

# DPRK Business Monthly

Volume 1, No. 3, April 2010

As a rich man is likely to be a better customer to the industrious people in his neighbourhood than a poor, so is likewise a rich nation. [Trade embargoes] by aiming at the impoverishment of our neighbours, tend to render that very commerce insignificant and contemptible.

Adam Smith, Wealth Of Nations

## International

### **Russian Firm to Connect Rajin with Transiberian Line**

RZDstroy, a subsidiary of the Russian corporation RZD, has signed a contract with Rasonkontrans, a joint venture between RZD and the DPRK Ministry of Railways, to carry out reconstruction of the railway line connecting Hasan with Tumen, Rajin and the port of Rajin.

When completed, the railway line will connect Rajin Port with the Transiberian Railway, and give it access to Western European ports and other destinations.

According to the agreement, RZDstroy will prepare the roadbed and lay superstructure on the section between Unchan and Kwangok (15.7 km) and at two stations of this section, erect facilities on all sections, including 14 bridges, and arrange communication systems.

Two construction teams from RZDstroy and Korean builders will participate in the work.

Rasonkontrans was created with the participation of RZD Trading House (It owns 70% of the company's capital) in 2008. It is registered in North Korea, in the Rason Special Economic Zone, for 49 years. According to the agreement, the Russian side will make the investment, and the North Korean side will keep the property rights for the port (the 3rd berth and the adjacent territory).

The joint venture will oversee the railway reconstruction, the construction of a container terminal at the port of Rajin with a potential capacity of up to 400,000 containers of a 20-foot equivalent (TEU) per year, as well as the further maintenance

of this infrastructure.

## **Two More Hydro Dams for Yalu River**

The DPRK and China are to build two more hydro-electric dams on the Yalu River, which marks part of their border, according to China's Xinhua News Agency.

The dams will cost a total of 1.1 billion yuan (about US\$161 million) and generate a combined 308 million kwh of electricity when completed.

Xinhua said one dam would be built at Wangjianglou and the other at Changchuan, in northeast China's Jilin Province.

Electricity from the dams will help "drive economic growth in Jilin and North Korea," it added.

Construction is set to begin this year.

## **Foundation Spurs Academic Exchanges with NK**



Choson Exchange, a non-profit foundation pioneering academic and educational Cooperation between universities in the DPRK and other parts of the world, has offices in Singapore and Boston, USA. It encourage interaction through sharing educational resources, arranging university visits, and providing training in the business, legal and economic fields to promising North Koreans (under the age of 40).

The foundation works in cooperation with the DPRK's Committee for Cultural Relations with Foreign Countries and Pyongyang-based universities. Its Organizing Committee is present and coordinates activities in the Greater China region, Southeast Asia and Europe.

Choson Exchange's current programs are as follows:

The Pyongyang Lecture Series: an annual training program for DPRK government officials, managers and academics on topics related to business, economics, finance, law and management with the focus on encouraging international trade. Topics for 2010 focus on finance and will be conducted by economists/industry experts/academics from the United States and Singapore.

Kim Il Sung University Student Exchange: a program for students and faculty from foreign universities to visit Kim Il Sung University and other academic institutions in the DPRK to build contacts between peers. The proceeds from this program fund the foundation's training programs.

North Korean Students Abroad: efforts to develop new channels and opportunities for promising North Korean students and young professionals to study abroad and attend international conferences.

Architecture, Humanities & Public Health: Choson Exchange is looking to promote two-way exchanges and knowledge sharing in non-traditional fields. In 2009 it worked with Pyongyang and Singaporean architects to share architectural knowledge and to reach out to North Korean city planners.

Next Generation Leaders: efforts to involve young, promising and entrepreneurial individuals outside North Korea to cultivate the next generation of leaders in the DPRK.

## **NK-China Trade Tops US\$300 Million**

Bilateral trade between North Korea and China in the first two months of this year reached US\$301 million-worth, surpassing the US\$300-million mark for the first time. The rise is attributed to a dramatic surge in North Korea's imports from China in January and February compared to the same period in 2009, to US\$229 million-worth, according to China's commerce ministry.

The ministry announced that the DPRK's imports from China totaled US\$112 million-worth in January, up 31 percent year-on-year, and US\$117 million-worth in February, an increase of 28 percent year-on-year.

## **Indian Steelmaker in P'yang Talks**

A delegation from Global Steel Holdings Ltd of India, led by its chairman, Pramod Mittal, visited North Korea at the beginning of April. Pramod Mittal is the younger brother of Lakshmi Mittal, chairman and CEO of the world's leading steelmaker ArcelorMittal.

The Economic times of India speculated that the company is interested in a stake in the DPRK's Musan iron ore mines, estimated to hold reserves of more than seven billion tons and valued by South Korea's Ministry of Commerce and Industry at more than US\$1.5 trillion.

According to the newspaper, Global Steel could be negotiating with Pyongyang for development rights to Musan for a fixed period, during which Global Steel would build infrastructure, do the mining and get to buy an agreed portion of the reserves. Typically in the mining industry, such development rights are for periods of 20 to 50 years.

At present, China is the biggest investor by far in the DPRK's abundant minerals sector. Pyongyang is anxious to diversify its sources of investment as well as customers.

## **``Europe May Drop Ban on Air Koryo''**

The European Union is expected to relax its four-year ban on the North Korean state carrier, Air Koryo, from all operations in its member states, according to a source at the European Commission.

Air Koryo has been on the EU's blacklist of airlines failing to meet international safety standards since the list was first put together in 2006. Currently, five individual carriers, including Air Koryo, and all carriers from 15 countries -- 228 companies in total -- are on the blacklist. The EU's Air Safety Commission met in late March to review the list, and recommended that the restrictions on the North Korean airline be relaxed to "Annex B," which means that the carrier can operate in the region under "specific conditions," the Commission said.

Air Koryo officials attended the March meeting to brief the commission on the safety measures they had taken so far.

## **Inter-Korean**

### **NK to Seize 5 ROK Kumgang Properties**

Pyongyang announced April 23 that it will confiscate five South Korean-owned properties at the jointly-operated resort at Mount Kumgang, on its side of the DMZ, according to the official Korean Central News Agency.

``The confiscated real estate will be put into the possession of the (North) or handed over to new businessmen in accordance with legal procedures," KCNA said. The five properties are a fire station, a duty-free shop, a reunion center for families separated by the 1950-53 Korean War, a cultural center where North Korean troupes performed for tourists and a spa. The North also said it will freeze ownership of all the remaining South Korean real estate in the resort and expel all their management personnel.

The new partners are widely expected to be Chinese enterprises.

The two Koreas started the tour program more than a decade ago as part of reconciliation efforts on the divided peninsula. But as relations soured with the south's government of President Lee Myung-bak, and the south's suspension of cross-border tours in 2008 following the shooting death of an ROK tourist, these efforts have fizzled.

Tours to the DPRK city of Kaesong, home to an N-S joint economic zone, have also been suspended KCNA said, adding that the government will also re-examine the operations of the Kaesong Industrial Complex.

The DPRK will replace the Seoul-based Hyundai Asan Corp. as operator of the Mount Kumgang resort as the agreement is no longer valid, KCNA said.

Economic losses at Mount Kumgang are “enormous” because of the “long suspension,” the North’s General Guidance Bureau for the Development of Scenic Spots said in a statement. “The confiscation of all real estate and facilities of the south side in the tourist zone would not be enough to compensate for them.”

Bloomberg News reported that shares of closely held Hyundai Asan’s affiliates dropped in Seoul trading, following the news. Hyundai Merchant Marine Co., the biggest shareholder of Hyundai Asan, dropped 2.1 percent, headed for the lowest since February 19. Hyundai Elevator Co. fell 1.7 percent, while Hyundai Securities Co. lost 3.8 percent.

## **Why the Sunshine Policy Made Sense**

By James P. Hoare

[James P. Hoare was Britain's chargé d'affaires to the DPRK 2001-2002. Hoare opened the British Embassy in Pyongyang. For the full version of this edited article: (<http://www.38north.org/>)

Since the Lee Myung-bak government took office in the Republic of Korea (ROK) in 2008, it is fashionable to dismiss the policies followed by his predecessors as an expensive failure. Sneers about "ATM diplomacy," innuendo about Kim Dae-jung's motives, and references to his successor Roh Moo-hyun's naivety are the commonplace of South Korean academic and press comment, and are heard much further afield. "Sunshine" or engagement have become terms of mockery. The Lee Myung-bak government has adopted a more aggressive policy towards North Korea. It has not refused assistance outright, but has couched its offers in such a way that rejection is inevitable. The most recent example is the "grand bargain" proposed in 2009 in which the DPRK must first give up its nuclear program to receive security guarantees and aid. This is then played back as evidence that the North is incorrigible and not deserving of assistance.

Both presidents Kim Dae-jung and Roh Moo-hyun realized that circumstances had changed with the famine and other problems that hit North Korea in the 1990s. They also realized that for engagement to be successful, it was best to avoid rubbing in the fact that the country faced real problems. The unprecedented appeal for outside assistance by the North that brought in UN agencies and resident non-governmental organizations in the late 1990s showed that the South could help without preaching. Besides, the new approach provided a window for other countries to establish relations with North Korea. Countries that had hitherto held back for fear of offending Seoul now found themselves encouraged to establish relations with Pyongyang.

Those that did so found a North Korea that seemed eager for change, and there was a readiness to do things that would have seemed improbable only ten years before.

Those of us working in the North in 2000-2002 found a willingness on the part of officials to admit that they needed assistance and that mistakes had been made.

In the British case alone, we were able to fund several sessions of economics training, an English-language training program that put initially two-now four -British teachers into DPRK universities to train English teachers, and intensive English courses for a variety of North Korean officials. In addition, non-governmental bodies such as the BBC and Reuters conducted training programs for media staff in modern methods of news presentation and communication skills. Perhaps if the United States had been more supportive of its ally's engagement policy these efforts would have made a difference. But as the relatively benign approach towards engagement of the Clinton years gave way to hostility under President George W. Bush after 2000 that too had an impact on how far countries such as Britain would support the sunshine policy.

It was South Korea's approach to engagement that had the greatest impact. Seoul's aid and other measures taken under the umbrella of the "sunshine" approach brought North and South into contact across many fields. During the period 1998-2008, the North became known to South Korean citizens in a totally unprecedented way. The trickle of information about the North of those years became a flood.

Much more important were the wide range of governmental and non-governmental contacts. Relatively few North Koreans went South, but the traffic in the other direction was enormous. On any given day, there were likely to be several thousand South Korean visitors in the North, dealing with aid, trade, cultural, educational and even religious exchanges -- both the Protestant and the Roman Catholic churches in the North had regular South Korean officiating ministers as well as hymn books and prayer books produced in the ROK. South Korean journalists were also a not uncommon sight. Most of this activity may have been confined to Pyongyang, but not all of it was. South Koreans were visiting many parts of the country, especially in connection with agricultural assistance and other aid-related projects. If the projects agreed to at the October 2007 summit between Kim Jong Il and Roh Moo-hyun had been implemented by the incoming Lee Myung-bak government there would have been a huge increase in these types of contacts.

Engagement has worked in other countries, most noticeably China, and I believe that it was beginning to work in North Korea. There was never going to be a speedy change in attitudes built up over 60 years, but stopping the process after ten was not a wise decision.

### **``NK Fish Exports to ROK Uninterrupted''**

The Korea Times reported that despite escalating tensions between the two Koreas after the sinking of the ROK navy corvette Cheonan and the arrest of two DPRK would-be assassins, DPRK ships continue to frequent Sokcho Port on the east coast of the ROK almost daily. Fishery products imported from the DPRK amount to a monthly average of 700 tons. Last year alone, 9,271 tons of fishery products worth W16.7 billion (US\$1=W1,108) came into Sokcho from the DPRK. From January to

March this year the amount soared to 2,520 tons, worth W5.3 billion.

## “North Korea Needs Practical IT Training”

[The following is an edited version of an article which appeared in the Korea Times.]

North Korea is well aware that the IT industry can take center stage in its endeavor to build a strong, prosperous nation, as the promotion of the IT industry can be done in a way that could minimize the extent of market opening, and requires relatively little capital investment in the software sector. In addition, the North recognizes that computers are indispensable to the North's survival in an era of knowledge and information, and are a must in achieving economic growth.

The number of science and technology institutions in North Korea is estimated at around 300. The North has been producing excellent IT human resources in areas like artificial intelligence, needed for controlling man-made satellites and developing arms systems, and programming languages. Above all, the North is getting closer to obtaining world-class technologies in areas such as voice and fingerprint recognition, cryptography, animation, computer-aided design (CAD) and virtual reality.

Nearly 200,000 IT experts have been trained, and about 10,000 IT professionals are currently working in the field. Approximately 100 universities, including Kim Il Sung University, Pyongyang University of Computer Technology and Kim Chaek University of Technology (KUT), and 120 colleges train IT specialists.

The following IT institutions are in charge of fostering the North's software industry: DPRK Academy of Sciences Korea Computer Center (KCC), Pyongyang Information Center (PIC) and Silver Star, which is currently under the KCC.

The North could be a valuable source of IT talent for the ROK if training in large-scale projects is provided. Also, there is a need for a mutually-recognized certification system.

## Buddhists Seek Niche in DPRK Contacts

The Chogye Order, South Korea's biggest Buddhist group, has been operating noodle factories in the DPRK since the late 1990s. The Rev. Bop Ta now runs two factories in North Korea, one in Pyongyang and one in Sariwon, a city 56 km to the south. Employing 70 staff, the factories import ingredients from South Korea before giving the noodles away.

Meanwhile, Buddhist monks from the South are helping restore temples, most of which were destroyed by US aerial bombardment during the Korean War (1950-1953).

The Buddhists are chagrined at the aggressive proselytizing of ROK Christian groups, many of which operate on the DPRK-China border paying human traffickers to entice people to defect. However, such involvement with subversive political and criminal activities has blackened the reputation of Christians in North Korea, and the Buddhists see this as an opportunity. Pyongyang was once known as the "Jerusalem of the East," and religious groups, including foreign missionaries, endeared themselves to the Korean people by standing with them in the struggle against the Japanese colonizers.

The Ven. Jaseung, South Korea's senior abbot, visited North Korea last year to arrange pilgrimages by thousands of South Korean Buddhists, but the ROK's President Lee-Myong-bak, an ardent Presbyterian, vetoed them.

It is estimated that 10,000 of the DPRK's 24 million people practice some kind of Buddhist rites.

### **P'yang: "Black Propaganda" Aims to Check Investment**

North Korea's official news agency, KCNA, has criticized what it calls a "black propaganda" campaign against it coming from the US, Japan and South Korea.

The reason for the propaganda blitz is that "while expanding its external economic relations, the DPRK is making a switchover to actively introducing investment from other countries. The world's interest in making investment in the DPRK is growing exceptionally strong as it has a powerful war deterrent as well as tremendous economic foundations and potentials, and inexhaustible resources, and as it is located in an economically and geographically favorable region.

"Behind this despicable propaganda are forces displeased with any investment in the DPRK. It is aimed at holding in check investment in the DPRK in a bid to hamstring its efforts to improve the people's standard of living by focusing efforts on economic construction."

As examples of disinformation, KCNA fingers "reports" about the health of leader Kim Jong Il, and food shortages and economic difficulties being exacerbated by "failure of monetary reform."

The current spate of books and newspaper articles citing horror stories supposed to have been recited by economic refugees, is also considered part of the strategy to further isolate North Korea.

The Kaesong Zone and other joint business ventures between the North and the South have been viewed with horror in Washington, as they help to undermine the US embargo on the DPRK's trade with the outside world. Foreign investment was flowing into the North from ROK business people, and in turn the North was exporting its goods via the same channel. This had to be stopped, and it is being.

## Comment

There is a core of truth in the above claim. Ever since the DPRK's emergence as a nuclear-armed power in 2006, the military option for "regime change" has been off the table. So there has been a change of emphasis on the part of those who want to create chaos on the peninsula to psychological warfare. Indeed, the North's highest-ranking defector Hwang Jang-yop, a former secretary of North Korea's ruling Workers Party, has said it was crucial "to tell North Koreans about human rights violations in order to bring down (sic) the DPRK government and system." He said at Washington's Centre for Strategic and International Studies: "The solution is ideological warfare. We need to use ideology and markets and diplomacy. We need to take a lesson from the Cold War."

In tandem with this, the Lee Myung-bak government in Seoul has allowed so-called civic groups to float balloons containing propaganda leaflets and US dollars and North Korean won (the latter, at least, must be counterfeit, because it's illegal for foreigners to possess it, even within the DPRK) across the Demilitarized Zone -- an activity suspended by both sides during the "sunshine" years and in violation of the South's National Security Law. Previously, government agencies monopolized propaganda activities, partly to stop spies stuffing their reports into unsupervised balloons and sending coded messages via "hostile" leaflets.

There has recently been a flurry of newspaper reports and books written, and blogs and newsletters set up, all with the aim of demonizing the DPRK. Most of these rely on sensational defector claims and are not worth reading. Some, like Daily NK, openly admit to US Congressional funding. One book that is worth reading is B.R. Myers' *The Cleanest Race*. In it, Prof. Myers claims that North Korea is not a communist state -- and certainly not Stalinist; it is a state based on an extreme form of Korean nationalism. In focusing on a lot of trees, however, Mr Myers misses a very big wood: If North Korea is not communist then decades of warnings by the Seoul authorities, and others, that its overtures to the South are a smokescreen for its ambition to "communize" the South have been utter nonsense. In fact, the DPRK Constitution says that socialism is to be built only "in the northern part of the peninsula."

## Domestic

### No Chaos Followed Currency Reform: NK Economist



Prof. Ri Ki Song gives a live TV interview.

North Korea's private markets closed temporarily due to a delay in setting prices after a currency redenomination, but the economy has stabilized and markets reopened, a senior DPRK economist said in a rare television interview at the beginning of April.

The researcher denied reports of social upheaval because of the abrupt change in December, which analysts saw as an effort to cool inflation and reassert the DPRK government's control over a growing market economy. The measure reportedly sparked anger among many citizens stuck with piles of worthless bills.

"In the early days immediately after the currency change, market prices were not fixed, so markets were closed for some days," Ri Ki Song, a professor at the Institute of Economy at North Korea's Academy of Social Sciences, told APTN. "But now all markets are open, and people are buying daily necessities in the markets."

London-based APTN has a bureau in the DPRK capital Pyongyang.

Ri was provided by the North's government in response to a request from APTN to talk to an official who could explain its economic situation. It is very rare for North Korean officials to discuss such policies with foreign media.

Ri said that the government's objective is to phase out markets completely and rely on a state-controlled network of outlets.

"Markets will be removed in the future, by reducing their numbers step-by-step, while continuously expanding the planned supply through state-run commercial networks," Ri said. "This is our official position on markets. Now, markets are used as a subsidiary means to offer convenience in peoples' daily lives."

"We have to find a solution for the infrastructure, railways, roads, ports and airports and electric power, and the issue of energy, which are most important for Korea," Ri said in a separate interview with APTN. "These are the objectives, which we should accomplish, all at the same time, within five years."

"If we achieve the construction of this infrastructure, electricity, agriculture, energy, and the building of eight industrial regions mentioned in the five-year plan, then over a 10-year period the total extent of investment will be about US\$500 billion," he said.

## **``NK to Make Own Mobile Phones''**

Yonhap reported that the DPRK plans to begin producing its own mobile phones this year, as demand for wireless communication in the country is rising rapidly.

North Korea first launched a mobile phone service in Pyongyang in November 2002, but the development was seemingly stalled by technical and financial restraints.

In December 2008, the country introduced a 3G mobile phone network in a joint venture with Cairo-based Orascom Telecom.

Orascom said that last year the number of mobile phone subscribers stood at over 47,000. The Chosun Sinbo, a pro-North Korean newspaper published in Tokyo, said April 19 that the number is expected to reach as high as 600,000 this year, and that the government is currently building a factory to produce its own phones.

"Within half a year, hand phone terminals will begin to be produced," the paper said. "For a certain time, parts will be imported from overseas and assembled, but eventually the prospect is that development will be self-sufficient."

The report said equipment for mobile service has been set up in more than half of the cities and counties in the country, adding the service will also be used on major roads and railways.

### **NK Invents New Bearing Material**

A new bearing material has been developed in the DPRK on the basis of advanced technology and has a wide range of applications, according to KCNA.

Scientists at the Rolling-Stock Research Institute under the Branch Academy of Railway Science have made sleeve bearing material of cast-steel mixed with high-purity sulfur without using copper alloy, and succeeded in producing it at factories after it passed the trial stage.

It is said to be much better than copper alloy in such mechanical properties as tensile strength, extension rate and friction coefficient, and has a 50% longer service life.

It has the same lubrication quality as copper alloy, at one tenth the cost of production.

The material, applicable to all kinds of crushers, disintegrators, presses, cranes, drawing machines, etc., has already been introduced in the Sunchon Cement Complex, Wonsan Rolling-Stock Complex and other units.

### **Computers Speed Iron Ore Transport**

The Jaeryong Mine has completed a computer-controlled iron ore transport system to raise the transport capacity by 1.2 times, KCNA reported.

The mine is located in Jaeryong County, South Hwanghae Province, in the western part of Korea. It is one of the country's major iron ore producers.

Technicians and workers of the mine have also developed a comprehensive skip monitoring and control system.

### **``NK to Allow Foreign-owned Factories''**

According to officials at the DPRK's newly set up State Development Bank North Korea intends to allow foreigners to build and operate factories in its major cities.

The bank was founded specifically to attract foreign investment.

The most likely first target is Chinese manufacturers; as wages rise in the PRC they are kept low in the DPRK by the state's provision of free housing, education, medical care, etc. At the same time, political wrangles are hamstringing South Korean companies' efforts to invest in the North.

## Koryo Tours

Spring has sprung! And for the season we have **6 WONDERFUL ITEMS FOR YOU!** Two new areas of the country we are allowed to visit (they printed tourist postcards of Hamheung in 1980 but no one came) ...our first step to becoming film moguls and ....and what's more, American citizens are allowed in year round...

### **1 Democratic People's Republic of Korea (DPRK) drops restrictions on US tourists**

Until recently, American tourists had only been allowed into North Korea during the Mass Games for a maximum 4-night stay. Fortunately in 2010, everything has changed - **we can now welcome US citizens on both group and independent tours all year around** (we took US citizens on our group tours in February and March, and can confirm these changes are in effect). Check out our complete list of tours and travel options at [http://www.koryogroup.com/travel\\_tours.php](http://www.koryogroup.com/travel_tours.php) and see what's new!



### **2 Hamhung city open to tourists**

We at Koryo Tours have long prided ourselves on being the only company allowed to offer original DPRK programming, and 2010 has already proven to be a windfall. After years of continuous efforts, we are thrilled to announce our **brand-new tour to Hamhung**, a major industrial city on Korea's east coast. Those on our August 7 - 16/17 Liberation Long Day Tour will be the **first Western tourists to ever visit this area** (again, US citizens are welcome). Our new itinerary adds a two-night Hamhung stay to the already packed ten-night schedule that includes trips to Mount Paekdu, Pyongyang, Kaesong, and other areas). Details are still in flux, but as with everywhere else, we will maximise interaction with locals and see as much as time allows. Plan on staying one night in Hamhung proper and one night at the brand new

Majon beach resort, where, again, no Westerners have ever been. We are now taking applications from anyone who wants to be among the first tourists in history to go to this major city and its stunning surrounding areas on either a group or independent tour. As for our returning travellers we offer special discounts, so if you were looking for an excuse to go back, this may be the trip of a lifetime for you.

Check out [http://www.koryogroup.com/travel\\_NEWItinerary\\_3.php](http://www.koryogroup.com/travel_NEWItinerary_3.php) for the revised schedule, or drop us a line on [info@koryogroup.com](mailto:info@koryogroup.com).

We hope to see you in August!

### 3 Rajin-Sonbong/Chongjin/Vladivostok Tour

Even among the select travellers who have ventured into North Korea, Rajin-Sonbong (Rason) remains a mystery...a remote area (even by DPRK standards) that shares a northern border with China and Russia and is not possible to enter from North Korea proper. Rason sees almost no tourists at all (literally not one Western tourist in 2009!) but keeping up our tradition of breaking new ground, Koryo is preparing a **3-country, 3-time zone, 3-language** tour. We start in Yanji, part of China's Korean autonomous region, then head down to the North Korean coastal city of Chongjin, and cross overland to Mt. Chilbo (you will be the first Western tourists to arrive there by land). After that, we head back to the free-trade zone and ride the international rail, bus and boat into Russia. We finish our tour in the jewel of Russia's Far East, the previously closed city of Vladivostok, where travellers can either return to Beijing, fly on to Tokyo or Seoul, or even hop on the Trans-Siberian and keep going. This tour is slated for July; details are still being hammered out, but if you're interested in seeing these mysterious, fascinating places that are as different as they are unforgettable, please contact us at [info@koryotours.com](mailto:info@koryotours.com)

In addition just staying in Rason is ideal for families who want a rather 'off the wall' summer holiday with clean beaches and no crowds.

### 4 Centre Forward

Koryo Tours has always been more than a travel company; among other projects, we have a long history of filmmaking in the DPRK. While preparing to shoot our latest feature film, we obtained the rights to a North Korea football (soccer if you like!) movie, made in 1978 and **never exported abroad** - until now. Featuring DPRK film star Kim Chol, *Centre Forward* tells the story of a young player who reaches the first team only to see the squad hit with a crisis of confidence. Will they be able to get back to the top of their game? Remastered and subtitled with a DVD extra that interviews Rim Jong Sun the 1966 football hero who was consulted on the film. Check out the trailer at [Youtube option](#) or at [Youku option](#)

(Please pass this link on so we can get some viral action going!) In a World Cup year that features North Korea for the first time since 1966, this is a topical and fascinating

glimpse into the sporting culture of an unknown country. For film freaks, sports fans and DPRK watchers everywhere, this is a must-see! The DVD is available for purchase at 200rmb (20EUROs) and ready in June - please contact [info@koryogroup.com](mailto:info@koryogroup.com) for more information.

## **5** Korea vs. Japan Women's Football

**On May 23 DPRKorea take on Japan in a qualifying match for the 2011 Women's World Cup. The DPRK ladies are perennial challengers for football's highest honors, so this should be a good game against regional (and historical) rivals Japan. Come with Koryo Tours to Pyongyang and cheer the team along with the home crowd! For information, see:**

[http://www.koryogroup.com/travel\\_NEWItinerary\\_0.php](http://www.koryogroup.com/travel_NEWItinerary_0.php)

## **6** Amazing Mass Games Photos Available

**Koryo Tours helped photographer Werner Kranwetvogel get unprecedented access to the Mass Games- absolutely sublime images- on his last trip Werner had access to the ground level but on return to Germany found his lens had a fault...and back he came to Pyongyang...but his images are testament to his drive.**

# Economic Zones

## **Border Bridge Being Renovated**

A 70-year-old bridge on the DPRK-China border is being renovated to improve transport to and from the North Korean port of Rajin.

The bridge over the Tumen River near the city of Hunchun in Jilin Province will be reopened at the end of June after almost five months of work. Built during the Japanese occupation in 1938, the bridge is 535 m long and 6.6 m wide, and joins the Chinese border post of Quanhe with the North Korean town of Wonjeong.

The refurbishment of the bridge is part of a reported US\$44 million plan to modernize communications from the border with China to the Rason Special Economic Zone.

A Dalian-based company named Chuang Li agreed in 2008 to revamp the road in exchange for leasing a pier at Rajin. The company has the backing of the Jilin government.

The existing 60-km road is mostly unpaved and prone to frequent accidents during rain.

## Special

### UNDP Workshop to Promote NE Asia Cooperation

A workshop for “Promoting the Greater Tumen Initiative (GTI) and Northeast Asian Cooperation” is scheduled for May 24, 2010 in Beijing, the capital of China, directed at raising awareness of regional economic cooperation and development in Northeast Asia. The workshop, organized within the framework of the 2010 Asia Media Summit, will promote dialogue about the opportunities and potential for development in Northeast Asia. The event has attracted around 60 participants so far, including major Northeast Asian mass media outlets, government representatives, international development agencies and NGOs, leading research institutes and executives from the GTI Business Advisory Council. This workshop is jointly organized by GTI and the Asia-Pacific Institute for Broadcasting Development (AIDB), and will be co-chaired by Mr. Napoleon Navarro, deputy country director of UNDP China, and Ms.

Nataliya Yacheistova, director of the UNDP Tumen Secretariat.

Meanwhile, the third meeting of the GTI Tourism Board is to be held in Vladivostok, Russia, May 21, 2010. The meeting will be held within the framework of the 14<sup>th</sup> Far Eastern International Tourism Exhibition “DalTour-2010”, aiming to strengthen practical cooperation in tourism in the Northeast Asian region, and fostering the growth of a strong private sector network in order to improve the development of tourism products and attract more tourists to the GTI region. This meeting will bring together members of the GTI Tourism Board, and officials from central and local governments of the countries concerned, as well as representatives of research institutes and tourism bodies.

The Greater Tumen Initiative is an intergovernmental cooperation mechanism in Northeast Asia, supported by the UNDP, with the membership of four countries: China, Mongolia, the Republic of Korea and the Russian Federation. The DPRK is at the core of the region, as the Tumen River forms part of the border between the DPRK, China and Russia. As a unique platform for economic cooperation and sustainable growth in the region, GTI serves as a catalyst for policy dialogue and cooperation in the areas of transportation, energy, tourism, investment and environment.

**Media Inquiries:** [www.tumenprogramme.org](http://www.tumenprogramme.org) or contact the Tumen Secretariat by phone at +86 10 6532 6871



## 2010 Europe Trade, Investment Missions to NK

GPI Consultancy, based in Rotterdam (CEO Paul Tjia) is organizing another trade and investment mission to the DPRK May 15-22, 2010. This tour is open to business participants from all European countries (Note: In case this date is not convenient, there will be another trade mission September 11-18.)

The company reports that its previous economic mission to Pyongyang, in September 2009, was informative and successful, with tailor-made business meetings and company visits. In addition, there were many opportunities for informal meetings. A report on this mission is available from GPI.

The May trip will coincide with the annual Spring International Trade Fair in Pyongyang. A visit to the fair will be included. Participation with a booth is also possible.

According to GPI, ``Members of our business delegation will be able to discuss trade opportunities in several areas, including light industry (i.e. textiles, garments, ceramics), agribusiness, mining, energy and Information Technology. We will also receive information about investment opportunities in a number of sectors, and several projects will be offered.”

## May Itinerary

### **Saturday 15 May**

Departure of European participants to Beijing (note: departure at an earlier date is possible).

### **Sunday 16 May**

The participants will meet; informal welcome reception and dinner at a local restaurant. Introduction to the studytour.

### **Monday 17 May**

In the morning: visa collection at the DPRK Embassy in Beijing. Receiving Air Koryo airplane tickets. Afternoon: available for individual program. Tentative: the seminar: "Doing business with DPRK" might take place. The event will address various aspects of doing business in DPRK.



Photo: one of the new planes of Air Koryo

### **Tuesday 18 May**

Transport from the hotel to the airport will be provided. Departure from Beijing to Pyongyang, using the national airline Air Koryo.

Upon arrival, we meet representatives of the DPRK Chamber of Commerce. Transport will be arranged to the hotel.

Schedules of business meetings will be handed out to the participants, after which a welcome dinner will take place.

### **Wednesday 19 May – Friday 21 May**

In the mornings, business meetings with representatives of North-Korean companies will commence in the hotel. These meetings will be arranged, on request by the participants, by the DPRK Chamber of Commerce. In the afternoons, the delegates can visit firms in and around Pyongyang from a range of sectors, including agriculture, textiles and garments, ceramics, computer software, art, animation and cartoons.



A visit to the 13th Pyongyang Spring International Trade Fair is included. This fair takes place from 17 – 19 May and is organized by the Korea International Exhibition Corporation. In addition, we meet members of EBA (European Business Association): European business people working and living in DPRK.

There is also some time available for informal activities, such as a citytour in and around Pyongyang.

Photo: a friendly and informative business meeting

### **Saturday 22 May**

In the morning, departure from Pyongyang to Beijing. Upon arrival, participants can take a connecting flight to Europe, or decide to spend more time in China.

## 13<sup>th</sup> Spring International Trade Fair 2010

The Spring International Trade Fair takes place in Pyongyang from 17 to 19 May 2010. European companies can use this fair to come in contact with both potential buyers and suppliers in North-Korea.

The previous International Trade Fair (21 - 24 September 2009) had booths with companies from various countries (e.g. North-Korea, China, the Netherlands, Germany, Sweden, UK, Australia, Austria, Italy, Indonesia, Vietnam, France, Finland, Poland and Taiwan).

In 2010, the European Business Association (EBA) in Pyongyang and the Korea International Exhibition Corporation (KIEC) will co-organise a special collective booth to host European businesses. European companies interested in taking advantage of this opportunity are invited to visit the EBA website [www.eba-pyongyang.org](http://www.eba-pyongyang.org) to see reports on previous booths. The collective EBA booth has proven to be a convenient and cost-effective way to introduce European companies to the North-Korean market.



**European Business Association**  
유럽 기업협회 조선평양  
Pyongyang, DPRK

---

## Korea Compass

[The purpose of this section is to provide some background knowledge, especially for people making their first trip to the DPRK. If you know something about what you are going to see beforehand you will greatly impress your hosts, not to mention other foreign visitors, and save yourself having to listen to long-winded explanations when you really want to get down to business. Proverbs have the handy function of offering a quick insight into the thinking and attitudes inherent in a different culture.]

### North Pyongan Province

This province is located in the far northwestern part of the Korean peninsula, separated from China by the Amnok (Yalu) River. The provincial capital is Sinuiju.

The major industry of the province is machine-building, the backbone plants of which are the Ragwon Machine Complex and April 3 General Factory.



Kim Jong Il inspects a machinery factory in North Pyongan Province.

Kim Jong Il inspects a

Water pumps, hydraulic excavators and tower cranes, among others, are manufactured at these plants.

Pidan (Silk) Island emerged from a coastal reclamation project. With an area of 64.5 sq km, Pidan Island is a reed-growing base supplying raw materials for the chemical fiber industry. The materials are processed by the Sinuiju Chemical Fiber Complex, which sends the product to textile mills across the country.

Silk fabrics are made by the Nyongbyon and Pakchon silk mills from locally produced silk. North Pyongan is also noted for its cosmetics industry.

The province is home to scenic Mount Myohyang, a tourism area with two international-level hotels and the International Friendship Exhibition Center. The latter houses thousands of gifts sent to the DPRK by heads of state and others around the world, and is open to the public. Another attraction is Ryongmun Cave on the mountain of the same name, about 12 km from the Kujang County seat.

## Korean Proverb

Choumi nappumiyon kkutdo nappuda

("A bad beginning leads to a bad ending.")