[“Good Friends” aims to help the North Korean people from a humanistic point of view and publishes “North Korea Today” describing the way the North Korean people live as accurately as possible. We at Good Friends also hope to be a bridge between the North Korean people and the world.]

[Hot Topics No. 311]
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[Editorial]

Measures for Securing Livelihood are Needed during the Chaotic Period of Currency Revaluation

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Pyongyang Experiences a Sudden Increase in Number of People Starving during Period of Currency Revaluation

A few days after November 30, the day when the currency revaluation was announced, City of 

Pyongyang experienced a sudden increase in number of people starving. The attendance records of schools in 

Pyongyang reveal that an average of 8 to 10 students out of 40 were absent from school. It is an absenteeism of a quarter of all the students, on average. Absent
students answered that being hungry was the reason. In Pyongyang, everyone, regardless of being wealthy or dirt poor, is going through a hard time because of shortage of food. Government authorities are worried about increasing number of starving people because market activities will not be normalized until December 6. In conjunction with these difficulties, trading companies in Pyongyang call their branches in China for substitute food items.

**Merchants Set Prices of Grains at Ratio of 100 to 1**

On December 1 and 2 after the currency revaluation, grains were sold in new currency at Dangsan Market of Mangyongdae District, Pyongyang. White rice of good quality was sold at 16 to 17 Won per Kg, corn at 7 Won and flour at 15 Won, respectively. Also in the Gangandong Market of City of Soonchun, South Pyongan Province, rice is sold at 17 Won per Kg, corn at 7 Won and corn noodle at 8 Won. Merchants follow the ratio of 100 to 1 as set by the government in determining the grain prices. However, some merchants had sold grains in old currency, 30,000 Won per Kg in old currency, 12,000 Won for corn and 25,000 Won for flour. Since no prices have been set by the government so far, many prices of merchandise are being set by the merchants at their will. No merchandise other than grains and other agricultural products is being traded.

**Prices of Grain Skyrocket on December 3 in Pyongyang**

As of December 2, the price of rice was in the range of 16 to 17 Won in new currency. However, suddenly on December 3, it skyrocketed to 50 Won. Rumor has it that wages seems to be stable with no other benefits rising. This skyrocketed price of rice became the source of numerous complaints. 50 Won in new currency means 5,000 Won per Kg in old currency. Recalling that rice used to cost 18,000 to 20,000 Won per Kg prior to the currency revaluation, the price has more than doubled.

**Anyone Who Burns Old Bills Will Be Punished**

Government authorities announced that the act of burning old bills after the currency revaluation will be punished severely. Residents would rather burn the worthless old bills than submit them to the government. It is because the residents are concerned that submission of large amount of old bills would bring the attention of the government as to how the money was made. National organization of the provincial security agencies declared the period of November 30 to December 7 to be a special period of security alerts. Provincial mobile units of security agents check the houses whose chimneys generate smoke during odd hours for cooking. The agents randomly check kitchen furnaces. It is because many residents burn the worthless old bills they cannot dispose exceeding the legal limits of currency exchange.

**Market Prices Are Set by Merchants at Their Will**

Nowadays prices in old bills are called by the merchants at their will. There are no set prices on the merchandise. Accordingly the merchants call the prices as they please. Not long ago, price of rice used to be 1,800 to 2,000 Won per Kg in old currency. Now rice sells for 30,000 Won...
Won. Corn used to cost 900 Won and sells for 12,000 Won in the past, costs 25,000 Won now. An egg cost 300 Won and jumps to 7,000 Won now. Price of pork skyrocketed from 5,000 to 80,000 Won. Merchants ask for 150,000 Won for a rabbit and 120,000 Won for a chicken. In the morning of December 2 at Sapo District Market of City of Hamheung, South Hamgyong Province, an egg costs 10,000 Won, pork sells for 10,000 Won, white rice 30,000 Won per Kg and corn 15,000 Won.

**Rumors of Ban on Foreign Currency Cause Merchandise to Disappear**

On December 3, as rumors of ban on foreign currency were spread, merchandise at the foreign exchange shops disappeared in places, such as Pyongyang, Pyongsung, Sariwon and Sinuiju, leaving the shops look deserted. Another rumor went around on December 4 of ban on Renminbi Yuan and it caused a severe congestion of inter-city communications lines because of phone calls attempting to verify the rumors from the party leaders. A wholesaler in Pyongsung described the situation like this, “Everyone is restless without knowing what the next may bring. One Won in new bill feels like a thousand pieces of gold.” It is known that visiting Chinese and children of Korean Japanese are entitled to exchange some foreign currency.

**Merchant Dies of Heart Attack on News of Currency Revaluation after Receiving Payment of 90 Million Won in Old Currency**

In the market of Soonchun, South Pyongan Province, a merchant of seafood needs a sum of as much as 90 million Won in a transaction. These transactions involve receiving seafood from the East Sea at Soonchun through Daeheung seafood base and transferring it to Pyongsung market. A female merchant received a payment of 90 million Won on the day of currency revaluation. She heard the news of the currency revaluation an hour after she received the payment. It caused such a shock to her that she died of heart attack. In the meantime government has a policy that allows a priority to the family of anyone who dies during the currency exchange period to exchange currency and receive cash before other families.

**[Editorial]**

**Measures for Securing Livelihood are Needed during the Chaotic Period of Currency Revaluation**

On November 30, North Korea carried out currency revaluation in 17 years. Through this measure North Korea seems to have attempted to strengthen social control by means of absorbing civilian money into government treasury and eliminate anti-socialist commercial activities in order to redirect its economically active population into industrial production sites. However, the residents’ anger and frustration is indescribable given that they have worked so hard to save money without relying on the government ever since Arduous March.

The currency reform measure needs to be implemented while minimizing the confusion and inconveniences on the part of the people. Despite meticulous execution the
inconveniences people have to deal with should not be taken lightly. Purchasing of food has become difficult because of chaotic situation in the market during the currency exchange period. As such, there should be a measure that will facilitate securing of food for the people first. The prices need to be set as soon as possible in order to stabilize the market or a full-scale food rationing should resume. If that is not possible, food rationing should be provided to those who could not secure food at least for a few days.

The success of this currency reform measure lies with whether North Korean government can secure enough resources needed for the livelihood of people. Without food rations and wages what is gained by currency reform would not last long. The prices will rise again and the goods will inevitably converge into market where better price is expected. The North Korean government proclaimed that the purpose of currency reform was to resolve people’s food problem and prepare the foundation for the Strong and Prosperous Nation. Resuming of food rationing to those who suffer from food problem will serve as the yardstick for North Korean government’s will for currency reform.

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Good Friends– An International NGO for Peace, Human Rights and Refugees

Good Friends provides relief works for international refugees to become all lives’ friends, peace movement to fundamentally resolve disputes and conflicts that human beings face, and human rights movement to protect human rights.

Good Friends has been providing information on food shortages in North Korea, raising funds for humanitarian assistance, dispatching activists to national border areas between China and DPRK and having them investigate local situations, and publishing reports on food shortages in North Korea.

Currently, Good Friends is making efforts to improve humanitarian and human rights situation of North Korean people and to inform this situation to the international community by:

1) Collecting information on food shortages, public health conditions, education, the basic necessities situations and inform humanitarian organizations so that they can support North Korean people effectively.
2) Reporting the current human rights situation in North Korea where rights duly protected by law are being violated; assessing incidents of human rights violations in the process of arrest, punishment, and imprisonment and informing international communities; and requesting that the North Korean Government act to improve human rights.

3) Investigating the current situations of North Korean refugees in China, and providing protections and aid for them and their children in particular.

For these purposes, Good Friends USA publishes the weekly newsletter *North Korea Today* (English edition) to inform the international public.

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