



A taste of politics and economy:

Press tour to North Korea 16 - 25 September 2018



Rotterdam, 19 July 2018

How do the North Koreans view the international situation and the recent developments? What changes are visible to the visitor? What are business opportunities at the moment? What is the impact of the UN Security Council sanctions on North Korea's economy? In this special period, we organize a unique press tour, with a focus on economy and politics, and with visits to Pyongyang, Wonsan, Mount Kumgang, Kaesong and Panmunjom.

After the rising tensions around North Korea in 2017, this year saw the beginning of a period of relaxation. On April 26, South Korean president Moon Jae-in and North Korean leader Kim Jong-un met for a special summit in the border town of Panmunjom. It was the first time in ten years that leaders from both countries met each other, and a declaration for further cooperation was signed. And on 12 June, the historic meeting between Donald Trump and Kim Jong-un took place in Singapore. For the first time, a North Korean leader shook hands with a US president. Although the joint agreement is still basic, the reactions from the neighboring countries China, Russia and South Korea were positive. Especially entrepreneurs in South Korea are optimistic, and more than 25 large South Korean companies have already launched dedicated task forces to research and analyze emerging business opportunities in North Korea.



North Korea is facing a growing number of international sanctions, and banned export items include key products as coal, seafood and textiles. North Korea can also import less, in particular oil. Before this latest round of sanctions, the nation's overall economy grew 3,9 percent in 2016. Actually, the North Korean economy has grown steadily in the Kim Jong-un era, due to several

pragmatic policies. It experimented with agricultural reforms and has improved its agricultural production, transferred some decision-making responsibility from the state to the firm level, and increased private market transactions. Economic changes have been visible, and for example the number of building activities was increasing fast in Pyongyang.

Economic growth however is hampered by the continuing UN Security Council sanctions, and the UNSC 2770 and 2321 resolutions of 2016 and the 2371, 2375 and 2397 resolutions of 2017 are the toughest multilateral measures yet. Leader Kim Jong-un, during his recent New Year's address, emphasized both the military and the economic pillars of his policy. He stressed his intention to diversify and increase the quality of North Korean-made consumer goods. State media reports suggest that the economic development strategy of 2018 is more heavily focused on expanding light industry and agriculture. There will be a shift from importing consumer and industrial goods to domestic manufacture, and this could also offer business opportunities for some foreign companies. A more relaxed international situation could also result in a focus on economic development, instead of military expenditures.

The current round of talks with South Korea and the cooperation during the recent PyeongChang Winter Olympics are already resulting in more joint activities, for example related to the inter-Korean tourism project at Mount Kumgang. There is also discussion about the re-opening of the Kaesong Industrial Complex, the inter-Korean economic project north of the DeMilitarized Zone.

North Korea welcomes cooperation with Europe, for example in the field of business. Despite the sanctions, there are still various economic sectors where international trade is allowed. North Korea is offering various products and services to export markets, while the country is also in need for many foreign products. And in the current financial and economic situation, European companies face many challenges. They must cut costs, develop new products and find new markets. In these fields, North Korea is an interesting option. There are several sectors, including production, renewable energy, [agriculture](#), horticulture, logistics, [animation](#), tourism and [ICT outsourcing](#), that can be considered for business. North Korea is competing with other Asian countries by offering skilled labor at low monthly wages. In particular firms with production facilities in China, where the wages have been rising fast, have been investigating alternative options in North Korea.

Are you interested in learning about these political and economic developments, and in having discussions with North Koreans? Then you are welcome to join our unique press tour in September 2018. We try to make program interesting and well-varied, and it will include various visits (e.g. to factories, a school, a farm, museums, a university) in Pyongyang. We will also travel south to Kaesong and the DMZ (DeMilitarized Zone) at Panmunjom. Plus a visit to Wonsan and to Mount Kumgang (the former popular destination for South Korean tourists, see picture). During the tour, there will be options for formal and informal discussions with Koreans.



Press mission 2018: a short overview (draft)

For European companies interested in working with North Korea, one of the immediate challenges is collecting detailed information and finding suitable business partners. Local enterprises mostly do not have a presence on the Internet, and access to them is not easy. For this reason, we organize business-related study tours on a regular basis.

Journalists have often asked us if it is possible to join such a business mission, but unfortunately, we are not allowed to mix company participants with members of the press. Since 2014 however, we have permission to organize separate press missions. A number of European journalists have now taken part, from Dutch, Belgian, German, Ukrainian, French and UK press agencies (including TV). These delegations are mostly small in size. Our upcoming press mission will take place from 16 – 25 September 2018. This mission will have a rather general and broad

character. It will cover political and economic topics, with formal and informal meetings with North Koreans. The draft programme of the mission, which will start and end in Beijing, is as follows:

Sunday 16 September 2018

Participants will arrive in Beijing. Informal meeting.

Monday 17 September

In the morning or early afternoon: individual visa collection at the DPRK Embassy in Beijing. Free time.

Late in the afternoon, we will attend the seminar: "Doing business with DPRK". Several speakers will address various aspects of trade, including the issue of sanctions. This will be a public event, and guests can be invited.



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 companies, factories, a school, a supermarket, a farm and greenhouse, an apartment, museums, a university). There will be lectures and discussions with managers of companies, and presentations by government officials, members of the Academy of Sciences, a Ministry, KNPC (Korean National Peace Committee), etc. Specific request for visits or meetings can be made by the participants.

In this period, the 14th 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 fair in 2017](#).



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, an art gallery, etc.

Apart from the capital Pyongyang, we will also go south to Kaesong, and further to the DMZ (DeMilitarized Zone) at Panmunjom, where North and South Korea continue their face-off. Pyongyang. Plus a visit to Wonsan and to Mount Kumgang.

Tuesday 25 September

Early departure from Pyongyang to Beijing with 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

For journalists, the participation fee for the North Korea part is 3650 Euro per person. In the fee is included:

- arranging journalist permission and visa (to be picked up at DPRK Embassy in Beijing)
- use of the special armband, with the text in Korean: "Reporter"
- all organisational costs (arranging visits and meetings, assistance of Korean guides and translators)

- hotel accommodation in North Korea (in Pyongyang, we try to use a centrally-located hotel, with access to the Internet)
- all meals and drinks (soft drinks, beer) in North Korea
- entrance ticket to the Pyongyang Autumn International Trade Fair
- local transport and drivers in Pyongyang, Wonsan, Kaesong and Panmunjom.

In the fee is not included:

- cost of visa for North Korea (from around 60 euro)
- air tickets from Beijing to Pyongyang v.v. (around 620 Euro).
- optional activities (e.g. attending the spectacular Arirang Mass Games - tickets from 100 Euro to 800 Euro; see picture).



Logistics / arrangements of the press tour

- 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 and the participants will understand that (contrary to our business missions) individual trips and outings might not be possible during a press tour.
- We welcome journalists (including TV reporters) from all nations, but 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 3650 Euro per person.
- 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 hour or 144 hour of visa-free transit for certain nationalities who are transiting through Beijing.
- The North Korean authorities must approve the participation of the journalist, so no travel arrangements should be made before the approval. 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.
- Even without approval of participation, provisional air tickets to DPRK can already be booked. This can be done through a Dutch travel agency; we can be contacted for details.
- 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.





For further information

This press mission is initiated by GPI Consultancy, a specialized Dutch consultancy firm in the field of offshore sourcing. We arrange press and study tours to various countries, including North Korea. Please contact us as soon as possible in case you are interested to participate, or if you need further information.

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Short impression of a previous May-mission to North Korea (May 2017)

At a time when tensions with DPRK (North Korea) are running high, a European delegation explored business opportunities in Pyongyang. With the view that especially in the current 'Cold War' situation more economic and personal engagement can have a positive impact, various visits and meetings took place from 16 – 23 May 2017.

In recent years, the North Korean economy did show growth, due to several pragmatic policies. The country has improved its agricultural production, experimented with reforms, transferred some decision-making responsibility from the state to the firm level, and has stopped opposing private market transactions. There is a growth in the number of special economic zones in order to attract foreign investors. Changes are especially visible in the capital Pyongyang, where several complete new streets have been developed, with many modern and high-rise buildings ('Pyonghattan').



We also noticed the number of cars and buses continues to increase. There are now several taxi companies, and an indication of the expanding business activities within the country is the fact that Air Koryo, the national airline, is now also operating its own fleet of taxi's and vans (see picture). In addition, it is diversifying into the production of food, such as canned meat and soft drinks. As a matter of fact, much more products 'Made in DPRK' are now available in the shops than in the past.



picture: soft drink of Air Koryo



Korean products in a supermarket

Another example of the business climate is shown by the well-known Koryo Hotel in Pyongyang, which is extending its activities also as tourist agency. Its 'Pyongyang Koryo International Travel Company' is offering trips around the country to locals and to foreigners.



picture: the high-rise Koryo Hotel



and their travel brochure

More money is available in Pyongyang as well, and a rise of consumerism is visible, which can be illustrated in the growth of the number of restaurants, and of places where people can eat outside:

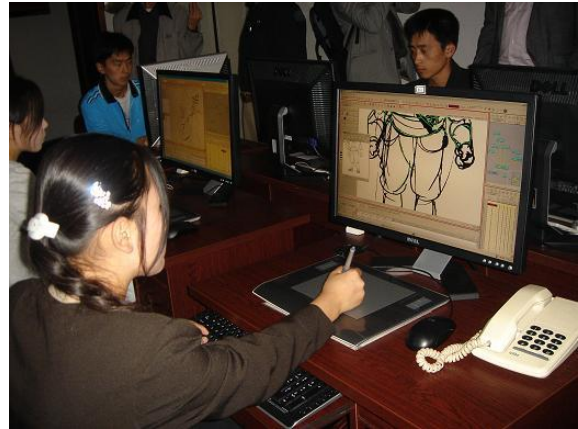


North Korea now finds itself at a new era of international economic cooperation, and it especially welcomes business with Europe. There are export opportunities, and DPRK is also offering various products and services to foreign markets. There are several sectors, including renewable energy, garments, shipbuilding, agro business, fishing, horticulture, logistics, restaurants and Information Technology, that can be considered for business.

Producing in North Korea

North Korea is competing with other Asian countries by offering skilled labour at low monthly wages. In particular firms with production facilities in China, where the wages have been rising fast, have been investigating alternative options in North Korea.

For example, the production of **software, computer games and animation** can be outsourced. Having access to a pool of highly technically skilled labour is a key rationale behind the growth of ICT outsourcing to North Korea, and where the rates low.



North Korean animation studios have been receiving orders for the production of cartoons from European countries since 1986. Even some productions of American company Walt Disney (such as Lion King and Pocahontas) were subcontracted to a North Korean firm. See the [overview](#).

In the field of ICT, Samsung from South Korea has been using software from 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 also have experiences 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 software and ICT: [www.gpic.nl/outsourcingInNorthKorea\(CACM\).pdf](http://www.gpic.nl/outsourcingInNorthKorea(CACM).pdf)

Academic cooperation

We visited the Kim Il Sung University, founded on 1 October 1946, and the first university built in North Korea. It has the intention to organize more international academic seminars and also to launch joint research projects with other universities around the world. Options for academic collaboration are for example in the fields of Information Technology, bioengineering, materials development, renewable energy and river water purification. The university is also planning to

increase the number of foreign students studying Korean language. The Pyongyang Summer Language Program is an intensive three week immersion experience that will help Korean language learners move to the next level in their language skills. Both academically rigorous and led by the best language professors in North Korea, it will offer students the most meaningful summer learning experience of their life: www.gpic.nl/Study-Korean-in-Pyongyang.pdf.

Export opportunities

The country is also interested in buying foreign products. For example, the Dutch have been exporting to North Korea for many years. Products from Philips Electronics, or beer brands such as Heineken and Bavaria, were very visible in DPRK:



Foreign companies interested in exporting to North Korea can use the Pyongyang International Trade Fair, in order to meet potential buyers. The PITF takes place twice a year, and the 20th Spring Fair which we visited in May was very busy with consumers. More than 200 local and foreign participants showed their products and services.



picture: traffic jam at the trade fair

electric bicycles on sale