



# ICT & animation mission to North Korea (16 – 25 September 2018)



## **Rotterdam, 25 July 2018**

For more than 25 years, companies in Europe have been conducting ICT- and BPO (Business Process Outsourcing) work in various offshore destinations. There are two main reasons for global sourcing: the possibility to reduce costs and the availability of specialized skills abroad. So far, hundreds of Dutch organizations have offshored ICT-related projects, including small and medium sized firms. Especially large companies have already reaped the benefits of an offshoring business model, including well-known names such as ABN Amro, Philips, KLM and Heineken.

European companies currently face many challenges: they must cut costs, develop new products and find new markets. In addition, they are experiencing difficulties in finding experienced software engineers. For this reason, a growing interest for offshore outsourcing is expected.

## **New offshore destinations**

India is still the most popular offshore destination, but many other countries can also be considered for outsourcing – including North Korea. This country offers opportunities for collaboration in several fields, such as software development, production of computer games, mobile games, animation and cartoons,



websites, data entry en digitization. Having access to a pool of highly technically skilled labour is a key rationale behind outsourcing to North Korea, and where the rates are low. This type of business cooperation is not subject to UN or EU sanctions.

North Korean animation studios have been receiving orders for the production of cartoons from European countries since 1986, and did even work for American company Walt Disney (Lion King and Pocahontas). "If we would produce animation in France, then the price would be five, six or seven times as much as what North Korea is charging, and three times more than what China would charge," according to a French director.

About the animation sector, see: [www.gpic.nl/producing-animation-in-North-Korea.pdf](http://www.gpic.nl/producing-animation-in-North-Korea.pdf)



examples of animation made in North Korea

Especially Chinese companies have been outsourcing ICT and BPO-work to neighboring North Korea. It has also been a 'nearshore' destination for clients from Japan and South Korea as well. For example, Samsung from South Korea has been using software made in the North in its range of mobile phones. For other clients, North Korean ICT companies have been working on central elements of NGN (next generation) networks, and integrated network management systems. They are also experienced with IP PBX, IP Videophone, Digital Media Gateway, IP TV and 4G Core Network components. R&D cooperation can be requested to embrace design optimization, authentication and route control of data communication networks based on the concepts of Software-Defined Network and Network Function Virtualization.

For more information about ICT, see: [www.gpic.nl/outsourcingInNorthKorea\(CACM\).pdf](http://www.gpic.nl/outsourcingInNorthKorea(CACM).pdf)



## Study tour 2018: a short overview (draft)

In order to provide information about these ICT-related opportunities, a unique study tour will take place from 16 – 25 September 2018. It will have a rather general and broad character, since it will also cover some political, economic and touristic topics. The draft programme is as follows:

### **Sunday 16 September 2018**

Participants will arrive in Beijing. Informal meeting in the evening.

### **Monday 17 September**

In the morning: individual visa collection at the DPRK Embassy in Beijing. Receiving Air Koryo airplane tickets. Free time. In the afternoon, we will attend the seminar: "Doing business with DPRK". Several speakers will address various aspects of trade with DPRK, including the issue of sanctions (this will be a public event).

### **Tuesday 18 September**

Individual transport from the hotel to the airport. Departure from Beijing to Pyongyang, using the national airline Air Koryo (JS152, 12:55 - 15:25). Upon arrival, we will meet our Korean hosts. Transport will be arranged to the hotel in Pyongyang. The program of the mission will be handed out to the participants, after which a welcome dinner will take place.

### **Wednesday 19 - Monday 24 September**

The program will include various visits (e.g. to ICT-companies, animation studios, a university, schools, the science and technology centre, etc.). There will be lectures and discussions with managers of companies, and presentations by government officials, Chamber of Commerce, etc. Specific request for visits or meetings can be made by the participants.

In this period, the 14<sup>th</sup> Autumn Pyongyang International Trade Fair takes place, and a visit to this busy event will be included. Last year (see picture), it had exhibitors from North Korea, China, New Zealand, Germany, Malaysia, Mongolia, Switzerland, Australia, Singapore, Indonesia, Vietnam, Italy, Thailand, Cuba, Poland and Taiwan. For an impression, see the [video of the 2017 fair](#).

During the tour, there will be options for formal and informal meetings with Koreans. These can also take place during visits to restaurants or cultural events. There will be some time for informal activities, such as a city tour, a visit to a coffee shop, a museum, etc.

In case of interest, and if there is time available, optional visits to other cities can be added, such as to Kaesong, and further to the DMZ (DeMilitarized Zone), Wonsan or Mount Kumgang.

### **Tuesday 25 September**

Early departure from Pyongyang to Beijing (Air Koryo (JS151, 08:25 - 09:55). Upon arrival, participants can take a connecting flight to Europe, or continue their stay in China.

## **Participation fee**

The participation fee for the North Korea part is 1980 Euro per person and will be invoiced by GPI Consultancy. In the fee is included:

- a European guide during the tour from GPI Consultancy
- requesting the visa (to be picked up at DPRK Embassy in Beijing)
- all organisational costs (arranging the visits, assistance of Korean guides and translators)
- all hotel accommodation in North Korea
- all meals and drinks (soft drinks, beer) in North Korea
- entrance ticket to the Pyongyang Autumn International Trade Fair
- local transport and drivers.

In the fee is not included:

- cost of visa for North Korea (around 60 euro)
- air tickets from Beijing to Pyongyang v.v. (around 620 Euro).



- optional activities (e.g. to other cities, attending the spectacular Arirang Mass Games; tickets from 100 Euro and up, see picture below).
- local transport and drivers in Pyongyang, Kaesong and Panmunjom.



### Logistics / arrangements of the mission

- Requests for specific visits or meetings are welcome. The final program will however be decided by the Korean organizers. The group visits will be accompanied by Korean guides and translators; the participants will understand that individual trips and outings might not be possible.
- The size of the delegation will be limited. The North Korean organizers will make the selection of the participants.
- All participants will travel on their own to and from Beijing; the date of arrival and the choice of the hotel in Beijing are up to the participant.
- The participation fee for the North Korea part is 1980 Euro per person (excl. VAT, if applicable) and will be invoiced by GPI Consultancy. Not included in this fee are: costs of visa for North Korea (around 60 euro); the air tickets from Beijing to Pyongyang v.v. (around 620 Euro) and meals.
- Participants will arrange before the trip a visa for China (a double entry visa in case the trip will be continued in China) and insurances (e.g. travel; cancellation). Also medical vaccination – if required. Note: China offers 72 hours of visa-free transit for foreign visitors who are transiting through Beijing.
- No travel arrangements should be made before the approval of the participation by the North Koreans. The processing of the visa-applications by North Korea will take more than one month. So in case of interest, a quick reply is requested.
- The organizers have the right to cancel or postpone the mission in case of an insufficient number of registrations, unexpected events (e.g. political developments, the closure of the Korean border related to health issues) or calamities.



### Further information

This mission is initiated by GPI Consultancy, a specialized Dutch consultancy firm in the field of offshore sourcing. We arrange study tours to various countries, including North Korea.

Paul Tjia, founder and director of GPI Consultancy, is the co-author of the handbook: "Offshoring Information Technology - Sourcing and Outsourcing to a Global Workforce" (Cambridge University Press). It contains a section on North Korea: [www.amzn.to/xegoU9](http://www.amzn.to/xegoU9)

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For an impression of an earlier (general) study tour: [www.gpic.nl/impressionDPRK2017.pdf](http://www.gpic.nl/impressionDPRK2017.pdf)

**Examples of animation skills, produced in North Korea:**



**Some video examples of Korean animation:**

[www.youtube.com/channel/UCHJnfqR11Lz6B\\_8t5-A3ydA](http://www.youtube.com/channel/UCHJnfqR11Lz6B_8t5-A3ydA)