

House of Commons Defence Committee

Rash or Rational? North Korea and the threat it poses: Government Response to the Committee's Fourth Report

Seventh Special Report of Session 2017–19

Ordered by the House of Commons to be printed 12 June 2018

HC 1155 Published on 13 June 2018 by authority of the House of Commons

The Defence Committee

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Seventh Special Report

On 5 April 2018, the Defence Committee published its Fourth Report of Session 2017–19 [HC 327] on *Rash or Rational? North Korea and the threat it poses*. The response from the Government was received on 5 June 2018. The response is appended to this report.

Appendix: Government Response

The Government welcomes the House of Commons Defence Committee's report into the threat posed by North Korea. It continues to take the threat posed by North Korea very seriously. It recognises that North Korea's nuclear and ballistic missile capabilities are a serious threat to international peace and security.

Since the publication of the report, Kim Jong Un has become the first North Korean leader since the Korean War to enter South Korea, for a summit with Republic of Korea President Moon Jae In at the Peace House at Panmunjom. The summit concluded with a signed joint statement in which the two leaders committed to working towards the goal of a denuclearised Korean peninsula, improving inter-Korean relations and working towards a Peace Treaty to end the Korean War. Kim Jong Un also agreed to hold a summit with US President Donald Trump to discuss denuclearisation on 12 June in Singapore. Though officially cancelled by Trump on 24 May in response to North Korean statements, dialogue between the US and North Korea has been maintained and preparations for the summit continue.

The UK Government welcomes the move towards dialogue and diplomacy. We hope that this indicates that Kim Jong Un has recognised that only by changing course can North Korea achieve the security and prosperity it claims to seek. However, the inter-Korean summit is only the beginning. Until Kim Jong Un matches his words with concrete actions towards the complete, verifiable, and irreversible denuclearisation of North Korea, we will keep up the international maximum pressure campaign in conjunction with our partners.

The Government's formal response to the Committee's recommendations and conclusions is set out below. The Committee's findings are in bold, with the Government's responses in plain text. For ease of reference, paragraph numbering follows that in the "Conclusions and Recommendations" of the Committee's report.

Conclusions and recommendations

The North Korean nuclear threat

(1) It is a reasonable assumption that North Korea can already reach the UK with ballistic missiles which could potentially carry nuclear warheads. In any case, it is almost certain to be able to do so within the next six to 18 months if it continues its programme at the current rate of development. North Korea has made significant advances in its nuclear weapons development programme over the last two years. It is widely believed that North Korea can now launch short-range ballistic missiles capable of hitting targets in the region. North Korea has, however, yet to demonstrate that it has successfully tested the

remaining elements required for full Inter-Continental Ballistic Missile (ICBM) capability, such as re-entry vehicle technology or the miniaturisation and integration of nuclear warheads with its ICBMs. (Paragraph 17)

It is clear that North Korea has made significant progress both in its nuclear warhead and ballistic missile programmes and that these pose a threat to international peace and security. That is why the UK Government is proactively supporting the maximum pressure campaign as a means of convincing the Democratic Republic of North Korea (DPRK) regime to change its course and abandon its illegal nuclear and missile programmes. We hope that Kim Jong Un's decision to hold direct talks with President Trump indicates that he is ready to stop the development of his nuclear and ballistic missile capabilities and commit to a process of complete, verifiable and irreversible denuclearisation. However, until North Korea backs up its words with concrete actions, we will continue to apply pressure and strictly enforce sanctions.

(2) We also believe that North Korea's nuclear programme may lead to nuclear proliferation—both to other states and to non-state organisations that are hostile to the UK. North Korea has shown no qualms about selling conventional arms to anyone, in its pursuit of hard currency, and sales of nuclear weapons technology could prove very profitable. We recommend that the UK Government should set out what actions it will take to prevent North Korea from selling its nuclear technology. (Paragraph 18)

The UK's approach to countering proliferation is focused on preventing the spread of chemical, biological, radiological and nuclear capability or advanced military technology, which could threaten global or regional stability. The UK, not least as a permanent member of the UN Security Council, is responsible for helping to uphold the rules-based international order that helps to safeguard international security against proliferation-related risks. The rules-based international order must continue to adapt to a changing world. We will therefore work with allies and partners to strengthen and adapt existing institutions and rules so that they remain both representative and effective. This includes upholding the norms established by the Nuclear Non-Proliferation Treaty (NPT), which has underpinned peace and security for decades.

Our support for UN Security Council Resolutions (UNSCRs) and autonomous sanctions measures through the EU are a crucial part of our strategy to limit the DPRK's development and proliferation of nuclear technology. The UN and EU sanctions have greatly reduced the hard currency income that the North Korean regime receives and devotes to its pursuit of illegal nuclear and ballistic missile programmes.

We have played an active role not only in designing and securing the adoption of sanctions measures but in worldwide enforcement as well. We have provided information and capacity building to third countries that struggle with implementation, supported the work of the UN Panel of Experts in Africa and Asia, and deployed Royal Navy ships to the Asia-Pacific region to assist in the maritime enforcement of sanctions.

(3) We agree with the UK Government's view that North Korea has shown no sign hitherto of wishing to target the UK with nuclear weapons. (Paragraph 24)

The Government notes the Committee's conclusion which correctly reflects our view.

Responding to a potential North Korean nuclear threat

(4) The international community has strongly condemned North Korea's actions in developing nuclear weapons and has imposed increasingly severe economic sanctions. Even countries historically allied to North Korea, such as China, have supported international actions to put pressure on North Korea to abandon its nuclear programme. (Paragraph 30)

China has a vital role to play in persuading North Korea to abandon its nuclear and ballistic missile programmes. We urge them to continue to use their unique influence and economic leverage over Pyongyang. China has lent its influential voice to the universal condemnation of North Korea and has supported all UNSCRs, including UNSCR 2397, which significantly strengthened sanctions, in December 2017.

It is important that all countries fully and rigorously enforce the measures contained in UN Security Council resolutions. China has said it will cap exports of petroleum products, send back overseas DPRK workers by December 2019, and stop importing North Korean coal, iron ore, seafood and other goods under the UN sanctions. It has given notice to its banks and joint ventures with DPRK to curtail business with Pyongyang and appears to have stopped issuing new visas for DPRK overseas workers. We will continue to urge China to apply sanctions and maintain international unity around maximum pressure while dialogue is taking place.

Russia also has a special responsibility as a neighbour of North Korea, with influence over Pyongyang and as a permanent member of the UN Security Council, to preserve international peace and security.

(5) Inadequate enforcement of sanctions has, however, significantly limited their impact on North Korea's economy. Successive United Nations reports show how North Korea has been able to bypass sanctions, often assisted by lax enforcement on the part of certain countries. We recommend that the Foreign and Commonwealth Office should set out what steps it has taken to encourage other countries to enforce—in full—the agreed sanctions against North Korea. (Paragraph 31)

The UK, alongside like-minded partners, is actively working with the international community to ensure the urgent and comprehensive enforcement of UN Security Council sanctions. We are doing so through the UN, the EU, and our wider diplomatic network.

We continue to support the work of the UN Panel of Experts by consistently raising, at the highest levels, with third countries, their obligations as UN Member States to cooperate with the Panel's investigations and to take immediate action to effectively implement UNSCRs. These conversations have put countries that are failing to implement sanctions on notice. Their relationships with key global partners and their international reputations are at stake.

We meet regularly with like-minded partners to coordinate sanctions enforcement in various sectors, including maritime and financial enforcement.

Where possible, we work with host governments to improve their capacity to implement sanctions, whether by providing information on possible violations and areas for improvement, or funding technical training. To give one example, the Counter-Proliferation and Arms Control Centre (a joint Foreign and Commonwealth Office/ Ministry of Defence/Department for Business, Energy and Industrial strategy/Department for International Trade) funded a project in 2017–2018 to provide training on counterproliferation financing to government officials and banking representatives in Indonesia and Malaysia.

(6) The United States and South Korea are leading the efforts to resolve the crisis with North Korea, but the UK clearly has a role to help reduce tensions in the region. It has, for example, strong diplomatic relationships with the US, South Korea and Japan, and its Embassy in North Korea provides avenues for communication with North Korea and for the gathering of information. (Paragraph 46)

As a permanent member of the UN Security Council, E3 and G7, we have worked to maintain unity behind the maximum pressure campaign, both when tensions spiked in 2017 and following the warming of inter-Korean ties in 2018. The international pressure campaign has helped to create the conditions for the inter-Korean leaders' summit and the possibility of direct talks between Kim Jong Un and President Trump. We believe that pressure should only be reduced in response to concrete actions from the DPRK. Our Embassy in Pyongyang and our strong ties with key players have shaped the Government's overall approach to DPRK.

(7) We welcome the resumption of talks between North and South Korea and potentially with the United States, although we remain unconvinced that these will really result in North Korea's denuclearisation. We nevertheless consider that continued North Korean engagement with the US and South Korea offers the best chance to de-escalate tensions and potentially lead to a resolution. We recommend that the Foreign and Commonwealth Office should continue with its diplomatic efforts to help resolve the crisis, including promoting dialogue. (Paragraph 47)

The Government welcomes the prospect of direct talks between Kim Jong Un and President Trump on denuclearisation. We also welcome the outcomes of the inter-Korean leaders' summit on 27 April and Kim Jong Un's pledge to refrain from any further nuclear or missile tests while dialogue continues.

We hope these events mean that Kim Jong Un has heeded the clear message that only a change of course can bring North Korea the security and prosperity it claims to seek.

It is encouraging that Kim Jong Un is engaging with other world leaders. His visit to Beijing is a positive step, particularly President Xi's message to Kim to commit to denuclearisation.

However, until North Korea matches its words with concrete actions we will continue working with our international partners to keep up pressure and strictly enforce existing sanctions. The aim of sanctions and pressure has been to bring the DPRK to the negotiating table and secure, through negotiations, its complete, verifiable and irreversible denuclearisation.

(8) On the basis of experience, it seems unlikely that North Korea will move towards denuclearisation at this late and highly advanced stage. If it proceeds

on its present course, then the world will have to consider whether to recognise North Korea as a de facto nuclear power in the future and, from that point, establish whether or not a policy of military containment and nuclear deterrence will prove to be as successful with North Korea's totalitarian rulers as it has been with other Communist regimes. (Paragraph 52)

During the inter-Korean leaders' summit held on 27 April, Kim Jong Un and President Moon agreed their shared commitment to achieving a nuclear-free Korean peninsula, to agreeing a formal end to the Korean War, and to enhancing inter-Korean ties. Kim has indicated that he is prepared to discuss denuclearisation with President Trump. The announcement by the DPRK on 21 April that they will discontinue testing of nuclear weapons, mid and long-range ballistic missiles, and ICBMs, and close a nuclear testing site, is a positive step. However, until the DPRK matches its words with concrete actions, we will continue working with our international partners to keep up maximum pressure and strictly enforce sanctions. The pressure campaign is designed to ensure that the DPRK sees its interests as being best served by giving up its nuclear ambitions.

(9) We consider that Kim Jong-un can be dissuaded from the use of nuclear weapons, by means of a policy of deterrence and containment, both now and after North Korea achieves its goal of acquiring nuclear-armed ICBMs. North Korea seeks such weapons both for prestige and regime preservation. We believe it is obvious to North Korea that launching such weapons would lead inescapably to devastating military consequences from the US, South Korea and other countries too. It would result in the downfall—indeed the annihilation—of the regime: the polar opposite of what Kim Jong-un is seeking to achieve. He is ruthless, like other Communist dictators before him, but he is rational. We recommend that the Government should encourage the US and other allies to spell out very clearly to North Korea the West's policy of deterrence and containment—and underline the consequences North Korea will face, if it ever launches a nuclear weapon. (Paragraph 53)

The DPRK stands alone as the only country to announce its withdrawal from the NPT. When it signed the NPT, it forswore the pursuit of nuclear weapons. Despite having made past commitments not to develop or manufacture nuclear weapons on a number of occasions, it has continued to pursue a nuclear weapons programme in violation of UN Security Council resolutions.

The international community has been clear in its condemnation of North Korea's nuclear and missile programmes and has sought to halt their development. As the regime's nuclear and missile programmes have continued and its capabilities have evolved, so too has our approach. We will keep our strategy and approach under constant review, working closely with allies and partners.

We remain committed to achieving the goal of a denuclearised North Korea, and we are focused on helping to create the circumstances in which negotiations have the best chance of success.

The North Korean cyber threat

(10) North Korea has shown that it has both the ability and intent to conduct cyberattacks around the world, whether for financial gain or in response to perceived slights against its leader. It has also demonstrated a level of sophistication which makes it one of the world's most advanced cyber powers. (Paragraph 66)

The UK Government takes the cyber threat posed by North Korea very seriously. We have already seen North Korean actors employ cyber in their efforts to circumvent sanctions. The UK has robust resources to protect and defend against a number of cyber threats and we are working to strengthen our defence against increasingly sophisticated attacks. As this report recognises, the Government has created the National Cyber Security Centre (NCSC) and committed £1.9 bn to cyber security over 2016–2021. We continue to work closely with allies and multinational institutions to share information about common cyber threats and ensure we are able to continue operating effectively.

(11) It is likely that North Korea has already successfully attacked the UK with the Wannacry ransomware, although we agree with the Government that the UK was probably not intended to be the principal target. Nevertheless, the Wannacry attack highlighted basic vulnerabilities in UK information technology systems. With North Korea unconcerned by who gets hurt when it lashes out, the UK will continue to be at risk from North Korean cyberattacks. (Paragraph 67)

We have seen in the past year attempts by North Korean actors to employ cyber in their efforts to circumvent sanctions. The WannaCry ransomware, assessed by the National Cyber Security Centre to be the work of North Korean actors the Lazarus Group, was one of the most significant cyber-attacks to affect the UK, in terms of both scale and disruption. The reckless and indiscriminate nature of these attacks poses a threat to all countries.

The UK has robust resources to protect and defend against a number of cyber threats.

We cannot stop every cyber-attack, but the UK has a world-leading National Cyber Security Strategy (NCSS), designed to improve our cyber resilience against all threats. The Government has created the NCSC and committed £1.9 bn to cyber security over 2016–2021. Whilst the NCSC is the lead organisation, the MOD has the ability to augment their response with our own highly trained staff.

(12) We welcome the Government's continued investment in countering the growing cyber-threat to the UK, not only from North Korea, but also from other states and from non-state organisations. £1.9 billion has already been allocated to improve the cyber-defences of both public and private bodies and the Joint Committee on the National Security Strategy is examining how some of this funding may be improving the cyber-security of the UK's critical national infrastructure. It is also expected that the Government will announce further investment following the National Security Capability Review and the (now separate) defence review, the Modernising Defence Programme, both of which are expected to be published later this year. (Paragraph 76)

The Government's report on the National Security Capability Review has now been published, and includes a chapter on cyber capability. It can be accessed here: <u>https://</u>www.gov.uk/government/publications/national-security-capability-review-nscr.

The Modernising Defence Programme (MDP) aims to strengthen the Armed Forces against the harder threats that we and our allies now face, so that we can secure competitive advantage over our potential adversaries across all domains of conflict: land, sea, air, space and cyber. The MDP is still in the evidence gathering and analysis phase: no investment decisions have been taken.

(13) However, this additional funding must not be at the expense of conventional forces. As we have already highlighted in our report on the Royal Marines, the Government has an inescapable duty to ensure that there are sufficient funds to meet the new and intensified threats in addition to pre-existing threats which have not gone away. New threats require new investment, rather than simply seeking to 'balance the books' by sacrificing conventional capabilities. We would strongly recommend—indeed, we must insist—that the UK Government finds this additional cyber funding from outside the existing defence budget. (Paragraph 77)

The MDP is designed to ensure that the Armed Forces are strengthened against all the threats that we now face. We recognise our forces need to be able to operate in a range of combat environments and across all domains, including land, sea, air, space and cyber. However, the MDP is still in the evidence gathering and analysis phase and therefore no investment decisions have been taken, including on investment in cyber capabilities.

(14) In addition to its growing nuclear and cyber capabilities, North Korea continues to possess a very substantial army, as well as biological and chemical agents which could inflict severe casualties in the South. Although these capabilities do not directly threaten the UK, they remain significant threats to the region in the event of a conflict. (Paragraph 83)

The Government recognises that North Korea possesses a very substantial army but also that, in many areas, their capability is limited by ageing equipment. Notwithstanding this, we agree that the force, which is stationed mostly along the demilitarised zone, could pose a significant threat to South Korea. The threat of biological and chemical weapons is something that the UK Government takes very seriously. We recognise that this is a threat that could develop with little or no warning, including in a conflict scenario.

(15) There is potential for conflict in the region, most likely as a result of miscalculation by either side. However, the UK has no legal obligation to provide military assistance if countries in the region are attacked by North Korea. The UK Government might still decide to undertake military action, but it would clearly need to be satisfied first of the legality of such action, such as under the terms of an agreed UN resolution. But, if hostilities were initiated by North Korea, it is difficult to see the UK standing aside. (Paragraph 90)

The UK remains fully committed to seeking a diplomatic solution. The UK is working with partners and seeking to maximise pressure on North Korea through the UN, EU, and our global lobbying. We welcome any steps that could reduce the risk of miscalculation.

(16) Any UK military involvement in this theatre is not going to be decisive. However, the UK might be able to provide significant offensive cybercapability or relieve US forces from commitments outside the region, should the need arise. (Paragraph 99)

The Government agrees with the Committee's finding that any UK military involvement in this theatre is not going to be decisive. However, questions regarding the UK contribution in the event of conflict are purely hypothetical. The UK is working intensively with international partners in pursuit of a peaceful diplomatic resolution to tensions in the region. In the event of a request for contribution to military action, the UK would carefully consider all relevant factors before taking any decisions. The UK would equally give careful consideration to any request to backfill US force commitments in other theatres. The UK would not participate in any use of force before being satisfied that there was a lawful basis on which to do so. The UK has a full spectrum of capabilities that it can bring to bear where it is appropriate and lawful to do so.

(17) It is most likely that UK military assistance would be needed for evacuating UK citizens in the region, in the event of a conflict. We welcome the fact that the UK Government has evacuation plans in place to meet such a contingency. We recognise, however, that there would be almost insuperable challenges for any evacuation to succeed if the UK further reduced its amphibious capability, by deleting HMS Albion, HMS Bulwark, or both. We recommend that the MoD should continue to update its evacuation plans as the situation further develops. The MoD should also provide us with a categorical assurance that, as part of its Modernising Defence Programme, it has now fully understood the essential role of amphibious capability in conducting civilian evacuations, as well as inserting troops from the sea. (Paragraph 103)

The Government maintains a range of contingency plans for evacuation to protect its citizens overseas, which are regularly reviewed and updated. These plans make provision for a range of scenarios and are not dependent on the availability of a single defence asset or capability.

The Government has consistently acknowledged the UK's international standing in the area of amphibious warfare, and the contribution made to that reputation by the Royal Navy and the Royal Marines. This is why the Government remains committed to ensuring the future of the amphibious warfare element within our future force structures. The Government notes the Committee's opposition to the withdrawal of the Royal Navy Albion Class Landing Platform Docks (LPD). Defence is constantly reviewing future capability requirements and recognises the utility of littoral manoeuvre. As the Committee would expect, at this early stage of the MDP, all elements of the force structure remain in scope for modernisation. However, any speculation regarding the deletion of the Albion Class LPDs does not represent the official position of the Department, nor does it reflect the ongoing requirement for the wider utility and capabilities provided by those ships.