

Regional Overview

Multilateral Solutions to Bilateral Problems Help Contain Unilateralist Tendencies

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Is George W. Bush becoming “Mr. Multilateralism”? Not exactly! But, even as his administration was releasing another “unilateralist” report on combating weapons of mass destruction (WMD) and Australian Prime Minister John Howard was keeping the word “preemption” on everyone’s lips, President Bush continued to work through the UN Security Council to disarm and change the nature (if not the composition) of the government of Iraq while less formally working to build an international consensus to pressure North Korea to come into compliance with its international, and bilateral, nuclear disarmament commitments. Meanwhile, regional multilateral organizations, both with (APEC) and without (ASEAN Plus Three) the U.S., took interesting twists and turns this quarter, blending economics and politics in some unprecedented ways. As the new year began, the economic forecast for East Asia seemed generally (albeit cautiously) positive, as long as promised or planned restructuring and reform agendas are followed and the region, not to mention the U.S. economy, can weather a potential Iraqi storm.

Combating Weapons of Mass Destruction

Charges of U.S. unilateralism and concerns about preemption once again raised their ugly head in December when the administration released a six-page report laying out a *National Strategy to Combat Weapons of Mass Destruction*. While it did not create quite as much a stir as the September release of *The National Security Strategy of the United States of America* (reviewed in these pages last quarter), critics were once again quick to brand the report “another dangerous escalation of the nuclear arms race.”

The new report begins with a quote from the September document and quickly links the two together, noting that an effective strategy for combating WMD is an “integral component” of the *National Security Strategy* (NSS). It lays out three “pillars” of Washington’s strategy to combat WMD: counterproliferation to combat WMD use, strengthened nonproliferation to combat WMD proliferation, and consequence management to respond to WMD use. These are described as “seamless elements of a comprehensive approach.”

The document seems to deliberately avoid the term “preemption,” using it only once in a section on “Defense and Mitigation,” which stated that the U.S. “must have the capability to defend against WMD-armed adversaries, including in appropriate cases through preemptive measures.” What attracted the most attention, and headlines, was the statement, “The United States will continue to make clear that it reserves the right to respond with overwhelming force – *including through resort to all of our options* – to the use of WMD against the United States, our forces abroad, and friends and allies.” [emphasis added] In other words, those contemplating the use of such weapons were warned that their action could draw a nuclear response.

This is not entirely new. During the 1991 Gulf War, Saddam Hussein had been put on notice that the U.S. would respond “using all available means” to a chemical or biological attack against allied forces and a Pentagon report a few years back had indicated that “nuclear weapons remain important as one of a range of responses available to deal with threats or use of NBC [nuclear, biological, chemical,] weapons against U.S. interests.” Nonetheless, its timing, as the U.S. seemingly prepared for war with Iraq while dealing with an increasingly confrontational North Korea – two states that are presumed to possess chemical and biological and perhaps nuclear weapons – seemed significant.

Please note that the document does not threaten the first use of nuclear weapons, much less a preemptive attack employing nuclear weapons. Nonetheless, some (the North Korean first among them) have chosen to lambast what is now being called Washington’s “preemptive nuclear attack policy.” Hysterical warnings from organizations like the Council for a Livable World, stating that “the Bush administration is now dangerously lowering the threshold for wreaking nuclear devastation across the planet” helped to feed North Korean paranoia and propaganda but, no doubt inadvertently, also helped send the administration’s message of deterrence to those who might contemplate using WMD against the United States.

Preemption, Aussie Style

While preemption was not a centerpiece of the December White House report, the concept did draw additional attention this quarter following remarks by Australian Prime Minister John Howard during a Dec. 1 television interview that any prime minister would be “failing the most basic test of office” if he did not take preemptive action to prevent an imminent attack. These remarks were immediately and severely condemned by Indonesia and Malaysia (among others), with Malaysian Prime Minister Mahathir Mohamad, who never passes up a free shot at the Aussies, commenting that Canberra was behaving “as if these are the good old days when people can shoot Aborigines without caring for human rights.”

Few paid attention to what Howard actually said: “It stands to reason that if you believed that somebody was going to launch an attack against your country – either of a conventional kind or a terrorist kind – and you had a capacity to stop it and there was no alternative other than to use that capacity, then of course you would use it.” Asked if this meant taking preemptive action against terrorists in a neighboring country, Howard

replied “yes,” but added “There’s no situation that I’m aware of at the moment that raises that issue.” This, of course, did nothing to deflect the firestorm of protest that followed.

To me, the key phrase was Howard’s caveat, “*and there was no alternative other than to use that capacity.*” This raises the unanswered question of what Jakarta or Kuala Lumpur would do if Australia came to them with evidence of an impending attack and asked them to take the necessary action to prevent it. Making much the same point, Deputy Secretary of State Richard Armitage, after (not surprisingly) defending Howard’s remark as a “wake-up call” to the region, underscored that “The real message is that they [Australia’s neighbors] have to make the utmost efforts to police themselves, because then there is no need for anyone to preempt any threats.”

Meanwhile, as the quarter was drawing to a close, there were reports of Indonesia sending troops to its border with Papua New Guinea in response to cross-border separatist attacks by the “Free Papua” movement. Given Jakarta’s strong reaction to Howard’s comments, it is no doubt safe to assume that no preemptive cross-border action is being contemplated . . . or is it?

In Washington, it’s (Still) All About Iraq

Despite desperate (and continuing) attempts by North Korea to distract attention its way, the Bush administration remained focused on Iraq during the past quarter. Discussions about Iraqi options were included in virtually all diplomatic discussions with East Asian officials. Washington’s continued willingness to use the United Nations Security Council (UNSC) to multilaterally pursue its efforts to disarm Iraq (and hopefully displace Saddam Hussein) helped to defuse this issue, especially after the UNSC finally agreed, after much political give-and-take, to a strongly-worded resolution on Nov. 8 demanding unfettered access for UN inspectors to search for weapons of mass destruction in Iraq. The Security Council did not give the U.S. all it wanted – there was no automatic trigger for military action in the event of noncompliance – but the resolution did generate the desired global consensus to compel Iraq to disarm in a verifiable manner or suffer the (unspecified but, at least to Washington, obvious) consequences. China voted in favor of the resolution (rather than its more typical abstention in matters such as these), further underscoring the success both sides have had in getting Sino-U.S. relations back on track. Earlier, during the Bush-Jiang Zemin summit in Crawford, Texas on Oct. 25, Iraq was essentially a non-issue.

DPRK: in Desperate Search of a Crisis

Last quarter’s “Regional Overview” speculated about the implications of North Korea’s “smile diplomacy” – its apparent effort simultaneously to improve relations with Seoul, Tokyo, and Washington. Well, one out of three ain’t bad. At quarter’s end, there were still forced smiles emanating from Seoul, but expressions were pretty grim in Tokyo and Washington given the growing anger in Japan over North Korea’s refusal to let the families of the former abductees leave North Korea – the abductees themselves were permitted to make a “brief visit” to Japan in early November but have refused to return –

and, of course, Pyongyang's "admission" that it had a uranium enrichment program, not to mention its subsequent decision to expel International Atomic Energy Agency (IAEA) inspectors and remove its monitoring devices.

As spelled out in considerable detail in the U.S.-Korea chapter ("Trials, Tribulations, Threats, and Tirades") Assistant Secretary of State for East Asian and Pacific Affairs James Kelly's Oct. 3-5, 2002 visit to Pyongyang – the first high-level exchange with North Korea since the Bush administration came to power – was the first act in a new (and continuing) drama that the Bush administration continues to describe as a "diplomatic challenge," but that the rest of the world increasingly sees as a full-blown crisis.

Assistant Secretary Kelly reportedly accused the North Koreans of pursuing a clandestine uranium enrichment program and, according to Kelly, North Korean First Deputy Foreign Minister Kang Sok-ju acknowledged that his accusation was true. The North has been more circumspect, claiming that it was "entitled" to nuclear and "more powerful" weapons, given its branding by President Bush as a member of an "axis of evil," but officially neither confirming nor denying that it has either nuclear weapons or a uranium enrichment program. In response, the Bush administration announced that it would not pursue a promised "bold approach" toward improving U.S.-DPRK relations; instead it refused further negotiations with Pyongyang until it verifiably halted its uranium enrichment effort. The Korean Peninsula Energy Development Organization (KEDO) Executive Committee, comprised of representatives from the ROK, Japan, U.S., and European Union, subsequently decided to "suspend" future heavy fuel oil deliveries promised under the now "nullified" (according to North Korea) 1994 Agreed Framework.

In return, Pyongyang announced that it is restarting its Yongbyon nuclear reactor and reactivating its reprocessing facility, while at the same time expelling IAEA inspectors and removing monitoring devices aimed at ensuring that plutonium is not extracted from the reactor's spent fuel and diverted for weapons use. Pyongyang warned of a "catastrophic crisis of a war" unless Washington agreed to a non-aggression pact. Washington, while noting previous assurances that the U.S. had no intention of invading the North, remained steadfast in its refusal to yield to "nuclear blackmail."

Washington's efforts to build an international consensus against Pyongyang's nuclear brinkmanship has been relatively successful, if measured in terms of the number of countries that have been willing to condemn the North's actions. It has thus far had little success in compelling North Korea to honor its previous commitments and give up its nuclear programs, however. Concern over the stand-off has also contributed to rising anti-American sentiment in the Republic of Korea – South Koreans seem more willing to question Washington's motives or actions than Pyongyang's, even though the constant ratcheting up of the crisis (and only saber-rattling to date) has come from the North. Nonetheless, ROK President Kim Dae-jung joined President Bush and Japanese Prime Minister Koizumi Junichiro in an Oct. 26 joint statement issued along the sidelines of the Asia-Pacific Economic Cooperation (APEC) Leaders' Meeting in Los Cabos, Mexico calling on North Korea to dismantle its nuclear weapons program "in a prompt and

verifiable manner.” The Japanese contribution to the statement was particularly strong, tying Japanese-DPRK normalization talks to the North’s “full compliance with the Pyongyang Declaration . . . including the nuclear issue and abduction issue.

ROK President-elect Roh Moo-hyun has also demanded that North Korea abandon its nuclear weapons ambitions, even while expressing skepticism about the Bush administration’s “no negotiations” approach. Both Roh and Kim were also quick to condemn a report attributed to a senior U.S. official that the Bush administration planned to pursue a “tailored containment” policy against the North; a phrase which apparently has been allowed to die a silent death in Washington.

Ole! Asian Multilateralism Rolls On

At the 12th APEC Leaders’ Meeting on Oct. 26-27 in Mexico – the first hosted by one of APEC’s Latin American members – the assembled APEC leaders also issued a rare political statement calling on the DPRK to “visibly honor its commitment to give up nuclear weapons programs.” Prior to last year, political declarations were kept off the APEC leaders’ agenda. The horrendous events of Sept. 11, 2001 changed this; a strong statement condemning international terrorism was adopted at the 2001 Shanghai APEC Leaders’ Meeting and this year’s Oct. 27 overall APEC Economic Leaders’ Declaration described terrorism as “a profound threat to our vision,” while committing members to a series of concrete steps to protect flows of trade, finance, and information.

The 2002 Declaration strongly endorsed successful negotiations of the Doha Development Agenda, including an end to all agricultural export subsidies. Although the leaders remain committed to their own Bogor Declaration, and various members continue to try to invigorate the peer review process of the individual action plans, it does seem that attention within APEC is shifting to more finite and practical results and away from grand schemes. Certainly with Doha seriously underway, there is little motivation for APEC to focus realistically on the liberalization cause.

The economic aspects of security and terrorism have also gripped APEC members, and it does seem a widespread (rather than a uniquely U.S.) concern. The leaders adopted the “Los Cabos Statement on Fighting Terrorism and Promoting Growth,” which launched the “Secure Trade in the APEC Region” (STAR) program, committing APEC economies to accelerate action on screening people and cargo for security before transit, increasing security on ships and airplanes en route, and enhancing security in airports and seaports. These are particularly important since APEC members are home to 21 of the world’s 30 top container seaports and 23 of the world’s 30 busiest airports. Thailand holds the chair for the 2003 meeting, and has already begun to focus on how to follow through with some of these initiatives.

ASEAN Summitry Promotes Subregionalism

On Nov. 3-5, the Eighth ASEAN summit and accompanying meetings – including an ASEAN Plus Three (China, South Korea, Japan) summit and the first ASEAN-India summit – were held in Phnom Penh, Cambodia. The ASEAN summit itself was notable for considering the fast-tracking of some sectors for ASEAN integration, specifically in electronics and consumer goods, as recommended by an interim report on ASEAN competitiveness commissioned from McKinsey & Company. ASEAN members agreed to identify potential fast track sectors and, importantly, to find ways to strengthen an ASEAN monitoring system of compliance. In their determined efforts to integrate the newer members of ASEAN (Cambodia, Laos, Myanmar, and Vietnam, also known as the CLMV countries), the leaders agreed to allow the four countries tariff-free access to the more developed ASEAN markets by 2003, seven years ahead of schedule. It was also announced that the next ASEAN summit will be held in Bali, Indonesia in October 2003, perhaps out of solidarity in the fight against terrorism as well as to draw attention to the “deep concern regarding unnecessarily negative travel advisories” that have adversely affected tourism in the region. This concern helped to spawn the ASEAN Tourism Agreement signed at this summit aimed at promoting ASEAN’s many tourist destinations.

The Sixth ASEAN Plus Three meeting produced no riveting advances. For readers who have wondered where all of the economic declarations, initiatives, and discussions are headed, this summit did provide a clue, however nebulous the specifics remain. The leaders received the Final Report of the East Asia Study Group initiated by South Korea and agreed with the vision that the ASEAN Plus Three summits should evolve into “East Asian summits” and eventually into an East Asian Free Trade Area. Although the report provided concrete recommendations to move this plan forward in the short and long terms, the leaders passed on adopting specifics and instead tasked their economic ministers to formulate options for gradual formation of the free trade area. Ministers will supposedly take into account other integration efforts, such as Japan’s Initiative for Development in East Asia (IDEA), the Initiative for ASEAN Integration (IAI), and the ASEAN-China Framework Agreement (discussed below).

The ASEAN Plus Three meeting also dealt with selective political and security issues, particularly terrorism. The group agreed to a proposal by China to convene a ministerial meeting on transnational crime, and they called upon North Korea to “visibly honor its commitment” to give up its nuclear weapons programs. Security was also the order of the day when China, at its own bilateral with ASEAN, signed a watered down, non-binding “Declaration on the Conduct of Parties in the South China Sea” that was nonetheless hailed by all parties as a major confidence building measure.

The ASEAN-China summit on Nov. 4 also produced a Framework Agreement on Economic Cooperation, building on last year’s declaration and settling the disputed time frame for establishing a free trade area by 2010 and by 2015 for the newer ASEAN members. ASEAN and China also adopted a Joint Declaration on Cooperation in the Field of Non-Traditional Security Issues, with specifics to be identified later. In a

separate summit, ASEAN and Japan signed a Joint Declaration on a Comprehensive Economic Partnership which envisions a “partnership, with elements of a free-trade area” to be implemented within 10 years. Japan is already using the model of its bilateral agreement with Singapore in discussions with Thailand, the Philippines, and Vietnam, which will presumably provide the basis for a Japan-ASEAN framework agreement next year.

In contrast to Japan and China, South Korea has not pursued its own economic arrangement with ASEAN and appears of no mind to do so. Prime Minister Kim Suk-soo suggested that while South Korea was interested in establishing a free trade zone in East Asia, any deal would have to be a mid- or long-term one due to domestic concerns about agricultural and marine imports from Southeast Asia. Seoul remains active with ASEAN, however, having established the South Korea-ASEAN fund of about \$2 million aimed toward the CLMV countries. Just prior to the summit, South Korea inaugurated a high-tech training center in Phnom Penh as part of its APEC commitment to reduce the digital divide.

The “Plus Three” summit of China, Japan, and South Korea achieved another mandate to continue studying a trilateral free trade area. More notably, the first trilateral business forum was convened on Nov. 22 in Seoul, which President Kim Dae-jung had proposed during the ASEAN Plus Three summit in Vietnam in October. The forum was organized by Korea’s New Asia Economy Technology Federation, Japan’s Federation of Economic Organizations, and the China Council for the Promotion of International Trade. The meeting was attended by more than 250 business leaders and resulted in the “Seoul Declaration” calling for the formation of an East Asian free trade agreement with cooperation in seven sectors, including textiles, petrochemicals, steel, machinery, electronics, piped liquefied petroleum gas, and logistics.

All of these dialogues may seem like no more than background noise to much of the international economic community when World Trade Organization (WTO) agreements are demonstrably more effective at liberalizing markets. Yet at a recent Pacific Forum conference, it was clear among the Asians present that there is a “sense in the neighborhood” that these dialogues are making an important contribution to globalization, even though they are not yet institutionalized. It is interesting to reflect on the changes in attitudes that “allowed” the ASEAN Plus Three to be established in 1999, when in 1992 the East Asian Economic Caucus (EAEC) proposed by Malaysian Prime Minister Mahathir was promptly denounced by the U.S., politely ignored by China, and met with indifference by Japan.

The explanation from the U.S. side was that in 1992 it worried that the EAEC was an exclusive economic bloc, all too reminiscent of the 1930s when competing blocs drove the world economy into a depression spiral. By 1999, the view was that economic globalization was so pervasive that protectionist economic blocs, if attempted, could not survive. For China, the experience of the 1997-98 financial crisis was a watershed and fundamentally altered attitudes toward multilateral economic forums. A new consensus was forged, particularly around the necessity of joining the WTO, but also around the

desirability of APEC as well as ASEAN Plus Three. For Japan, support for ASEAN Plus Three also stemmed from the 1997-98 financial crisis and the new consensus that argued for active bilateral and regional economic engagement rather than sole reliance on global economic institutions. In fact, the first ASEAN Plus Three agreement – the Chiang Mai Initiative – involved currency swaps, an idea that was originally rooted in Japan’s “Asian IMF” proposal eschewed in 1998 by the U.S. and international financial institutions. Japan was well positioned for internal political reasons to enter into a regional framework like ASEAN Plus Three quite separate from whatever the U.S. thought, challenging the view that Japan was only able to join in a regional dialogue because the U.S. no longer objected.

East Asia Economic Forecast Seems Cautiously Optimistic

As the new year began, the economic forecast for East Asia seemed generally (albeit cautiously) positive, with various sources predicting modest economic growth in 2003. The two external variables that could negatively affect this scenario are an unexpected downturn in the U.S. economy and an extended military conflict in Iraq that would raise oil prices and heighten economic uncertainty. The U.S. growth rate in 2003 is expected to be about 2.8 percent, rising from an estimated 2.4 percent in 2002. The World Bank estimates overall regional GDP growth is expected to ease mildly from 6.3 percent in 2002 to 6.1 percent in 2003.

The World Bank noted in its December report that economic recovery in East Asia began in late 2001 and continued to strengthen in the first half of 2002, but then slowed in the third quarter and uncertainties have increased. With the anticipated pace of global economic recovery slower than expected, demand for East Asian exports could slacken, and a recent fall in high-tech indicators suggests that recovery in this critical sector might be bumpy. With world trade and output growth stronger in 2003 than 2002, however, any slowdown in East Asia is expected to be limited, particularly as robust growth in China provides a strong market for intra-regional exports.

In 2003, Asia Pacific countries will continue to be challenged to attract foreign direct investment (FDI) due to a fall in worldwide FDI flows in 2001 and 2002. The UN Conference on Trade and Development (UNCTAD) estimated in October 2002 that global FDI flows in 2002 would decline by 27 percent to \$534 billion, about a third of the peak value recorded in 2000. The uncertain economic situation and weak stock market performance are undermining business confidence, the report noted, with a sharp impact on business expansion and cross-border mergers and acquisitions (M&As) which comprise about 80 percent of FDI flows in recent years.

The message from UNCTAD is that two consecutive years of decline in FDI flows means intensified competition for external resources; countries will need to “identify their strengths and weaknesses to target the type of FDI that both enhances their development strategies and reflects their comparative advantages.” In the Asia Pacific region, UNCTAD estimates an overall decline of 12 percent in FDI flows in 2002 following a reduction of 24 percent in 2001, largely due to declines in FDI from the United States and

Europe. Yet there are wide variations among countries. China is estimated to have attracted more than \$50 billion in 2002, setting a record for itself and surpassing inflows to the United States for the first time ever. A decline in inflows for 2002 was expected in Hong Kong, South Korea (already confirmed), Thailand, and Taiwan, while increases are expected in India, Malaysia, and the Philippines, as well as China.

The Asian Development Bank concludes that given the uncertain global economic environment, East Asian countries need to be prepared to respond with appropriate fiscal and monetary expansion should exports deteriorate, and governments should forge ahead with financial and corporate restructuring and reform in order to improve resilience to external shocks.

Regional Chronology October-December 2002

Oct. 1, 2002: South Korean students illegally enter U.S. Embassy compound, demand apology for June accident in which two schoolgirls were killed during U.S. military exercises.

Oct. 3-5, 2002: Assistant Secretary of State James Kelly visits Pyongyang, North Korea.

Oct. 4, 2002: Yang Bin, chosen by North Korea (DPRK) to administer its special administrative region, is detained by Chinese authorities on suspicion of tax evasion.

Oct. 5, 2002: At Seoul press conference, Kelly describes meetings in Pyongyang as “frank” and “useful.” North Korea broadcasts accuse Kelly of being “arrogant” and “high-handed.”

Oct. 12, 2002: Terrorist bombing in Kuta beach, Bali, Indonesia kills 184, injures 132.

Oct. 15, 2002: Five Japanese abducted by North Korea arrive in Tokyo, Japan for a planned 12-day visit, but have yet to return.

Oct. 16, 2002: State Department reveals that Assistant Secretary Kelly accused DPRK of pursuing a clandestine uranium enrichment program and Pyongyang acknowledged this program.

Oct. 17, 2002: South Korean presidential candidates unanimously call on North Korea to abandon its nuclear weapons program.

Oct. 18, 2002: Malaysian Prime Minister Mahathir Mohamad arrives in Pakistan for talks with Pakistani leader Gen. Pervez Musharraf.

Oct. 19, 2002: The eighth round of North-South Korea Ministerial talks in Pyongyang concludes with an eight-point joint statement, mainly to progress various economic projects.

Oct. 19, 2002: U.S. Navy agrees to pay nearly \$13 million in compensation to the victims of February 2001 collision between a U.S. nuclear submarine and the Japanese fisheries training boat, *Ehime Maru*.

Oct. 21, 2002: Under Secretary of State John Bolton meets with Deputy Foreign Minister Georgy Mamedov in Moscow.

Oct. 22-24, 2002: Attorney General John Ashcroft visits Beijing and announces opening of an FBI liaison office in Beijing.

Oct. 22-29, 2002: Chinese President Jiang Zemin visits U.S. and Mexico.

Oct. 23-24, 2002: Asia Pacific Economic Cooperation (APEC) 14th Ministerial Meeting in Los Cabos, Mexico.

Oct. 24, 2002: China and the U.S. agree to resume military ties that have been halted since the April 2001 EP-3 “spy plane” incident.

Oct. 24, 2002: Philippines President Gloria Macapagal-Arroyo and Australian PM John Howard visit Hawaii, meet separately with Commander of U.S. Pacific Command Adm. Thomas Fargo.

Oct. 25, 2002: President Bush and President Jiang meet at Bush’s Crawford, Texas ranch for their third summit.

Oct. 26, 2002: Moscow theater siege by Chechen rebels on Oct. 23 ends following rescue effort by elite troops. Over 120 of 800 hostages die of gas poisoning.

Oct. 26-27, 2002: 10th APEC Leaders’ Meeting, Los Cabos, Mexico.

Oct. 26, 2002: U.S. President Bush, ROK President Kim Dae-Jung, and Japanese PM Koizumi meet at APEC Leaders’ Meeting and reaffirm their commitment to a nuclear weapons-free Korean Peninsula.

Oct. 27, 2002: PM Koizumi holds talks with President Jiang at APEC Leaders’ Meeting.

Oct. 29-31, 2002: North Korea rejects international demands to end its nuclear weapons program during normalization talks with Japan.

Oct. 29, 2002: President Kim visits Seattle, Washington en route from APEC meeting, meets with Washington State Gov. Gary Locke and Microsoft Chairman Bill Gates.

Nov. 3-5, 2002: Phnom Penh hosts annual ASEAN summit and ASEAN Plus Three and various Plus One meetings.

Nov. 4, 2002: The PRC signs “Declaration on the Conduct of Parties in the South China Sea” with ASEAN countries plus agreement to establish ASEAN-China free trade zone over the next decade, during ASEAN-China meeting.

Nov. 6, 2002: China finishes blocking the Yangtze River at the Three Gorges Dam.

Nov. 8, 2002: UN Security Council resolution demands unfettered access for UN weapons inspectors in Iraq.

Nov. 8-14, 2002: Sixteenth Party Congress in Beijing. President Jiang retires as Communist Party chief; is re-elected head of China’s Central Military Commission. The nine-member standing committee, led by new party chief Hu Jintao, includes Wu Bangguo, Wen Jiabao, Jia Qinglin, Zeng Qinghong, Huang Ju, Wu Guanzheng, Li Changchun, and Luo Gan.

Nov. 9-13, 2002: Assistant Secretary Kelly visits Tokyo (for TCOG meeting), Seoul, and Beijing.

Nov. 14, 2002: KEDO announces decision to halt future shipments of heavy fuel oil to the DPRK unless it takes verifiable steps to dismantle its uranium enrichment program.

Nov. 20, 2002: A South Korean warship fires two warning shots at a North Korean boat that crossed a disputed maritime border. The North Korean boat quickly retreats.

Nov. 20, 2002: South and North Korea agree to conduct joint land surveys of their border buffer zone as part of a project to reconnect rail and road links.

Nov. 20, 2002: U.S. sergeant acquitted by U.S. military tribunal of negligent homicide in June training accident.

Nov. 22, 2002: Second U.S. sergeant also acquitted, prompting renewed protests in South Korea.

Nov. 22, 2002: President Bush meets for the seventh time with Russian President Vladimir Putin, in St. Petersburg, Russia.

Nov. 24, 2002: A U.S. Navy destroyer visits Qingdao, China, the first port visit by a U.S. warship to China since the April 2001 EP-3 incident.

Nov. 27, 2002: PRC government formally arrests Yang Bin.

Nov. 27, 2002: Indonesia human rights court finds former East Timor militia leader of the Aitarak militia Eurico Guterres guilty of crimes against humanity during East Timor’s 1999 vote on independence and sentences him to 10 years in jail.

Nov. 29, 2002: Indonesia's human rights court acquits four former security officers (including Lt. Col. Endar Priyanto, former army commander for the East Timor capital Dili) of crimes against humanity in East Timor.

Dec. 1, 2002: Australian PM John Howard states that Australia would be prepared to launch a preemptive strike on another country as a measure of last resort to prevent terrorism.

Dec. 1, 2002: DPRK government announces enforced currency swap to halt use of U.S. dollars.

Dec. 2, 2002: PRC and Russia issue joint declaration following Beijing presidential summit urging DPRK to halt its nuclear weapons program and urging both Washington and Pyongyang to stick by the 1994 Agreed Framework.

Dec. 5, 2002: U.S.-ROK Security consultative meeting in Washington.

Dec. 7, 2002: Ma Ying-jeou, mayor of Taipei and member of the opposition Kuomintang, is re-elected with 64 percent of the vote.

Dec. 9, 2002: A North Korean ship carrying Scud-type missiles is intercepted by the Spanish Navy and inspected by U.S. officials; ship is subsequently released when it is revealed the missiles are destined for Yemen.

Dec. 9-10, 2002: PRC Gen. Xiong Guangkai, deputy chief of the People's Liberation Army, and Under Secretary of Defense for Policy Douglas Feith conducts military-to-military talks at the Pentagon.

Dec. 9-14, 2002: Deputy Secretary of State Richard Armitage visits Japan, Korea, China, and Australia.

Dec. 10, 2002: PRC defense white paper released.

Dec. 11, 2002: U.S. releases *National Strategy to Combat Weapons of Mass Destruction*, which threatens use of "all options" in response to WMD attack

Dec. 12, 2002: DPRK announces it will reactivate a nuclear power program that was suspended under the 1994 Agreed Framework in response to the U.S. decision to halt heavy fuel shipments.

Dec. 12-17, 2002: PACOM Commander Adm. Fargo visits China.

Dec. 16, 2002: U.S.-Japan Security Consultative Committee convenes. Secretary Powell and Deputy Defense Secretary Paul Wolfowitz meet with Japanese FM Kawaguchi and Japan Defense Agency chief Ishiba in Washington.

Dec. 16, 2002: North Korea declares that only a non-aggression pact with Washington can prevent “a catastrophic crisis of a war.”

Dec. 16, 2002: Secretary Powell states that the U.S. has no plans to attack the DPRK and rejects North Korea’s demands for a nonaggression treaty, insisting that the DPRK fulfill its promises to forego nuclear weapons.

Dec. 16, 2002: Japanese Aegis destroyer *Kirishima* leaves port in Yokosuka, Japan for deployment in the Indian Ocean. The destroyer and its crew of nearly 250 will carry out surveillance activities and protect Japanese vessels that are providing logistical support for the antiterrorism campaign.

Dec. 19, 2002: ROK presidential candidate Roh Moo-hyun of the ruling Millennium Democratic Party is elected, defeating Lee Hoi-chang of the opposition Grand National Party.

Dec. 19, 2002: Japanese abductees agree to make clear statement to Pyongyang that they are willingly staying in Japan to prompt the DPRK to send their families to Japan.

Dec. 19, 2002: Go Yankees! NY signs Matsui (Godzilla) Hideki.

Dec. 20, 2002: Australia announces it is shelving plans to restore full diplomatic links with North Korea until it honors its nuclear obligations.

Dec. 21-25, 2002: DPRK begins dismantling IAEA monitoring equipment at nuclear facilities in Yongbyon.

Dec 23, 2002: Defense Secretary Rumsfeld states U.S. is capable of dealing militarily with Iraq and North Korea simultaneously.

Dec. 24, 2002: China releases human rights activist Wu Xenli.

Dec. 24, 2002: PM Koizumi announces plans to visit Yasukuni Shrine in 2003, but does not specify a date.

Dec. 24, 2002: The Japanese government submits plan to PM Koizumi for an alternate nonreligious memorial for deceased war victims and participants in international peacekeeping missions.

Dec. 27, 2002: DPRK demands all international nuclear inspectors depart.

Dec. 28, 2002: U.S. official discusses “tailored containment” of North Korea, drawing ROK protests.

Dec. 29, 2002: PRC launches fourth unmanned Shenzhou IV space capsule in preparation for manned flight.

Dec. 30, 2002: Philippines President Gloria Macapagal-Arroyo announces her decision not to contest the 2004 presidential election.

Dec. 31, 2002: Expelled U.N. IAEA inspectors leave North Korea.