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- Modern, Intensive and Industrialized Ryonpho Greenhouse Farm
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- Positive Measures Taken to Improve People’s Living Standards
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JUCHE 111 (2022) 4
Multifunctional Pomhyanggi cosmetics, with Kaesong Koryo insam as the main ingredient, promote skin metabolism and immunity. They are also highly effective in retarding skin ageing, whitening, removing wrinkles and moisturizing.
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A greenhouse farm was built in South Hamgyong Province of the DPRK, which produces vegetables on a modern, intensive and industrialized basis. Always being considerate of the supply of vegetables to the people in Hamhung, a major industrial and science city of the country, and South Hamgyong Province, the respected Comrade Kim Jong Un designated the site for the Ryonpho Greenhouse Farm and energetically led its construction.

The officers and men of the Korean People’s Army heartily responded to the Party Central Committee’s noble intention and built the extensive greenhouse farm in just over 230 days.

The farm, occupying 280 hectares, has over 850 blocks of modern, intensive and industrialized hydroponic and soil greenhouses, which go well with over 1,000 dwelling houses, schools, a hall of culture and general service facility that are distributed to retain the local characteristics.

The world’s largest greenhouse vegetable producing base with 100 hectares of production area and scores of thousand tons of production capacity, the farm is a practical education farm, where vegetable production is put on a modern, intensive and industrialized basis and propagates advanced agricultural techniques, and a base, which creates new rural civilization.

The farm is making efforts to raise the scientific level of vegetable production and management so as to increase the number of varieties of vegetables and effectively use the greenhouse area.
Modern production base

The Ryonpho Greenhouse Farm with 100 hectares of production area has greenhouses covering one hectare, 1,000m² and 500m².
The farm village has 113 blocks of one- or low-storeyed dwelling houses of 99 forms for over 1,000 families, as well as educational and public health establishments and cultural and welfare service facilities.
Regional Industries Sustain Their Local Features

Developing the regional economy as suited the local features and by enlisting the raw and other materials available in the relevant regions is the consistent policy of the Workers’ Party of Korea and the government of the Democratic People’s Republic of Korea.

The Eighth Congress of the Workers’ Party of Korea advanced the orientation for provinces, cities and counties to lay down foundations for developing their regional economy and improving the local people’s living standards by making the most of their own natural and geological features and resources.

Accordingly, the government is taking proactive measures so that provinces, cities and counties can build up their regional economy that retains their local characteristics and economic, technical and traditional features.

It encourages them to build modern regional-industry factories that can turn out a variety of goods with the natural resources abundant in the respective regions, those in a mountainous region making the most of what they can get from the mountain and those on a coast utilizing what they can get from the sea.

It is its view that renovation of production equipment and lines at these factories that shoulder a lion’s share in the production of daily necessities is an important way of normalizing their production on the principle of giving priority to quality over quantity, and it has developed the regional-industry factories in Kimhwa County of Kangwon Province as model ones.

These factories have put all their production processes on an optimum basis in line with the sci-tech demands so that they can produce quality goods as much as they can with the raw and other materials rich in the county.

The renovation projects in the county provided a guarantee for the self-supporting and multifaceted development of the regional-economy factories through consolidation of their own sci-tech forces and the ranks of their own technicians and skilled workers for the progress and rejuvenation unique to the respective regions.

This is an outcome of the sagacious leadership of Kim Jong Un, president of the State Affairs of the DPRK, who plans to develop all the regions across the country in their own characteristic way through the development of their regional economy.

Having unfolded a plan of bringing about a radical turn in regional industries, Kim Jong Un made sure that the campaign started in Kimhwa County, a region with poor economic foundations.

At the Second Plenary Meeting of the Eighth Central Committee of the WPK he put forward the task to this end and had competent sci-tech teams dispatched there, paying close attention to the renovation projects during the whole period.

The renovated factories in the mountainous county with infertile soil have become able to satisfy the local people’s material and cultural needs.

The foodstuffs, consumer goods and handicrafts that sustain the regional features are winning favour not only of the local people but also of those in other regions.

This fact is actively promoting regional development in all other cities and counties.

The process of the regional-industry factories turning out famous goods, on which they have a monopoly, and thus consolidating the economic sustenance and retaining the special features of the regions will lead to a balanced development of all cities and counties.

To promote a balanced and sustainable development of the national economy by renovating the regional-industry factories is a steadfast stand of the WPK and the government of the DPRK.

Their policy on the regional economic construction fully assures the development of the regional industries that sustain the regional features.
Positive Measures Taken to Improve People's Living Standards

To provide the people with affluent living conditions by satisfying their material and economic demands is an economic policy of the Workers’ Party of Korea and the government of the Democratic People’s Republic of Korea.

The DPRK government adopted several measures to bring about a clear change in the people’s living standards at the Seventh Session of the 14th Supreme People’s Assembly last September, and is concentrating all its efforts on their implementation.

First of all, it is directing primary efforts to put the agricultural production, which is fundamental to stabilizing and improving the people’s living standards, on a scientific, modern and IT footing.

Along with the increase in the state investment in the agricultural sector, substantial efforts are being made to introduce seeds of superior strains and high-yield farming methods, change the structure of crop production, and rehabilitate and perfect the irrigation facilities.

In particular, at the end of last September several thousand new-type and efficient farming machines were supplied to South Hwanghae Province, the main agricultural province in the country, thereby placing the effort to raise the rate of mechanization in the agricultural sector on a higher level.

The DPRK government is making positive efforts to bolster the fishing sector, which plays an important role in the stabilization and improvement of the people’s living standards.

The fishing sector is energetically conducting sea fishing and aquatic farming, while encouraging cage-net fish farming and other kinds of fish farming in all the rivers and lakes and introducing advanced science and technology to this end.

At the same time efforts are made to protect and increase aquatic resources and boost aquatic production in a planned way.

The DPRK government is directing a major effort to solving the problems of daily necessaries and condiments.

Light industry and foodstuff factories across the country are renovating production facilities and lines with the modernization of production of agricultural and livestock products and commodity with a competitive edge. A dynamic push is also given to the recycling by-products.

As part of its effort to improve the people’s living standards, the government is organizing exhibitions of light industry goods in the capital city of Pyongyang and all other provinces and cities, which serves as an opportunity to encourage competitions between enterprises and generalize the experience to stimulate the zeal for daily necessaries production.

It is also conducting the work to develop the economy in provinces, cities and counties based on the local resources and in a unique way.

It is pushing forward the work to set as models the newly-established local industry factories in Kimhwa County, Kangwon Province, and generalize them across the country.

The DPRK government is taking measures to renovate the production processes of those sectors directly related with the improvement of the people’s living standards, normalize the production and expand their capacities.

Accordingly, a lot of factories conducive to the people’s living standards, including Samjiyon Potato Farina Factory, Kumsanpho Fish Picking Factory, Ryugyong Kimchi Factory, Pyongyang Bag Factory, Junphyong Greenhouse Farm, Samchon Catfish Farm, Wonsan Leather Shoes Factory, Pyongyang Comnastchar Factory, Rywon Footwear Factory, Sinuji Cosmetics Factory, and Phyongsong Artificial Leather Factory, were newly built or reconstructed.

In October a large-capacity Ryongch’og Greenhouse Farm was inaugurated.

The government has set a goal of radically changing the living environment of the people and is concentrating state investment on the housing projects.

The project of building 50 000 dwelling houses between 2021 and 2025 is in full swing in Pyongyang according to phased plans. Songhwa Street with 10 000 households and Pothong River Terraced Houses District with 800 households have already been built, and the housing construction for another 10 000 households in the Hwasong area is nearing completion.

Every province, city, county and ri in the country are conducting the local construction and rural construction in a planned way under the assistance and aid of the state, thus opening up sure prospects for solving the housing problem of the people.

Now in the DPRK remarkable changes are being brought about in the improvement of people’s living standards under the concern of the Party and state.

Trademark and Its Protection

Today, many countries in the world are paying close attention on protection of intellectual property, and putting it as an important part in their economic development.

Especially, interest in trademark, an item of intellectual property, is growing as the days go by, and its protection is conducted actively.

Many businesses worldwide have suffered huge losses owing to their failure to realize the importance of registering trademark in time.

Proceeding from this, many countries are instituting laws on trademark to protect and manage it, and have established expert organs specializing in dealing with infringement of intellectual property.

The DPRK enacted a law on trademark, and is promoting its protection and development.

The law stipulates that the right of trademark, as part of intellectual property right, is the exclusive right of those that requested and registered it and a legal right that is guaranteed by law of the state.

It also stipulates that the trademark can be applied in a certain region exclusively by producer or business manager and that it cannot be used by other persons without permission of its owner.

Trademark plays an important role in international trade as well as in the socio-economic development of the relevant country, as it has information including trustworthiness and value in foreign trade and production and performs the functions of indicating producer and marketing region and of advertisement.

Once a trademark wins favour of consumers, trustworthiness of the producer of the goods with the trademark improves and the marketing volume increases remarkably.

A famous trademark has a very high value and competitive edge in international market, so the goods with the trademark bring huge profits.

According to the law on trademark, in the DPRK the period of protection of trademark usually expires after 10 years and it can be renewed.

Factories, enterprises and trading units in the DPRK, with a deep understanding of the importance and role of protection of the trademark right in the development of the country’s science and technology, economy and foreign trade, are attaching importance to trademark and protecting and developing it in business management and foreign trade.

Pyongyang Analytical Technology Exchange Centre

The Pyongyang Analytical Technology Exchange Centre, established in 2013, specializes in analyzing the properties of various goods including foodstuffs and medicines, extracting and separating natural activation materials, developing health foods and manufacturing and repairing various analytical equipment; it also offers technical service.

The centre has skilled scientific and technological forces, who have rich experiences and expert knowledge in the field of analyzing and studying and producing materials of health foods, and is equipped with various advanced analytical equipment. As it is a leading analytical and technical service unit, it is awarded with the national quality testing organ certificate in 2015.

Based on rich evaluating experiences and data of foodstuff and modern equipment, it provides food standards service on a high level, and plays the role of a liaison for FAO/WHO codex alimentarius commission and national coordinating committee for codex.

The centre participates in FAO/WHO codex alimentarius commission meetings of various fields, and is actively conducting various sci-tech exchanges through international exhibitions, shows and seminars in the field of nutritional administration and food security, functional foodstuff development, modernization of production of agricultural and livestock products and bioengineering.

Pyongyang Analytical Technology Exchange Centre
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Chollima General Building Materials Factory, a large-capacity building materials production base, is located in the suburbs of Pyongyang. It has equipped its iron roofing, lightweight steel structures and plastic materials workshops with modern, automated and streamlined lines, ensuring high productivity and good quality.

As part of its effort to develop new products and set up production lines for them, it has newly established the lines for the production of metal fittings and fixtures and lightweight furniture and is increasing production.

At present it turns out a wide variety of products, such as plastic and aluminium windows, iron roofing, insulated board, plastic pipes, foamed plastics, iron fences, wire netting, and lightweight steel structures, and ensures the diversity of forms, sizes and colours of its products. Its lightweight steel structures in particular is an ideal building material, as it is light, durable and convenient for building work and has ensured the minimum consumption of steel in the production.

The pipes of various length and thickness are used as water service and low-pressure pipes, rails and outdoor couches. And iron roofing materials and blocks in different colours and shapes are very solid and high in economic effectiveness.

The factory strives to diversify the building materials in terms of type, kind and colour and ensure productivity and quality on a high level by furthering the integration of scientific research and production.
The complex has recently established the steel production process relying on local raw materials and fuel, streamlined the continuous ingot-moulding process and introduced into rolling and other related processes high-temperature air combustion technology based on coal gasification so as to increase rolled steel production.

It has built a large-capacity production base to turn out alloy steel materials, steel pipes and wire, and other secondary steel products that are needed in the machine-building sector.

To put production processes on a more scientific footing, the complex has put the control of 10,000-ton press on an automatic footing, thereby adjusting shapes, pressure, precision and forging modes according to the materials and producing forgings weighing several hundred tons.

The complex manufactures various steel products, such as rolled steel, drawn pipes, and rails, to meet the demands of various sectors of national economy.
The Miyon Foodstuff and Pharmaceutical Company, situated in Unjong District of Pyongyang, develops and produces various medicines and foods for good health and longevity of people. In the past the company developed such patent goods as Jangmyong, an immune-regulation polysaccharide favourably commented worldwide, and continues to develop new ones.

Health foods produced at the company enjoy good reputation as they stimulate appetite and promote health.

Kim Mun Chol, president of the company, PhD and associate professor, says that his company will further strengthen the technical exchange and cooperation with the world's advanced businesses in the effort to intensify the research into health foods and put the production on a higher scientific and IT basis.
**Plastic Pulverizer**
It is used to recycle by-products of the injection moulding of the plastics and waste plastics by pulverizing them into certain grain sizes.

<table>
<thead>
<tr>
<th>Technical specifications:</th>
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</thead>
<tbody>
<tr>
<td>Capacity: 100kg/h</td>
</tr>
<tr>
<td>Grain size: 8mm</td>
</tr>
<tr>
<td>Power output of motor: 5.5kW</td>
</tr>
<tr>
<td>Weight: 400kg</td>
</tr>
<tr>
<td>External size (length×width×height): 1000mm×700mm×1200mm</td>
</tr>
</tbody>
</table>

**Motor Valve**

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<tr>
<th>Technical specifications:</th>
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</thead>
<tbody>
<tr>
<td>Output moment of the driving part: 100Nm</td>
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<tr>
<td>Accuracy of rotation angle control: ±1°</td>
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<tr>
<td>Range of rotation angle: 0°-90°</td>
</tr>
<tr>
<td>Operating time: 30s</td>
</tr>
<tr>
<td>Motor power: 25W</td>
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</tbody>
</table>

**Laser Particle Size Analyser**
It analyses in a non-contact way the distribution of various powder and mineral particles in the crushed mineral slurry, ranging from subnanometre to several hundred micrometers.

<table>
<thead>
<tr>
<th>Technical specifications:</th>
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<tbody>
<tr>
<td>Analysing range: 0.1µm-340µm</td>
</tr>
<tr>
<td>Results display: Particle size distribution graph, D50, D90, D10, content of particle size distributed in section</td>
</tr>
<tr>
<td>Repeated reproducibility error: less than 10 percent</td>
</tr>
<tr>
<td>Analysing time: 3-10 minutes</td>
</tr>
</tbody>
</table>

**Ionized Water Transformer**
It lowers the degree of association of water and transforms its properties by activating it. The device is used in the sectors which make use of water, including geothermal and thermal circulation, and foodstuff, microbiological, chemical and light industries.

<table>
<thead>
<tr>
<th>Technical specifications:</th>
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</thead>
<tbody>
<tr>
<td>Possession of balancing function, number of balancing revolution: 10 000r/min</td>
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</tbody>
</table>

**Portable Vibration Analyzer**
It is a portable device for precision measurement and analysis of vibration as well as a balancing tool. It has various functions of measuring and analysing the vibration of machines to find out causes of troubles, thereby increasing their life spans and ensuring safety operation.

<table>
<thead>
<tr>
<th>Technical specifications:</th>
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<tr>
<td>Frequency measuring range:</td>
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</table>

**Optical Dissolved Oxygen Measuring Device**

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<th>Technical specifications:</th>
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<tr>
<td>Measuring range: 0ppm-20ppm</td>
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<tr>
<td>Measuring accuracy: ±0.5ppm</td>
</tr>
<tr>
<td>Response time: 120s</td>
</tr>
<tr>
<td>Life span of sensor: One year</td>
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</tbody>
</table>

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The Korea Zinc Industry Group, with its legal address in Pyongyang, the capital city of the DPRK, specializes in the export of lead, zinc, and other nonferrous and rare metals. It conducts its trading activities based on the nonferrous ore and metal producers in the DPRK, such as Komdok Mining Complex, Ryongchon Mine and Tanchon Smeltery.

KOMDOK Mining Complex, the country’s leading nonferrous metallic mineral producer with concentrated deposits of lead and zinc amounting to several hundred million tons, has high effectiveness of investment. The complex has set up modern ore-dressing plants with large capacities to produce the concentrate of high grade and transport them to Tanchon Smeltery.

Ryongchon Mine in the Tanchon area of South Hamgyong Province, though its history is not so long, has large auriferous ore bodies, so it has good prospects.

Tanchon Smeltery, which operates all the production lines from raw materials feeding to forwarding goods based on the integrated manufacturing system, turns out lead, zinc and other nonferrous and precious metals, sulfuric acid, mercury, fibre glass reinforced plastics and so on.

Its KM-brand electrolytic zinc is well known in international markets as a competitive item.

The group’s products are transported via Tanchon Port to international markets.

The group satisfies the demand for nonferrous metals by increasing investment in mines and smelters with favourable conditions and environment to put the production lines on a modern footing at a higher level.

It adheres to its management principles based on the improvement of quality, increase in production and modernization of production lines.

President Ri Chol Jun says his group will give top priority to credit-first principle to promote trade transactions with foreign countries and give a hearty welcome to investors.
The Korea Agricultural Cooperation Company with its legal address in Rangnang District of Pyongyang specializes in import and export activities to strengthen material and technological foundations of the agricultural production and livestock farming.

It is expanding its business scope based on the bases for the processing of agricultural produce and production of tea and green environment products.

It has established Pujon Potato Starch Factory in Pujon County of South Hamgyong Province and produces quality starch from potatoes, major agricultural produce of the region. The starch of the factory enjoys good reputation in international markets for its whiteness and other qualitative indices. Liquor made from leftover starch is a local specialty.

The company has a factory for producing Unjong tea beverages on the outskirts of Pyongyang. It has put the production of varieties of Unjong tea on an industrial basis, thus ensuring hygienic safety of the teas at the maximum and also preserving their natural flavour.

It also has bases in Pyongyang and many parts of the country for producing rice-bran oil, plastic goods, and disposable containers that are biodegradable.

Kwak Yong Su, president of the company, says the company will further strengthen exchange and cooperation for the modernization of agricultural development with international organizations and foreign countries on the credit-first principle.
Korea International Railway Transport J.V. Company

President Pak Pong Man

The Korea International Railway Transport J.V. Company, established on June 7, 2014, specializes in freight transport through the Korea-China border railways, repair of wagons and marketing of materials and accessories for repair.

The company ensures timely and correct transport of international freight by making scrupulous arrangements for locomotives and wagons.

It has an international freight yard with sidings, locomotives, outdoor shed and store houses with the capacity of dozens of thousands of tons.

The equipment and vehicles in the yard ensure quick and precise loading and unloading.

The wagon production and repair bases of the company have put the production of wagons on a regular footing, and are improving the technical state of wagons.

The company is extensively conducting the work of improving the transport system and consolidating the material and technical foundations of the sections of transport.

Pak Pong Man, president of the company and director of the Chamber of Commerce of the DPRK, says that his company will contribute to its sustained development and modernization of the railways by strengthening cooperation with its foreign counterparts.

Pyongyang Taehung Rolling Stock Technology Company

The company, located on the bank of the Taedong River in Pyongyang, has stations for car repair and spare parts production and specializes in the repair of rolling stock, technological exchange and sales.

The stations are well staffed with competent engineers and skilled workers and also fully equipped with production lines and facilities for repairing and rebuilding vehicles, including large and small trucks, building machines, and cars, overall check-up, and accessories and spare parts.

The company promotes exchange and cooperation to develop repair techniques, while directing great efforts to the modernization of machines and facilities.

Anion Air Purifier

It is a small-sized device that turns air to possess anions and dissociates water molecule to form a single molecule, which are essential for human activities, and it is also efficacious in traumatic treatment.

When one inhales highly concentrated anions in the air, the acid body fluids will change into slightly alkaline so that physical conditions of the body are improved and effects desired by natural treatment achieved.

And if the skin, affected by bedsores, external wounds, burns, eczema, anal fistula and bruises, is exposed to anions discharged from the device, it will be cured in a short period. In particular, bedsores, when exposed to anions for several days, ten minutes daily, will be healed.

The purifier generates 1 080 000 particles of anions per cubic centimetre. Tap water in a plastic bottle and put before the purifier will be turned into nano-bioactive water with an association degree of 1, colon bacilli of 0, and a pH of 7.4, that is monomolecular water. It tastes mild and a little sweet.

It emits ozone with the concentration of 12ppb, being lower than 20ppb, average ozone concentration of the atmosphere.

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Foreign Trade of DPR Korea

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2022.No.4
WOMEN’S CLOTHES SHOW-2022 took place between October 27 and November 9 in Pyongyang, leading the cultural development of the DPRK in keeping with the new era.

The show was aimed at encouraging and disseminating the women’s dress in conformity with the trend of its development and modern aesthetic sense as well as sharing and exchanging advanced designs and processing techniques.

The venue of the show was very crowded with many visitors, as it put on display numerous clothes, ornaments and cosmetics reflecting Korean women’s beautiful and noble aesthetic sense and sentiments.

Garment producers and tailor’s shops all across the country presented various seasonal clothes for women. The exhibits numbering tens of thousands included one-piece clothes, suits, overcoats and others, and they were designed to look elegant by combining modern aesthetic sense and traditional styles to suit ages, figures and likings of the women. They enjoyed huge popularity, for they enhanced the women’s personalities and contributed to the cultural sense and appearance.

Also presented to the show were footwear, handbags, brooches, hairpins, hats, cosmetics, and other fancy goods as well as high-quality materials for clothes.

During the show garment processing units exchanged their techniques and held consultations with customers. There were also public and expert assessments and order services.
Main Contents of Law of DPRK on Rason Economic and Trade Zone

The Democratic People’s Republic of Korea is making positive efforts to develop and operate scores of economic development parks and economic and trade zones, including Rason Economic and Trade Zone. It has enacted and promulgated the Law of the DPRK on the Rason Economic and Trade Zone and the sectoral regulations related to the investment in the economic and trade zones, with a view to provide legal foundations and institutional environment for developing Rason into an area of international trade and investment, transport, transit, financing, tourism and service. The Law of the DPRK on the Rason Economic and Trade Zone, adopted by Decision No. 28 of the Standing Committee of the Supreme People’s Assembly in January 1993 and amended several times, explains in detail the fundamentals of the law, development and management of the zone, establishment of enterprises and economic and trade activities, customs duties, with legal and financial incentives and preferential treatment, and other issues about the development. The law clarifies that the Rason Economic and Trade Zone is a special economic zone, where preferential policy is pursued in the economic sector. It stipulates that investors may invest in the industry, agriculture, construction, transport, communications, science and technology, tourism, circulation, finance and other fields in the Zone, establish contractual or equity joint ventures, foreign enterprises, branches, representative offices, agencies and the like, and also establish industrial, agricultural, sci-tech, processing trade parks according to the relevant regulations. Development and management of the Zone shall be undertaken by the central guidance authority (guidance authority of the Rason Economic and Trade Zone) and the local executive organ (Rason Municipal People’s Committee). An investor shall consult and coordinate problems arising in the development and management of the Zone through the advisory committee composed of the representatives of the local executive organ, relevant organs and enterprises and of the investor. Goods, except controlled goods, may be freely brought into the Zone, which can be stored, processed, assembled, disassembled, sorted, packed or repaired to be taken out to other countries. A foreign-invested business may acquire the rights to use real property, such as land and building, employ the labour of the DPRK, and, where necessary, may employ some management personnel, technicians and skilled workers for special jobs from foreign countries. It can also make economic transactions with institutions, enterprises and organizations outside the Zone, and prices of commodities and imported goods shall be determined by the parties concerned. Investment in the Zone for high-tech industry, scientific research, infrastructure construction, and production of internationally competitive goods shall be encouraged. Materials needed for processing, production and operation, exports, office articles and daily necessities for investors, materials for the construction of the Zone, and transit cargoes of other countries shall be duty-free. However, customs duties may be levied on the goods imported from foreign countries for sale in the Zone, goods either produced or imported by a foreign-invested enterprise to be sold in other parts of the DPRK, and those that are restricted to be brought into the Zone. Where goods produced in the Zone are not exported but sold within the Zone, customs duties may be levied on the imported raw and other materials and components used for their production. Circulation money in the Zone shall be Korean won or designated currency, and exchange rate of foreign currency for Korean won shall be determined by the foreign exchange control institution of the Zone. Foreign-invested enterprises shall open accounts with the DPRK banks or foreign-invested banks set up in the Zone and obtain a loan from them for their business management. The loan shall be deposited in a bank of the DPRK. Banks in the Zone may engage in offshore banking transactions and may transact securities at a fixed place established in the Zone. Such income as profits, dividend, rentals, and service charges that are legitimately earned in the Zone may be remitted abroad, and the invested property be taken out of the territory of the DPRK without any restrictions when the duration of operation expires. Enterprise income tax in the Zone shall be 14% of the net profit, and income tax for the enterprise in priority sectors 10% of the net profit. A foreign-invested business engaged in manufacturing field operating in the Zone for more than 10 years shall be entitled to full exemption from enterprise income tax for 3 years from the first profit-making year and reduction of up to 50% for the following 2 years. And a foreign-invested business engaged in infrastructure projects with a total investment for more than €30 million may be given full exemption from enterprise income tax for 4 years from the first profit-making year and reduction of up to 50% for the following 3 years. Foreigners may enter, leave, stay or reside in the Zone according to relevant procedures, and may enter the Zone without visa when they drop nowhere on the way to the Zone. Foreign ships and seamen may enter or leave the trade ports of the Zone in accordance with the accepted procedures for entry or exit of trade ports. Disputes shall be settled through consultation between the competent organs of the DPRK and, by arbitration or court of the DPRK, or by arbitration by a third country. The Law of the DPRK on the Rason Economic and Trade Zone is concretized through 40 odd regulations for the implementation. The government of the DPRK will further develop friendly and cooperative relations with all the countries that respect its sovereignty and provide investors interested in the development of the Rason Economic and Trade Zone with favourable conditions and environment on a preferential basis.

Main Contents of Regulations on Tax in EDZ

The regulations on tax in the economic development zones (EDZs) were adopted by Decision No. 72 of the Cabinet of the Democratic People’s Republic of Korea on July 21, 2021. They are intended to establish strict discipline in tax payment in EDZs, so as to ensure equality in taxation and accurate tax payments. The regulations are comprised of 72 articles in 11 chapters. They are applied to any foreign individuals, foreign-invested enterprises and banks, branches, representative offices and agencies of foreign businesses, and overseas Koreans that are engaged in economic transactions and earn incomes in the EDZs. They specify that tax supervision shall be undertaken by a taxation institution in the EDZ under the guidance of the central taxation guidance organ. According to the regulations, an enterprise shall make tax registration with the local taxation institution within 14 days from the date of its business registration, and an individual who stays in the EDZ for more than 91 days and earns income shall register with the local taxation institution within 14 days from the date of approval for stay or residence. Documents on taxation shall be kept for 5 years, and yearly financial accounting statements and bill books of fixed assets for the duration of the enterprise. The enterprise shall pay enterprise income tax on the income from business and other incomes earned in the EDZ, and its rate shall be 14% of the taxable income. The regulations also specify the objects of reduction and exemption from enterprise income tax and their periods. They stipulate that an individual shall pay personal income tax for the incomes earned in the EDZ. An individual who stays or resides in the EDZ for more than 1 year shall pay tax on his income earned outside the EDZ. He shall also pay property tax on buildings, vessels and airplanes he owned outside the EDZ. In case an individual residing in the EDZ has inherited property located in and outside the EDZ, he shall pay inheritance tax. An enterprise engaged in the production and construction sector shall pay turnover tax, and that in the service sector service tax.
On Processing Trade Management System in DPRK

The light-industry factories in the DPRK, while producing a variety of goods, are developing processing trade in keeping with the environment and conditions of the country. The government ensures that this form of trade renders an effective contribution to the development of the economy and improvement of the people’s living standards both in name and reality by establishing a proper system of managing it in conformity to its characteristics.

The system is aimed at providing unified and planned guidance by the state and conducting purposeful, proactive and long-term management.

The system includes that of registering the categories and items of processing trade, that of approving taking in and taking out, that of customs inspection and tariffs, that of goods inspection and quarantine, and that of encouragement and restriction.

Under the system of registering the categories and items of processing trade, the units engaged in processing trade should register the categories and items with the external economic guidance organ as required by contracts and conduct their operation within their range.

What is important in this system is the planning of relevant items, which starts at the time of concluding a contract. Study of international market and the processing feasibility and marketing opportunity of relevant items are turned into reality when a contract is concluded, so the units that hope to engage in processing trade should give priority to studied market and concluding a contract. On the basis of it, they should submit their plans to the planning organ.

They should also create bases of processing trade and get them fully ready for operation.

They can create them either in their units or in the units under them. Where necessary, they can create them in other sectors and units; in this case, they should get consent of their superior units.

Preparations for their operation should be made properly, including laying out processing place, obtaining and installing equipment, employing technicians, skilled workers and other labour force, and creating conditions for the supply of electricity, fuel, steam and industrial water.

The system of approving taking in and taking out is established to guide and control the export and import of goods by all the trading companies under the export and import plan of the state.

On receiving trade plans, the trading companies should divide them by month, register them with the central external economic guidance organ and go through procedures for getting approval for taking in and taking out according to them.

On the basis of the trading plans, they should enter into contract with foreign companies and go through procedures for taking in and taking out imports and exports.

In this case they should have the relevant documents go through the central external economic guidance organ, which in turn should make an accurate examination and confirmation of whether the contracts have been concluded according to the export and import plan of the state and the laws and regulations of the state and at the price approved by the state, and confirm its approval of the documents.

There is a system of goods inspection and quarantine.

Under the system of goods inspection, the quality and volume of goods taken in or taken out for processing trade are inspected objectively to confirm whether they conform to the relevant laws and regulations and to the conditions of the trading contract.

And under the quarantine system, the goods taken in or taken out for processing trade are inspected, examined and controlled to confirm whether they do not do harm to the security of the country and the health of the people.

This system is divided into hygiene inspection, animal inspection and plant inspection according to the kinds and characteristics of goods to be taken in or taken out.

Processing trade units should submit within a set date documents about the goods to be exported or imported for processing trade, and accordingly undergo inspection and quarantine of the relevant goods.

Under the customs inspection and tariffs system, the goods that pass through the border crossings for processing trade are inspected, tariffs are imposed, and their taking in or taking out is approved.

This system is aimed at controlling and coordinating the activities of all trading companies so that they promote the security and economic interests of the country.

The organs that engage in processing trade do not pay customs duties for the materials for processing trade and the processed goods, but they should correctly record in the ledger the state of taking in of the goods purchased for processing trade, the state of production and state of taking out of the processed goods, and the customs should examine them and, if the materials for processing or the processed goods were marketed at home, impose customs duties according to the relevant laws.

The government of the DPRK is further perfecting the management system of processing trade so that it can ensure economic profitability and make a positive contribution to the economic development of the country and improvement of the people’s living standards.

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Special Economic Zones in DPRK and Expert Training

Since the 1990s the Democratic People’s Republic of Korea has mapped out the policy on establishing and operating special economic zones, which can make effective use of the favourable geopolitical conditions of the country, and established special economic zones of various forms.

In January 1993 it enacted “The Law on the Rason Economic and Trade Zone” to develop Rason into an international area of transit transport, trade, investment, financing, tourism and service. In November 2002 it enacted “The Law on the Kaesong Industrial Park” to develop Kaesong into an international area of industry, trade, commerce, financing and tourism. In May 2011 it enacted “The Law on Mt Kumgang International Tourism Special Zone” to develop the mountain into an international tourism special zone. In December 2011 it enacted “The Law on Hwanggumphyong and Wihwa Islands Economic Zone” to develop the area into one for IT industry, light industry, agriculture, commerce and tourism.

In order to create a more favourable external environment as set off its raised international prestige, the government of the DPRK enacted “The Law on Special Economic Zone” in May 2013, deciding to establish in every provincial zone the economic development zones which can serve as local bases for developing international economic cooperation and exchanges and contribute to the development of national economy and improvement of the people’s living standards.

So far 26 special economic zones have been established in the country.

Economic development zone is a special economic zone, in which economic activities, different from such activities at home, are conducted according to special laws enacted by the state. The sovereignty of the DPRK is exercised in these zones, but they enjoy special legal status with favourable conditions and environment for economic activities by foreign investors.

An important undertaking conducted in the development of special economic zones is to train competent experts on developing them. The DPRK has established and operated a system for training experts in this sector.

Such authoritative universities as Kim Il Sung University, University of National Economy and Wonsan Jong Jun Thaek University of Economics give regular courses for training experts in this sector, which have achieved successes in developing special economic zones, and for conducting joint research and discussion with their universities, research institutes and renowned specialists. It will further promote scientific research and education on special economic zones, and expand multifaceted cooperation and exchanges with other countries which respect its sovereignty.

Hyongyang Industrial Development Zone

The zone is within the development area of the Wonsan-Mt Kumgang International Tourist Zone. As it is near to Wonsan Port, a major port in the East Sea of Korea, it is engaged mainly in the bonded processing combined with IT industry and production of consumer goods and tourism-related articles.

The zone covers part of Hyondong-ri, Wonsan, Kangwon Province.

It ensures smooth entrance of manpower and materials, as it has roads leading to Wonsan-Hambang Road 12km away, to Pyongyang-Wonsan Tourist Road 10km away, to Wonsan-Kumgangsan Road 4km away, to Kalma International Airport 6km away, and to Wonsan port and Kalma Railway Station 6km and 4km away respectively.

Power stations in the surrounding areas and the Kalma Stream can supply sufficient electricity and water for the zone’s development.

There is a prospect of expanding the development zone to the areas with the deposits of magnetite and ilmenite ores.

With the establishment of the Wonsan-Kalma Coastal Tourist Special Zone on the Kalma peninsula near the Kalma International Airport, another favourable environment is provided for accelerating the economic development of the zone.

The zone plans to satisfy its demand for manpower by relying on the workforce of Wonsan, and the bonded processing based on the factories and enterprises in the city is also under consideration.

The mode of development is a joint venture between an enterprise of the DPRK and a foreign investor or solely by a foreign investor.

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It has recently completed the technical reconstruction of major production lines and increased the cement output so as to satisfy the growing demand for cement.

It set up an intermediate clinker crushing process, thus opening up good prospects for increasing the annual cement production by several hundreds of thousands of tons.

The complex turns out high-quality building materials, including Portland cement, decorative gypsum plate, gypsum board and architectural gypsum powder, which are widely used in construction.

The complex is making continuous efforts to expand production capacity and improve quality of goods while constantly building up its own technical force.
A variety of goods from the Okryu Souvenir Production Station are attracting the public attention.

Staffed with excellent creators and skilled workers, the station turns out beautiful, elegant and gentle-looking goods, such as vessels, teacups, and flower vases, numbering a hundred or more in kind.

It also produces on order 30 odd kinds of flower pots varying in size and form, including vertical flower pots embossed with various designs and flower pots with floral patterns.

The station has normalized its production relying on raw materials abundant in the country and also ensured quality of the products at a high level.

Okryu-brand ceramics rich in national sentiment and applied with traditional ceramic-making techniques are iconic goods of the station.

As they go well with various indoor and outdoor environments and are good-looking and distinctive in formative and artistic representation, they enjoy a great demand at home and find overseas markets.
Taedonggang Beer

Taedonggang Beer is made from barley and hops cultivated in the DPRK and based on the excellent brewing techniques. With cool and refreshing flavour, it is no inferior to world-famous beers. It contains vitamins, proteins and minerals, so it is good for health.

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Kaesong Koryo Insam Products

Kaesong Koryo Hongsam Jam
It is a product made of Kaesong Koryo hongsam (steamed insam) and is known worldwide as an elixir of life for its high medical efficacy.

Kaesong Koryo Insam & Ganoderma Tonic
Made of Kaesong Koryo insam and Ganoderma, it is used in the treatment of asthenia, debility after childbirth and illness, nervous exhaustion, diabetes, liver malfunction, hypotension, mental and physical fatigue and radiation diseases.

Kaesong Koryo Hongsam Nourishing Jelly
It is effective in relieving mental and physical fatigue.

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CNC Hole Machining Centre
MH-150

It is used to process with high precision spinnerets and others with holes as small as 80-300 micrometres, based on the electrical-discharge machining and pressure processing techniques.

It ensures a high-quality internal surface finish with the grade of Ra 0.1 (10th grade) while tolerating ±0.001 mm in roundness deviation and ±0.002 mm in diameter.