

APEC 2005 KOREA SERIES

Peace Korea 2005

The Road to Peace and Prosperity on the Korean Peninsula

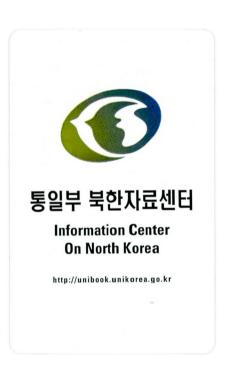








Peace, Prosperity and One Community



Peace! It is the most priceless legacy that should be bequeathed to our children.

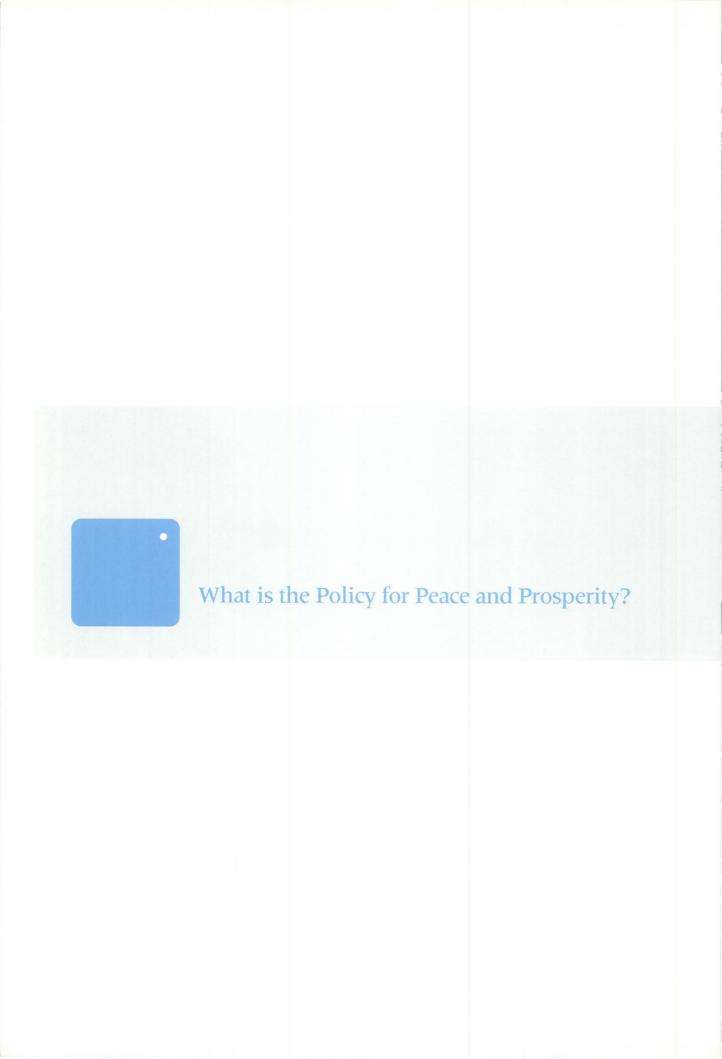
We wish the sky will be clear forever.

We wish children will laugh cheerfully forever.

The gleeful and peaceful world that all of us are looking for!

That's the world we should create and preserve.





On the basis of mutual trust, We will grow together.

Trust is the most precious thing.

With trust, hope and love will prevail.

With trust, we will be more powerful.













1

What is the Policy for Peace and Prosperity?

The Korean government's Policy for Peace and Prosperity is a policy initiative designed to lay the foundation for a peaceful reunification of Korea. For the time being, the initiative seeks to establish the basis for co-existence and co-prosperity in Northeast Asia by securing peace on the Korean Peninsula and working toward the mutual prosperity of both Koreas.







The Policy for Peace and Prosperity aims first to peacefully resolve the North Korean nuclear issue, and on this basis, to build a permanent peace regime on the Korean Peninsula and to bring co-prosperity among the Northeast Asian countries.

The Policy for Peace and Prosperity represents the Korean government's basic strategy that covers the full range of national security policy areas, such as unification, diplomacy, and national defense.

The Korean government has adhered to the following four principles in implementing its Policy for Peace and Prosperity. The first principle is opposition to wars of any kind, and the promotion of peaceful resolution of all conflicts and issues through dialogue. The second principle is the pursuit of mutual trust and reciprocity on the basis of mutual recognition. The third principle is the resolution of all issues concerning the Korean Peninsula through international cooperation based on the principle of the participation of the parties directly concerned. The final principle is carrying out policy initiatives on the basis of national consensus.



Main Tasks for the Policy for Peace and Prosperity

A. Resolution of the North Korean nuclear issue

The resolution of the North Korean nuclear issue is the first and the foremost task for the Policy for Peace and Prosperity, as it poses a direct threat to our national security as well as a serious challenge to peace and stability in Northeast Asia.

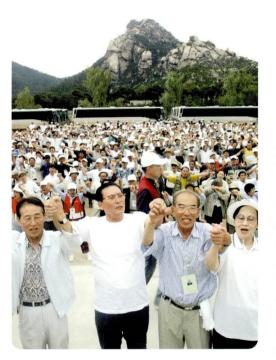
Since its inauguration, the Roh Moo-hyun Administration has been working under three principles: zero tolerance for North Korea's nuclear programs; peaceful resolution of the issue through dialogue; and the South Korea's active role in resolving the issue.

As the most directly concerned party, the ROK government has made steadfast contribution through the inter-Korean dialogue and exchanges, while having played a proactive role in the Six-Party Talks to bring about the peaceful and diplomatic resolution of the North Korean nuclear issue.

On September 19, 2005, the Six-Party Talks succeeded in adopting the Joint Statement at the conclusion of the fourth round of the Talks, thereby establishing a solid foundation for peaceful resolution of the North Korean nuclear issue and further progress in the inter-Korean relations.







B. Building a permanent peace regime on the Korean Peninsula

The ROK government has worked to establish a peace regime on the Korean Peninsula by replacing the current armistice with a permanent peace mechanism. Based on the agreement that "the directly related parties will negotiate a permanent peace regime on the Korean Peninsula at an appropriate separate forum," expressed in the September 19 Joint Statement, the starting point for building a permanent peace regime has been established. The Joint Statement has paved the way for dismantling the cold war structure remaining on the Korean Peninsula.

C. Northeast Asia as an economic hub

Along with North America and the European Union, Northeast Asia has recently emerged as one of three major regional economic zones. In addition, Northeast Asia has a vast supply of resources, such as capital, labor, technology, and information with tremendous potential.

The Korean government's goal is to make Northeast Asia an economic hub by playing a more active role in achieving mutual prosperity and establishing peace in the region. The Korean government will take the lead in enhancing mutual economic cooperation within Northeast Asia. Korea's geopolitical location coupled with its well-developed infrastructure will be critical assets.



Accomplishments and Tasks of the Roh Administration's Policy toward North Korea

A commitment to peace will bring forward a better future.

Peace will stay with people who are involved in its making.

Peace will not leave people who are committed to its preservation.

Peace will flow and penetrate into a broader world.

















Overview

Since its inauguration in February 2003, the Roh Government has consistently pursued the Policy for Peace and Prosperity aimed at promoting peace on the Korean Peninsula and inter-Korean co-prosperity.

In this regard, the ROK government has pursued the harmonious progress in the resolution of the North Korean nuclear issue and the inter-Korean relations. Therefore, while having continuously played an active role in resolving the North Korean nuclear issue through the Six-Party Talks, the ROK government has also taken steps to improve inter-Korean relations, which was essential to stabilize the situation in and around the Korean Peninsula.

These steps include the qualitative expansion of inter-Korean dialogue in every field in both government and private sectors, the successful holding of large-scale joint events in Seoul and Pyongyang, the facilitation of inter-Korean economic cooperation, and humanitarian assistance for the North Koreans. These developments have contributed to establishing a solid peace on the Korean Peninsula, stabilizing the national economy, and enhancing capabilities for eventual unification.



2

Progress and Accomplishments

A. Exerting efforts for the peaceful resolution of the North Korean nuclear issue

The ROK government has played an active role in making progress in the resolution of the North Korean nuclear issue and its pursuit of the improved inter-Korean relations also contributed to this end.



In particular, the ROK government proposed to provide 2 million kilowatts of electricity to North Korea if North Korea dismantles all nuclear weapon programs and the suspended light-water reactor project is terminated. The "significant proposal" made an important contribution to the recent progress made through the Six-Party Talks. The Joint Statement adopted at the fourth round of the Six-Party Talks includes a clause that the ROK government reaffirmed this proposal.







B. Normalization of inter-Korean dialogue

The 16th round of the Inter-Korean Ministerial Talks held from September 13-16 marked the 500th inter-Korean meeting since 1971. 144 meetings have been held since the first Inter-Korean Summit Talks that took place on June 15, 2000. Inter-Korean talks, including the Ministerial Talks, have been held on an on-going basis.

The agenda for inter-Korean talks include a variety of issues, ranging from humanitarian relief and economic cooperation to military and security matters. Both sides have held business-like discussions and produced substantial results, particularly with regard to the reunions of separated families, economic cooperation and social and cultural exchanges. It is significant that confidence-building measures such as the prevention of accidental clashes in the West Sea and removal of propaganda loudspeakers along the Military Demarcation Line have been implemented through the military talks.





C. Achieving tangible results in inter-Korean economic cooperation

Three major inter-Korean economic cooperation projects, including the reconnection of the cross-border railroads and roads, Mt. Geumgang tours, and the development of the industrial park at Gaeseong, a historic North Korean city just 12 km north of the border, have made great progress. The reconnection of inter-Korean railroads and roads has entered its final stage. Once the inter-Korean railroads and roads are finally open, they will contribute to significantly expanding inter-Korean exchanges of personnel and goods. The number of tourists to Mt. Geumgang has already exceeded 1 million.

The Gaeseong Industrial Complex has become a cornerstone for the two Koreas to achieve mutual prosperity with the combination of the capital and technology from the South and the land and labor of the North. It is also a peace-building project, since around 600 South Koreans commute across the heavily fortified Demilitarized Zone dividing the North and the South on a daily basis, thus contributing to easing military tensions and overcoming the last vestige of the cold war era. In the industrial park, a total of 11 South Korean enterprises have entered into operation and are producing goods. When the first phase of the industrial park is completed by the end of 2006, approximately 300 enterprises will run their own factories. As of October 31,





2005, about 5,700 people - 5, 200 from the North and 500 from the South- are working side by side in the same factories.

For these three inter-Korean economic cooperation projects, part of the Demilitarized Zone opened. The barbed wire and land mines were removed in the area of one million square meters in the west, while four hundred thousand square meters on the east coast were also cleared. This is a significant development, as the old routine of tensions and hostilities has given way to that of peace and cooperation.

North-South trade has been expanding dramatically in recent years. Inter-Korean trade volume reached \$400 million dollars in 2001, and \$720 million dollars in 2003. Trade is expected to exceed one billion dollars this year.

The Office of Inter-Korean Economic Cooperation was set up at the Gaeseong industrial park and began operations in October 28, 2005 and will serve to stimulate further inter-Korean direct trade and economic cooperation. The office is the South Korea's first official agency to work inside North Korean territory. The offices of the North and South share the same building, which represents a symbolic inter-Korean reconciliation and partnership.

Accomplishments and Tasks of the Roh Administration's Policy toward North Korea

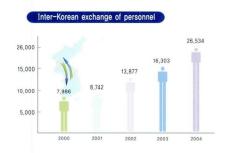
D. Diversification of inter-Korean social & cultural exchanges

The number of personnel exchanged between the two Koreas has jumped even more rapidly than trade. The number of people crossing stood at 8,742 in 2001 and increased to 13,877 in 2002. The number rose to 16,303 people in 2003 and showed a big jump, recording 26,534 people in 2004. The number will reach over 80,000 this year. It is meaningful that in the year marking the fifth anniversary of the 2000 Inter-Korean Summit meeting, the exchange of people will reach such a record high.

Inter-Korean social and cultural exchanges have witnessed both qualitative and quantitative growth. The participation of both government and civic representatives in the joint commemorative festivals on the occasion of the fifth anniversary of the June 15 2000 Inter-Korean Joint Declaration and the 60th anniversary of the liberation from Japanese colonial rule suggest that inter-Korean relations have entered a new era of reconciliation and cooperation.

The ROK government has also steadfastly made an effort to resolve the issue of separated families resulting from the division of the Korean Peninsula and the Korean War by holding reunion events as well as video conferencing reunions and constructing the Family Reunion Center at Mt. Geumgang. Video conferencing reunions were designed to increase the number of separated family reunions and relieve old people of physical inconvenience for traveling. So far more than 10,000 persons have met their separated family members.

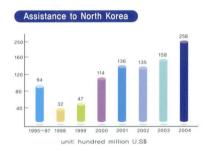


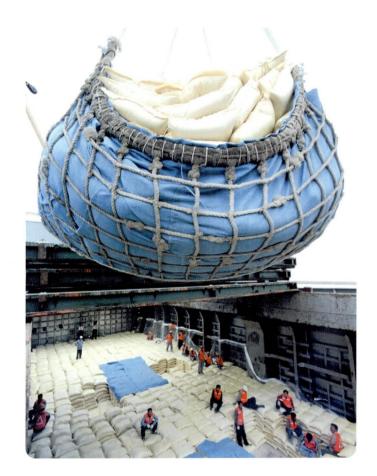












E. Continuous provision of humanitarian aid for North Korea

The South Korean government has consistently provided food and fertilizer assistance, which has contributed to relieving the famine in North Korea. The assistance has been offered in a humanitarian spirit and as a means to promote inter-Korean reconciliation.

In particular, when the railway explosion took place at Ryongcheon station in 2004, the South immediately delivered emergency relief aid to the North, with Southerners showing nationwide concern and actively participating in the aid effort.

The South Korean government plans to expand its assistance in such fields as public health and medical treatment, particularly focusing on infants and children. From the longer-term perspective, the South will seek to improve North Korea's agricultural productivity as part of development aid programs.



3

Future Tasks

The ROK government will continue to make steadfast contribution through the inter-Korean dialogue and exchanges in an effort to bring about the peaceful and diplomatic resolution of the North Korean nuclear issue.

In the process of settling the North Korean nuclear issue, the South will redouble its efforts for the establishment of a permanent peace regime on the Korean Peninsula. It will assist North Korea in normalizing its diplomatic relations with relevant countries and reconstructing its economy.

The ROK will promote the creation of an inter-Korean economic community through extended economic cooperation and energy assistance, contingent upon the North's dismantlement of its nuclear programs.

The ROK will also promote cooperation and reconciliation with North Korea and enhance confidence building measures, which will contribute to peace and prosperity in Korea as well as in the Asia-Pacific region.











