

The Newly Created Economic Development Zones in the Democratic People's Republic of Korea: In relation to the new economic policy under the Kim Jong Un government

Mitsuhiro Mimura*

Abstract

On March 31, 2013, at the March 2013 plenary meeting of the Central Committee of the Workers' Party of Korea (WPK), Kim Jong Un, the first secretary, stated in a report that economic development zones were to be set up and promoted having the local character of each province. The Presidium of the Supreme People's Assembly of the DPRK promulgated a decree on the DPRK Law on Economic Development Zones on May 29, 2013. It also issued a decree to set up thirteen economic development zones in various provinces on November 21, 2013. Six more economic development zones were added through a decree on July 22, 2014. This rapid expansion of economic development zones in the DPRK signifies that the country is seeking ways to attract foreign investment not only at the central government level but also at the local government (provincial) level. One of the key factors for the establishment of provincial economic development zones might be to set up "incubators" for foreign investors. At least within the zones the laws on foreign investment are in force. For middle- to large-scale investment, however, many of these provincial economic development zones are too small, too little populated or too far from the major cities. Therefore establishment of these zones does not mean that the DPRK has a mature investment climate, but rather that they have just started to seek ways to be more attractive to foreign investors.

Keywords: special economic zone, North Korea, DPRK, external economic cooperation

1. Introduction

On March 31, 2013, at the March 2013 plenary meeting of the Central Committee of the Workers' Party of Korea (WPK), First Secretary Kim Jong Un stated in a report that tourist zones should be built in several places in the country including the Wonsan area and the Mt. Chilbo area, and that economic development zones were to be set up and promoted having the local character of each province.¹ The Presidium of the Supreme People's Assembly of the DPRK promulgated a decree on the DPRK Law on Economic Development Zones² on May 29, 2013³. It also issued a decree to set up thirteen economic development zones⁴ in various provinces on November 21, 2013⁵. Six more economic development zones⁶ were added through a decree of the Presidium of the Supreme People's Assembly on July 22, 2014.⁷ This means that within a year and half, nineteen economic development zones were established. The number is more than three times that of the special economic zones which the DPRK has established in the past twenty-three years.

The objectives of this paper are (1) to outline the major trends in special economic zones in the DPRK, (2) to introduce the basic investment conditions of the newly created special economic zones, and (3) to provide analysis on the current policy on external economic cooperation in the DPRK.

2. The History of Special Economic Zones in the DPRK

The first special economic zone in the DPRK, Rajin-Sonbong Free Economic and Trade Zone (FETZ), was established in December 1991. Until the collapse of the Soviet Union was apparent, the DPRK had announced that the country had no intention of having a special economic zone as in China. Rajin-Sonbong FETZ was the first exception to that policy. It had been the only special economic zone in the DPRK for more than ten years. The DPRK amended its socialist constitution in 1998. Article 37 stated “The State shall encourage institutions, enterprises or associations of the DPRK to establish and operate equity and contractual joint venture enterprises with corporations or individuals of foreign countries within a special economic zone.” The article was the first constitutional safeguard for a special economic zone. Three special economic zones were established in 2002. Sinuiju Special Administrative Region was established in a border city with China in September 2002⁸ and Mt. Kumgang Tourist Zone and Kaesong Industrial Zone, located in an area adjacent to the Republic of Korea, to attract South Korean tourists and businesses.

Table 1: Historical Special Economic Zones in the DPRK

No.	Name	Place	Established	Note
1	Rason Economic and Trade Zone	Rason	Dec. 1991	Originally “Rajin-Sonbong Free Economic and Trade Zone”
2	Sinuiju Special Administrative Region	Sinuiju	Sep. 2002	Development Suspended
3	Special Zone for International Tourism of Mt. Kumgang	Mt. Kumgang	Oct. 2002	Originally “Mt. Kumgang Tourist Zone”
4	Kaesong Industrial Zone	Kaesong	Nov. 2002	
5	Hwanggumphyong and Wihwado Economic Zone	Sinuiju	Dec. 2011	

Source: Korea Central News Agency

The establishment of Mt. Kumgang Tourist Zone had the positive effect of increasing South Korean tourists visiting Mt. Kumgang.⁹ In 2008, the souring of relations between the North and the South resulted in a suspension of tourist activity between the North and the South due to the shooting of a South Korean tourist who entered the prohibited area.

In the Kaesong Industrial Zone, Hyundai Asan Co., Ltd., initiated an investment project, but most of the infrastructure investment was done through the Korea Land Corporation (Korea Land and Housing Corporation from October 2009 onward), which is a state-owned enterprise. The project is a governmental project for the DPRK and a quasi-governmental project for the ROK, which made the project easily influenced by tensions between the North and the South. On April 3, 2013, the DPRK blocked access to the zone to all ROK citizens. On April 8, 2013, the DPRK government removed all 53,000 workers from the zone, which effectively shut down all production activities within the zone. On August 15, 2013, both the North and the South agreed that the zone be reopened.

3. Newly Created Economic Development Zones

There are 20 newly built economic development zones. Among them, four are under the administrative control of the central government, while the other sixteen are under the control of the provinces. The former four are Sinuiju International Economic Zone, Kangryong International Green Model Zone, Unjong Cutting-Edge Technological Development Zone and Jindo Export Processing Zone. Except for Sinuiju International Economic Zone, these zones are quite small in size ranging from 1.37 km² to 8.1 km².

In this paper, you will see a brief introduction of each economic development zone based on the materials from the Korea Economic Development Association of the DPRK.

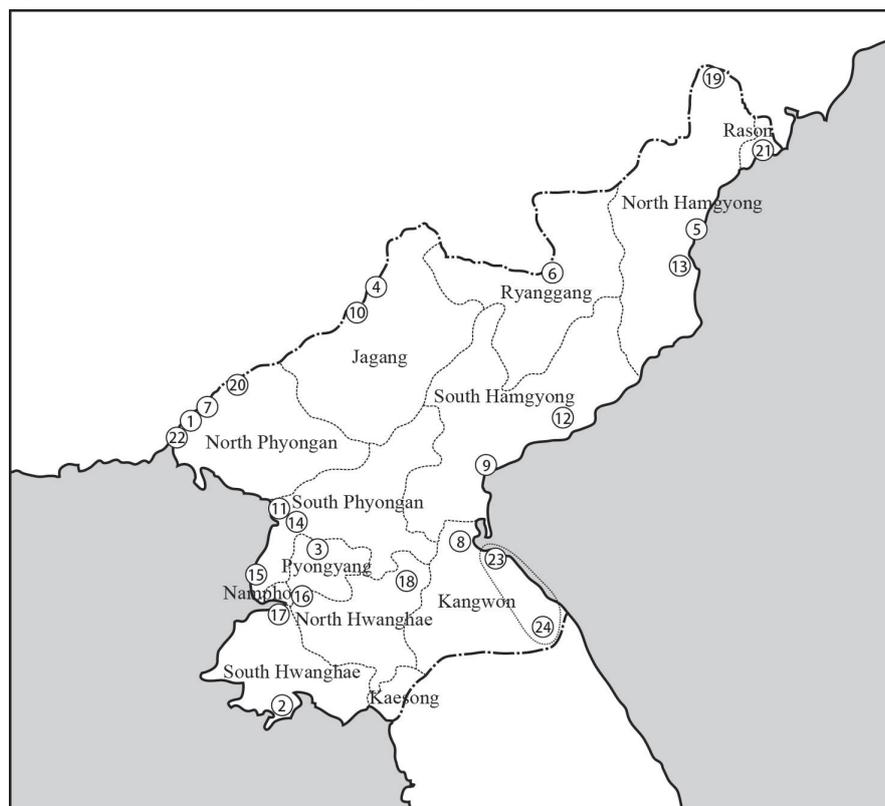
Table 2: Special Economic Zones (as of March 2015)

No.	Name	Classification	Category	Place	Size (km ²)	Estimated investment Amount (US\$ million)	Content
1	Sinuiju International Economic Zone	Economic Development Zone (Central)	Comprehensive Economic Development Zone	Sinuiju City, North Phyongan	40	n/a	A comprehensive economic development zone with international airport and open port; cutting-edge technology, trade, tourism, finance, bonded processing
2	Kangryong International Green Model Zone	Economic Development Zone (Central)	Comprehensive Economic Development Zone	Kangryong County, South Hwanghae	3.5	n/a	Research and development of green industry
3	Unjong Cutting-Edge Technological Development Zone	Economic Development Zone (Central)	Comprehensive Economic Development Zone	Unjong District, Pyongyang	2	n/a	Research, development and implementation of information technology, nano technology, new materials and bioengineering, and production and export of cutting-edge products, and exchange and exhibition of cutting-edge products
4	Manpho Economic Development Zone	Economic Development Zone (Local)	Economic Development Zone	Manpho City, Jagang	3	120	Modern agriculture, tourism and recreation, and trade
5	Chongjin Economic Development Zone	Economic Development Zone (Local)	Economic Development Zone	Wolpo District, Chongjin City	5.4	200	metal processing, machine production, production of building materials, electrical products and light industry products, and export processing
6	Hyesan Economic Development Zone	Economic Development Zone (Local)	Economic Development Zone	Hyesan City, Ryanggang	2	100	export processing, modern agriculture, tourism and recreation, and trade
7	Amrokgang Economic Development Zone	Economic Development Zone (Local)	Economic Development Zone	Sinuiju City, North Phyongan	6.6	240	modern agriculture, tourism and recreation, and trade
8	Hyondong Industrial Development Zone	Economic Development Zone (Local)	Industrial Development Zone	Hyondong Township, Wonsan City, Kangwon	2	100	information industry and light industry including the production of souvenirs for tourists
9	Hungnam Industrial Development Zone	Economic Development Zone (Local)	Industrial Development Zone	Haean District, Hamhung City	2	100	bonded processing, chemical products, architectural materials, machinery and equipment

10	Wiwon Industrial Development Zone	Economic Development Zone (Local)	Industrial Development Zone	Wiwon County, Jagang	3	150	modern mineral resources processing, timber processing, machinery and agro processing
11	Chongnam Industrial Development Zone	Economic Development Zone (Local)	Industrial Development Zone	Ryongbuk-ri, Chongnam District, South Phyongan	2	n/a	producing parts and tools for mining sector, production, sales and export of coal chemicals
12	Pukchong Agricultural Development Zone	Economic Development Zone (Local)	Agricultural Development Zone	Pukchong County, South Hamgyong	3	100	fruit farms, a comprehensive fruit processing industry and the livestock industry
13	Orang Agricultural Development Zone	Economic Development Zone (Local)	Agricultural Development Zone	Orang County, North Hamgyong	4	70	an agricultural research and development base with mixed husbandry, a seed farm and breeding
14	Sukchon Agricultural Development Zone	Economic Development Zone (Local)	Agricultural Development Zone	Sukchon County, South Phyongan	3	n/a	modern agriculture, tourism and recreation, and trade
15	Waudu Export Processing Zone	Economic Development Zone (Local)	Export Processing Zone	Ryongnam-ri, Waudu District, Nampho	1.5	100	sophisticated export-oriented manufacturing and assembly
16	Songrim Export Processing Zone	Economic Development Zone (Local)	Export Processing Zone	Songrim City, North Hwanghae	2	80	export processing, warehousing business and freight-hauling business as the key businesses
17	Jindo Export Processing Zone	Economic Development Zone (Central)	Export Processing Zone	Waudu District, Nampho	1.37	n/a	contract manufacturing of light industry and chemical products
18	Sinphyong Tourist Development Zone	Economic Development Zone (Local)	Tourist Development Zone	Phyonghwa-ri of Sinphyong County, North Hwanghae	8.1	140	tourism
19	Onsong Island Tourist Development Zone	Economic Development Zone (Local)	Tourist Development Zone	Onsong Township, Onsong County, North Hamgyong	1.7	90	recreation and tourism services such as a golf course, a swimming pool, a racecourse and a Korean ethnic restaurant, etc., specializing in entertaining foreign tourists
20	Chongsu Tourist Development Zone	Economic Development Zone (Local)	Tourist Development Zone	Bangsang-ri, Sakju County, North Phyongan	1.4	n/a	tourism
21	Rason Economic and Trade Zone	Special Economic Zone	Comprehensive Economic Development Zone	Rason	470	n/a	International connecting transportation, trade, investment, finance and tourism
22	Hwanggumphyong and Wihwado Economic Zone	Special Economic Zone	Comprehensive Economic Development Zone	Sinuiju City, North Phyongan	44.5	n/a	Information industry, light industry, agriculture, commerce and tourism
23	Wonsan-Mt. Kungang International Tourism Zone (Wonsan, Tongchon, Sokwang Temple, Masikryong Ski Resort and Ullim Falls)	Economic Development Zone (Central)	Tourist Development Zone	Wonsan, Tongchon, Sokwang Temple, Masikryong Ski Resort and Ullim Falls, Kangwon Province	n/a	n/a	tourism
24	Special Zone for International Tourism of Mt. Kungang	Special Economic Zone	Comprehensive Economic Development Zone		n/a	n/a	tourism

Source: The Korean Economic Development Association, DPRK

Figure 1: The Location of the Special Economic Zones in the DPRK



Source: The Korea Economic Development Association, the DPRK and the *Choson Sinbo*

1. Sinuiju International Economic Zone

The objective of this zone is to build a comprehensive economic zone with cutting-edge industry, trade, tourism, finance, and bonded trade as the main features.

Foreign investment can be in the form of a joint venture with local enterprises for a period of fifty years.

2. Kangryong International Green Model Zone

The objective of this zone is to build the research and development base of green industry, to build an industrial development zone undertaking the processing of organic farming products and by-products, and then to make Kangryong County an international model area for the green industry.

Foreign investment can be either in the form of a joint venture with local enterprises or the establishment of a full-ownership company by foreign investors for a period of fifty years.

Production and trade of green industrial products are the main features of the zone. At the same time, utilization of fishery resources (sea water and inland water culture) is also possible.

3. Unjong Cutting-Edge Technological Development Zone

The main objective of this zone is to form a cutting-edge technological industry in the fields of information technology, nanotechnology, new materials and bioengineering. Processing trade and commerce will also be permitted.

Foreign investment can be either in the form of a joint venture with local enterprises or the

establishment of a full-ownership company by foreign investors for a period of fifty years.

The zone is divided into two areas. Area 1 is for administration, services, the information industry, biotechnology, the materials industry and industrial facilities. Area 2 is for high value-added cutting-edge industries in the fields of agriculture, livestock raising, pomiculture, fish culture, industrial crops and bioenergy.

4. Manpho Economic Development Zone

The objective of this zone is to promote modern agriculture, tourism and recreation, and trade. In the Mitha-ri area, an international service base which binds tourism and trade together will be built. In the Phosang-ri area, modern agriculture, including intensive agricultural and livestock production, and cultivation of medical herbs will be created. Processing trade is also possible by the utilization of factories circumjacent to the zone.

Foreign investment can be in the form of a joint venture with local enterprises.

5. Chongjin Economic Development Zone

The objective of this zone is to build an economic development zone with metal processing, machine production, production of building materials, electrical products and light industry products, and export processing.

Foreign investment can be either in the form of a joint venture with local enterprises or the establishment of a full-ownership company by foreign investors for a period of fifty years.

The zone is located five kilometers from Chongjin West Port, less than 100 km from the Chinese border, and 127 km from the Russian border. Chongjin has the Chongjin Thermal Power Plant, which has a 150,000 kW capacity.

6. Hyesan Economic Development Zone

The objective of this zone is to build an economic development zone, with export processing, modern agriculture, tourism and recreation, and trade as the main features of the zone.

Foreign investment can be either in the form of a joint venture with local enterprises or the establishment of a full-ownership company by foreign investors for a period of fifty years.

The zone is located 20 km from a border-crossing point with China (Changbai, Jilin Province). Lakeside tourism facilities are to be built. In another area, clothing, spinning and metal processing utilizing the abundant mineral resources in Ryanggang Province (copper, lead, zinc, mercury, gold, silver, magnetite, iron sulfide, and magnetite) are also available in the future.

7. Amrokgang Economic Development Zone

The objective of this zone is to promote modern agriculture, tourism and recreation, and trade. The key industry is modern agriculture with inverse agricultural production, building a research and development base including a seed farm, organic fertilizer production, small-scale agricultural machinery production and food processing.

Foreign investment can be either in the form of a joint venture with local enterprises or the establishment of a full-ownership company by foreign investors for a period of fifty years.

The zone faces the famous tourist spot of Hushan Great Wall, in Dandong, Liaoning Province, which a large number of Chinese tourists visit every year. At the moment, it is more rational for electricity and fuel gas to be supplied from China.

8. Hyondong Industrial Development Zone

The objective of this zone is to build an industrial zone with the information industry and light industry, including the production of souvenirs for tourists, as core industries, utilizing the proximity to Wonsan-Mt. Kungang Tourist Region. Bonded processing is also possible.

Foreign investment can be either in the form of a joint venture with local enterprises or the establishment of a full-ownership company by foreign investors for a period of fifty years.

9. Hungnam Industrial Development Zone

The objective of this zone is to build an industrial zone with bonded processing, chemical products, architectural materials, machinery and equipment as the key products. Production outsourcing to various state-owned enterprises such as Ryongsong Machine Complex, February 8 Vinalon Complex and Hamhung Wood Processing Factory can be organized.

Foreign investment is in the form of a joint venture with local enterprises for a period of fifty years.

10. Wiwon Industrial Development Zone

The objective of this zone is to build an industrial zone with a base of modern mineral resources processing, timber processing, machinery equipment production and local agricultural products processing. The zone may also have a research and development base for sericulture and inland water culture.

Foreign investment is in the form of a joint venture or a contractual joint venture with local enterprises.

The zone boasts huge deposits of mineral resources (calcium carbonate, limestone, and galena, etc.) and timber resources located circumferentially. Secondary fabricating of these resources for export is the key feature of the zone.

11. Chongnam Industrial Development Zone

The objective of this zone is to build an industrial zone to produce machinery and tools for the mining industry and to produce, sell and export chemical products made from lignite.

Foreign investment can be either in the form of a joint venture with local enterprises or the establishment of a full-ownership company by foreign investors for a period of fifty years.

Chongnam area boasts huge deposits of lignite. Coal gas liquefaction, production and export of coal chemicals, and the by-products and waste, are the key feature of the zone.

12. Pukchong Agricultural Development Zone

The objective of this zone is to build a modern agricultural development zone with fruit farms, a comprehensive fruit processing industry and the livestock industry.

Foreign investment can be either in the form of a joint venture with local enterprises or the establishment of a full-ownership company by foreign investors for a period of fifty years.

Electricity can be supplied from Ankok electric power substation with 220,000 kVA capacity which utilizes electricity generated at Hochongang hydro power plant. This area has the Pukchong College of Horticulture and experts on pomology can be easily obtained.

13. Orang Agricultural Development Zone

The objective of this zone is to build a modern and intensive agricultural development

zone with an agricultural research and development base with mixed husbandry, a seed farm and breeding.

Foreign investment can be either in the form of a joint venture with local enterprises or the establishment of a full-ownership company by foreign investors for a period of fifty years.

Electricity can be supplied from the newly built Orang River hydro power plant, with a capacity of 24,000 kVA. The proximity to the Orang River assures irrigation and water for daily life. There is almost nothing removed and relocated in the development area.

14. Sukchon Agricultural Development Zone

The objective of this zone is to build a modern agricultural development zone with modern agriculture, tourism and recreation, and trade as the main targets.

Foreign investment can be either in the form of a joint venture with local enterprises or the establishment of a full-ownership company by foreign investors for a period of fifty years.

Electricity can be supplied from a nearby power plant with a 60,000 kW capacity. Organic farming of rice, maize, orchard trees, sericulture, a seed farm, breeding, food processing, research and development on organic farming, production of organic fertilizers, and stockbreeding and its processing shall be the main categories of industry in the zone.

15. Waudo Export Processing Zone

The objective of this zone is to build a comprehensive export-processing zone with export-oriented manufacturing and assembly.

Foreign investment can be either in the form of a joint venture with local enterprises or the establishment of a full-ownership company by foreign investors for a period of fifty years.

This zone adjoins Nampho Port which has shipping services to China and Southeast Asia. Also this zone is easily accessed from Nampho City and Pyongyang which are advanced industry areas. Various forms of export-oriented assembly and production are the key features of this zone.

16. Songrim Export Processing Zone

The objective of this zone is to build an intensive export processing zone with export processing, warehousing business and freight-hauling business as the key businesses.

Foreign investment can be either in the form of a joint venture with local enterprises or the establishment of a full-ownership company by foreign investors for a period of fifty years.

Export processing is possible utilizing materials from Songrim Port and Nampho Port. Collaboration with Hwanghae Iron and Steel Complex, such as secondary fabrication using materials from the steel complex, is one of the key features of this zone. Outsourcing of export-processing to numerous factories in Songrim City and Sariwon City is also possible.

17. Jindo Export Processing Zone

The objective of this zone is to produce various light industry and chemical products for export, utilizing the industrial potential of Nampho City. Raw materials can be imported to this zone duty-free.

Foreign investment can be either in the form of a joint venture with local enterprises or the establishment of a full-ownership company by foreign investors for a period of fifty years.

This zone adjoins Nampho Port which has shipping services to China and Southeast Asia.

Also this zone is easily accessed from Nampho City and Pyongyang which are advanced industry areas. Processing trade and bonded trade will be the main target of this zone.

18. Sinphyong Tourist Development Zone

The objective of this zone is to build a tourist zone in which tourists enjoy places of scenic beauty called “Sinphyong Kumgang,” through tourism activities such as relaxation, sports, and recreation, etc.

Foreign investment can be either in the form of a joint venture with local enterprises or the establishment of a full-ownership company by foreign investors for a period of fifty years.

Power plant construction (capacity: 100 kVA) and optical cable laying are in progress. There is almost nothing removed and relocated in the development area.

19. Onsong Island Tourist Development Zone

The objective of this zone is to build a tourist zone with recreation and tourism services such as a golf course, a swimming pool, a racecourse, and a Korean ethnic restaurant, etc., specializing in entertaining foreign tourists.

Foreign investment can be either the establishment of a full-ownership company by foreign investors or in the form of a joint venture with local enterprises, for a period of fifty years.

At the opposite side of the zone is China. There is no border-crossing facility at the moment. The nearest border-crossing point is Namyang (to Tumen, Jilin Province) and is 12 km away. Electricity, heating and fuel gas are to be brought in from China for the moment, while water purification, sewage treatment, telecommunication facilities and a bridge connecting the zone and China are to be newly constructed.

20. Chongsu Tourist Development Zone

The objective of this zone is to build a tourist zone taking advantage of the natural conditions of the Amrok River.

Foreign investment can be either the establishment of a full-ownership company by foreign investors or in the form of a joint venture with local enterprises, for a period of fifty years.

On the opposite side of the Amrok River is China. A cultural and recreation area, a folklore village, and a Korea–China Friendship Zone are to be constructed. In addition to that, mountain vegetables processing, timber processing, mineral water factories, a ginseng liquor factory and fish culture research facilities can also be considered as an objective for investment.

4. Wonsan-Mt. Kumgang International Tourism Zone

The Presidium of the DPRK Supreme People's Assembly promulgated a decree on June 11, 2014 on the establishment of the Wonsan-Mt. Kumgang International Tourism Zone.¹⁰ The objective of the zone is to set up the Wonsan-Mt. Kumgang International Tourism Zone in the Wonsan-Mt. Kumgang area in Kangwon Province to reenergize the international tourism of scenic spots in the area of Wonsan and scenic spots on the east coast now in the process of being turned into world famous tourist destinations. This project seems to be a high-priority project in the DPRK.¹¹

However, establishment of the zone did not mean that Mt. Kumgang International Tourism Special Zone was incorporated into the new international tourism zone. According to the

explanation of the Wonsan Area Development Corporation of the DPRK, made at the investment seminar on the Wonsan-Mt. Kumgang International Tourism Zone held in Shenyang, China on March 20, 2015, the law of the DPRK on Mt. Kumgang International Tourism Special Zone is in force in the Mt. Kumgang area of the Wonsan-Mt. Kumgang International Tourist Zone, while the law of the DPRK on Economic Development Zones will be in force in the other five areas (Wonsan, Tongchon, Sokwang Temple, Masikryong Ski Resort and Ullim Falls). This implies that Mt. Kumgang is still being reserved for the reactivation of Mt. Kumgang tourism by the South which had once attracted more than 300,000 tourists a year.

We can see some aspects of the impromptu manner in selecting possible investors in the Wonsan-Mt. Kumgang International Tourism Zone through the process of the establishment and invitation of foreign investment. At the time of press for this article, the DPRK consider Chinese companies as the best prospect for investment. However, South Korean businesses might be the first priority, especially in the Mt. Kumgang International Tourism Special Zone.¹² As soon as relations between the two Koreas recover, there might be a major change in the investment climate of the Wonsan-Mt. Kumgang International Tourism Zone.

5. Conclusion

The history of the special economic zones in the DPRK shows that the special economic zones adjacent to the South (Mt. Kumgang and Kaesong) are easily influenced by tensions between the North and the South, but rapidly grows due to quasi-governmental investment from the South, and that the special economic zones bordered by China (Rason, Sinuiju, and Hwanggumphyong and Wihwado) have a comparatively slow speed, yet development is steadily progressing and is less influenced by political estrangement between the two nations.

Rapid expansion of the economic development zones in the DPRK signifies that the country is seeking ways to attract foreign investment not only at the central government level but also at the local government (provincial) level. Looking at the material used to introduce the investment climate of each economic development zone, you understand that the economy of the DPRK is more diverse compared to a decade ago. The central government now allows the initiatives of local governments. One of the key factors for the establishment of provincial economic development zones might be to set up “incubators” for foreign investors. At least in the zones, the laws on foreign investment are in place. For middle- to large-scale investment, however, many of these provincial economic development zones are too small, too little populated or too far from the major cities. Therefore, establishment of these zones does not mean that the DPRK has a mature investment climate, rather that they have just started to seek ways to be more attractive to foreign investors.

* Senior Research Fellow, Research Division, ERINA

¹ *Rodong Sinmun*, April 2, 2013

² The law has seven chapters (62 articles) and additional rules (two articles) and deals with the fundamentals of the law, the establishment, development and management of economic development zones, economic transactions in the zones, their encouragement, preferential treatment and settlement of complaints and disputes. Article 2 of the additional rules of this law prescribes that this law is not applied to Rason ETZ, Hwanggumphyong and Wihwado Economic Zone, the Special Zone for International Tourism of Mt. Kumgang and the Kaesong Industrial Zone.

³ “DPRK Law on Economic Development Zones Enacted”, Korea Central News Agency, June 5, 2013 [<http://>

- www.kcna.co.jp/item/2013/201306/news05/20130605-17ee.html]
- ⁴ Amrokgang economic development zone, Manpho economic development zone, Wiwon industrial development zone, Sinphyong tourist development zone, Songrim export processing zone, Hyondong industrial development zone, Hungnam industrial development zone, Pukchong agricultural development zone, Chongjin economic development zone, Orang agricultural development zone, Onsong island tourist development zone, Hyesan economic development zone and Waudo export processing zone
- ⁵ “*Provincial Economic Development Zones to Be Set Up in DPRK*”, Korea Central News Agency, November 22, 2013 [http://www.kcna.co.jp/item/2013/201311/news21/20131121-24ee.html]
- ⁶ Unjong cutting-edge technological development zone, Kangryong international green model zone, Jindo export processing zone, Chongnam industrial development zone, Sukchon agricultural development zone and Chongsu tourist development zone
- ⁷ “*Economic Development Zones to Be Set up in Provinces of DPRK*”, Korea Central News Agency, July 23, 2014 [http://www.kcna.co.jp/item/2014/201407/news23/20140723-24ee.html]
- ⁸ The region was designed to have independence like the Hong Kong Special Administrative Region, which had its own legislative authority. The DPRK appointed as governor Yang Bin, who was formerly listed as the second richest man in China for 2001 by Forbes in September 2002. He was placed under house arrest in October 2002 and sentenced in July 2003 to 18 years, and was fined 2.3 million renminbi (yuan). A second governor was not appointed and the development of the region was de facto suspended.
- ⁹ The number of South Koreans who visited Mt. Kumgang was 84,727 in 2002 and 74,334 in 2003, but the number suddenly grew very rapidly. In 2004, the number of South Korean tourists who visited Mt. Kumgang reached 268,420. In 2007, Mt. Kumgang greeted 345,006 South Korean visitors. It was the all-time high in the history of Mt. Kumgang tourism.
- ¹⁰ “*Int'l Tourist Zone to Appear in DPRK*”, Korea Central News Agency, June 12, 2014 [http://www.kcna.co.jp/item/2014/201406/news12/20140612-27ee.html]
According to this article, the international tourist zone includes areas of Wonsan, Masikryong Ski Resort, Ullim Falls, Sokwang Temple, Tongchon and Mt. Kumgang. The DPRK law on the Mt. Kumgang International Tourist Special Zone, the law on economic development zones, and the laws related to foreign investment are applied to the relevant areas and objects in the Wonsan-Mt. Kumgang International Tourist Zone.
- ¹¹ Kim Jong Un, the First Secretary of the WPK said in his new year address in 2015 “We should foster external economic relations in a multilateral way and accelerate the projects for economic development zones including the Wonsan-Mt. Kumgang international tourist zone.” “*Kim Jong Un's New Year Address*”, Korea Central News Agency, January 1, 2015 [http://www.kcna.co.jp/item/2015/201501/news01/20150101-21ee.html]
- ¹² The law of the DPRK on the Mt. Kumgang International Tourism Special Zone still allows South Korean enterprises and individuals to invest in the zone.

References

The Choson Sinbo

Korean Central News Agency

Quan, Xiulian and Zhenan Quan (2015) “Kita Chosen ni okeru Keizai Kaihatsuku Setsuritsu no Haikei oyobi Tenbo [The Background and the Outlook of North Korea's Economic Development Zones],” in *ERINA REPORT* No. 123, April 2015, pp. 55-61. Economic Research Institute for Northeast Asia [In Japanese]

Rim, Yong Chang (2014) “Chosen Minshushugi Jinmin Kyowakoku Keizai Kaihatsukuhou no Kihon Naiyo ni Kanshite [On the basic contents of the law of the DPRK on Economic Development Zone],” in *ERINA REPORT* No. 117, April 2014, pp. 68-70. Economic Research Institute for Northeast Asia [In Japanese]

Rodong Sinmun