

## The DPRK and Tumen Area Cooperation

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The Ninth Northeast Asia Economic Forum selected the Tumen River Area Development Programme as a major item for discussion in its agenda. This has given us an opportunity to introduce the current status of the Rajin-Sonbong economic and trade zone, an integral part of the Tumen River Area Development Programme. We note this with pleasure and take this opportunity to express our thanks to the hosts of the meeting.

It is widely known that the Tumen River area is considered the gateway to Northeast Asia. It is situated at the region's center and offers half of the sea lanes for combined sea-land transportation. Under the active sponsorship of the UNDP, the Tumen River Area Development Programme, which is a subregional cooperation project, has already been approved, has gone through phase one, and is currently in the practical implementation stage with active cooperation among the concerned countries.

The Rajin-Sonbong zone is currently connected to China and Russia across the Tumen River by a well-developed road and railway network and through good seaports, both big and small. It therefore occupies an important strategic location in the Tumen River area. Hence, in order to contribute to the development of the Tumen River area we have established the Rajin-Sonbong economic and trade zone under the initiative and concept of Comrade Kim Il-Sung, the Great Leader of the Korean people.

We have been progressing in development cooperation with the countries concerned. Many achievements have been made so far in developing the zone. The zone-development master plan has been prepared. The legal foundation for the zone's development—led by the proclamation of 16 laws and regulations and their update in conformity with the development stages—has been set. Progress in the development of the processing industry pursued through the adoption of various investment promotion efforts has been made. And protection measures and transit cargo transportation has steadily increased with the improvement of the infrastructure.

This year—along with the container and the bulk transit cargo transportation continuously under way through the port of Rajin—a new and regular Rajin-Niigata container shipping service has started. In cooperation with a Chinese company, preparations are under way to make terminal number 3, a specialized container handling terminal. We have a new container handling gantry crane already installed at the terminal. At the same time, we are continuing efforts to seek funds to develop infrastructure and for the construction of the Rajin-

Wonjong roadbed and some other infrastructure projects. We have almost completed mobilizing local funding for these projects.

An award was made in October 1999 for a 50,000-kilowatt power plant. Feasibility studies are under way for joint infrastructure projects amounting to US\$1 billion, including roads, railway, port, power plants, water supply, a steel bridge, and the airport. The auxiliary handling of the five-star hotel, with investment by the Emperor Group of Hong Kong, has been completed; it entered into partial operation in July 1999. The architectural work was finished, and work is under way for the main building. The inaugural ceremony was held, and construction started for the Rajin-Sonbong telecommunications center, with a 5,000-subscriber digital exchange service already in place, in cooperation with Loxley Pacific Co. Ltd. of Thailand.

With the increasing interest in the zone by foreign investors, some new joint ventures have begun, including a fish processing factory. Sincere discussions are under way for potential investment in the processing and service industries. In this way, the development of the Rajin-Sonbong economic and trade zone continues without interruption. The zone is important to the Tumen River Area Development Programme and to cooperation with the UNDP and the countries concerned.

The most important issue right now for demonstrating the geopolitical advantages of the Tumen region is to update and complete infrastructure projects as soon as possible, including roads and railways to increase transit cargo transportation. Legal mechanisms and investment promotion measures are already in existence, and business activities in transporting cargo are under way to a certain degree, relying on the existing facilities. Under these current circumstances, we believe the most important requirement for boosting the zone's development to a higher degree is the improvement and completion of infrastructure—such as the railways, ports, and roads including the Rajin-Wonjong road. This would firmly establish the transport corridor. In this regard, the UNDP Tumen Secretariat and the concerned countries share our view and are making active efforts in the direction of closer cooperation with one another.

Several infrastructure projects in Rajin-Sonbong, including the Rajin-Wonjong road, are at the top of the Tumen Programme's priority list. Ways to secure funds are actively being sought, and a feasibility study for a world-standard Rajin-Wonjong expressway has been started in cooperation with the Tumen Secretariat. There is also a plan to actively cooperate with the concerned countries, particularly with the riparian countries, to make progress in infrastructure projects, including roads and railways, and to establish a transport corridor.