

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

PRC Inks 50-Year Investment Pact with NK

Beijing has signed an investment deal with the DPRK for the development and use of docks in the North Korean port city of Rajin for 50 years, as well as for constructing highways and railways linking the city with China's neighboring Jilin Province.

According to Cho Bong-hyun, a North Korea analyst at the Seoul-based Industrial Bank of Korea, quoted by *Arirang News*, the deal is a follow-up to an agreement reached between Chinese President Hu Jintao and North Korean leader Kim Jong Il during the latter's visit to Beijing in August this year.

Cho added that the two sides are set to establish an office in Pyongyang to pursue the plan, and decide on specific dates and investment methods in the near future.

US Baptists Send Aid to DPRK

The *Baptist Standard* of the US reported that a Dallas-based Baptist missions worker has delivered 60 tons of corn to North Koreans suffering from long-standing food shortages.

Yoo Jong Yoon, Korean mission field consultant for CBF Global Missions, delivered US\$21,000-worth of food provided by CBF, Texas Baptist Men, Park Cities Baptist Church in Dallas, Sung Lim Korean Baptist Church and the Korean Community of Dallas.

He also visited orphans at two institutions in North Korea, where he delivered supplies valued at US\$2,200, and spoke at a North Korean church.

“I purchased and delivered 800 socks for orphans 8 to 17 years old at Mi Rim Institute, where I was allowed to say words to the students at two different classes,” Yoon said.

He also bought and delivered jars for *kimchi* -- a traditional dish of fermented cabbage and spices -- as well as classroom television sets for the Ae Yuk Won school for orphans ages 4 to 7.

“I said to the orphans: ‘We American Christians want to be your friends, and mom and dad and sister and brother,’” he recalled.

CBF has contributed to numerous hunger-relief projects in North Korea, including purchasing dried food and providing supplies to enable the people there to build greenhouses to grow their own vegetables. TBM’s ongoing involvement in hunger relief, humanitarian aid and development projects in North Korea dates back to 1996.

In spite of the increasingly tense political and military situation on the Korean Peninsula, Christians have a continuing responsibility to meet needs in Christ’s name, Yoon stressed.

“Kings, lords and rulers change, but the mandate of our Lord’s compassion, feeding the hungry, does not change,” he said.

NGO Initiatives in the DPRK: Hanns Seidel Foundation (Christian Social Union) (Germany)

[This information appeared in the CanKor newsletter November 2010]

Since 2006 the Hanns Seidel Foundation has been supporting the development of North Korean business intermediary organizations through capacity-building. Together with the EU-Korea Industrial Cooperation Agency, it has organized seminars and workshops with invited specialists in North Korea. The foundation has also carried out projects on organic agriculture and sustainable forestry in North Korea. From its website:

The EU-DPRK Trade Capacity project is a joint project by the Hanns Seidel Foundation of Germany with the Pyongyang International Information Center for new Technology and Economy (PIINTEC) and the EU-Korea Industrial Cooperation Agency (EUKICA) of Brussels.

The EU-DPRK trade capacity project aims at meeting the third priority of the ASIA-invest II “C” program, i.e., achieving an Institutional Reinforcement consisting of capacity building of North Korean intermediary business organizations and enhanced networking with European counterparts. The EU-financed Asia-Invest program was launched in 1998, and aims to promote the internationalization of European and Asian small and medium-sized enterprises (SMEs).

Accordingly, the emphasis of the EU-DPRK Trade Capacity project lies on institutional capacity building to increase the potential of North Korean trade and business promotion organizations. The broad objective includes the following aspects: Capacity building in North Korea first of all contributes to the general purpose of promoting peace and reconciliation on the Korean peninsula. Dialogue and cooperation between the EU and its North Korean partners fosters mutual understanding and trust as well as improving general relations.

The main activities of the institutional reinforcement include seminars and workshops held by invited economic specialists in North Korea as well as study visits of DPRK experts to European organizations. DPRK experts taking part in the activities are mainly drawn from business intermediary and trade institutions in North Korea.

The first program ran for three years: In the first year (March 2006-March 2007) the structure of the world economy, foreign trade rules and regulations, international business practices and the role of business intermediary organizations were the focus of capacity building. In the second year (March 2007-March 2008) the organization, management, legal context and services of business intermediaries were the topics, followed by the application and implementation of the transferred knowledge and special workshops on regional integration and special economic zones in the third year (March 2008-March 2009).

Indian Firm Eyes DPRK Iron Ore Development

India's *Economic Times* reported that Global Steel Holdings, owned by the Mittal Brothers, is trying to get a stake in North Korea's Musan Iron Ore Mine, estimated to hold reserves of more than seven billion tonnes. The newspaper noted that the Chinese "dominate the global steel industry" and already have a big stake in Musan's iron ore.

Citizen Journalists?

[The following is an edited version of an article by Suzy Kim which appeared in the *Asia-Pacific Journal*, 49-2-10, December 6, 2010.]

Back in 2008 a small but significant piece of news circulated in South Korea about a magazine "secretly published by North Korean journalists," as one headline read. But this was hardly covered in the Western media, and it seems the news finally filtered across the Pacific with the publication of the magazine's first English-language edition in October 2010.

Ishimaru Jiro launched *Rimjin-gang* in 2007. Published twice a year in South Korea and Japan in their respective languages, it is edited in Seoul by North Korean defector Choi Jin-i before being translated into Japanese and then from Japanese into English. *Rimjin-gang* aims to publish reports about everyday life in North Korea with the help of a dozen underground North Korean informants, whom Ishimaru identifies as "North Korean journalists." I have opted to use the term "informant" instead, given serious misgivings about whether they can be called journalists. The magazine is important to evaluate for several reasons. Not only does it claim to be "the first magazine about North Korea written by North Koreans" (*The Nation*), but it is also touted as "the first publication to create a channel for two-way communication between the divided Korean people," as exemplified by the title "Rimjin-gang" — the name of the river that flows across the Demilitarized Zone dividing the north and south.

Born in Osaka, Japan, in 1962, Ishimaru Jiro began cultivating relationships inside North Korea in 2002. By 2004 he had begun training a handful of North Koreans in China to gather undercover video and photographs back in their homeland. Ishimaru emphasizes that his motivation is to dispel stereotypes about North Koreans as "brainwashed, like robots" and North Korea as an unchanging, stagnant place. Both are admirable goals. Yet, questions arise when he attributes the source of changes in North Korea to the expansion of underground markets after the "breakdown of government authority by its failure to feed its people."

The magazine makes repeated references to the "natural" emergence of market mechanisms in place of the "paralyzed central economy" in North Korea, in effect reifying markets as a positive, miraculous force that can topple ineffective regimes. According to *Rimjin-gang*, the "power of supply and demand conquered the strict control of state authorities" and the market economy "developed naturally with no laws or regulations" when the "economy collapsed and the rationing system stopped operating." Thus, "only the market economy stood up and rescued the people and the country, despite the repeated government attempts to knock it down." But, as explained by the magazine's own sources, farmers' markets had been regulated and utilized to distribute additional goods beyond the state distribution system even before the economy collapsed. Indeed, with the onset of famine conditions and the breakdown in rations, the North Korean government reorganized the farmers' markets into general markets in April 2003 as a stop-gap measure while collecting taxes from the expanded market activities. The greatest irony lies in the repeated photos of marketplace activity, which show legal markets with prominent signs of the names of the markets posted at the gates. These photos make it clear that the markets are state-sanctioned and operated institutions, hardly a force opposing the state, and the magazine provides little direct evidence of state crackdown on market activities per se.

The magazine points to the large quantities of food being sold in the markets, claiming that the problem at present isn't the lack of food or aid, but the North Korean system itself. But this is precisely the issue -- markets have plenty of food, but most people do not have money to buy the food, creating disparities between the haves and have-nots since the breakdown in rations. Indeed, many of the North Koreans interviewed in the magazine voiced concerns that the spread of markets resulted in growing inequalities. But such voices seem to get sidelined by the editorial voice that paints markets simplistically as an oppositional force that is sustaining the welfare of the people despite the failed North Korean state, raising concerns about the extent to which the information is being filtered to fit a certain perspective.

Ishimaru juxtaposes the market with centrally planned economies as though they are incompatible, viewing the events unfolding in North Korea as a fight between the two when indeed there are many stunning examples of using both mechanisms -- the Japanese and South Korean models of development being only one version of combining central planning with market principles.

During an interview with Ishimaru, one of the North Korean "reporters" (pseudonym: Chang Jeong-il) appealed directly for food aid, regardless of where it goes "even to the military" because the net result is a decrease in food prices overall: "Whenever there is a large amount of food coming in, its market price naturally drops. So the more aid we get, the more thankful we are for it."

In exalting market and technological principles as the way forward, Ishimaru fails to acknowledge the state of war that North Korea has been in for the past 60 years, and the way that war and the US embargoes have hampered the development of North Korea.

Furthermore, language itself mediates the way we understand the issue. Mexicans sneaking into the US are regarded as economic opportunists, but North Koreans leaving their homeland are regarded as victims in need of rescue because North Korea is already characterized as an evil regime. But if 90% of border-crossers return to North Korea -- as Ishimaru admits -- then it makes more sense to focus on their dissatisfaction with economic rather than political conditions. The North Koreans working with Asia Press are guaranteed US\$300-400 a month (no small amount from the North Korean perspective) regardless of how much information they are able to provide. The temptation to safeguard this income by fabrication (basic journalistic ethics and checks being impossible to enforce in *Rimjin-gang's* case) while avoiding risky situations must be overwhelming.

Many claims made by defectors from North Korea have proven to be false, due in large part to the fact that the South Korean government used to have a policy of paying more to defectors who provided testimony deemed to have national security value. While those providing materials for the magazine seem to hold extensive debriefing sessions with the editorial staff in order to provide explanations for the materials they have gathered, they seem neither to write the accompanying text nor do they determine what is in fact used or left out of the final publication. Under such circumstances, it is difficult to know in what sense they are identified as journalists.

North Koreans Win Paternity Suit Filed in Seoul Court

A Seoul court in early December confirmed a paternal relationship between four North Koreans and a doctor named Yoon deceased in South Korea, a ruling that could legitimize the children's claim to a family inheritance of more than US\$8 million. According to Yonhap News Agency, in the first paternity suit involving citizens of both sides of the divided peninsula, the Seoul Family Court said that DNA tests had proved that the North Koreans are the children of a man who settled in South Korea during the 1950-53 Korean War.

The father moved to the south with one of his five children. He remarried and had four more children with his second wife.

The siblings in the North filed suits in February last year, demanding their portion of the inheritance their father, who died in 1987, left behind. The assets are mostly in the form of real estate. Legal experts say the case could inspire other Korean families divided by the war six decades ago.

“This decision could open a floodgate of similar lawsuits,” said Choi Eun-suk, a professor of North Korean legal affairs at the Institute for Far Eastern Studies at Kyungnam University in Seoul.

The suit was filed on behalf of the North Koreans by an unidentified member of a ROK civic group who frequently visits the North for relief activities.

Inter-Korean

Inter-Korean Trade Drops 30%

Inter-Korean trade has fallen about 30 percent this year, largely affected by South Korea's move to cut almost all business relations with North Korea after a ROK naval vessel sank in March, the ROK customs office announced December 22.

Yonhap News Agency cited data provided by the Korea Customs Service (KCS) to show that trade between the two Koreas amounted to US\$464 million-worth during the January-November period, down from US\$649 million-worth recorded a year earlier.

The Seoul government suspended almost all business relations with Pyongyang on May 24 with the exception of the industrial complex in the border town of Kaesong, where South Korean firms are doing business in cooperation with workers from the North.

South Korea's exports to the DPRK came to US\$130 million-worth during the cited period, down 28 percent from a year earlier, while imports dropped 29 percent year-on-year to US\$334 million-worth, the data showed.

Despite such a sharp shrinkage, trade through the Kaesong Joint Industrial Zone, tallied separately, remained robust. Trade there amounted to US\$1.31 billion-worth during the 11-month period, up 62 percent from a year earlier.

“There have been some disruptions due to heightened geopolitical tensions, but the overall number of companies operating there has increased compared with a year earlier, which resulted in a hike in production,” a KCS official said.

The official said that companies in the North Korean border town numbered 121 as of November this year, up from 93 a year earlier. An economic recovery in the South also helped boost production in factories there, the official said.

South Korea is the North's second-largest trade partner after China. A suspension of inter-Korean business would significantly impact the DPRK's efforts to secure hard currency, according to experts.

ROK Eases Materials Transport Curb to NK

Yonhap News Agency reported that South Korea relaxed its quota on industrial transports to the DPRK December 2 after ROK companies operating in the DPRK (mostly in the Kaesong Joint Industrial Zone) complained of difficulties in production, a ROK Unification Ministry official said.

He explained that the restriction had been relaxed from 50 to 70 vehicles, as the ROK firms struggled to meet production demands due to a lack of raw materials. “We've heard various complaints from the companies,” the official told reporters on the customary condition of anonymity, adding that the quota would be “flexibly” adjusted on a daily basis.

Domestic

“PIC Trains Best, Brightest of NK's IT Talent”

[The following is an edited version of an article by Choi Sung, professor of computer science at Namseoul University, which appeared in South Korea's *IT Times*.]

I have been writing about North Korea's IT industry since the start of this year. In this installment I would like to introduce North Korea's major information and communications institution. If the Choson Computer Centre (KCC) is called the centerpiece of North Korea's IT R&D, Pyongyang Information Centre (PIC) is the mecca of their software development. The PIC, founded on July 15, 1986, was jointly funded by the United Nations Development Program (UNDP) and Chochongnyon (the pro-Pyongyang Federation of Korean Residents in Japan). It is situated in Kyonghung-dong near the Potong River in Pyongyang.

PIC was created as the Pyongyang Program Development Company, and changed its name to Pyongyang Electronic Calculator Operator in October 1988, and then again to Pyongyang Information Centre (PIC) in July 1991. As of now, the best and the brightest of North Korea's IT talent is developing various kinds of programs and devices at PIC: nearly 300 IT professionals who graduated from the North's most prestigious universities such as Kim Il Sung University, Kim Chaek University of Technology and Pyongyang University of Science and Technology (PUST), are on the PIC payroll.

PIC has branches in China, Japan and Singapore, where PIC IT experts are working on software development, and has teamed up with foreign companies to jointly develop software programs and expedite technology transfers. PIC, North Korea's major software developer, is in the vanguard of these following areas: language information processing, machinery translation, document editing, global IMEs (Input Message Editor), computer-aided design (CAD), networks, database systems, fonts, multimedia and dynamic images. For instance, PIC's database development task force consists of about 40 IT experts, who are all working on the development of information management systems for production lines, companies and other institutions.

PIC's publishing group has been engaged in various R&D projects from the development of Chang-Deok, a PC word processor, to DTP (desktop publishing) systems for Mac computers. Last but not least, PIC's application software group is keen on CAD, virtual reality and the development of project management devices. PIC has also been developing a plethora of software products: embedded software, CAD, image processing, Korean-language information processing and systems, network management systems, multimedia dynamic images, etc. PIC's 3D CAD is widely employed by North Korean and foreign architectural design companies, and more sophisticated versions of it are coming out.

What's more, PIC is ramping up its joint R&D efforts with overseas IT developers with the focus on the development of diverse image-processing programs. Korean-language information processing and systems involve developing the technologies for character recognition, voice recognition, natural language processing and primary retrieval, while the development of network management systems includes fire walls, security solutions, encryption, e-commerce, IC cards, instant messenger programs, mobile game programs, etc.

They are also working on the development of multimedia and dynamic images: technologies for producing 3D materials, 2D cartoon production and the technology for adding accompaniments to images are being developed. PIC's font development team has developed 300 Korean fonts and a myriad of calligraphic styles for imported mobile phones and dot fonts for PDAs.

PIC-created Software Programs:

Chang-Deok

A software program for document editing and e-publishing
It works with various languages: Korean, English, Japanese, Russian, etc.

Dangun

A word processor that supports Korean, Japanese and Chinese
Over 200 calligraphic styles of Korean
It won the most esteemed award at the 11th National Software Program Competition.

Yongma

A spreadsheet calculation program for Windows

Electronic Publishing System

An electronic publishing system for Korean, English, Japanese and Chinese

Recognition

Automatic recognition program (rate of recognition: 97%)

Gohyang

A database management system (DBMS)

Dul

A two-dimensional computer-aided design (CAD) system

San-Ak

A three-dimensional computer-aided design (CAD) system

Dam-Jing

A machinery translation program for Korean and Japanese

It has 200,000 words in its memory. A 300 Kbite Korean text can be translated into Japanese in just three minutes. It costs roughly US \$20 per unit.

Body Type and Diet

A health management system

Typing School

A fun-oriented, learn-to-type program (Korean and English) designed to teach children how to type faster on keyboards

Samcheon-ri

A Korean map program

Pyongyang

A multimedia program designed for Pyongyang tours

Korean History and Customs

A multimedia program

PIC has scaled up its IT exchanges with overseas information and technology companies as well as R&D institutions. A case in point is the North-South joint venture HANA Program Center, which is located in Dandong, Northeast China, jointly funded in May 2001 by PIC and North-South HANA Biz, a subsidiary of South Korea's Dasan Network. Another showpiece of PIC's effort for joint R&D is the software development for fonts and Chinese character recognition in collaboration with Soltworks (an e-publishing software developer).

DPRK Breeds Snails to Aid Rice Production

The DPRK started breeding river snails this year to improve the rice harvest, the official *Rodong Sinmun* newspaper reported.

River snails are being bred in paddy fields to eliminate weeds and increase rice production. Researchers have been working on a method of breeding the snails artificially since 2008, the newspaper reported.

Except for those in some mountainous areas with low temperatures, most farms in the DPRK have adopted the technique.

Agriculture Ministry officials told the media that a great amount of labor and fertilizer can be saved through river snail agriculture, according to the *Rodong Sinmun*.

``Capital the Key to NK's Progress''

[The following is an edited version of an article which appeared in *China Daily*.]

Few people know that the Democratic People's Republic of Korea (DPRK) was a relatively prosperous country up until the late 1980s. In 1979 its grain output reached nine million tons, increasing to ten million tons in 1984. In fact, it used to be a rice exporter during that period. Moreover, according to the UN's Food and Agriculture Organization, as late as 1990 North Korea had the largest per-hectare output of rice in the world.

The DPRK economy started declining in the 1990s, when a lot of its resources were diverted to defense and heavy industries, seriously hindering the development of agriculture and light industries. Besides, environmental destruction damaged the rich soil, making it impossible for the country to return to its past agricultural glory.

As a result, the DPRK's economy registered negative growth in the late 1990s, and didn't improve until 2000.

In May 2009 the DPRK launched economic development campaigns such as the ``150-day battle, and vowed to make the year a turning point toward economic strength and prosperity.

This year has seen many changes in the DPRK. New technologies such as computerized numerical control have been introduced to help light industries, and more cash crops grown to raise funds or exchange them with other countries for grain.

The year has seen a remarkable increase in the number of neon lamps and lights on Pyongyang's roads and in residential buildings. Thanks to the construction of hydropower stations such as the Huichon Power Station in Chagang Province and the Wonsan Youth Power Station in Kangwon Province, Pyongyang and Kangwon's Wonsan City now have a relatively stable electricity supply.

A drastic change in the DPRK's economy this year has been the drop in the price of rice. The DPRK government has lowered the price of rationed rice from 46 won to 24 won a kg.

On the open market the rice price dropped from 2,000 won a kg in 2009 to 1,500 won a kg in September this year. In November it fell further, to 900 won a kg in Pyongyang's markets.

The availability of consumer goods has increased both in variety and quantity because of more and improved supply channels. Residents now rely on goods rationed by the government, as well as those available at markets and convenience stores. More special shops are selling necessities, although they cost more than in ration shops.

Contrary to some predictions, currency reform has not created a crisis or led to economic depression in the country. In 2009 the exchange rate of the yuan to the won was 1:500. This year it is 1:200, more than doubling the purchasing power of people in the DPRK.

Several facts prove that the living standards in the DPRK have improved this year. The supply of DPRK-made beer has increased, both in variety and volume, and the country may not need to import beer any more. A bottle of rice beer costs 600 to 700 won. More restaurants have opened in cities, and bicycles have become common in places where they used to be rare.

Even the number of cell phone users has increased -- to at least 80,000 -- though the 200,000 to 600,000 won needed to buy a mobile phone is still high, and the handsets and service need to be improved.

This year has had a special meaning for the DPRK, not least because it chose its next-generation leader. The year, too, saw the 65th anniversary of the founding of the ruling Worker's Party.

Though the DPRK's claim that it can build an economically prosperous country in the next two years may be exaggerated, we can see some obvious changes in the country. It is opening up to the rest of the world and shifting its attention from defense to the people's welfare.

But there is no denying that the DPRK now needs to develop its economy further. This will become clearer if one has followed the country's official media. In its New Year's commentary the Korean Central News Agency used the words "improving people's lives" 16 times, a rarity earlier. Even in 2009 the phrase was used only once.

The DPRK tried to increase its people's income in 2002, but failed because it didn't have enough goods then. The high inflation that followed made things worse.

Though last year's currency reform didn't raise people's incomes directly, it defused the currency bubble to a large extent. And this time the supply of more goods to meet rising demands has helped the country to move forward.

The currency reform, despite some negative effects, has not only improved people's living conditions, it has also built a sound financial base for the DPRK to welcome international economic cooperation in the near future.

If time and conditions allow, economic interaction could help the DPRK maintain peace in the region. The possibility of the DPRK economy suffering a 2002-like setback, however, cannot be ruled out.

The country's weak agriculture and light industries are still not in a condition to support development in the long term. Plus, North Korea has to depend on imports for 80 percent of consumer goods in the short term.

But 2010 has still been a special year for the DPRK, for it is standing at a crossroads from where it can start attracting investment, because capital is now the key.

This means opportunities for China. The markets for consumer goods such as light bulbs and cell phones are expanding in the DPRK, while rising demand for other products has created a larger profit space. Besides, the DPRK could open its resources markets further to raise funds.

The DPRK's economic development is good for China's security and good for overall economic cooperation in the entire region. The international community should use this opportunity to help the DPRK open up to the rest of the world. That would go a longer way to resolving the Korean Peninsula nuclear issue than flexing military muscles.

Economic Zones

Fire Claims Kaesong Factory

A pre-dawn fire completely destroyed a South Korean factory in the Kaesong Joint Industrial Zone in the DPRK December 24. A ROK Unification Ministry official told Yonhap News Agency that an electrical short circuit was the probable cause.

No injuries were reported from the mishap, which began at 2:30 am at a container building and spread to the nearby factory, owned by a kitchenware manufacturer.

The official said he did not immediately know the extent of property damage, only saying the fire was completely put out at around six am by officers of a jointly-operated fire station in Kaesong.

The company, which was unnamed, has operated in Kaesong since 2005 and employed more than 350 North Korean workers, the official said.

The factory park in the western border town houses more than 120 South Korean companies employing 44,000 North Korean workers, the last remaining legacy of detente between the divided countries. South Korea maintains a limited ban on its citizens traveling to Kaesong, almost all of whom are connected with the factory complex.

Comment

There can be no doubt that the present deplorable state of relations on the Korean peninsula results from Washington's failure to see that there is a foreign policy alternative to confrontation there. Tad Farrell of *NK News* points out that "Washington's current North Korea policy isn't working. With a peace treaty yet to be signed, naval skirmishes occurring on a regular basis between the two Koreas, and ever-increasing dangers associated with the DPRK nuclear weapon program, it is ... now time for Washington to take some North Korea policy lessons from Europe."

He explains, "Since 2001, the EU has had diplomatic relations with the DPRK, and been involved in various assistance programs and cooperation activities. All EU countries except France and Estonia have diplomatic relations with North Korea. In economic terms, EU law means that German software developers, Swedish clothes manufacturers and British holiday companies can be found doing business in North Korea. Of those countries with embassy representation in Pyongyang there are small, but tangible benefits. As a result of the UK presence, the British Council is working to build English-language learning capacities in schools and universities, while the Middlesbrough ladies' soccer team recently conducted an in-country tour. And while none of this can reduce the potential for incidents such as the island shelling, it is clear that in the medium to long term Washington must replicate Europe's DPRK policy."

The DPRK welcomes trade and investment from Europe because it doesn't want to be locked into one customer -- China. It would, as it has already demonstrated, welcome even more business ties with the ROK, and especially the US.

As Farrell says, "If the US relaxed its trading with the enemy regulations and allowed substantive investment in North Korea, then it might be able to replicate some of the logic behind its decision to force Germany and France to work together on joint ventures such as Airbus, following World War II. Of course, it was the creation of companies such as this that intertwined national interests to the point that a new war in Europe became unthinkable."

"Pyongyang has long called for a peace treaty and normalized relations. It is also working now to create a 'strong and prosperous' state by 2012, the 100th anniversary of the birth of its founder Kim Il Sung. With talks in place to realize the first of these goals, and an economic cooperation plan that could give a significant and much-needed boost to the North Korean economy, it is hard to imagine any of Pyongyang's leaders, present or future, continuing the acts of belligerence that have characterized its foreign relations with Washington and Seoul in 2010. The time for focusing uniquely on North Korea's nuclear program has well and truly passed."

Korea Business Consultants

‘Building Success Together’



Korea Business Consultants (‘KBC’) is the first and foremost company specialising in market entry services & strategies into the Democratic People’s Republic of Korea (the DPRK, often referred to as North Korea). KBC is fully focused on the development of successful business, trade and investment with the DPRK.

- **I. Information & Insight;** KBC provides a broad range of balanced, reliable and relevant business & economic "information and insight", including: Korea Business News (KBN), the Foreign Trade Quarterly (from the DPRK government), Industry Reports, and customised information on request & as part of standard or exclusive market entry guidance & preparation. Our information and knowledge are gained through over 15 years of successful business relations with DPRK government & industry.
- **II. Introductions;** KBC provides introductions to partners & projects. KBC has a full range of suitable Korean contacts to provide introductions to relevant & appropriate contacts in Pyongyang.
- With our partners in Pyongyang we arrange business delegations for individual companies or as ‘Business Fact Finding Missions’ for small groups of interested parties, which are customised or can provide a general overview as appropriate; these may include visits to manufacturing or mining areas.
- **III. Investment & Implementation.** KBC is involved in facilitating investment into a range of projects, including energy (especially Renewable Energy), mining minerals & metals, & manufacturing, & logistics projects.

Please visit our website to find more about what we do.

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Touring North Korea



In addition to 2011 being our 19th year of running tours to the DPRK (North Korea) Koryo Tours continues to offer unique and exclusive tours to some other fascinating destinations. Next year we continue this tradition with our best Turkmenistan tours yet and we will take the first western tour groups from Vladivostok to Magadan in far North Eastern Russia and onwards to the abandoned city of Kadkychan - a place almost unseen by outsiders. Koryo Tours is proud to continue innovating in the field of unique tourist destinations and we invite you to come along with us. We utterly guarantee an unforgettable experience!
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- :: 1. Turkmenistan 2011
- :: 2. Magadan & Abandoned Russia
- :: 3. DPRK (North Korea) Trips 2011

1. Turkmenistan for 2011

We enter our 6th year of running tours to Central Asia's most unusual and interesting country with our best itineraries yet; 2 tours for 2011, one in May and the other in October are on offer and we are accepting applications now. The unbelievable Darvaza Gas Crater looks likely to remain open for the whole year despite the government's stated intention to shut it down so both tours will camp next to the 'mouth of hell' in the deep desert as well as seeing the highlights of the capital city of Ashgabat - think 'Pyongyang meets Las Vegas'. The May tour will take a trip to the Caspian Sea port city of Turkmenbashi while the October tour will go to the far north to the city of Dashoguz and the well-preserved ruins of Konye-Urgench, a site where so many of the regions great conquerors have passed through time and time again.

In addition the October tour takes place over Oct 27th; the 20th anniversary of the Independence of Turkmenistan from the crumbling USSR. Celebrations can be expected and we will be there for whatever it is possible to see and get involved in. If you've thought about making the trip to this fascinating desert country then we'd be honoured to have you with us, the most remarkable place west of Pyongyang awaits!

See <http://www.koryogroup.com/turkmenistan/tours.html> for the dates, prices and itineraries we are offering in 2011

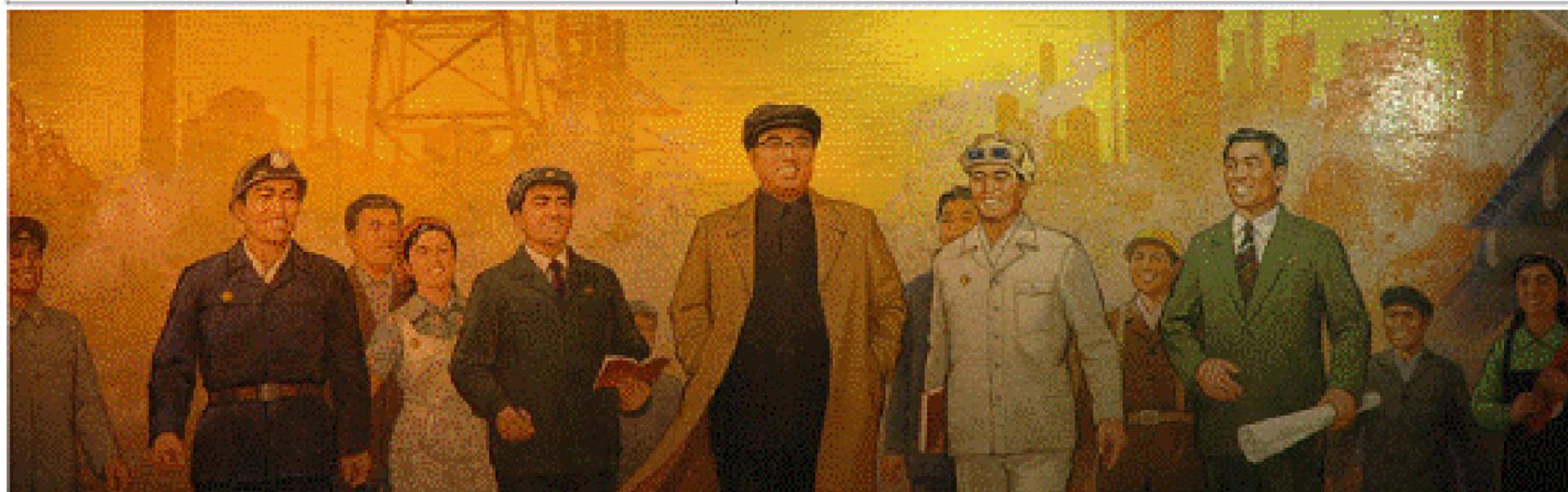
2. MAGADAN & ABANDONED RUSSIA

We are very excited to offer a brand new tour for 2011, a trip to somewhere that no other company can take you or would probably even think of taking you! To Magadan - the remotest part of Russia and known mostly for being the site of the most infamous of the soviet gulags, where countless thousands of prisoners mined cold in terrible conditions including -50 degree winters. Today's Magadan city has a population of close to 100,000 and is the largest settlement in the infamous Kolyma area. A place of stunning natural beauty and stark desolation, the province remains one of the least-visited parts of Russia with no train connections to what the locals call 'the mainland' and a road that only exists for 4 months of the year and takes 4 days to travel to the nearest major habitation (Yakutsk). We will visit a local ethnic village (of the Evenk people), stay in the city of Magadan (the regional capital), and see what life is like in this distant and evocative place. We'll visit the site of the gulag as well as seeing local sights and industry (gold mining was the reason for the prison being in this location). We offer several methods of joining this tour which is limited to 20 participants;

1.) Join our Tuman Triangle II Tour - This tour, utterly unique to Koryo Tours takes in 3 countries, time zones, and cultures in some of the least visited parts of Asia, we go to NE China's Korean Autonomous region to start, then drive to Rason, the North Korean free trade zone. After this we travel to Russia by train, first to the resort of Andreyvka and finally by ferry to Vladivostok. After the program ends with a couple of days here some of the group return to Beijing, others begin the first ever group tour to Magadan!

http://www.koryogroup.com/travel_itinerary_2011_12.php

2.) Join our North Korea Summer Holiday Tour - See some of the most fascinating parts of the DPRK including Pyongyang, Kaesong, Wonsan, and a rare trip to the previously closed (opened by Koryo Tours in 2010) city of Hamhung. http://www.koryogroup.com/travel_itinerary_2011_11.php



The following itinerary is the perfect trip for those wanting a more detailed, pioneering and adventurous tour to North Korea. Most persons who venture to the DPRK spend a week or less in the country, whereas this escorted sixteen day itinerary will afford the visitor with a much more rewarding and in depth experience. This journey of course takes in the absolute “must sees” of the country, but focuses primarily on exploring the rarely visited areas of the east coast, with visits to North Korea's 2nd and 3rd largest cities, Hamhung and Chongjin, the port city of Wonsan and the stunning Chilbo, Okryon and Kumgang mountains – a unique itinerary in a unique country! Just to access some of these regions we have to charter our own aircraft – this really is a once in a lifetime experience into unknown pockets of a unknown country.

About this Tour This tour is scheduled to be escorted to Carl Meadows, a leading expert on travel to the country. The tour will be open to a maximum of 14 persons looking for a unique and adventurous experience. Our tours to North Korea include all guiding, meals, transport, transfers and accommodation within the country. In addition, we include the North Korean Visa fee and a full visa service – making the visa process as straightforward and simple as possible.

Regent Holidays and North Korea Regent Holidays sent its first tourists to North Korea in 1985, and sends more tourists to the DPRK than any other UK based operator. We are the recommended UK booking agent for tourists visiting the DPRK through KITC (Korea International Travel Company), the state-run body within North Korea that handles the vast majority of incoming tourists. We are also the recommended UK tour operator for British Citizens to North Korea by the Embassy of the DPRK in Korea here in the UK. Our knowledge of this destination is the best in the country, with regular staff visits and escorted tours throughout the country. Should you have any questions regarding any aspects of this tour please do not hesitate to contact us.

Additional Services We can also arrange hotels and transfers for our clients in Beijing, book extended itineraries in China and also arrange travel to South Korea and elsewhere in Asia at the beginning or end of our tours. As an ATOL holder you can also book your international air tickets from the UK to China, and onward air, train and ferry tickets to other destinations in Asia and beyond at highly competitive rates.

Tour Type	Tour Dates	Price
EAST COAST EXPLORER	1st – 16th October	£2220
Single Room Supplement Price	N/A	£480



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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.]

The East Sea Dispute



The two main outcrops of Tokdo. [Picture: Indymedia]

The name of the body of water separating the Korean peninsula from Japan to the east has long been a subject of dispute between the DPRK and the ROK on the one hand and Japan on the other. With increasing interest in the area's economic potential, the contention has heated up. The Koreans claim that "East Sea" was the traditional name, but it was changed to "Sea of Japan" during the Japanese colonial rule of Korea (1910-1945), with official validation in 1929; unlike most other names changes forced upon Korea during that period, it was never reversed afterwards, and "Sea of Japan" is used in most international publications. The logic behind the campaign to get the name changed back lies in the implicit recognition in the use of "Sea of Japan" to Japan's claims to the rich fishing grounds and mineral (including magnetite sands, and suspected natural gas and petroleum) deposits in the sea. In addition, Japan claims jurisdiction over Tokdo Island, in the southern (ROK) part of the sea, which it calls Takeshima. Both the DPRK and the ROK separately lodged appeals to a UN conference on geographical names, unsuccessfully, in 2007. However, governmental and private pressure has caused a number of global bodies to either switch to "East Sea" or to add the latter in brackets after "Sea of Japan."

Korean Proverb

Kurul paya kumul onnunda

("To get gold, you must first dig a hole")

Prosperity is based on hard work.