

DPRK Business Monthly

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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

P'yang Sues Taiwan Over Nuclear Waste Disposal Deal

North Korea has sued a Taiwanese power company for US\$10.1 million for an unfulfilled contract signed 16 years ago to dispose of nuclear waste in the DPRK, according to the *Taipei Times*.

The daily said North Korea signed a contract with the state-owned Taiwan Power Co. in January 1997 to dispose of 60,000 barrels of low-level radioactive waste from the company in an abandoned coal mine in Pyongsan, North Hwanghae Province.

North Korea is now suing for the cost of building the disposal site.

"The company said it did not wire any payment to the North Korean government because the contract never went into effect and had become invalid," the *Taipei Times* commented.

In 1999 Taiwan decided to build its own nuclear waste facility.

NK Seafood Exports Thriving

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

At the Red Sun restaurant in Yanji, in China's Jilin Province, live crabs with plump legs wriggle in a cooling tank, fresh from the North Korean coast just two and a half hours away by road.

The cook and owner, Jin Yuansheng, douses the prized crabs in boiling water and adds them to the steaming platters of sea cucumbers, shrimp and squid, also from North Korean waters, that he brings to the table.

This border town abuts North Korea along the Tumen River, where a bridge serves as the gateway for a lively commerce in shellfish plucked from the East Sea (Sea of Japan) off North Korea. It is an exotic niche business in the more than US\$11 billion-worth annual trade between North Korea and China, which is dominated by China's purchases of cheap North Korean iron ore and coal.

By encouraging trade with North Korea, China aims to prevent North Korea's government from collapsing, an outcome that could result in a Korean Peninsula occupied by US troops. And business with North Korea serves a domestic goal: It helps employment and incomes in Jilin Province, where an estimated two million ethnic Koreans live.

That is where the crabs come in. Scooped from 3,000-foot-deep waters by trawlers crewed by North Korea fishermen, they are first taken to the North Korean port of Rason, a special enterprise zone serving foreign investors and largely financed by China. The crabs are trucked in ice to the Chinese border town of Quanhe, and then brought to the market in Yanji, or flown to cities across China as a delicacy for the affluent.

“Getting the crabs here is a delicate operation,” said Mr Jin. “If they are too hot en route, they can die, and if they are too cold, they can freeze to death.”

For Chinese traders, importing crabs is a lucrative business. They sell not only to upscale restaurants around China, but also to banquet organizers. The sales pitch stresses what is called the purity of the waters around North Korea compared with the more polluted seas around Japan and South Korea.

“The fishermen capture the crabs deep down, so it is high quality,” said Qu Baojie, whose company imports crabs from Rason. “South Korea and Japan can't compete.”

His products, branded as Crab Earth, Crab Heaven, is featured at the buffet of the Golden Jaguar, a fashionable Beijing restaurant, and is sold in red boxes suitable for business gifts, he said.

The fishing operations in Rason, an ice-free port that gives year-round sea access to China's northeastern provinces, work fairly smoothly, Mr Qu said. Trawlers equipped with South Korean gear ply the waters at night, returning to shore about 4 a.m.

Their catches are then transferred to a state-owned plant in Yanji, where some crabs are packed live and others are processed, he said. About 300 North Korean workers are employed during the peak September-to-December fishing season. Fishing during the breeding season of June to September is banned, he said.

His crab business flourishing, he recently bought a new processing factory in Yanji, Mr Qu said.

Some of the crab meat is vacuum-packed in clear plastic, and sold to other Chinese traders, who in turn dispatch it to the United States, he said. The brand name of North Korean crab meat sold in the United States? “They slap on their own brands,” he said of the American buyers.



Bridge connecting Dandong, China (left), with Sinuiju, DPRK, across the Amnok (Yalu) River [Photo: AFP-Getty Images]

China's First Offshore Processing Pact Inked with NK

China for the first time has signed an offshore processing agreement. Under the pact, signed with the North Korea, four companies in the border city of Hunchun, including Yunda Garment Co. Ltd, will export textiles to be made up into shirts in the DPRK, according to the Chinese website www.ldprkorea.com. Under the two-year agreement, starting in January 2013, the textiles will be made up into 8,000 shirts, the report said, adding that the companies will be relieved of

some export and import taxes. The report added that the deal reflects low labor costs in North Korea as well as a severe labor shortage in Hunchun, where there is a deficit of 3,500 workers. It said it was the first such agreement not just for Jilin Province but for China as a whole, and had the approval of customs headquarters in Beijing.

NGO Initiatives in DPRK:

 International Federation
of Red Cross and Red Crescent Societies

The International Federation of Red Cross and Red Crescent Societies (IFRC) is concerned about the fragile food security situation in the Democratic People's Republic of Korea (DPRK), especially for the country's most vulnerable people.

Martin Faller, the IFRC's regional representative for East Asia says, "Helping communities to take concrete steps to improve their own food situation is the most effective approach. But clearly much more needs to be done."

The Red Cross disaster management program is addressing medium- to longer-term food security concerns by increasing crop production. This means protecting arable land from floods and mudflows, and developing the livelihoods component of the program.

The construction of dams, dykes and riverbank reinforcements, as well as tree planting -- all aimed at mitigating the impact of flooding -- are helping communities limit the damage caused by floods.

By building greenhouses and providing food-processing machines, the aim is also to improve the quality and diversity of food available. The first two pilot communities which received food-processing machines have successfully increased their capacity, and they are now able to generate additional income for the most vulnerable groups.

This has been a huge incentive for communities to initiate their own projects with their own means -- varying from mushroom planting, provision of meals to the elderly during winter, and the construction of a water reservoir and a dam, as well as several irrigation canals and sluices to irrigate a large number of rice fields.

The Red Cross is also helping people whose health may be at risk because of poor nutrition, mostly women and children. The IFRC is supporting an extensive health program, providing essential medicines to over 2,000 clinics and more than eight million people -- about a third of the DPRK's population.

In addition to receiving medicines, clinics also receive micronutrients and iron tablets to improve the health of pregnant and lactating women, and undernourished children. At the same time, the construction of clean drinking water facilities and proper sanitation that serve thousands of people will help reduce communities' exposure to disease.



Rural DPRK community with Red Cross kits [Photo: IFRC]

Recruiting: Education expert specializing in children with sensory impairment (deafness)

Handicap International is looking for a consultant to work with deaf people in the DPRK.

— Closing date: 07 April 2013

Handicap International (HI) commenced its activities in the Democratic People's Republic of Korea in 2001, implementing projects jointly with the Korean Federation for the Protection of the Disabled (KFPD) under the Ministry of Public Health. The KFPD first requested support to modernize the orthopedic production in Hamhung orthopedic center, and is now broadening its request to various disability sectors such as capacity-building, advocacy, education and livelihoods. Since 2009 HI has been building the capacity of its national partner, the KFPD, in the areas of Project Cycle Management, Organizational Development, Disability Knowledge Management, Education and Livelihood. The work has also led to the creation of the Korean Foundation for the Protection of the Disabled and Orphans (KFPDO), a sub-branch of the KFPD. This has enabled the development of further projects as well as a representation office in Beijing with the dual focus of networking in the field of disability and being an interface with potential international donors outside the DPRK. It is important to note that, due to political reasons, HI does not officially exist in the DPRK and is known under the name of the European Union Program Support Unit Seven (EUPS Unit 7). Expatriates are considered as technical experts from the EU delegated to the Ministry of Foreign Affairs.

The application must be submitted to jobs@handicap.be before April 7, 2013 and should include: 1/ a curriculum vitae 2/a summary of how the applicant understands the assignment including constraints/opportunities 3/a good description of methodological approach 4/ consultancy fee expectation.

Please note that only short-listed candidates will be notified.

Inter-Korean

ROK Green Light for TB Work Aid to North

Yonhap reported that South Korea has approved the first shipment of humanitarian aid by a private charity group to North Korea since President Park Geun-hye took office in February.

"This latest approval was given for the purely humanitarian need to help tuberculosis patients in North Korea," Unification Ministry spokesman Kim Hyung-suk said.

Under the terms of the approval, the Eugene Bell Foundation, a South Korean charity group, will ship tuberculosis medicines worth about US\$606,500 to eight tuberculosis clinics run by the Foundation in North Korea. The shipment is expected to be delivered in April, the official said.

"The planned medicine aid can help cure about 500 multidrug-resistant tuberculosis patients in the North whose lives would be at serious risk without the medicine," the spokesman said. It is difficult for North Korea to produce quality medicine to cure this difficult type of tuberculosis, he added.

Multidrug-resistant tuberculosis is defined as tuberculosis that is resistant to several types of drugs, a strain that is relatively difficult to treat and requires far more expensive medicine than easier cases of the disease. South Korea is worried that the disease might spread across the Demilitarized Zone into the South.

"The spread of multidrug-resistant tuberculosis is so serious that North Korea is judged to have missed the crucial 'golden time' to root out the tuberculosis," Stephen Linton, chairman of the Eugene Bell Foundation, told a news conference last November following a two-week visit to the DPRK.

The charity foundation has been running a medical service program for tuberculosis patients in the North since 2000, and sends drugs there on a regular basis.

New Reunification Group Formed in ROK



A group of literary, media and political heavyweights celebrate the launch of private charity group 1090 Peace and Unification Campaign at the Korea Press Center in central Seoul. The organization is dedicated to providing humanitarian aid for North Korea and education programs on unification. In the front row are the group's three co-executives Lee Young-sun (fourth from left), Lee Bae-yong (center), Baek Young-chul (fourth from right) and *JoongAng Ilbo* Chairman Hong Seok-hyun (far right). [Photo: *JoongAng Ilbo*]

South Korea's *JoongAng Ilbo* reported that a group of high-profile figures launched a nonprofit organization -- 1090 Peace and Unification Campaign -- March 26 to initiate projects aimed at providing humanitarian aid and promoting cultural exchange programs with North Korea.

With the mission of raising awareness about the Korean peninsula's peace and unification in a wide range of age groups from teens to those in their 90s, the group will be led by Chairman Lee Young-sun, former dean of Hallym University in Kangwon, and co-executive Baek Young-chul, professor emeritus at Konkuk University.

"Although tensions are high between the Koreas, it is meaningful to launch a private group dedicated to advocating unification at the time of transition and change," said Lee at the launching ceremony held at the Korea Press Center in Kwanghwamun, central Seoul.

"We seek to offer humanitarian aid to vulnerable people such as pregnant women and children in a transparent way," said Baek. "We will also hold a seminar with regional experts studying countries like North and South Korea, the United States and China."

The education project also represents a core task of the organization. It is scheduled to hold a range of lectures on unification, peace and national branding.

Lee Bae-yong, former head of the Presidential Council on National Branding, will be invited as a speaker for one of those events.

For the younger generation, it will offer an open forum dubbed "Unification Talk Concert" where North Korean defectors, experts on the North, and South Korean university students will share their thoughts on unification.

The advisory board consists of Han Gwang-ok, former chief of staff to the late President Kim Dae-jung, and Hong Seok-hyun, chairman of the *JoongAng Ilbo*.

New Tax Rules for Mount Kumgang Tourism Zone

[The following is an edited version of an article by the Institute for Far Eastern Studies.]



Mount Kumgang Scenery [Photo: KCNA]

North Korea announced that it has instituted a new law to begin levying tax in the Mount Kumgang Tourism Zone which had been a tax-free zone. In addition, a personal protection regulation for tourists was also added to its tourism regulations. North Korea has been modifying laws pertaining to the Mount Kumgang area in order to develop it as a special tourism zone.

Yonhap News reported that it had obtained from North Korea a book that was released last November on North Korea's laws and regulations on international economic policy. According to the book, North Korea adopted in June 2012 a new tax regulation for the Special Zone for International Tours of Mount Kumgang. The law was passed by the Presidium of the Supreme People's Assembly.

The new tax regulations stipulate that any companies or individuals (foreigners and overseas Koreans) who conduct business transactions or make profits from the Special Zone for International Tours of Mount Kumgang are subjected to tax.

The business income tax applied in the Mount Kumgang zone is on average about 14 percent of one's yearly profit (infrastructure projects including airport, railways, roads and port construction only pay ten percent) and individual income tax ranges from five to 30 percent when monthly income is 300 euros (about US\$390).

The tax regulations also cover property, inheritance, transaction, business and local tax. This comes as a subordinate law under the Special Law for International Tourism in Mount Kumgang, which was enacted in May 2011, and subsequently revoked the monopoly rights of South Korea's Hyundai Asan, which initially developed the zone.

In the past, working closely with Hyundai Asan, North Korea designated the tourist area as a tax-free zone. There were also no separate laws regarding the levying of taxes on foreigners except for South Korean tourists, who were required to pay US\$50 per person.

In the Tourism Regulations of Mount Kumgang International Tourism Zone, a clause was added that specified that the special travel bureau for international tourism was responsible for the protection of the personal safety and property of tourists in Mount Kumgang. The special travel bureau for international tourism is under the jurisdiction of the Guidance Bureau of the Special Zone of Mount Kumgang International Tourism.

North Korea's decision to insert a clause ensuring the safety of tourists is likely due to the fact that this issue has continually been raised as a main item of concern since the death of a South Korean tourist in the zone in July 2008 and subsequent halt of inter-Korean cooperation in the Mount Kumgang project.

In addition to the new tax and tourism regulations, North Korea has also made new regulations pertaining to the founding and management of enterprises; customs; access, visiting and housing; insurance, and environmental protection, among others.

Are you interested in business, trade
or investment
in the DPRK?

Contact Korea Business Consultants
(KBC) for:

- Information and insight
- Introductions to projects & partners
- Participate in our Business Fact-Finding Missions
- Enjoy customized visits, tailored to your business needs

For more information contact:

info@kbc-global.com

Or visit:

<http://www.kbc-global.com/>



Correction

Phoenix Commercial Ventures is not an IT joint venture, as reported in February's *Monthly*, but an investment company.

Domestic

“High-Tech Way Forward for NK Agriculture”

[The following is an edited version of an article published by the Institute for Far Eastern Studies.]

North Korea is emphasizing the importance of science and technology in the agricultural sector.

Rodong Sinmun, the official newspaper of the Workers' Party of Korea (WPK), recently featured an article written by Ri Yong Gu, director of the Ministry of Agriculture, titled “Key Issues to Pay Attention to for Introducing Technology Products in Farming Operations.” The article emphasized the importance of science and technology in the WPK's policies, and claimed that technology products, such as farm machinery, fertilizers, pesticides and soil conditioners must be introduced to promote agricultural production.

In addition, the article called for accurate assessment of the economic benefits to be gained by the introduction of technology products and for evaluation by scientists, technicians and farmers to mobilize the public and integrate science and technology with production in all parts of the agricultural sector.

Technology products were explained as an important factor for reducing agricultural production costs, making crucial the selection of appropriate technology based on the experience and skill level of farmers and the soil conditions of each farm.

Choson Sinbo, a Japan-based pro-North Korean newspaper, featured an article on February 27 saying that scientific farming methods were incorporated in the Samji River Collaborative Farm linked with the Center for Agricultural and Technology Dissemination through a computer network.

It is not new for North Korea to emphasize the use of science and technology in agriculture; however, in recent years, more emphasis is being placed on this factor.

In the 2013 New Year's speech by North Korean leader Kim Jong Un, agriculture and light industries were named as the frontline industries for economic construction. In the speech, Kim stressed that “incorporating science and

technology into agricultural production and increasing the level of integration must be accomplished in order to reach the wheat production target for this year.”

In time for the rice planting season in May, North Korea is hoping to increase fertilizer production and to promote agricultural technology in order to boost production nationwide.

This emphasis is in line with the successful launch of a long-range rocket last December, preferential treatment for scientists, and promotion of science and technology in the economic sector.

Increased grain production last year may have been due to improved fertilizer supply. Production is expected to improve this year as scientific farming continues to be emphasized.

“Light Industry First Priority This Year”

The Institute for Far Eastern Studies also reported on a speech made March 18 by DPRK leader Kim Jong Un opening North Korea’s first national light industry convention in ten years, calling for efforts to be focused on the development of light industry.

In his speech, Kim pointed out a number of issues which are currently affecting North Korea’s light industry sector including supply shortages, low quality, a high level of dependence on overseas suppliers of raw and other materials, workers’ “defeatism” and a preference for imported goods.

He also emphasized the need for economic improvement through the development of light industry, promoting the production of consumer goods for the public, and modernization of the light industry sector on a scientific basis. In touching on these areas, Kim reiterated points made in his New Year’s address earlier this year.

Kim Jong-un’s itemization of the issues negatively impacting the light industry sector is receiving particular attention. During the Kim Il Sung and Kim Jong Il eras, progress reports tended to exaggerate positive results, with positive assessments of current performance and rosy projects for the future. Comparatively, Kim Jong Un’s unfiltered account of the state of the light industry sector in North Korea seems somewhat unconventional when juxtaposed against the propaganda of past regimes.

In Kim Jong Un’s words, “In the struggle to enhance livelihoods and to build an economically powerful country, the light industry and agriculture sectors must adopt the course of combining their fire power to deliver a decisive strike.” He further said, “Despite the current precarious situation, light industry, as this year’s first priority for economic development, will quickly solve the issues affecting livelihoods. Through light industry, we will demonstrate the superiority of the socialist system and our ability to maintain livelihoods. This will be done in the name of advancing the great revolutionary event of national unification.”

Kim indicated that the greatest issues facing North Korean light industry today are supply shortages and low quality. “Currently at light industrial factories we are unable to accomplish the teachings left by Kim Jung Il. Whether exhibiting a new product or sample or displaying products in a store we must mass-produce items and return them to the people.”

He continued, “The culture- and lifestyle-related demands of our people are rising by the day. No matter how many consumer goods are produced, if they are not of a quality high enough to meet the demands of the people using them, they are useless. We must produce consumer goods favored by the people and that receive good reviews. Also, we must produce goods impeccable in the global marketplace.”

Kim also pointed out that “high dependence on imports of raw materials and construction materials is another serious problem currently facing the light industry sector.” He said that “in order to realize domestic production of raw and other materials, the chemical industry must play a major role.” Kim claimed that “an economic business network must be established among factories and enterprises in the chemical industry” and that “a variety of chemical products composed of high-quality textiles and plastics must be produced.”

“Currently, the most significant problem is that our workers do not feel responsible for the failures of their work sector

and work units. Instead they have succumbed to defeatism and no longer put forth their greatest efforts.” Kim added that “a preference for imports among workers stands as an obstacle to development of light industry.” He went on to say that “we must do away with the tendency to buy from other countries which have different facilities and the tendency to bring in foreign currency while claiming that we must import because our factories are modernizing.”

Since the 2003 National Light Industry Sector Workers’ Conference, March 23-24, North Korea has not held a national meeting of local light industry workers.

DPRK Scientists Raise Int'l Profile

South Korea's *Chosun Ilbo* reported that North Korean scientists published a record number of research papers in international journals last year. This was apparently due to state support for research as well as influence from long-time ally China.

The (South) Korea Institute of Scientific Technology and Information (KISTI) found that 34 research papers in international journals last year involved North Korean scientists, the most in a single year since 1976, when North Korean scientists began participating in international research activities.

The previous record was in 2010, when there were 29. South Korean scientists published 41,770 research papers in international journals last year.

Most of the research papers focused on optical technology, including the production of transparent graphene used to manufacture flexible monitors, and laser optics. Math, agricultural science, electrical engineering, chemistry and physics were also popular subjects for North Korean research papers. But there were no papers by North Korean scientists on missiles or nuclear testing.

The surge apparently owes something to Chinese influence, with 21 out of the 34 papers co-written with Chinese scientists. Most of the funding was also provided by China.

Last year, China ranked second after the US in terms of research papers in international journals. "China is North Korea's long-time ally and neighbor, so it makes sense for Chinese and North Korean scientists to conduct joint research," said Choi Hyun-kyu of KISTI.

But North Korean scientists also published joint papers with scientists from Australia, Germany and Switzerland. None of the reports were written solely by North Korean scientists.

However, scientists around the world say the North's researchers are not to be underestimated. For example, North Korean laser expert Kwon Yong-hyuk won the Best Student Paper Award from the International Society of Offshore and Polar Engineers (ISOPE) in June. The ISOPE symposium is the top scholarly gathering in the field of marine technology. Kwon developed a portable device to quickly analyze toxic pollution in the North Sea, and beat 177 competitors to the

honor.

Economic Zones

“Kaesong Unaffected by Tensions”

Yonhap reported that the inter-Korean economic cooperation zone in the North Korean city of Kaesong remains unaffected despite heightened tensions between the North and the South, and the North’s earlier threat to scrap the project has not materialized.



Freight carriers from South Korea line up at the Paju border crossing to enter Kaesong [Photo: Reuters]

According to Reuters, the crossing at Paju on the DMZ remained open on Thursday March 28, despite the North’s severing of the last of three telephone hotlines with South Korea.

Nearly 200 South Koreans and 166 vehicles carrying oil and other materials drove into the park just inside the North early on Thursday after North Korean authorities used a separate phone line from the park’s management office to allow access, South Korean officials said.

The North has already cut a direct hotline to US military forces stationed in South Korea and a Red Cross line that had been used by the governments on both sides.

"I am a bit nervous but it looked the same as before when I went in there yesterday," truck driver Park Chul-hee, 44, told Reuters outside the Paju customs office. North Korean soldiers in and around Kaesong had been wearing combat fatigues recently, he added.

The North-South military hotline was used on a daily basis to process South Koreans and vehicles across the border and in and out of the Kaesong project, where 123 South Korean firms employ more than 50,000 North Koreans to make household goods.

The first of the 511 people and 398 vehicles who were scheduled to return from the zone on Thursday began crossing the border into the South, indicating the crossing was operating normally in both directions, Reuters noted.

The news agency commented that the US\$2 billion a year the zone generates reduces Pyongyang’s dependence on China, which accounted for almost US\$6 billion in trade with the North in 2012, according to South Korean government estimates.

China to Upgrade Rail Links to Rason

China’s *Global Times* reported that the government of Northeast China’s Jilin Province has announced plans to upgrade railway links to neighboring North Korea, aiming to boost cross-border economic and trade ties.

The China Tumen-North Korea Rajin Railway and China Tumen-North Korea Chongjin Railway will be upgraded under the Jilin government plan. A special highway passenger line linking Tumen to North Korea is also set to be opened.

The plan aims to improve the industrial cooperation between China and North Korea's Rason Development Zone and push the development of the Tumen Korean Industrial Park to a higher level.

Jin Qiangyi, director of the Asia Research Center of Yanbian University, told the Global Times that the industrial cooperation between China and North Korea has been going on for many years and does not breach UN sanctions against Pyongyang.

Such cooperation could improve employment in the border areas of both countries and contribute to development and stability in the area amid the present heightening tensions, said Jin.

Comment

The DPRK's current account went into surplus in 2011, after running a deficit for decades, according to the Washington-based Peterson Institute for International Economics. The Institute's website estimated the surplus to be around US\$250 million, and said that the trend was likely to continue.

As Pyongyang doesn't release trade statistics, estimates have to be made based on data provided by third parties.

According to South Korean estimates, North Korea's total trade with its only major ally, China, nearly tripled to around US\$5.6 billion-worth between 2007 and 2011, and in 2011 it showed a deficit of US\$700 million in goods trade—a major component of its current account. For the current account to be in the black other components would have to be more than enough to offset that goods-trade shortfall. A Bank of Korea official in Seoul said, "If there were massive dollar remittances back home by overseas North Koreans or a sharp increase in foreign tourists to the North, it would be possible for North Korea to run a current-account surplus despite a trade deficit."

The first is unlikely, as the US Treasury Department would soon put a stop to it, but the second factor is more likely given that tourism to North Korea is growing rapidly.

The Peterson Institute is gloomy about the news, and well it might be. If the DPRK can get back onto its old track of economic prosperity despite decades of vicious trade and other embargoes it will emerge as a powerful challenger to those who have wished it harm.

Touring North Korea





| The very first charity Fun Run to be held in DPRK (North Korea) |

Koryo Tours are proud to announce the very first charity **Fun Run** to be held in DPRK (North Korea) on **May 1st 2013**

The Fun Run is open to any tourists in Pyongyang at the time so if you're on the **May Day Long Tour** or the **May Day Short Tour** then you can join in! There will be a **5km** route as well as a **10km** one for those who are up for more of a challenge - we will be running (or jogging/ walking/ limping - delete as applicable) in the Manyongdae District in Sports Street. Tourists taking part in the fun run won't miss out on any of the other activities - after the run we'll return to the hotel to freshen up before starting the day's sightseeing itinerary kicking things off with a visit to the Mansudae Grand Monument before heading to Taesongsan Park where the locals hold May Day celebrations.

The aim of the run is to raise money to buy milk powder for the children in the Nampo Orphanage on the west coast, a place we've worked with regularly. There will be a minimum donation of EUR 20 per runner but if you'd like to try and raise more we of course encourage you to do so - and please note that donations from non-participating tourists are a greatly received by us and the children!

The weather on the morning of May 1st should be pleasantly cool, we'll provide water and a FUN RUN T-shirt so all you need is some suitable footwear/ clothing.

If you'd like to be part of the first ever Fun Run in North Korea or need any more information about our May Day Tours then please send an email to info@koryogroup.com

HI,
HAVE YOU EVER WONDERED ABOUT CYCLING
IN NORTH KOREA?

find more information at www.koryogroup.com



There are two mobile phone networks in the DPRK – one for locals and one for foreigners. These two networks do not interlink. It is not possible for someone on one network to call someone on the other network. The following information relates to the foreigner network only.

MOBILE SERVICES

It is possible to buy a SIM card upon arrival in Pyongyang at the Koryolink booth in the airport terminal. You can either buy a **Visitor Line** or a **Foreigner Line**. It is possible to make and receive international calls but there is no international texting:

VISITOR LINE

- Visitor Line 1; costs EUR 50; preloaded balance EUR 30; 14 day validity
- Visitor Line 2; costs EUR 75; preloaded balance EUR 55; 1 month validity
- Visitor Line 3; costs EUR 100; preloaded balance EUR 80; 2 month validity

Local calling rate: EUR 0.2/min

Local receiving rate: EUR 0.2/min

SMS & MMS: EUR 0.2

FOREIGNER LINE

Costs EUR 50; monthly fee 800 KPW (approx EUR 6/USD 8); each month you receive 200 free minutes of calls and 20 free SMS to other local lines

Local call rate: 4.2 KPW/min (EUR 0.03)

Local receiving rate: 3.5 KPW/min (EUR 0.02)

SMS: 2.8 KPW (EUR 0.01)

MMS: 7 KPW (EUR 0.05)

INTERNATIONAL CALL RATES

China & South East Asia – EUR 1.43/min
 Russia – EUR 0.68/min
 France & Switzerland – EUR 0.38/min
 UK & Germany – EUR 1.58/min
 USA – EUR 5/min

INTERNET SERVICES

Koryolink offers the following mobile Internet connections:

- On your Laptop (USB Modem)

Pay a one-off connection fee then choose one of the monthly packages:

Browser package (2GB /month)

Streamer package (5GB /month)

Business package (10GB /month)

- On your phone

Pay a one-off connection fee then subscribe to a mobile internet monthly package

Internet can be accessed in the following places:

High Speed: Pyongyang city centre

High Speed: Main Highways

Normal Speed: Outside Pyongyang (anywhere that has mobile coverage)

How to set up the service on your computer:

Take passport and fill out an application form at the ICC store or Koryolink airport booth.

Pay the one-off connection fee (EUR 150) plus one-month subscription fee.

You will receive a USB modem and a SIM card. Insert the SIM card in the modem.

To pay for the service you use cash recharge or top-up cards from the ICC store.

How to set up the service on your mobile phone:

Take passport and fill out an application form at the ICC store or Koryolink airport booth.

Pay the one-off connection fee plus one-month subscription fee.

You must buy a **Koryolink Foreigner Line** (see above for details) which costs EUR 50 and has a monthly subscription of KPW 800 (approx EUR 6/USD 8). Note that you cannot get Internet access with the Koryolink Visitor line which has a fixed validity (14 days, 1 month or 2 months).

To recharge your phone you need to buy top-up cards.

COSTS

Mobile Internet on your computer (USB Modem)

One-off connection fee EUR 150 (includes USB modem & sim card).

Choose from one of 3 monthly packages.

<u>MONTHLY PACKAGES</u>	<u>PRICING/ MONTH</u>	<u>FREE UNITS</u>	<u>EXTRA UNITS</u>
Browser	EUR 150	2GB	EUR 0.05/MB
Streamer	EUR 250	5GB	EUR 0.04/MB
Business	EUR 400	10GB	EUR 0.02/MB

Mobile Internet on your phone

One-off connection fee EUR 75

Monthly Package

MONTHLY PACKAGES	PRICING/MONTH	FREE UNITS	EXTRA UNITS
Mobile Internet	EUR 10	50MB	EUR 0.15/MB



This could be you!

Young Pioneer Tours

Young Pioneer Tours, a Beijing-based North Korean travel company, has announced that it will offer a new tour program from this May that includes fishing in Pyongyang.

The company said the week-long program also offers a visit to the Demilitarized Zone (DMZ) and the re-opened Kumsusan Memorial Palace, where the bodies of the late leaders Kim Il Sung and Kim Jong Il are kept lying in state.

Send an email to tours@youngpioneertours.com for further enquiries or ask us to give you a call. Let us take you on the adventure of your lifetime!

Can't see a tour that suits your dates? Ask us about our independent tour options and build your own itinerary!

Rajin-Mt Kumgang Tours to Resume

North Korea will resume cruise ship tours between its Rajin port and the scenic Mount Kumgang resort.

Young Pioneer Tours said Pyongyang has authorized seven, four-day tours to the port and resort on its east coast from late April though mid-October.

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.]

Drinking Culture

As with most things Korean, drinking alcoholic beverages is normally done in a ritualized manner. The eldest person or a particular guest or stranger at a table is always served first. This person is expected to down the drinks offered, and return the glasses or bowls after turning them upside down and shaking out any dregs, and refilling them in turn. It is considered bad manners to pour one's own drink. The traditional Korean alcoholic beverage is makkolli, which is made from rice and has a milky consistency. It is something like white Guinness. It is often drunk by the bowlful. A refined rice wine, t'akju, is stronger and clear, and definitely a wine. A further variety, also made from rice or barley, is yakju, which is a sort of tonic wine with medicinal properties. Soju is a distilled spirit, very strong and drunk at a gulp from thimble-sized glasses. The local beer in the DPRK is highly recommended, and -- a rarity in Asia -- a bitter beer is available both bottled and on tap in micro-breweries. A few years ago, the DPRK authorities bought, dismantled and shipped to Pyongyang a whole brewery from England.



Makkolli [Photo: Koreavisitor]

Korean Proverb

Soturun mudangi changgu namuranda.

A clumsy carpenter blames his tools.

From GPI Consultancy

Dear Sir/Madam,

In the current financial and economic situation, European companies face many challenges. They must cut costs, develop new products and find new markets. In these fields, there are interesting business opportunities with North Korea. It is opening its doors to foreign enterprises and it has established free trade zones to attract investors.

There are several sectors, including textile industry, agro business, fishing, shipbuilding, logistics, mining/rare metals and Information Technology that can be considered for trade and investment. Most of the North Korean trade is currently taking place with China, but also the amount of production of the South Korean factories in North Korea continues to increase. A growing number of European firms are exploring the country as well -- for example companies producing in China, where wages are rising rapidly. Doing business with North Korea is also becoming easier than it was in the past.

With the rising tensions and the 'Cold War' climate around North Korea, it is important to find ways to create more trust and cooperation with this isolated country, and improving trade relationships could help. There is already a growing interest in the United States in business options in North Korea; an example is the recent visit of Google Executive Chairman Eric Schmidt to Pyongyang. I have been invited to give presentations in Washington DC about trade with North Korea in April. I will focus on outsourcing, and especially the production of garments and ICT (computer software, games, animation), at two events:

- Monday, April 15, at the John Hopkins School of Advanced International Studies (www.sais-jhu.edu)
- Tuesday, April 16, at the DPRK Policy Salon hosted by the National Committee on North Korea (www.ncnk.org).

In case you are interested in attending one or both of these events, let me know, so I can provide you with further information.

Also, a trade seminar in the Netherlands will take place around April. Another business mission to Pyongyang is scheduled for this autumn.

With best regards,

Paul Tjia (director) GPI Consultancy, P.O. Box 26151, 3002 ED Rotterdam, The Netherlands

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N.B. for my article on ICT outsourcing “Inside the Hermit Kingdom: IT and Outsourcing in North Korea”:
[www.gpic.nl/outsourcing_in_North_Korea_\(CACM\).pdf](http://www.gpic.nl/outsourcing_in_North_Korea_(CACM).pdf)



A DPRK garment factory [Photo: Paul Tjia]. The banner reads, “Escorts of the leader is our slogan in action and our slogan in practice!”

