

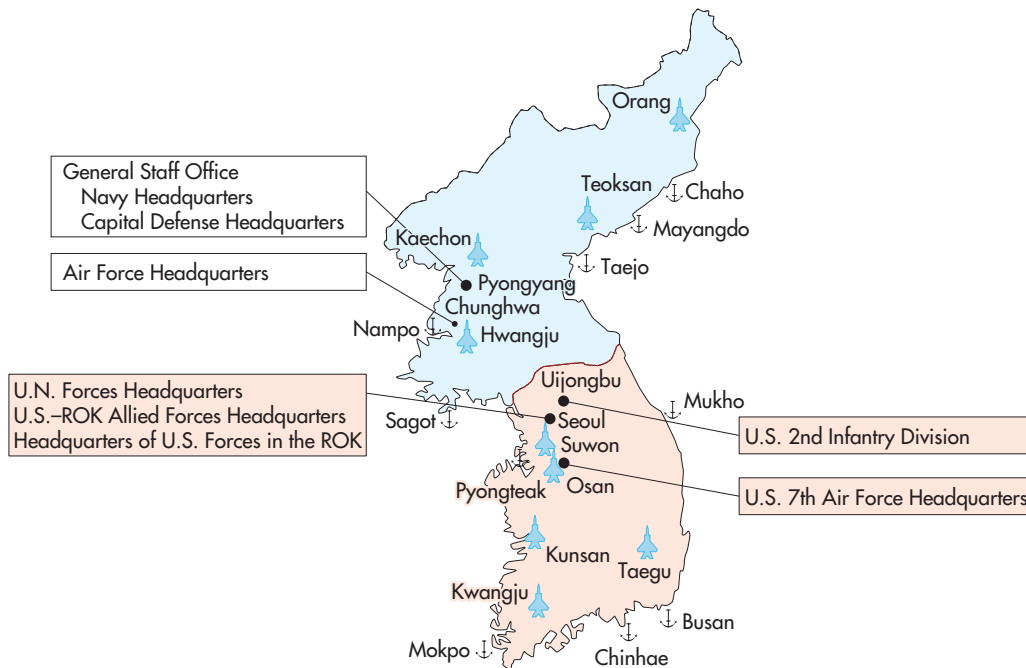
Section 2

Korean Peninsula

On the Korean Peninsula, people of the same ethnicity have been divided into two—north and south—for more than half a century. Even today, the Republic of Korea (ROK) and North Korea pit their ground forces of about 1.6 million against each other across the demilitarized zone (DMZ).

Maintaining peace and stability on the Korean Peninsula is vital for the peace and stability of the entire East Asian region, to say nothing of Japan.
(See Fig. I-1-2-1)

Fig. I-1-2-1 Military Confrontation on the Korean Peninsula



		North Korea	ROK	U.S. Forces in ROK
Total armed forces		Approx. 1.2 million personnel	Approx. 660,000 personnel	Approx. 25,000 personnel
Army	Ground troops	Approx. 1.02 million personnel	Approx. 520,000 personnel	Approx. 17,000 personnel
	Battle tanks	T-62, T-54/-55, etc. Approx. 3,500	M-48, K-1, T-80 etc. Approx. 2,400	M-1
Navy	Naval vessels	Approx. 650; 103,000 tons	Approx. 190; 192,000 tons	Supporting corps only
	Destroyers		11	
	Frigates	3	9	
	Submarines	20	12	
	Marines		approx. 27,000 personnel	
Air Force	Combat aircraft	Approx. 600	Approx. 610	Approx. 60
	3rd and 4th generation fighters	Mig-23x56 Mig-29x18 Su-25x34	F-4x70 F-16x164 F-15x52	F-16x40
	Population	Approx. 24.5 million	Approx. 48.8 million	
Reference	Military service	Army: 5-12 years Navy: 5-10 years Air Force: 3-4 years	Army: 21 months Navy: 23 months Air Force: 24 months	

Notes: The Military Balance 2012, etc.

1 General Situation

North Korea has been advocating the construction of a strong socialist state in all areas—ideology, politics, military affairs, and economy¹—and it adopts “military-first politics” to realize this goal. The “military-first politics” has been defined as a form of leadership that advances the great undertaking of socialism by resolving all problems that arise in the revolution and national construction on the principle of military first and stressing the importance of the armed forces as the pillar of the revolution². After the Chairman of the National Defense Commission Kim Jong-il who was in a position to fully control North Korea’s military forces died in December 2011, the First Chairman of the National Defense Commission Kim Jong-un who is believed to be his third son regularly visits military organizations and mentions the importance of military forces, which indicates that he intends to continue attaching importance to, and relying on, the military forces³.

Although North Korea has been facing serious economic difficulties and has depended on the international community for food and other resources, the country seems to be maintaining and enhancing its military capabilities and combat readiness

by preferentially allocating resources to its military forces. North Korea deploys most of its armed forces along the DMZ. According to the official announcement at the Supreme People’s Assembly in April 2012, the proportion of the defense budget in FY2011’s national budget was 15.8%, but it is believed that this represents only a portion of real defense expenditures.

Furthermore, North Korea seems to maintain and reinforce its so-called asymmetric military capabilities by developing weapons of mass destruction (WMD) and ballistic missiles and by maintaining large-scale special operation forces. In addition, North Korea has repeatedly made military provocations on the Korean Peninsula⁴.

North Korea’s military behavior has increased tension over the Korean Peninsula, and constitutes a serious destabilizing factor for the entire East Asian region, including Japan.

Needless to say, North Korea’s possession of nuclear weapons is not accepted, and it is also necessary to pay enough attention to the development and deployment of ballistic missiles, the military confrontation on the Korean Peninsula, and proliferation of weapons of mass destruction and ballistic missiles by North Korea.

Partly because North Korea maintains its extremely closed regime, it is difficult to accurately capture the details and intentions of the country’s behavior. However, it is necessary to continue to pay utmost attention to them.

2 WMD and Ballistic Missiles

Concerning WMD, issues of North Korea’s nuclear weapons program have been emphasized, as well as its chemical and biological weapons capabilities. In particular, North Korea’s nuclear issue has serious influence on Japan’s national security and it is also a critical problem for the entire international community in terms of non-proliferation of WMD. In particular, nuclear tests by North Korea, when considered in conjunction with North Korea’s reinforcement of its ballistic missile capability that could serve as the means of delivery of WMD,

- 1 North Korea says it will open the door to the “powerful and prosperous nation (Kangseong Daeguk)” in 2012, which is the 100th anniversary of the birth of the late President Kim Il-sung, but recently they also use the expression “powerful and prosperous nation (Kangseong Kukka).”
- 2 Joint editorial of the Korean Workers’ Party’s newspaper Rodong Shinmun and its journal Workers (June 16, 1999).
- 3 As of the end of June 2012, approximately 50% of the official activity made by the First Chairman of the National Defense Commission Kim Jong-un after the death of Chairman Kim Jong-il are visits on military organizations. Furthermore, the First Chairman stated in his speech at the military parade to celebrate the 100th anniversary of the birth of Kim Il-sung in April of the same year, “In order to brighten the dignity of the military-first Korea for countless generations and accomplish the great achievement to build a strong and prosperous socialist nation, we have to strengthen our people’s army in every aspects as the first, second and third priority.”
- 4 In addition, at the U.S. House Armed Services Committee in March 2012, James Thurman, the commander of U.S. Forces Korea, gave testimony that “North Korea employs sophisticated computer hackers trained to launch cyber infiltration and cyber attacks against Korea and the United States” showing his understanding that North Korea is stepping up its efforts to enhance cyber attack capabilities in recent years. Furthermore, in May 2011, the Seoul Central District Public Prosecutors’ Office announced its investigation result that a network failure of the National Agricultural Cooperative Federation in March of the same year was caused by a cyberattack with the involvement of North Korea.

simply cannot be tolerated as they constitute a serious threat to the security of Japan and do considerable harm to the peace and stability of Northeast Asia and the international community.

As for ballistic missiles, North Korea seems to be conducting R&D for deploying existing ballistic missiles, extending the range and converting into solid fuel propulsion⁵. Also, it is pointed out that North Korea's proliferation of ballistic missiles continues⁶. North Korea's missile issue is, coupled with its nuclear issue, destabilizing factors for the entire international community and the Asia-Pacific region, and such developments are of great concern.

(1) Nuclear Weapons

a. Major developments regarding the Six-Party Talks

With regards to the issue of North Korea's development of nuclear weapons, six rounds of the Six-Party Talks have been held since August 2003 aimed to take peaceful measures to achieve the verifiable denuclearization of the Korean Peninsula. At the fourth round of the Six-Party Talks in 2005, a joint statement was adopted, which focused on the abandonment of "all nuclear weapons and existing nuclear programs" by North Korea. In 2006, however, North Korea delayed its participation in the Six-Party Talks, launched seven ballistic missiles and announced that it had conducted a nuclear test. In response, the U.N. Security Council adopted Resolutions 1695 and 1718 imposing sanctions on North Korea. Later North Korea returned to the fifth round of the Six-Party Talks and, in February 2007, the "Initial Actions for the Implementation of the Joint Statement" to implement the joint statement made at the fourth round of the Six-Party Talks was announced followed by the announcement of the "Second-Phase Actions for the Implementation of the Joint Statement" as the outcome of the sixth round of the Talks. The agreement includes completion of the disablement of nuclear facilities in Yongbyon and "a complete and correct declaration of all its (North Korea's) nuclear programs" by the end of 2007. However, the implementation of the agreement has not been completed⁷ and

the Six-Party Talks has been suspended since December 2008.

In 2009, North Korea again conducted a missile launch and announced that it had conducted a nuclear test. In response, the U.N. Security Council adopted Resolution 1874 in June 2009, imposing additional measures against North Korea. In 2011, North Korea announced its intention to return to the Six-Party Talks without any preconditions, and later, meetings of head negotiators of the Six-Party Talks from North and South and U.S.-North Korea high-level talks have been held, but the Six-Party Talks has not yet resumed.

While some argue that North Korea's response to its nuclear development problem is a so-called brinkmanship policy by intentionally heightening tension in order to receive some sort of reward, others point out that North Korea's ultimate objective is to secure deterrence capability by possessing nuclear weapons. The ultimate goal of North Korea is pointed out to be the maintenance of its existing regime. Considering this, these two views are not incompatible.

While it is important for Japan, the United States, and the ROK to maintain close cooperation to resolve the North Korean nuclear problem, roles played by other countries like China and Russia (the other participants in the Six-Party Talks), as well as such international institutions as the United Nations and the International Atomic Energy Agency (IAEA) are also important.

b. The Current Status of the Nuclear Weapons Program

Details of North Korea's nuclear weapons program are largely unclear, partly because North Korea remains an extremely closed regime. In light of unclear status of past nuclear developments and various North Korean announcements and actions including two previous announcements (in October 2006 and May 2009) of nuclear tests, the possibility that North Korea has already made considerable progress in its nuclear weapons program cannot be dismissed⁸.

With regards to plutonium, a fissile material that can be used for nuclear weapons⁹, North Korea has suggested its production and extraction several times¹⁰. Moreover, in June 2009 North

5 Generally, liquid propellant missiles need to be fueled immediately before launch with certain amount of time. On the other hand, solid fuel propellant missiles are considered to be militarily superior to liquid fuel propellant missiles because they are capable of immediate launches with their propellant stored in airframes, making signs of their launches unlikely to be detected in advance, and they are easy to store and handle.

6 Concerning the proliferation of weapons of mass destruction and ballistic missiles by North Korea, the Worldwide Threat Assessment of the Director of National Intelligence pointed out that "its export of ballistic missiles and associated materials to several countries, including Iran and Syria, and its assistance to Syria—now ended—in the construction of a nuclear reactor (destroyed in 2007), illustrate the reach of the North's proliferation activities."

7 In June 2008, North Korea submitted a declaration of its nuclear program. However, as of June 2012 no agreement has been made concerning a specific framework for verification.

8 The Worldwide Threat Assessment of the Director of National Intelligence pointed out that "these tests (in 2006 and 2009) strengthen our assessment that North Korea has produced nuclear weapons".

9 Plutonium is synthetically produced in a nuclear reactor by irradiating uranium with neutron. Used nuclear fuel is then chemically processed at a reprocessing facility, allowing for the extraction of plutonium. Plutonium is then used as a basic material for the production of nuclear weapons. Meanwhile, in order to use uranium for nuclear weapons, it is necessary to extract uranium 235 (U235), a highly fissile material, from natural uranium. This process is called enrichment. Generally, a large-scale enrichment facility that combines thousands of centrifuges is used to boost the U235 concentration to nuclear weapon levels (over 90%).

10 In October 2003 North Korea announced that it had completed the reprocessing of 8,000 used fuel rods that contains plutonium and then in May 2005 that it had completed extraction of additional 8,000 used fuel rods.

Korea announced that the whole amount of the newly extracted plutonium would be weaponized. In November 2009, North Korea made an additional announcement that it achieved notable results in weaponizing the extracted plutonium¹¹.

As for highly enriched uranium that can be also material for a nuclear weapon, in 2002 the United States announced that North Korea acknowledged the existence of uranium enrichment program for nuclear weapons. Later in June 2009, North Korea declared the commencement of uranium enrichment and in September in the same year announced that the uranium enrichment experiment had been successfully carried out. Furthermore, in November 2010 North Korea disclosed its uranium enrichment facilities to American nuclear specialists and later announced that it was operating a uranium enrichment plant equipped with thousands of centrifuges. North Korea insists that the enriched uranium is used as fuel of light water reactors, that therefore the uranium concentration program is a peaceful use of nuclear energy. However, a series of North Korean behavior concerning uranium enrichment indicates that there is the possibility that the country is developing nuclear weapons using highly enriched uranium in addition to plutonium¹². In February 2012 North Korea announced suspension of the uranium enrichment program at Yongbyon and a moratorium on nuclear tests and long-range missile launches based on the agreement with the United States. However, in response that North Korea launched a missile, which it calls “Satellite” in April of the same year, the United States announced the suspension of nutritional support that had been stated to be carried out, and the U.N. Security Council issued a presidential statement strongly condemning the launch; then North Korea declared that they were no longer bound to the agreement.

In general, miniaturizing a nuclear weapon enough to be loaded on a ballistic missile requires a considerably high degree of technological capacity. However, considering the fact that the United States, the Soviet Union, the United Kingdom, France,

and China succeeded in acquiring such technology by as early as the 1960s, it is difficult to eliminate the possibility that North Korea, in a relatively short time, will achieve miniaturization of nuclear weapons and acquire nuclear warheads¹³. It is necessary to remain watchful of all related developments.

(2) Biological and Chemical Weapons

Because North Korea is an extremely closed regime and most materials, equipment, and technology used for manufacturing biological and chemical weapons are for both military and civilian use, facilitating camouflage, details of North Korea’s biological and chemical weapons development and arsenals are not clear. However, it is believed that North Korea has a certain level of production base for biological weapons although it ratified the Biological Weapons Convention in 1987. As for chemical weapons, North Korea has not acceded to the Chemical Weapons Convention (CWC), and it is estimated that North Korea has several facilities capable of producing chemical agents and has a substantial amount of stock of such agents¹⁴.

(3) Ballistic Missiles

North Korea is an extremely closed regime, and details of its ballistic missiles are unknown as is the case of weapons of mass destruction. It appears, however, that North Korea gives high priority to the development of ballistic missiles out of political and diplomatic considerations and from the viewpoint of earning foreign currency¹⁵, in addition to enhancing its military capabilities.

a. Scud

It is believed that, since the middle of the 1980s, North Korea has manufactured and deployed Scud B and Scud C¹⁶, a variant of Scud B with extended range, and has exported these ballistic missiles to the Middle East and other countries.

11 Then U.S. Forces Korea commander Walter Sharp testified before the House Armed Services Committee in April 2011 that “we assess North Korea currently holds enough plutonium to make several nuclear weapons.”

12 The Worldwide Threat Assessment of the Director of National Intelligence in January 2012 pointed out that “the North’s disclosure (of uranium enrichment facility) supports the United States longstanding assessment that North Korea has pursued a uranium-enrichment capability.” Also, the ROK Defense White Paper 2010 notes that, “in an announcement by a foreign affairs department spokesperson in April 2009, North Korea suggested that it had completed the ‘enrichment of uranium,’ followed by its claim in November 2010 that it was running around 2,000 centrifuges. Considering the above mentioned, it is suspected that the North has pursued a highly enriched uranium (HEU) program.”

13 The Ballistic Missile Defense Review (BMDR) Report released by the U.S. Department of Defense in February 2010 pointed out that “we must assume if there are no major changes in its (North Korea’s) national security strategy in the next decade, it will be able to mate a nuclear warhead to a proven delivery system.”

14 In his statement to the U.S. Senate Armed Services Committee in March 2009, Lieutenant General Maples, then Director of the Defense Intelligence Agency (DIA), stated that “North Korea has had a long-standing chemical warfare program,” and “we believe that Pyongyang possesses a sizeable stockpile of agents.” He also stated that “North Korea is believed to have a long-standing biological warfare program that could support the production of biological warfare agents.” The ROK Defense White Paper 2010 pointed out that, “it is believed that approximately 2,500 to 5,000 tons of chemical weapons remain stored in the facilities scattered across the country. The North is also suspected of being able to independently cultivate and produce such biological weapons as anthrax, smallpox, and cholera.”

15 North Korea admitted that it is exporting ballistic missiles to earn foreign currency. (Comment by the Korean Central News Agency (KCNA) on June 16, 1998, and statement made by a North Korean Foreign Ministry spokesman on December 13, 2002).

16 The ranges of Scud B and Scud C missiles are estimated to be about 300 km and 500 km, respectively.

b. Nodong

North Korea is also thought to have started its development of longer-range ballistic missiles by the 1990s, including Nodong. It appears that Nodong, which is believed to be already deployed, is a liquid fuel propellant single-stage ballistic missile. It is assessed to have a range of about 1,300 km, and may reach almost throughout Japan.

It is highly probable that Nodong was used in the launch into the Sea of Japan in 1993. A total of six ballistic missiles fired from the Kittaeryong district in the southeastern part of North Korea in July 2006 are believed to be Scud and Nodong¹⁷. In July 2009, North Korea is believed to have launched a total of seven ballistic missiles from the same district, and it is possible that they were either Scud or Nodong¹⁸.

Though details about Nodong's capability have not been confirmed, as the ballistic missile is believed to be based on the Scud technology, it seems that it does not have the accuracy to carry out strikes on specific target installations.

c. Taepodong-1

North Korea has also been developing Taepodong-1 which has an estimated range of at least approximately 1,500 km. Taepodong-1 is assumed to be a two-stage, liquid fuel propellant ballistic missile with a Nodong used as its first stage and a Scud as its second stage. The ballistic missile launched in 1998 is assessed to be based on Taepodong-1. North Korea is believed to have shifted its focus to the development of a longer range missile, and Taepodong-1 may have been a transitory product for the development of Taepodong-2.

d. Musudan

It is believed that North Korea is currently developing a new type of intermediate-range ballistic missile (IRBM) "Musudan". It has been pointed out that Musudan is a revamped version of the Russian Submarine-Launched Ballistic Missile (SLBM) SS-N-6 that it acquired in early 1990s. It will likely be loaded onto a transporter-erector-launcher (TEL), just like its Nodong and

Scud counterparts, and then transported. Furthermore, it has been pointed out that the new missile boasts a range of between 2,500 and 4,000 km, meaning that Guam in addition to all parts of Japan could fall within its firing range¹⁹.

It is very difficult to verify the intention of North Korea's military activities because of its closed regime. In addition, it is believed that North Korea has constructed underground military facilities across the country, and the ballistic missiles would be loaded onto the TELs. These make it difficult to detect individual and specific signs of launch of missiles with the TELs including Musudan, such as its detailed launch sites and timings in advance.

e. Taepodong-2

Taepodong-2 is believed to be a two-stage missile with a new booster as its first stage and a Nodong as its second stage, with a range of approximately 6,000km. A Taepodong-2 is believed to have been launched from the Taepodong district located in the northeastern coastal area in July 2006, and was damaged during the flight at an altitude of several kilometers, several tens of seconds after the launch without separating the first stage, and have fallen near the launch site. In the launch of April 2009, it is thought that North Korea used a Taepodong-2 or a variant of it²⁰ from the same district again. Since it is estimated that the missile crossed over Japan, and flew more than 3,000 km before falling in the Pacific Ocean, it is believed that North Korea had been able to extend the range of its ballistic missiles since its failed launch of Taepodong-2 in 2006. In addition, it is believed that North Korea may have tested the required technologies, such as increasing the size of propulsion, separation of the multi-staged propulsion devices, and attitude control.

In April 2012 North Korea conducted a launch believed to be using a Taepodong-2 or its variant from Tongch'ang-ri district on northwestern coast of North Korea, which it calls "Satellite". Although North Korea set drop zones off the western coast of ROK (in the Yellow Sea) and off the eastern coast of Luzon Island, the Philippines (in the Pacific Ocean), the missile flied over a minute and then fell to the Yellow Sea broken to several

17 Of a total of seven ballistic missiles North Korea launched in July 2006 after completely abandoning the freeze on ballistic missile launches announced in 1999, the third one is believed to be a Taepodong-2 fired from the Taepodong district in the northeastern coastal area. Other launches of Scud and Nodong missiles had more practical characteristics, based on the indication that the missiles were launched before dawn, a number of different types of ballistic missiles were launched in succession over a short period of time, launches were carried out using TELs, and ballistic missiles with different ranges were landed within a certain area. This leads to the assumption that North Korea has improved the operational capability of ballistic missiles.

18 All seven ballistic missiles launched were assumed to have fallen landed in the military target practice area (the area surrounded by the points at; 1) 39 degrees 9 minutes north latitude and 127 degrees 37 minutes east longitude; 2) 41 degrees 12 minutes north latitude and 129 degrees 50 minutes east longitude; 3) 41 degrees 30 minutes north latitude and 131 degrees 59 minutes east longitude; 4) 41 degrees 15 minutes north latitude and 132 degrees 6 minutes east longitude; and 5) 38 degrees 55 minutes north latitude and 128 degrees 2 minutes east longitude), for which the navigation warning was issued by the Japan Coast Guard upon notification by North Korea on June 22, 2009.

19 In the statement for the House Armed Services Committee in March 2009, General Sharp, then Commander of U.S. Forces Korea, stated that preparations are currently under way in North Korea to field a new intermediate range ballistic missile capable of striking Okinawa, Guam, and Alaska. Furthermore, the ROK's Defense White Paper 2010 notes that, "in 2007, it began to develop new intermediate range ballistic missiles (IRBMs) called the Musudan with a range that extended beyond 3,000 km and which were capable of direct strikes on neighboring countries, including South Korea, Japan and Guam."

20 For instance, making a three-stage missile by installing a booster on the top of a two-stage missile.

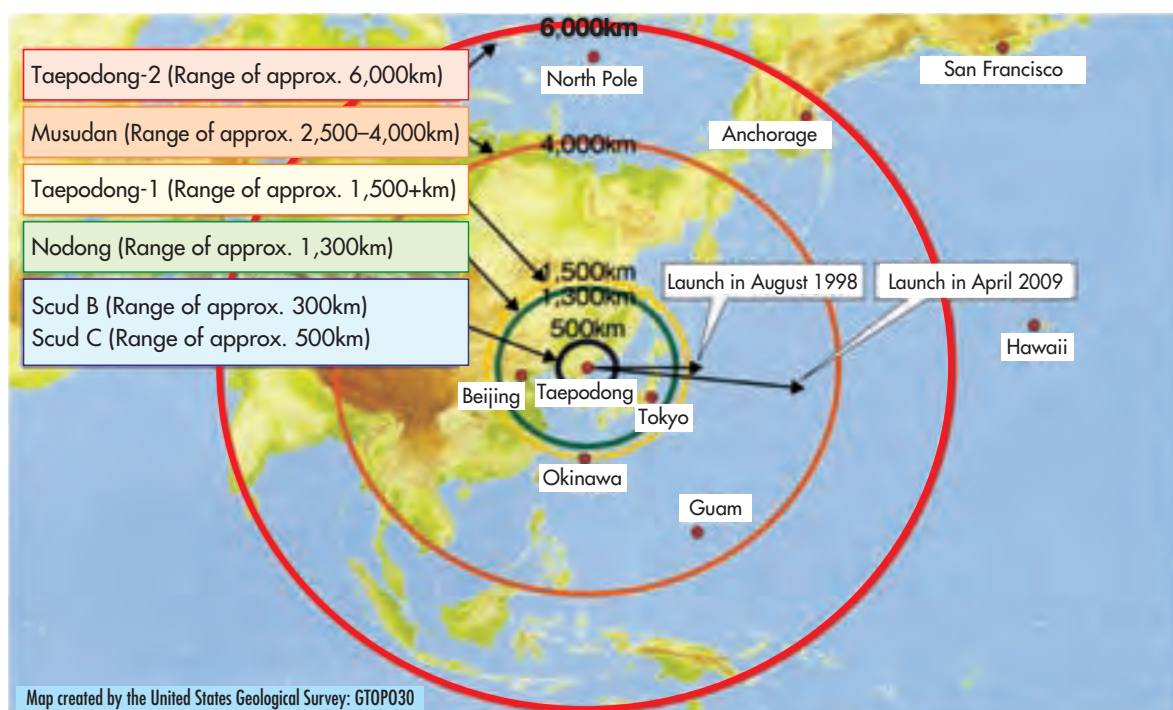
pieces. The launch is believed to be a failure²¹. Because the launch failed and North Korea repeatedly mentioned future launches of “Satellite”, North Korea is likely to attempt similar launches on the pretext of “Satellite” launch.

At present, North Korea appears to be developing not only ballistic missiles mentioned above but also a solid fuel propellant short-range ballistic missile²². In addition, there is a possibility that a new missile appeared in the military parade in April 2012 is a long-range ballistic missile. Close attention is required in regard with North Korea’s potential efforts to improve existing ballistic missiles, including an attempt to extend their ranges.

As the background of North Korea’s rapid strides in the

development of its ballistic missiles with only a few test launches, it is assumed that the country imported various materials and technologies from outside. It is also pointed out that North Korea transfers and proliferates ballistic missile airframes or related technologies, and that North Korea promotes the further development of missiles using funds procured by such transfer and proliferation. For example, because Nodong has a similarity in shape to Shahab-3 of Iran, it is pointed out that Nodong airframes or related technologies may be transferred to Iran. It is also pointed out that North Korea is conducting tests at transfer destinations and using the results. Moreover, because a test launch of a long-range ballistic missile would contribute to extending the range of

Fig. I-1-2-2 Range of North Korean Ballistic Missiles



Notes: The figure above shows the distance each missile can reach from the Taepodong district.

- 21 After the launch, North Korea announced that “the earth observation satellite failed to enter its preset orbit. Scientists, technicians and experts are now looking into the cause of the failure,” admitting the failure of the launch.
- 22 In March 2007, then U.S. Forces Korea Commander Burwell B. Bell testified before the House Armed Services Committee that, “North Korea is developing a new solid-propellant short-range ballistic missile. Recently, in March 2006, North Korea successfully test-fired the missile. Once operational, the missile can be deployed more flexibly and rapidly than the existing system and North Korea will be able to launch the missile in a much shorter preparation period.”

other shorter-range missiles, increasing the warhead weight and improving the circular error probability (CEP), the launch of long-range ballistic missiles such as Taepodong-2 may lead to the improvement of the performance of Nodong and other ballistic missiles possessed by North Korea.

In light of this, it is necessary to remain alert to North Korea's ballistic missiles, particularly in terms of transfer and proliferation, in addition to their development and deployment. (See Fig. I-1-2-2)

3 Military Posture

(1) General Situation

North Korea has been building up its military capabilities in accordance with the Four Military Guidelines (extensive training for all the soldiers, modernizing all the armed forces, arming the entire population, and fortifying the entire country)²³.

North Korea's armed forces are comprised mainly of ground forces, with total troop strength of roughly 1.2 million. North Korea's military forces are believed to have been maintaining and enhancing their capabilities and operational readiness, but most of its equipment is outdated.

Meanwhile, North Korea has large-scale special operations forces that can conduct various operations ranging from intelligence gathering and sabotage to guerrilla warfare. These forces are believed to reach approximately 100,000 personnel²⁴. Moreover, North Korea seems to have many underground

military-related installations across its territory.

(2) Military Capabilities

The North Korean Army comprises about one million personnel, and roughly two-thirds of them are believed to be deployed along the DMZ. The main body of the army is infantry, but the army also maintains armored and artillery forces including at least 3,500 tanks. North Korea is believed to regularly deploy long-range artillery along the DMZ, such as 240 mm multiple launch rockets and 170 mm self-propelled guns, which can reach cities and bases in the northern part of the ROK including the capital city of Seoul.

The Navy has about 650 ships with total displacement of approximately 103,000 tons and is chiefly constituted with small naval vessels such as high-speed missile crafts. Also, it has about 20 Romeo class submarines, about 60 midget submarines, and about 130 air cushioned landing crafts, the latter two of which are believed to be used for infiltration and transportation of the special operation forces.

The Air Force has approximately 600 combat aircraft, most of which are out-of-date models made in China or the former Soviet Union, but some fourth-generation aircraft such as MiG-29 fighters and Su-25 attack aircraft are also included. North Korea has a large number of outdated An-2 transport aircraft as well, which are believed to be used for transportation of special operation forces.

North Korea's military forces are vigorously conducting various types of training to maintain and enhance their operational readiness. Meanwhile, given the serious food situation, the military forces seem to be engaged in agricultural assistance as well.

4 Domestic Affairs

(1) Death of Kim Jong-il, Chairman of the National Defense Commission, and transition to a new regime

On December 19, 2011, North Korea revealed that Kim Jong-il, Chairman of the National Defense Commission, died due to sudden illness on 17 of the same month. After the death of the chairman, North Korean media and others started to refer to Kim Jong-un as supreme leader, which revealed that he is the new leader of North Korea²⁵.

²³ Four Military Guidelines were adopted at the fifth Plenum of the fourth Korean Workers' Party's Central Committee in 1962.

²⁴ It had been said that North Korea possessed two types of special operations forces: one under the military forces and the other under the Korean Workers' Party. However, it has been reported that these organizations merged in 2009 and the Reconnaissance General Bureau was established under the auspices of the armed forces. Moreover, James Thurman, the commander of U.S. Forces Korea, stated at the House Armed Services Committee in March 2012 that "North Korea continues to improve the capabilities of the world's largest special operations force with more than 60,000 soldiers trained in a variety of infiltration methods such as overland, undersea and airborne entry in to the ROK." Also, the ROK Defense White Paper 2010 points out "the North has been strengthening its special warfare capabilities by deploying light infantry divisions to the frontline corps and adding an infantry regiment to the frontline. The number of special force troops is estimated to reach approximately 200,000."

²⁵ Korean Central News Agency called Kim Jong-un "discerning leader of our party, nation and army" on December 23, 2011, and "the supreme leader of our revolutionary armed forces and unparalleled leader of our military-first policy" on 24th of the same month. Later at the National Memorial Service on 29, Kim Yong-nam, Chairman of the Presidium of the Supreme People's Assembly, called Kim Jong-un "the supreme leader of our party and army and people."

After assuming the position of the Supreme Commander of the Korean People's Army on December 30 in the same year, Kim Jong-un has become the de-facto head of military, party and the "nation" by assuming the First Secretary of the Korean Workers' Party and the First Chairman of the National Defense Commission in April 2012. It laid out a new framework in a short period of time after the death of Kim Jong-il, Chairman of the National Defense Commission. His accession to military posts including the Supreme Commander of the Korean People's Army and frequent visits to military organizations suggest that his power base is built mainly on the control of the military. Because various "national" events²⁶ and Field Guidance by Kim Jong-un are carried out in an orderly manner, it is believed that the new regime is on a track to certain degree. However, some point to the looseness in social control due to the increasing gap between rich and poor, and the inflow of information from abroad and other factors, which attracts attention in terms of stability of the new regime.

(2) Economic Conditions

In terms of their economy, North Korea has been facing chronic stagnation and energy and food shortages in recent years due to the vulnerability of its socialist planned economy and decreased economic cooperation with the former Soviet Union and East European countries following the end of the Cold War. In particular, it seems that North Korea still has to rely on food assistance from foreign countries²⁷.

In response to a host of economic difficulties, North Korea has tried some limited reform measures and changes in its economic management systems. It is believed that North Korea conducted so-called redenomination (decreasing the denomination of its currency) at the end of 2009²⁸. Moreover, in January 2011 the country newly adopted a "State Strategy Plan for Economic Development"²⁹ and seems to be implementing economic cooperation projects with other countries³⁰.

Meanwhile, there is believed to be little possibility for the country to undergo any structural reforms that would impact its current leadership system, and thus the country faces various challenges before it can fundamentally improve its current economic situation.

5 Relations with Other Countries

(1) Relations with the United States

The United States made it clear that it would make efforts to convince North Korea to abandon its nuclear program in close cooperation with other countries, aiming to resolve the issue through the Six-Party Talks. The United States have consistently clarified its position that it is necessary for North Korea to comply with the joint statement of the Six-Party Talks in 2005 and take specific measures to improve North-South relations before resuming the Six-Party Talks.

North Korea has showed willingness to denuclearize Korean Peninsula and an attitude to emphasize relations with the United States. On the other hand, North Korea criticizes the United States claiming that its "hostile policy" toward North Korea and lack of trust between the two countries get in the way of the peace and denuclearization of the Korean Peninsula, and that the conclusion of a U.S.-NK peace agreement is necessary to build relationships of trust. Therefore, there exists a significant gap between the two parties' stances³¹.

(2) Relations with the Republic of Korea

Regarding relations between the Republic of Korea (ROK) and North Korea, after the inauguration of President Lee Myung-bak in the ROK, incidents that heightened North-South military tensions occurred, including the exchange of fire between North Korean and ROK naval vessels near the Northern Limit Line (NLL) in the Yellow Sea in November 2009, the sinking of the

²⁶ The Korean Workers' Party conference was held on April 11, 2012, followed by the Supreme People's Assembly on 13 and a military parade commemorating 100th birth anniversary of the birth of Kim Il-sung on 15.

²⁷ In November 2011, the United Nations World Food Programme (WFP) and Food and Agriculture Organization of the United Nations (FAO) forecasted the country's production of principal foods to be 4.657 million tons between November 2011 and October 2012, and estimated that the necessary imported amount of grains to be approximately 0.739 million tons.

²⁸ New currency was issued for the first time in 17 years, since 1992, and currency exchange was conducted at the rate of 100 former notes to 1 new note. However, it is pointed out that prices skyrocketed due to supply shortages and other reasons, pushing the economy into turmoil and causing an accompanying increase in social restlessness.

²⁹ North Korea says the plan set a state strategic goal for economic development, which puts main emphasis on building infrastructure and developing agriculture and basic industries including electric power, coal, oil and metal, and regional development.

³⁰ In June 2011, ground-breaking ceremonies were held of China-North Korea joint development projects at the Rason Economic and Trade Zone in the northeastern part of North Korea and the Hwanggumpyong/ Wihwa-do Economic Zone in the western part of North Korea. In Addition, at the Russia-North Korea summit in August of the same year, the two countries agreed to consider a gas-pipeline construction project from Russia to ROK via North Korea. If the project is materialized, North Korea is believed to receive approximately 100 million dollars annually for junction transportation of Russian gas.

³¹ According to Rodong Sinmun on January 12, 2012, for example, North Korea argued that "in order to prevent a war on the Korean Peninsula and ensure peace and safety, it is imperative to terminate the unsteady peace between Korea and the United States without further delay and establish a permanent peace security system."

South Korean patrol vessel³² in March 2010, and the shelling incident of Yeonpyeong Island³³ in November of the same year. Later North Korea changed its attitude to call for dialogue with ROK by calling for the abolishment of conflict between the North and South and the promotion of dialogue and cooperation in a New Year's joint editorial in 2011, which led to a North-South talk. After that, however, North Korea again intensified its confrontational stance with South Korea, criticized the ROK government's stance, etc. after the death of Kim Jong-il, Chairman of the National Defense Commission, and declared that it would have no dealings with the Lee Myung-bak administration forever in December of the same year³⁴.

(3) Relations with China

With regard to the relationship between North Korea and China, the China-North Korea Treaty on Friendship, Cooperation and Mutual Assistance concluded in 1961 is still in force. Currently China is the country's biggest trade partner. In addition, National Defense Commission Chairman Kim Jong-il made multiple visits to China both in 2010 and 2011. Furthermore, Chinese naval ships visited North Korea in August of the same year. These events among others indicate close relations between China and North Korea in various areas, especially in politics and economy³⁵. Concerning North Korea's nuclear problem, China has repeatedly expressed its support for the denuclearization of the Korean Peninsula and early resumption of the Six-Party Talks.

(4) Relations with Russia

While relations between North Korea and Russia have become less close since the end of the Cold War, the two countries signed the Russia-North Korea Treaty on Neighborly Friendship and Cooperation in 2000³⁶. In August 2011, Kim Jong-il, Chairman of the National Defense Commission, visited Russia and Russia-North Korea summit was held for the first time in

nine years. After this, there are moves toward strengthening of the relationship between Russia and North Korea. For example, they are advancing cooperation in gas-pipeline project and it has been reported that they agreed to implement joint exercise for search and rescue. Concerning North Korea's nuclear problem, Russia along with China has expressed its support for the denuclearization of the Korean Peninsula and early resumption of the Six-Party Talks. Furthermore, recognizing that North Korea's uranium enrichment program causes a serious concern, Russia calls on North Korea to take action toward rejoining to the Nuclear Non-Proliferation Treaty (NPT) and IAEA security arrangement.

(5) Relations with the Other Countries

Since 1999, North Korea has made an effort to establish relations with West European countries and others, including the establishment of diplomatic relations with them³⁷ and participation in the ARF ministerial meetings. Meanwhile, it has been reported that North Korea has cooperative relationships with countries such as Iran and Syria in military affairs including arms export and military technology transfer.

32 On 26 March 2010, the ROK's naval patrol ship "Cheonan" sank near the Northern Limit Line in the Yellow Sea. In May 2010, a joint military-civilian survey group comprising experts from the United States, Australia, United Kingdom, and Sweden released survey results indicating that the ROK naval ship had split and sank as a result of a shock wave and bubble effect created by the underwater blast of a torpedo fired by a small North Korean submarine.

33 On November 23, 2010, North Korea bombarded Yeonpyeong Island as the South Korean military engaged in firing exercises off the coast of the island facing the Yellow Sea, causing deaths and injuries on the South Korean side including some civilians. According to South Korea's Ministry of National Defense, North Korea fired a total of approximately 170 shells at Yeonpyeong Island on two occasions, of which approximately 80 shells landed. Furthermore, the South Korean Armed Forces fired shots in response to the two North Korean shellings using its K-9 self-propelled howitzers.

34 North Korea issued a statement that it would have no dealing with the Lee Myung-bak administration also in May 2011.

35 With regard to economy, it has been pointed out that China accounted for about 70% of the total North Korean trade in 2011, and according to trade statistics released by the Chinese Government, total trade between China and North Korea in 2011 was the highest ever at approximately 5.63 billion dollars. Some have voiced their opinion that North Korea's dependency on China has been further increasing.

36 The previous treaty (Soviet-North Korea Friendship and Mutual Assistance Treaty) contained the provision that if either of the signatories (Russia and North Korea) is attacked, the other would immediately provide military and other assistance by any means available. This provision, however, was dropped from the new treaty.

37 For example, the United Kingdom and Germany established diplomatic relations with North Korea in 2000 and 2001, respectively.

2 The Republic of Korea and the U.S. Forces in the ROK

1 General Situation

In the ROK, the administration of Lee Myung-bak, inaugurated in February 2008, has shown its intention to promote its policy based on “co-existence and co-prosperity” with regard to North Korea, and firmly maintains the principle of giving top priority to resolving the North Korean nuclear issue, repeatedly showing its emphasis on the abandonment of the nuclear program by North Korea¹. On the other hand, the ROK stated that it would make a decisive response to military provocations by North Korea and indicated a policy to maintain and ensure deterrence capability against provocations.

U.S. forces, mainly the Army, have been stationed in the ROK since the ceasefire of the Korean War. The ROK has established very close security arrangements with the United States primarily based on the U.S.–ROK Mutual Defense Treaty, and

the U.S. forces stationed in the ROK have been playing a vital role in deterring the outbreak of large-scale armed conflicts on the Korean Peninsula. The two countries confirmed that the U.S.–ROK alliance is “the primary axis of security” for the ROK and “the cornerstone” for the United States in maintaining stability

in the Asia Pacific area. In view of the progress in the North-South relations, improved national strength of the ROK, and changes in the U.S. strategy, the two countries are advancing a shift to a new joint defense system of “the ROK forces leading and the U.S. forces supporting” through transition of the wartime operational control to the ROK². It is necessary to monitor their development.

2 Defense Policies and Defense Reform of the ROK

The ROK has a defensive weakness in that its capital Seoul, where a quarter of the country’s population is concentrated, is situated close to the DMZ.

The ROK has set the defense objectives as follows: “defending the nation from external military threats and invasion, upholding the peaceful unification, and contributing to regional stability and world peace.” As one of the “external military threats,” the ROK had once designated North Korea as its “main enemy” in the ROK Defense White Paper, but now the white paper indicates that the ROK’s enemy is the North Korean regime and its military³.

In 2005 the ROK announced “National Defense Reform 2020” centering on expansion of a civilian base for national defense, and buildup of military structure and system of the forces in conformity with characteristics of modern wars among other pillars. As an amendment reflecting the results of an analysis and assessment of the security situation and defense reform records after the formulation of the National Defense Reform 2020, the Defense Reform Basic Plan (2009–2020) was announced in June 2009, defining such matters as a narrowing of the initially planned reduction in the force strength and the possibility of preemptive strikes against North Korean nuclear and missile facilities⁴. Meanwhile, in response to the sinking of ROK patrol ship and the artillery shelling on Yeonpyeong

- 1 President Lee Myung-bak mentioned the “grand bargain” in September 2009, a package deal to settle the nuclear issue with North Korea. According to a remark by the spokesman of the ROK Ministry of Foreign Affairs and Trade, the “grand bargain” seeks a comprehensive agreement on the nuclear issue by putting a complete set of denuclearization steps by North Korea and the corresponding measures that North Korea wants from the five countries of Japan, the United States, the ROK, China, and Russia.
- 2 The United States and the ROK have been operating the U.S.–ROK Combined Forces Command since 1978 in order to run the U.S.–ROK joint defense system to deter wars on the Korean Peninsula and to perform effective joint operations in case of emergency. Under the U.S.–ROK joint defense system, the operational control authority over ROK forces is to be exercised by the Chairman of the Korea Joint Chiefs of Staff in peacetime and by the Commander of U.S. Forces Korea, who also serves as Commander of the Combined Forces Command, in wartime.
- 3 The ROK Defense White Paper 2010 described North Korea as following: “The North has posed serious threats to the South’s security with its large-scale conventional military forces, development and enhancement of WMDs, including nuclear weapons and missiles, and constant armed provocations as shown by the attack on the ROK Ship Cheonan and the artillery firing at Yeonpyeong Island. As long as such threats continue, the main agents of the provocative acts, which are the North Korean regime and its military, will remain enemies of the South.”
- 4 In addition to revising the force strength from 500,000 to 517,000, The Defense Reform Basic Plan (2009–2020) prioritizes the following measures in order to prepare for North Korean threats: 1) organize frontline troops in a manner that allows them to exercise their combat strength immediately after the outbreak of war to secure the security of the metropolitan region; 2) boost surveillance/reconnaissance, precision strike, and interception capabilities in order to block and eliminate North Korea’s asymmetric threats in enemy areas to the utmost extent; 3) secure strong reserve mobile power for each unit in order to counter enemies with a numerical advantage; and 4) secure combat sustainability by stabilizing noncombat zones and nurturing elite reserve forces.

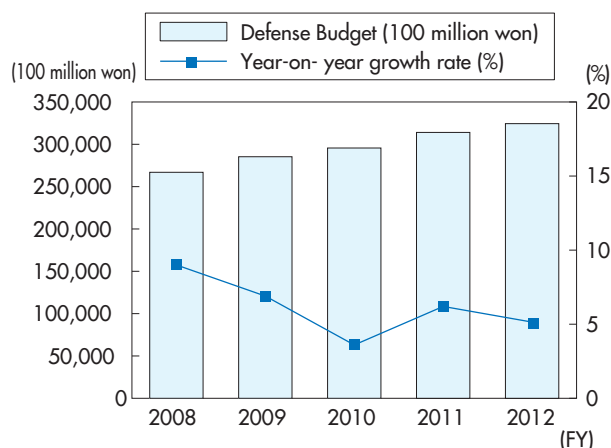
Island, in March 2011 the ROK Ministry of National Defense released the Defense Reform Basic Plan (2011–2030), a new revised national defense reform plan, to accompany reinforcement of its troop and chain-of-command reforms that would protect against provocations by North Korea. Now efforts toward embodiment of the plan are underway⁵.

3 Trends in Defense Buildup in the ROK

As for the ROK's military capacity, the ground forces consist of 22 army divisions and two marine divisions, totaling 550,000 personnel; the naval forces consist of about 190 vessels with a total displacement of approximately 192,000 tons; and the air forces (Air Force and Navy combined) of approximately 610 combat aircraft.

In recent years, the ROK has been focused on modernizing its Navy and Air Force in particular in order to establish a system of omnidirectional military posture to deal with all types of threats, not least threats from North Korea. The Navy has been introducing submarines, large transport ships and domestically-built destroyers. In February 2010, the first mobile force in

Fig. I-1-2-3 ROK's Defense Budget



Notes: 1. ROK Defense White Paper 2010 for FY2008 to 2010.
2. Press release from the Ministry of National Defense for FY2011 and FY2012.

the ROK was created⁶. The Air Force is pushing forward the introduction of F-15K fighters and plans to promote a next-generation fighter program that includes stealth capabilities. In addition, the ROK is believed to be promoting domestic production of missiles⁷.

In recent years ROK is actively promoting equipment export, which reached 2.4 billion dollars in 2011. It is reported that export items have become diverse to include communication electronics and ships. ROK intends to promote export with a goal of reaching the world's top 10 in export amount by 2012 and the top 8 by 2015⁸.

The FY2012 defense budget amounts to approximately 32.9576 trillion won, an increase of approximately 5.0% over the previous fiscal year, marking the 13th consecutive rise since FY2000.

(See Fig. I-1-2-3)

4 U.S.-ROK Alliance/ U.S. Forces in the ROK

Since its inauguration, the administration of Lee Myung-bak has implemented various efforts to deepen the U.S.-ROK alliance. At a U.S.-ROK Summit Meeting in June 2010, an agreement on the "Joint Vision for the Alliance of the United States of America and Republic of Korea" that includes an evolution into "a comprehensive strategic alliance" to expand the scope of

- 5 The ROK Ministry of National Defense positions the following three areas as priority areas: 1) strengthening the integrity of the ROK armed forces, 2) securing active deterrence capabilities, and 3) maximizing efficiency of national defense administration. Based on these priority areas, the ROK states that it is to promote reform with the following eight issues as its priority issues: 1) reorganization of the armed forces' chain-of-command, 2) establishment of an island defense command for the northwest (Yellow Sea), 3) improvement of the national defense training structure, 4) organization of a priority order for strengthening military power, 5) response to North Korea's special forces and cyber threats, 6) enhancement of mental strength and assistance for educating national citizens about security, 7) improvement of the national defense personnel management system, and 8) bettering the efficiency of the national defense budget.
- 6 The primary missions of the Seventh Mobile Corps, which is the first mobile corps established in the ROK, are described as the protection of sea lanes, deterrence against North Korea and support for the government's external policies. The Seventh Mobile Corps has one Aegis-equipped vessel and six destroyers under its command, and more Aegis vessels and destroyers to be put in service in the future are expected to be deployed to the corps.
- 7 In April 2012, the ROK Ministry of National Defense announced that the country has developed and already fielded missiles that include cruise missiles able to strike throughout North Korea.
- 8 For example, the ROK exported KT-1 training aircrafts and K-9 self-propelled artillery to Turkey and signed export agreement of T-50 training aircrafts with Indonesia. Further in December 2011, Indonesian Ministry of defense and Korean Daewoo Shipbuilding signed a procurement agreement of three 209-level submarines.

the alliance globally beyond the Korean Peninsula and widen the partnership of the two countries to non-military areas. Furthermore, the 42nd Security Consultative Meeting (SCM) in October 2010 announced a joint statement incorporating the Guidelines for U.S.-ROK Defense Cooperation to embody the future vision of the U.S.-ROK Alliance, which shows a further strengthening of the bilateral relationship⁹.

In addition, the two countries have been committed to solving issues such as realignment of the U.S. forces stationed in the ROK and transition of the operational control authority in wartime over U.S.-ROK combined forces to the ROK. As for the realignment of the U.S. forces in the ROK, the relocation of U.S. forces Camp Yongsan located in the center of Seoul to the Pyongtek area, south of Seoul, and the relocation of U.S. forces stationed in the northern side of Han Gang to the southern side of the river were agreed upon in 2003. However, it seems that the relocation to the Pyongtek area is delayed¹⁰. As for the transition of wartime operational control (OPCON) to the ROK, the two countries agreed to dismantle the U.S.-ROK Combined Forces Command and complete the transition in April 2012. Later in June 2010, however, agreement was made to postpone the transition to December 1, 2015¹¹. The U.S.-ROK Strategic Alliance 2015, which provides the framework for the transition of OPCON, was signed in October 2010. After the completion of the realignment of the U.S. forces in the ROK and the transition of OPCON, defense of the ROK will change from “the U.S.-ROK joint defense system” to the new joint defense system of “the ROK forces leading and the U.S. forces supporting,” which could have a significant impact on the nature of U.S. forces in the ROK.

5 Relations with Other Countries

(1) Relations with China and Russia

The ROK has been promoting military exchanges with China, including mutual visits of vessels and aircraft. At the May 2008 summit meeting of the top leaders of the ROK and China, they agreed to upgrade the ROK-China relationship from a “full-scale cooperative partnership” to a “strategic cooperative partnership”

and the hotlines were established between the two countries’ Navies and Air Forces in November. Further at the ROK-China defense chief meeting in July 2011, the two countries agreed to enhance their military exchanges. Later, the first ROK-China defense strategy dialogue was initiated.

Military exchanges have been under way between the ROK and Russia in recent years, including exchanges among high military officials and mutual visits of naval vessels. The two countries have also agreed on cooperation in the areas of military technology, defense industry and military supplies. At the ROK-Russia Summit in September 2008, they agreed to upgrade the bilateral relations to the “strategic cooperative partnership.”

(2) Overseas Activities

Since its dispatch of an engineering unit to Somalia in 1993, the ROK has participated in a number of U.N. peacekeeping operations (PKO). In December 2009, the ROK unveiled plans to substantially expand the number of personnel sent overseas on PKO missions from the current level¹². In July 2010, the ROK created the “International Peace Support Force”, a special unit for overseas dispatch.

The ROK had withdrawn from Afghanistan but resumed activities there in July 2010 by sending troops to the country again for the purpose of protecting Korean members of the Provincial Reconstruction Team (PRT) stationed in Parvan province. Further, the ROK has dispatched naval vessels to off the coast of Somalia/Gulf of Aden where they have been engaged in the protection of ROK-registered ships and maritime security operations (MSO) of the Combined Maritime Forces (CMF) since April 2009. In January 2011, the ROK dispatched a ROK special forces unit for the purpose of supporting the training of United Arab Emirates (UAE) special forces units, joint exercises, and protecting ROK citizens in emergency situations¹³.

⁹ In addition to these, the U.S.-ROK Foreign and Defense Minister’s Meetings were held in July, 2010 and June 2012, respectively.

¹⁰ The United States is advancing the realignment of its forces stationed in the ROK in line with the June 2003 agreement to relocate its forces to the southern side of Han Gang in two stages and the October 2004 agreement to cut the number of its forces stationed in the ROK by 12,500 from approximately 37,500. However, the two countries agreed at the summit meeting in April 2008 to maintain the current strength of 28,500 as the appropriate level.

¹¹ As reasons of the postponement of the transfer, the Republic of Korea’s Ministry of National Defense mentioned several factors, such as: 1) the change of the security environment on the Korean Peninsula, including an increase in military threats from North Korea; 2) a time of leadership change in and around the Korean Peninsula, including the presidential election of the Republic of Korea; and 3) public demand, noting the necessity to adjust the period of the transfer, and the reflection of financial conditions necessary to fulfill future military capabilities.

¹² The ROK intends to further improve the legal and institutional foundations for the ROK armed forces to expand their participation in PKO activities. In December 2009, an act concerning the participation in U.N. peacekeeping operations was enacted.

¹³ The ROK obtained a contract for construction of nuclear power plant from UAE in December 2009 and a groundbreaking ceremony of the nuclear plant was held in UAE in the presence of President Lee Myung-bak in March 2011.