

Trade & investment options in North Korea

Economic Development Zones



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The Democratic People's Republic of Korea (DPRK, also known as North Korea) finds itself at a new era of international economic cooperation, and it especially welcomes business with Europe. It is offering various products and services to export markets, while it is also in need for foreign investments. There are several sectors, including energy, agro business, shipbuilding, fishing, logistics, garments, tourism, animation and Information Technology, that can be considered for trade and investment.

There are also several investment opportunities, for example related to EDZ's (Economic Development Zones). The government of the DPRK decided to establish 13 Economic Development Zones in 8 provinces.

The 'General Introduction of newly-established economic development zones in DPRK' can be found below. Foreign investors have a wide range of options, for example in industry, agriculture, trade, tourism and logistics, according to their profession.

We can be contacted in case you are interested in exploring these zones in more detail. It is also possible for us to arrange investor visits to the zones, since we organise business missions to DPRK on a regular basis.



For information

Established in 1995, GPI Consultancy is a specialized Dutch consultancy firm in the field of offshore sourcing. It is involved in business missions to various Asian countries, including North Korea.

For companies interested in working with North Korea, one of the immediate challenges is finding a suitable business partner, since collecting information is not easy. Local enterprises mostly do not have a presence on the Internet, and access to them is not easy. The solution: join one of our business missions!

In August 2016, we will organize a trade and investment mission to Pyongyang. For the draft program, see: www.gpic.nl/NKmission2016.pdf.

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General Introduction of newly-established economic development zones in DPRK

The government of the Democratic People's Republic of Korea decided to establish economic development zones in several provinces in order to develop national economy and people's living as well as to extend out the economic exchange with foreign countries.

On 29th of May, 2013, the Standing Committee of the Supreme People's Assembly adopted the decree No. 3192, the Law of the Democratic People's Republic of Korea on Economic Development Zones. First of all, on 21st of November, 2013, the Standing Committee of the Supreme People's Assembly declared the decree No. 3450 for establishment of 13 economic development zones in 8 provinces. EDZs established in the provinces are now drawing up a master plan to develop economic transactions and transportation between countries while strengthening the economic linkages with surroundings of the zones on the basis of economic, technological and geographical characteristics of each province. Foreign investors have a wide range of options to choose and operate their business fields such as industry, agriculture, trade, tourism and logistics according to their professions and hopes. Foreign investors shall be provided with preferential conditions for economic activities in such areas as land use, employment and tax payment. The rate of corporate income tax in economic development zones shall be 14% of the net profit, and 10% for the enterprises in the priority sectors.

1. Manpho Economic Development Zone

Outline: It is designated and planned to establish economic development zone majoring in modern agriculture, tourism and trade.

Location: Some areas of Mita ri, Manpho City in Jagang province facing with Jian in Tonghua City, Jilin Province, China (East longitude 126°05'~126°10', North latitude 41°04'~41°06').

Condition of Infrastructure : It's possible for transportation on Amnok river if wharf is to be constructed.

It is 8~18 km away from Manpho bridge, 70 km away from Yuwon bridge and 165 km away from Jonggang bridge.

It is located 8~18 km away from Manpho border station.

Pyongyang-Manpho, Manpho-Hyesan railways are connected to the area of east and west sea. Jian railway station is directly connected with Changchun City.

It is located 14 km away from Jangjagang power plant with the capacity of 90 000 kW and 15 km away from Manpho Yonha power plant with the capacity of 60 000 kW, thus it's very favorable to supply power.

It has no big problem to set up communication network of that zone and the Amnok river is a great source to supply industrial water.

There are main roads of Manpho-Ganggye (52km), Manpho-Junggang(153km), Manpho-Jasong (76km), Manpho-Sijung(16km) and Manpho-Wiwon(80km). All these roads are directly lead to

that zone. Land-form is 170-180 meters high and usually plain. There are almost no buildings and attachments to be removed and it's favorable for development to speed up.

Project Plan: The area is about 3 km². International Service area including tourism and trade is planned to establish around Mitari. Posangri is also planned to establish modern agricultural economic zone majoring in farming and stock-breeding and cultivating of herbs introduced by modern circular system.

Recreational activities and tourism could be enjoyed by foreigners around Gosanjin and Amnok river. Mita mineral water is very good for chronic gastritis, duodenum ulcer, chronic small intestine, chronic large intestine, chronic hepatitis, obesity and senile arteriosclerosis.

It is planned to develop bonded processing of the foreign enterprises in the EDZ and to extend out processing industry of abundant resources in Jagang Province.

In the area of Posang Ri where the hours of sunshine is quite longer, processing stage is to be established with the main projects of farming, stock-breeding and cultivating medical herbs.

After the preparation stage, the development could be expanded in accordance with needs of the investor.

Cooperation type:

- Joint venture development enterprise between Korean enterprise of concern and foreign investor
- Establishment of wholly-owned foreign developing enterprise.

Cooperation period: 50 years

Total investment: 120 million US\$

2. Chongjin Economic Development Zone

Outline: It is planned to establish an economic development zone majoring in metal processing, machine manufacturing, building materials industry, electric products and light industry products and export processing.

Location: Some areas of Wolpo Ri, Namsok Ri, Susong Dong at Chongjin city that is nearby Chongjin port, the biggest international free trade port in the East Sea. (The east longitude is approximately 129°43'-129°44', the north longitude is approximately 41°48')

Condition of Infrastructure: It is located about 5kms away from Chongjin West seaport, about 42kms from border bridge in Hoiryong City, about 46kms from Namyang border bridge, about 127kms to border station, about 56kms to Orang Airport.

It has Pyongyang-Tumangang International railway which is connected with local railways; Pyongyang-Musan line and Pyongyang-Onsong line.

And it has also a large marshaling yard near by development zone, therefore this zone is favourable for transportation of railway goods.

Chongjin thermo power station with capacity of 150,000KW is located nearby the development zone and it is favorable to supply electricity.

With 5 channels of Third Generation Communication cable, this area has no problem in international communication and mobile system.

Water resources are very abundant with Susong River and Namsok River flowing through the zone and it is favorable to provide industrial water.

Purification system is scheduled in seaside area, so there will be no problem in constructing purification facilities.

The zone is connected with Chongjin-Razin Road 99km, Chongjin-Hamhung Road 467km(first category), Chongjin-hoiryong Road 91km, Chongjin-Musan Road 100km, and other first and second category Roads.

The sea-level of this area is 7-10 meters and degree of slant is below 1 degree , and slant area below 20 degrees are 2 %.

Facilities and materials for construction can be transported through Chongjin West Port and marshaling yard, and condition of development is favorable because of abundant sand in the lower part of Susong River.

Project Plan: Area is about 5.4 km².

In Namsok Ri Zone, it plans to build the facilities for processing metals produced in Kimchaek iron manufacturing complex, the biggest one in iron manufacturing in DPRK.

In Wolpo Ri, and some areas in Susongdong, it has a plan to establish machinery product and electricity product bases, building material product, light industrial product bases and export processing facilities relying mainly on hydraulic machine, precision machine, robot, vehicle, and consignment of processing.

It has also plans to develop bonded processing and trade by transport through Chongjin-Musan and Chongjin-Namyang railway road.

This zone has a plan to be developed majoring in technical compact processing industry depending on abundant labour sources and science and technical resources. This zone has also plans to be expanded and developed into multiple economic development zone combining high-tech zone and modern goods servicing zone.

Cooperation type:

- Joint venture development enterprise between Korean enterprise of concern and foreign investors
- Establishment of wholly-owned foreign developing enterprise.

Cooperation period: 50 years

Total investment: approximately 200 million US\$

3. Hyesan Economic Development Zone

Outline: Hyesan EDZ's purpose is to establish an economic development zone intensifying the economic development that relies mainly on export processing, modern farming, tourism and trade, etc.

Location: Facing Kilrim Province Jangbaekyon in China, with Tuman River between both sides of it, some areas of Sinjangri, Hyesan County in Ryangkang Province. (the east longitude is approximately $128^{\circ}10'$, the north longitude is approximately $41^{\circ}18'$)

Condition of Infrastructure: This area is an inland zone, but it is convenient for the foreigners' entrances and delivery of goods, because it is located within 20 km of Hyesan-Jangbaek between DPRK and china and within 10 km of Hyesan airport.

It is also located around beautiful Lake Samsu and it is 60 km far from Naegok swelling and 110 km far from Mt. Paekdu which may be developed as a famous tourist zone.

This area is connected to Pyongyang, Sinuizu and Tuman River by Hyesan railway station.

This area can use abundant water source of Lake. Samsu, and use electricity of Samsu power station and if you replace other efficient electric generator, you can get much more electricity.

Passing around development zone, Pyongyang-Hyesan railway that transits Bukchong does not have any problem in their pass-away.

It has a high sea-level, but it is consisted of almost hills, so it has no difficulty in development and no danger of evacuation.

Project Plan: Area is about 2 km.

Around the lake in development zone, you may build international service centre including tourism, recreation. And on hills, you may build modern light industry base of clothing, weaving, hop and linen processing, and construct mining-machine product base or lumber industry machine base, wood-processing base.

Urgently, we give preferential efforts to export processing development and in other hand, we prospect processing rich underground resources in Ryangkang Province (copper 54 million ton, lead 3.51 million ton, zinc 3.9 million ton, molybdenum 5.4 million ton, gold 230,000 ton, silver 11million ton, magnetic iron 39 million ton, iron sulfide 27 million ton, magnesia 6.3 million ton)

Tourism on Mt. Paekdu, Mt. Chilbo, Bochon hot well, and Lake Samsu will attract a lots of foreign tourists, and if we use long-period of winter advantages, tourism may continuously be activated in winter.

The large areas around Lake Samsu enables to build modern Koryo traditional medicine base, relying on cultivating or processing medical plant.

Cooperation type:

- Joint venture development enterprise between Korean enterprise of concern and foreign investors
- establishment of wholly-owned foreign developing enterprise.

Cooperation period: 50 years

Total investment: approximately 100 million US\$

4. Amnokgang Economic Development Zone

Outline: It is designated and planned to establish economic development zone majoring in modern agriculture, tourism and trade.

Location: The EDZ covers some island areas of Ryongun Ri of Sinyuju, the provincial city of North Pyongan province, opposite to Haoshan in Dandong City, Liaoning Province, China (East longitude 124°32'~124°34', North latitude. 40°13'~40°14').

Condition of Infrastructure: Being composed of islands on River Amnok, the construction of docks and bridges within the area could ease the transportation between the 2 sides.

It is 8~20m away from the China's side of the River and the Sinyuju trade port, border dock and railway station are 20 km away from the site.

Haoshan in Dandong City is a famous tourist resort in Liaoning Province, China attracting lots of tourists and visitors every year.

In this present condition, it is regarded reasonable to get power and gas from China.

Being on the islands, there is no need to worry about water supply.

It has no big problem to set up communication network for international communication.

Pyongyang is 210 km away from Uiju county in Pyongan North Province.

Land-form with alluvial soils and sands is plain so it has a good condition to establish tourist resorts and to develop modern agriculture.

Project Plan: Area is about 6.3 km². It is planned to establish circular production system combining farming with stock-breeding, the research centers for seed selection and breeding and the facilities for vegetables and houseplants.

Middle-scale factories for producing equipments and materials including complex organic fertilizer and assorted feed and basic processing line for the products from agriculture and stock-raising are going to be established.

Excursion and yacht tour are going to be widely enjoyed around the Guri island.

Cooperation type:

- Joint venture development enterprise between Korean enterprise of concern and foreign investor
- establishment of wholly-owned foreign developing enterprise.

Cooperation period: 50 years

Total investment: 240 million US\$

5. Hyondong Industrial Development Zone

Outline: It is planned to establish industrial development zone by using its favorable geographic condition of situating near Wonsan port, the main seaport in the Korean East Coast. Its main industry includes information & light industry with tourist souvenir goods industry.

Location: A part of land in Hyondong ri, Wonsan City in Kangwon Province which is situated around the area of Galma facing with Wonsan Bay's Galma Peninsula. (East longitude: 127° 27', North latitude: 39° 06')

Condition of Infrastructure: It has a favorable condition of infrastructure which enables a convenient foreign input and output of labor, materials and funds.

It is located 6km away from Wonsan port, 12km away from Wonsan-Hamhung highway, 10km away from Pyongyang-Wonsan highway, 4km away from Wonsan-Mt.kumgang highway and 6km away from Galma airport.

Rich energy resources from Anbyon Youth Power Plant, Wonsan Youth Power Plant could be utilized and Galma River can be used for water supply and sewage disposal.

The land is flat with the maximum level of 5' and lead-in roads, freight train station and seaports make it easier for materials and supplies to be transported.

When a try-out construction is done, it will be expanded further to the east of Zhangshan which is in the opposite side of the Galma River. There are almost no buildings and attachments to be removed and it's favorable for development to speed up. After preparation, development could be extended out to the east of Jangsan.

Project Plan: Area is about 2km². By utilizing geographic superiority of Wonsan Seaport which had been the main sea-path connected to Japan for a long time, the zone shall develop information industry and light industry centered on "bonded-processing" combining with tourist souvenir production suitable for state's strategy to develop Wonsan zone into world-class tourist area. Special products produced in economic development zones in the other provinces will be introduced to the IDZ to vitalize tourist souvenir production. Wonsan City has a plenty of labour resources which could be employed profitably and bonded processing shall be done in different factories and small enterprises in the city. In addition to this, as one category of business, a processing industry of mountain resources from several counties such as Anbyon county within Kangwon province is planned. Magnetic iron stone, ferrotitanium etc which are abundantly deposited around the zone shall be developed to provide enough finance for construction.

Cooperation type:

- Joint venture development enterprise between Korean enterprise of concern and foreign investors
- establishment of wholly-owned foreign developing enterprise.

Cooperation period: 50 years

Total investment: about 100 million US\$

6. Hungnam Industrial Development Zone

Outline: It is planned to establish IDZ which mainly includes bonded-processing, production of chemical products, building materials and manufacturing of machine equipments.

Location: A part of the Dokpungdong area along the coast of Hamhung City which is situated on the border of Hamzu county in the lower part of Songchon River which flows into Hamhung Bay, central East Coast, South Hamgyong Province. (East longitude: 127° 33', North latitude: 39° 50')

Condition of Infrastructure: Within a distance of 0.5km, the IDZ has foreign trade seaport called Hungnam Seaport and 15km far from the zone, Wonsan-Hamhung expressway (in the middle of construction) is situated. It is 30km away from Sondok Airport and 12km away from Hungnam station. All these make it easier for output and input of foreign labor and materials. At present, Hungnam has a freight loading capacity of 3 million tons and storages capacity of 8,000m². For the energy supply for the IDZ, it has a big Zhangzin Power Plant, Hochon Power Plant and Buzon Power Plant. Since Hamhung City is the capital city of the province, it has no big problem to set up communication network and Songchon River is a great source to supply water. Mazon Beach and Mazon Hotel, famous tourist resorts are located within a distance of 10km, providing business- friendly environment for the investors.

Project Plan: It is planned to begin with the size of 2 km². This area is near to Hungnam Seaport and has been a Korean main Chemicals Industry & large-scale machine manufacturing zone for a long time. These special characteristics of the zone will be efficiently utilized during the construction of the IDZ which mainly includes bonded-processing, chemicals production, catalyst production, machine equipment manufacturing, building materials and medicine production.

Manufactured products will be exported or catered to abroad and into domestic region according to requests and needs. Large-scale factories and enterprises such as Ryongsong machine cooperative enterprise, 2.8 cooperative enterprise, Hamhung Woods Processing Factory and Hamhung Silicate Brick Factory which are all located around the IDZ could produce and supply necessary equipments, resources and bonded products.

If a try-out IDZ construction gets successful, it will be expanded further to Hamzu.

Cooperation type:

- Joint venture development enterprise between Korean enterprise of concern and foreign investors
- establishment of wholly-owned foreign developing enterprise.

Cooperation period: 50 years.

Total investment: about 100 million US\$

7. Wiwon Industrial Development Zone

Outline: Wiwon IDZ's purpose is to establish the industrial development zone combined with science research base for sericulture or freshwater fishbreeding, majoring the mineral material processing, wood material processing, machinery-making, agricultural products.

Location: some areas in Dokam Ri, Wiwon County in Kosong Ri which is situated at the bottom of Wiwon river, the stream of Annok River and in front of Jian City, Tonghua City of Jilin, China. (the east longitude is about 126°04', north longitude is about 40°54')

Condition of Infrastructure: This area has two power plants- one is Wiwon power station of 390,000KW capable in 20km, and the other one is Manpho Yonha power station of 6,000kw capable in 25km.

As this area is situated nearby Wiwon borders(20km), Manpho borders(80km), Jungkang borders(180km), it has favorable conditions for entrances and import or export goods transportations. Around this zone, it has well-ordered road system in every directions, typically, there are 112km road to Kangkye, 80km road to Manpho(EDZ), and 40km road to Chosan.

We now do not have a harbor, but if a wharf is built nearby the EDZ, it will be easier for goods delivery by ship direct to Daean, China.

If necessary, railway can be established between Wiwon and Manpo.

The slant degree is 11°-15° and more than 20°, so it is easy for land realignment, and this zone has not much necessities for evacuation, but only less than 50 houses.

Project Plan: Gross area is about 3 km².

It has a plan to establish a modern industrial facilities to expand export processing products, processing the mineral and forest products resources abundant around this zone. Making good use of Wiwon reservoir, develop the fresh water fishing farming and carry out the projects of building sericulture science development under the base of the tradition of Jakang Province.

There is amount of mineral resources and woods resources such as 4.68 million tons of carbon calcium resources, hundred million tons of limestone resources, 40-60kg of alluvial gold mines and 350,000 tons in Wiwon.

Wiwon has mineral water and it is good for the treatment of gastritis, hepatitis, duodenal ulcer and women's disease through mud baths. Utilizing development zone factories around the area, enterprises will develop bonded processing extensively as well as stockbreeding and farming.

Cooperation type:

- Joint venture development enterprise between Korean enterprise of concern and foreign investors
- establishment of wholly-owned foreign developing enterprise.

Cooperation period: 50 years

Total investment: approximately 150 million US\$

8. Bukchong Agricultural Development Zone

remarkably increase, which as a consequence will raise profits in superb green foods such as crops and livestock products, fruits and processed fish production. In the rational areas around the zones, service facilities such as hotels and tourist souvenir manufacturing & sales, export & import goods production shall be established to add up to the function of export-processing zone.

Cooperation type:

- Joint venture development enterprise between Korean enterprise of concern and foreign investors
- Establishment of wholly-owned foreign developing enterprise.

Cooperation period: 50 years.

Total investment: about 70 million US\$

10. Waudo Export Processing Zone

Outline: Waudo EPZ's purpose is to establish an intensive export- processing zone relying mainly on export processing introduced by advanced development or management methods

Location: Some areas in Ryongnam Ri, Waudo District from the lower part of Taedong River at southern west of Nampo city to Korea West Sea floodgate (the east longitude is approximately 125°18', the north longitude is approximately 38°43')

Condition of Infrastructure: This area is located at Korean West Sea floodgate and is 10km far from Mampo Port that is the biggest international trade port in DPRK. Through Nampho Port, being 330km far from Dalian, 332km from Weihai Shandong Province, 930km from Shanghai, 695km from Tianjin, 1575km from Taiwan, and 11.5km from Pyongyang-Nampho Highway Road and 60 km from Pyongyang International Airport, this area is convenient for the foreigners' entrances and waterway delivery of goods and materials.

We have a prospective plan of constructing 600,000KW-capable heavy oil power station at Sogang Ri, 7km far from the development zone, and 10,000KW-capable tidal power station at Gwangryang Bay nearby West Sea floodgate.

This area has rich source of water supply of Taedong River and has no problem in building-up communication system.

The sea-level is 40m, and it is almost plain, so it has no difficulty in development and no danger of evacuation.

Project Plan: Area is about 1.5 km².

This area is nearby Nampho Port that is direct to China and east south Asia and it is also located nearby well-developed industrial city, Pyongyang and central part of Nampho City. With these advantages and enough labor forces, it is essential to make a model of export processing zone.

After creating a model, this development zone could be expanded to Jindo, Waudo District.

Prospectively, we have plans to build economic development zone majoring financing, tourism, real estate, food processing in some areas of Nampho City centered on Nampo Port and a beautiful scenery site-West Sea Floodgate.

Cooperation type:

- Joint venture development enterprise between Korean enterprise of concern and foreign investors
- establishment of wholly-owned foreign developing enterprise.

Cooperation period: 50 years

Total investment: approximately 1 billion US\$

11. Songrim Export-processing Zone

Outline: It is planned to establish export-processing zone centered on export-processing industry, storage keeping industry, freight transport industry.

Location: Western part of the zone is in the opposite side of Daeam district, Nampho City (east longitude: 125°40', north latitude: 38°47'). Northern part of the zone is located in Songrim City, city of iron industry along the downstream of Daedong River adjacent to Kangnam County, Pyongyang City.

Condition of Infrastructure: This part is situated in Gurungsong area along downstream of Daedong River and most part is flat farm land which makes it very easy to rearrange the area. It is located 6km far from Pyongyang -Kaesong expressway, and 2km far from Songrim station which is a start - point station of Songrim-line-station, which is connected to Pyongbu-line station. Along the side of Daedong River which is about 2km far from the zone, there is Songrim Seaport which is built to perform the function as an international port. Finally, there is Nampho Seaport which is about 20km far from the zone. It is 35km far from Sari-won by railway, by expressway about 41km and Pyongyang City is 43km far from the zone.

Place-to-place communication means are in use in the city and substation with the capacity of 220,000KVA is situated about 1 km away. Most of the moving-outs are stick to buildings including hundreds of blocks of flats.

Project Plan: Area is about 2km². It is planned to establish export-processing zone majoring in export-processing of raw materials from foreign countries income through Songrim and Nampho port. And it is also planned to develop into modern export-processing zone specializing in export-processing, keeping, transportation of steels and raw materials produced in our country.

Cooperation type:

- Joint venture development enterprise between Korean enterprise of concern and foreign investors
- Establishment of wholly-owned foreign developing enterprise.

Cooperation period: 50 years.

Total investment: about 80 million US\$

12. Sinpyong Tourist Economic Development Zone

Outline: This zone is planned and designated as tourist development zone to provide various services around famous places including sight-seeing, physical training, climbing and so on.

Location: Some parts of Pyonghwa-ri, Sinpyong county in Huanghae North Province situated at the foot of Mt. Mannyon, the Gubiryong mountain chain and on the area of Doha stream that flows into River Nam. (East longitude 126°47', North latitude 38°52')

Condition of Infrastructure: The zone covered by 1,500m high mountains with deep valleys and steep inclines shall be a good place for tourism. It is located 1 km away from Pyonyang-Wonsan highway, 120kms away from Pyongyang international airport and 75 km away from Wonsan airport and port.

It's also located 142kms away from Sari won city, 8kms away from Jongbong(Singye), the nearest freight station from EDZ.

Temporary rest places have been built on the lower part of Doha stream and other famous places are also located on the area between the development zone and Doha stream.

Roads for tourism of 5.1km, a motorway of 2.7km and a climbing road of 0.8km have already been built.

Construction of a power plant with the capacity of 100kva and the emplacement of the optical fiber cables on the area of Donghua dong in Pyonhwa Ri of Sinpyong county are now being operated.

There are almost no buildings and attachments to be removed and it's favorable for development to speed up.

Project Plan: Area is about 8.1 km². It is planned to establish modern tourist development zone enjoying wonderful scenery of mountain peaks, cliffs, water falls, providing tourist service on Dalhae mountain and Munsongjin. It is also planned to develop complex tourist services including climbing, sight-seeing, enjoying holidays and games, physical training and staying at hotels in order to attract many customers.

Cooperation type:

- Joint venture development enterprise between Korean enterprise of concern and a foreign investor
- establishment of wholly-owned foreign developing enterprise.

Cooperation period: 50 years

Total investment: 140 million US\$

13. Onsong Island Tourist Development Zone

Outline: It is planned to establish tourist development zone centered on tourist services for foreigners by setting up service facilities such as a golf course, a swimming pool, a race-field and traditional food restaurants.

Location: A part of Onsong area in Onsong county in North Hamgyong province adjacent to LiangShuiTianZi, DaoMen City, Jilin, China with Duman River in between those two places. (The whole part of Onsong Island, east longitude about 129°58'29"-130°00'08", north latitude: about 42°58'14"-42°59'06")

Condition of Infrastructure: The island is situated above Duman River which is located between Onsong area and LiangShuiTianZi and is entirely attached to Chinese side. However when a point of passage of the borders is installed it will be very convenient for the output and input of the necessary labour and materials for development of a tourist resort. It is 12km far from the zone to the Namyang-Daomen border passage point and 40km to Sambong-KaiShanTu border passage point. Onsong station which is located 4km far from the zone is 12km away from Namyang station and there is Pyongyang-Onsong train line connected to East West coast.

The facilities for energy, heating and gas supply have to be freshly built and it will be more efficient if those were in China.

On the other hand, water supply system could be easily set up as it is above Duman River. The zone is directly connect to Onsong-Razin Road (144km), Onsong-Hwearyong Road (87km), Onsong-Namyang Road (12km) and other mains roads. Geographically, it is 80m above the sea level and flat with the maximum angle of 1°. There are almost no buildings and attachments to be removed and it's favorable for development to speed up.

Project Plan: The area is 1.7km and it is planned to establish tourist resort with service facilities such as hostels and relaxation stops and golf course.

Energy, heating and gas supply is planned to be supplied from China while watering, sewage disposal and communication systems have to be freshly built.

Different restaurants serving Korean specialties shall be set up in several places. A number of facilities for sight-seeing including boating shall be installed along the area of the island to provide sight-seeing services on Duman river.

As a prerequisite, a bridge connecting Korea and China shall be built along with special institutions providing fast customs service, passing check, quarantine etc.

Cooperation type:

- Joint venture development enterprise between Korean enterprise of concern and foreign investors

- Establishment of wholly-owned foreign developing enterprise.

Cooperation period: 50 years.

Total investment: about 90 million US\$

14.Unjong Hi-Tech Development Zone

Outline: The aim is to develop it into an ultra-modern technology development zone, the pivot of which is to set up ultra-modern industry in the fields of information industry, nano and new material and bioengineering and a base for manufacturing ultra-modern industrial equipment, accompanied with some processing trade and commercial service activities.

Cooperation Type: Joint venture between DPRK's relevant business and a foreign investor or a single development by a foreign investor.

Cooperation Period: 50 years

Location: Unjong District in Pyongyang (east longitude 125° 52', north latitude 39° 10')

Condition of Infrastructure: It forms a basin surrounded by about 200m high mountains in east, west and south and 120m high hillocks in its northern direction - Pyongsong City. Its annual average temperature is 5-7°C and annual average precipitation is about 1 050mm.

Major roads and trunk railway lines pass through the zone. It is also near to the center of the capital city and international airport (distance-30km), Nampho trade port (distance-60km). It is only 200km away from Sinuiju, a border city, so that it has a very comfortable traffic condition.

There is the State Academy of Sciences in the zone. It also has institutes for basic and applied sciences, pilot plants, bases for information service and the University of Technology - an institute for training scientists and engineers. More than thousands able SciTech talents are deployed in it now and such talents are being constantly trained and supplemented there.

Therefore, it can successfully solve the issue of talent resources, the most urgent one for establishing and developing a hi-tech development zone with modern science and technology as its motive power.

Remarkable successes have already been made in the fields of latest science and technology such as information industry, nano-technology and bioengineering. Experiences have also been gained on the basis of them, providing some foundation for establishing a hi-tech development zone with an integral system of research and development - production - marketing.

Project Plan: Its area is 2.4km². It is planned to be developed dividing into Section No.1 and Section No. 2.

Such pivotal infrastructure projects as traffic network, power grid, water supply and sewage system and communication system will be planned as demanded by the zone while the first section (1.4km²) will cover management and service district, information industry district, bio-industry district, material and equipment industry district and technical engineering district.

The second section (1km²) will be developed in such a way as establishing enterprises based on latest technology in the fields of agriculture, stockbreeding, pomiculture, fish farming, industrial crops farming and biofuel energy production.

Hillocks around the zone will be rearranged and developed into an electric power production area with solar panels.

15. Sinuiju International Economic Zone

Outline: The objective is to build a combined economic development zone that involves ultra-modern technical industry, trade, tourism, finance and bonded processing.

Cooperation Type: Joint venture between businesses of the DPRK side and foreign investors.

Cooperation Period: 50 years

Location: The zone lies at the northwestern tip of Korea facing Uiju County to the northeast, South Uiju of Sinuiju City to the east and the southeast and Ryongchon County to the south. Just across about 1km-wide River Amnok from the zone is Dandong of China. (east longitude 124° 21' to 123° 33', north latitude 40° 11' to 40° 02')

Condition of Infrastructure: Mostly flat with 0-0.7% of inclination, the zone is made up of sediments of organic fine sand from the estuary of the River Amnok. The zone is 2.9-7.6m above the sea level 96.7% of which has altitude lower than 100m.

Noteworthy in the climate in the zone is the cycle of three cold days and four warm days under the influence of continental climate. The zone is also exposed to oceanic climate as it is close to the west coast.

The yearly average air temperature is 9.6°C, yearly average sunshine is 58% and yearly average precipitation is 1 001.5mm. The zone has relatively low average humidity and yearly average wind speed of 2.6m/s which usually gets moderate in summer and hard in winter.

The zone, 210 km away from Pyongyang, is situated 24 km from the mouth of the River Amnok that straddles Korea and China. More than 64 km flow of river leads to the deep sea in the West Sea of Korea.

It is just 1 km to Dandong, 35 km to Donggang City and 455 km to Dalian Port, China, from the zone.

Sinuiju City has Pyongyang-Uiju railways from which tracks to Paekma and Tokhyon branch out. Major roads are Pyongyang-Sinuiju highway that was laid parallel to the Pyongyang-Uiju railways. There are also Sinuiju-Uiju and Sinui-Phihyon roads.

There are a trade port, a border bridge and an international railway station, and the construction of a bridge linking Korea and China is at the final stage. The construction of network of posts and telecommunications for international communications presents few problems.

Key industries in the city are machine, chemistry, textile, footwear, pharmaceuticals, foodstuff and daily necessities. The machine industry comprises construction machines, spinning machines, electronic machines, mining equipment, dyeing equipment and farm machines. Chemical industry emphasizes chemical fiber, paper and basic chemical goods. Key elements of building materials industry are bricks, flat glass and cement. Sinuiju City is a leading producer of consumer goods in the country. Most of light industry is textile industry in which whole processes ranging from spinning, weaving and dyeing to heat treatment are streamlined to produce cotton yarn and quality suit material. The city is renowned for a plenty of industrial factories that produce quality footwear, cosmetics of dozens of kinds and a variety of confectionery.

Major crops are rice, corn and bean and the sea off the city has abundant resources of plaice, herring, anchovy, mullet and gizzard shad.

Sinuiju City houses University of Education, University of Medicine and several other universities and colleges which offer favorable conditions for the education of professionals and experts.

Project Plan: The estimated area of development is 40 km². The project offers enormous potentials for development of an international metropolis for its geographic advantages as a littoral city. Around 10 million tourists flow from Dandong which means huge tourist revenue therefrom if fun fair and sightseeing tour courses are created along the River Amnok. The construction of new Korea-China Amnok River Bridge that will open to traffic in 2014 in addition to the existing Korea-China Friendship Bridge, and the

appearance of advanced road and railway networks that will comprise international airport and international port will turn the city into an ultra-modern IT industrial zone, competitive production industrial zone and combined economic zone that houses trading center, trading and financial area, public service center, tourist zone and bonded port.

16. Kangryong Model International Green Zone

Outline: Township in Kangryong County, South Hwanghae Province with soil favorable for cultivating a variety of crops and environment good for sea fish farming and freshwater fish farming can develop into an industrial development zone majoring in the production of organic farm products and processing of by-products through the researches into and development of green industry. Based on this successes and experience Kangryong County can develop into a model international green zone.

Cooperation Type: Joint venture between relevant businesses of the DPRK side and foreign investors is possible. Foreign investors can develop the zone on their own.

Cooperation Period: 50 years

Location: It is a long strip of peninsula lying westward south of South Hwanghae Province in the southwestern district of township. (125° 28' to 125° 30' east longitude and 37° 54' to 37° 53' north latitude).

Condition of Infrastructure: It is adjacent to Haeju Port which offers excellent conditions for sea transport. Railway section and road that pass through the township are linked all the way to Pyongyang through Haeju and Nampho.

The would-be development zone is 34 km away from Haeju Port along the road and Singang area and Kangryong Township are within 3 km range from where Haeju-Pupho railway section lies. Pyoksong Township 18 km away from a road that extends by the zone and Ongjin Township 12 km away from its extension line are all linked with Haeju-Pyongyang-Nampho road which means advantageous entry and exit of materials and funds.

Being part of the township, the zone is linked with downtown from where roads stretch away to all directions of the county, a sign of bulk of conveniences for pooling resources for processing and trade of goods.

The County has more than 8 000 hectares of area for shallow-sea culture. Its abundant fish resources like sea cucumber, abalone, shellfish, seaweed, blue crab and flatfish and the favorable ecological conditions for sea culture are key factors behind many countries' economic interest in the area. Seafood products of Kangryong origin are carried to Haeju Port through Kangryong town for export.

Kangryong County is also home to more than 40 reservoirs, a good environment for developing reservoir fish farming.

Another advantage is excellent industrial relations with neighboring areas in addition to steady supply of labor, electricity and water and satisfactory communications and road conditions.

There are around 200 farm houses that need to be displaced for the creation of the zone. The zone, mostly low-lying with a few hills, will make the entry and exit of construction equipment and materials relatively easy.

The zone is linked with downtown Kangryong County, an indication of a satisfactory supply of labor as colleges and vocational schools churn out more than 200 literate workforces on an annual basis.

Kangryong Township has a power network of 120 000 kw and favorable conditions for developing tidal

power. The availability of optical communications network makes the construction of international communications network possible. Water can be used from the 200 000 km³-capacity reservoir in the zone, let alone underground water.

Bonded processing can be organized in factories and enterprises in the township, and supplies of raw materials such as marine products, local farm products and fish are possible from the surrounding areas. Employees can come to work every day from their houses in township and residential quarters nearby.

Project Plan: The green industrial park covering approximately 3.5 km² will be created with main emphasis on the production of green goods and their trade.

The wealth of marine resources in the sea off Kangryong County and ecological conditions perfect for sea culture offer a prospect for building natural energy and environmental conservation technical center and green industrial technical research and dissemination center and for turning the zone into fish breeding and seafood processing hub.

As Kangryong Township has right soil for various farm crops like sweet potatoes, there are extensive opportunities to develop the zone into an experimental base for food production cycle between agriculture and stockbreeding, a center for production and processing of organic farm produce and tourist service center.

17. Jindo Export Processing Zone

Outline: The aim is to introduce raw materials duty-free by taking the advantages of the strong tradition in Nampho city of industrial production of a variety of light industrial and chemical goods for export.

Cooperation Type: Joint venture between relevant businesses of the DPRK side and foreign investor is possible and foreign investors are open to develop on their own.

Cooperation Period: 50 years

Location: The zone covers waters around the West Sea Barrage where the West Sea of Korea and the River Taedong meet and part of Ryongnam-ri, Waudu District on both sides of a highway reaching the West Sea Barrage from lower River Taedong southwest of Nampho City. (125° 18' east longitude and 38° 43' north latitude)

Condition of Infrastructure: It is 40 km to Pyongyang and 4 km to Nampho Port, the biggest international trade port in the country, and only 2 km to a railway station.

It is 330 km to Dalian, 332 km to Weihai, Shandong, 930 km to Shanghai, 695 km to Tianjin and 1 575 km to Taipei of China. It is 11.5 km to Pyongyang- Youth Hero Highway and 50 km to the Pyongyang International Airport, which offer advantageous water carriage and transport of personnel, materials and funds from and to the country.

The area presents potential opportunities for supply of power as the construction of 600 000 kw capacity power station is under plan in the area of Sogang-ri 7 km away from the development zone and also more than 10 000 kw-capacity tidal power station close to Kwangryang Bay just by the West Sea Barrage. The construction of post and telecommunications network presents few problems and rich water resources are available from the River Taedong.

There was once a saltern in the area and therefore, almost nothing is there that needs to be displaced and