

GREETING AN OLD FRIEND

South Korean president works with close neighbor China to face peninsula issues





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Catalyst for Change China and South Korea could be closer than ever



A World of Help China's ties with the UN grow

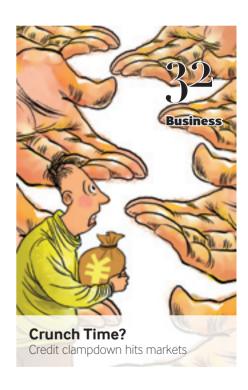
Cover Photo: Chinese President Xi Jinping welcomes his South Korean counterpart Park Geun Hye in Beijing on June 27 (CNSPHOTO)

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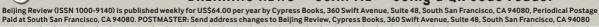


Exploits Into the Unknown The benefits of China's space program are multifold



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Let the Talks Begin

With her first state visit to China wrapping up on June 30, South Korean President Park Geun Hye appeared to have made the most of the occasion. Indeed, extensive talks produced agreements on issues ranging from trade and cultural exchanges to the denuclearization of the Korean Peninsula, making the visit a landmark in bilateral relations.

Since they forged diplomatic ties in 1992, the two emerging economies have found a widening array of shared interests. South Korea is China's sixth largest trade partner with two-way trade amounting to \$256.3 billion last year. While South Korean conglomerates Samsung and Hyundai are household names in China, an increasing number of Chinese investors and tourists have poured into South Korea. The fact that Park traveled to China with a 71-member business delegation, coupled with a pledge to sign a free trade agreement as soon as possible, testified to the two neighbors' commitment to cooperation.

Aside from bilateral ties, Park's visit caught global attention because it came at a time when tensions following North Korea's nuclear test in February have begun to ease. While softening its hard-line rhetoric, Pyongyang has recently called for talks to resolve the crisis. At this juncture, diplomatic efforts should be redoubled.

Park's visit provided an opportunity for Beijing and Seoul to solidify consensus on a nuclear-free Korean Peninsula. Despite a stalemate in the past few months, China has been able to maintain communications with North Korea, South Korea and the United States, an advantage that enables the country to play a unique role in helping coordinate conflicting interests. As a neighbor enjoying close ties with both North Korea and South Korea, China will continue to serve as a peacemaker on the peninsula.

Since neither Pyongyang nor Washington has made substantive changes to their positions, doubts remain as to whether meaningful talks can materialize. Now that calls for dialogue have become the order of the day, both sides should show flexibility. They should not put the cart before the horse by setting expected outcomes as preconditions. Only by letting talks begin will they stand a chance of achieving a solution.

WRITETOUS

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THIS WEEK



BACK HOME

Chinese mountaineer Zhang Jingchuan, who survived a terror attack in Pakistan, hugs his son after arriving in Kunming, capital of southwest China's Yunnan Province, on June 26. Two Chinese mountaineers were killed in a terror attack that claimed 11 lives in northern Gilgit-Baltistan on June 23. The local Taliban claimed responsibility for the incident.

Anti-Drug Service

A police officer teaches workers at entertainment venues on how to recognize ecstasy and other drugs in Changle, Fujian Province, on June 25.

The Ministry of Public Security said that the country's number of registered drug users had reached 2.14 million by the end of March.

About 83.6 percent of those drug users are male. Over half of the country's registered drug users are aged 19 to 35, 44.3 percent are 36 to 59, 0.7 percent are under 18 and 0.6 percent are over 60.

In a bid to help recovering users live drug-free, the country registers them to arrange regular police visits.



Xinjiang Riots

A total of 24 people have been killed by rioters in a violent terrorist attack in a remote township in northwest China's Xinjiang Uygur Autonomous Region, Xinhua News Agnecy reported.

The attack occurred at 5:50 a.m. on June 26 in Lukqun Township, Shanshan County in Turpan Prefecture. Rioters killed 24 people, including two police officers. Among the victims, 16 were Uygurs. The rioters attacked the

township's police stations, a lo-

cal government building and a construction site. They also set fire to police cars. Twenty-one police officers and civilians were injured.

The police shot and killed 11 rioters at the scene and captured another four who were injured. Police authorities are investigat-

ing the incident.

Cross-Straits Pact

Negotiators from the Chinese mainland and Taiwan signed a service trade agreement on June 21. The agreement was inked by the mainland-based Association for Relations Across the Taiwan Straits and the Straits Exchange Foundation in Taiwan, which are authorized by the mainland and Taiwan, respectively, to handle cross-Straits affairs.

According to the agreement, the mainland will open 80 service sectors to Taiwan, while Taiwan will open 64 sectors to the mainland.

The sectors include those related to commerce, telecommunications, construction, distribution, environment, health, tourism, entertainment, culture, sports, transportation and finance.

Under the deal, the threshold for market access will be lowered for service providers from both sides and more favorable policies will be formulated to boost cross-Straits cooperation in the service industry.

The agreement will further



Visitors pose for a picture at the Tibet Impression photography exhibition on its opening day on June 26 in New York City. Nearly 100 selected photos display Tibet's natural and cultural landscapes normalize and liberalize service trade between the Chinese mainland and Taiwan, as well as promote the opening up of mutual markets in the service sector, the ARATS and SEF said in a joint press release.

Copyright Protection

China's National Copyright Administration said on June 25 that it will add Apple's App Store, Amazon and Taobao, the country's largest C2C online marketplace, to its copyright supervision plan in this year's campaign against online piracy.

These online platforms will be required to report on their measures for protecting copyrights and handling complaints filed by title holders, according to a statement issued by the administration.

The administration will also extend its supervision to music videos for the first time and make an initial list of 24 major video portals to be supervised.

A four-month campaign against online copyright infringement and piracy was launched in late June.

Statistics from the administration show that from 2005 to 2012, authorities across the country investigated



THIS WEEK



Students and professors attend the 2013 graduation ceremony of Capital Normal University in Beijing on June 25. Nearly 7 million college students graduate in China this year, the highest in history

4,051 cases of online copyright infringement and piracy. Of the total, 299 cases were transferred to judicial authorities for handling.

Historic Documents

China's official archives relating to Tibet in the Yuan Dynasty (1271-1368) and documents showing an ancient financial and messaging service between overseas Chinese and relatives back home have won UNESCO recognition.

A meeting of the International Advisory Committee of the Memory of the World Register has decided to list these two sets of documents, a statement from the State Archives Administration said on June 21.

The meeting was held from June 18 to 21 in Gwangju Metropolitan City, the Republic of Korea.

The Memory of the World Register lists documentary heritage



recognized as globally significant and having outstanding universal value.

China has nine pieces of documentary heritage listed on the Memory of the World Register, including *The Compendium of Materia Medica*, the quintessential guide to ancient Chinese traditional medicine, and *The Yellow Emperor's Canon of Internal Medicine*, China's earliest recorded medical classic.

Worldwide, 299 pieces of documentary heritage from 100 countries have been listed on the register, the statement said.

Medical Aid

Disadvantaged people in China will have more access to emergency medical help now that the Central Government has set aside 500 million yuan (\$81 million) for aid, the Ministry of Finance said on June 26. The money will help those who cannot be immediately identified in an emergency and for people unable to afford the costs of emergency care.

The fund aims to help build emergency medical support systems across the country, according to a ministry statement.

Early Human Project

North China's Hebei Province will invest 5 million yuan (\$813,000) in a project to unearth early human fossils that may identify a new cradle of mankind.

The money will fund studies on early human activities and searches for human fossils at Nihewan Site in the city of Zhangjiakou, said Xie Fei, deputy head of the province's Cultural Heritage Bureau.

A project was launched in early June to investigate what is the previously undiscovered culture hearth of the Orient while searching for human fossils to support the claim that the site has been an essential part, according to Xie.

First discovered in 1921, the site has seen excavations of ancient animal fossils and stone tools dating back 2 million years ago, which have challenged the theory that Africa was the sole origin of mankind.

Among the prominent finds was a dining site where early hunters ate their game, including elephants, as well as more than 1,000 stone balls that scientists believed had been used as weapons.

Legal Report

China currently has 230,000 practicing lawyers and more than 18,000 law offices, said a report released on June 25.

The annual report on the construction of China's legal system in 2012 is published by the China Law Society, an academic organization of legal experts and practitioners headquartered in Beijing.

As many as 324 representative offices of 263 law offices from 21 countries and regions had been registered on the Chinese mainland by the end of 2012, according to the report.

In addition to the current Constitution, China had a total of 243 national laws, 721 administrative regulations and more than 8,600 local laws or regulations as of the end of December 2012, the report revealed.

Heritage Additions

To the right are rice terraces in Yuanyang County, southwest China's Yunnan Province.

The 37th Session of the UN Educational, Scientific and Cultural Organization's World Heritage Committee decided to inscribe China's Xinjiang Tianshan and Honghe Hani Rice Terraces on the World Heritage List on June 21 and 22, respectively.

China is the second largest owner of world heritage sites, with 45 on the World Heritage List, next only to Italy with 49.



From Waste To Fuel

Farmers install a biogas digester made from fiberglass in Enshi Tujia Autonomous Prefecture of central China's Hubei Province on June 25.

In the last decade, a total of 545,000 household biogas digesters have been constructed in the prefecture, cutting coal consumption by 436,000 tons and CO₂ emissions by 1 million tons.



Global Rating Firm

Three rating appraisers from China, Russia and the United States launched a new credit rating agency on June 25, in a bid to shake up the international credit rating industry traditionally cornered by the Big Three—Moody's, Standard & Poor's and Fitch.

Chinese Dagong Global Credit Rating teamed up with U.S. Egan-Jones Ratings Co. and RusRating from Russia in founding the Universal Credit Rating Group (UCRG), amid growing calls for a more balanced and accurate credit rating regime.

The joint venture is headquartered in Hong Kong and aims to provide what experts call "some checks and balances" to a broken rating industry blamed for underestimating and fueling the global financial crisis.

"Universal is going to provide a desperately needed check on some major assumptions that are provided by the ratings that currently exist in the marketplace," said Sean Egan, UCRG Director and President of Egan-Jones. "A new international credit rating regime, which reflects the laws governing the development of our credit-based economy and essential requirements of credit rating, is urgently needed," said Guan Jianzhong, Chairman of UCRG and President of Dagong,

The group plans to establish by 2020 its new global credit rating service system. It aims to set up rating operations in all participating countries and generate credit risk information of every debt economy by 2025.

Auditor's Misconduct

China's top audit office on June 24 revealed its own problems, reporting about 24.04 million yuan (\$3.89 million) of "flawed funds" in 2012.

An audit on the office showed its 2012 budget, as well as other financial revenues and expenditures, were well run, but certain problems existed, according to the National Audit Office.

For example, about 3.61 million yuan (\$587,347) of spending on computer maintenance and equipment updating was not listed in the budget. Also, a purchasing plan to spend 216,000 yuan (\$35,143) to renovate security and fire service systems in office buildings was not carried out.

The audit was carried out from March to April.

Oil Field Purchase

Sinopec Group, the country's top oil refiner, announced that it has signed a deal with U.S. oil giant Marathon Oil Corp. to buy its oil and gas field in Angola for \$1.52 billion.

According to the deal, Sinopec Group will purchase Marathon's 10-percent stake on the Angolan Block 31 field through its subsidiary





Passengers in Inner Mongolia Autonomous Region board a flight to Taiwan on June 25, the day Air China opened a direct route from Hohhot to Taipei

THIS WEEK



Sonangal Sinopec International Ltd.

The Angolan Block 31 field, operated by British Petroleum (BP), has estimated proven and probable oil reserves of 533 million barrels, Sinopec said.

Together with the 5-percent stake in Block 31 Sinopec purchased from French oil giant Total in 2011, Sinopec's stake in the block will reach 15 percent upon the completion of the Marathon deal.

The deal is subject to approval by the Chinese and Angolan governments.

Currency Swap

Mervyn King, Governor of Bank of England and Zhou Xiaochuan, Governor of the People's Bank of China, signed an agreement to establish a reciprocal three-year sterling/yuan currency swap line on June 22.

The maximum value of the swap is 200 billion yuan/20 billion pounds. The swap line may be used to promote bilateral trade between the two countries and to support domestic financial stability.

The establishment of a sterling/ yuan swap line will support Britain's domestic financial stability. In the unlikely event that a generalized shortage of offshore yuan liquidity emerges, the bank will have the capability to facilitate yuan liquidity to eligible institutions in Britain, said King in a statement.

Logistics Park

A major logistics industrial park is planned for Sanhe, north China's Hebei Province, the center of the Bohai Economic Rim, which is expected to become a new economic development zone.

Over 40 experts and scholars from the National Development and Reform Commission (NDRC) and several other ministerial departments attended a workshop on the plans on June 25 in Beijing.

Lin Hua, a senior researcher with the economic institute under the NDRC, delivered a report on the plans for the China Yanjiao Logistics City, which will cover 10 square km and involve 80 billion yuan (\$13.11 billion) in investment.

In addition to logistics and trade, the China Yanjiao Logistics City will be turned into a tourism and cultural development area.

Numbers

132.3 bln yuan

Increase in China's investment in railway infrastructure during the first five months of the year, a jump of 25.4 percent from a year ago

16.43%

Drop in revenue for the hospitality industry during the first four months of the year

75.1 tln yuan

Total value of logistics services from January to May

Number of health food

types the country will

ban due to hazardous

chemical additives

13

Power Transmission

Technicians inspect a substation in Gansu Province. A power transmission line connecting Xinjiang Uygur Autonomous Region with other areas in northwest China, whose construction started in May 2012, was completed in June.

The 1,099-km line of 750 kilovolt, with an investment of 9.56 billion yuan (\$1.5 billion), carries electricity from Xinjiang as well as Gansu and Qinghai provinces to the rest of the country.



THIS WEEK WORLD



Demonstrators protest for better public services in Rio de Janeiro on June 24





An elephant is lowered onto a truck after being sedated in the OI Pejeta Conservancy in central Kenya on June 21. Nine "rogue" elephants that had been destroying crops in the area were transferred to the larger Kora National Reserve



A man lies by the Ganges River in Haridwar in the state of Uttarakhand on June 25. Deadly floods triggered by monsoon rains claimed more than 800 lives in northern India



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A "super moon" is seen in Prattville, Alabama, on June 22. A super moon is the coincidence of a full moon with the closest approach the moon makes to the Earth on its elliptical orbit, resulting in the largest apparent size of its disk



Robot rock band Z-machines performs with a pop duo during its debut concert in Tokyo on June 24. The band's three robotic members play the guitar, drums







People wear masks outside in Kuala Lumpur on June 24. A haze largely attributable to smoke from forest fires in neighboring Indonesia shrouded parts of Malaysia

THIS WEEK PEOPLE

"Authorities should do more to enforce no-smoking regulations and curb smoking scenes in films and TV."

Yang Gonghuan, a tobacco control expert at the Chinese Center for Disease Control and Prevention, on June 21. According to a Chinese Association on Tobacco Control study this year, of 70 movies and TV dramas, only nine TV shows and 11 movies did not include smoking



"The primary goals for these 'second-generation' family enterprises include business transformation and upgrades, sustainability, accumulation, preservation and the inheritance of family wealth."

Pedro Nueno, President of the China Europe International Business School, commenting on the management transition of China's private enterprises, on June 20



"Repeated reports in the media about urban management workers clashing with street vendors have ruined our reputation."

Yao Aiting, a 25-year-old urban management worker in Dongying, Shandong Province, regretting her career choice after working for one year



"Many parents and students know little about college majors, and they might make blind decisions when choosing the right one."

Wang Boqing, a worker with MyCOS, an education consulting and research institute in Beijing, on June 25





Jose Antonio Camacho, coach of China's national soccer team, was dismissed by the Chinese Football Association (CFA) after the team's 1-5 loss to Thailand. The CFA decided to terminate its contract with the Spaniard on the night of June 21.

The CFA signed a three-year contract with Camacho in August 2011. Shortly after his appointment, China suffered an early knockout from the 2014 World Cup qualifiers. The national team lost to Brazil 0-8 in September last year and saw its FIFA ranking slip to 109—its all-time low—in March.

Camacho, 58, is a retired Spanish left defender. He spent 15 professional years at Real Madrid, before starting a coaching career.

NEWLY ELECTED UNIDO HEAD



China's Vice Finance Minister Li Yong was appointed director general of the UN Industrial Development Organization (UNIDO) at the General Conference on June 28. The newly elected director general said UNIDO is faced with both opportunities and challenges, and that he would try his best to work together with member states to ensure a bright future. Li is a senior economic and financial policymaker in China and has been a member of the Monetary Policy Committee of the Chinese central bank for a decade.

MEDIA DIGEST THIS WEEK



Psychological Health of Students People.com.cn

lune 25

A 20-year-old girl who committed suicide after failing the annual college entrance exam has attracted considerable media attention across the country. In order to ensure a good future and reward her parents' love, the girl chose to retake the exam after failing it last year. However, this time, she failed again by 6 points, and ended up cutting her wrists and drinking pesticide.

The tragedy has once again underscored the importance of the psychological health of students, without which the most dazzling diplomas are meaningless. Although emphasis repeatedly falls on psychological development, many teachers and parents succumb to the pressures of college entrance exams at the expense of mental health. Many schools blindly pursue admission rates into higher institutes, seldom paying attention to the mental stability of students. As a result, our children have little basic emotional control skills.

According to the UN World Children Report, 20 percent of all children suffer from mental illnesses. In Shanghai, in particular, about 5.85 percent of kids have considered suicide at some point.

It is essential to include mental health development in our education to guard against such tragedy.

Microblog Rumors

Beijing Times June 26

The Blue Book of New Media, released by the Chinese Academy of Social Sciences (CASS) on June 25, has revealed that over one third of the 100 hot topics on twitter-like microblogs last year include rumors.

In an era where anyone can be a news emitter on the Internet, questions have been raised as to

Rural Education Dilemma Oriental Weekly June 17

Over the past decade, some local governments merged dispersed rural primary and middle schools into bigger, single facilities to reduce costs and improve management. However, such moves have raised plenty of controversy.

Local governments have defended their actions as part of a campaign aimed at providing improved education to village children, enabling them to access better teachers and classrooms. However, many villagers disagree, concerned with the safety of their kids walking to distant schools.

If local governments had taken convenience into consideration when launching the campaign, the current problems would have been prevented. In addition, villager opinions were not respected during the decision making process. If representatives were allowed to join in the discussions, questions regarding school buses, boarding and teaching quality could have been fully addressed.

quences on social order. While it is not always easy to

uncover sources behind false information, the CASS

report shows that even many VIP-class microblog

users have had a negative effect on society by unin-

rational in dealing with unconfirmed information.

What's more, the country should establish laws and

mechanisms to tackle the challenge of rumors in a

Internet users should be more cautious and

tentionally spreading rumors.

suitable fashion.

whether people are ready to be critical in the face of embracing such large quantities of information.

The Internet is like a double-edged sword. On one hand, it enables people to enjoy the freedom of communicating and sharing information; on the other, it inevitably helps spreads false news.

For instance, Chinese consumers flocked to buy salt after rumors spread that sea salt would be contaminated by the nuclear meltdown in Japan after the 2011 tsunami. In addition, people fled their homes at midnight after learning via microblogs that an earthquake might hit some cities.

It is no secret that rumors can have dire conse-

Behind Corruption Case

Caijing Magazine June 17

China's former railways minister Liu Zhijun stood trial on June 9 on charges of bribery and abuse of power. His case has not only proved the defects of power.

First, Liu took advantage of his position to help a businesswoman named Ding Yuxin reap a profit of 3.98 billion yuan (\$647 million). The latter subsequently gave Liu 49 million yuan (\$7.9 million) as a reward. Second, from 2003 to 2009, Liu had maintained improper relations with many women, three of whom were hired by Ding.



Whether this can be recognized as a kind of bribe and therefore a crime, is another question.



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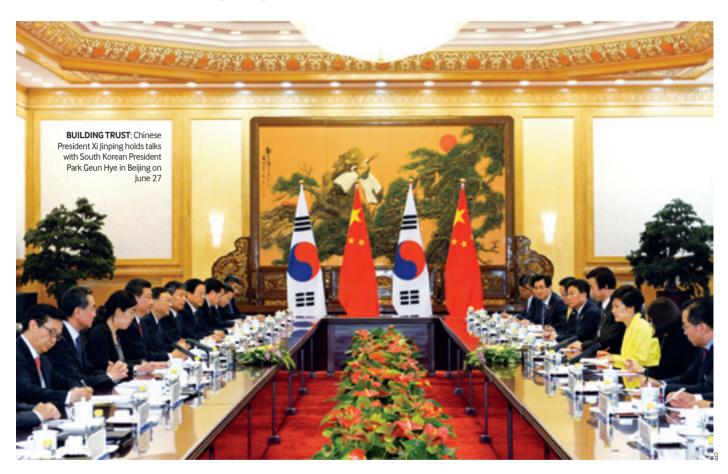
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COVER STORY CATALYST FOR CHANGE

Strengthening an all-dimensional relationship is a common goal between China and South Korea By Ding Ying



conomic development, cultural exchanges, and a tense situation on the Korean Peninsula—these shared opportunities and challenges are driving China and South Korea closer together.

South Korean President Park Geun Hye made a four-day visit to China from June 27 to 30. The two East Asian neighbors confirmed they will cooperate more on bilateral relations and the regional issues in Northeast Asia.

A new chapter

China and South Korea established a diplomatic relationship in 1992. This was Park's fourth visit to China, and the first since she assumed the presidency. As the visit took place only months after both countries underwent a leadership change, it is expected to open a new chapter in bilateral relations.

China is the first Asian country and the second big power Park has visited since taking office. Previously, she made a visit to the United States. Park's China visit broke with a traditional pattern wherein new South Korean presidents visited the United States first, then Japan, and China in order.

"Park's visit hints China's elevated status in the current South Korean Government's diplomatic strategy," said Qu Xing, President of the China Institute of International Studies (CIIS). He explained that this is due to China's growing significance to South Korea's economy and China's influence on the Korean Peninsula as well as regional security.

Shi Yongming, a researcher on Korean Peninsula studies with the CIIS, echoed Qu's view, saying Park's travel arrangement undoubtedly means that China is of great significance to South Korea. "It stands to reason that the South Korean president should visit Washington due to the military alliance between them. But in terms of practical diplomatic policy-making, China's importance is on the rise," Shi said.

Shi told *Beijing Review* that such a decision not only influences China-South Korea

relations and the regional situation, but also demonstrates South Korea's growing diplomatic autonomy. "In past years, South Korea paid more attention to dependence on the U.S.-Japan alliance. The new South Korean administration has realized the negative outcome of overdependence, and started to emphasize the country's independent diplomatic policy, so as to lift its own status on regional issues," he said. Shi stressed that what is most important between China and South Korea is for them to pursue cooperation with mutual trust, which should not be influenced by their different social systems.

During Park's visit, leaders of the two countries reiterated support for building a bilateral free trade agreement (FTA). Shi believes that there are no major differences between the two sides on this issue, and they are highly likely to reach such an agreement, which will benefit both countries. The two countries have conducted five rounds of FTA negotiations since the talks began last year.

Economic and trade cooperation has been an important component of bilateral relations. Annual trade between China and South Korea has increased almost 50 times and reached \$256.3 billion in 2012, according to Chinese official statistics. Economic cooperation is high on the agenda during Park's visit. She headed a 71member trade delegation consisting of South Korean business executives. That number bested the 51-member economic delegation that Park headed during her U.S. visit. Moreover, Park's trip to China's western city of Xi'an is likely to increase the presence of South Korean companies in China's inland cities.

Park has extensive knowledge of Chinese culture, and once admitted that it was Chinese philosophy that enabled her to find inner peace during difficult times. She addressed listeners in Chinese during a speech at Tsinghua University in Beijing, Cultural exchanges have been growing alongside bilateral relations. In 1993, there were fewer than 4,000 South Korean people living in China. In 2012, bilateral personnel exchanges exceeded 7 million. There are more than 800 flights between the two countries every week.

Peninsula concerns

Considering the recent tense atmosphere on the Korean Peninsula, consolidating stances on related issues inevitably became an important topic during Park's China visit. China and South Korea reiterated their stance of denuclearization on the peninsula. Chinese observers believe the common interest of protecting regional peace is driving the two countries closer. Strengthening communication and consensus between the two sides could help restart the sixparty talks.

Tensions on the Korean Peninsula eased slightly in June after senior diplomats from North Korea said the country was ready to join in any form of talks, including the long-stalled six-party talks. Qu pointed out that the frequent and active communication by Pyongyang is based on the tremendous effort on the part of China. He believes that China and South Korea must push for the restart of the talks. The sixparty talks, which involve North Korea, South Korea, China, the United States, Russia and Japan, are by far the most effective means for handling the Korean nuclear issue.

Unlike her predecessor Lee Myung Bak, who insisted on taking a hard stance against North Korea, Park is more rational and moderate. For Park, who promised on her campaign trail and in her inauguration speech to build trust with Pyongyang, an opportunity has arisen.

"The core of the Korean Peninsula issue is still the relationship between South Korea and North Korea," stressed Shi. South Korea has been strongly dependent on Washington

Consensus

• Advancing negotiations on the China-South Korea free trade agreement and extending their currency swap arrangement

• Establishing a joint committee on people-to-people exchanges and expanding programs in education, culture, media, tourism, youth and local regions

• Enhancing coordination in the UN, the Group of 20 and other major international mechanisms and cooperating to tackle global issues such as climate change

• Promoting denuclearization on the Korean Peninsula and safeguarding peace and stability in the region

(Source: Xinhua News Agency)

because of its opposition to North Korea, which has deepened hostility between the two sides.

Shi pointed out that there are three major obstacles between them: historical issues, ideological differences and the nuclear issue. He suggested the two sides shelve ideological differences to restore mutual trust. "Frictions surrounding ideological differences are much more serious than the nuclear issue," Shi noted.

Shi said there is still uncertainty on the peninsula. If nuclear and ideological issues continue to escalate, the danger of a military conflict will grow, he warned. "Washington will not allow this to go further. If North Korea keeps ignoring the persuasion of the international community, how long will it be before tougher sanctions come?"

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