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Fast-food eatery sizzles in N. Korea

Singaporean trio reveal how they set up first joint in reclusive state

By Jamie Ee Wen Wei



(From left) Mr Tan, Mr Quek and Mr Soh made several trips to North Korea to set up their fast-food restaurant. -- ST PHOTO: CHEW SENG KIM

Behind the headlines that reclusive North Korea recently opened its first fast-food restaurant are three Singaporean businessmen.

Two of them, Mr Quek Chek Lan, 65, and Mr Timothy Tan, 52, got the nod to set up the restaurant, called Samtaesong or 'three big stars', in the North Korean capital of Pyongyang.

It serves Western fare such as hamburgers, french fries and waffles, and was officially opened in May.

In an interview last week - after much effort to get the busy men to find the time to talk - Mr Quek and Mr Tan shared with The Sunday Times how they set up shop in the communist country.

It began two years ago when Mr Quek, managing director of the Aetna Group, which deals in metal and minerals, was approached by his North Korean business partners to invest in the country.

His company has been trading with the North Koreans in steel and minerals for more than 25 years.

Mr Quek then roped in his business friend Mr Tan, whom he had met eight years ago in Shanghai.

Together, they set up Sinpyong International to invest in North Korea.

Asked if he was worried about investing in North Korea, Mr Tan admitted that he prepared himself mentally for red tape.

Initially, the two men mulled over business ideas such as opening a supermarket. But after market research, they were drawn to the idea of a fast-food restaurant.

'There was nothing like that there at that time. It was probably the only country in the world that doesn't have fast food,' said Mr Tan.

Despite neither of them having any experience in the fast-food business, the pair quickly got down to work.

They roped in a third person, Mr Patrick Soh - who holds the franchise in several Asian countries for Waffletown USA - to help them set up the operation and train the local staff in Pyongyang.

Waffletown USA is not a big regional player and it currently has only two franchise outlets in Singapore, in Balmoral Plaza and in Ngee Ann Polytechnic.

Samtaesong, however, is not a Waffletown franchise, Mr Quek stressed. 'We borrowed the concept and menu, and tapped Mr Soh's expertise, but it's not a Waffletown franchise,' he said.

Early this year, a four-man team from North Korea discreetly came to Singapore to sample the fare at the Balmoral Plaza outlet in Bukit Timah.

'They tried the food and especially liked the waffle, burgers and fried chicken,' said Mr Soh, 56, beaming.

Mr Quek said the restaurant's site was picked by his North Korean business partners. Located in the heart of Pyongyang, it is next to a subway station and within walking distance of various universities and foreign embassies.

In November last year, the Singaporean partners began making trips to North Korea to set up the 246 sq m restaurant. It occupies one floor in a two-storey building and can seat about 80 people.

Furniture, styled after fast-food joints in Singapore, was shipped in from China.

Kitchen equipment and ingredients, such as the seasoning for the fried chicken and the waffle mix, were flown in from Singapore.

The beef and the chicken are sourced in North Korea, while a local factory supplies the burger buns and patties according to Mr Soh's recipe.

In all, Mr Quek and Mr Tan spent about US\$200,000 (S\$276,500) to set up the shop.

Mr Soh let on that the menu was modified to appeal to North Korean tastebuds. For instance, the side dish coleslaw was substituted with kimchi, the spicy pickled cabbage popular among Koreans. The burgers also come with more vegetables.

'They don't like the idea of junk food, so we made the menu more healthy,' Mr Soh said.

Local draught beer is also served along with soft drinks like Coke.

The restaurant has 14 staff members, mostly young women, who don colourful aprons while flipping burgers and cooking french fries.

Mr Soh said the restaurant initially encountered frequent power failures. But that was quickly resolved after they managed to wire an electrical cable to their store.

One condition was that they could not market the business openly. Mr Tan said: 'It's all based on word of mouth. It's not like in Singapore, where you can advertise on TV or in the newspapers.'

Still, as the saying goes, the proof is in the pudding - or the bun, in this case.

Since the restaurant first opened its doors on May 28, customers, including foreign students and embassy staff, have been streaming in. The outlet opens every day from 11am to 9pm.

Prices are listed in euros, but US dollars are accepted too.

Among its most popular items is the burger, known as 'minced beef and bread'. It costs between 1.20 euros and 1.70 euros (S\$2.50 and S\$3.50). The most expensive item on the menu is the crispy fried chicken, at slightly less than 3 euros.

Mr Soh said locals have already used the restaurant as a venue for their children's birthday parties.

Two more outlets may sprout in Pyongyang. Also in the works are a Western-style beer garden and a supermarket.

Asked if other fast-food companies may try to break into the market, Mr Tan said: 'We cannot stop them, but it's not so straightforward. People may try to go in to do this but it's not so easy.'

Agreeing, Mr Quek added: 'In North Korea, having connections is very important. If you don't have contacts there, you can't do business.'

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