

DPRK Business Monthly

Volume 1, No. 8, September 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

Kim Jong Il Praises China's Economic Advance

North Korean leader Kim Jong Il has praised the economic achievements made by the Chinese provinces bordering the DPRK, which faces tighter US financial sanctions aimed at stopping the North Koreans following China's lead and opening their economy to the outside world.

The official Korean Central News Agency reported that Kim said, "We were deeply impressed and greatly encouraged to see for ourselves the resourceful and hard-working Chinese people in the region" in a letter to Chinese President Hu Jintao, whom he met during his August 26-30 trip to northeast China.

Meeting Hu August 27, Kim emphasized the need to carry the two countries' relationship "forward through generations," KCNA said.

"Northeast China holds the key for North Korea to seek joint development of its own region bordering the area," Kim Yong Hyun, a professor of North Korean studies at Seoul's Dongguk University told Bloomberg News. "Kim's trip would have been aimed at securing substantial development projects that go beyond simple aid packages."

"NK Keen on Investment in Mining"

Glyn Ford, a former British member of the European Parliament who has visited the DPRK many times and is now working for the EastWest Institute, a US-based think-tank, said North Korea appeared keen to attract more foreign investment.

"All the messages I've been getting over the past six months or more have been about bringing in investment," Ford told the Foreign Correspondents Club of Beijing after returning from North Korea in August. "There's certainly a jockeying in Pyongyang to be

part of the membership and the staffing of the newly set-up state investment committee,” he added.

Investment in mines that produce rare earths is something North Korea is particularly keen on, Ford said. “They would love some major investors to come along and pump in hundreds of millions into opening new mines.”

Ford said he believed North Korea understood that its economy needed major reforms, even with the botched attempt last year to introduce a new currency. “It’s not full-blooded economic reform -- the North Koreans want to edge forward,” he said. “The problem they’ve got is that if they want to follow either Vietnamese or Chinese-style reform they require large amounts of inward investment.”

DPRK Pavilion Day Marked at Shanghai Expo

(Xinhua) A senior government official from the DPRK said the Shanghai World Expo would help promote friendly cooperation among countries and regions, and among international organizations at a ceremony marking the DPRK Pavilion Day, September 6.

Speaking after a brief flag-raising ceremony, Minister of Urban Management Hwang Hak Won said the Expo has become a platform for all people to demonstrate their achievements and experiences in science and technology, social and economic development, and culture.

He said the DPRK was also showing its modern-day achievements to visitors from around the world through the pavilion.

The DPRK has brought a miniature landscape of its capital Pyongyang, dubbed "Paradise for People," to Shanghai Expo park as staff members are busy selling commemorative stamps, with some featuring China-DPRK friendship, to tourists.

The pavilion is also using the opportunity to promote North Korea's products such as face-whitening cosmetics and medicinal toothpaste.

The Shanghai pavilion is the DPRK's first appearance at a World Expo. Hwang Hak Won said the DPRK would work with China in the future to promote friendship between the two countries to a higher level.

China's deputy minister of housing and urban-rural development, Guo Yunchong, met the visiting official, and said the DPRK Pavilion demonstrates the history, culture, architecture and local traditions of the DPRK to visitors from around the world. Guo said he believed the World Expo would strengthen bilateral relations, and cement political trust between the two countries.

By early September, 4.37 million people had visited the DPRK pavilion, averaging

40,000 visitors per day.



Street scene in downtown Pyongyang [Photo: NKNews.org]

NGO Initiatives in DPRK: Triangle Génération Humanitaire (France)

[This report was originally carried in CanKor's newsletter: www.cankor.ca]

Currently Triangle has three projects in North Korea:
improvement and diversification of meals served to children in social institutions;
sustainable improvement of the sanitary environment of the city of Munchon;
and improved access to better-quality water for the people of Munchon.



The funding for these projects comes primarily from the European Commission and the Swedish International Development Agency (which also has an office in Pyongyang).

With a terrain that is 70% mountainous and a temperate climate with a short agricultural season, North Korea long relied on other countries (mainly the USSR) for supplies of raw materials (oil, gas, petroleum, coke), manufactured goods and food products. The collapse of the Eastern block in 1991 resulted in dramatic decrease in the country's economic production and energy resources. The floods of 1994 and 1995, and the drought of 1997, obliged the DPRK government to appeal for international assistance.

It was in response to this appeal that Triangle performed a survey in August 1998, resulting in the installation of a mission in December 2000 and its first project, dedicated to the agricultural sector.

Since then, Triangle has carried out some 14 projects in North Korea, ranging from agricultural development -- which included rehabilitation of 4,000 hectares of low-lying reclaimed land, to rehabilitation of drinking water and sanitization works, insulation of schools and medical facilities, emergency supplies following the Ryongchon rail catastrophe in 2004, and social assistance.

Choson Exchangers Train NK in Finance, Economics, Law

[Following is an edited report of a Choson Exchange training trip to the DPRK, by Sunny Lee.]

A group of Choson Exchange members was received by top North Korean officials, including Choe Thae Bok, secretary of the Workers' Party Central Committee, on a training mission to the DPRK last month.

“Choe Thae Bok highly commended our work and sent the president of Kim Chaek University and the vice-president of the State Academy of Sciences to meet us privately,” said Geoffrey See, a Singaporean, who led the international group of 11 people, hailing from the United States, the U.K., New Zealand, China, and Malaysia.



Geoffrey See

Besides the group’s diverse country representations, their academic credentials were also pretty impressive. See is a recent Yale graduate. The others were from universities such as Oxford, M.I.T, and the University of Chicago.

They were not in North Korea for political purposes, but their presence attracted plenty of attention from North Koreans. Reporters from the North’s official Korean Central News Agency also tagged along with them.

What See and his friends are doing now may not hit the international headlines. But it’s potentially a very significant step that may have a lasting implication for the future of North Korea.

See is the director of Choson Exchange, a non-profit organization that provides training for North Koreans in international finance, economics and law. “North Koreans need some kind of help in these areas,” See said.

In Pyongyang, See and his group members taught North Koreans how to use computers for e-training in finance. They also offered lectures on the US sub-prime crisis and the possibility of the Chinese yuan as an international trade settlements currency.

Although North Korea is under international sanctions, what See’s group does is not illegal as they only offer educational training.

In interacting in an “up-close and personal” manner, See and his group discovered something surprising. “The North Koreans are actually quite sophisticated people. They know what’s happening in the outside world,” said a financial analyst who went to Pyongyang with See.

All Choson Exchange members work on a volunteer basis. For their North Korean trip, they bought their own airplane tickets, and paid for their own meals and lodgings too. They also have full-time jobs as bankers, consultants, lawyers and Ph.D. students.

Naturally, a question arises as to why they do all this?

“We get this question a lot,” said See. “Very few outside people are involved in North Korea today. We want to provide training and make a greater impact,” he said.

“The financial institutions we visited are very keen to have us train them and help build the institutions — especially the newly formed State Development Bank. There is an incredible demand for training,” See said.

Ultimately, the members of the Choson Exchange want their efforts to be part of a greater humanitarian engagement crusade to help North Korea become integrated into the international community.

While being frank about their motivations, they were also cautious not to be seen as naive either. “We don’t want to be seen as a young and idealistic bunch,” said See, who will spend several months at Kim Il Sung University starting in March next year to explain Singapore’s economic development model.

While they are committed to a long and determined effort, they are financially crunched. “What we need most at this time is more funding. We need at least two full-time staffers who will manage our administrative work,” said See, who also hopes to sponsor some North Koreans for overseas training programs

Inter-Korean

ROK Civic Bodies Seek to Help NK Flood Victims

Yonhap reported that an umbrella trade union in South Korea is seeking government permission to send about 100 tons of rice, possibly by land, to North Korea to help flood victims. The Federation of Korean Trade Unions, which claims up to 900,000 members across the country, said it is in talks with its North Korean counterpart to determine the exact delivery route and size of the aid.

Meanwhile, Seoul has approved a civic organization's plan to send rice to North Korea as assistance for flood victims there. An official of the Unification Ministry in Seoul said that the ministry has approved the Movement for One Korea's plan to send 203 tons of rice to North Korea, which has been hit recently by heavy rains and floods. The official said that the rice aid would be distributed to flood victims in North Pyongan Province.



Urban volunteers help rebuild a flood-damaged school. [Photo: Samaritan's Purse]

Seoul's NK Trade Ban Hits ROK Firms Hard

A survey of South Korean businesses suggests that the May 24 Measure, which was put in place by the Seoul government in the wake of the sinking of the naval ship Cheonan in March, has had a serious effect on ROK firms trading with North Korea, in many cases threatening to put them out of business altogether.

The survey, conducted by the Korea Chamber of Commerce and Industry, covered 500 companies, of which 200 had trade ties to the North. Of those 200, 93.9% said they had suffered "substantial losses" since the May 24th Measure imposed a trade ban on the North, and 66.5% said this was enough to put them out of business. The survey put the average losses of those firms with ties to the North at approximately US\$800,000 each.

Domestic

Can North Korea embrace Chinese-style reforms?

[Following is an edited version of an article which appeared in China Economic Review]

Could North Korea be saved by Chinese-style reforms? In return for its continued support, China is pushing the DPRK to liberalize its economy, and Chinese firms are making inroads into various sectors, especially infrastructure and mining. China Economic Review interviewed Felix Abt, a German business consultant and the founder of a pharmaceuticals joint venture in Pyongyang, about his experiences over the last eight years of doing business in the DPRK.

How open is North Korea to foreign investment, and how many foreign companies are operating on the ground?

In 1992 the Supreme People's Assembly adopted three laws allowing and regulating foreign investment — the Foreign Investment Law, the Foreign Enterprise Law and the Joint Venture Law.

Since then, foreign investors have become active in a variety of industrial and service industries. There are a few hundred foreign-invested companies operating at present, mainly smaller-sized ventures (US\$100,000 to US\$3 million) and of Asian origin (with China ranking No.1).

There are a few very large foreign investments, mainly in the telecom and cement industries. Western multinationals have been shying away from North Korea for fear of ending up on a sanctions list in the world's largest economy. BAT sold its highly profitable tobacco factory due to political pressure in Great Britain to a Singaporean company a few years ago.

What sort of person sets up business in North Korea? What sort of industries have arrived and what sectors are not represented?

The domestic market is still very small and limited, and not much growth can be expected in the foreseeable future. So to talk about a promising emerging market at present would be a silly exaggeration.

However, North Korea is a very interesting location for the processing of products from garments to shoes to bags; you send the cloth or the leather and the accessories, and they send you the finished products back.

The same goes for the extraction of minerals and metals, abundantly available in North Korea, in which case you would send equipment and get the mining products.

In addition, the manufacturing of low-to-medium technology items is very competitive, and such products are already being made with foreign investment in North Korea -- from artificial flowers to furniture to artificial teeth. I was involved in making the business plan for the artificial teeth joint venture and know therefore that such products can be manufactured with a much better profit margin than for example in the Philippines, where the artificial teeth had been produced before.

A particularly promising industry is IT, due to the extraordinary quantity and quality of mathematicians, unmatched by other countries. The first and only software JV, Nosotek, has seen remarkable successes within a very short period of time from its foundation, and could become a subject of interest to investors who would never have thought of putting any money in North Korea until now.

How easy is it to do business there? Are most foreigners concentrated in Pyongyang

or are they spread around?

It depends on the expectations, on the choice of the local partner and on the expatriate staff a company sends there. You need to thoroughly select the most suitable local partner and an expatriate manager who is not only professionally competent but who also can adapt to and cope with a demanding business environment.

The success of the pharmaceuticals joint venture I was running in the past depended on rapidly building up a team of Korean members of the board of directors, managers and staff. I took them to China, where they visited the first foreign-and-Chinese-invested pharmaceuticals JV, and I convinced its Chinese octogenarian architect to become a member of our company's board of directors.

Since he had faced very similar problems decades earlier he was able to convince the North Koreans quite easily why certain things had to be done in a certain way to make the business successful. We visited a great number of pharmaceuticals companies, wholesalers and pharmacy chains in China, and some of our staff even worked in a Chinese factory for some time.

When I wanted to set up the marketing and sales function I was first told that "companies in the DPRK usually don't have a sales dept." I was asked to send a letter to the cabinet to explain my reasons to get the permit for doing so. The visits to relevant places in China were surely important eye-openers, and helped getting things organized, like in any other country.

The Korean managers and staff quickly acquired all the necessary skills, and were able to run the day-to-day business (factory, import and wholesale of pharmaceuticals, pharmacies) alone when my term ended as managing director.

Many foreign business people are based in Pyongyang, but there are also many working in different places throughout the country, e.g. near mines in the mountains.

Chinese President Hu Jintao has urged North Korea to speed up its economic reform, using China as a model. Could North Korea open up in the same way over the next few years?

The Chinese are better informed than the scholar and North Korea expert who recently wrote in the Wall Street Journal that the country's elite would never agree to reform its economy as they fear the system would then collapse.

Together with the Chinese, I believe the risk of a collapse is much bigger if no reforms are carried out than if there are slow and controlled changes.

Once the economy starts taking off and people's living standards rise, the people will hardly challenge the system and the leadership even though the North Korean people know that South Korea's economy is much more advanced.

Pyongyang Night Life Buzzing

[The following is an edited version of a Xinhua News Agency story.]

Roller-coaster screams, karaoke happy hours and beer glass clinks at night. That's just a snapshot of what night life in Pyongyang, capital of the Democratic People's Republic of Korea can provide.

Built in the early 1980s in the Moranbong district, central Pyongyang, the Kaeson Youth Park used to operate no more than a handful of simple recreational facilities, and was open to the public only during the daytime on holidays.

Yet, following expansion last year, tourists can now have fun, even at night, with an Italian-made jumping machine, pirate ship and roller coaster, which rate among the world's most fashionable facilities.

Kim Hyok, the park's director, told Xinhua that the park is close to many of the capital's major structures, such as the Arch of Triumph, Kim Il Sung Stadium and Kaeson Square, which are always crowded with residents seeking leisure. Inside the tree-circled park, accompanied by colored lights and music, youngsters were riding roller-coasters while children were shooting flying saucers and racing cars in the video games lounge. "Over 5,000 people visit the park every night," said Kim. "And it is a good place for people to relax after a day's work."

According to Kim, an adult ticket costs 20 won (21 US cents), and 10 won for each child. And it costs about 250 won or US\$2.65 to use all of the facilities from A to Z.

The park also welcomes foreigners, who pay one euro (US\$1.27).

Though electricity is still in short supply in the country, government agencies have specially laid two cables to guarantee regular service to the park. In quite a number of exclusive restaurants in the capital city, karaoke instruments as well as music CDs are served at the pleasure of customers. To liven things up, many waitresses can sing plenty of Chinese songs, some of which are quite popular.

To meet such demands, the Echo Stereo Group, a Pyongyang-based karaoke instrument maker, has since 2009 developed its own products and sold all 2,000 units it manufactured last year. This year, the group plans to raise its capacity to 3,000.

Beer halls also become very crowded as night falls upon Pyongyang. Chongsong Beer Hall, Pyongyang's largest, opened in April, with a capacity of 1,000 people. It serves seven types of beer brewed by the Taedong Brewery, located in Pyongyang's suburbs. The different flavors are distinguished by numbers on the bottles.

Interestingly, there are only tables for customers -- no chairs. Thus drinkers have to stand, while waiters sell beverages from carts.

During the summer the Chongsong received an estimated 3,500 to 4,000 costumers per day. And it was reported that to attract more female customers the Taedong Brewery is preparing to market an eighth type of beer, a fruity one.

Though without dazzling neon signs, night life in Pyongyang has its own versions of openness and fun that the outside world may just begin to appreciate.



A woman carries a bouquet of yellow flowers into the Pyongyang metro. [Photo:Tomas van Houtryve/VII Network]

Hamhung Makes Economic Strides

Remarkable achievements have been made in production and construction in Hamhung City, South Hamgyong Province, KCNA reported. The Ryongsong Machine Complex has been newly equipped with the Songun Iron Foundry and the Songun Compressor Shop, to turn out various kinds of castings and compressors. The Hungnam Fertilizer Complex is pushing ahead with a gasification project, with large-scale structures built and large-sized equipment installed.

The Complex has streamlined its production processes to boost the output of fertilizers and contribute to solving the food shortage problem. Meanwhile, the February 8 Vinalon Complex has completed a huge project for raising its production capacity. Light industry factories in the city, including the Hamhung Woolen Mill and Hamhung Shoe Factory, have sharply increased the production of various types of consumer goods needed for the improvement of the people's livelihood.

Pomhyanggi Cosmetics Enjoy Popularity

Pomhyanggi-trademarked cosmetics produced by the Sinuiju Cosmetics Factory are becoming popular in the DPRK, according to KCNA. They are in great demand not only in towns but in rural communities throughout the country. They are made with quality mineral water, Kaesong Koryo insam (ginseng) essence and various herbs. Different kinds of facial cream, lotion and hair treatment help protect the skin, and prevent aging and loss of hair.

The factory concentrates on developing new kinds of functional cosmetics based on advanced science and technology. It has already developed a dozen kinds of such cosmetics, including cream for slowing the aging of skin, whitening lotion and nutritive liquid, as well as dishcloth gourd lotion. Pomhyanggi cosmetics are also marketed abroad, including in China and Venezuela.

P'yang Hosts International Film Festival

The 12th Pyongyang International Film Festival opened September 17 at the People's Palace of Culture, KCNA reported.

In his opening speech, film festival organizing committee chairman Hong Kwang Sun said the Democratic People's Republic of Korea hoped the festival would serve as a platform for the participating countries to deepen ties of friendship and share their experiences in making films.

DPRK Vice-Premier Kang Nung Su, and envoys and diplomatic officials of 11 countries, including China, Italy and Germany, as well as officials from international film-related organizations attended the opening ceremony.

According to the official news agency, films contributed by dozens of countries were screened at the festival. Full-length feature films, documentaries and short films competed for prizes. There were also special and information shows, as well as meetings for exchanging films.

The eight-day festival is the only film festival hosted by the DPRK. It has taken place every other year since 1987.

New Numerical-control Machine Tool

The DPRK has recently developed a new type of computerized numerical-control-based machine tool which is capable of processing any form of material with high precision,

KCNA agency reported.

The nine-axis turning machining center, which was produced by the Ryonha Machine Plant, has nine controlling axes, including two principal axes for turning and one axis for a multi-function miller.

The machine tool, which weighs more than 40 tons, can play a decisive role in the production of state-of-the-art products in different fields including the automobile and shipping industries, space technology and aeronautics, said the KCNA report

Climate Map to Aid Agriculture

The DPRK has produced a detailed electronic map to monitor climate changes to assist the country's agricultural production, KCNA reported. The map was produced on the basis of the country's geographical information system, and indicates 21 basic indices and 147 specific indices necessary for agricultural production. Most of the indices on the map have high accuracy, according to KCNA.

Scientists and researchers at the Central Meteorological Institute of the Hydro-Meteorological Service, the faculty of global environment of Kim Il Sung University and the Geographical Institute under the State Academy of Sciences scientifically defined average climate values on the basis of comprehensive analysis and estimation of the climatic features of the country for three decades from the 1970s to 2000, the report noted.

New Rice Strain Suitable for Double Cropping

The DPRK has developed a new strain of rice suitable for double cropping, according to KCNA September 10. Experiments at a farm in Mangyongdae District, Pyongyang, showed that the new high-yield strain's growing period is shorter and consumption of fertilizer per hectare lower than with other strains. The new strain, which does not need plastic sheeting for cultivating the seedlings, was highlighted at the National Festival of Science and Technology.

Online Medical Service Working Well

Xinhua reported that the DPRK has established its first online medical service system, ensuring that people in remote areas can have access to the same level of treatment as those in the capital.

The system, launched in April this year, connects Kim Man Yu Hospital in Pyongyang with different provincial hospitals via a computer network. The national hospital provides diagnosis and prescribes treatment for patients from other areas through online video consultations.

So far, Kim Man Yu Hospital has provided diagnoses for more than 180 difficult and complicated cases, held 63 lectures on medical treatment and shared medical information on 56 occasions. More than 3,800 doctors have communicated through the system, hospital head Kim Heon Jong told Xinhua.

The system addresses the reality of the DPRK's mountainous geography, which makes delivery of services difficult, Kim said.

The World Health Organization (WHO) helped with the establishment of the system. WHO Director-General Margaret Chan spoke highly of the DPRK's efforts to develop medical services at the system's launching ceremony.

Kim Man Yu Hospital, a national hospital noted for its expertise in cardiovascular surgery, was built in 1986 with the joint investment of Dr Kim Man Yu, a Japanese-Korean, and the DPRK government.

NK's New Money-Making Venture: Video Games

[The following is an edited version of an Asia News article.]

To earn hard currency North Korea is boosting its national video games industry. In fact, one of the most popular video games for mobile phones, The Big Lebowski -- even though it is marketed by American News Corp. Murdoch -- was actually created in Pyongyang.

The new business venture is not illegal, since international sanctions against the regime only affect operations linked to arms trade. But unilateral measures undertaken by the Obama administration August 30 -- as well as a freeze on assets owned by North Korean companies and members of the regime -- prohibit "fictitious assets" that could end up supporting the Pyongyang war industry. The fear is that the acquired know-how could be used in a hypothetical cyber-war. In late July this year the South Korean presidency said it could prove that internet cyber attacks had taken place. But Pyongyang rejected the allegations: Video game programmers are not capable of becoming cyber-terrorists.

Economic Zones

Day-care Center Opens for Kaesong Complex Children

According to NK Brief, construction of a day-care center for children of North Korean workers at the Kaesong Industrial Complex (KIC) has been completed, and the center was opened September 1.

The ROK Ministry of Unification released a statement announcing that “a child-care center has been built with the aim of providing care for the children of North Korean female laborers in the KIC and to improve the productivity of the industries in the complex.”

With the opening of the new center, more than 300 additional children can be cared for, along with the more than 200 children who are currently attending an existing day-care in the complex.

The new facility has over 3,100 sq m of floor space. Work started September 24, 2009, and took over a year to complete. The real estate was provided by the North, with the South-North Cooperation Fund funding the building. The Kaesong Industrial District Management Committee has turned over the management of the center to the North, and factories in the complex pay approximately US\$15 per child per month for employees' children.

Kaesong Workers Get Pay Raise

The Kaesong Industrial District Management Committee and the North Korean Central Special Zone Development Guidance General Bureau agreed on August 5 to raise the minimum wage of North Korean workers at the KIC by five percent -- from the equivalent of US\$57.881 per month to US\$60.775 per month. The raise took effect on August 1 and will need to be reevaluated before July 31, 2011, NK Brief reported.

In the meantime, South Korean companies will gain more control over the hiring process. North and South Korean authorities agreed to strengthen adherence to existing regulations, both on hiring and assigning workers to various positions. Previously, North Korean labor representatives could control work assignments for North Korean workers, but that will fall under the authority of the managers of each business.

According to the guidelines regulating the KIC, North Korean workers will receive a raise of no more than five percent per year, and they have received a five percent raise each year since 2007. North and South have now agreed to continue raises at a rate palatable to businesses in the complex, and to allow South Korean businesses more control over employees.

Seoul to Allow More of its Citizens to Work at Kaesong

South Korea said that it would allow more of its citizens to work in the jointly-run Kaesong Industrial Complex. The Unification Ministry plans to let up to 900 South Koreans work at the Complex, up from the current 600, spokeswoman Lee Jong-Joo told AFP. "There have been many requests from South Korean companies (to allow more South Korean managers to stay at the complex)," Lee said.

Following mounting complaints from South Korean factory owners at the complex, Seoul lifted the ceiling to 600 earlier this year.

There are currently some 42,000 North Korean workers at the KIC, and the South Korean businesses there say they want another 24,000.

Comment

Closer contacts between the people on both sides of the DMZ that divides the Korean peninsula is the obvious way ahead for a peaceful solution to that division, and for mutually-beneficial economic cooperation. This was proved by the fact that such contacts thrived during the ten years of Seoul's "sunshine policy," but are now being choked off by ROK government policies, aided and abetted by stories -- rife in the Western press -- which paint a dark picture of the lives of DPRK citizens. Defectors are said to claim that they face imprisonment, torture and execution if sent back. However, B. J. Myers, a much-quoted pundit on North Korean affairs and no friend of Pyongyang, estimates that about half of all North Korean refugees who make it to China voluntarily return to their hometowns. One claims to have made the journey to South Korea four times, and is now settled back in NK! Andrei Lankov, another pundit of that ilk, and likewise no friend of Pyongyang (He's trying to organize an international group to topple the regime, no less) says, "It helps (defectors to return) that the North Korean regime follows a lenient policy towards returning refugees. They are allowed to settle down in their native towns and villages, and if they make a sufficient donation (reportedly, a few tens of thousand dollars) they can even be granted good positions and privileges. They are often used for propaganda, telling horror stories about life in the capitalist hell down south. Professional propaganda mongers help them to prepare such stories in which the personal experiences of the returnees (bitter, to be sure) are liberally mixed with necessary inventions."

This, incidentally, rather demolishes the case made by the UN High Commissioner for Refugees excoriating China for repatriating NK economic migrants, on the grounds that they face punishment if returned.

Touring North Korea



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school, and the spectacular Mass Games (performed from August to October 10).

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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.]

Kangwon Province

This province (which extends into South Korea) is situated on the east coast of the Korean peninsula. Some 120 km from the shore is one of Korea's most prolific fishing grounds, abounding in fish, seaweed and shellfish, and other marine products. Though not a major industrial area, Kangwon is home to machine-building and light industries. The Munphyong Smeltery processes nonferrous and rare metals. The June 4 Rolling Stock Company produces heavy-duty railway wagons, refrigerated vans and petrol tankers. The shipyard at Wonsan, a leading port city, builds 3,750-ton trawlers and 10,000-ton freighters. The Anbyon Youth Power Station is powered by a 40-km manmade waterway to produce electricity.



Pool for recreation at the Kumgangsan resort area. Hotel in background. [Photo:Bumix 2000]

Kangwondo is most famous for its scenic spots, especially Kumgangsan (the Diamond Mountains), which is being developed into the country's top tourist destination. There are fine beaches, caves and waterfalls in the vicinity, in an area known as Sea Kumgang.

Korean Proverb

Namui toun pabi nae sigun pamman mothada.

("Another's hot rice is not as good as my own cold rice")

Be satisfied with what you've got.

P