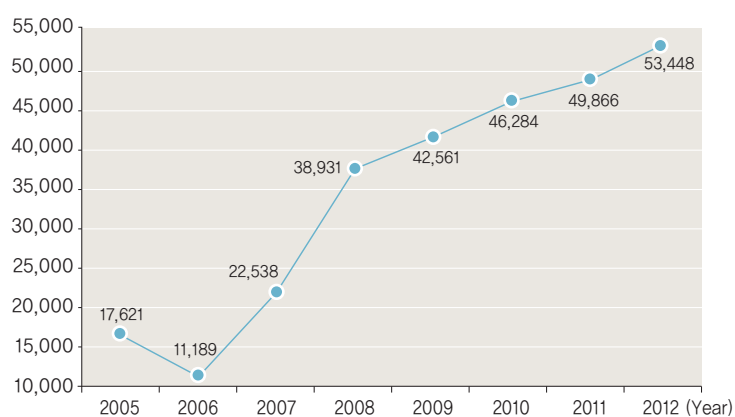
| Sector \ Year | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | Total |
|--------------------------|-------|--------|--------|---------|---------|---------|---------|---------|-----------|
| Textiles | 6,780 | 27,793 | 85,543 | 132,179 | 152,050 | 179,235 | 215,676 | 269,383 | 1,068,639 |
| Chemicals | 1,768 | 10,900 | 18,262 | 21,785 | 26,179 | 32,092 | 28,636 | 30,337 | 169,959 |
| Machinery and metal work | 5,250 | 20,853 | 41,947 | 49,250 | 37,312 | 48,637 | 52,617 | 65,861 | 321,727 |

| Sector \ Year | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | Total |
|---------------------------------|--------|--------|---------|---------|---------|---------|---------|---------|-----------|
| Electrical and electronic goods | 1,108 | 14,191 | 39,027 | 47,162 | 37,584 | 59,147 | 97,221 | 93,836 | 389,276 |
| Food | - | - | - | 976 | 2,003 | 2,668 | 4,187 | 4,943 | 14,777 |
| Paper and wooden products | - | - | - | 70 | 1,313 | 1,469 | 1,570 | 1,941 | 6,363 |
| Others | - | - | - | - | 34 | 75 | 1,941 | 3,199 | 5,249 |
| Total | 14,906 | 73,737 | 184,779 | 251,422 | 256,475 | 323,323 | 401,848 | 469,500 | 1,975,990 |

(3) North Korean workers in GIC

In 2012, there were more than 50,000 North Korean workers in the GIC. After employing 55 North Korean workers for the first time in October 2004, there has been a significant increase in the number of North Korean workers in just seven years and four months. The number indicates that the GIC now has a workforce equivalent to that of a small-to medium-sized industrial complex in South Korea. As of December 2012, there are 53,448 North Korean workers working in the GIC.

Number of North Korean Workers in GIC



2. Stable Management of GIC

(1) Support for production activities of tenant companies

Though the ROK announced the May 24 measures in response to the sinking of the Cheonan warship, it decided to continue to operate the GIC considering its special status. However, it prohibited new investments in the GIC and reduced the number of South Korean personnel residing there to 50- 60% of the normal level to ensure their personal safety.

Despite continued provocations from the North and the restriction imposed on access to the GIC, the ROK government announced a series of flexibilization measures in October 2011 to ease the difficulties facing tenant companies. First, it allowed uninterrupted export of facilities for repair, replacement, or improvement. Second, it gave the green light to seven companies to build new factories and five companies to extend buildings. At the end of December 2012, two of them had completed construction, while two others were still building. Third, it carried out and completed the construction of a fire station and emergency care facility, fixed the roads used by commuters, and established various other infrastructure. Thus, the government worked to minimize the damage to GIC companies while maintaining the principle of the May 24 measures, allowing companies to continue their production activities amidst the North's Cheonan sinking and artillery attack on Yeonpyeong Island.

Flexibilization Measures for the GIC

| Measures | Results |
|---|--|
| Construction of fire station | • Work began in November 2011 and was completed in December 2012 (KRW3.48 billion) |
| Construction of emergency care facility | • Work began in July 2012 and was completed in December 2012 (KRW2.67 billion) |
| Work resumption by companies whose construction was interrupted | <ul style="list-style-type: none"> • New construction by 7 companies: Work allowed to resume in October 2011; two companies completed construction • Extension by 5 companies: Work allowed in December 2011; two companies currently under construction |

| | |
|--|---|
| Repair of commuting roads | • Work began in November 2011 and was completed in August 2012 (KRW1.8 billion) |
| Installation of bus stops and related facilities | • Land purchased in December 2011 (KRW1.8 billion) • Inspection office and convenience facilities completed in May 2012 (KRW500 million) |
| Expansion of commuter buses | • 276 buses in operation as of December 2012 |

On February 10, 2012, a group of eight National Assembly members representing the Foreign Affairs & Unification Committee and the Special Committee for the Development of Inter-Korean Relations visited the GIC. Following the visit, the ROK government announced the following set of measures to revitalize operations at the complex:

First, it allowed GIC companies to build alternative structures and export facilities to operate the plants and maintain productivity at the complex. Second, it decided to build housing facilities for South Koreans working in isolation at the complex, build a gym and other sports facilities and organize language and cultural programs for their leisure activities. Third, it closely consulted with the relevant ministries to have goods made at the complex recognized as made in South Korea under the Korea-US and Korea-EU Free Trade Agreements (hereafter “FTAs”). Fourth, based on an accurate survey and together with the relevant authorities, it looked for various ways to help financially troubled GIC companies. Lastly, it actively sought to hold working-level talks with the North to increase labor supply in the GIC.

GIC Operation Revitalization Measures

| Measures | Results |
|--|---|
| Allowing the export of facilities and building of alternative structures | • Gave permission in stages to individual companies |
| Improvement of living conditions for South Korean workers | • Built and operated a gym (with a capacity for 50 persons) • Organized foreign language and cultural programs (Chinese, gardening, and landscaping classes) |

| Measures | Results |
|---|--|
| Getting goods made at GIC recognized as made in South Korea | <ul style="list-style-type: none"> • Discussed with MOFAT and other relevant ministries • Ministry of Unification to participate in Korea-EU, Korea-China FTA negotiations as member of the FTA delegation |
| Easing GIC companies' financial difficulties | <ul style="list-style-type: none"> • Completed survey of GIC companies' management status • Discussed with relevant ministries |
| Holding working-level talks with the North | <ul style="list-style-type: none"> • Sought the possibility of holding talks with the North considering the inter-Korean relations |

(2) Progressive Management of GIC Situations

On April 13, 2012, North Korea launched a long-range missile, causing tension on the Korean Peninsula. The ROK government utilized the emergency hotline and took other measures to ensure the personal safety of the Korean nationals residing in the Gaeseong Industrial Complex (GIC).

Then, in August 2012, North Korea notified the ROK government of its revision to the Detailed Tax Rules. The revision included the deletion of the clause forbidding retroactive taxation and the clause on the suspension of extinctive prescription, the deletion of the obligation of the tax office to explain the basis of deciding taxation adjustments, an expansion of businesses' obligation to submit various documents, and an expansion of the imposition of penalties. For South Korean enterprises doing business in the GIC, the revised provisions were difficult to accept as they would undermine the rights of taxpayers, damage the stability and the predictability of the law, and provide the basis for excessive penalties beyond the range of applicable tax rates under the Tax Regulations.

After notification of the revised rules, the North sent tax bills to nine GIC companies and required 25 companies to submit documents for taxation. The ROK government investigated the extent of the damage to business operations and actively responded to the situation by raising issues to the North through the Gaeseong Industrial District Management Committee (KIDMAC).

In cooperation with KIDMAC, the government discussed the matter with the North so that it would withdraw its excessive revisions. The South explained to the North that unfair taxation resulting from a unilateral implementation of the tax rules and the deletion of the provision prohibiting retroactive taxation constitute a violation of inter-Korean agreements. This is because the enforcement of the revised rules violates the provision in Article 4 of the Agreement on Investment Protection between the South and the North that the South and the North shall not nationalize, expropriate, or restrict the property rights of the investment assets of the other party. The government also pointed out that the revised rules are not in line with the North's higher law. The Tax Regulations, which is the North's higher law, stipulates that penalties and business tax shall not exceed three times the amount of unpaid tax and 1% to 3% of earnings, respectively. However, the revised tax rules expanded the range of penalties to up to 200 times the amount of unpaid tax and of business tax to 3% to 7% of earnings. The ROK government persuaded the North that the revised detailed tax rules, which are not aligned with international standards, would be an obstacle for further development of the GIC. Thanks to these efforts, the North cooled its pressure on businesses from mid October 2012 by withdrawing the taxes on one of the two taxed companies. The government plans to discuss the amendment or withdrawal of these poison pills with the North in earnest.

On December 12, 2012, North Korea again launched a long-range missile. The ROK government operated a 24-hour emergency hotline to protect South Korean residents in the GIC, while inspecting the status of passage to prepare for the worst.

At the end of December 2012, passage is normal, with daily passages averaging 21 from 8.30am to 5.30pm.

3. Infrastructure & Auxiliary Facilities

The ROK government built infrastructure in the GIC to be on par with industrial complexes in the South in order to support and facilitate the

production activities of tenant companies and make the GIC internationally competitive. At the end of December 2012, the GIC is equipped with a daily capacity to supply 30,000 tons of water, treat 15,000 tons of wastewater, bury 61,000 cubic meters of waste, incinerate 12 tons of waste, and supply 100,000 kilowatts of electricity.



GIC wastewater treatment facility



GIC waste incineration facility

To complement the limited capacity for waste incineration, there are plans to build additional incineration facilities in the GIC. Construction work began in March 2009 but was suspended as inter-Korean relations chilled; it resumed in October 2012. The new incineration facility will be equipped to handle 50 tons of waste a day—current construction involves the building of a capacity to incinerate 25 tons/day—and equipment to prevent environmental pollution. As for communication facilities, 303 communication lines were installed in December 2005, and following the installation of 600 lines in December 2009 and two additional installations, there are now 1,300 communication lines in total.

The GIC offers a number of support facilities, including the Technical Training Center, General Support Center, a fire station, emergency care center, and a day care center. The construction of the Technical Training Center and the General Support Center were completed in 2007 and 2009, respectively. The General Support Center is in a building with 15 ground floors and one basement floor and houses the offices of the Gaeseong Industrial District Management Committee (KIDMAC), a bank, convenience facilities, a promotion hall, and shops selling GIC-made products.



GIC General Support Center



GIC fire station

4. Laws, Institutions, and Business Support System

(1) Laws and institutions

The GIC is subject to inter-Korean agreements, the laws of South Korea, and the laws of North Korea. To run the complex in a cooperative manner, the two sides concluded the Agreement on Entry into, Exit from, and Stay in the Gaeseong Industrial Complex and the Mt. Geumgang Tourist District on January 29, 2004. Furthermore, the four major economic cooperation agreements concluded on December 16, 2000 and several other inter-Korean agreements are now applicable to the complex.

The ROK government established the Gaeseong Industrial District Support Act in May 2007. The development and operational support, as well as the protection of and support for South Koreans who invest in, or enter or stay in the complex are now subject to this act. The legislation of the act allows GIC tenant enterprises to become eligible for all the benefits applicable to small and medium enterprises (SMEs) in South Korea under the Promotion of Small and Medium Enterprises and Encouragement of Purchase of SME Products Act and other ROK laws. The Inter-Korean Exchanges and Cooperation Act and the Inter-Korean Cooperation Fund Act also apply to the GIC.

The North's legal framework consists of the Gaeseong Industrial Zone Act (the KIZ Act enacted in November 2002) as the basic law and 16 regulations,

including the KIZ Development Regulations. The KIZ Act authorizes the Central Industrial District Guidance Agency to establish detailed rules for the regulations.

Through the end of December 2012, the Gaeseong Industrial District Management Committee (KIDMAC) has enacted and implemented 51 working rules, including the KIZ Construction and Building Standards. The institutionalization of GIC operation based on South Korean laws and international standards will likely contribute to the establishment of a legal and institutional framework, which is essential for the development of future inter-Korean relations.

GIC-related Inter-Korean Agreements

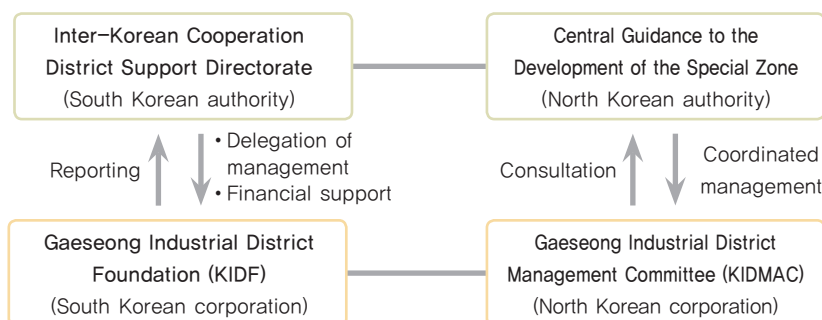
| Classification | Inter-Korean Agreements |
|--|--|
| Four major economic cooperation agreements | <ul style="list-style-type: none"> • Agreement on Investment Protection between the South and the North (Dec. 16, 2000) • Agreement on Avoidance of Double Taxation of Income between the South and the North (Dec. 16, 2000) • Agreement on Procedures for Resolution of Commercial Disputes between the South and the North (Dec. 16, 2000) • Agreement on Clearing Settlement between the South and the North (Dec. 16, 2000) |
| GIC agreements | <ul style="list-style-type: none"> • Agreement on Communications for Gaeseong Industrial Complex (Dec. 8, 2002) • Agreement on Customs Clearance for Gaeseong Industrial Complex (Dec. 8, 2002) • Agreement on Quarantine for Gaeseong Industrial Complex (Dec. 8, 2002) • Agreement on the Entry, Exit and Residence in the Gaeseong Industrial Complex and the Mount Geumgang Tourist Zone (Jan. 29, 2004) |
| Other agreements | <ul style="list-style-type: none"> • Agreement on Procedures for Verification of the Place of Origin of Goods Traded between the South and the North (Jul. 31, 2003) • Agreement on Formation and Operation of Inter-Korean Commercial Arbitration Committee (Oct. 12, 2003) • Framework Agreement on Motor Vehicle Operation between the South and the North (Dec. 6, 2002) • Framework Agreement on Train Operation between the South and the North (Apr. 13, 2004) • Agreement on Military Guarantees for Commutation, Communication and Customs Clearance in the Joint Administration Area in the East and West Seas (May 11, 2007) |

(2) Business support system

The Gaeseong Industrial Complex project is systematically supported and managed by the Inter-Korean Cooperation District Support Directorate of the South and the General Bureau for Central Guidance to the Development of the Special Zone of the North.

In October 2004, the KIDMAC was established within the complex to manage the GIC and support the production activities of GIC tenant companies. The KIDMAC is composed of five departments and one team (General Management Department, Business Support Department, Complex Management Department, Entry and Exit Department, Technology Education Department, and Legal Order Team). In the South, the Gaeseong Industrial District Foundation (KIDF) was established in December 2007 to support, guide, and supervise the KIDMAC and offer public services. The posts of chairman and vice-chairman of KIDMAC are respectively held by the chief director and full-time director of the foundation, and the staffs are dispatched from the KIDF.

GIC Business Support System



5. Support for Corporate Investment

(1) Financial support

The ROK government extends various financial support measures to GIC tenants. Through the Small & Medium Business Corporation (SBC), it has

financed KRW29 billion to 44 companies, and from 2007, it has operated an exceptional guarantee program through various credit guarantee institutions. From 2011 to 2012, it also granted a repayment deferment to those with outstanding loans from the Inter-Korean Cooperation Fund. Tenant companies suffering losses due to unexpected risks arising from North Korea's seizure of invested assets and the resultant discontinuation of their operations can also receive up to 90% coverage from the Inter-Korean Cooperation Fund through an economic cooperation insurance policy offered by the government. By the end of December 2012, 144 GIC companies, including those yet to begin construction, had signed up for this policy, with the insured amount totaling KRW500.6 billion.

In October 2012, the government conducted a survey of the management environment of GIC companies through the SBC. The survey was designed to understand the companies' financial status and to establish financial measures to support them. The results of the survey showed that the financial structure of the companies had improved continuously, with rising revenues and operating profits and a falling debt ratio. Thus, the GIC seems to be on track for stable growth. However, there were 15 companies whose operating profits were not sufficient enough to service their loans. Based on the survey results, the government plans to establish financial measures that will provide more equity for GICs as it does for SMEs.

GIC Financial Support

| Classification | Insurance | Exceptional Guarantee ² | SBC Fund ³ | Facilities Fund | Operation Fund |
|--|-----------|------------------------------------|-----------------------|-----------------|----------------|
| Number of companies | 144 | 26 | 44 | 28 | 11 |
| Amount (in hundreds of millions of won) | 5,006 | 419 | 290 | 760 | 35 |

* As of December 31, 2012

² The exceptional credit guarantee and technology guarantee program allows tenants with insufficient security to get exceptional guarantee from a credit guarantee institution when borrowing funds.

³ Tenant companies can get a loan from the Small & Medium Business Corporation Fund in accordance with the Small and Medium Enterprises Promotion Act.

(2) Support for market expansion

The ROK government is striving for the designation of the GIC as an outward processing zone (OPZ) in free trade agreements (FTAs) to assist GIC companies in finding new markets for their products. Regarding the recognition of GIC-made goods as being made in the ROK in the Korea-U.S. FTA and the Korea-EU FTA, it was agreed that a Committee on Outward Processing Zones on the Korean Peninsula would be installed a year after the FTAs became effective to discuss the designation of the GIC and some other regions in North Korea as OPZs according to certain criteria. Thus, the ROK government is exerting multifaceted efforts through this committee to get GIC-made products recognized as goods made in South Korea so that they will receive preferential tariff treatment.

The government also helped GIC tenant companies participate in exhibitions and fairs to promote their products made in the GIC and to find new markets for their goods. In 2012, companies took part in the 11th World Korean Business Convention (October 16-18, 2012) and the Busan International Footwear & Textile Fashion Week (October 25-27, 2012). The government also sponsored the organization of an exhibition and fair to promote GIC-made products at the National Assembly (November 22-23, 2012).



2012 World Korean Business Convention
(October 16-18, 2012)



Exhibition and Fair to Promote GIC-made
Products at the National Assembly
(November 22-23, 2012)

(3) Public health and medical support

From 2007 to 2012, a cooperative hospital has offered emergency medical care within the GIC. The hospital was an integration of the medical facilities of Green Doctors and those of a North Korean general clinic in the same building. In 2012, 42,064 workers from South and North Korea were treated at the hospital, with 38.8% visiting the obstetrics and gynecology department, 28.0% the surgical department, and 27.7% the internal medicine department.

The rise in the number of GIC tenant companies resulted in a higher demand for medical services in the complex. Thus, the GIC emergency medical facilities were expanded to improve medical services. By December 2012, the new emergency medical facility spanned three floors with 10 beds and a total floor space of 1,487 square meters. The facility has been in operation from January 2013 and is run by the Ilsan Paik Hospital with a medical team comprising eight staff members, including two medical specialists who are professors and two nurses who are stationed at the hospital on a full-time basis.

(4) Improvement of working conditions

The pay of North Korean workers mainly consists of a basic wage, bonus, allowances, and social insurance. The monthly minimum wage is negotiated by KIDMAC and the General Bureau for Central Guidance to the Development of the Special Zone, and it is stipulated that the monthly minimum wage not be increased by more than 5% of the minimum wage from the previous year. Starting at USD50, the monthly minimum wage rose to USD52 in August 2007, USD55 in August 2008, USD57 in August 2009, USD60 in August 2010, and USD63 in August 2011. In August 2012, a monthly minimum wage of USD67 was applied. The average wage in 2012 was approximately USD154, which included the basic wage of USD67, plus bonuses and social insurance premiums.

At the end of 2012, KIDMAC operated 276 shuttle buses for workers commuting from North Korea. GIC tenants installed sports facilities in the complex and shower facilities inside factories as part of continuing efforts to improve the working environment in the GIC.



North Koreans working in the GIC



GIC commuter buses

For enhanced productivity, the ROK government opened a technical training center in November 2007. Housed in a three-floor building with a basement, the center offers customized training for GIC companies and self-development programs for South Korean workers, and has plans to launch and operate a variety of other education programs.

Meanwhile, a daycare center was opened to support female workers from North Korea. Opened in September 2010 by agreement between the two Koreas, the center has contributed to promoting the welfare of North Korean women workers who have babies less than a year old and, in so doing, has enhanced the productivity of GIC companies. The center is operated by North Korea, and the costs of electricity and gas are covered by tenant companies.



Technical Training Center in the GIC



Day care center in the GIC

Section 3. Social and Cultural Exchanges and Cooperation

In order to ease inter-Korean tensions and maintain stability on the Korean Peninsula, the ROK government took a series of flexibilization measures from the second half of 2011 while remaining persistent in carrying out the May 24 measures. These measures allowed visits to and contact with North Korea to be made for religious, artistic and academic exchanges that are non-political, social and cultural in nature.

1. Religious Exchanges

The government allowed religious groups to visit North Korea for purely religious purposes, considering equity among religious orders and their leadership position. In March and September, 2012, 20 religious groups held working-level discussions in Beijing and Shenyang, China in preparation for a future joint inter-Korean event.

On October 13, 2012, the Jogye Order of Korean Buddhism held a joint ceremony in Singyesa Temple in the North to celebrate the temple's 5th anniversary of restoration. On November 15, 2012, the Cheontae Order visited Yeongtongsa Temple in the North, where it held a tea ceremony to celebrate the birth of Daegak Guksa and hold a joint Buddhist ceremony in celebration of the temple's 7th anniversary of restoration.

From November 13 to 17, 2012, the Organization to Commemorate Martyr Ahn Jung-geun visited Ahn's birth house in Cheonggye-dong (Sincheon-gun), Namheung Middle School, and other historical sites related with the martyr in the North and held a religious mass in Changchung Cathedral in Pyongyang.

PEACE 3000, an NGO involved in North Korean humanitarian projects, visited Pyongyang from November 17 to 21, 2012 to hold a joint religious mass prayer for unification in Changchung Cathedral.

On December 12, 2012, the ROK government organized a working-level public-private conference for religious exchanges with the North for consultation with religious groups.



Joint South–North ceremony given on the 5th anniversary of restoration of Singyesa Temple (October 13, 2012, Mt. Geumgang)



Religious mass in Changchung Cathedral (November 18, 2012, Pyongyang)

2. Academic, Cultural, and Artistic Exchanges

Due to the suspension of meetings, the South–North joint project to publish the *Big Dictionary of the Korean People's Language* has been carried out independently by the South and North Korean sides in terms of researching new vocabulary and compiling definitions. By the end of December 2012, around 190,000 new vocabulary words had been identified. Following the South's withdrawal from the South–North joint research project in Manwoldae in Gaeseong, the publication of the dictionary has not moved forward due to the North's passive attitude.

Music director Chung Myung-whun of the Seoul Philharmonic Orchestra visited Pyongyang in February 2012 for a rehearsal with the North's Unhasu orchestra ahead of a joint performance with the Radio France Philharmonic Orchestra in Paris in March 2012.

At the same time, North Korean movies have been screened at film festivals in the South. In October 2012, *Comrade Kim Goes Flying* (a joint European and North Korean production) was shown at the Busan International Film Festival, but the North turned down an invitation of the film's director to the event. At the Gwangju International Film Festival, the movie *Promise in Pyongyang* was screened in November 2012.



Maestro Chung Myung-whun directs a rehearsal in Pyongyang (February 28–March 1, 2012)



Maestro directs a joint France–North Korea performance (March 14, 2012, Paris)

3. Sports Exchanges

The Incheon Peace Cup International Youth Football Match was held in Kunming, China on January 31, 2012. A scheduled match between the South and North Korean teams was cancelled due to the refusal of the North Korean team.

South Korea contacted the North to discuss the participation of North Korean teams and inter-Korean sports exchanges at the 2013 Pyeongchang

Special Olympics, 2014 Incheon Asian Games, 2015 Gwangju Summer Universiade, and other international sports events held in the South.

President Kim In-kyu of the Asia-Pacific Broadcasting Union (ABU) visited the North on July 24, 2012 and agreed with the North's Radio and Television Broadcasting Committee on ABU's support for the North to air the 2012 London Olympic Games in the country.

4. Exchanges among Local Governing Bodies

Though active exchanges among local governing bodies have been hampered by the tense inter-Korean relations, local autonomous governments stepped in to resume exchanges. All 16 provinces and metropolitan cities in the South have established ordinances for inter-Korean exchange and cooperation following the enactment of the first such ordinance by Chungcheongbuk-do Province in November 2012. Local self-governing bodies have also raised inter-Korean cooperation funds on their own in preparation for exchanges with the North.

In 2012, the ROK government held two working-level meetings with local governments to discuss inter-Korean exchanges on February 3 and November 26. The meetings have been held since 2006 to ensure organic cooperation between local self-governing bodies and the central government and exchange information on inter-Korean projects.

Section 4. Cross-border Passage and Transport

1. Inter-Korean Transit Office

Under the Inter-Korean Exchange and Cooperation Act, all personnel and vehicles going to and returning from North Korea must pass through designated transit facilities and are subject to transit inspection. Roads and railroads were opened in the Gyeongui Corridor and the Donghae Corridor based on the agreement to connect railways and roads in the Gyeongui Corridor concluded on July 31, 2000 and the agreement to connect railways and roads on the Donghae Corridor concluded on April 5, 2002, and an inter-Korean transit office was opened on November 20, 2003 to inspect personnel and vehicles crossing border through these roads and railroads. The Inter-Korean Transit Office consists of the Gyeongui Line Administration Office in Paju, Gyeonggi-do Province to manage overland passage in the west region and the Donghae Line Administration Office in Goseong, Gangwon-do Province to manage overland passage in the east region.

The road and railroad transit facilities at the Gyeongui Line Administration Office (including Dorasan station) and the Donghae Line Administration Office (including Jejin station) were completed in 2006. The Dorasan Logistics Center and the Donghae Logistics Center were each completed in December 2007 and September 2010. The total land size of transit offices including those in the Gyeongui and Donghae transit offices is 675,988 square meters, with 51 buildings spanning 86,425 square meters.

Transit Facilities

| Classification | | Land area / number of buildings |
|--|-----------------------------|---|
| Gyeongui Line Administration Office (Paju, Gyeonggi-do) | Road transit facilities | 442,015m ² (39 buildings) |
| | Railroad transit facilities | |
| | Logistics center | |
| Donghae Line Administration Office (Goseong, Gangwon-do) | Road transit facilities | 233,973m ² (12 buildings) |
| | Railroad transit facilities | |
| | Logistics center | |



Gyeongui road transit facilities



Gyeongui railroad transit facilities
(Dorasan station)



Donghae road transit facilities



Donghae railroad transit facilities
(Jejin station)

The transit office is jointly and collaboratively manned by staff from the Ministry of Justice, Ministry of Health and Welfare, Ministry of Agriculture, Food and Rural Affairs, Korea Customs Service, Ministry of Food and Drug Safety, and Cultural Heritage Administration for inspection of cross-border passages.

On June 8, 2009, the transit office formulated the Inter-Korean Transit Office Operation Regulations by instruction from the Prime Minister, providing the basis for collaboration among the relevant ministries such as exchanging information and making joint responses in case of emergencies. Accordingly, the Inter-Korean Transit Office Operation Council is held every month with the head of the transit office serving as its chairman and each ministry represented by a government official or employee. As of December 2012, the council had met 44 times to share information on work involving two or more ministries and take joint actions as necessary.

2. Inter-Korean Transit Procedures

Travel between South and North Korea is defined by the concepts of exit rather than departure and entry rather than arrival, and administered under the transit office rather than the immigration office. This is in line with Article 3 of the Development of Inter-Korean Relations Act enacted on December 29, 2005 that defines that ‘inter-Korean relations are not relations between nations, but special relations established temporarily in the course of pursuing unification,’ and Article 12 of the Inter-Korean Exchange and Cooperation Act that provides that ‘transactions between South Korea and North Korea shall be deemed internal transactions between the same people, not those between nations.’

The procedures and methods for inter-Korean travel are also different compared to those for international travel. Travelers need passports to travel abroad, but for cross-border visits to the North, South Koreans need to obtain prior approval from the Ministry of Unification and have a visitation certificate issued by the Unification Minister instead of a passport. However, the procedures for entry inspection, customs clearance, and quarantine are the same as those for immigration.

Arrival & Departure vs. Entry & Exit

| Classification | Arrival/Departure | Entry/Exit |
|----------------|---|---|
| Difference | <ul style="list-style-type: none"> • Traffic and transactions between countries (concept of border) • Passport and/or visa needed • Under the jurisdiction of the Immigration Office (Ministry of Justice) | <ul style="list-style-type: none"> • Traffic and transaction between the same people (special relations, no border concept) • Visitation certificate and/or certificate of passage (certificate of sojourn) needed • Under the jurisdiction of Inter-Korean Transit Office (Ministry of Unification) |
| Common feature | <ul style="list-style-type: none"> • Inspection, customs clearance, quarantine procedures | |

To visit North Korea, South Korean visitors must obtain prior approval from the Ministry of Unification and get a visitation certificate issued. To visit the GIC, visitors must apply for a certificate of passage or a certificate of sojourn and submit their travel plans through the OK System (<http://oks.kidmac.com>)—the online application system operated by the Gaeseong Industrial District Foundation (KIDF).

After applying for entry, visitors must confirm whether their travel application has been approved by the Ministry of Unification through the Tong Tong System (<http://www.tongtong.go.kr>), an online inter-Korean exchange and cooperation system run by the Ministry. On the day of exit from South Korea, they must present their visitation certificate to the inter-Korean transit office for exit inspection. In North Korea, they must present their certificate of passage or a certificate of sojourn for entry inspection. When applying for a certificate of passage or a certificate of sojourn, visitors can also apply for an orientation on visiting North Korea.

To visit North Korea by car, visitors must apply for a visitation certificate and, prior to submitting their travel plan, apply for the use of a vehicle. For visits to the GIC, a radio frequency identification (RFID) pass is automatically

issued by the online inter-Korean exchange and cooperation system, allowing for an electronic, automatic inspection at the time of entry or exit. By posting the pass on the front of the vehicle, visitors can pass through the vehicle inspection gate quickly and smoothly.

GIC visit application procedures



3. Overview of Cross-Border Passage

(1) Overland passage

From 2003, when statistics for cross-border passage were recorded for the first time, through 2012, a total of 2,619,006 people and 680,537 vehicles crossed the border by land. From 2008 to 2012 during the Lee Myung-bak administration, 971,872 people and 432,558 vehicles crossed the border by land. During this period, a series of provocative acts by the North—fatal shooting of a South Korean tourist by a North Korean armed guard at the Mount Geumgang resort, the unilateral decision to restrict access to Gaeseong, the 2nd nuclear test, the sinking of Cheonan ship, and shelling of Yeonpyeong Island—has caused the cross-border traffic to fall significantly. Despite the North's provocations, the ROK government worked to ensure safe passage for the personal safety of its nationals who visit or stay in the GIC and other areas in North Korea.

Traffic on the Gyeongui corridor road has remained between 110,000 and 120,000 people and between 70,000 and 80,000 vehicles every year since 2009, with South Korean commuters working in the GIC and vehicles carrying raw materials and goods accounting for most of the traffic. In 2012, a total of 121,038 people and 88,586 vehicles crossed the border by land, which is a 5% and 8.8% rise from the previous year, respectively.

To ensure a safe and quick passage of GIC workers and vehicles, the Gyeongui Line Administration Office has worked to improve transit regulations and simplify procedures. On June 27, 2012, the number of personnel passing through the Gyeongui corridor road passed the one million mark.



Ceremony commemorating the one millionth passage through Gyeongui Line Administration Office (June 27, 2012)

Traffic in the Donghae corridor fell sharply following the suspension of Mt. Geumgang tours in July 2008. At the end of December 2012, there was only intermittent traffic in the corridor and practically no regular traffic.

Traffic in the Gyeongui and Donghae Corridors

| Classification \ Year | | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------------|----------|--------|---------|---------|---------|---------|---------|
| Gyeongui | Persons | 3,643 | 24,164 | 66,772 | 84,100 | 144,971 | 263,258 |
| | Vehicles | 1,249 | 15,314 | 38,868 | 47,352 | 71,857 | 91,309 |
| Donghae | Persons | 39,395 | 296,924 | 335,713 | 266,541 | 384,911 | 223,972 |
| | Vehicles | 3,143 | 15,585 | 19,852 | 14,724 | 20,035 | 12,456 |
| Persons total | | 43,038 | 321,088 | 402,485 | 350,641 | 529,882 | 487,230 |
| Vehicles total | | 4,392 | 30,899 | 58,720 | 62,076 | 91,892 | 103,765 |

| Classification \ Year | | 2009 | 2010 | 2011 | 2012 | Total |
|-----------------------|----------|---------|---------|---------|---------|-----------|
| Gyeongui | Persons | 115,026 | 126,107 | 115,249 | 121,038 | 1,064,328 |
| | Vehicles | 72,929 | 83,308 | 81,414 | 88,586 | 592,186 |
| Donghae | Persons | 3,682 | 3,051 | 436 | 53 | 1,554,678 |
| | Vehicles | 1,323 | 1,027 | 198 | 8 | 88,351 |
| Persons total | | 118,708 | 129,158 | 115,685 | 121,091 | 2,619,006 |
| Vehicles total | | 74,252 | 84,335 | 81,612 | 88,594 | 680,537 |

By agreement with the North, cross-border passages are allowed only during specific time ranges. At the Gyeongui Line Administration Office on weekdays, there are 11 exits from 8:30 am to 4:30 pm and 10 entries from 10am to 5 pm, totaling 21 entry and exit times. On Saturdays, there are seven exits and five entries from 8.30 am to 2.30 pm. There are no entries or exits on Sundays and on North Korean holidays.

Cross-border passages were greatly impacted by the North's unilateral decision on December 1, 2008 to restrict access to Gaeseong. In that year, passages were temporarily suspended due to the North's blocking of communication lines between the South and North Korean armies during the ROK-U.S. Key Resolve military exercise in March. With the adoption

of Resolution 1874 by the United Nations Security Council following North Korea's second nuclear test conducted on May 25, 2009, transit offices reinforced inspections of strategic goods, luxury goods, and other goods whose shipment into North Korea is prohibited.

Meanwhile, the Gyeongui Line Administration Office is also equipped with facilities for inter-Korean working-level meetings. On March 29, 2011, an inter-Korean meeting of experts regarding Mt. Baekdu volcano was held at the office. Also, the transit office is being used as an educational site to learn about unification and national security. The office received 6,062 visitors in 2011 and 7,287 visitors in 2012, and the number has been on the rise every year.

(2) Freight Trains

The construction of railroad tracks connecting South and North Korea on the Gyeongui and Donghae lines was completed in December 2005. The Gyeongui Line runs 27.3km from Munsan in the South to Gaeseong in the North, and the Donghae Line runs 25.5km from Jejin in the South to Mt. Geumgang in the North. Subsequently, the Inter-Korean Economic Cooperation Promotion Committee held its 13th meeting in April 2007 and agreed to conduct test runs on May 17, 2007. On December 11, 2007, freight trains began to shuttle between the Dorasan station on the South's side of the Gyeongui Line and the Panmun station in the North five times a week.

Initially, a 12-car train (one locomotive, ten freight cars, and one caboose) began operation, but the two sides agreed to run freight vehicles only when there was freight. When there was no freight to haul, only the locomotive and the caboose were operated. However, the operation has been suspended following the North's unilateral restriction of overland passage on December 1, 2008.

When freight trains were in operation from December 2007 to November 2008, 31 freight cars carried 318 tons of freight on 222 round trips, of which 24 cars carried 235 tons of freight to the North and 7 cars 75 tons to the South. Most of the cargoes were materials shipped to and from the GIC.

(3) Maritime transport

Based on the Inter-Korean Agreement on Maritime Transportation, which went into effect in August 2005, and subsequent implementation agreements, sea routes were opened between seven South Korean ports (Incheon, Gunsan, Yeosu, Busan, Ulsan, Pohang, and Sokcho) and seven North Korean ports (Nampo, Haeju, Gosong, Wonsan, Heungnam, Chongjin, and Rajin), allow allowing South and North Korean vessels to navigate on the routes. In addition, the authorities for maritime affairs in the South and in the North have operated a telephone line and a facsimile line since August 2005 to authorize the passage of vessels and provide vessel operation information in support of safe and smooth navigation. However, the May 24 measures, which were taken by the ROK government in response to the sinking of the Cheonan warship by North Korea, banned North Korean ships from using South Korean shipping lanes and the North also banned South Korean ships from its shipping lanes.

From 2008 to 2012, there were 11,814 one-way maritime trips between the two Koreas. The number of voyages fell considerably after May 2010 due to suspension of inter-Korean trade under the May 24 measures. Except for maritime transport to carry agricultural, forestry, and fishery products, as well as the remainder of processed garments, the shipment of which was temporarily allowed to minimize the damage suffered by South Korean companies, as well as food and other assistance supplies, most maritime travel between the two Koreas involved simple transit by vessels of a third country through South Korean ports.

From the time the Inter-Korean Agreement on Maritime Transportation went into effect until May 2010, North Korean vessels made a total of 2,165 trips through South Korean territorial waters, of which 1,477 were inter-Korean voyages and 688 were passages from the North to the North through the South's waters (eg. between Nampo in the west and Cheongjin in the east).

Vessel operations between South and North Korea

| Year | 1994~2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------------------|-----------|-------|-------|--------|-------|-------|-------|------|------|
| Operation (one-way) | 13,131 | 4,497 | 8,401 | 11,891 | 7,435 | 2,577 | 1,432 | 142 | 228 |

(4) Air transport

Air traffic between South and North Korea has fluctuated since the temporary direct air route between Seoul and Pyongyang off the west coast was opened for the Inter-Korean Summit in 2000. From 2008 to 2012, there were 77 one-way air flights between the two Koreas. Following the May 24 measures, only two third-country aircrafts traveled between the South and the North, one by the Asian Football Confederation President and his delegation and the other by former U.S. President Jimmy Carter and members of the Elders Group, which both occurred in April 2011.

Flights between South and North Korea

| Year | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Flight (one-way) | 43 | 19 | 67 | 112 | 28 | 208 | 88 | 153 | 64 | 11 | — | 2 | — |

Section 5. Inter-Korean Economic Cooperation Consultation Office

On July 12, 2005, the Inter-Korean Economic Cooperation Promotion Committee concluded the Agreement on the Establishment and Operation of an Office for Inter-Korean Economic Cooperation Consultation. The agreement was signed during their tenth meeting in an effort to expand inter-Korean economic cooperation. By agreement between the two Koreas, the committee subsequently opened the Inter-Korean Economic Cooperation Consultation Office within the GIC on October 28, 2005 (the facility was renamed Inter-Korean Exchange and Cooperation Consultation Office by Presidential Decree 20721 on February 29, 2008).

The consultation office is represented by the South and North Korean authorities working in the same building. Through regular contacts, it mainly offers on-site support and promotional activities for inter-Korean exchanges and cooperation projects. For instance, it mediates and offers consultation on economic transactions and investments, provides liaison services and trade- and investment-related materials, offers business consultations, organizes trade meetings and briefings, and participates in trade fairs.

Business Consultations and Number of Participants

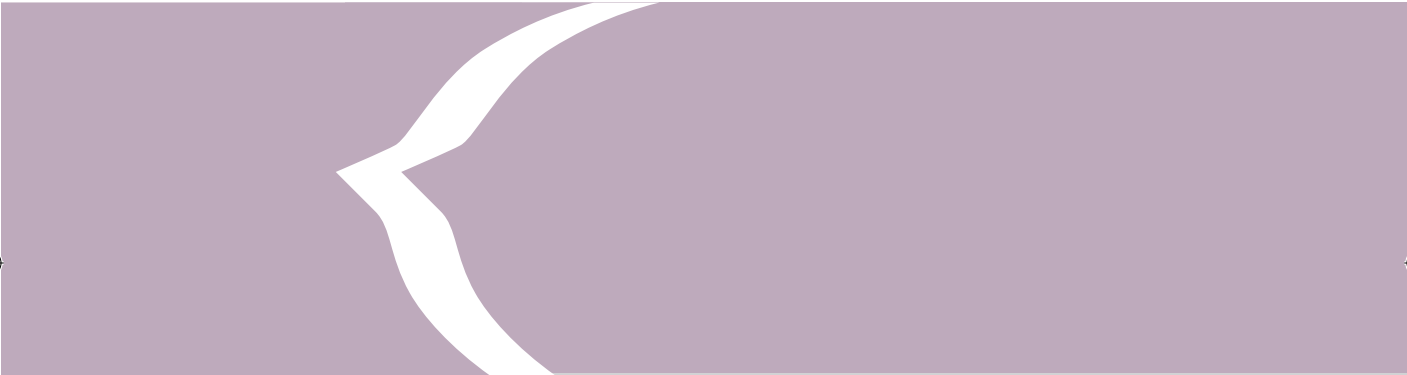
| Classification Year | Number of consultation | | | | | Number of participants | | |
|------------------------|--------------------------|---------------|---------------|-----------------|-------|------------------------|-------------|-------|
| | Processing on commission | Coop. project | General trade | Support project | Total | South Korea | North Korea | Total |
| 2005 | 13 | 16 | 9 | 5 | 43 | 160 | 111 | 271 |
| 2006 | 222 | 131 | 69 | 24 | 446 | 1,396 | 1,149 | 2,545 |
| 2007 | 316 | 94 | 64 | 36 | 510 | 1,540 | 1,386 | 2,926 |
| 2008 | 156 | 64 | 46 | 19 | 285 | 1,012 | 1,040 | 2,052 |

| Classification Year | Number of consultation | | | | | Number of participants | | |
|------------------------|--------------------------|---------------|---------------|-----------------|-------|------------------------|-------------|-------|
| | Processing on commission | Coop. project | General trade | Support project | Total | South Korea | North Korea | Total |
| 2009 | 75 | 13 | 23 | 7 | 118 | 339 | 461 | 800 |
| 2010 | 39 | 15 | 15 | 5 | 74 | 256 | 320 | 576 |
| 합계 | 821 | 333 | 226 | 96 | 1,476 | 4,703 | 4,467 | 9,170 |

* As of May 26 for year 2010

The consultation office has been subject to the fluctuations in inter-Korean relations. North Korea expelled 11 South Korean officials from the office on March 27, 2008, three days after making the unilateral decision to do so. The operations of the office were discontinued from December 1, 2008 to September 6, 2009 after the North announced on November 24, 2008 that it would shut the office down. Operations then resumed on September 7, 2009. However, on May 26, 2010, the North shut down the office again and expelled its South Korean officials in response to the South's May 24 measures following the sinking of the Cheonan warship. An office was opened in Seoul but, as of the end of December 2012, its operation has yet to be normalized.

While the consultation office has been suspended by the North's unilateral decision, the ROK government continued to communicate with companies engaged in economic cooperation with the North. In 2012, the government organized 33 information sessions to explain the status of inter-Korean relations, and collect opinions and listen to businesses' difficulties to use in its policy-making.



W H I T E P A P E R O N K O R E A N U N I F I C A T I O N

Chapter 4

Inter-Korean Humanitarian Issues

Section 1 Separated Families

Section 2 South Korean Prisoners of War and Abductees in
North Korea

Section 3 Humanitarian Aid

Section 4 Human Rights in North Korea

Chapter 4 Inter-Korean Humanitarian Issues

Inter-Korean humanitarian issues encompass all concerns related to separated families, South Korean prisoners of war, and abductees (caused by the Korean War and the ensuing division), as well as humanitarian aid to the North and North Korean human rights concerns. The government has given priority to resolving inter-Korean humanitarian issues and is working to alleviate the pains of division for both South and North Koreans and to improve the quality of their lives.

Though no family reunions were officially organized in 2012, the government supported efforts at the non-governmental level. In accordance with the Act on the Promotion of Information and Exchanges between Separated Families of North and South Korea, enacted in March 2009, it established a basic plan to promote exchanges of separated families in consultation with relevant ministries, experts, and organizations in June 2012. It also initiated a project to produce video messages from separated families.

Based on the recognition that the protection of nationals is an obligation of the state, the government has also addressed the issue of South Korean prisoners of war and abductees as a key task of its North Korea policy. However, the North's uncooperative attitude has hindered progress, especially with regard to the inter-Korean dialogues. However, the South Korean government has been steadfast in supporting victims of war-time and post-war abductions,

revealing the truth about North Korea's role and restoring the reputation of the victims. It has provided monetary compensation to post-war abductees and officially recognized 1,107 victims as war-time civilian abductees. In another effort to resolve the issue, it launched the pan-governmental Commission for Abductees in December 2011.

Humanitarian aid efforts organized by NGOs, which were temporarily halted following to the North's attack on Yeonpyeong Island, were resumed in March 2011. In 2012, the government continued its commitment to humanitarian assistance for infants, children, and other particularly exposed groups in North Korea.

North Korea's human rights abuse remains an area of great concern for the ROK government. It co-sponsored the resolution regarding North Korea's human rights situation, which was adopted by the 19th session of the UN Human Rights Council and the 67th UN General Assembly, while strengthening cooperation with the international community to improve the conditions in the North. It is also working closely with the National Assembly to get the North Korean Human Rights Bill passed into law.

Section 1. Separated Families

1. Establishment of a Basic Plan to Promote Exchanges between Separated Families

The issue of separated families needs to be resolved promptly for the sake of humanitarian purposes, given the aging of these families. The ROK government is working in various ways to resolve this issue. In 2011, it conducted a survey of surviving members of separated families who had previously applied to search for their families in the North. Then, for the first time in June 2012, it established a basic plan to promote contact between the families.

The plan is drawn up every three years in accordance with the Act on the Promotion of Information and Exchanges between Separated Families in North and South Korea. The 2012 plan reflects the result of the 2011 survey and consultations with the relevant ministries, experts, and organizations. Among other things, it incorporates governmental and non-governmental efforts to resolve the issue of separated families, past outcome, and how the government plans to resolve the issue.

Based on this plan, the government will work to resume inter-Korean talks with the North through the Red Cross in order to confirm the living status of separated individuals. Additionally, it will promote the exchange of personal letters between separated family members and organize regular reunions. Furthermore, it will endeavor to reopen the Reunion Center in Mt. Geumgang and develop a consultation channel with the North. It will also consider opening an additional reunion center in the Western region for enhanced accessibility.

To support the efforts in the private sector, the government will raise the level of financial support to confirm the living status of separated family members and for their subsequent reunions in a third country. It will also

extend aid to the Separated Families Association and find ways to enhance the credibility of the association.

As part of its own efforts to support separated families, the government will produce and store videos of separated families for identification purposes. The production of video materials was initiated in 2005 to prepare for possible large-scale and posthumous exchanges. The government also plans to store the DNA of separated family members upon request.

2. Organization of Family Reunions

Based on agreements resulting from the South-North Red Cross talks and working-level meetings, 18 face-to-face and seven video reunions have taken place between 2000 and 2012. Through these reunions, 4,321 families and 21,734 individuals of separated families met.

Exchanges of Separated Families Organized by the Government (2000–2011)

| Classification | South Korea | North Korea | Total |
|------------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| Face-to-face reunion (18 times) | 1,874 families (11,800 people) | 1,890 families (6,186 people) | 3,764 families (17,986 people) |
| Video reunion (7 times) | 279 families (2,257 people) | 278 families (1,491 people) | 557 families (3,748 people) |
| Total | 2,153 families (14,057 people) | 2,168 families (7,677 people) | 4,321 families (21,734 people) |

Subsequent to North Korea's attack on Yeonpyeong Island and other acts of provocation, exchanges of separated families have been discontinued. The last reunion took place during Chuseok 2010. On February 14, 2012, the government proposed a working-level, face-to-face meeting between the South and North Korean Red Cross organizations to discuss the reunion of

separated families on humanitarian grounds. The proposed meeting never materialized due to a lack of response from the North. On August 8, 2012, the government reiterated its February proposal, stressing the need to resume family reunions on Chuseok holidays. However, the North essentially rejected the South's proposal, predicated its actions on the resumption of tourism in Mt. Geumgang. The ROK government will attempt to resolve the separated families issue as soon as inter-Korean dialogue resumes.

In an attempt to pressure South Korea to resume the Mt. Geumgang tours, the Separated Families Reunion Center in Mt. Geumgang, which was completed in July 12, 2008, was unilaterally confiscated by the North on April 27, 2010. However, the ROK government has, at every opportunity, urged the North to reopen the reunion center.



Separated Families Reunion Center in Mt. Geumgang

3. Support for Family Exchanges Arranged by the Private Sector

In addition to government-level exchanges, the ROK government has continuously supported exchanges of separated families organized by the private sector. In 2012, it raised the limit of financial assistance to support

these efforts; thus, agencies involved in helping separated families locate their relatives in the North are eligible to receive up to 2 million won for confirming the living or non-living status of a family member, 5 million won for arranging a reunion, and 500,000 won for organizing continuous exchanges of personal letters between separated family members.

The government is also working to raise the credibility of agencies involved. Since February 2012, it has extended administrative and financial support to the Separated Families Association, an organization established by private agencies.

Nevertheless, the number of non-governmental exchanges has continued to decline from its peak of 314 in 2008, to 119 in 2009, 38 in 2010, 28 in 2011, and 25 in 2012. The continued decrease is likely due to a reduced demand for family exchanges, as individuals have aged or passed away, or to the increased control by North Korean authorities. To facilitate exchanges of separated families organized in the private sector, the ROK government plans to publicize procedures for receiving financial support for such exchanges and to continue to support private agencies engaged in these efforts.

Exchanges of Separated Families Organized in the Private Sector

| Year Classi- fication | 1990~ 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | Total |
|--|---------------|-------|-------|------|------|------|------|------|------|------|--------|
| Confir- mation of living status | 3,113 | 209 | 276 | 69 | 74 | 50 | 35 | 16 | 3 | 6 | 3,851 |
| Exchange of letters | 8,612 | 776 | 843 | 449 | 413 | 228 | 61 | 15 | 21 | 16 | 11,434 |
| Reunion | 1,277 | 188 | 95 | 54 | 55 | 36 | 23 | 7 | 4 | 3 | 1,742 |
| Total | 13,002 | 1,173 | 1,214 | 572 | 542 | 314 | 119 | 38 | 28 | 25 | 17,027 |

4. South Korea's Efforts to Assist Separated Families

In addition to arranging exchanges of separated families both at the governmental and non-governmental level since 2008, the ROK government has invited these families to various events to explain its policy as well as to comfort them. In the first half of 2012, it organized four events for separated family members, attracting about 100 people from each region of the country. Families enjoyed a contest featuring North Korean regional cooking and listened to presentations about government exchange programs with the North. On September 5, it held a policy information session for 250 people of North Korean origin who have lived in the South since the war, and on October 17, it invited separated families living in Gyeonggi-do Province to an information session and a visit to Panmunjeom. During the Chuseok holidays and at the end of the year, government officials visited aging separation survivors living in isolation to console them and to convey the message that the government is committed to resolving the issue.



Vice-minister of Unification visits a separated family member
(September 26, 2012)

Recognizing that elderly survivors might not survive long enough, the government produced thousands of video messages from separated family members in the South to be preserved and someday presented posthumously to relatives in the North.

During a survey of demand conducted from August 6 to September 28, 2012, the government received 16,800 applications to make a video message. It was planned that work would proceed in stages, beginning in December 2012, with 800 applicants. In 2013, 5,000 more people will be scheduled for video sessions, and the remaining applicants will make their videos in 2014. The video messages will be stored at the Integrated Information Center for Separated Families and pending agreements with the North through the Red Cross will be delivered to families in North Korea.

The government is also updating profiles of separated family members registered with the Integrated Information Center for Separated Families. As of December 2012, 53,943 of a total of 128,779 registered people had passed away, leaving 74,836 survivors registered with the center.

Separated Family Survivors Registered with the Integrated
Information Center for Separated Families

| Classification | 90+ | Ages 80-89 | Ages 70-79 | Ages 60-69 | Ages 50-59 | Total |
|------------------------|-------|---------------|---------------|---------------|---------------|--------|
| Number of survivors | 5,429 | 28,796 | 24,913 | 9,351 | 6,347 | 74,836 |
| Percentage | 7.2 | 38.5 | 33.3 | 12.5 | 8.5 | 100 |

* As of December 31, 2012

Section 2. South Korean Prisoners of War and Abductees in North Korea

1. Current Status

At the end of the Korean War, the United Nations forces exchanged prisoners of war (POWs) with the North Korean army during three rounds of exchanges from April 1953 to January 1954. Although at that time, the UN forces estimated that missing South Korean soldiers numbered about 82,000, only 8,343 were repatriated from the North. It was thus presumed that a considerable number of missing South Korean soldiers were being forcibly detained. Since the October 1994 escape of war prisoner second lieutenant Cho Chang-ho, a total of 80 POWs have fled to the South (as of late December 2012). The Ministry of National Defense estimates that there are about 500 South Korean prisoners of war still alive in the North, based on the testimony of other POW escapees and North Korean refugees.

Abductees are generally divided into two categories: war-time abductees kidnapped during the Korean War (June 25, 1950-July 27, 1953) and post-war abductees (those abducted after the war). The statistics on war-time abductees vary depending on when and who conducted the surveys. According to the Statistical Yearbooks of 1952 and 1953, the number of war-time abductees was estimated to be over 80,000. As to post-war abductees, there were 3,835 of whom 3,318 were repatriated to the South, and eight who escaped after a long period of detainment. In December 2012, the number of post-war abductees still held by the North was estimated to be 517.

Post-war Abductees (estimates)

| Classification | | Fishermen and sailors | Korean Air passengers | Military and police | Others | | Total |
|----------------|--------------------------|-----------------------|-----------------------|---------------------|--------|--------|-------|
| | | | | | Korea | Abroad | |
| Abducted | | 3,729 | 50 | 30 | 6 | 20 | 3,835 |
| Returned | Repatriated by the North | 3,271 | 39 | — | — | 8 | 3,310 |
| | Escaped the North | 8 | — | — | — | — | 8 |
| Still captive | | 458 | 11 | 30 | 6 | 12 | 517 |

Since the inter-Korean summit in 2000, the ROK government has consistently attempted to talk with the North to resolve the issue of South Korean POWs and abductees. North Korea has refused to discuss the matter, however, arguing that the POW issue had already been settled through the exchange of prisoners according to the armistice agreement and further, that no abductees were in its territory.

The ROK government has pursued the issue of POWs and abductees as a key task of its North Korea policy, recognizing it as part of the state's basic duty to protect its nationals. The government has been committed to resolving the issue through repatriation, rather than from the standpoint of separated families. Based on this position, the South has continued to bring up the topic of POWs and abductees, urging a resolution whenever the opportunity has arisen, i.e., during the inter-Korean Red Cross talks in October 2010 and working-level meetings in October 2009. The South proposed in February and August 2012 to establish working-level contacts between the South and North Korean Red Crosses to discuss the separated family and the POW/abductee issues, but the North refused to accept the proposal.

2. Support for Post-war Abduction Victims

The Act on Supporting South Korean Victims Abducted by North Korea after the Korean War was enacted on April 27, 2007 and took effect on October 28, 2007. In accordance with the Act, the Consultative Committee on Compensation and Support for Abduction Victims was established in November 2007 under the auspices of the Prime Minister's Office to deliberate on compensation and support for abduction victims. By October 2010, the committee had received 448 applications from abduction victims, including 428 for monetary compensation, eight for settlement allowance, and 12 applications for compensation due to death or injury caused by exercise of public power by the state.

From November 2007 to September 2011, the committee held 40 general sessions, determining the amount of payment in 425 cases (totaling 14.51 billion won). Of the total disbursement, 12.91 billion won went to 416 families in monetary compensation (31 million won on average), 1.52 billion won to eight persons as settlement allowance (191 million won on average), and 68 million won to one person as compensation for death or /injury caused by exercise of public power by the state.

Financial and Other Compensation for Abduction Victims

| Classification | Application | Payment decision | Payment amount (in thousands of won) |
|--|-------------|------------------|---|
| Financial compensation | 428 | 416 | 12,914,573 |
| Settlement allowance and living expenses support | 8 | 8 | 1,528,320 |
| Other compensation | 12 | 1 | 67,604 |
| Total | 448 | 425 | 14,510,497 |

As part of providing support for abduction victims, year-end and holiday visits have been organized with families of abductees who are in dire financial need. Program workers lent a sympathetic ear and presented them with some household necessities and a small stipend.

On April 28, 2011, following revisions to the Act on Supporting South Korean Victims Abducted by North Korea after the Korean War, the government established the Federation of Families of Post-War Abduction Victims to promote friendly ties among victims and protect their rights. The revised law provides the basis for state and local self-governing bodies to support the operation of this organization within the allocated budget. After revision of the law on August 7, 2012, the federation was approved as an organization and financed for part of its operating expenses.

Meanwhile, the government established the Regulations on the Installation and Operation of Abductees Committee (by order of the Prime Minister) on December 26, 2011, and also launched the Abductees Committee as a pan-governmental body to oversee abductee matters. Headed by the Vice-Minister of Unification, the committee comprises public officials from the Ministry of Unification, the Ministry of Foreign Affairs and Trade, the Ministry of Justice, the Ministry of National Defense, Prime Minister's Office, National Intelligence Service, Police Agency, and representatives of the Korean Red Cross. It is charged with establishing overall measures to resolve abductee-related issues and other pending matters. The committee met twice in 2012 (January 20 and June 1) for discussions on policy direction and cooperation measures with the international community.

To reorganize the Abductees Committee through legislation (the committee currently exists by order of the Prime Minister), the Ministry of Unification has been persuading other ministries to ensure that its proposed revision to the Act on Supporting South Korean Victims Abducted by North Korea after the Korean War is passed at the National Assembly. To this end, it has taken various courses of action, such as meeting with the National Assembly's Foreign Affairs & Unification Committee.

3. War-time Abductees

During the Korean War, North Korea besieged civilians, kidnapping prominent figures and intellectuals from the South. The North Korean army, which had forcibly mobilized a large number of South Korean civilians into labor and drafted many into its army, took them back to the North when they retreated. The number of war-time abductees varies depending on when and by whom the surveys were conducted, but the number is estimated to be between 80,000 and 100,000 based on a government list of abductees.

List of War-time Abductees Published by the Government

| List | Organization | Year of survey | Number of abductees | Availability |
|--|--|----------------|---------------------|------------------|
| Registry of Victims in Seoul | Statistics Bureau, Office of Public Information | 1950 | 2,438 | Available |
| Registry of Those Abducted during the Korean War | Statistics Bureau, Office of Public Information | 1952 | 82,959 | Available |
| Registry of Those Abducted during the Korean War | Police Bureau, Ministry of Home Affairs | 1952 | (126,325) | Lost |
| Registry of Those Abducted during the Korean War | Statistics Bureau, Office of Public Information | 1953 | (84,532) | Lost |
| Registry of Those Abducted during the Korean War | Police Bureau, Ministry of Home Affairs | 1954 | 17,940 | Available |
| Registry of Displaced Family Members | Ministry of National Defense | 1963 | 11,700 | Vol. 1 available |
| | | | | Vol. 2 lost |

From the beginning of the Korean War until 1963, the government updated its abductee list several times, attempting to confirm whether those on the list were dead or alive, and if living, to seek their repatriation. During the Cold War, however, government efforts, as well as those of the families, were discontinued when progress seemed unlikely amidst escalating confrontation between the two Koreas.

In 2000, the Association of the Families of Abductees was reestablished, and since then, it has continuously urged the government and politicians to resolve the issue of war-time abductees and further look into this matter to help victims recover their honor. Bills were proposed during the 16th and 17th sessions of the National Assembly. When the legislation failed to pass, the bills were abrogated with the end of the sessions. At the 18th session, separate bills were proposed by lawmakers Kim Moo-sung and Park Sun-young, which were jointly reviewed by the National Assembly Foreign Affairs & Unification

Committee and approved at the plenary session. Thus, the Act on Fact-finding on Korean War Abduction Victims and Restoration of the Reputation of the Victims was promulgated on March 26, 2010, and took effect on September 27 of that year.

Key Contents of the Act on Fact-finding into Korean War Abduction Victims and Restoration of the Reputation of the Victims

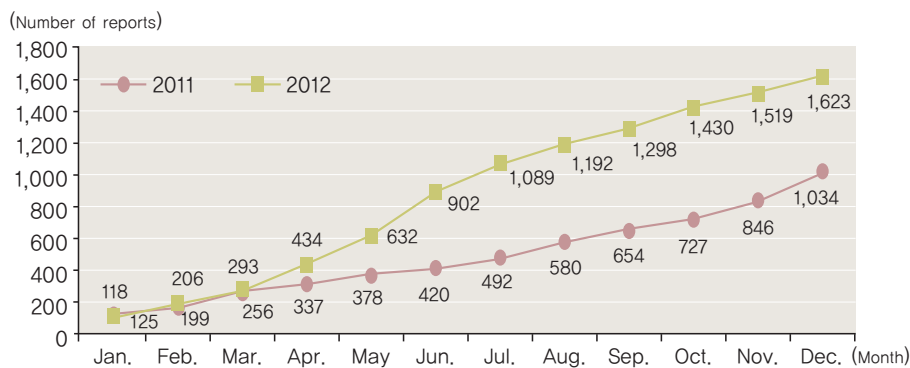
- Establish and operate a Committee on Fact-Finding of Korean War Abductions and the Restoration of the Reputation of the Victims under the Prime Minister
- Receive reports of war-time abductions, carry out investigation, and review and determine whether abduction took place
- Collect and analyze documentations related with war-time abductions
- Establish and operate working-level committees at the municipal and provincial level under mayors or governors
- Produce a fact-finding report on war-time abductions and announce it officially after reporting it to the President and the National Assembly
- Organize commemorative programs to restore the honor of abductees and their families
- Establish and implement policy for verification of the life and death of abductees, their repatriation, exchange of communication and family reunions as an obligation of the state

On September 27, 2010, the government set up the Secretariat for the Committee on Fact-Finding of Korean War Abductions and the Restoration of the Reputation of the Victims. Launched on December 13 of that year, the secretariat had one division (two departments) and a staff of 24. The committee comprised 15 members—the Prime Minister (the chair), the Minister of Unification, Minister of Foreign Affairs & Trade, Minister of National Defense, Minister of Security and Public Administration, and Commissioner General of the National Police Agency (five government representatives) three representatives of abductee families, and six experts. The government then set out in earnest to investigate the truth about North Korea's abductions during the Korean War. To operate in an efficient way, the committee organized sub-

committees to review deliberation matters in advance.

The Committee on Fact-Finding of Korean War Abductions and the Restoration of the Reputation of the Victims directed that local self-governing entities install working-level committees at the municipal or provincial level (committee chaired by mayors or governors) to receive reports of war-time abductions and to conduct investigations. Starting from January 3, 2011, it began receiving reports of war-time abductions through municipal, county, and district offices nationwide as well as through diplomatic missions overseas. That year, 1,034 such reports were filed. In 2012, the government launched various PR activities to raise public awareness of war-time abductions. As a result, a considerably higher number of reports—1,623 in total—was received.

Number of war-time abduction reports received in 2012



The committee installed an investigation team in July 2012 to promptly handle the rising number of reports filed.

As a result, the team handled 929 cases in 2012—a significant rise from the 319 cases handled in 2011. In December 2012, a total of 1,107 people were officially recognized as war-time abductees.

Result of deliberations on wartime abductees

| Meeting | Cases deliberated | Deliberation result | | |
|---------------------------------|-------------------|---------------------|-----------|-----------------------|
| | | Decided | Undecided | Decision not possible |
| 3 rd (Aug. 2, 2011) | 55 | 55 | – | – |
| 4 th (Dec. 13, 2011) | 264 | 217 | 28 | 19 |
| 5 th (Apr. 5, 2012) | 144 | 120 | 11 | 13 |
| 6 th (Jun. 20, 2012) | 386 | 351 | 11 | 24 |
| 7 th (Oct. 11, 2012) | 399 | 364 | 7 | 28 |
| Total | 1,248 | 1,107 (88.7%) | 57 (4.6%) | 84 (6.7%) |

Meanwhile, the committee took action to raise public awareness of war-time abductions through various public service ads on subways and buses, in traditional markets and public facilities, and on TV crawler lines, radio, and newspapers.



Ad on subway platform door



Banner ad (Gwangjang Market in Seoul)

It also organized meetings with Korean expats and with reporters in New Zealand to inform them of the government's activities on war-time abductions.



Meeting with Korean expats in Oakland (September 3–8, 2012)

To show the government's commitment, the Prime Minister invited families of war-time abductees to his residence on June 20, 2012 on the occasion of the anniversary of the Korean War (June 25). In addition, during the second half of 2012, two on-site visits were organized for the families of abductees.



Families of war-time abductees meet the Prime Minister in his residence (June 20, 2012)



On-site visits organized for families of war-time abductees (September 20–21, 2012)

The committee is also engaged in finding and collecting various source materials on war-time abductions inside and outside Korea, which will be used to accurately assess the number of kidnappings and what really happened.

From December 2010 to 2012, the committee examined source materials in Korea and abroad, gathering over 800 records related to war-time abductions. These included documents and publications owned by the National Archives of Korea as well as by other reputable archival institutions. To shed light on the full scope of war-time abductions by the North, excerpts from six daily newspapers published at the time of the Korean War were used as the basis of a fact-finding report. Testimony was also taken from families of the South Korean lawmakers abducted to the North during the war. Another investigation focused on the kidnapping of a group of Salvation Army members.

Relevant documents were also collected from overseas. In 2012, the committee sent its staff to the U.S., U.K. and Russia seeking materials in their national archives that would support South Korea's claim that the war-time abductions were criminal acts by North Korea. The committee will continue to expand the scope of its investigation abroad to reveal the truth about the issue.

To understand the true number of abductees, the committee is also building a database from abductee lists published by past governments. In 2012, nine lists were entered into the database, which will be checked against the list of prisoners of war to form a single, final list of abductees. Meanwhile, in February 2012, the committee's integrated management system was linked with those of the working-level committees in municipalities and provinces, enabling prompt and efficient investigations and review.

Section 3. Humanitarian Aid

Committed to providing humanitarian aid to the North based on brotherly concern and without conditions, the ROK government has carried out aid programs through NGOs and international organizations. It has also worked with private relief groups to enhance their efficiency and to improve the transparency of distribution in the North.

As part of the May 24 measures in response to the North's sinking of the navy ship Cheonan in 2010, the government took a principled approach, suspending all assistance to the North except that for children and other vulnerable groups. In November 23, 2010, in the midst of emergency flood relief aid, the North shelled Yeonpyeong Island, causing a temporary halt of humanitarian assistance.

In line with its commitment to send humanitarian aid to particularly exposed groups, the ROK government allowed the resumption of aid by a private relief group at the end of March 2011 (mainly items that were unlikely to be misappropriated by the North Korean authorities). It also applied flexibilization measures to its sanctions, increasing the items eligible for aid by private relief groups. In 2012, the government proposed sending governmental flood relief aid to the North, at the same time allowing NGOs to extend humanitarian aid to the most vulnerable groups there.

1. Government Assistance

Following a decision to extend humanitarian aid to alleviate suffering caused by the June 2012 flooding in the North, the ROK government in

September offered aid in the form of 10,000 tons of flour, 3 million packages of instant noodles, and medical supplies via a formal letter from the president of the South Korean Red Cross. That offer and a proposal to discuss additional items were rejected altogether.

2. Assistance through NGOs

Despite the May 24 measures, the government allowed private relief groups to provide humanitarian assistance for children and other particularly exposed groups in the North after making a general assessment of the purpose of aid, aid targets, and transparency in distribution. Though NGO aid was temporarily halted following the North's attack on Yeonpyeong Island in 2010, humanitarian aid (items that were less likely to be misappropriated and could be distributed transparently) resumed at the end of March 2011. In 2012, private relief agencies provided 46 cases of aid totaling 11.8 billion won, consisting mainly of medical supplies, nutritional aid, and clothes for infants, children, and pregnant women. The Korea NGO Council for Cooperation with North Korea, World Vision, and Korea Join Together Society offered 1,500 tons of flour and medical supplies for flood victims in the North.

3. Assistance through International Organizations

The government continued to provide assistance to the North through international organizations, based on its commitment to continue humanitarian aid for particularly exposed groups.

In September 2012, the decision was made to grant the International Vaccine Institute 2.1 million dollars (2.3 billion won) for the vaccination of

North Korean children and vaccine capacity building in the North. Designed to reduce the occurrence of acute encephalitis syndrome (AES) and diarrheal diseases among North Korean children, the program will supply vaccine against Japanese encephalitis to 3.15 million children as well as training for medical personnel in North Korea.

Section 4. Human Rights in North Korea

The severity of North Korean human rights abuse, which is widely known, has prompted deep concern from the international community and human rights organizations. In response, they have urged the North to improve such conditions. Recognizing the seriousness of the problem, the ROK government has strengthened cooperation with the United Nations, the international community and NGOs to gain a fuller understanding of the conditions in the North and to seek practical improvements.

1. Cooperation with the International Community and NGOs

Based on a commitment to human rights as a universal value guaranteed to all people, the ROK government has actively cooperated with the international community to ensure real changes in the human rights conditions in the North. Finding these abuses deplorable, the international community, the United Nations in particular, urged the North Korean authority to take real measures to improve the situation. In three different years (2003-2005), the UN Commission on Human Rights adopted a resolution addressing human rights in North Korea. Moreover, the UN Human Rights Council, which replaced the UN Commission on Human Rights in 2006, has set forth a North Korean human rights resolution every year since 2008.

For the first time, the ROK government co-sponsored a resolution on North Korean human rights, which was adopted by the 63rd UN General Assembly in 2008. It continued to co-sponsor the United Nations' resolution on North Korean human rights nine times, including the one adopted by the 67th UN General Assembly in December 2012.

Resolutions on North Korean Human Rights: Voting Results and the ROK's Position

| Specification | UN Human Rights Council | | | | |
|-----------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Year | 2008 (7 th) | 2009 (10 th) | 2010 (13 th) | 2011 (16 th) | 2012 (19 th) |
| Voting results* | 22:7:18 | 26:6:15 | 28:5:13 | 30:3:11 | No vote |
| ROK position | In favor | Co-sponsored, In favor | Co-sponsored, In favor | Co-sponsored, In favor | Co-sponsored |

| Specification | UN General Assembly | | | | | | | |
|-----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Year | 2005 (60 th) | 2006 (61 st) | 2007 (62 nd) | 2008 (63 rd) | 2009 (64 th) | 2010 (65 th) | 2011 (66 th) | 2012 (67 th) |
| Voting results* | 88:21:60 | 99:21:56 | 101:22:59 | 94:22:63 | 99:20:63 | 106:20:57 | 123:16:51 | No vote |
| ROK position | Abstention | In favor | Abstention | Co-sponsored, In favor | Co-sponsored, In favor | Co-sponsored, In favor | Co-sponsored, In favor | Co-sponsored |

* Voting results are expressed in the order of in favor, against, and abstention.

At the 19th session of the UN Human Rights Council in March 2012, the government adopted a resolution condemning human rights violations in North Korea, which stated that “the precarious humanitarian situation in the country is exacerbated by its national policy priorities,” and deeply regretted “the refusal of North Korea to recognize the mandate of the Special Rapporteur or to extend full cooperation to him.”

The 67th session of the United Nations General Assembly in December 2012 expressed concerns “at the significant persistent deterioration of the human rights situation in North Korea despite the succession of leadership,” and adopted a stronger resolution on the situation of human rights in North Korea than in 2011 by urging North Korea to stop abuse of civil, political, economic, social and cultural rights of its people and adding a separate statement on the serious violations of human rights in prison camps.

Summary of Resolution on the Situation of Human Rights in North Korea, 67th Session of the United Nations General Assembly, 2012

〈Preamble〉

- *Deeply concerned* at the significant persistent deterioration of the human rights situation in North Korea despite the succession of leadership,
- *Noting* the importance of the inter-Korean dialogue, which could contribute to the improvement of the human rights and humanitarian situation in the country,

〈Text〉

- *Expresses its very serious concern* at the persistence of continuing reports of systematic, widespread and grave violations of civil, political, economic, social and cultural rights in the Democratic People's Republic of Korea, including:
 - * Public executions, extrajudicial and arbitrary detention, torture, the existence of prison camps, use of forced labor, sanctions imposed on citizens of North Korea who have been repatriated from abroad, restrictions on the freedoms of thought, conscience, and religion, violations of human rights of persons belonging to particularly exposed groups, inter alia, women, children and the elderly
- *Expresses its very serious concern* at the existence of a large number of prison camps, where serious violations of human rights are perpetrated;
- The continued refusal of North Korea to recognize the mandate of the Special Rapporteur on the situation of human rights in North Korea or to extend cooperation to him, and the continued refusal of North Korea to articulate which recommendations enjoyed its support following its universal periodic review by the Human Rights Council or to express its commitment to their implementation, and its serious concern at the lack of actions taken to date to implement the recommendations contained in the final outcome;
- *Underscores its very serious concern* at unresolved questions relating to abductions in the form of enforced disappearance and strongly calls upon North Korea urgently to resolve these questions, including by ensuring the immediate return of abductees;
- *Expresses its very deep concern* at the precarious humanitarian situation as well as the prevalence of chronic and acute malnutrition, particularly among the most vulnerable groups, and urges North Korea to take preventive and remedial action, cooperating where necessary with international donor agencies;
- *Commends* the Special Rapporteur for the activities undertaken so far and for his continued efforts in the conduct of his mandate;

- *Strongly urges* North Korea to respect fully all human rights and fundamental freedoms;
 - * By implementing the recommendations by the Human Rights Council, ensuring that those responsible for violations of human rights are brought to justice, resolving issues related with the forced repatriation of refugees, granting Special Rapporteur access to the country, and ensure access to humanitarian aid monitoring of humanitarian assistance;
- *Decides* to continue its examination of the situation of human rights in North Korea at its sixty-eighth session, and to this end requests the Secretary-General to submit a comprehensive report on the situation in North Korea and requests the Special Rapporteur to continue to report his findings and recommendations.

Meanwhile, the government also supported North Korean human rights-related academic events and publications organized by NGOs, as well as international conferences organized and attended by NGOs. In December 2012, there were 24 organizations involved in North Korean human rights issues registered with the Ministry of Unification, and the number has been on the rise ever since. Their activities have also expanded to include human rights education, exhibitions, and performances. The government plans to support these organizations, to raise public interest on issues of human rights in North Korea, and to help bring real change in the situation.

In cooperation with the Database Center for North Korean Human Rights, the government is also interviewing North Koreans at the Settlement Support Center for North Korean Refugees to gain a fuller understanding of human rights conditions in the North. The results of those interviews have been published in the *White Paper on North Korean Human Rights* (available in Korean and English) every year since 1996.

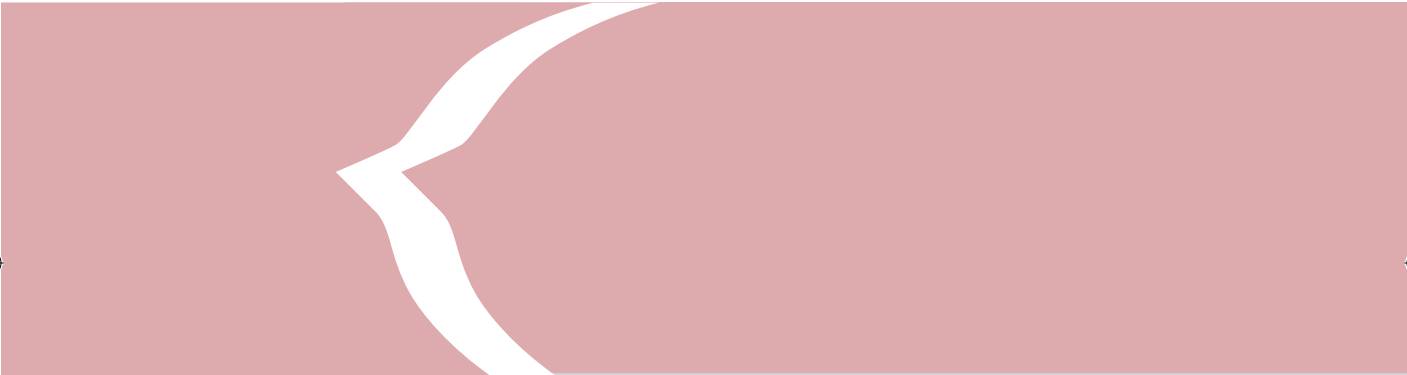
2. Activities to Enact the North Korean Human Rights Act

The North Korea human rights bill was actively discussed at the 18th session of the National Assembly, but it failed to pass during that session.

Discussions resumed immediately with the opening of the 19th session of the National Assembly, with Yoon Sang-hyun and ten other lawmakers proposing a bill on June 1, 2012. On June 15, lawmaker Hwang Jin-ha and 19 others proposed a similar bill. Related bills were proposed by Lee In-je and 10 other lawmakers on August 20, and by Cho Myung-chul and 52 others on September 5. These bills are pending in the National Assembly.

The four bills are almost identical to the one introduced in the previous year: proposing the creation of an advisory council on North Korean human rights under the Ministry of Foreign Affairs & Trade, the establishment of a basic plan, installation of an ambassador-at-large, and the establishment of a North Korean human rights foundation. The only difference is in the location of the North Korean human rights archive: Yoon's bill states that it should be in the North Korean human rights foundation, Hwang's, in the Ministry of Justice, and Lee's and Cho's, in the National Human Rights Commission.

Meanwhile, on November 15, 2012, lawmaker Shim Jae-kwen and nine others proposed a bill to promote the human rights of the North Korean people, including provisions of humanitarian assistance to North Korea.



W H I T E P A P E R O N K O R E A N U N I F I C A T I O N

Chapter 5

Inter-Korean Dialogues

Section 1 Pursuing Sincere Inter-Korean Dialogues

Section 2 Other Efforts to Normalize Inter-Korean Relations

Section 3 Panmunjeom Liaison Office

Chapter 5 Inter-Korean Dialogues

Inter-Korean dialogues were hampered by constant provocation from the North, including the sinking of the Cheonan warship in March 2010 and the shelling of Yeonpyeong Island in November of the same year. Then, a year later on December 17, 2011, North Korean leader Kim Jong-il died.

Upon his death, the ROK government issued a statement on December 20, 2011 offering consolation to the people of North Korea in the hope that, after stabilization, the North would seek cooperation for peace and prosperity on the Korean Peninsula. The government also stated that it would not send a governmental delegation to North Korea, but would permit relatives of the late President Kim Dae-jung and of the late Hyundai chairman Chung Mong-hun to make condolence visits in return for past visits made by the North.⁴ On December 30, 2011, North Korea issued a statement through the National Defense Commission asking the South Korean government to apologize for “banning its people from visiting Pyongyang to offer condolences” and that it would “have no dealings with South Korea’s Lee Myung-bak government.”

In his New Year address on January 2, 2012, President Lee Myung-bak stated that “the window of opportunity remains open to the North for peace and stability on the Korean Peninsula,” and urged the North to “take a sincere attitude and end mutual distrust through dialogue and move onto the path

⁴ A special six-member North Korea envoy headed by North Korea’s Workers’ Party secretary Kim Ki-nam and including Director of the United Front Department of the Workers’ Party Kim yang-gon paid their respects to the late South Korean President Kim Dae-jung during their visit to Seoul from August 21 to 23, 2009. Deputy Commissioner of Asia-Pacific Committee Song Ho-kyung and other North Korean delegates had paid their condolences to Hyundai Group chairman Chung Mong-hun at a memorial service held on Mount Geumgang on August 11, 2003.

toward mutual benefits and common prosperity.” However, the North issued a series of white papers and statements in the name of the Workers’ Party and military agencies, including an open questionnaire sent by the National Defense Commission on February 1, 2012, shifting responsibility for the suspension of inter-Korean dialogues, the strain in inter-Korean relations, and continued military threats onto the South Korean government. Despite pleas from the international community and the ROK, the North launched a long-range missile on April 13, 2012 and again on December 12, 2012, triggering international sanctions and isolating itself from the international community. The North’s missile launch also worsened conditions for resuming inter-Korean dialogues. North Korea also tried to interfere with the South’s general elections in April and the Presidential election in December, staging a libelous campaign against certain political parties and candidates and instigating the South Korean public.

The ROK government took a firm but principled approach in its dealings with the North. It established a strong national defense readiness against the North’s military threats while demanding an end to the slander and the meddling in South Korea’s elections. Maintaining the position to resolve inter-Korean issues through dialogue, the government continued to urge North Korea to engage in sincere talks. Along these lines, it proposed a working-level inter-governmental meeting to discuss issues of separated families and humanitarian aid. Through formal messages via the inter-Korean liaison channel, it also demanded that the North immediately stop jamming GPS signals and cease other wrongful actions.

Section 1. Pursuing Sincere Inter-Korean Dialogues

1. Government Efforts to Resume Talks and North Korea's Refusal

In the 2012 New Year briefing by the Ministry of Unification issued January 5, 2012, the ROK government emphasized the need to establish a channel of dialogue with the North. This channel was considered essential in order for South and North Korea to take initiative in resolving pending issues as key parties to concerns on the Korean Peninsula and move towards the future. To this end, the ROK government made clear that it would keep the windows of dialogue with the North open and continue to provide humanitarian assistance along with its allies. Through a series of interviews—with the Hankyoreh newspaper on January 11, Yomiuri Shimbun on January 13, and Reuters on January 16—the Minister of Unification underlined the importance of resuming a channel of dialogue between responsible authorities of South and North Korea to reduce misunderstandings and build trust. He also stated that the ROK government could discuss the sinking of the navy ship Cheonan, the shelling of Yeonpyeong Island, the North's denuclearization, and other key issues, as well as discussing ways to improve inter-Korean relations.

From this perspective, the ROK government urged the North to make the good decision of ending confrontation and conflict with the South and move along a path towards mutual benefit and common prosperity. At every opportunity, the South proposed inter-Korean dialogues to improve relations. In 2012, the ROK government proposed inter-Korean talks on four occasions—two times for working-level contacts between the South and North Korean Red Cross to discuss reunions of separated families (February 14, August 8), a working-level meeting to prevent blight in Goguryeo Dynasty tombs in North Korea (February 7), and a working-level meeting to provide

flood relief to the North (September 3).

In its 2012 joint New Year editorial, North Korea stated that it “had proposed wide-ranging talks and negotiations to the South Korean authorities, and made consistent efforts to realize them. However, running against the trend of the times and the public sentiments, South Korea intensified war maneuvers against the North.” In this way, North Korean officials shifted the responsibility for the strained inter-Korean relations onto the South Korean government. Subsequently, with a statement through its Central News Agency on January 17, North Korea repeated its position, saying that the South Korean government’s response to Kim Jong-il’s death was a “crime against humanity” that caused “North-South relations to break” and the North “would have no dealings with the Lee Myung-bak government.” In an open questionnaire from the National Defense Commission dated February 1, the North insisted that South Korea accept nine conditions that it has persistently asserted in the past to resume inter-Korean dialogue and improve relations.

North Korea continued to reject the South’s proposal to talk and launched libelous attack against the South. On March 2, 2012, the Supreme Commander of the North Korean People’s Army criticized that a South Korean army barrack made “a blasphemy to the dignity of the supreme leadership” by hanging a sign against the North. On April 2, in a white paper of the Committee for the Peaceful Reunification of the Fatherland, it criticized the South of “systematically ruining North-South dialogue with regime confrontation delusion” and “completely devastating North-South relations through ultra-large provocative acts that blaspheme the dignity of the supreme leadership,” shifting the responsibility of chilled inter-Korean relations to the South Korean government.

On April 18, 2012, a spokesman for the Supreme Command of the North Korean People’s Army issued a statement in which it threatened to “take a special action to blow up everything in the base of provocative acts in the heart of Seoul.” On April 23, the Special Operation Action Team of the Supreme

Command of the North Korean People's Army issued an announcement where it threatened "to burn down the sources of provocations." In a June 4 open ultimatum, the General Staff of the Korean People's Army threatened that the South Korean media coverage of the celebrations of the 66th anniversary of the North Korean Children's Union "defames the children's celebrations" and "is a thrice-cursed criminal act hurting the dignity of the supreme leadership," and threatened to "mete out punishment against major South Korean press and TV stations by targeting them at their respective coordinates," further chilling inter-Korean relations.

2. Proposed Inter-Korean Dialogues by Area

(1) Proposed working-level meeting to prevent blight in a Goguryeo tomb complex in North Korea

North and South Korea held a working-level meeting on May 8, 2007 to discuss assistance in preventing forest blight in the North. Based on an agreement reached at the meeting, the ROK government sent blight control equipment and chemicals that the North had requested. During the first meeting of the Subcommittee for Inter-Korean Cooperation in Public Health and Environmental Protection held in December 2007, the two sides agreed to hold a working-level meeting for prevention of forest blight, but the meeting never took place.

In 2011, the North asked for blight control chemical assistance to the Korean Council for Reconciliation and Cooperation and other South Korean NGOs, saying that blight was causing severe damage to its forests. Through a message in the name of the Minister of the Korean Forest Service dated February 7, 2012, the government proposed to the North a working-level meeting for preventing blight in a complex of Goguryeo tombs in the North.

The South made the proposal based on its commitment to cooperate with the North in areas of preserving the Korean Peninsula's cultural heritage and

natural environment even as tensions have heightened there due to provocations by the North. Given that the Goguryeo Tomb complex is a national cultural legacy that must be preserved, it was necessary that preservation activities be carried out through consultation between national authorities rather than at the NGO level.

However, though the ROK government informed the North it intended to send a letter on the proposed meeting for preventing blight in the Goguryeo tomb complex, the North refused to receive the letter. Thus, the meeting never took place.

(2) Proposed Red Cross contacts to discuss reunions of separated families

Though inter-Korean relations was strained following the North's sinking of the Cheonan and shelling of Yeonpyeong Island, the ROK government has maintained its position that the issue of separated families is a priority issue to be addressed by both Koreas from a humanitarian perspective regardless of political circumstances. Thus, the president of the South Korean Red Cross proposed a working-level meeting to discuss reunions of separated families to the North twice in 2012, on February 14 and on August 8. Through the meeting, the South wanted to discuss ways to fundamentally resolve the issue of separated families as well as other humanitarian issues involving North and South Korea.

On February 15, 2012, a day after refusing to receive a formal letter on the proposed meeting from South Korea, the North blamed the South for proposing a reunion of separated families while carrying out the South Korea-U.S. joint Key Resolve military drill and rejected the South's proposed working-level Red Cross talks for the reason that the ROK government did not allow mourners from the South to offer condolences to Kim Jong-il.

Notwithstanding the North's refusal, the ROK government again proposed a working-level Red Cross meeting to the North on August 8, 2012. On

August 9, 2012, the North refused to accept the proposal unless South Korea rescinded its May 24 Measures, which suspended all exchanges with North Korea, and resumed tours to Mount Geumgang, both of which had no relation with the issue of separated families.

(3) Proposed working-level Red Cross meeting to provide flood aid to the North

Based on a commitment that it would continue to extend humanitarian aid regardless of political circumstances, The ROK government sent relief aid to flood-stricken North Korea in 2010. Part of the aid failed to be delivered as planned following the North's shelling of Yeonpyeong Island. Despite the North's provocative acts, the ROK government proposed to send flood aid to North Korea in August 2011. Due to refusal by North Korea, the South's humanitarian flood aid could not go through.

On September 3, 2012, the ROK government announced its offer to provide unconditional aid to North Korea to help people recover from heavy rains and typhoons that continued from summer and proposed a Red Cross meeting to discuss the issue with the North. On September 10, North Korean officials announced they would consider receiving South Korea's letter if it would send aid items that could really help stabilize the lives of flood victims and recover from flood damage, asking how much and what kind of relief materials the South Korean Red Cross was planning to send. Considering that this was an emergency aid situation, the South offered on September 11 to send 10,000 tons of flour, 3 million packages of instant noodles, and medical supplies, which the North needed right away and the South could send right away, as well as proposing to discuss additional aid items to the North.

On September 12, North Korean authorities refused to accept the offer, stating that they didn't need "such aid from the South and the North has never held such expectations from the South Korean authority." Thus, any Red Cross contacts for purely humanitarian flood aid did not take place.

Section 2. Other Efforts to Normalize Inter-Korean Relations

1. Demand to Prevent GPS Jamming

In an April 23, 2012 announcement issued by the Special Operation Action Team of the Supreme Command of the North Korean People's Army, the North lambasted the South Korean media, threatening to launch a serious retaliatory move against them. To prepare for an emergency situation, the ROK government went on special alert to watch for any signs of trouble from the North. Beginning on April 28, it noticed frequent jamming signals that disrupted the GPS (global positioning system) devices of telecommunications systems, aircraft, and boats along the West Coast and in part of Gyeonggi-do Province. An investigation of the source revealed continuous high frequency GPS jamming signals from the Gaeseong area in the North.

Because jamming of GPS signals threatens the safe navigation of aircraft and vessels, it constitutes a violation of the Constitution of the International Telecommunication Union (ITU) and the Convention on International Civil Aviation of the International Civil Aviation Organization (ICAO). Realizing that a multilateral approach would be necessary, the ROK government complained directly to North Korea through its ministries, while at the same time urging it through international organizations to immediately stop GPS jamming and to prevent any recurrence.

On May 9, 2012, the government sent via the inter-Korean liaison channel, a formal complaint through the Chairman of the regulatory Korea Communications Commission to the North's Minister of Posts and Telecommunications. The letter, which urged the North to stop GPS jamming and to prevent a future recurrence, was refused. In a press release, the South

Korean government disclosed the specifics of the complaint that was sent. Meanwhile, relevant ministries sought the help of the ITU and ICAO regarding the issue.

Following prompt intervention by the ROK government, North Korea stopped GPS jamming on May 13, 2012.

2. Request for North Korea's Prior Notification on Water Release into Imjin River

During the September 14, 2009 inter-Korean working-level meeting on flood control on the Imjin River, the ROK government proposed to the North that it notify the South prior to releasing water from dams in rivers shared by South and North Korea, and to specify the name of the dam, the amount of water and the reason for the discharge. As part of this effort to establish an advance notification system, the South then delivered a notification form for use by the North. At the time, North Korea promised to notify the South on future water discharges.

However, on August 17, 2012, the North reneged, failing to send prior notification when it discharged water on several occasions from a dam on the Imjin River. Although the water level in the South rose suddenly, no damage occurred, thanks to a timely response by the relevant agencies. The government nevertheless filed a formal complaint on August 27, 2012, via the inter-Korean liaison channel, from the offices of the Minister of Land, Transport and Maritime Affairs in the South to the Minister of Land and Environmental Protection in the North. In the letter, it complained that the North had, without prior notification, discharged water from a dam in Imjin River several times beginning August 17, and asked the North once more to give prior notification of any future water discharges (as it had promised during an October 14, 2009 working-level meeting). The North made no comment.

3. Efforts to Hold Inter-Korean Dialogues on Mount Geumgang Tours

On November 19, 2012, the day marking the 14th anniversary of the Mount Geumgang Tours, the ROK government, through a Ministry of Unification spokesman, expressed its regret over the tour's four year suspension, following the fatal shooting of a South Korean civilian by a North Korean soldier at the Mt. Geumgang resort. It also urged the North to return the resort (owned by South Korea until the incident, but seized by the North), and to respond sincerely to the South's proposal for Mount Geumgang talks.

In an interview with the North's Central News Agency on November 22, 2012, a North Korean spokesperson for the Guidance Bureau of the Special Zone for International Tours of Mount Geumgang gave a distorted account of a working-level talk regarding the tours. He claimed that at the meeting, the North had explained that the safety of South Korean tourists was guaranteed at the authority level and they even presented a draft agreement in this regard, but that the South Korean delegation had angrily walked out of the meeting. Then, in a November 24 Central News Agency report, the North reiterated that responsibility for the suspension of the tours lay with the South.

On November 26, a spokesperson of the Ministry of Unification clarified what had really happened. At the meeting (February 8, 2010), the North had simply repeated its previous position regarding the South's request to discuss a legal guarantee of personal safety: "the personal safety of tourists was firmly guaranteed by Chairman Kim Jong-il to Hyundai Asan Chairwoman Hyun Jeong-eun on August 17, 2009" and that "It is already a closed matter." At every opportunity, the Minister of Unification made it clear that discussions must take place between the relevant authorities to put in place a specific mechanism to protect the personal safety of tourists visiting Mount Geumgang and that a declaratory guarantee from the North was insufficient.

However, in a statement on December 8, 2012, the Guidance Bureau of the Special Zone for International Tours of Mount Geumgang lashed out that the South was not only responsible for the suspension of the tours, but for what happened with the issue of the tourist safety guarantee. Finally, it again urged the South to resume the tours unconditionally.

Section 3. Panmunjeom Liaison Office

The operation of the Panmunjeom Inter-Korean Liaison Office, which had been closed and reopened in 2008 and in 2010 by the North's decision, was normalized on January 12, 2011 (normal operations have continued as of 2012). However, under the present strained inter-Korean relations, communication has been limited to a few issues.

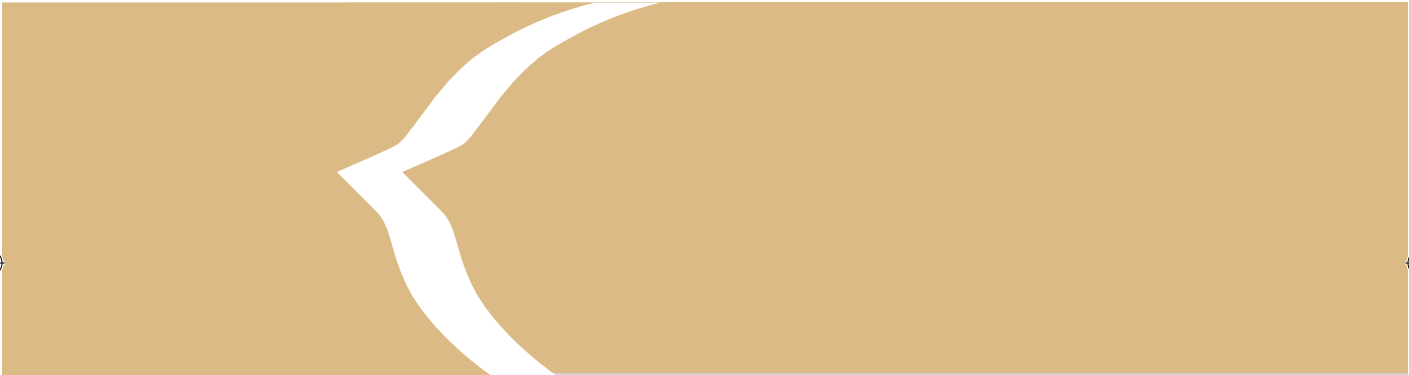
In 2012, liaison officials met twice, both times regarding the return of North Korean bodies found off the West Coast in June 2012.

Northern authorities have continued to accept telephone messages selectively. In 2012, the North received two messages, one on the South's proposed working-level contacts between Red Cross organizations to discuss reunions of separated families (August 8) and another concerning flood aid. On the other hand, it refused to accept messages regarding a proposed working-level meeting to prevent blight in the Goguryeo tombs complex in the North (February 7), the proposed working-level contacts between Red Cross organizations to discuss reunions of separated families (February 14), the National Assembly's resolution for improved inter-Korean relations and humanitarian assistance (October 12), and the National Assembly's resolution urging the North to stop the launch of a long-range rocket (December 10).

In 2012, the inter-Korean hotline was operated 499 times, liaison officers contacted two times, and telephone messages were sent and received 10 times.



Meeting by Panmunjeom liaison officers



W H I T E P A P E R O N K O R E A N U N I F I C A T I O N

Chapter 6

Settlement Support for North Korean Refugees

Section 1 Orientation Program

Section 2 Settlement Support for North Korean Refugees

Chapter 6 Settlement Support for North Korean Refugees

The number of North Korean refugees entering the South had seen a steady increase since 1998, but that figure dropped in 2012 because of tightened border control by the North Korean authorities. In 2012, a total of 1,509 North Korean refugees came to Korea, bringing the total number to 24,614 at the end of December 2012.

The proportion of female North Korean refugees exceeded that of males for the first time in 2002. This trend continued in 2012, when the female proportion reached 69% of the total refugee population.

Number of North Korean refugees in South Korea

| Year Classification | ~'98 | '99~'01 | '02 | '03 | '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|------------------------------------|------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Male | 831 | 565 | 511 | 472 | 624 | 423 | 512 | 571 | 608 | 671 | 589 | 797 | 402 | 7,576 |
| Female | 116 | 479 | 632 | 810 | 1,272 | 959 | 1,510 | 1,977 | 2,196 | 2,258 | 1,813 | 1,909 | 1,107 | 17,038 |
| Total | 947 | 1,044 | 1,143 | 1,282 | 1,896 | 1,382 | 2,022 | 2,548 | 2,804 | 2,929 | 2,402 | 2,706 | 1,509 | 24,614 |
| Percent age of female (%) | 12 | 46 | 55 | 63 | 67 | 69 | 75 | 78 | 78 | 77 | 75 | 70 | 71 | 69 |

Recognizing North Korean refugees as separated families who also suffer from national division, the ROK government has maintained the principle that it would accommodate all those who, by their own free will, chose to receive protection and support services from the South Korean government. Upon their arrival in South Korea, the government provides them with a basic benefit package, helping them to start anew and enjoy the freedom and human rights of South Korean society.

Section 1. Social Orientation Program

1. Basic Social Orientation Program

After entering South Korea, North Korean refugees receive basic social orientation at the Settlement Support Center for North Korean Refugees (hereunder ‘Hanawon’).

The objective of the social orientation program is to ensure that participants regain their emotional stability, overcome cultural differences, and get motivated to become socially and economically independent. Specifically, the program is tailored to help participants 1) improve their emotional and physical health, 2) gain a better understanding of South Korean society, 3) obtain career advice and vocational training, and 4) become oriented with the early settlement support services offered by the government. In addition to the regular program, Hanawon also offers elective and supplementary courses that participants can choose based on their individual needs.

The Hanawon program was revised in April 2012 with several improved features. The newly designed program focus on new vocational training to apply learned skills, more educational opportunities that encourage a sense of independence and self-identity as a member of society, and curriculums that meet the needs of trainees to ensure their best outcome.

Regular social orientation program of Hanawon



* Electives: Driving license, computer, basic accounting, caretaking service (257 hours)

2. Vocational Education and Career Advice

At Hanawon, participants enjoy career advice services that are tailored to their specific needs and designed to encourage independent decision making.

In 2012, the Hope for Work Program was created to instill a desire to work. The program helps participants develop life plans, improve inter-personal skills, and overcome employment challenges. Tailored guidance services have also been developed for professional vocations—e.g. doctors and lawyers—as well as for teenagers, to ensure that participants receive matching career advice. There is also a resume clinic and individual counseling session offered after the daily curriculum to ensure that participants are fully prepared to attain jobs upon graduation.

Career counseling

| Classification | | Career guidance | Resume clinic | Tailored training |
|-------------------|------|-----------------|---------------|-------------------|
| Career counseling | 2010 | 2,926 | – | – |
| | 2011 | 1,804 | 301 | – |
| | 2012 | 1,145 | 118 | 85 |

* The resume clinic and custom-tailored training were offered from May 2011 and May 2012, respectively.

During their time at Hanawon, participants can choose to concentrate on a specific vocational training course. In 2012, a Korean cooking class was created at the request of female participants, which brings the number of vocation courses for female trainees to five. For male participants, Hanawon offers three courses including automobile mechanics.

Short-term, intensive vocational training program

| Classification | Program | Number of participants having completed the program | | |
|----------------|--|---|-------|-------|
| | | 2010 | 2011 | 2012 |
| Female | Introductory course on electronic goods assembly | 231 | 517 | 297 |
| | Introductory course on quality management | 223 | 330 | 59 |
| | Sewing | 254 | 211 | 233 |
| | Skin care | 221 | 30 | – |
| | Caretaking | – | 263 | 219 |
| | Korean cooking | – | – | 194 |
| Male | Heavy equipment | 125 | 182 | 127 |
| | Automobile mechanics | 133 | 186 | 129 |
| | Welding | – | 178 | 105 |
| Total | | 1,187 | 1,897 | 1,363 |



Sewing class

In cooperation with the Small and Medium Business Administration, Hanawon organizes a job fair for North Korean refugees every month to help them find jobs at small or medium enterprises (SMEs). Participants submit their resumes to the attending HR personnel and then go on interviews. This event exposes participants to the employment process, helping them overcome fear associated with employment and make decisions on their own. In addition to the job fair, visits to SMEs are organized to familiarize participants with the work culture and with SMEs in South Korea. Between January 2010 and December 2012, a total of 4,800 North Korean refugees participated in the job fair and a total of 1,632 refugees received their letter of employment upon passing their interviews. Among them, 312 persons, or 19.1%, took the job offers.



SMEs Job Fair for North Korean refugees

3. Education for Children and Teenagers

As part of Hanawon, the Hanadul School offers educational programs for North Korean refugee children and teenagers up to 19 years of age. The school has one pre-school, one kindergarten, two elementary (low and advanced level), and three secondary school classes. Students are placed based on age and academic level.

For pre-school, the staff is comprised of licensed nursery school teachers and infant care specialists who attend to pregnant women and babies.

Those enrolled in kindergarten spend the day at an elementary school situated near Hanawon, learning the basic Korean language and numbers with their South Korean peers. After school, they return to Hanadul School to read books, play with blocks, and socialize through child's play. There are also supplementary classes for language and numbers.

Elementary school children take regular school programs along with South Korean children at a local elementary school. They also return to Hanadul for after-school classes, and extracurricular sports, music and art activities. Every other Saturday, school volunteers offer classes in music, art, and sports, including football.

Teenagers also attend Hanadul full-time to take preparatory classes in the South Korean curriculum, and upon completing the program, they are given transfer assistance to middle or high schools near their home. As of December 2012, Hanadul has been staffed by six teachers hired through the Ministry of Education, one counselor hired through the Korea Educational Development Institute, and one teacher hired by the school. The regular program spans 399 hours over 12 weeks. Of those, 212 hours (53.1%) are dedicated to the basic academic curriculum and remediation classes, 74 hours (18.6%) to social studies, 70 hours (17.5%) to emotional and physical health (17.5%), and 43

hours (10.8%) to college education or career development planning. Besides this, there are also two hours of after-school computer or music classes and on Saturdays, volunteers from the Citizens' Alliance for North Korean Human Rights offer weekend programs.

Number of children and teenage students by year

| Classification \ Year | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|-----------------------|------|------|------|------|------|------|------|
| Pre-school class | 2 | 4 | 8 | 18 | 8 | 18 | 17 |
| Kindergarten class | — | 6 | 12 | 14 | 18 | 24 | 14 |
| Elementary class | 3 | 34 | 38 | 68 | 74 | 139 | 74 |
| Teenager class | 2 | 7 | 65 | 132 | 97 | 160 | 111 |

| Classification \ Year | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | Total |
|-----------------------|------|------|------|------|------|------|------|-------|
| Pre-school class | 28 | 22 | 32 | 36 | 86 | 62 | 46 | 387 |
| Kindergarten class | 19 | 36 | 23 | 36 | 37 | 43 | 40 | 322 |
| Elementary class | 97 | 88 | 80 | 113 | 82 | 144 | 124 | 1,158 |
| Teenager class | 169 | 232 | 267 | 220 | 193 | 198 | 113 | 1,966 |

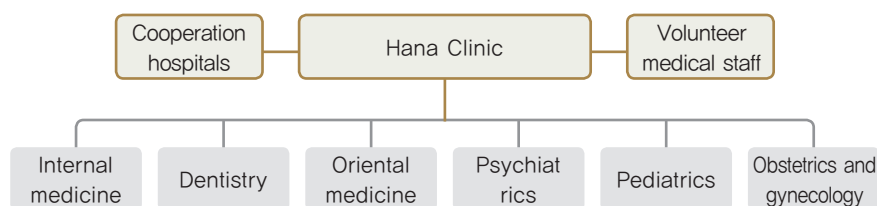
4. Health Management

The Hana Clinic, located inside Hanawon, is staffed by public health doctors and other medical specialists to manage the health of newly arrived North Korean refugees. In April 2009, the clinic hired an obstetrics/gynecology public health doctor, and in 2012, due to a shortage of doctors, Hanawon entered into a cooperative agreement with hospitals (Anseong Hospital and

Seoul Medical Center) to provide visiting obstetrics/gynecology service once or twice a week. A pediatrician also joined the team the same year.

To make up for the lack of dental and psychiatric services and to ensure stable, quality medical treatment at its branch clinic in Hwacheon, Gangwon-do, Hana Clinic hired three medical personnel (dentist, psychiatrist, and dental hygienist), using the donation money from the Hyundai Motor Chung Mong-Koo Foundation. At present, Hana Clinic has six departments—internal medicine, dentistry, oriental medicine, obstetrics/gynecology, psychiatrics, and pediatrics—where seven public health doctors, nine nurses, one pharmacist, and three paid medical staff treat 50,000 patients a year.

Organizational structure of Hana Clinic



The government is working to develop a cooperative network with local hospitals to ensure that North Korean refugees can continue to receive medical services even after completing their program at Hanawon. Medical service agreements were concluded with the Kangwon National University Hospital (May 30, 2012) and Insung Hospital in Chuncheon (September 20, 2012) to provide patient care to North Korean refugees enrolled at the Hanawon Branch (Second Hanawon) in Hwacheon, Gangwon-do. A third medical service agreement was concluded with the Seoul National University Bundang Hospital (October 30, 2012) for the treatment of serious illnesses.



Hanawon concludes medical service agreements with hospitals (Sep. 20 and Oct. 30, 2012)

Meanwhile, the Counseling Office at Hanawon offers professional psychological testing and counseling for North Korean refugees dealing with emotional issues. In addition to offering therapy programs, the office has developed psychological testing for adults, which it uses to screen clients who require emotional intervention. In 2012, the counseling office worked jointly with Dongshin University to develop a psychological test for North Korean teenagers. The test is an important tool for screening clients who need additional testing or therapy for stress relief following a traumatic injury.

Hanawon has been granted accreditation as a training institute for clinical psychologists by the Korean Clinical Psychology Association. In 2012, two clinical psychologists were trained at Hanawon. The counseling office also strives to help participants deal with day-to-day issues. Participants are encouraged to build self-esteem, develop self-awareness, deal with their own emotional issues, and find happiness and fulfillment.

To encourage refugees to seek help, the Counseling Office set up a counseling application box where participants can fill out an application and drop it in. Prospective clients are then tested, and those who need individual counseling can receive it once a week. Others with more serious psychiatric symptoms are seen by a psychiatrist. In 2012, an emotion-control therapy program was introduced, offering group sessions to North Korean teenagers. For senior citizens, the office offers a cognitive rehabilitation program along with art and music therapy to prevent dementia and maintain emotional stability.

Number of psychological counseling and testing by year

| Classification \ Year | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------|------|------|------|------|-------|
| Psychological counseling | 261 | 247 | 678 | 646 | 1,044 |
| Psychological testing | 19 | 17 | 36 | 19 | 84 |

5. Intensive Social Orientation Program at Hanawon Hwacheon Branch

The Hanawon Hwacheon Branch opened in Gandong-myeon, Hwacheon-gun County in Gangwon-do Province on December 5, 2012 to accommodate the rising number of North Korean refugees. The clinic provides an intensive orientation program for North Korean refugees, as well as vocational training for settlement service providers. Under the motto ‘Dream, Freedom, and Happiness,’ the opening ceremony was attended by about 620 people, including Minister of Unification Yu Woo-ik and Cho Myung-chul, the first North Korean refugee to become a lawmaker, and Governor Choi Moon-soon of Gangwon Province.

The Hanawon Hwacheon Branch is situated on a land area of 77,402 square meters. With a total floor space of 15,104 square meters, the buildings have a basement floor and four floors above ground. The ten buildings are used for education, dormitories, information, security, and staff residences. Built at a cost of 32.3 billion won, the facility can accommodate up to 500 North Korean refugees.

Through partnerships with the Korea Polytechnics III University and the Kangwon National University Hospital nearby, the Hanawon Hwacheon Branch offers social orientation classes for male participants. Meanwhile, intensive education programs will be provided for those who complete

the regular Hanawon program. These programs will be designed to help participants take advantage of their past job experience in the North or to acquire new certificates of qualification. Meanwhile, Hanawon will improve the pilot leadership program, which was offered from December 10 to 14, 2012, and offer it as a regular program. It also plans to offer educational programs to settlement service providers, not only to help them better understand the needs of North Korean refugees, but to enhance the program's efficiency.



Opening ceremony of Hanawon Hwacheon Branch (December 5, 2012)

Section 2. Settlement Support for North Korean Refugees

1. Settlement Services in the Initial Period

(1) Housing assistance and other basic civil services

As the first step in receiving services, North Korean refugees are entered into the family relations registry, a process comprising three stages. First, at Hanawon, they fill out an application form by referring to their interview and the Ministry of Unification document attesting to their eligibility for support services. The application is then submitted to the Seoul Family Court, which makes a decision following a review of the application. If the application is approved, a notice is sent to the local government office with jurisdiction over Hanawon. Then, the local self-governing body enters the applicant into the family relations registry. The last step in establishing legal status is registering as a resident of South Korea. Prior to completing the Hanawon program, North Korean refugees can get a resident registration number from a public service office in one of 20 or more regions nationwide designated by Hanawon.

Upon completing the Hanawon program, North Korean refugees receive assistance in finding housing in the area they wish. The Ministry of Unification works with the Ministry of Land, Transport and Maritime Affairs, Korea Land & Housing Corporation, and Seoul Housing Corporation to help North Korean refugees get housing. They are often placed in housing close to family members, but their location may also be determined by lottery based on availability in different regions.

Housing assistance

| Year | 2008 | 2009 | 2010 | 2011 | 2012 | Total |
|----------------------|-------|-------|-------|-------|-------|-------|
| Number of households | 2,182 | 1,681 | 1,837 | 1,815 | 1,295 | 8,810 |

(2) Basic settlement benefits

The amount of basic settlement benefit is determined by household size. It consists of an initial payment granted immediately upon completion of the Hanawon program, and a quarterly payment for one year after the recipient moves into his/her residence. Since 2007, the amount for a single person household has been 6 million won total, with an initial payment of 3 million won and the remaining 3 million won paid out in quarterly installments. That amount will be increased to 7 million won in 2013.

Basic settlement benefit by household size

(in tens of thousands of won)

| Household size | Basic settlement benefit | | Housing assistance | Total |
|----------------------|--------------------------|--------------|--------------------|-------|
| | Initial payment | Installments | | |
| One-person | 400 | 300 | 1,300 | 2,000 |
| Two-person | 500 | 700 | 1,700 | 2,900 |
| Three-person | 600 | 1,000 | 1,700 | 3,300 |
| Four-person | 700 | 1,300 | 1,700 | 3,700 |
| Five-person | 800 | 1,600 | 2,000 | 4,400 |
| Six-person | 900 | 1,900 | 2,000 | 4,800 |
| Seven-person or more | 1,000 | 2,200 | 2,000 | 5,200 |

Total basic settlement benefit expenditure

| Classification \ Year | 2008 | 2009 | 2010 | 2011 | 2012 | Total |
|-----------------------------|--------|--------|--------|--------|--------|--------|
| Number of persons | 3,005 | 2,321 | 2,435 | 2,417 | 1,524 | 11,702 |
| Amount (in millions of won) | 30,068 | 18,918 | 13,932 | 13,815 | 12,167 | 88,900 |

In addition to the basic settlement allowance, the government also grants additional benefits to especially vulnerable groups—seniors aged 60 years or older, the mentally or physically challenged, people on long-term medical treatment, and children of single-parent families. Those who fall under two or more categories can apply for only one type of benefit. Also, the maximum amount of additional benefits allowed to a single household cannot exceed 50 times the monthly minimum wage. Additional benefits are paid in quarterly installments over the remainder of the support period after the settlement payment has been paid out in full.

Additional benefits by category

| Category | Criteria | Amount |
|--|--|---|
| Age benefit | 60 years or older | 7.2 million won |
| Handicap benefit | By level of handicap | 15.4 million won (level 1), 10.8 million won (levels 2–3), 3.6 million won (levels 4–5) |
| Long-term medical treatment benefit | Serious illness and hospitalized for three months or more | Months x 800,000 won |
| Children of single-parent family benefit | Children less than 13 years old living with a single-parent family | 3.6 million won |

Additional benefit expenditure

(in thousands of won)

| Classification \ Year | | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------|------------------------|--------|---------|---------|---------|---------|
| Additional benefits | Age | 29,965 | 75,236 | 84,178 | 84,903 | 67,108 |
| | Handicap | 34,107 | 54,212 | 66,350 | 49,911 | 31,469 |
| | Long-term treatment | 560 | 720 | 4,280 | 4,000 | 5,680 |
| | Single-parent children | 15,963 | 39,124 | 48,518 | 58,709 | 56,758 |
| Total | | 80,595 | 169,292 | 203,326 | 197,523 | 161,015 |

The government grants various financial incentives to North Korean refugees who take advantage of vocational training, obtain a certificate of qualification, or continue to work at the same job. In 2005, the government began to grant up to 2 million won in employment incentives for those staying at the same job for a year or more. This amount was increased to 4.5 million won in 2007 and again, to 5.5 million won in 2009. The program has provided a strong incentive for North Korean refugees to live an economically self-reliant life through employment rather than to depend on welfare. Thus, a recipient who completes the Hanawon program, is trained at a vocational training institute, obtains a certificate of qualification, and finds and maintains a job becomes eligible for up to 24.4 million won.

The number of North Korean refugees receiving financial incentives and the total amount of payments has risen every year. Moreover, the number of employment-incentive recipients has increased significantly, an indication that North Korean refugees are actively looking for jobs during their initial period of settlement.

Financial incentives by category

(in tens of thousands of won)

| Category | | Criteria | | Amount |
|--|------------------------|------------------------------------|---|-------------------------------|
| Vocational training incentive | | <500 hours | | No incentive |
| | | 500 hours | | 120 |
| | | >500 hours | | 120–140 (20 per 120 hours) |
| | * Additional incentive | 1–year program, priority vocations | | 200 |
| Certificate of qualification incentive | | One time only | | 200 |
| Employment incentive | | One year | * 250 if more 6 months or more and less than a year | 550 |
| | | Two years | | 600 |
| | | Three years | | 650 |
| Total | | | | 2,440 |

Financial incentive expenditure

(in tens of thousands of won)

| Category \ Year | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|---------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Vocational training incentive | 62,940 (506 people) | 88,400 (681 people) | 150,000 (985 people) | 118,100 (726 people) | 191,600 (1,118 people) |
| Certificate of qualification incentive | 69,040 (345 people) | 104,000 (520 people) | 171,200 (856 people) | 163,800 (819 people) | 294,400 (1,472 people) |
| Priority vocation incentive | 18,800 (94 people) | 21,800 (109 people) | 65,000 (325 people) | 70,400 (352 people) | 99,200 (496 people) |
| Employment incentive | 89,100 (196 people) | 296,900 (646 people) | 668,600 (1,325 people) | 1,181,300 (2,406 people) | 1,720,380 (3,455 people) |
| Total | 239,880 (1,141 people) | 511,100 (1,956 people) | 1,054,800 (3,491 people) | 1,533,600 (4,303 people) | 2,305,580 (6,541 people) |

* The number of recipients is shown inside parentheses.

To encourage businesses to hire North Korean refugees, the government subsidizes 50% of a North Korean worker's monthly salary, up to 500,000 won in the first year and up to 700,000 won in the second and third years. Due to the prevalence of employment-subsidy fraud, the Ministry of Unification, together with the Ministry of Employment and Labor, the police and local government, carries out regular inspections of businesses.

Employment subsidy expenditure

| Category \ Year | 2008 | 2009 | 2010 | 2011 | 2012 | Total |
|---|---------|---------|---------|-----------|-----------|-----------|
| Employers | 888 | 1,151 | 1,419 | 1,717 | 2,915 | 8,090 |
| Hired persons | 1,111 | 1,489 | 1,963 | 2,565 | 3,976 | 11,104 |
| Employment subsidy expenditure (in tens of thousands of won) | 349,457 | 634,900 | 973,300 | 1,313,209 | 1,533,482 | 4,804,348 |

Unlawful receipt of employment subsidies

| Category \ Year | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|--------------------------|----------------------------|----------------------------|------------------------------|------------------------------|
| Employment subsidies expenditure (in tens of thousands of won) | 888 employers 349,457 | 1,151 employers 634,900 | 1,419 employers 973,300 | 1,717 employers 1,313,209 | 2,915 employers 1,533,482 |
| Unlawful receipt (in tens of thousands of won) | 4 employers 5,975 | 2 employers 5,000 | 9 employers 4,574 | 24 employers 8,388 | 7 employers 7,678 |
| Percentage of unlawful receipt | 1.7 | 0.8 | 0.5 | 0.6 | 0.5 |

North Korean refugees are also subsidized for their rental security. The amount, which is allotted from the housing subsidy, depends on the number of people in a household. The remaining amount of the subsidy is paid out after the end of the support period. However, if there are extenuating circumstances whereby a recipient must receive the remainder of the housing subsidy before the administrative support period expires, the government can grant it based on the Guidelines for Payment of Settlement Subsidies to North Korean Refugees of the Ministry of Unification.

Housing subsidy expenditure

| Classification \ Year | 2008 | 2009 | 2010 | 2011 | 2012 | Total |
|--|--------|--------|--------|--------|--------|---------|
| Recipients | 3,005 | 2,321 | 2,435 | 2,417 | 1,524 | 11,702 |
| Housing subsidy expenditure (in millions of won) | 20,267 | 19,526 | 24,069 | 26,997 | 25,516 | 116,375 |

For reasons of employment and education, around 65% of North Korean refugees reside in the Seoul capital area. To encourage North Korean refugees to live outside the capital area, the government offers a subsidy (between

10% and 20% of the housing subsidy) to those who have lived in their primary residence in the suburbs or in regions other than Seoul, Incheon, and Gyeonggi-do for at least two years.

Provincial resident bonus expenditure

| Classification \ Year | 2008 | 2009 | 2010 | 2011 | 2012 | Total |
|---|-------|-------|-------|------|-------|--------|
| Recipients | 1,981 | 2,964 | 1,126 | 369 | 744 | 7,184 |
| Provincial resident bonus expenditure (in millions of won) | 1,499 | 4,908 | 1,673 | 805 | 2,323 | 11,208 |

Under the Elementary and Secondary Education Act, North Korean refugees are exempt from admission, tuition, school operations, and boarding fees. A North Korean refugee enrolling in a national or public university under certain conditions can get a full tuition exemption, while those enrolled in a private university are covered by the government for 50% of their tuition for a maximum period of six years. To ensure student motivation, the tuition subsidy is discontinued if the GPA for the previous two semesters is less than 70 percent of the perfect grade.

Private college and university tuition subsidy expenditure

| Classification \ Year | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|-------|-------|-------|-------|-------|
| Number of colleges | 120 | 136 | 156 | 157 | 183 |
| Number of recipients | 537 | 708 | 952 | 1,334 | 1,570 |
| Tuition subsidy expenditure (in millions of won) | 1,530 | 1,930 | 2,352 | 3,158 | 3,294 |

2. Safety Protection and Support Services at Community Level

After completing the Hanawon program and getting settled into their new homes, North Korean refugees get assistance from various organizations and individuals, including the regional councils that support North Korean refugees, the regional adaptation center (Hana Center), volunteer settlement helpers, support workers (for living assistance, safety protection, and employment assistance), local private welfare organizations, religious groups, and volunteer groups.

(1) Regional councils to support North Korean refugees

The regional councils supporting North Korean refugees are networks among support workers, welfare organizations, religious groups, and NGOs who understand the difficulties faced by North Korean refugees and thus, are best able to offer help. The first regional council was set up in Nowon-gu, Seoul in 2001. As of December 2012, there were 74 regional councils in place at the local government level, and so far, 38 local governments have established ordinances to support North Korean refugees during their initial settlement period.

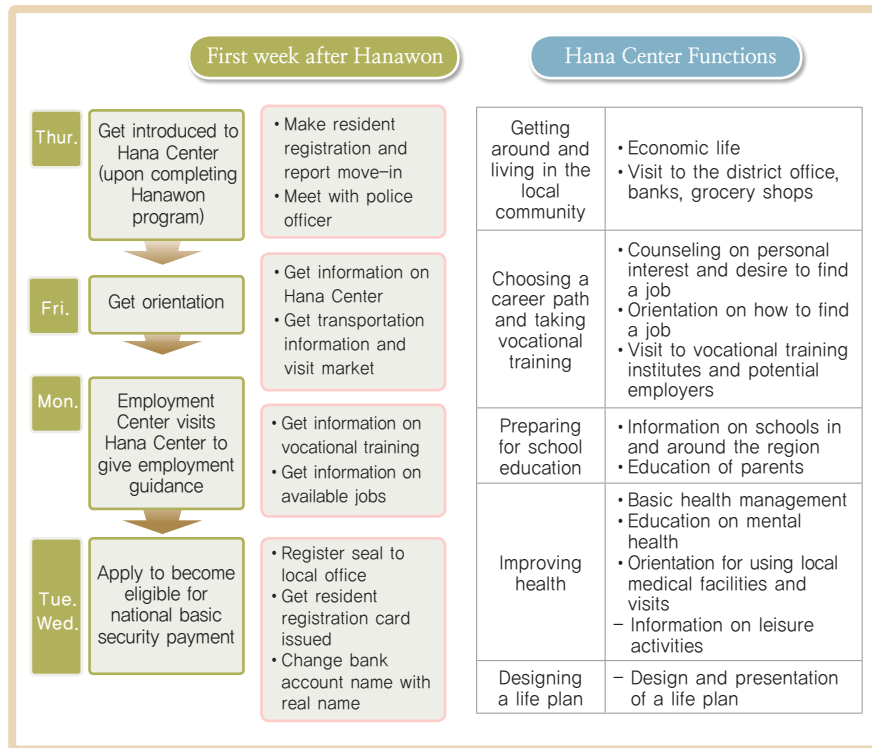
These regional councils offer an efficient public-private partnership at the local government level. They develop and execute regional-specific programs and coordinate various projects implemented in the region to prevent overlap and excessive or insufficient aid.

(2) Regional adaptation centers (Hana Center)

Tailored to help North Korean refugees adapt to their new environment, regional adaptation centers (Hana Center) offer North Korean refugees settling into their new homes a three-week intensive program and a one-year

personalized follow-up service immediately upon their completion of the Hanawon program. In 2009, six Hana Centers were operated as pilot projects in Seoul, Gyeonggi (2), Daejeon, Daegu, and Gwangju. In 2010, there were 30 Hana Centers in operation. In 2012, an assessment was made to measure the centers' performance in the previous three years. Depending on the results, some centers will be run by consignment, while others will be merged for efficiency.

Regional adaptation programs offered by Hana Center



Operation of Hana Centers in 2012

| Region | Seoul | Gyeonggi | Incheon | Gangwon | Chungnam | Gyeongbuk | Gyeongnam | Gwangju |
|-------------------|-------|----------|---------|---------|----------|-----------|-----------|---------|
| Number of centers | 4 | 6 | 2 | 2 | 2 | 2 | 2 | 2 |
| Region | Busan | Daegu | Ulsan | Daejeon | Chungbuk | Jeonbuk | Jeonnam | Jeju |
| Number of centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

In 2012, 1,567 of 1,648 eligible North Korean refugees, or 95%, took part in a regional adaptation program and 1,437 of them, or 92%, completed it. During the one-year follow-up, the centers offered 77,657 services, including counseling, home visits, and helping refugees to acclimate within their local communities.

(3) Support workers

Local self-governing bodies, police stations, and employment centers are staffed with workers charged with assisting North Korean refugees with community services, ensuring their safety, and helping them find a job. Living assistance workers help North Korean refugees report move-in, apply for cost-of-living benefits, medical care, and other social security programs, and get various certificates issued. Security officers are charged with protecting North Korean refugees from becoming victims of crime as they are not yet familiar with the society. Employment assistance workers are professional vocation counselors working in employment centers affiliated with the Ministry of Employment and Labor. They offer career counseling and guidance, introduce refugees to vocational training, and help them with employment through the Successful Employment Package Program.

3. Employment Assistance

Recognizing that the key to successful settlement lies in employment, the Ministry of Unification is working to make more jobs available for refugees, enhance their capabilities so they can remain in the same job, and improve their employment conditions. It has organized various vocational training programs in cooperation with the Ministry of Employment and Labor and has also worked to make more jobs available through the North Korean Refugees Foundation. In 2012, the State Public Officials Act and the Local Public Officials Act were revised to allow national and provincial governments to hire North Korean refugees and naturalized foreigners. The revisions will likely enable the central and provincial governments to hire more North Korean refugees.

(1) Vocational training support offered by employment centers

North Korean refugees can take advantage of the vocational training support offered by employment centers affiliated with the Ministry of Employment. After obtaining a vocational training subsidy card at an employment center, North Korean refugees can get a subsidy of up to 2 million won to enroll in any vocational training institute. In particular, by taking a special class for North Korean refugees only, North Korean refugees can get training at no additional cost.

They can also take part in the Successful Employment Package Program, where they are counseled individually to determine their employability, and advised on the most appropriate vocational training programs. This package offers a subsidy of up to 3 million won, with no additional costs to the trainee. It also includes a training allowance as well as a bonus if they get a job.

(2) Vocational training support from the North Korean Refugees Foundation

The North Korean Refugee Foundation operates an employment support center to help North Korean refugees become self-reliant. The foundation is engaged in creating jobs directly, either by offering support to social enterprise that hire North Korean refugees or by helping refugees start a small-capital business or become farmers.

Opened in March 2012, the employment support center offers assistance in finding jobs in the government, public institutions, or businesses through individual employment counseling. It also organizes local job fairs and mobile counseling services for those residing in the provinces.

Employment Support Center Activities (March 1–December 31, 2012)

| Activities | Job-seeker registration | Employment counseling | Employer registration | Job matching | Employment | Accompany to interv |
|------------|-------------------------|-----------------------|-----------------------|--------------|------------|---------------------|
| Aggregate | 1,235 | 10,076 | 968 | 1,458 | 405 | 9 |

The foundation offers support for social enterprises where refugees make up 30% of the workforce. In 2012, 14 social enterprises received support, hiring a total of 163 North Korean refugees.

In cooperation with the Hyundai Motor Group Smile Microcredit Bank, the foundation assists refugees to start their own businesses. For those wishing to work as a farmer in a rural community, it provides training, rents the farmland and greenhouses, and helps them to find markets for their products.



Unification market with North Korean refugees
(September 6, 2012, Government building in Seoul)

(3) Employment of North Korean refugees by central and provincial governments

As of December 2012, there were 152 North Korean refugees working in the central or provincial governments as full-time public officials or part-time workers. In 2012, based on the Act on the Protection and Settlement Support of Residents Escaping from North Korea, the Ministry of Unification worked with the Minister of Security and Public Administration to conclude the hiring of 11 North Korean refugees in eight ministries and in the Gyeonggi-do provincial government. Also, the State Public Officials Act and the Local Public Officials Act were revised in March and September 2012, respectively. This now provides the legal basis for government organizations to employ North Korean refugees and naturalized foreigners. When these acts become fully effective, it is expected that a larger number of North Korean refugees will be hired by the government.

4. Education Support for North Korean Youth Refugees

In 2012, the ROK government selected and placed 15 coordinators in schools and regions populated by a large number of North Korean youths. These coordinators help young people to live stable lives by coordinating support at home, school, and community.

In addition to supporting the youths at school, the government is also striving to help them to study independently at home through the North Korean Refugees Foundation. North Korean youths are eligible for home-study workbooks and distance-learning English programs. In 2012, a total of 500 million won was administered in scholarships to 121 North Korean refugees enrolled in middle school or high schools and 189 enrolled in undergraduate or graduate institutions. In that year, the scope of eligibility was expanded to include those who passed the college entrance exam (12 students) and Meister high school students (5 students).

The government also assists North Korean youths in special circumstances to achieve their education. It has offered financial assistance to those who, because of their age, must study outside the regular education system. It granted 700 million won to eight private alternative schools and educational facilities and 1.1 billion won to 21 after-school learning centers in various regions.

Meanwhile, the government continues to hold college entrance fairs and career track advice to college-bound North Korean youths. For the first time in 2012, it organized a two-year technical college entrance fair to help future technical college students to develop a career plan based on their aptitude and ability. Finally it worked with 17 Meister high schools nationwide to create special eligibility criteria for North Korean youth students while offering scholarship assistance through the North Korean Refugees Foundation.



Hyundai Motor Chung Mong-koo Foundation offers scholarships to North Korean youth refugees (May 3, 2012)



Two-year technical college entrance fair for North Korean youth refugees (September 7, 2012)

The government offers a number of educational opportunities for North Korean youths as they will play an important role when the two Koreas are unified. The WEST (Work, English Study, and Travel) is a joint Korea-U.S. internship program that offers an opportunity to work in the U.S. for eight months. In 2011, five university students were selected for the program, and in 2012, ten were chosen.

The College Student Future Leadership Contest, launched in 2010, was also held in 2012. The contest offers students a chance to think about unification issues, draw up a plan for unification and implement it. Contest winners are given an opportunity to learn and work overseas.

In 2012, the government also extended assistance to North Korean children born in a third country and later arriving in South Korea. It provided them with greater access to private alternative schools and after-school learning centers, as well as home workbooks and distance-learning English programs.

5. Assistance for Stable Livelihood

(1) Professional counselors

As of December 2012, there were 103 professional counselors in 16 cities or provinces nationwide who have provided assistance and counseling to 78,398 North Korean refugees.

In a significant trend, the number of North Korean refugees who have been hired as professional counselors is increasing. Having completed counseling-related undergraduate study or a professional counseling education program, professional counselors with a North Korean background can share their personal experience and know-how with newly arrived North Korean refugees and develop a strong, compassionate bond with them.

Professional counseling offered to North Korean refugees in 2012

| Classification | Employment | Housing | Health | Education | Support information |
|-----------------------------------|-------------------------------|---------------|---------------|-----------|---------------------|
| Number of counseling offered | 12,371 | 4,457 | 11,279 | 9,217 | 8,764 |
| Emotional and psychological issue | Medical / livelihood benefits | Family issues | Legal matters | Others | Total |
| 10,805 | 2,334 | 4,843 | 4,130 | 10,198 | 78,398 |

(2) Settlement helpers

Settlement helpers are volunteers who help North Korean refugees settle in the community, to be with them when they move into their new homes or register as residents, or just to pay neighborly visits twice a month. As of December 2012, there were 1,135 settlement helpers attached to 15

organizations, including the Korean Red Cross, Korea Freedom Federation, and regional welfare centers.

(3) Assistance for vulnerable groups

The government expanded the scope of medical support for North Korean refugees suffering from health issues. Organ transplant patients or those with a serious illness or rare disease receive monetary assistance within the annual limit for uncovered fees through the North Korean Refugees Foundation

Since 2012, the government has provided basic necessities to North Korean refugees during their early period of settlement, when they are attending adaptation training or job-hunting. Each household receives a three-week supply of 24 basic foods and consumable items worth around 200,000 won.

Other support programs for vulnerable groups include 14 temporary shelters for those on the waiting list for housing, 18 group homes for North Korean teenagers without families, and three shelters for female victims of sexual or domestic violence. Newly introduced in 2012 are temporary shelters for those who are not yet entitled to protection under the Settlement Support Act due to their lengthy stay in a third country. They can use these shelters after leaving Hanawon until they find a residence.

6. Cooperation with Private Institutions and Public Awareness Campaigns

(1) Assistance through Private NGOs

Various private institutions—local welfare centers, religious facilities, and civic groups—help North Korean residents settle in their new communities by providing counseling, education, and socialization programs. As of

December 2012, there were 177 private institutions offering such services, of which 61 were established by North Korean refugees. The North Korean Refugees Foundation serves as a bridge between these private organizations and the government. In 2012, the foundation organized best idea contests and community revitalization projects, encouraging creative involvement from private organizations. It financed 30 private groups that provide assistance to particularly vulnerable North Korean refugee groups, and also sponsored 118 community revitalization projects—sporting events, cultural events, local volunteer activities, and capacity-building seminars organized by 55 groups.

(2) Public awareness campaigns

The public's attitude toward North Korean refugees greatly affects how well the newcomers settle into Korean society. Negative public opinion can be a challenge to government efforts to help North Korean refugees adjust, particularly in terms of refugees gaining economic independence and getting their children used to school life. Thus, through the North Korean Refugees Foundation, the government has made various efforts to improve public perception. In 2012, it aired a television program entitled “North Korean refugees, our neighbors” on KBS, while stepping up its promotional activities on cable TV and in subway stations. On October 20, 2012, it organized a special event promoting unity with North Korean refugees that attracted 2,300 South and North Korean participants.

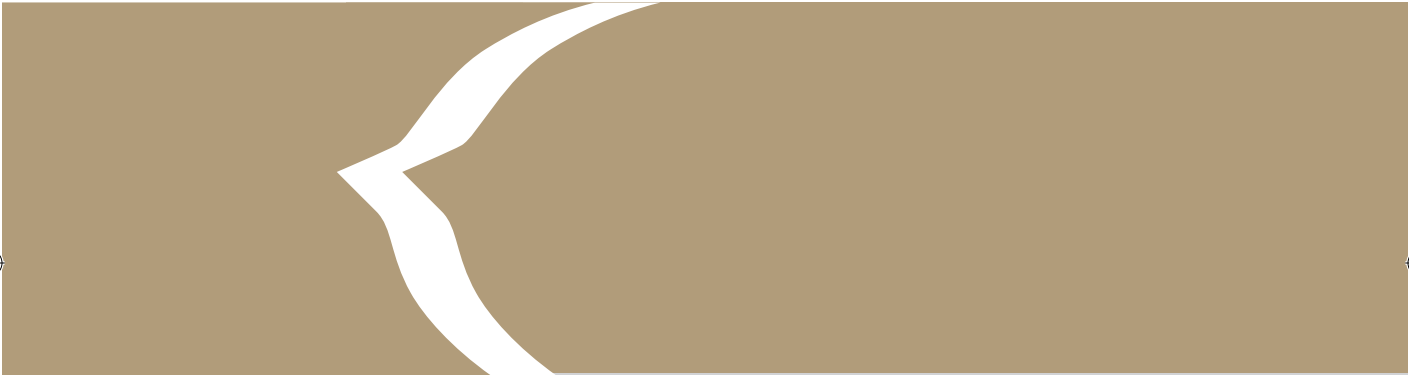
Meanwhile, the North Korean Refugees Foundation publishes the bimonthly Dongpo Sarang (21,000 copies), the monthly Foundation News, an English newsletter, and an Internet site to promote North Korean refugee news in South Korea and abroad.



2012 Dongpo Sarang Fundraising Night
(December 6, 2012)



2012 special event promoting unity with
North Korean refugees
(October 20, 2012)



W H I T E P A P E R O N K O R E A N U N I F I C A T I O N

Chapter 7

Unification Education

Section 1 The Unification Education System

Section 2 Education Programs

Section 3 Support for School Education and Education for Adults

Section 4 Development and Distribution of Educational Materials

Chapter 7 Unification Education

The ROK government provides unification education in accordance with the Unification Education Support Act enacted in February 1999. Article 2 of the Act defines unification education as education that helps foster values and attitudes that are conducive to unification based on conviction in free democracy, recognition that the two halves of the Korean peninsula belong to the same community, and sound awareness of national security. The Act also stipulates in Article 3 that unification education shall protect the order of free democracy and pursue peaceful unification as a basic principle.

The government has worked to dispel public doubt and indifference and to build public support for unification. In 2012, on the occasion of the 40th anniversary of the Education Center for Unification, it established a plan to renew unification education. The government introduced an executive program for leaders in the government and nonprofit sectors. It also organized many participatory, hands-on programs for youths, including the one-night, two-day unification camp. To facilitate unification education at the community level, it designated 17 unification education centers nationwide and hired 1,063 unification education officials.

The government develops various unification education materials for the public in order to foster a future-oriented view on unification, a sound understanding of national security, and a balanced attitude toward North Korea. It is committed to instilling in its citizens an accurate and realistic understanding of unification issues and of North Korea by providing objective and balanced content. Information is continuously updated as changes occur in inter-Korean relations and in North Korea.

Section 1. The Unification Education System

1. Basic Plan & Guidelines

In accordance with the provisions of Article 4 of the Unification Education Support Act, the ROK government establishes the direction and key tasks annually, presenting them to the relevant administrative agencies in the central government as well as offices of education at both the municipal and provincial levels. The annual plans collected from these agencies are incorporated in the *Basic Plan for Unification Education*. In 2012, the basic blueprint also included the plans of local self-governing bodies, ensuring education activities at grassroots level. The proposed key tasks for 2012 are as follows: reinforcing content and methodology, instilling greater desire for unification in future generations, building a general consensus on unification readiness, and taking advantage of new media channels.

The government annually publishes *Guidelines to Unification Education* for distribution to relevant institutions, ensuring that the education activities in schools and outside of schools are consistent. The *2012 Guidelines to Unification Education* was published in two separate issues, for general use and for school use. The general use issue explains unification education and how it should be taught to enhance public awareness, while the guidelines for school use introduces methodology as well as recommendations tailored for different grade levels and curricula to engage the interest of elementary, middle, and high school students.



Basic Plan for Unification Education



Guidelines to Unification Education

On May 1, 2012, on the occasion of the 40th anniversary of the Education Center for Unification, the government held a forum and internal review sessions to develop a plan on revamping unification education. At the forum, the government unveiled its vision ‘Bringing together our commitment and capability for peaceful unification and democracy’ and proposed four development goals: moving towards unification and preparing for post-unification integration, promoting belief in a unified Korea, building education governance for public unity, and allocating key functions to the Education Center for Unification. In line with these goals, the center’s functions were reorganized as “A, B, and C.” The letter “A” stands for Academy fostering a special workforce, “B” for Brain to develop educational content, and “C” for Control Tower for cooperation with public and private institutes.

2. System of Cooperation

The Ministry of Unification established a system of cooperation with various players, networking with relevant institutions to ensure effective unification education. It held a series of meetings with the Ministry of Education, Science and Technology and municipal and provincial offices of education to revitalize the unification curriculum at the schools, which is the key to engaging young minds of the future generation. The Ministry of Unification regularly consulted with the Ministry of Education, Science and Technology to discuss the direction of the education plan. It also held biannual workshops with municipal and provincial offices of education for more effective approach to teaching the subject of unification.

The Ministry of Unification also collaborated with local governments on unification education for adults. In 2012, it organized a joint workshop for public officials in local government to discuss why unification education is necessary at the local level and how the educational system could be strengthened (November 8-9, 2012).



Workshops with unification officials from municipal and provincial governments (November 8-9, 2012)

On December 11, 2012, it also concluded a memorandum of understanding with the Educational Broadcasting System (EBS) in an effort to broaden media involvement. Through this MOU, the ministry not only offered customized unification education to EBS staff, but there are plans to jointly develop content.



Education Center for Unification signs MOU with EBS
(December 22, 2012)

Section 2. Education Programs

Unification education programs are available both offline and online, and in Korea and abroad. Offline education includes regular programs developed by the Education Center for Unification and the overseas program organized abroad for Korean expats. Meanwhile, online education is available through the Education Center for Unification website (www.eniedu.go.kr).

1. Regular Programs

(1) In-class programs

The Education Center for Unification offers six regular, in-class programs that are tailored to specific groups: schools, public officials, NGOs, future unification leaders, unification education instructors, and senior government executives in charge of unification policy. In 2012, the center organized 99 regular classes for a total of 6,041 participants (25,916 in number of man-days).

The classes, which offer content information on inter-Korean relations and the unification environment, are designed to promote an objective understanding of the reality in North Korea. In addition, by presenting a vision for unification, they foster a sound view on national security given the recent changes in inter-Korean relations and a positive outlook on unification. For the best results, more classes are being offered to schools, public officials, opinion leaders, and other groups that can play the role of intermediary.

2012 Regular Unification Education Program

| Program Classifi- cation | School program | Public official program | Civic group program | Future unification leadership program | Unification education instructor program | Executive program | Total |
|--------------------------------|-------------------|-------------------------------|---------------------------|--|---|----------------------|--------|
| Number of participants | 3,036 | 1,340 | 1,313 | 38 | 245 | 69 | 6,041 |
| Number of classes | 42 | 25 | 23 | 1 | 6 | 2 | 99 |
| Number of man-days | 7,857 | 4,816 | 3,127 | 8,360 | 1,342 | 414 | 25,916 |

* The number of man-days is the number of participants multiplied by the number of class days.

The school program is designed for principals, vice-principals, and teachers of elementary, middle, and high schools, education officials, education researchers, kindergarten teachers, university students, and teenagers. In 2012, the program was offered to a total of 3,036 people (42 programs). Used in these classes are materials pertaining to inter-Korean relations, unification policy, and the current status in North Korea, as well as other objective information that are relevant for participants.

The public official program is offered to central and local government officials to enhance their understanding of the government's unification policy and help them to improve their ability to perform unification-related tasks. In 2012, 1,340 persons (25 programs) took classes, including senior and working-level officials, officials in charge of supporting North Korean refugees' settlements, those in charge of emergency situation planning, those enrolled in the Local Government Officials Development Institute, and newly-hired officials.

The NGO program targets people working for pro-unification organizations, unification education organizations, or other NGO groups. In 2012, 1,313 persons (23 programs) took part, including unification education officials,

executives of the Committee of the Five Northern Korean Provinces, unification security instructors, volunteers assisting North Korean refugees, and executives of an NGO in Japan.

The Education Center for Unification has offered the Future Unification Leadership Program since 2006. The program is designed to help senior government officials and managers, as well as senior executives in public organizations to build their capacity as key players in the unification process. In the Class of 2012, 38 participants were trained to build policy-making capability, effect positive changes in inter-Korean relations, coordinate public-private collaboration in the unification process, and gain leadership to ensure continuing progress in unification work. From the Class of 2006 to the Class of 2012, a total of 245 senior executives took part in the program.



Future Unification Leaders Program, Class of 2012

Given the strong patriotism and interest in unification of Koreans living abroad, the government has organized annual overseas tours to enhance understanding of unification policy and issues, while encouraging greater support from Korean ex-pats. From October 10 to 15, 2012, on trips to Sydney, Australia and Auckland, New Zealand, the Ministry of Unification explained the importance of unification policy and education.

(2) Program for key messenger groups

In line with the Unification Education Support Act, which was revised and executed on April 20, 2010, the Education Center for Unification offers an educational program to train instructors specializing in unification education. The program is offered to three groups of instructors: those teaching teenagers unification issues and help them gain an objective understanding and sound view of national security; those who address the general public; and those who are North Korean refugees to offer education on North Korean issues based on their personal experiences.

The unification education instructor program was offered as a pilot program in 2010, and in the following year, it fostered 136 instructors. In 2012, one class was offered for instructors teaching teenagers and three classes for North Korean refugee instructors. A total of 100 participants completed the program. Instructors who were trained in 2010 and 2011 and are actively working in the field can also receive refresher courses at the center.

Unification Education Instructors

| Classifi- cation Year | Unification education instructors for teenagers | Unification education instructors for general public | North Korean refugee instructors | Total |
|-----------------------------|---|--|-------------------------------------|-------|
| 2010 | 21 | 31 | – | 52 |
| 2011 | 21 | 37 | 26 | 84 |
| 2012 | 21 | – | 79 | 100 |
| Total | 63 | 68 | 105 | 236 |

* The above figures only reflect new participants and are exclusive of those taking renewal courses.

In response to rapid changes in the unification environment and the rising need for preparation, the Education Center for Unification introduced an executive program in March 2012, graduating two classes so far. The program has brought together leaders in academia, culture and sports, media, corporate sector, law, and government. Classes (six lectures each) began in March 2012 with 36 participants. In the first month, lectures were given by Minister of Unification Yu Woo-ik and former Minister of National Defense Kim Tae-young; in April, by top secretary of the Foreign Affairs and Security department in the Office of the President Chun Yung-woo; and in May by Peking University Professor Zhu Feng. On April 20, President Lee Myung-bak gave a special lecture on ‘Unification philosophy and tasks.’

The second class began in September 2012 with 34 participants. As in the first class, special lectures were given on unification policy, unification diplomacy, and national security. Seminars were organized to encourage student participation in discussions about North Korea and the post-unification economy.

2012 Executive Program

| Classification | First Semester (March 2–May 26, 2012) | Second Semester (September 13–November 15, 2012) |
|----------------|---|---|
| Lecture 1 | Unification policy and unification readiness (Yu Woo-ik, Minister of Unification) | Unification policy and unification readiness (Yu Woo-ik, Minister of Unification) |
| Lecture 2 | National security strategy for unification of the Korean Peninsula (Kim Tae-young, former Minister of National Defense) | Seminar on the political situation in North Korea and prospects for change (Nam Sung-wook, Secretary General of the National Unification Advisory Council) |
| Lecture 3 | North Korea policy objective and the future of the Korean Peninsula (Chun Yung-woo, top secretary of the Foreign Affairs and Security department in the Office of the President) | Seminar on the unification of the Korean Peninsula and the Korean economy (Kim Joo-hyun, CEO of Hyundai Research Institute) |

| Classification | First Semester (March 2–May 26, 2012) | Second Semester (September 13–November 15, 2012) |
|----------------|---|---|
| Lecture 4 | Unification philosophy and tasks (Lee Myung-bak, ROK President) | Visit to Panmunjeom, transit administration office, and Dora Observatory |
| Lecture 5 | How China views the unification of the Korean Peninsula (Zhu Feng, Professor at Peking University) | North Korea policy objective and the future of the Korean Peninsula (Chun Yung-woo, top secretary of the Foreign Affairs and Security department in the Office of the President) |
| Lecture 6 | Visit to Panmunjeom, transit administration office, and Dora Observatory | Changes in post-unification Germany and implications for Korea (Rolf Mafael, German Ambassador to Korea) |



Special lecture by President Lee Myung-bak during executive program
(April 20, 2012)

2. Online Education Programs for Unification

The Education Center for Unification offers six online courses that are tailored to specific groups: public officials, school teachers, visitors to North

Korea, and those attending open unification lectures. As of December 2012, the center had developed 102 types of online content in 32 subjects

The web-based program for public officials was launched on March 1, 2008. As of December 2012, two courses were being offered: Understanding unification issues and Understanding North Korea. In total, 4,414 public officials have taken one of the courses, which have been held nine times. In June 2004, the program for school teachers commenced, offering ten short-term courses and 14 long-term courses, including a field trip. In 2012, 3,106 persons took one or more of the courses, which were offered 13 times. The program for visitors to North Korea, which went online on January 30, 2009, covers four topics, including a guide to preparing for a visit to North Korea and the ROK government's North Korea policy. Since 2012, 6,258 persons have taken the course.

The open unification lectures for the general public were first introduced on October 7, 2011. In total, 23 lectures have been offered, including 13 on unification issues, six on North Korea, and four on unification education.

Section 3. Support for School Education and Education for Adults

Under the Unification Education Support Act, the government subsidizes various initiatives, including unification classes in schools and those for adults.

1. Support for School Education

Recognizing that awareness among teenagers is the key to unification readiness, the government has bolstered unification education for teenagers, including those offered in schools. The government subsidized hands-on programs and other educational initiatives organized by elementary, middle, and high schools. For college and graduate school students, the government organized discussions on unification at various venues.

(1) Hands-on programs

In 2012, the existing March for Peace and Unification program and the Global Unification Leadership Camp for Teenagers were expanded and reorganized into the One-night, Two-day Unification Camp and the Unification Future Leaders' Camp. For the first camp, 50 different sessions were held around the nation, attracting 4,823 elementary, middle, and high school students. The Unification Leaders' Camp program, held five times, was attended by 496 middle, high school, and college students. Participants visited China, Vietnam, and other socialist countries to gain firsthand experience on unification issues.



One-night, Two-day Unification Camp



Unification Future Leaders' Camp

To raise awareness among children, the Ministry of Unification organized a junior reporters' club. One hundred fifth- and sixth-grade student reporters participated in various hands-on activities, posting their articles on a dedicated blog (<http://kidnews.unikorea.go.kr>).



Children Reporters' Group launching ceremony (May 1, 2012)

The 2nd Annual Children's Story Competition, held from April 23 to June 22, 2012, was open to both teenagers and the general public. Of 647 entries, three stories received first prize. There were also six second prizes and nine honorable mentions. Following soon after was the 17th National

Student Unification Writing Contest held from May 14 to June 15, 2012. It was attended by 916,082 students from 5,803 elementary, middle, and high schools.

(2) Visiting education staff

The government also organized visits to elementary, middle, and high schools. In 2012, staff from the Ministry of Unification, unification education instructors, and North Korean refugees visited 536 schools to meet students for one-day classes, reaching a total of 82,678 students. In addition, the government organized visits to 33 regional children's centers for after-school unification classes. A total of 705 students participated in this program.

(3) Model schools

The government designated schools that offer the best unification education as exemplary models, promoting them nationwide and awarding various teaching materials to them. In 2012, the government designated 59 model elementary, middle, and high schools.

List of schools that offer the best unification education

| Region | Schools |
|-------------|--|
| Seoul (4) | Dongil elementary school, Gwangnam elementary school, Gongneung, Yangjae high school |
| Busan (2) | Namcheon elementary school, Gancheon middle school |
| Daegu (2) | Daegu Jinwol elementary school, Daegu II middle school |
| Incheon (5) | Incheon Haksan elementary school, Hajeom elementary school, Yeonhwa middle school, Incheon Nam middle school, Daechyeong middle school and high school |
| Gwangju (1) | Songjeong Seo elementary school |
| Daejeon (3) | Daejeon Songgang elementary school, Daejeon Yongun middle school, Daeseong middle school |

| Region | Schools |
|---------------|--|
| Ulsan (3) | Wolpyeong elementary school, Daehyeon middle school, Beomseo high school |
| Gyeonggi (6) | Duil elementary school, Munsan elementary school, Tapdong elementary school, Geumneung middle school, Maewon high school, Pungdeok high school |
| Gangwon (4) | Bangsan elementary school, Sangpyeong elementary school, Imgye middle school, Gandong high school |
| Chungbuk (5) | Seochon elementary school, Sotae elementary school, Jangrak elementary school, Miwon middle school, Boeun Information high school |
| Chungnam (2) | Daegwan elementary school, Banpo middle school |
| Jeonbuk (5) | Gochang Namcho elementary school, Balsan elementary school, Ibaek elementary school, Gunsan Jayang middle school, Iri girls' high school |
| Jeonnam (3) | Ungchi elementary school, Yeonggwang girls' middle school, Imja general high school |
| Gyeongbuk (8) | Murya elementary school, Yangbuk elementary school, Ocheon elementary school, Cheongha elementary school, Hyoryeong elementary school, Yeongchang middle school, Gimcheon commercial high school, Hyeonseo high school |
| Gyeongnam (3) | Susan elementary school, Myunggok girls' middle school, Gimhae Daechong high school |
| Jeju (3) | Namgwang elementary school, Udo elementary school, Chuja middle school |

In addition, for the second time, the government sponsored the Best Unification Education Contest on October 29, 2012 in a search for the best unification education teachers. Participants included 64 teachers in elementary, middle, and high school. Four teachers received first prize, eight, second prize, and eight, honorable mention.

(4) Workshops

Workshops were organized in different regions, where government staff listened to the views of unification education teachers with a view to improving unification education programs in schools. In 2012, workshops were held in four regions: Gangwon-do, Chungcheongbuk-do, Chungcheongnam-do, and Gyeongsangbuk-do provinces.



Workshop to improve School unification education

(5) Education for undergraduate and graduate students

The government implemented various programs to promote college-level discussions on unification and foster the next generation of creative, motivated leaders.

As host of the College Student Unification Forum, the government provided a venue for undergraduate students to voice their opinions and to participate in debates. In 2012, the forum was organized at ten schools, including Kyungnam University and Hankuk University of Foreign Studies. The government also organized the College Student Unification Academy at Korea, Dongguk, and Myongji universities. The academy offers a five-week unification education program, including lectures and tours.

From July 3 to August 17, 2012, the government hosted the 31st College (Graduate School) Unification Thesis Contest, to encourage undergraduate and graduate students to do research on unification topics. Of 110 entries, there was one first prize, four second prizes, and eight honorable mentions.



College Student Unification Academy



Award Ceremony of College (Graduate School) Unification Thesis Contest (November 13, 2012)

(6) Construction of the South-North Youth Exchange Center

The South-North Youth Exchange Center, which will be built in the DMZ (Demilitarized Zone), will serve as a place of peace and a hub for joint cultural activities for young people from both sides. The center will also host a number of on-site learning programs to raise unification awareness among teenagers. Construction began on November 9, 2012 and is scheduled for completion in August 2014. Located in Yeoncheon-gun in Gyeonggi-do Province, the center will comprise a training center, living quarters, as well as conference, sports, and outdoor experience facilities.

2. Support for General Unification Education for Adults

By providing general unification education for adults, the government is striving to gauge public opinion on unification. For this purpose, it appointed knowledgeable unification education officials, and has made various efforts to support regional unification education centers, unification education councils, and unification exhibition halls.

(1) Unification education officials

Since 1987, the government has appointed as unification education officials people who have the professional knowledge and teaching experience. In 2012, it appointed the 18th cohort of unification education officials (1,063 professionals), and organized the Central Council of Unification Education Officials, as well as 16 regional councils. For the first time, the 18th cohort included 73 overseas Koreans from the U.S., China, Japan, and Russia.

In 2012, officials attended one of seven refresher courses at the Education Center for Unification to update their professional knowledge and hone their lecture skills. They also took part in visits to socialist countries. The participants enjoyed access to various teaching materials, videos, unification newspapers and newsletters, as well as unification information via the Education Center for Unification website (www.unikoredu.org).



Launching of the Central Council of the 18th Cohort of Unification Education Officials (March 26, 2012)



Workshop of the Central Council of Unification Education Officials (October 19, 2012)

(2) Regional Unification Education Centers

Since 2004, the government has designated capable organizations and groups to operate as regional unification education centers. In 2012, it designated 17 regional unification education centers nationwide (to be run by regional education councils) to provide unification education at the community level. That year, a total of 1,355 programs were organized, including lectures, academies, on-site tours, cultural festivals, contests, and workshops, drawing 261,886 local residents.

Regional Unification Education Centers

| Center | Managed by |
|--|--|
| Seoul Regional Unification Education Center | Regional Council of Unification Education Officials in Seoul |
| Busan Regional Unification Education Center | Regional Council of Unification Education Officials in Busan |
| Daegu Regional Unification Education Center | Regional Council of Unification Education Officials in Daegu |
| Incheon Regional Unification Education Center | Regional Council of Unification Education Officials in Incheon |
| Gwangju Regional Unification Education Center | Regional Council of Unification Education Officials in Gwangju |
| Daejeon Regional Unification Education Center | Regional Council of Unification Education Officials in Daejeon |
| Ulsan Regional Unification Education Center | Regional Council of Unification Education Officials in Ulsan |
| Gyeonggi North Regional Unification Education Center | Regional Council of Unification Education Officials in Gyeonggi |
| Gyeonggi South Regional Unification Education Center | Gyeonggi-do Women Vision Center |
| Gangwon Regional Unification Education Center | Regional Council of Unification Education Officials in Gangwon |
| Chungbuk Regional Unification Education Center | Regional Council of Unification Education Officials in Chungbuk |
| Chungnam Regional Unification Education Center | Regional Council of Unification Education Officials in Chungnam |
| Jeonbuk Regional Unification Education Center | Regional Council of Unification Education Officials in Jeonbuk |
| Jeonnam Regional Unification Education Center | Regional Council of Unification Education Officials in Jeonnam |
| Gyeongbuk Regional Unification Education Center | Regional Council of Unification Education Officials in Gyeongbuk |
| Gyeongnam Regional Unification Education Center | Regional Council of Unification Education Officials in Gyeongnam |
| Jeju Regional Unification Education Center | Regional Council of Unification Education Officials in Jeju |



First-half regional unification education center workshop (May 11, 2012)



Second-half regional unification education center workshop (November 28, 2012)

(3) Unification Education Council

The Unification Education Council, which was established in 2000, is a consultation body of NGOs engaged in unification education. As of December 2012, the organization had 66 members. To coordinate education at the private level, the council organizes surveys on youth awareness, unification education forums, case study presentations, and an academy on how to negotiate with North Korea. It also hosts contests to promote its members' activities. In 2012, the council held 144 unification education sessions for 11,462 participants.

(4) Unification Exhibition Halls

Unification exhibition halls are organized at the community level, offering local residents access to various materials on North Korea and on inter-Korean relations. As of December 2012, 13 local self-governing bodies or private organizations have opened unification exhibition halls. The government provides various materials for exhibition, including videos, and North Korea-related items. In 2012, the outworn facilities at Mt. Odusan Unification Observatory and the exhibition hall were remodeled.

Unification Exhibition Halls

| Unification Exhibition Hall | Location | Managed by | Date opened |
|---------------------------------------|--------------------------------|--|---------------|
| Mt. Odusan Unification Observatory | Paju-si, Gyeonggi-do | Ministry of Unification * Consigned to Donghwa Industries | Sep. 8, 1992 |
| Seoul Unification Exhibition Hall | Guro-gu, Seoul | Seo Seoul Life Science High School | Oct. 29, 2008 |
| Busan Unification Exhibition Hall | Busan Jin-gu, Busan | Korea Freedom Federation, Busan branch | Jan. 30, 1989 |
| Incheon Unification Exhibition Hall | Nam-gu, Incheon | Korea Freedom Federation, Incheon branch | Dec. 15, 1994 |
| Gwangju Unification Exhibition Hall | Seo-gu, Gwangju | Regional Council of Unification Education Officials in Gwangju | Mar. 10, 1989 |
| Daejeon Unification Exhibition Hall | Yuseong-gu, Daejeon | Daejeon Expo Science Park Corporation | Aug. 11, 2001 |
| Goseong Unification Exhibition Hall | Goseong-gun, Gangwon-do | Goseong Unification Observatory | Jun. 16, 1988 |
| Yanggu Unification Exhibition Hall | Yanggu-gun, Gangwon-do | Yanggu County Office | Aug. 14, 1996 |
| Cheorwon Unification Exhibition Hall | Cheorwon-gun, Gangwon-do | Cheorwon County Office | Dec. 15, 1990 |
| Cheongju Unification Exhibition Hall | Cheongju-si, Chungcheongbuk-do | Cheongju Land Management Office | Feb. 23, 1993 |
| Chungnam Unification Exhibition Hall | Gongju-si, Chungcheongnam-do | Korea Freedom Federation, Chungnam branch | Apr. 5, 2007 |
| Gyeongnam Unification Exhibition Hall | Changwon-si, Gyeongsangnam-do | Korea Freedom Federation, Gyeongnam branch | Apr. 29, 1998 |
| Jeju Unification Exhibition Hall | Jeju-do | Korea Freedom Federation, Jeju branch | Dec. 18, 1993 |

Section 4. Development and Distribution of Educational Materials

1. Publication of Basic Teaching Materials

Each year, the government publishes new editions of *Understanding Unification Issues* and *Understanding North Korea* as basic teaching materials.

The 2012 editions, featuring updates on North Korea and changes in the unification environment, are designed to help readers better understand the reality in the North. They are also meant to instill a positive view of national security and the nation, and help readers to recognize the need for unification readiness. *Understanding Unification Issues* reflects the government's unification efforts, as well as changes involving the Korean Peninsula and the unification environment. It presents a blueprint as well as a vision of unification in the future, and describes in detail the changes in relations among the neighboring four countries, and changes in the new unification environment following the death of Kim Jong-il in 2011 and how the South addressed them. It also provides information on the government's Report of the Three Policy Goals and Eight Key Tasks that was submitted to the President, the unification funds, and how the unification tasks would be achieved. *Understanding North Korea* explains the government's dual approach towards North Korea: Given its confrontation with the North, South Korea is constantly on guard against it. However, North Korea is also the subject of cooperation because South Korea hopes to build, with North Korea, a national community in the future. The material also provides information on the death of Kim Jong-il and the regime succession by his son Kim Jong-un, and explains how the North's relations with the U.S., Japan, China, and Russia have changed since 2011. Readers can also find updates of the North's military, economy, society, and culture,

including an overview of the North's failed currency reform and the growing awareness of market economy in the North.

In 2011 and 2012, the government printed 125,000 copies of *Understanding Unification Issues* and the same number of copies of *Understanding North Korea*, distributing them to educational institutions where there was a high demand. As of December 2012, the materials were being used in 40 universities for classroom lectures. In 2012, the government published the English version of *Understanding North Korea* for distribution to research institutes and associations of Korean expats abroad.



2012 editions of *Understanding Unification Issues* and *Understanding North Korea*

2. Production of Video Content

In 2012, the government produced and distributed 15 videos, including 13 for schools and teenagers, and two for instructors and adults. The video materials were produced in a number of themes and genres to ensure that young people who are familiar with visuals can easily understand the content. Particular focus was placed on explaining why unification is necessary. Materials were further categorized into two groups: general materials (eight videos, including two for elementary school, three for middle school, and three for high school students) and animation materials (5 videos, including

two for elementary school, two for middle school, and one for high school students). The government made special efforts to produce materials suited to the cognitive abilities of students at different grade levels.



Video materials on unification for teenagers

The video materials for general use have several aims: to highlight the need for unification, to encourage viewers to form an opinion on North Korea, and finally, to instill an understanding of the real situation in the North. The video entitled *Unification: a promise for the future* describes the need for unification, the benefits and cost, and the necessary tasks for ensuring readiness. The video *North Korea and its hereditary succession to power* offers an analysis of how Kim Jong-un is building his succession regime following the death of his father, Kim Jong-il.



Video materials on unification for general use

3. Unification Lectures Series

Since 2003, the government published the Unification Lectures by Theme series, which provide in-depth coverage of unification issues and other related topics. This easy-to-read series can be used to supplement other study materials.

In 2012, four series were published, which are *FTA and the unification environment on the Korean Peninsula*, *Korea and Germany—a story of division and unification*, *Unification education and the education of democratic citizens*, and *The Building of a South-North Economic Community and Tasks*. In addition, three series were published on the situation in the North, which are *The Truth and the Falsity of the North's Construction of an Economically Strong Nation*, *A North Korean Story of North Korea*, and *North Korea and its hereditary succession to power* (revised edition).

These series were designed to raise public awareness on unification and to encourage critical thinking on unification readiness. To this end, various topics were selected, including economy, education, and overseas case studies. The three series covering the situation in North Korea are designed to present an objective view of the North Korean regime and its society.



2012 Unification Lectures Series

A total of 39 series have been published as of 2012. The materials are distributed to unification education institutes for adults, unification education

officials and instructors, relevant research institutes, schools, public libraries, and other interested parties.

4. New Media Materials

In line with the fast changing mobile environment, the government began converting materials to e-book form to make unification educational materials available anywhere and everywhere. In 2012, 11 e-books were developed, including *Understanding unification issues*, *Understanding North Korea*, *Book of Knowledge on inter-Korean relations*, and *Unification Lecture with a theme*. These materials are available for download at the website of the Education Center for Unification (www.uniedu.go.kr) using smart phones or tablet PCs.

The government also publishes a UNIZINE, a monthly web magazine providing unification education-related materials to school officials. The web magazine is sent by e-mail to 43,000 customers (principals, vice-principals, and teachers) through the policy customer relations management system (PCRM). The webzine consists mainly of key inter-Korean relations issues, unification cartoons, a calendar of upcoming events, an update of school unification education, inter-Korean topics for teenagers, and a Q&A about North Korea.

In 2012, the government hosted an event commemorating the opening of the Cyber Uni Library as well as another opening ceremony and summer vacation event titled Fly Fly Tongilho (game) to attract Internet users and students to the unification education programs on those websites.

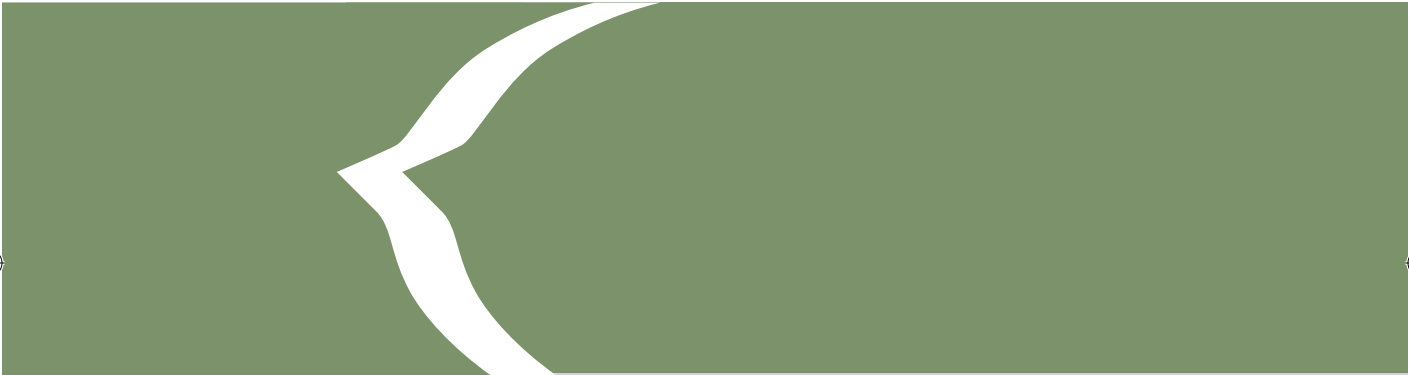
Meanwhile, the Education Center for Unification offers various materials on unification education and unification issues on its website. Anyone can visit the website at any time to download the materials they need. The number of people visiting the website to download materials was 250,000 in 2011 and 300,000 in 2012.

Educational materials developed in 2012

| Classification | Name of material | Key content | Users |
|----------------------------|--|---|---------------------------------|
| Textbooks | Understanding unification issues | Awareness of unification issues, changes involving the Korean Peninsula and the unification environment, unification policy and measures, changes in inter-Korean relations, vision and tasks for a unified nation | Teachers and the general public |
| | Understanding North Korea | View on North Korea, North Korea's political ideology and political regime, foreign relations, military strategy and military power, economy and prospects, education, literature, and arts, social structure and standard of living | Teachers and the general public |
| | Understanding North Korea (English version) | English version of the 2012 edition of Understanding North Korea | Overseas users |
| Unification lecture series | FTA and the unification environment on the Korean Peninsula | FTA and inter-Korean relations, FTA and relations with neighboring countries, FTA and unification | Teachers and the general public |
| | The Truth and the falsity of the North's construction of an economically strong nation | North Korea's goal to become a thriving nation, its limitation and prospects | Teachers and the general public |
| | Korea and Germany –a story of division and unification | Comparison of the division in Germany and in the Korean Peninsula, comparison of historical events and symbols, and significance of unification | Teachers and the general public |
| | A North Korean Story of North Korea | A North Korean intellectual who defected to the South gives an illustration of his real life in the North to cast a light on the life of North Korean people, social phenomena, and power groups | Teachers and the general public |
| | Unification education and the education of democratic citizens | Germany's education of democratic citizenship is studied to draw implication for the unification education in Korea, promote belief in a unified Korea, and learn lessons for preparing for unification and post-unification social integration | Teachers and the general public |
| | The Building of a South-North Economic Community and Tasks | A theoretical presentation on the concept of South-North economic community and how it can be formed, and specific ways to achieve it | Teachers and the general public |
| | North Korea and its hereditary succession to power (revised edition) | The revised edition includes information on Kim Jong-un's succession to power after the death of his father | Teachers and the general public |

| Classification | Name of material | Key content | Users |
|-----------------------|---|--|---|
| Video materials (DVD) | Unification expedition | Protagonists visit various sites related to inter-Korean relations to think about the significance of unification and understand the pain of division from the perspective of elementary students | Elementary school students (grades 3 and 4) |
| | Unification trip by Huni and Geoni (an animation) | Traveling on a train to the Future Unified Korea, Huni and Geoni stop at Baekdusan Ski Resort and Panmunjeom and think about how Korea will look like after it is unified | Elementary school students (grades 3 and 4) |
| | We are friends (an animation) | Daehan makes a space travel to the North where he meets Suncheol. He experiences school life there and becomes friends with Suncheol. | Elementary school students (higher grades) |
| Video materials | A magician talks about unification | A magician explains the current situation involving South-North division and engages elementary school students into hands-on activities to think about why unification is meaningful. | Elementary school students (higher grades) |
| | Three friends go on a one-night trip | Three friends go on a trip where they hear about why the two Koreas became divided, the negative outcome of division, our effort at unification, and the vision for a unified Korea. | Junior high school students |
| | (DVD) | The DVD juxtaposes the image of South and North Korean athletes coming together through sports with the image of separated families in sorrow and the diplomatic confrontation between the two Koreas to depict why unification is necessary. | Junior high school students |
| | Is unification really necessary? | Specific examples of the costs brought about by the division are explained from the perspective of junior high school students, and how these costs can be saved when the two Koreas are unified as well as the various benefits brought about by unification. | Junior high school students |
| | A train to unification (an animation) | Hyejin travels through time on a train and experiences the negative outcome of division and the benefits of unification. | Junior high school students |
| | People looking for hope (an animation) | Hyejin listens to Yunmi as she talks about her defection from North Korea. She sympathizes with the pain of North Korean defectors and hopes that the Koreas will be unified. | Junior high school students |
| | Unification start-ups, a great venture | On the occasion of the first anniversary of the unification of Koreas, a contest is held to select the best unification-related venture business ideas from high school students. | High school students |

| Classifi- cation | Name of material | Key content | Users |
|---------------------|---|--|------------------------------------|
| Video materials | Hyemi's unification campus (an animation) | Ten years after the two Koreas are unified, Hyemi from South Korea and Changjun from North Korea work on a joint project at Pyongyang University and in that process realize how good it is that the two Koreas are unified. | High school students |
| | Our choice is unification | The costs and benefits of unification, and the cost of division are explained and how the vision for a unified Korea can be achieved. | High school students |
| | From division to unification | The causes of division and its negative outcome, our unification effort, and the vision for a unified Korea are explained. | High school students |
| | The hereditary succession to power in North Korea | An analysis is given of Kim Jong-un's hereditary succession to power, his obsession to inherit power, the significance of hereditary succession, and the Kim Jong-un regime. | Teachers and the general public |
| | Unification, a promise for the future | Explanations are given on the significance and need of unification, the costs and benefits that unification entails, and a vision for a unified Korea is presented along with the necessary tasks to prepare for it. | Teachers and the general public |



W H I T E P A P E R O N K O R E A N U N I F I C A T I O N



Chapter 8

Management and Operation of the Inter-Korean Cooperation Fund

Section 1 Creation and Operation of the Fund

Section 1. Creation and Operation of the Fund

1. Fund Revenues

Of the 1.61 trillion won planned for the 2012 Inter-Korean Cooperation Fund, 1.52 trillion won had been received by the end of December 2012. For the first time, 112.8 billion won was raised in government contributions to repay the interest on deposits from the Public Capital Management Fund allocated to the light-water reactor project. In addition, 400 billion won was received from the Public Capital Management Fund to repay the principal. Finally, a total of 941 billion won was received in recovered surplus funds (486.5 billion won from banking financial institutions, 454.5 billion won from non-banking financial institutions) and 69.4 billion won in other revenues.

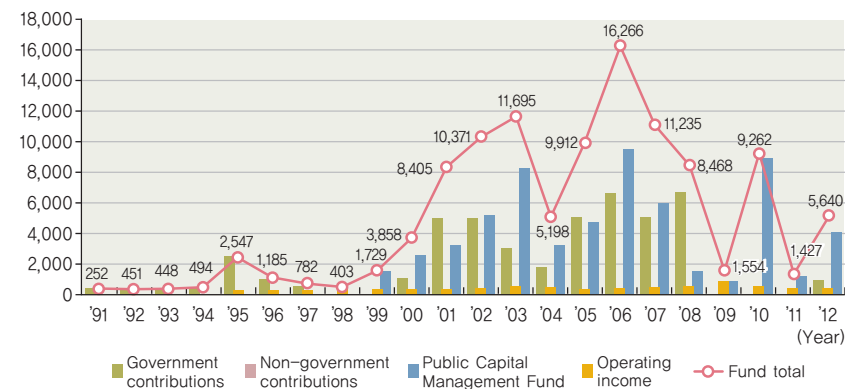
Revenue of Inter-Korean Cooperation Fund

(in hundreds of millions of won)

| Revenue \ Year | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|--------|--------|--------|--------|--------|
| Government contributions | 6,500 | – | – | – | 1,128 |
| Deposits from the Public Capital Management Fund | 1,475 | 810 | 8,750 | 1,044 | 4,000 |
| Recovered surplus funds | 5,717 | 10,537 | 10,042 | 9,336 | 9,410 |
| Others | 689 | 894 | 741 | 570 | 694 |
| Total | 14,381 | 12,241 | 19,533 | 10,950 | 15,232 |

Inter-Korean Cooperation Fund by Time Frame

(in hundreds of millions of won)



2. Fund Expenditures

In 2012, 1.60 trillion won was allocated to various inter-Korean cooperation projects, 532.1 billion won for repayment of principal and interests on the Public Capital Management Fund, 70.1 billion won for the operation of surplus funds, and 5.6 billion won for payment of management expenses. As of late December 2012, out of the 1.60 trillion won (6.9% of planned expenditures) allocated to projects, 69.3 billion won had been disbursed.

By project, 2.3 billion won was spent for the compilation of the Big Dictionary of the Korean People's Language in the social/cultural cooperation category. The project, which has been financed since 2005, entails comparative research on the South and North Korean dialects. As of late December 2012, around 190,000 vocabulary words had been identified and 380,000 entries selected, with 65% of the project completed.

In the separated families exchange category, a total of 400 million won was disbursed for two demand surveys regarding video messages. In the humanitarian project category, 2.4 billion won was disbursed for two projects,

including the vaccination of North Korean children and vaccine capacity-building through the International Vaccine Institute (IVI). The IVI vaccine initiative, which was carried out as a humanitarian aid for particularly exposed groups in the North, was designed to reduce the occurrence of acute encephalitis syndrome (AES) and diarrheal diseases among North Koreans.

In the Inter-Korean economic cooperation category, a total of 27.4 billion won was spent on ten projects, including 14.8 billion won for the construction of the South-North Youth Exchange Center and 5.2 billion won for support of businesses engaged in inter-Korean exchange or cooperation projects. A total of 18.3 billion won was disbursed for 99 loans earmarked for exchange and cooperation projects.

In the category of support for businesses engaged in inter-Korean exchange or cooperation projects, the government implemented a series of measures, including granting loans to businesses from the special economic exchange cooperation fund following implementation of the May 24 measures. Considering the difficulties faced by businesses as a result of prolonged suspension of projects under the sanctions, the government gave up to 20 million won per business in grants for emergency operating expenses.

In the Gaeseong Industrial Complex category, 14.7 billion won was spent to improve GIC facilities through five projects as well as 18.5 billion won in operational loans. Funds were used to build a fire station and an emergency medical facility in the GIC for South Korean businesses operating there, and to repair commuter roads.

Meanwhile, to repay the Public Capital Management Fund deposit related with the light-water reactor project, an additional deposit was taken out of the Public Capital Management Fund, increasing the amount of principal by the amount of interest due. As of December 2012, a total of 112.8 billion won was received in government contributions to repay interest on the deposit. A total

of 516.1 billion won was used to repay the principal and interest on the Public Capital Management Fund, including the 400 billion won in principal.

Inter-Korean Cooperation Fund Expenditures

(in hundreds of millions of won)

| Expenditure \ Year | | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-----------------------------------|--------|--------|--------|--------|--------|
| Inter-Korean projects | Social/cultural exchanges | 65 | 30 | 21 | 26 | 23 |
| | Humanitarian issues | 779 | 315 | 212 | 103 | 28 |
| | Inter-Korean economic cooperation | 892 | 356 | 497 | 179 | 457 |
| | Gaeseong Industrial Complex | 576 | 299 | 133 | 119 | 185 |
| | Subtotal | 2,312 | 1,000 | 863 | 427 | 693 |
| Repayment of principal and interests on Public Capital Management Fund | | 1,512 | 1,159 | 9,305 | 1,086 | 5,161 |
| Operation of surplus funds | | 10,537 | 10,042 | 9,336 | 9,410 | 9,349 |
| Management expenses | | 20 | 39 | 29 | 27 | 29 |
| Total | | 14,381 | 12,240 | 19,533 | 10,950 | 15,232 |



W H I T E P A P E R O N K O R E A N U N I F I C A T I O N

Appendix

- I. 2012 Timeline of Events in Inter-Korean Relations
- II. Key Statistics
- III. Statistics on the Inter-Korean Cooperation Fund

I . 2012 Timeline of Events in Inter-Korean Relations

| Date | Events |
|------------|--|
| January 1 | <ul style="list-style-type: none"> North Korea's Rodong Sinmun Daily, Korean People's Army, and the Vanguard Youth announce a joint New Year editorial, stating "Glorify This Year 2012 as a Year of Proud Victory, a Year When an Era of Prosperity is Unfolding, True to the Instructions of the Great General Kim Jong-il." |
| January 2 | <ul style="list-style-type: none"> In his New Year address, the ROK President states that "The window of opportunity always remains open to the North for peace and stability on the Korean Peninsula. We urge the North to take a sincere attitude and end mutual distrust through dialogue and move onto the path toward mutual benefits and common prosperity." The South Korean Minister of Unification gives a New Year message, stating that "The North Korean leadership is faced with a major decision. Instead of making the 'wrong decision' to remain closed and lag behind, the North Korean leadership should make the 'right decision' to open and develop its economy." |
| January 5 | <ul style="list-style-type: none"> The South Korean Minister of Unification delivers a New Year briefing, announcing the major goals of the 2012 unification policy as follows: taking the initiative on the Korean Peninsula; establishing a channel for dialogue with the North; resolving humanitarian issues; building peaceful, economic, and national communities; raising unification funds and collecting public support for unification; reinforcing support for resettlement of North Korean defectors; instilling greater desire for unification in future generations; and actively engaging in unification diplomacy. |
| January 11 | <ul style="list-style-type: none"> In reply to a question from a Korean Central News Agency reporter, a spokesman for the DPRK Foreign Ministry says that "the United States has drastically changed the amount and type of items provided, contrary to the originally promised food aid of more than 300,000 tons. Those changes prompted us to question whether the U.S. is committed to building confidence." |
| January 16 | <ul style="list-style-type: none"> The Associated Press opens a bureau in North Korea. |
| January 17 | <ul style="list-style-type: none"> A Republic of Korea-U.S.-Japan trilateral meeting is held in Washington. Participants reaffirmed their commitment to the September 19, 2001 Joint Statement of the Six-Party Talks, agreed on the importance of improvement in inter-Korean relations, and agreed that a path is open to North Korea towards the resumption of talks and improved relations with ROK, the United States, and Japan through dialogue. * Participants included ROK Special Representative for Korean Peninsula Peace and Security Issues Lim Sung-nam from the Ministry of Foreign Affairs and Trade, Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell, and Japan Ministry of Foreign Affairs Director General for Asian and Oceanian Affairs Shinsuke Sugiyama. |

| Date | Events |
|----------------------|---|
| January 31 | • North Korea announces its intention not to take part in the Incheon Peace Cup International Youth Football Match (held January 31-February 3, 2012, Kunming, China). |
| February 7 | • The South Korean Minister of Forest Service sends a letter to the North Korean Minister of Land and Environmental Protection, proposing a meeting to discuss the prevention of blight in ancient Goguryeo tombs. |
| February 10 | • Members of the South Korean National Assembly's Foreign Affairs & Unification Committee and the Special Committee for the Development of Inter-Korean Relations visit the Gaeseong Industrial Complex in the North. |
| February 14 | • The president of the South Korean Red Cross sends a letter to the North Korean Red Cross Central Committee Chairman proposing working-level contacts to discuss reunions of separated families. |
| February 19 | • The Western Front Command of the North Korean People's Army issues an open notice regarding the South Korean military's notification that it would hold live-fire drills on the Yellow Sea. The command threatened to "make retaliatory strikes" and warned "all South Korean residents in the area to evacuate ahead of the shooting." |
| February 20 | • The South Korean army holds live-fire drills near the Northern Limit Line (NLL) in the west. |
| February 23-24 | • The United States and North Korea meet in Beijing for the third round of high-level bilateral talks. |
| February 23 -March 1 | • The South Korean Minister of Unification holds consultations with high-ranking officials in Germany and the EU. |
| February 25 | • A spokesman for North Korea's National Defense Commission issues a statement, threatening to stage a 'sacred war' over South Korea-U.S. Key Resolve and Foal Eagle drills. |
| February 27 | • The South Korean National Assembly passes a resolution demanding that China stop repatriating North Korean defectors to North Korea. |
| February 27 -March 9 | • South Korea and the U.S. hold the joint Key Resolve military exercise. |
| February 29 | • Simultaneously announcing their agreement in the third round of talks, Washington and Pyongyang note general progress in terms of denuclearization, food aid, and improvement of bilateral relations and reaffirm their intention to resolve the nuclear issue through dialogue. |

| Date | Events |
|-----------------------|---|
| March 2 | <ul style="list-style-type: none"> The Supreme Commander of the North Korean People's Army issues a statement, claiming that someone committed a "blasphemy against the dignity of the supreme leadership" by hanging an anti-North Korean sign in a South Korean army barracks. The statement is soon followed by a remark by a spokesman for the Foreign Ministry, another from a spokesman for the Committee for the Peaceful Reunification of the Fatherland, a rally criticizing the South, and a press conference by the National Defense Commission in North Korea. |
| March 7-8 | <ul style="list-style-type: none"> U.S. and North Korean officials meet in Beijing to settle the details of food aid to the North. |
| March 16 | <ul style="list-style-type: none"> The North Korean Committee for Space Technology issues a statement announcing its plan to launch a 'working satellite.' According to the statement, "the Kwangmyongsong-3, a polar-orbiting earth observation satellite, would be launched sometime between April 12 and 16 from the Sohae Satellite Launching Station in Cholsan County, North Pyongan Province in the southern direction." The South Korean Ministry of Foreign Affairs and Trade comments on the March 16 statement issued by the North Korean Committee for Space Technology. "The ROK government expresses grave concern over North Korea's plan to launch a so-called 'working satellite'. This is a clear violation of the United Nations Security Council Resolution 1874 that bans "any launch using ballistic missile technology." The government urges the North to stop such a provocative action and to comply with its international obligations including those under the United Nations Security Council Resolutions. The ROK government will closely cooperate with the members of the Six-Party Talks and related countries so that North Korea ceases such a provocative action." |
| March 16 -April 13 | <ul style="list-style-type: none"> North Korean Central News Agency-Associated Press joint exhibit of photos of North Korea opens in New York City. |
| March 19 | <ul style="list-style-type: none"> Following a meeting of diplomatic and security ministers, the ROK government announces its position regarding North Korea's plan to launch a long-range missile. "Such a launch would be a grave provocation aimed at developing a long-range ballistic missile capable of delivering nuclear weapons. We will consult with the leaders of the U.S., Japan, China, Russia, and the EU at the Nuclear Security Summit scheduled for next week, and work with the international community on this issue." |
| March 21 | <ul style="list-style-type: none"> U.S. Defense Department announces the suspension of missions to recover POW/MIA remains due to the North's plan to launch rockets. |

| Date | Events |
|-------------|---|
| March 22 | <ul style="list-style-type: none"> The United Nations Human Rights Council adopts a resolution on North Korean human rights. |
| March 25 | <ul style="list-style-type: none"> North Korea holds a mass memorial marking the 100th day of Kim Jong-il's death. |
| March 26-27 | <ul style="list-style-type: none"> The 2012 Seoul Nuclear Security Summit is held in Seoul. The U.S., China, Russia, Japan, and other members of the international community unanimously urge the North to stop its missile launch. |
| March 27 | <ul style="list-style-type: none"> During briefing sessions for local and foreign media, the South Korean Minister of Unification calls on North Korea to make a good decision for peace and progress and to come to the table. |
| April 10 | <ul style="list-style-type: none"> A spokesman for the South Korean Ministry of Unification warns against North Korea's plan to launch a long-range missile. |
| April 11 | <ul style="list-style-type: none"> The Workers' Party of North Korea holds its 4th delegates' conference, naming Kim Jong-il Eternal General Secretary of the party and appointing Kim Jong-un to the top position in the party with the title First Secretary. |
| April 13 | <ul style="list-style-type: none"> North Korea launches a long-range missile. The ROK government issues a statement strongly condemning the new North Korean leadership for launching a long-range missile despite a united demand from the international community to scrap the plan. North Korea announces that "the Kwangmyongsong-3 was fired from the Sohae Satellite Launching Station in Cholsan County, North Pyongan Province, but failed to reach orbit." (North Korea's Korean Central News Agency) North Korea's 12th Supreme People's Assembly holds its 5th session, naming Kim Jong-il the eternal chairman of the National Defense Commission and Kim Jong-un the first chairman of the commission. |
| April 15 | <ul style="list-style-type: none"> North Korea commemorates the 100th birth anniversary of Kim Il-sung. North Korea's new leader Kim Jong-un speaks in public for the first time during a massive military parade. |
| April 16 | <ul style="list-style-type: none"> The UN Security Council adopts a presidential statement, strongly condemning North Korea's rocket launch. The council urges expansion of the list of firms, individuals and goods on the existing U.N. blacklist of North Korea sanctions and made clear that there will be consequences for any future North Korean launch or nuclear test. In a radio and Internet address to the nation, the ROK President states that "the way for the North to survive is to voluntarily dismantle its nuclear weapons and to cooperate with the international community through reform and open-door policies." |

| Date | Events |
|----------|--|
| April 17 | <ul style="list-style-type: none"> North Korea Foreign Ministry releases a statement, condemning the UN Security Council presidential statement. “We totally reject the unreasonable behavior of the UNSC; we will continue to exercising the independent right to use space; and we will no longer be bound to the Feb. 29 DPRK-U.S. agreement.” |
| April 18 | <ul style="list-style-type: none"> A spokesman for the Supreme Command of the North Korean People’s Army issues a statement. “As even the heart of Seoul is served as a base for provocative acts of hurting the dignity of the DPRK’s supreme leadership, the DPRK will take a special action to blow up everything there.” |
| April 20 | <ul style="list-style-type: none"> The ROK President gives a special lecture for an executive program at the Education Center for Unification, where he states that “the Korean people must think about unification” and “the making of the Unification Jar is significant in itself.” |
| April 23 | <ul style="list-style-type: none"> The Special Operation Action Team of the Supreme Command of the North Korean People’s Army announces that “the special actions of our revolutionary armed forces will start soon” and “we will reduce the bases for provocations to ashes by means of our own style.” In a briefing, a spokesman for the South Korean Ministry of Unification urges North Korea to immediately stop the threats and criticism of the South and take the right path. |
| May 3 | <ul style="list-style-type: none"> The UN Security Council Sanctions Committee adds three North Korean state companies to a United Nations blacklist of firms banned from international trade (bringing to 11 the total number of North Korean state companies on the blacklist). Three companies are Green Pine Conglomerate, Amroggang Development Banking Corporation, and Korea Heungjin Trading Company. |
| May 4 | <ul style="list-style-type: none"> South Korea notifies the North of the due date for repayment of food loans (June 7, 2012). The notice is sent by the South Korea EXIM Bank to North Korea’s Chosun Trade Bank. |
| May 6 | <ul style="list-style-type: none"> In an interview with the North Korean Central News Agency, a DPRK Foreign Ministry spokesman condemns a joint statement by the UN Security Council and affirms the North’s commitment to develop space technology and nuclear-driven industries. |
| May 12 | <ul style="list-style-type: none"> The South Korean Minister of Unification begins work on the Unification Jar (Mungyeong, Gyeongsangbuk-do). |

| Date | Events |
|---------|--|
| May 16 | <ul style="list-style-type: none"> The ROK government proposes a revision to the Inter-Korean Cooperation Fund Act to expand the purpose of the fund, install a unification account, collect gifts of money and other articles, and provide the legal basis for using the donations. |
| May 19 | <ul style="list-style-type: none"> Through a joint statement, G8 leaders express their deep concerns about the DPRK's provocative actions and affirm their will to call for UN action in response to further acts of wrongdoing by North Korea. |
| June 4 | <ul style="list-style-type: none"> The General Staff of the North Korean People's Army sends an open ultimatum, stating that "...they have already targeted Chosun Ilbo at coordinates of 37 degrees 56 minutes 83 seconds North Latitude and 126 degrees 97 minutes 65 seconds East Longitude in the Central District, Seoul, Choongang Ilbo at coordinates of 37 degrees 33 minutes 45 seconds North Latitude and 126 degrees 58 minutes 14 seconds East Longitude in the Central District, Seoul, the Dong-A Ilbo at coordinates of 37 degrees 57 minutes 10 seconds North Latitude and 126 degrees 97 minutes 81 seconds East Longitude in Jongro District, Seoul, KBS, CBS, MBC and SBS, the strongholds of the Lee group orchestrating the new vicious smear campaign." A spokesman for the South Korean Ministry of Unification urges the North "to immediately stop its threats as they constitute a serious provocative action against free democracy." |
| June 8 | <ul style="list-style-type: none"> South Korea sends a letter to the North urging it to repay food loans. |
| June 11 | <ul style="list-style-type: none"> In an open questionnaire, the Secretariat of the North Korean Committee for the Peaceful Reunification of the Fatherland states that "we can disclose everything about what the former and incumbent South Korean officials and lawmakers did and said during their visit in Pyongyang." |
| June 19 | <ul style="list-style-type: none"> The Supporters of Korean Unification association holds a general meeting of the promoters. |
| June 23 | <ul style="list-style-type: none"> The Unification Jar is completed. |
| July 2 | <ul style="list-style-type: none"> The ROK President addresses the 1st plenary session of the 19th National Assembly. "One of the key tasks to prepare for unification is establishing unification funds," "Our final task is to achieve a peaceful unification and it is time to make preparations without delay," and "The human rights conditions in North Korea are an urgent and serious issue to resolve." |

| Date | Events |
|---------|--|
| July 5 | <ul style="list-style-type: none"> A spokesman for the North Korean Red Cross Central Committee issues a statement regarding the re-defection of Park In-sook to North Korea, arguing that “despicable acts of luring and abduction of our citizens and the truth about the outrageous violation of human rights has been revealed to the whole world.” |
| July 6 | <ul style="list-style-type: none"> A spokesman for the Committee for the Peaceful Reunification of the Fatherland releases a statement strongly arguing that the arrest of Vice-chairman Roh Su-hui of the South Korean Headquarters of the Pan-national Alliance for Korea’s Reunification is “unbridled coercion of pro-unification groups in South Korea.” |
| July 13 | <ul style="list-style-type: none"> The Foreign Ministers’ meeting of the ASEAN Regional Forum (ARF) releases a Chairman’s statement, urging the concerned parties to the Korean Peninsula not to take any further provocative actions and to comply with their respective obligations under the relevant UN Security Council Resolutions and their commitment under the 2005 Six-Party Talks Joint Statement. |
| July 15 | <ul style="list-style-type: none"> The Political Bureau of the Central Committee of the Workers’ Party decides to dismiss Ri Yong-ho from all his posts, including as a member of the Presidium of the Political Bureau, a member of the Political Bureau of the Central Committee of the party, and a vice-chairman of the party’s Central Military Commission because of his illness.” (North Korea’s Korean Central News Agency) |
| July 16 | <ul style="list-style-type: none"> The ROK President makes a donation to the Unification Jar. Seiji Maehara, a member of Japan’s Democratic Party, visits the South Korean Minister of Unification and makes a donation to the Unification Jar. A spokesman for the South Korean Ministry of Unification issues a statement. “The ROK government’s position is that food loans must be repaid as agreed by the two Koreas and we urge North Korea again to faithfully honor its agreement.” A spokesman for the North Korean Committee for the Peaceful Reunification of the Fatherland issues a statement, saying that “Criminals who were bribed by the South Korean intelligence authorities and infiltrated into the North were arrested for attempting to destroy statues and monuments.” |
| July 17 | <ul style="list-style-type: none"> North Korea grants Kim Jong-un the title of marshal (through an “important announcement” on July 18). |

| Date | Events |
|-----------|--|
| July 18 | <ul style="list-style-type: none"> • The South Korean Minister of Unification delivers the Unification Jar to the Speaker of the National Assembly. Speaker Kang Chang-hee drops his donation into the Unification Jar. • The Minister and Vice-Minister of Unification and high-ranking government officials put their donations into the Unification Jar. |
| July 20 | <ul style="list-style-type: none"> • A spokesman for the DPRK Foreign Ministry issues a statement. Regarding the incident involving North Korean defector Jon Yong-chol who returned to North Korea, it claims that the U.S. was deeply involved in a massive conspiracy and that “we have reached the point of having to completely reexamine the nuclear issue.” |
| July 25 | <ul style="list-style-type: none"> • In a statement, a spokesman for the DPRK Foreign Ministry states that “as long as the U.S., the biggest nuclear power in the world, continues its hostile policy towards DPRK, we will not abandon our nuclear deterrent capability first.” |
| July 29 | <ul style="list-style-type: none"> • A spokesman for the North Korean National Defense Commission issues a statement. Regarding the Jon Yong-chol incident, the commission threatens to take “real, ultra-strong measures” and “strong physical counter-measures” against the United States. |
| July 31 | <ul style="list-style-type: none"> • A spokesman for the North Korean Committee for the Peaceful Reunification of the Fatherland issues a statement. Regarding the Jon Yong-chol incident, the committee asked that the U.S. and the ROK make an official apology for the hideous politically-motivated, state-sponsored terrorism against the dignity of its supreme leadership and sternly punish the prime movers (specifically naming the targets Kim Song-min, Pak Sang-hak, Jo Myong-chol, and Kim Yong-hwan) |
| August 7 | <ul style="list-style-type: none"> • A proposed revision to the Inter-Korean Cooperation Fund Act (providing for installation of a unification account) is accepted at a Cabinet meeting of the ROK government. |
| August 8 | <ul style="list-style-type: none"> • The president of the South Korean Red Cross sends a letter to the North Korean Red Cross Central Committee Chairman proposing working-level contacts to discuss reunions of separated families. |
| August 9 | <ul style="list-style-type: none"> • The North Korean Red Cross Central Committee as much as refuses the South’s proposal (August 8) to meet on the issue of reunions of separated families, arguing that the May 24 measures should be withdrawn and the Mt. Geumgang tours resumed first. |
| August 15 | <ul style="list-style-type: none"> • In his Liberation Day speech, the ROK President states that “for South-North relations to develop in a consistent and sound manner, ties between the two sides should first be on a normal footing”, “the administration’s principled North Korea policy is evaluated as beginning to bring about substantial effect”, “The South is open to inter-Korean dialogue while at the same time being mindful of the human situation in the North.” |

| Date | Events |
|--------------|--|
| August 19 | <ul style="list-style-type: none"> North Korea's Democratic Front for the Reunification of the Fatherland and other relevant organizations announce a joint statement condemning the Ulchi Freedom Guardian (UFG) exercise in the South. |
| August 20 | <ul style="list-style-type: none"> The South Korean Red Cross announces it will provide 100,000 dollars in flood aid to the North through the International Federation of the Red Cross (IFRC). |
| August 24 | <ul style="list-style-type: none"> The South Korean NGO Council for Cooperation with North Korea visits North Korea to discuss flood relief aid (Gaeseong). |
| August 25 | <ul style="list-style-type: none"> In his August 25 celebration speech, Kim Jong-un states "I have already issued to the entire army the order to rise up as one to switch over to an all-round counterattack for achieving the great cause of national reunification, reviewed the corresponding operations plan and written down my final signature on it." |
| August 27 | <ul style="list-style-type: none"> The South Korean Minister of Land, Transport and Maritime Affairs sends a letter to the North Korean Minister of Land and Environmental Protection, urging it to give the South prior notification of any future water discharges from Hwanggang Dam in the upper reaches of the Imjin River in accordance with the 2009 inter-Korean agreement. |
| August 31 | <ul style="list-style-type: none"> The DPRK Foreign Ministry issues a memorandum, which states that "the DPRK's nuclear possession will inevitably be prolonged, modernizing and expanding its nuclear deterrent capability beyond the U.S. imagination." |
| September 3 | <ul style="list-style-type: none"> The South Korean Red Cross proposes working-level contacts with the North to discuss flood relief aid. |
| September 12 | <ul style="list-style-type: none"> North Korea refuses to accept the South's flood relief offer, complaining about the items and quantity of assistance. |
| September 25 | <ul style="list-style-type: none"> The 6th session of the North's 12th Supreme People's Assembly is held. The session decides to enforce the universal 12-year compulsory education by public ordinance, elects two members of the Supreme People's Assembly Presidium to fill the vacancies, and elects a new chairman of the budget committee. |
| September 27 | <ul style="list-style-type: none"> South Korea sends a letter to the North urging it to repay food loans. Speaking to the Chosun Central News Agency, a spokesman for the North Korean Committee for the Peaceful Reunification of the Fatherland says regarding Saenuri Party presidential candidate Park Geun-hye's press conference earlier that week, "South Chosun should never be fooled by the traitorous Saenuri Party's cunning tricks and should not allow the 2nd revival of the Yushin dictatorship." |

| Date | Events |
|--------------|---|
| September 28 | <ul style="list-style-type: none"> In a press briefing, a spokesman for the South Korean Ministry of Unification states that the North has gone too far and that it must stop making harsh remarks about the South's presidential election. |
| September 29 | <ul style="list-style-type: none"> In an interview with North Korea's Central News Agency, a spokesman for the Policy Department of the DPRK's National Defense Commission states, "The Northern Limit Line (NLL) is an illegal, ghost-like line unilaterally marked by the U.S. in the West Sea. The call for preserving the NLL can only be construed as a declaration of confrontation and only cause the repetition of the Yeonpyeong Island shelling incident." |
| October 6 | <ul style="list-style-type: none"> A North Korean soldier defects to South Korea through the Demilitarized Zone on the Gyeongui line. |
| October 9 | <ul style="list-style-type: none"> A spokesman for North Korea's National Defense Commission addresses the amendment to the ROK-U.S. Missile Guidelines, stating that North Korea's missile capability could "hit Japan, Guam, and the U.S. mainland." |
| October 10 | <ul style="list-style-type: none"> A spokesman for the Committee for the Peaceful Reunification of the Fatherland claims that the revision of the ROK-U.S. Missile Guidelines means that South Korea, in collusion with the U.S., will make a preemptive strike against the North. The spokesman also threatens that North Korea will execute strong physical power. A spokesman for the DPRK Foreign Ministry issues a statement, arguing that the revision to the ROK-U.S. Missile Guidelines is new, first-hand evidence of the hostility towards North Korea and that it stands to reason that the DPRK should strengthen its capability to hit the stronghold of aggression. |
| October 13 | <ul style="list-style-type: none"> A joint South-North Buddhist ceremony is conducted to commemorate the 5th anniversary of the restoration of Singyesa Temple on Mt. Geumgang. |
| October 15 | <ul style="list-style-type: none"> A North Korean fishing boat crosses the NLL near Baengnyeong Island and returns to the North after being warned by the South Korean navy. |
| October 18 | <ul style="list-style-type: none"> The ROK President visits Yeonpyeong Island in the West Sea, where he called upon the military to stake their own lives if necessary to safeguard the NLL until the two Koreas achieve unification and do so for the sake of peace on the Korean Peninsula. |

| Date | Events |
|------------|--|
| October 19 | <ul style="list-style-type: none"> Regarding the planned scattering of leaflets by South Korean NGOs (October 22), the Western Front Command of the North Korean People's Army issues a public notice in which it threatened that "the moment a minor movement for the scattering is captured in Rimjin Pavilion and in its vicinity, merciless military strike by the Western Front will be put into practice without warning and South Korean inhabitants in the area are requested to evacuate in anticipation of possible damage." A North Korean fishing boat crosses the NLL near Yeonpyeong Island and returns to the North after being warned by the South Korean Coast Guard. |
| October 20 | <ul style="list-style-type: none"> A spokesman for the Institute for Disarmament and Peace of the DPRK's Foreign Ministry remarks that "the NLL, drawn by the United States unilaterally without any consent from us, is a ghost line that has no grounds under international law and violates the armistice treaty." Regarding the ROK President's pledge to defend the Northern Limit Line during his visit to Yeonpyeong Island (October 18), a spokesperson for the DPRK's Policy Department of the National Defense Commission is quoted by the Korean Central News Agency as saying that the NLL is a ghost line with no legal grounds and that only the maritime military demarcation line set by the DPRK exists, shifting responsibility for tension off the West Coast onto South Korea. |
| October 22 | <ul style="list-style-type: none"> In a press briefing, a spokesman for the South Korean Ministry of Unification urges the North to immediately stop its military threats against South Korean NGOs, while asking the NGOs to refrain from scattering leaflets, considering the state of inter-Korean relations and threats from North Korea. |
| October 25 | <ul style="list-style-type: none"> In answer to a question by the Korean Central News Agency regarding remarks by Glyn Davies, special U.S. Representative for North Korea Policy ("North Korea should stop its threatening actions"), a spokesman for the DPRK Foreign Ministry says that "it is illogical for the U.S. to urge the DPRK to honor its obligation under the September 19 joint statement while it is not complying with what it is committed to do in the statement." A North Korean coast guard boat crosses the NLL near Baengnyeong Island and returns to the North after being warned by the South Korean navy. |
| November 3 | <ul style="list-style-type: none"> The Secretariat of North Korea's Committee for the Peaceful Reunification of the Fatherland issues a report, calling on South Koreans of every class not to permit the Saenuri Party's attempt to continue in power, but to use this election to bring about a change in administrations. |

| Date | Events |
|-------------|---|
| November 4 | <ul style="list-style-type: none"> North Korea decides to establish the State Physical Culture and Sports Guidance Commission at a Workers' Party Political Bureau meeting. The meeting also decides to organize physical culture and sports guidance commissions in provinces, cities, counties and armed forces institutions, while appointing key members of the Commission. * Chairman: Jang Song-taek; Vice Chairmen: Roh Du-cheol (Vice-prime minister), Choe Pu-il (Chief of the Korean People's Army General Staff Operations Bureau), Ri Yong-su (Director of Workers' Organizations Department of the Workers' Party), Secretary General: Ri Yong-su, Members: Kim Ki-nam and 31 others |
| November 6 | <ul style="list-style-type: none"> The ROK President instructs his Cabinet members to be fully prepared against any attempts by the North to meddle in the South's presidential election. "When it comes to national security, we must fully guard ourselves not only against the North's armed provocations, but also its attempts to intervene in our presidential election." |
| November 8 | <ul style="list-style-type: none"> During a press conference with local and international media in Pyongyang, husband and wife Kim Kwang-hyok (escaped from the North in March 2008) and Ko Jong-nam (escaped from the North in September 2008) give a distorted account as to why they re-defected to North Korea; "We lived a miserable life in the South, and after realizing that all that was left for us was death, we returned to our fatherland on September 12." |
| November 9 | <ul style="list-style-type: none"> North Korea announces its plan to hold inter-governmental talks with Japan (November 15-16, Ulan Bator) |
| November 15 | <ul style="list-style-type: none"> North Korean leader Kim Jong-un sends a congratulatory message to Xi Jinping. A joint Buddhist ceremony is held in Yeongtongsa Temple in the North in celebration of the 7th anniversary of the temple's restoration, as well as a tea ceremony to celebrate the birth of Daegak Guksa. |
| November 19 | <ul style="list-style-type: none"> In a press briefing, the South Korean Ministry of Unification asks North Korea to immediately stop organizing sightseeing tours for foreign tourists on Mount Geumgang, to reinstate the property rights of the South Korean business that invested there, and to take more sincere measures, including the inter-governmental talks proposed by South Korea, to reopen the tour program. |
| November 21 | <ul style="list-style-type: none"> A spokesman for the Southwestern Front Command of the North Korean People's Army answers a question from the army's newspaper regarding the upcoming memorial service commemorating the second anniversary of the North's artillery bombardment of Yeonpyeong Island (November 23), threatening that "the commemoration of the so-called victorious battle on Yeonpyeong Island will lead to the second Yeonpyeong Island disaster." |

| Date | Events |
|-------------|---|
| November 22 | <ul style="list-style-type: none"> The DPRK delegate to the UN General Assembly makes a speech at its plenary meeting (North Korean Central News Agency): “We will continue to exercise the independent right to use space which is universally recognized by international law. We will expand the institutions for space development and go through with launches of working satellites of all kinds.” Answering a question from the North Korean Central News Agency, a spokesman for the Guidance Bureau of the Special Zone for International Tours of Mount Geumgang condemns that the South government’s call on the North to halt foreigners’ tour is “a serious infringement upon our sovereignty and the South Korean people should never allow the confrontation maniacs to stay in power for the resumption of the tour.” |
| November 27 | <ul style="list-style-type: none"> North Korea announces its plan to hold DPRK-Japan talks (December 5-6, Beijing). |
| November 29 | <ul style="list-style-type: none"> A delegation from China’s Communist Party, led by Li Jianguo, visit North Korea (November 29-30). |
| November 30 | <ul style="list-style-type: none"> DPRK’s Kim Jong-un meets with Li Jianguo and the Communist Party of China (CPC) delegation and receives a private letter from General Secretary of the CPC Xi Jinping. |
| December 1 | <ul style="list-style-type: none"> A spokesman for the North Korean Committee for Space Technology issues a statement announcing a plan to launch a long-range missile (between December 10 and 22). “The DPRK plans to launch another working satellite, true to the behests of leader Kim Jong-il. The launch will greatly encourage the Korean people stepping up the building of a thriving nation. Scientists and technicians of the DPRK analyzed the mistakes that were made during the previous April launch and deepened the work of improving the reliability and precision of the satellite and carrier rocket.” A spokesman for the South Korean Ministry of Foreign Affairs & Trade expresses grave concern over North Korea’s plan to launch a long-range missile and urges the North to immediately withdraw its missile-launch attempt. “...is a grave provocation that utterly disregards the concerns and warnings of the international community and a flagrant defiance towards the international community.” |

| Date | Events |
|-------------|---|
| December 1 | <ul style="list-style-type: none"> The Secretariat of North Korea's Committee for the Peaceful Reunification of the Fatherland releases a seven-point open questionnaire for South Korean presidential candidate Park Geun-hye to clearly reveal her positions on future South-North Korea policy. The questions relate to the fulfillment of the June 15 joint declaration and the October 4 declaration; unification based on liberal democratic order; the call for scrapping nuclear program first; tightening of the strategic alliance with the U.S.; the enactment of the North Korean Human Rights Act; the May 24 measures; and the North Korea policy of the current South Korean government. The Japanese government postpones talks with North Korea (December 5-6, Beijing). |
| December 4 | <ul style="list-style-type: none"> US Secretary of State Hillary Clinton expresses concern about North Korean plans to carry out a long-range rocket launch. China's Foreign Ministry says "China hopes that the DPRK side can act prudently with the larger interests of peace and stability of the Korean Peninsula in mind." |
| December 5 | <ul style="list-style-type: none"> The 2nd Hanawon is opened in South Korea. |
| December 8 | <ul style="list-style-type: none"> The Guidance Bureau of the Special Zone for International Tours of Mount Geumgang in North Korea releases a statement in which it lashed out at the South, saying that South Korea was not only responsible for the suspension of the tours but also for the disagreement over the tourist safety guarantee, and argued that the tours should resume unconditionally. |
| December 9 | <ul style="list-style-type: none"> A spokesman for the North Korean Committee for Space Technology mentions the possibility of rescheduling the time and the date of the long-range missile launch. "We are making preparations for the launch of the second version of Kwangmyongsong-3 at the final stage. Our scientists and technicians, however, are now seriously examining the issue of readjusting the launching time of the satellite for some reasons." |
| December 10 | <ul style="list-style-type: none"> A spokesman for the North Korean Committee for Space Technology says in a statement that technical defects were found in the rocket engine control system so it was decided to extend the launch window period to December 29. |
| December 12 | <ul style="list-style-type: none"> At 09:49, North Korea launches long-range missile. At 10:30, the ROK President convenes an emergency meeting of the National Security Council. |

| Date | Events |
|-------------|--|
| December 12 | <ul style="list-style-type: none"> At 11:50, the ROK government releases a statement: “The firing of the missile by the North is in clear violation of UN Security Resolutions and poses a challenge and threat to peace and security on the Korean Peninsula and around the world. The government of the Republic of Korea strongly condemns North Korea for defying repeated international warnings against the launch and for going ahead with the provocation.” Following an emergency meeting, the UN Security Council releases a statement condemning North Korea and begins consultations on additional sanctions against it. In answer to questions by the North Korean Central News Agency, a spokesman for the DPRK Foreign Ministry speaks of “our legitimate right to launch satellites,” also saying, “we will contribute to the economic construction and improvement of the standard of people’s living while conquering space.” “Only the DPRK’s satellite launch is regarded as provocation and cause of increasing tension. This is prompted by the hostility toward the DPRK.” |
| December 19 | <ul style="list-style-type: none"> The 18th presidential election is held in South Korea. |
| December 20 | <ul style="list-style-type: none"> Without any special comments, North Korea’s Korean Central News Agency briefly reports the fact that the 18th President was elected in South Korea. “Following fierce competition in the South’s presidential election, the Saenuri Party candidate was elected President by a small majority.” |
| December 21 | <ul style="list-style-type: none"> In its 2012 Defense White Paper, South Korea states that the Northern Limit Line (NLL) has served as the de-facto maritime boundary between South and North Korea since it was drawn on August 30, 1953. North Korea announces the detention of U.S. citizen Bae Jun-ho (North Korea’s Korean Central News Agency), stating that Bae was detained for committing a crime against the country and that he had confessed to the offense. |
| December 23 | <ul style="list-style-type: none"> North Korea’s Minju Joson publishes a commentary denouncing the lighting of a tower on Aegibong Peak in the South (December 22, 2012-January 2, 2013). “[South Korea’s plan to keep the lamp atop Aegibong] is nothing but a crafty artifice to escape public criticism, and the DPRK will not remain a passive onlooker to the psychological warfare of the group of traitors.” |
| December 25 | <ul style="list-style-type: none"> North Korea’s Rodong Sinmun publishes a distorted commentary denouncing the lighting of a tower on Aegibong Peak in the South. “The Lee regime is working hard to drive the inter-Korean relations into an extreme phase with the emergence of a new “regime” at hand in a bid to stick to its policy of confrontation with the DPRK.” |

II. Key Statistics

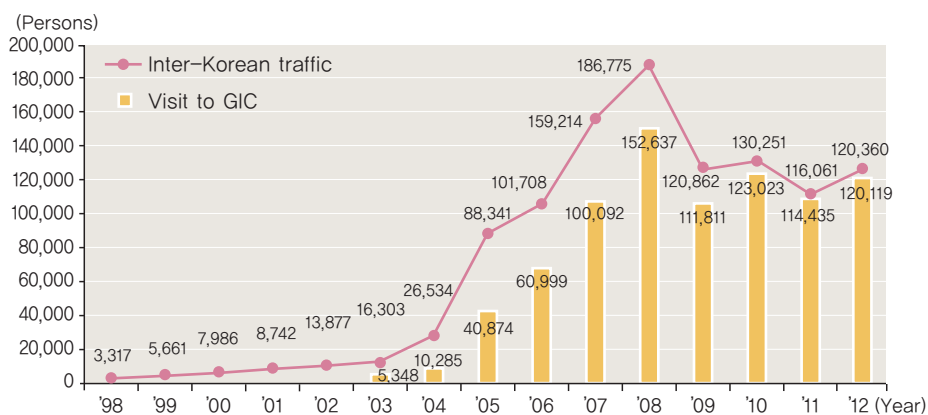
1. Inter-Korean Traffic

① Number of people traveling between South and North Korea

| Classi- fication \ Year | '89~'99 | '00 | '01 | '02 | '03 | '04 | '05 | '06 |
|----------------------------|---------|-------|-------|--------|--------|--------|--------|---------|
| South → North | 11,321 | 7,280 | 8,551 | 12,825 | 15,280 | 26,213 | 87,028 | 100,838 |
| North → South | 637 | 706 | 191 | 1,052 | 1,023 | 321 | 1,313 | 870 |
| Total | 11,958 | 7,986 | 8,742 | 13,877 | 16,303 | 26,534 | 88,341 | 101,708 |

| Classi- fication \ Year | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|----------------------------|---------|---------|---------|---------|---------|---------|-----------|
| South → North | 158,170 | 186,443 | 120,616 | 130,119 | 116,047 | 120,360 | 1,101,091 |
| North → South | 1,044 | 332 | 246 | 132 | 14 | — | 7,881 |
| Total | 159,214 | 186,775 | 120,862 | 130,251 | 116,061 | 120,360 | 1,108,972 |

※ The above figures do not include the number of tourists to Mt. Geumgang.



② Number of South Korean tourists visiting North Korea

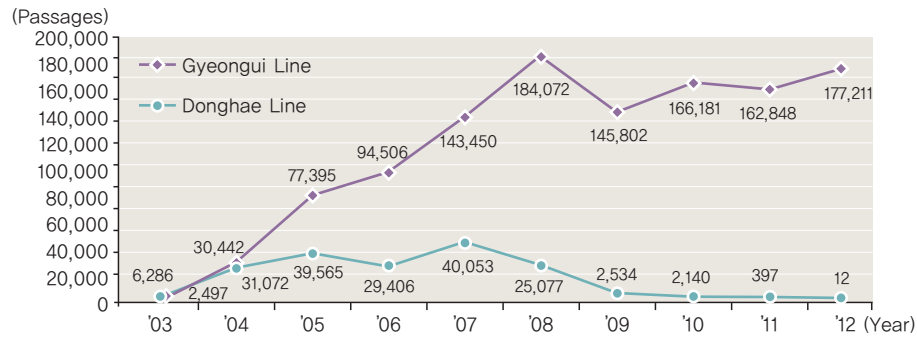
| Year | | '98 | '99 | '00 | '01 | '02 | '03 | '04 | '05 |
|----------------|---------|--------|---------|---------|--------|--------|--------|---------|---------|
| Classification | | | | | | | | | |
| Mt. Geum-gang | By sea | 10,554 | 148,074 | 213,009 | 57,879 | 84,727 | 38,306 | 449 | — |
| | By land | — | — | — | — | — | 36,028 | 267,971 | 298,247 |
| | Total | 10,554 | 148,074 | 213,009 | 57,879 | 84,727 | 74,334 | 268,420 | 298,247 |
| Gaeseong | | — | — | — | — | — | — | — | 1,484 |
| Pyongyang | | — | — | — | — | — | 1,019 | — | 1,280 |

| Year | | '06 | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|----------------|---------|---------|---------|---------|-----|-----|-----|-----|-----------|
| Classification | | | | | | | | | |
| Mt. Geum-gang | By sea | — | — | — | — | — | — | — | 552,998 |
| | By land | 234,446 | 345,006 | 199,966 | — | — | — | — | 1,381,664 |
| | Total | 234,446 | 345,006 | 199,966 | — | — | — | — | 1,934,662 |
| Gaeseong | | — | 7,427 | 103,122 | — | — | — | — | 112,033 |
| Pyongyang | | — | — | — | — | — | — | — | 2,299 |

③ Vehicles traveling between South and North Korea

| Year | | '03 | '04 | '05 | '06 | '07 | '08 |
|-----------------------|---------------|-------|--------|---------|---------|---------|---------|
| Classification | | | | | | | |
| Vehicle passage times | Gyeongui Line | 2,497 | 30,442 | 77,395 | 94,506 | 143,450 | 184,072 |
| | Donghae Line | 6,286 | 31,072 | 39,565 | 29,406 | 40,053 | 25,077 |
| | Total | 8,783 | 61,514 | 116,960 | 123,912 | 183,503 | 209,149 |

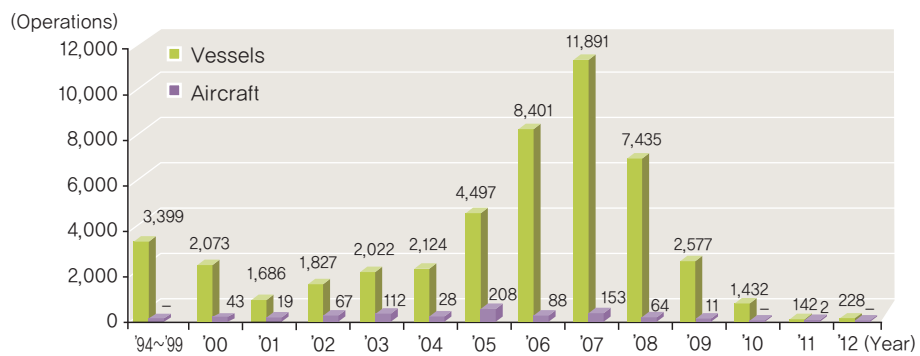
| Year | | '09 | '10 | '11 | '12 | Total |
|-----------------------|---------------|---------|---------|---------|---------|-----------|
| Classification | | | | | | |
| Vehicle passage times | Gyeongui Line | 145,802 | 166,181 | 162,848 | 177,211 | 1,183,417 |
| | Donghae Line | 2,534 | 2,140 | 397 | 12 | 176,542 |
| | Total | 148,336 | 168,321 | 163,245 | 177,223 | 1,359,959 |



④ Vessels and aircraft traveling between South and North Korea (one-way trips)

| Classification \ Year | '94~'99 | '00 | '01 | '02 | '03 | '04 | '05 | '06 |
|-----------------------|---------|-------|-------|-------|-------|-------|-------|-------|
| Vessels | 3,399 | 2,073 | 1,686 | 1,827 | 2,022 | 2,124 | 4,497 | 8,401 |
| Aircraft | - | 43 | 19 | 67 | 112 | 28 | 208 | 88 |

| Classification \ Year | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|-----------------------|--------|-------|-------|-------|-----|-----|--------|
| Vessels | 11,891 | 7,435 | 2,577 | 1,432 | 142 | 228 | 49,734 |
| Aircraft | 153 | 64 | 11 | - | 2 | - | 795 |



2. Inter-Korean Exchanges & Cooperation

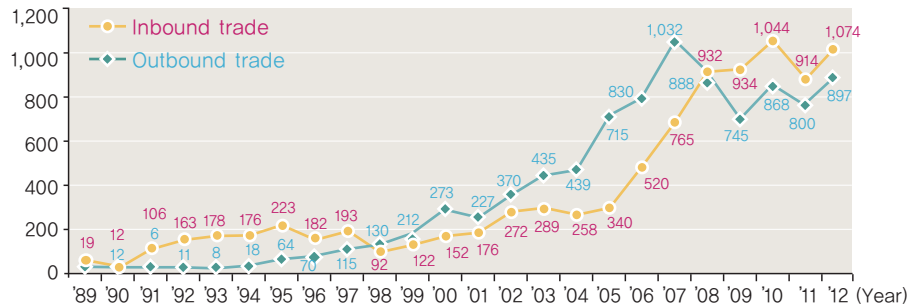
① Trade volume

(in millions of dollars)

| Year Classi- fication | '89 | '90 | '91 | '92 | '93 | '94 | '95 | '96 | '97 | '98 | '99 | '00 | '01 |
|-----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Inbound trade | 19 | 12 | 106 | 163 | 178 | 176 | 223 | 182 | 193 | 92 | 122 | 152 | 176 |
| Outbound trade | — | 2 | 6 | 11 | 8 | 18 | 64 | 70 | 115 | 130 | 212 | 273 | 227 |
| Total | 19 | 14 | 112 | 174 | 186 | 194 | 287 | 252 | 308 | 222 | 334 | 425 | 403 |

| Year Classi- fication | '02 | '03 | '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|-----------------------------|-----|-----|-----|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Inbound trade | 272 | 289 | 258 | 340 | 520 | 765 | 932 | 934 | 1,044 | 914 | 1,074 | 9,136 |
| Outbound trade | 370 | 435 | 439 | 715 | 830 | 1,032 | 888 | 745 | 868 | 800 | 897 | 9,155 |
| Total | 642 | 724 | 697 | 1,055 | 1,350 | 1,797 | 1,820 | 1,679 | 1,912 | 1,714 | 1,971 | 18,291 |

(Millions of dollars)



② Number of trade transactions

| Year Classi- fication | '89 | '90 | '91 | '92 | '93 | '94 | '95 | '96 | '97 | '98 | '99 | '00 | '01 |
|-----------------------------|-----|-----|-----|-----|-----|-----|-------|-------|-------|-------|-------|-------|-------|
| Inbound trade | 66 | 79 | 300 | 510 | 601 | 708 | 976 | 1,475 | 1,806 | 1,963 | 3,089 | 3,952 | 4,720 |
| Outbound trade | 1 | 4 | — | 62 | 97 | 267 | 1,668 | 1,908 | 2,185 | 2,847 | 3,421 | 3,442 | 3,034 |
| Total | 67 | 83 | 300 | 572 | 698 | 975 | 2,644 | 3,383 | 3,991 | 4,810 | 6,510 | 7,394 | 7,754 |

| Classi- fication \ Year | '02 | '03 | '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|----------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Inbound trade | 5,023 | 6,356 | 5,940 | 9,337 | 16,412 | 25,027 | 31,243 | 37,307 | 39,800 | 33,762 | 36,504 | 266,956 |
| Outbound trade | 3,773 | 4,853 | 6,953 | 11,878 | 17,039 | 26,731 | 36,202 | 41,293 | 44,402 | 40,156 | 45,311 | 297,500 |
| Total | 8,796 | 11,209 | 12,893 | 21,215 | 33,451 | 51,758 | 67,445 | 78,600 | 84,202 | 73,918 | 81,815 | 564,456 |

③ Number of trade items

| Classi- fication \ Year | '89 | '90 | '91 | '92 | '93 | '94 | '95 | '96 | '97 | '98 | '99 | '00 | '01 |
|----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Inbound trade | 24 | 23 | 43 | 69 | 69 | 80 | 109 | 130 | 143 | 136 | 172 | 204 | 201 |
| Outbound trade | 1 | 3 | 16 | 25 | 37 | 87 | 167 | 167 | 284 | 379 | 405 | 527 | 492 |
| Total | 25 | 26 | 57 | 92 | 103 | 158 | 244 | 258 | 365 | 449 | 488 | 578 | 549 |

| Classi- fication \ Year | '02 | '03 | '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| Inbound trade | 204 | 186 | 202 | 381 | 421 | 450 | 482 | 486 | 448 | 363 | 377 | 812 |
| Outbound trade | 495 | 530 | 575 | 712 | 697 | 803 | 813 | 771 | 740 | 676 | 705 | 1,096 |
| Total | 572 | 588 | 634 | 775 | 757 | 852 | 859 | 822 | 795 | 702 | 731 | 1,113 |

※ There are some overlaps between inbound and outbound items, so the total may be smaller than the sum of the figures.

④ Trade volume by type of transaction

(in millions of dollars)

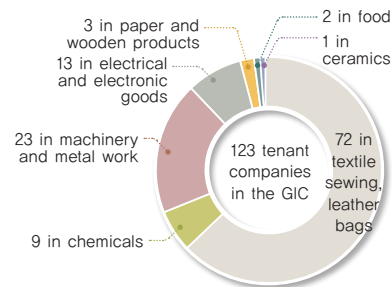
| Classi- fication | Type of transaction | '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 |
|---------------------|--|-----|-----|-----|-----|-----|-----|-------|-----|-------|
| Inbound trade | General trade, processing-on commission trade | 258 | 320 | 441 | 645 | 624 | 499 | 334 | 4 | 1 |
| | Economic cooperation (GIC, Mt. Geumgang tours, light industry projects) | – | 20 | 77 | 120 | 308 | 435 | 710 | 909 | 1,073 |
| | Non-commercial trade (Assistance from government and NGOs / Social and cultural cooperation / Light-water reactor project) | – | – | 1 | – | – | – | – | 1 | – |
| | Inbound total | 258 | 340 | 520 | 765 | 932 | 934 | 1,044 | 914 | 1,074 |

| Classification | Type of transaction | '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 |
|----------------|--|-----|-----|-----|-------|-----|-----|-----|-----|-----|
| Outbound trade | General trade, processing-on commission trade | 89 | 100 | 116 | 145 | 184 | 167 | 101 | - | - |
| | Economic cooperation (GIC, Mt. Geumgang tours, light industry projects) | 89 | 250 | 294 | 520 | 596 | 541 | 744 | 789 | 888 |
| | Non-commercial trade (Assistance from government and NGOs / Social and cultural cooperation / Light-water reactor project) | 261 | 366 | 421 | 367 | 108 | 37 | 23 | 11 | 9 |
| | Outbound total | 439 | 715 | 830 | 1,032 | 888 | 745 | 868 | 800 | 897 |

3. Statistics on Gaeseong Industrial Complex

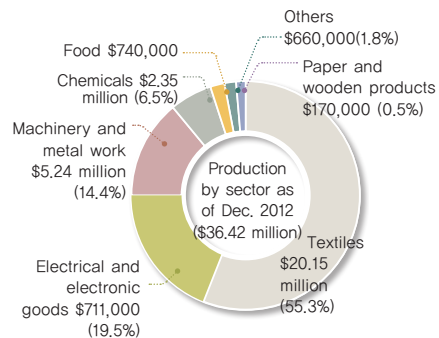
① Number of tenant companies

| Year | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 |
|----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Number of tenant companies | 18 | 30 | 65 | 93 | 117 | 121 | 123 | 123 |



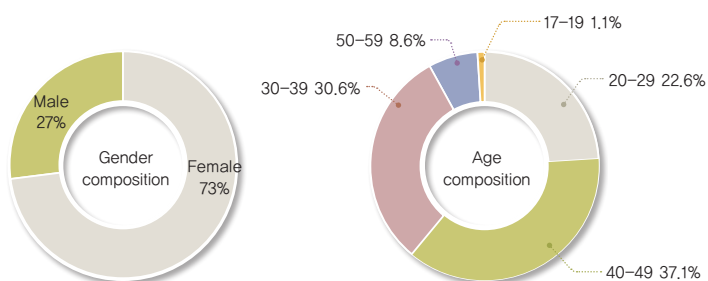
② Production

| Year | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|------------|-------|-------|--------|--------|--------|--------|--------|--------|---------|
| Production | 1,491 | 7,373 | 18,478 | 25,142 | 25,648 | 32,332 | 40,185 | 46,950 | 197,599 |
| Export | 87 | 1,983 | 3,967 | 3,584 | 2,860 | 3,667 | 3,687 | 3,639 | 23,474 |



③ Number of workers

| Classification \ Year | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 |
|-----------------------|-------|--------|--------|--------|--------|--------|--------|--------|
| North Korean workers | 6,013 | 11,160 | 22,538 | 38,931 | 42,561 | 46,284 | 49,866 | 53,448 |
| South Korean workers | 507 | 791 | 785 | 1,055 | 935 | 804 | 776 | 786 |
| Total | 6,520 | 11,951 | 23,323 | 39,986 | 43,496 | 47,088 | 50,642 | 54,234 |



* Average wage of North Korean workers (Dec. 2012): \$154 (basic wage \$139.3 + bonuses and social insurance premiums \$14.7)

④ Visits to GIC

| Classification \ Year | '05 | '06 | '07 | '08 | '09 |
|-----------------------|--------|--------|---------|---------|---------|
| Number of visitors | 40,874 | 60,999 | 100,092 | 152,637 | 111,830 |
| Number of vehicles | 19,413 | 29,807 | 42,399 | 85,626 | 72,597 |

| Classification \ Year | '10 | '11 | '12 | Total |
|-----------------------|---------|---------|---------|---------|
| Number of visitors | 122,997 | 114,435 | 120,119 | 823,983 |
| Number of vehicles | 83,566 | 82,954 | 82,954 | 499,316 |

4. Humanitarian Projects

① Humanitarian assistance

(in hundreds of millions of won)

| Classification \ Year | | | | '95 | '96 | '97 | '98 | '99 | '00 | '01 | '02 | '03 |
|-----------------------|-----------|--------------------|-------|-----|-----|-----|-----|-------|-------|-------|-------|-----|
| Gov. assistance | Free aid | Directly by gov't | 1,854 | – | – | – | 339 | 944 | 684 | 832 | 811 | |
| | | Through NGOs | – | – | – | – | – | 34 | 62 | 65 | 81 | |
| | | Through int'l org. | – | 24 | 240 | 154 | – | – | 229 | 243 | 205 | |
| | | Total | 1,854 | 24 | 240 | 154 | 339 | 978 | 975 | 1,140 | 1,097 | |
| | Food loan | | – | – | – | – | – | 1,057 | – | 1,510 | 1,510 | |
| | Total | | 1,854 | 24 | 240 | 154 | 339 | 2,035 | 975 | 2,650 | 2,607 | |
| NGO assistance (free) | | | 2 | 12 | 182 | 275 | 223 | 387 | 782 | 576 | 766 | |
| Total amount | | | 1,856 | 36 | 422 | 429 | 562 | 2,422 | 1,757 | 3,226 | 3,373 | |

| '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|-------|-------|-------|-------|-------|-----|-----|-----|-----|--------|
| 949 | 1,221 | 2,000 | 1,432 | – | – | 183 | – | – | 11,249 |
| 102 | 120 | 134 | 216 | 241 | 77 | 21 | – | – | 1,153 |
| 262 | 19 | 139 | 335 | 197 | 217 | – | 65 | 23 | 2,352 |
| 1,313 | 1,360 | 2,273 | 1,983 | 438 | 294 | 204 | 65 | 23 | 14,755 |
| 1,359 | 1,787 | – | 1,505 | – | – | – | – | – | 8,728 |
| 2,672 | 3,147 | 2,273 | 3,488 | 438 | 294 | 204 | 65 | 23 | 23,482 |
| 1,558 | 779 | 709 | 909 | 725 | 377 | 200 | 131 | 118 | 8,710 |
| 4,230 | 3,926 | 2,982 | 4,397 | 1,163 | 671 | 404 | 196 | 141 | 32,193 |

② Reunion of separated families

| Classification \ Year | | '85~'00 | '01 | '02 | '03 | '04 | '05 | '06 |
|-----------------------|----------------------------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| N G O s | Confirmation of living status | 2,319 | 208 | 198 | 388 | 209 | 276 | 69 |
| | Exchange of letters | 6,137 | 579 | 935 | 961 | 776 | 843 | 449 |
| | Reunion | 616 (412) | 170 (493) | 208 (616) | 283 (677) | 188 (470) | 95 (261) | 54 (105) |

| Year | | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|------------------|-------------------------------|-------------|------------|------------|-----------|-----------|----------|------------------|
| Classification | | | | | | | | |
| N G O S | Confirmation of living status | 74 | 50 | 35 | 16 | 3 | 6 | 3,851 |
| | Exchange of letters | 413 | 228 | 61 | 15 | 21 | 16 | 11,434 |
| | Reunion | 55 (167) | 36 (97) | 23 (51) | 7 (18) | 4 (14) | 3 (6) | 1,742 (3,387) |

| Year | | '85~'00 | '01 | '02 | '03 | '04 | '05 | '06 |
|------------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Classification | | | | | | | | |
| G o v t | Confirmation of living status | 857 (7,700) | 744 (2,670) | 261 (1,635) | 963 (7,091) | 681 (5,007) | 962 (6,957) | 1,069 (8,314) |
| | Exchange of letters | 39 (39) | 623 (623) | 9 (9) | 8 (8) | — | — | — |
| | Reunion in South Korea | 231 (1,801) | 100 (899) | — | — | — | — | — |
| | Reunion in North Korea | 237 (750) | 100 (343) | 398 (1,724) | 598 (2,691) | 400 (1,926) | 397 (1,811) | 594 (2,683) |
| | Video reunion | — | — | — | — | — | 199 (1,323) | 80 (553) |

| Year | | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|------------------|-------------------------------|------------------|-----|----------------|----------------|-----|-----|-------------------|
| Classification | | | | | | | | |
| G o v t | Confirmation of living status | 1,196 (9,121) | — | 302 (2,399) | 302 (2,176) | — | — | 7,337 (53,070) |
| | Exchange of letters | — | — | — | — | — | — | 679 (679) |
| | Reunion in South Korea | — | — | — | — | — | — | 331 (2,700) |
| | Reunion in North Korea | 388 (1,741) | — | 195 (888) | 191 (886) | — | — | 3,498 (15,443) |
| | Video reunion | 278 (1,872) | — | — | — | — | — | 557 (3,748) |

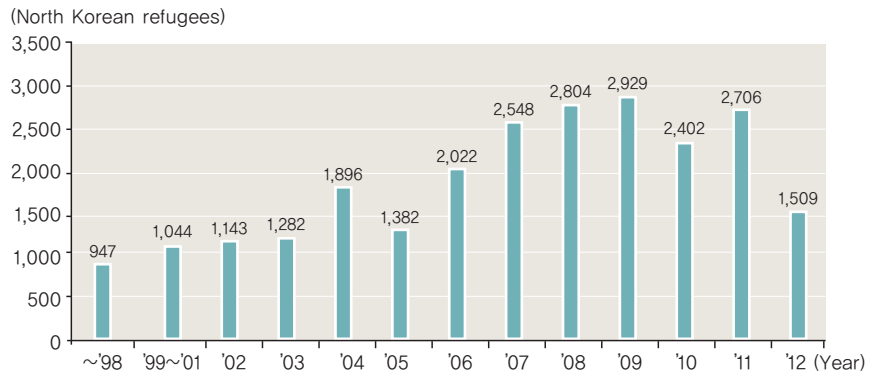
※ Number of separated family members registered with the Integrated Information Center for Separated Families: 128,668 persons (49,776 persons dead, 78,892 persons alive)

③ Arrivals of North Korean refugees in South Korea

| Year | ~'98 | '99~'01 | '02 | '03 | '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|--------|------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Male | 831 | 565 | 511 | 472 | 624 | 423 | 512 | 571 | 608 | 671 | 589 | 797 | 402 | 7,576 |
| Female | 116 | 479 | 632 | 810 | 1,272 | 959 | 1,510 | 1,977 | 2,196 | 2,258 | 1,813 | 1,909 | 1,107 | 17,038 |
| Total | 947 | 1,044 | 1,143 | 1,282 | 1,896 | 1,382 | 2,022 | 2,548 | 2,804 | 2,929 | 2,402 | 2,706 | 1,509 | 24,614 |

※ The above figures are estimated based on the number of North Korean refugees who become eligible for government settlement protection.

Number of North Korean refugees entering South Korea



5. Inter-Korean Dialogues

① Inter-Korean dialogues by area

| Classification \ Year | '71~'95 | '96 | '97 | '98 | '99 | '00 | '01 | '02 | '03 | '04 |
|-----------------------|---------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Politics | 170 | — | 7 | 4 | 8 | 18 | 2 | 4 | 5 | 2 |
| Military | — | — | — | — | — | 4 | 2 | 9 | 6 | 5 |
| Economy | 5 | — | — | — | — | 3 | 3 | 14 | 17 | 13 |
| Humanitarian issues | 114 | — | 4 | 1 | — | 2 | 1 | 3 | 7 | 2 |
| Society and Culture | 34 | — | — | — | — | — | — | 2 | 1 | 1 |
| Total | 323 | — | 11 | 5 | 8 | 27 | 8 | 32 | 36 | 23 |

| Classification \ Year | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|-----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| Politics | 10 | 5 | 13 | – | – | – | – | – | 248 |
| Military | 3 | 4 | 11 | 2 | | 1 | 1 | – | 48 |
| Economy | 11 | 8 | 22 | 3 | 4 | 3 | – | – | 106 |
| Humanitarian issues | 4 | 3 | 3 | – | 2 | 4 | – | – | 150 |
| Society and Culture | 6 | 3 | 6 | 1 | – | – | – | – | 54 |
| Total | 34 | 23 | 55 | 6 | 6 | 8 | 1 | – | 606 |

※ Politics (Ministerial or vice-ministerial talks) / Military (General-level or working-level talks) / Economy (Committee for the Promotion of Economic Cooperation) / Humanitarian and social issues (Red Cross talks or sports talks)

② Number of inter-Korean agreements concluded

| Year | '96 | '97 | '98 | '99 | '00 | '01 | '02 | '03 | '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Agreements | – | 3 | 3 | 1 | 18 | 4 | 23 | 31 | 21 | 23 | 10 | 39 | 5 | 1 | 1 | – | – |

6. Unification Education

| Year | ~'00 | '01 | '02 | '03 | '04 | '05 | '06 |
|--|---------|--------|--------|--------|--------|--------|--------|
| Persons taking unification education program | 365,125 | 12,774 | 16,711 | 17,087 | 20,804 | 26,420 | 25,865 |

| Year | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|--|--------|--------|--------|--------|---------|---------|---------|
| Persons taking unification education program | 34,045 | 32,039 | 71,944 | 68,946 | 119,736 | 133,284 | 944,780 |

Ⅲ. Statistics on the Inter-Korean Cooperation Fund

1. General statistics

① Revenue

(in millions of won)

| Classification Year | Gov't contributions | Non-gov't contributions | Deposits from Public Capital Mgmt. Fund | Operations income | Fund total |
|------------------------|------------------------|----------------------------|---|----------------------|------------|
| 1991 | 25,000 | — | — | 237 | 25,237 |
| 1992 | 40,000 | — | — | 5,118 | 45,118 |
| 1993 | 40,000 | 3 | — | 4,778 | 44,781 |
| 1994 | 40,000 | 1 | — | 9,387 | 49,388 |
| 1995 | 240,000 | 119 | — | 14,589 | 254,708 |
| 1996 | 100,000 | 132 | — | 18,409 | 118,541 |
| 1997 | 50,000 | 288 | — | 27,874 | 78,162 |
| 1998 | — | — | — | 40,280 | 40,280 |
| 1999 | — | 3 | 149,831 | 23,013 | 172,847 |
| 2000 | 100,000 | 542 | 254,852 | 30,393 | 385,787 |
| 2001 | 500,000 | 1,079 | 310,000 | 29,406 | 840,485 |
| 2002 | 490,000 | 77 | 505,000 | 42,036 | 1,037,113 |
| 2003 | 300,000 | 1 | 823,000 | 46,515 | 1,169,516 |
| 2004 | 171,400 | 1 | 310,000 | 38,371 | 519,772 |
| 2005 | 500,000 | 33 | 460,000 | 31,178 | 991,211 |
| 2006 | 650,000 | 15 | 940,000 | 36,619 | 1,626,634 |
| 2007 | 500,000 | 75 | 584,591 | 38,859 | 1,123,525 |
| 2008 | 650,000 | 52 | 147,500 | 49,274 | 846,826 |
| 2009 | — | 56 | 81,000 | 74,354 | 155,410 |
| 2010 | — | — | 875,000 | 51,238 | 926,238 |
| 2011 | — | 2 | 104,400 | 38,276 | 142,678 |
| 2012 | 112,800 | 2 | 400,000 | 51,236 | 564,038 |
| Total | 4,509,200 | 2,481 | 5,945,174 | 701,440 | 11,158,295 |

② Expenditures

(in millions of won)

| Classification \ Year | '91 | '92 | '93 | '94 | '95 | '96 | '97 | '98 | '99 | '00 | '01 | '02 |
|--|-----|-----|-----|-----|-------|-----|-----|-----|-----|-------|-------|-------|
| Support for travel by residents | – | – | – | – | – | – | – | – | – | 3 | 3 | 237 |
| Cooperation in culture, academic, and sports | 9 | – | – | – | – | – | – | 0.3 | – | 21 | 1 | – |
| Separated families | – | 6 | – | – | – | – | – | 0.1 | 4 | 28 | 13 | 20 |
| Humanitarian aid (free) | – | – | – | – | 1,824 | 55 | 191 | 199 | 339 | 977 | 976 | 1,226 |
| Humanitarian aid (loan) | – | – | – | – | – | – | – | – | – | 867 | 190 | 967 |
| Inter-Korean economic cooperation (free) | 13 | – | – | – | – | 49 | – | – | – | 146 | 898 | 368 |
| Inter-Korean economic cooperation (loan) | – | – | – | – | – | – | – | 675 | – | 5 | 461 | 667 |
| Loan for light-water project | – | – | – | – | – | – | – | – | – | 3,259 | 3,003 | 3,009 |
| Repayment of principal and interests on the Public Capital Management Fund | – | – | – | – | – | – | – | – | – | 190 | 391 | 2,124 |
| –Repayment of principal | – | – | – | – | – | – | – | – | – | – | – | 1,498 |
| –Repayment of interests | – | – | – | – | – | – | – | – | – | 190 | 391 | 626 |
| Management expenses | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 3 | 5 | 6 |
| Total ^(Note) | 25 | 8 | 3 | 3 | 1,826 | 106 | 193 | 876 | 346 | 5,500 | 5,940 | 8,625 |

| Classification \ Year | '03 | '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|--|-------|-------|-------|-------|-------|-------|-----|-----|-----|-----|--------|
| Support for travel by residents | 11 | 11 | 38 | 53 | 17 | 27 | – | – | – | – | 399 |
| Cooperation in culture, academic, and sports | 7 | 32 | 75 | 74 | 69 | 38 | 30 | 21 | 26 | 23 | 426 |
| Separated families | 30 | 32 | 133 | 99 | 269 | 182 | 22 | 20 | 1 | 4 | 863 |
| Humanitarian aid (free) | 1,501 | 1,225 | 1,866 | 2,125 | 2,272 | 597 | 294 | 192 | 102 | 24 | 15,986 |
| Humanitarian aid (loan) | 1,561 | 1,020 | 1,793 | 39 | 1,405 | – | – | – | – | – | 7,842 |
| Inter-Korean economic cooperation (free) | 763 | 760 | 2,045 | 1,521 | 1,725 | 1,101 | 415 | 177 | 167 | 421 | 10,570 |
| Inter-Korean economic cooperation (loan) | 547 | 814 | 568 | 710 | 1,400 | 366 | 240 | 453 | 130 | 221 | 7,257 |

| Classification \ Year | '03 | '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 | Total |
|--|--------|-------|--------|--------|--------|-------|-------|--------|-------|-------|---------|
| Loan for light-water project | 3,287 | 870 | 227 | 89 | - | - | - | - | - | - | 13,744 |
| Repayment of principal and interests on the Public Capital Management Fund | 3,250 | 3,895 | 3,658 | 8,713 | 6,337 | 1,512 | 1,159 | 9,306 | 1,086 | 5,161 | 46,781 |
| -Repayment of principal | 2,549 | 3,100 | 2,820 | 7,730 | 5,330 | 500 | 100 | 8,200 | - | 4,000 | 35,827 |
| -Repayment of interests | 701 | 795 | 838 | 983 | 1,007 | 1,012 | 1,059 | 1,106 | 1,086 | 1,161 | 10,955 |
| Management expenses | 8 | 12 | 16 | 18 | 19 | 21 | 39 | 29 | 27 | 29 | 253 |
| Total ^(Note) | 10,966 | 8,670 | 10,418 | 13,442 | 13,513 | 3,844 | 2,199 | 10,197 | 1,539 | 5,883 | 104,121 |

Note) The statistics were rounded off to the nearest hundreds of millions of won, so the total for each year may differ from the actual total.

2. Details of Expenditures in 2012

(in millions of won)

| Project | Amount | Project category |
|--|--------|--|
| Joint South-North publication of the Big Dictionary of the Korean People's Language | 2,338 | Social or cultural cooperation (1 project, 2,338) |
| Exchanges and cooperation with regards separated families | 64 | Exchanges of separated families (2 projects, 440) |
| Survey of demand for video messages of separated family members | 376 | |
| Vaccination of North Korean children and vaccine capacity building through the International Vaccine Institute (IVI) | 2,337 | Humanitarian project (2 projects, 2,385) |
| Flood relief aid | 48 | |

| Project | Amount | Project category |
|---|--------|--|
| Operating expenses and commission for South–North Korea Exchanges and Cooperation Support Association | 982 | Consolidation of economic cooperation foundation (free) (15 projects, 42,109) |
| Korea DMZ Council networking efforts in Korea and abroad | 128 | |
| Commissioned research on how to build an integrated logistics system on the Korean Peninsula | 103 | |
| Reinforcing system of passage control in joint administration areas | 561 | |
| UNESCAP technology assistance project for North Korea | 1,030 | |
| South–North national community building project (2nd year) | 3,003 | |
| South–North national community building project (3rd year) | 348 | |
| Construction of South–North Youth Exchange Center | 14,818 | |
| Consignment of inter–Korean trade management operations | 1,200 | |
| Assistance for businesses engaged in inter–Korean trade or economic cooperation projects | 5,215 | |
| Construction of fire station in GIC | 3,402 | |
| Construction of emergency medical facilities in GIC | 2,185 | |
| Repair of commuter roads and expansion of bus turnaround station in GIC | 3,128 | |
| Repair of tunnel in GIC | 581 | |
| Financing of KIDMAC expenses | 5,425 | |
| Financing of inter–Korean trade and economic cooperation (trade) | 14,885 | Trade financing (loans) (94건, 14,885) |
| Financing of inter–Korean trade and economic cooperation (economic cooperation) | 3,397 | Economic cooperation funds (loans) (5 projects, 3,397) |
| Loan for KIDMAC expenses | 3,338 | Loans in support of national community building (2 projects, 3,822) |
| Construction of commuter bus parking lot and automotive inspection service in GIC | 484 | |
| Total (121 projects) | 69,376 | |

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