

APPROVED FOR RELEASE
DATE: JUL 2006

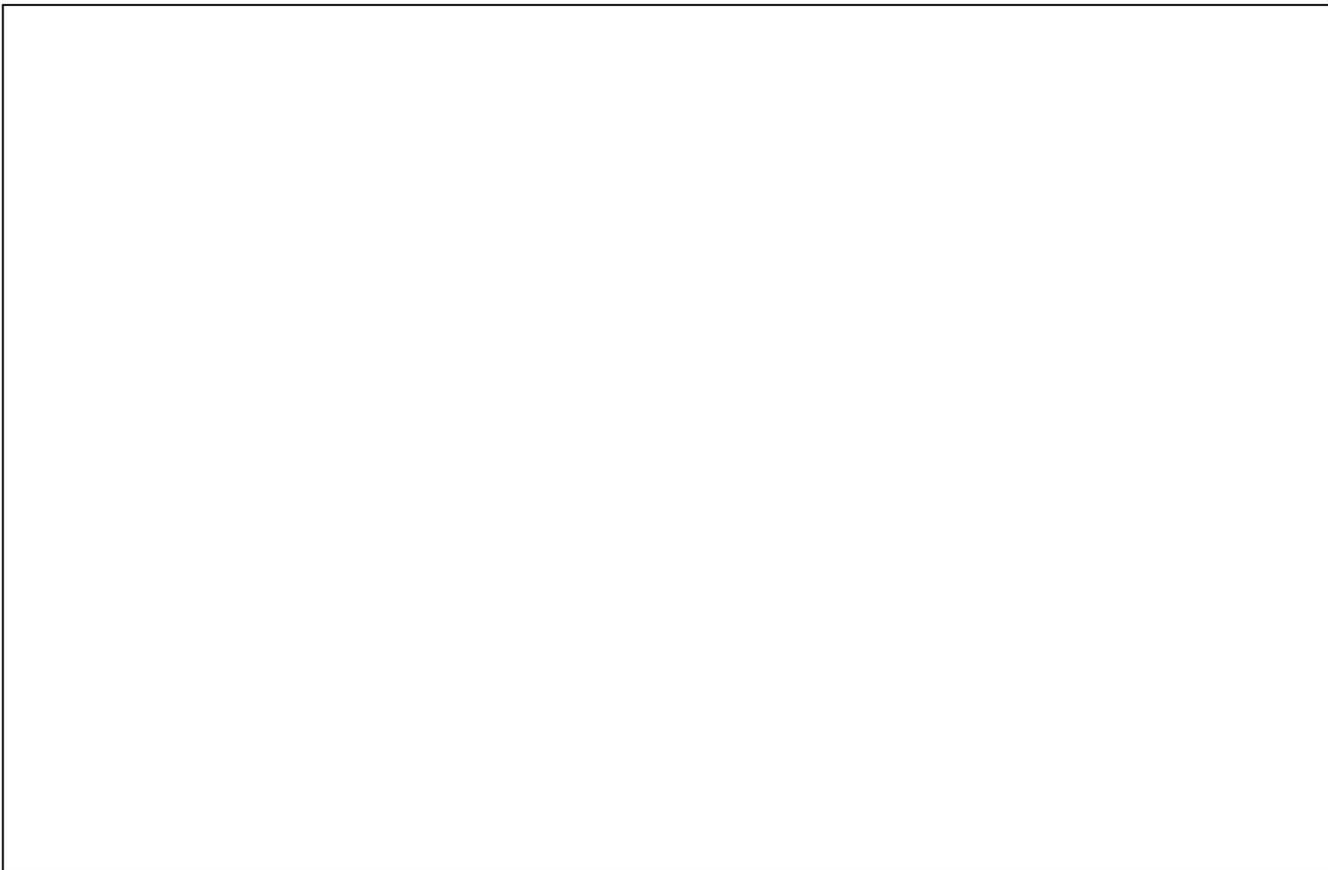
Senior Executive Intelligence Brief

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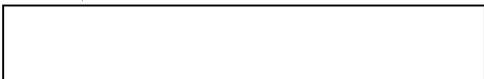
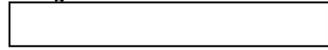
The SEIB must be returned to CIA within 5 working days



Friday, 28 July 2000



~~Top Secret~~



~~Top Secret~~
28 July 2000



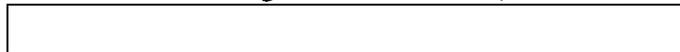
Sense of the Community Memorandum

Koreas:

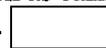
Short-Term Outlook for North-South Relations



Intelligence Community analysts expect North and South Korea to make modest progress in the next few months on economic and humanitarian issues, sustaining the positive momentum in relations following last month's summit. Both governments remain pleased with the positive results of last month's meeting for their respective interests, and there is little likelihood of significant backsliding or divergence in the near term.

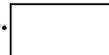


- An unintended military clash or incident could occur, but both governments probably would strive to limit the consequences in the interest of preserving a stable environment.
- A sudden downturn in the health of either Korean leader or a possible surprise initiative from Kim Chong-il—such as calling for tripartite peace talks—could change the outlook.

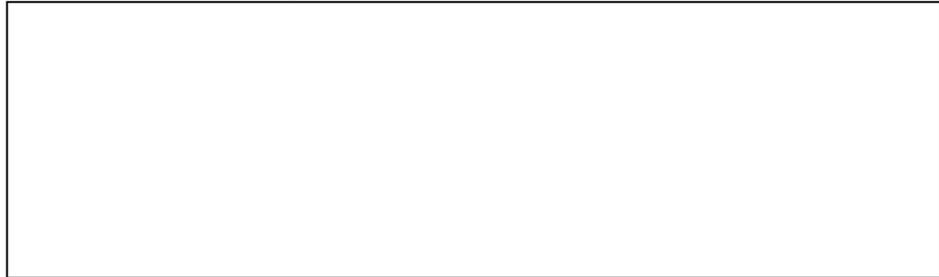


Presidents Kim Chong-il and Kim Dae-jung intend to build on the positive postsummit atmosphere. North Korea has improved its image and increased its international leverage in seeking economic advantage by opening to South Korea, Japan, and the West. For its part, the South Korean Government has gained greater popular support and domestic political strength.

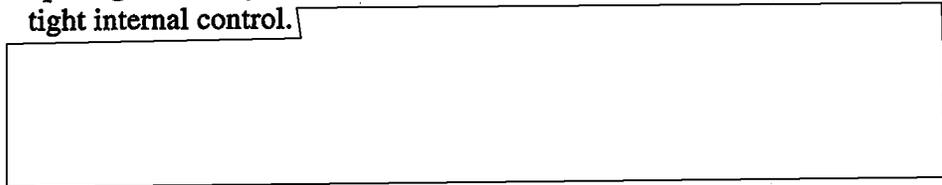
- Closer economic ties and cultural and sports exchanges are often mutually advantageous and noncontroversial; they probably will advance on a case-by-case basis, depending in part on the South Korean Government's willingness to provide economic and other support and North Korea's flexibility in allowing greater contacts with the South.
- Indicators of progress include South Korean support for North Korea's ailing electric power grid and North Korean approval of proposed South Korean industrial parks.



Visits between some divided families and return to the North of prisoners held in South Korea probably will proceed in the next few weeks. Active planning and official contacts on future initiatives also will continue, although neither side currently shows interest in meaningful steps toward reunification.



Both sides hold long-term contradictory objectives. North Korea's economic opening eventually will run counter to the regime's intention to maintain tight internal control.



— China and Russia seem pleased with recent developments that strengthen their profile in Korean affairs.

