

The Basic Issues of the Development of the Lower Reaches of The Tumen River (Summary)

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Constraining Factors and Basic Issues for the Tumen River Area Development

Since the Tumen River Area Development has the characteristics of international cooperation, the range of related organizations is large both inside and outside the country and there are many related sectors. Also, the development needs special policies. Therefore, cooperation and adjustment among various related organizations is very difficult. It is important to promote international liaison by studying these characteristics in a positive way.

(1) Transportation Infrastructure

The delay in the improvement of transportation facilities prevents the Tumen River area from further cooperation and development. For example, safe and punctual operation cannot be secured, due to the underdeveloped railway link between Rajin and Namyang in the DPRK. As the road between Wonjong and Rajin is not a grade road, safe driving cannot be guaranteed and it is particularly dangerous to drive in the rainy season and in winter.

(2) Telecommunications

Telecommunications between China, the DPRK and Russia are constrained by many factors. Direct communication with business customers or business partners is not easy, so that assistance from a third body is necessary. This is not only a waste of time and money, but also causes delay. Therefore, liberalization of telecommunications around the lower part of the Tumen River is an important issue to be discussed.

(3) Time for Customs Clearance

Since the Yanbian Hyuntong Shipping Group started a regular service between Yanbian and Akita via Posiet, there have been many problems. The biggest problem is that the customs clearance procedure takes a long time. As cargos do not go through customs smoothly, or it sometimes takes a few days, transportation costs increase. Moreover, losses caused by delays in leaving a port are extremely large. Therefore, the simplification of customs procedures is an important issue as a constraint on regional economic cooperation in the Tumen River area.

(4) Construction of Border Crossing Points

There are many border crossing points around the lower part of the Tumen River, but they do not seem to be sufficiently open. Therefore, related countries should make efforts to open and improve these border crossing points. If this problem cannot be resolved, it will be difficult to resolve other matters, such as the simplification of customs procedures or reducing the time for customs clearance. For example, the Kraskino border

crossing point (Russian side of the Changlingzi crossing point) has a strict military guard and procedures are complicated, so it takes more than six hours to clear the customs there. Sometimes, it even takes a few days. The reason is that the Kraskino border crossing point is not of the highest standard. Construction of border crossing points should be taken as an important issue to improve the investment environment in the region and promote the flow of people, commodities and capital.

(5) Invitation Documents

Flows of commodities, people and capital in the countries related to the Tumen River area development depend on the domestic and outside environments and adequate transportation conditions. Implementation of policies, such as the promotion of multilateral cooperation and the improvement of transportation conditions, have significant meaning for regional development in order for Northeast Asia to meet its potential. The regulation on the effective period of invitation letters, which became effective in March 2000 in Rajin-Sonbong, restrains the flows of various things and creates obstacles to further development in the Rajin-Sonbong Economic and Trade Zone. Furthermore, this might lead to misunderstandings that the zone would change its legislation towards an opening-up policy. Therefore, it is necessary to create a favorable investment environment based on international standards, and the invitation letter system should be amended. Then, the opening-up and development of the Tumen River area would be facilitated.

Currently, there are some uncertain factors in international cooperation in the Tumen River area, i.e. unstable political and economic situations in the surrounding area, difficult interest adjustment among related countries, unclear intentions for economic cooperation in some countries and the difficulties of fund raising for construction. Since there are such restraining factors, cooperation and development of the Tumen River area stays at a low level. This cooperation means general exchanges, such as the non-group organization type, the trade of products under standard, capital technology exchange, resource development and tourism. This type of cooperation remains at a bilateral level. Although there is still the possibility for multilateral cooperation in these fields, it will still take a long time to break down the current impediments.

For the time being, what countries in Northeast Asia have to do is cooperate and improve the combined transportation system. The improvement of infrastructure in the Tumen River area, such as railways, roads, air service and telecommunications, needs huge investment. However, since transportation and telecommunications

infrastructure is far behind in this region, these should be improved. In particular, land transportation facilities between the Rajin-Sonbong area and the Yanbian area need urgent improvement. This is an important issue at the implementation stage.

If economic cooperation in Northeast Asia can be realized at the beginning of the 21st century, Russia is expected to supply a certain amount of cargo as a producer of natural resources. Also, if an effectively combined transportation system can be established in the region, Northeast Asia could play a role as a hub of transportation. From our viewpoint, infrastructure in Rajin-Sonbong should be improved first when a combined transportation system is established. The improvement of infrastructure in the Rajin-Sonbong area, particularly railways and roads,

would promote economic cooperation and development further. Surrounding countries, such as the ROK, Japan and China, which would benefit from the improvements, and so should take appropriate measures and make efforts to resolve the above-mentioned problems.

Finally, I believe that the future of Tumen River area development is promising. High level cooperation, such as mutually beneficial customs, liberalization of the market, joint development of resources, the free movement of capital, commodities and labor power, the standardization of products, the unification of currency, the adjustment of exchange rate policy and trade policy, is a future project, but I strongly believe that these goals will be realized.

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