

**Page Denied**

Next 1 Page(s) In Document Denied

Central Intelligence Agency



Washington, D.C. 20505

**DIRECTORATE OF INTELLIGENCE**

03 October 1988

**North Korea: Seeking China's Western Technology** [redacted]

25X1

**Summary**

North Korea is working hard to modernize its defense industry and acquire advanced weapons to counter force improvements in the South. As in the past, P'yongyang needs its Communist allies for help. Moscow has been the most responsive, but given past Sino-North Korean military cooperation, the similarities between military inventories in both countries, and the economic advantages to the North of upgrading existing equipment with new technology, we believe Beijing is also of key significance for P'yongyang. China's steady military modernization, using infusions of Western military technology, has increasingly given it the capability to offer assistance to the North Koreans--perhaps in part to offset growing Soviet influence. [redacted]

25X1

25X1

25X1

[redacted] even marginal Chinese help could be important. Although Beijing

This memorandum was prepared by [redacted] Office of East Asian Analysis with contributions from analysts in the China Division. Information available as of 03 October 1988 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Security and Technology Issues, Northeast Asia Division, OEA, [redacted]

25X1

25X1

25X1

EA M 88-20131C

25X1

Copy 36 of 65

25X1

25X1

[Redacted]

25X1

probably will refrain from offering sophisticated COCOM-controlled technology that could provoke a strong reaction from the United States, it may be less inhibited in transferring noncontrolled technology acquired from other Western sources. [Redacted]

25X1

**The North's Search for Military Assistance**

Over the years, P'yongyang has received important military assistance from its allies. Since the mid-1980s it has turned to them for help in modernizing its forces.

[Redacted] Moscow has been the major benefactor; in May 1985 the Soviets resumed deliveries of major weapons systems to the North--the first since 1973. Moscow initially provided older technology to improve air defenses, including a regiment of MIG-23 interceptors--presumably to compensate for US F-16s ordered by Seoul--and SA-3 and improved SA-2 surface-to-air missiles (SAMs), deployed around P'yongyang. Deliveries of SA-5 long-range SAMs followed, and with the arrival of SU-25 ground attack fighters in late 1987, the Soviets began delivering equipment that augments the offensive striking power of the North's ground forces. In June 1988 the Soviets provided some of their most advanced weaponry, delivering 12 MIG-29s--a formidable fighter that became operational in the USSR only four years ago.

25X1

[Redacted]

25X1

North Korea also has sought technical assistance for its military modernization effort and here again the Soviets have responded. P'yongyang signed a scientific cooperation accord with Moscow in October 1985 and concluded a new agreement in 1987. Also in 1987, North Korea signed a science and technology (S&T) agreement with Bulgaria, according to press reports. The accords will facilitate scientific exchanges, but P'yongyang may try to use them to gain access to sophisticated Western military know-how and equipment its allies already have gathered [Redacted]

25X1

[Redacted]

25X1

**China--The Record and Our Concerns**

China was a key supplier of weapons and related technology to North Korea in the 1960s and 1970s, but it appears to have been less helpful in the 1980s. In fact, [Redacted] Beijing's assistance may have peaked early in the decade. Then, China delivered 40 F-7 jet fighters and four Osa-class guided-missile patrol boats.

25X1

[Redacted]

25X1

[Redacted]

China also helped the North establish a jet fighter factory.

25X1

25X1

[Redacted]

[Redacted]

25X1

25X1

[Redacted]

25X1

[Redacted]

25X1

the consequences of Beijing providing even marginal help, [Redacted]

25X1

[Redacted] makes Chinese aid a critical issue [Redacted]

25X1

[Redacted]

25X1

25X1

Beijing may have a larger role than we have heretofore credited in the North's ongoing military modernization. Most obvious, the two nations remain allies, with a history of military cooperation dating to the Korean war. Moreover, North Korea--in this area in particular--has few places to turn to obtain equipment that matches its own or technology that might be available on the low-budget terms P'yongyang can afford. [Redacted]

25X1

25X1

From North Korea's vantage, we believe China is an attractive source of military technology for other reasons as well. Since the 1970s, [Redacted]

25X1

[Redacted] China has amassed a substantial inventory of Western military equipment and production technology, including complete weapon production factories, technical information to upgrade the capabilities of current weapon systems, and technology that has both military and civilian applications [Redacted]

25X1

25X1

China has applied this stock of weapons, production equipment, and know-how to improving a military inventory that is similar to the North's--providing P'yongyang with obvious incentives to gain access to these Chinese investments as a cost effective way to upgrade military capabilities as well as extend the life of older weapon systems. [Redacted]

25X1

25X1

[Redacted] the

25X1

North in fact sees China as a promising source of technical assistance for military modernization. [Redacted]

25X1

25X1

[Redacted]

The North Korean press also is playing up closer Chinese-North Korean technological ties--one obvious sign of the North's priorities. The North Korean media reported last December that P'yongyang and Beijing had plans to sign a long-range S&T accord. If consummated, the pact would fit an emerging pattern of North Korean agreements with Communist allies who operate successful technology acquisition programs.<sup>2</sup> [Redacted]

25X1

25X1

[Redacted]

[Redacted]

25X1

<sup>2</sup> The delay may turn on what P'yongyang hopes for and what Beijing is willing to give.

25X1

[Redacted]

25X1

[Redacted]

25X1

**What Might North Korea want from China?**

[Redacted]

25X1

we believe real military needs would turn P'yongyang toward China for help. The North is investing its own scarce resources heavily in expanding and improving the military and in supporting the defense industry, and there are a range of areas in which the Chinese could provide important aid:

- On the ground, the Chinese have made improvements in armor and mechanized forces that could boost P'yongyang's capabilities. [Redacted]

25X1  
25X1

[Redacted]

- On aircraft, the North is working hard to upgrade its firstline fighter force--mostly F-7s, China's version of the Soviet MIG-21. China's Western equipment would provide immediate benefits. [Redacted]

25X1  
25X1

[Redacted]

- At sea, North Korea is already asking the Chinese for help to upgrade naval weapons. [Redacted]

25X1  
25X1

[Redacted]

- In its defense industries, Beijing has much technology P'yongyang could use to upgrade its expanding plants. China's foreign acquisition of dual-use technology has focused on sophisticated items such as computers, telecommunications, instrumentation, machine tools, aerospace production equipment and components, microelectronics, and complex chemicals. In addition to advanced equipment, the North probably would be interested in specialized military know-how. [Redacted]

25X1

[Redacted]

25X1

25X1

**Page Denied**

[Redacted]

25X1

[Redacted]

25X1

As Moscow delivers newer weapon systems to P'yongyang, the Chinese may see several potential benefits in providing more assistance to the North Koreans. We believe they are concerned about losing their traditionally preeminent political influence in P'yongyang as well as their role as the North's principal arms supplier, inclining Beijing to view transfers of military-related technology as one way to maintain--or perhaps regain--influence with North Korea's leaders. Like apparent motives in Moscow for providing new hardware, Beijing's transfer of some technology also might serve to mollify P'yongyang in the face of growing Chinese overtures to Seoul. Finally, [Redacted]

25X1  
25X1

[Redacted] we believe Beijing may view such arrangements as partial compensation for P'yongyang's value as an intermediary in politically sensitive Chinese arms sales. Technology transfers would be one way of retaining such middleman services. [Redacted]

25X1

Against these benefits, we expect Beijing would weigh the potential fallout if Western suppliers detected a diversion of sensitive military technology. The Chinese have assured the United States they would not transfer restricted technology, and Beijing has strong incentives to keep its word. Even so, we believe the Chinese might consider the transfer of non-US origin technology. While proof that Beijing had transferred US weapon technology to North Korea could lead Washington to tighten its controls on technology sales to China, the transfer of sophisticated military technology Beijing had acquired from other sources might not entail the same apprehension. [Redacted]

25X1  
25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

**Types of Technology China Could Transfer**

China possesses a wide variety of military-related technology developed indigenously that it would be legally free to transfer, such as Silkworm missiles, F-8 aircraft, and perhaps turbines or nozzles for use in SCUD missiles. Defense technology acquired abroad, however, may or may not carry explicit caveats that specify how the technology is to be used or under what conditions, if any, it can be transferred to third countries.

[Redacted]

25X1  
25X1

[Redacted]

[Redacted]

25X1

On balance, we believe the Chinese would not be averse to transferring some sensitive technology to North Korea. We doubt Beijing would offer sophisticated COCOM-controlled technology that could bring a strong reaction from the United States.

[Redacted]

25X1

[Redacted]

25X1

25X1



**Page Denied**

Next 4 Page(s) In Document Denied

[Redacted]

25X1

NORTH KOREA: SEEKING CHINA'S WESTERN TECHNOLOGY

[Redacted]

25X1

DISTRIBUTION:

**SENIOR POLICYMAKERS**

- COPY 1 MICHAEL ARMACOST, UNDER SECRETARY FOR POLITICAL AFFAIRS, RM 7240,
- COPY 2 DONALD GREGG, ASSISTANT TO THE VICE PRESIDENT FOR NATIONAL SECURITY, RM 298,

**DEPARTMENT OF STATE**

- COPY 3 WILLIAM CLARK, JR., DEPUTY ASSISTANT SECRETARY FOR EAST ASIAN AND PACIFIC AFFAIRS, RM 6205,
- COPY 4 HARRY DUNLOP, DIRECTOR, OFFICE OF KOREAN AFFAIRS, RM 5313,
- COPY 5 ROBERT SUETTINGER, DIRECTOR, OFFICE OF ANALYSIS FOR EAST ASIA AND PACIFIC, RM 8840,
- COPY 6 BILL NEWCOMB, INR/EC/CER, RM 8442,
- COPY 7 JOHN MERRILL, INR/EAP, RM 8840,
- COPY 8 MARK FITZPATRICK, EAP/K, RM 5313,
- COPY 9 PETER ITO, PM/ISP, RM 7424,

**NATIONAL SECURITY COUNCIL**

- COPY 10 JAMES A. KELLY, SPECIAL ASST TO THE PRESIDENT & SR. DIR. FOR ASIAN AFFAIRS, RM 493,

**DEPARTMENT OF DEFENSE**

- COPY 11 DR. KARL JACKSON, DEPUTY ASSISTANT SECRETARY FOR EAST ASIA AND PACIFIC AFFAIRS, RM 4E817,
- COPY 12 RADM TIMOTHY W. WRIGHT, DIRECTOR, EAST ASIA AND PACIFIC REGION, INT'L SECURITY AFFAIRS, RM 4C839,
- COPY 13 WALLACE KNOWLES, OASD/ISA/EAPR, RM 4C840,
- COPY 14 LTC JOE FLANTZ, HQDA (DAMI/F11/NORTHEAST ASIA), RM 2A474,

[Redacted]

25X1

- COPY 17 COL. STEVEN DELP, DB-2D, RM C2951,
- COPY 18 MAJ GEN CHARLES BROWN, DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY, RM 4B714,
- COPY 19 LTC GEORGE R. FISHER, DOD/OJCS/J-5/NORTHEAST ASIA, RM 2D977,

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

COPY 21 NEAL MARCOT, FOREIGN INTELL & SECURITY BR., ITAC/AIA, RM 6S1200,,  
COPY 22 PHIL O'GRADY, NPIC/IEG/EAD/KB, RM 4N102,

[Redacted]

25X1

COPY 24 GUY ARRIGONI, DE-2, RM B6823.

[Redacted]

25X1

COPY 26 LTC. RICH FISCHER, OJCS/J-5/NE ASIA/KOREA DESK, RM 2D977,  
COPY 27 COL. JAMES MORGAN, JR., DIRECTOR FOR FOREIGN INTELLIGENCE, RM  
B7940,

COPY 28 COL. NED MURATA, DOD/OJCS/J-5/NORTHEAST ASIA, RM 2E973,

[Redacted]

25X1

[Redacted]

25X1

**INTERNAL**

- COPY 31 NIO, EAST ASIA, RM 7E62,
- COPY 32 NIO, ECONOMICS, RM 7E47,
- COPY 33 CHIEF, PPS/DO, RM 3D13,
- COPY 34 CHIEF, EA [Redacted] RM 5D26,
- COPY 35 CHIEF, OEA/NEA/JAPAN, RM 6P37,
- COPY 36 CHIEF, OEA/NEA/KOREA, RM 6P37,
- COPY 37 CHIEF, OEA/NEA/STI, RM 6P17,
- COPY 38 CHIEF, OEA/NEA/DIVISION, RM 6P37,
- COPY 39 CHIEF, OEA/CHINA DIVISION, RM 6N25,
- COPY 40 CHIEF, OEA/SEA DIVISION, RM 6S47,
- COPY 41 CHIEF, OEA/PRODUCTION, RM 6N07,
- COPY 42 DIRECTOR, OFFICE OF EAST ASIAN ANALYSIS, RM 6Q32,
- COPY 43 CHIEF, OGI/FSIC/PI, RM 2G28,
- COPY 44 CHIEF, FBIS/ANALYSIS GROUP, RM 4S29,
- COPY 45 DDI, RM 7E44,
- COPY 46 SENIOR REVIEW PANEL, RM 7B42,
- COPY 47 OCA REGISTRY, OFFICE OF CONGRESSIONAL AFFAIRS RM 7B24,
- COPY 48 PDB STAFF, RM 7F30,
- COPY 49 CHIEF, LDA/EAD/AB, RM 1H18,
- COPY 50- 55 CONTROL BRANCH, OFFICE OF CURRENT PRODUCTION AND  
ANALYTIC SUPPORT, RM 7G07,
- COPY 56 INTELL. SUPPORT STAFF, OFFICE OF CURRENT PRODUCTION AND  
ANALYTIC SUPPORT, RM 7G50,
- COPY 57 INTELL. LIAISON STAFF, OFFICE OF CURRENT PRODUCTION AND  
ANALYTIC SUPPORT, RM 7G50,
- COPY 58 CHIEF, OIR/DSD/DB, RM GE47,
- COPY 59 [Redacted] OIA/TWFD/AB, RM 3N100-32,
- COPY 60 CHIEF, PRODUCT EVALUATION STAFF, RM 2F42,
- COPY 61 NIC, ANALYTIC GROUP, RM 7E47,
- COPY 62 CHIEF, DDO/EA DIVISION, RM 5D00,

25X1

25X1

[Redacted]

25X1

25X1

[Redacted]

25X1

COPY 63 CHIEF, DDO/EA, [Redacted] RM 5C45,  
COPY 64 CHIEF, DDO/EA, [Redacted] RM 5C19,  
COPY 65 CHIEF, DDO/EA, [Redacted] RM 5C19,

25X1

[Redacted]

25X1

25X1