

Pyongyang Report

News and views on DPRK - North Korea

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COMMENTARY

What small coverage our media gives to Korean affairs has tended to focus on the floods, the upcoming North-South summit and brouhaha surrounding the re-convening of the Six Party Talks in Beijing. Fair enough, but one very important piece of news has slipped under the radar, or been swept under the carpet, depending on which metaphor you prefer. In mid-August the [South Korean] Bank of Korea released its annual estimate 'Gross Domestic Product of North Korea in 2006'. The BOK calculated that North Korea's GDP had decreased 1.1% in 2006 after seven consecutive years of growth. In 2005 the northern economy had grown 3.8%, just a fraction behind South Korea's 4.0%. What caused this abrupt, and substantial, change in economic performance? The media trotted out the phrase it always uses when discussing the DPRK economy – 'economic mismanagement'. Whether this is because of ignorance, indolence, or ideological correctness is a moot point. The problem with 'economic mismanagement' is that it does not explain changes in performance over time. Whilst DPRK economic policy is constantly evolving, and there were significant market reforms in 2002, broadly speaking the system, and the managers of it, have been fairly constant. If the economic managers did so badly in 2006, why did the same managers, and same policies, do so well in 2005? On a longer perspective we can ask why the North Korean economy outperformed the South's for decades, perhaps into the 1980s? How come North Korea, according to estimates by the Organisation for Economic Cooperation and Development (OECD), had a per capita GDP three times that of China in the 1970s and as late as 1993 was still ahead of China? Clearly the main explanation lies in the external environment rather than issues of management per se. The collapse of the Soviet Union does much to explain the economic crisis that started in the 1990s, but what happened in 2006, or thereabouts? The Bank of Korea rather coyly mentions DPRK's 'difficult circumstances' which it ascribes to 'the deterioration of [North

Korea's] international relationships resulting from the nuclear weapons issue'. A rather more precise answer is increased sanctions.

The United Nations, under pressure from the United States, passed additional sanctions against the DPRK in July and October 2006, following the missile and nuclear tests Japan cut off trade with the DPRK and stifled remittances from Koreans in Japan sending money home. According to Japanese statistics, imports from North Korea fell from 1.6 billion yen in September 2006, to zero in December.

And then there were the US financial sanctions which were unleashed in September 2005, presumably to derail the Joint Statement of 19 September at the Six Party Talks which promised to bring about peace. The allegations against the Banco Delta Asia (BDA) which were the ostensible reason for the sanctions have now virtually collapsed, and the Talks revived, but the damage lingers on.

There seem to be no public estimates of the effect of these measures on the North Korean economy. US Treasury officials have claimed how pleased they were at their success at denying North Korea, and whomever wanted to do business with the DPRK, access to the international banking system and are working on the same techniques against Iran. The financial sanctions also affected aid payments, and continue to do so. The NZ-DPRK Society had great problems transferring donations for flood relief from New Zealand churches to a bank in Pyongyang because some banks in NZ are still afraid of any connection with the DPRK. One can image the impact on business.

Although the August floods, and those of the past decade and a half, are natural disasters their impact is very much a function of the state of the infrastructure. North Korea has suffered much more than the South from the bad weather to a large measure because of the long-term effects of sanctions.

It is well established that sanctions usually have no effect on the policies of the sanctioned government. Sanctions have not produced any change in policy by Pyongyang, because the

Koreans correctly calculate that weakness will only exacerbate the situation. However, sanctions have three great advantages for the US (and Japan). Because of the huge disparity in economies they cause virtually no pain to America, they produce no American casualties, and the results – those malnourished babies – can be blamed on the Koreans, which in turn is produced as evidence that the sanctions are desirable and necessary.

Sanctions can truly be a weapon of mass destruction, killing hundreds of thousands, impoverishing millions. Estimates have been made of the large numbers of Iraqis killed by sanctions in the 1990s – mainly children because it is children who are most vulnerable. A couple of years ago Cuba claimed that US sanctions have cost it \$82 billion. Unfortunately, this WMD is invisible, both in its effect and in its criminality.

Not all is gloom. The leaders of North and South Korea are scheduled to have a summit – the second – in early October. Neither Washington nor ROK conservatives are too happy with the idea, but nobody can attack it openly. What effect it will have is uncertain. Roh Moo-hyun is a lame duck president and even if much is achieved it may not outlast his presidency. On top of which, it is the United States which ultimately decides whether the Korean peninsula can have peace.

This is why any talk of President Roh having an effect on the nuclear issue is misplaced. DPRK has a nuclear weapons programme partly as a deterrent against American attack but mainly to force it into peaceful coexistence. It is therefore an issue between Pyongyang and Washington and Seoul has little role to play. Where it can have a very positive impact is economic cooperation. Again, the Americans are none too happy about that because it lessens their leverage. Pyongyang, for its part, should offer more people to people links and do whatever it reasonably can to ensure that President Roh can claim a successful summit.

There is also much talk about the possibility of discussions on some sort of peace treaty, and measures to reduce military tension. One significant issue to watch is the question of the western maritime boundary. In the 1950s the US unilaterally established a border called the Northern Limit Line (NLL). This has never been accepted by the DPRK which has proposed a very different Maritime Military Demarcation Line. A glance at the map shows that the NLL is a very strange animal. Instead of running straight out to sea as an extension of the land boundary (the DMZ), it curves up along the coast, taking some of the offshore islands into Southern territory. Presumably this was originally done in order to facilitate the landing of commandos and agents in the North, in the tense post-armistice period. But those days are gone, and yet there has been considerable opposition in the South, especially

from the military, (with US support) to a negotiation of the boundary. Partly this might be due to a natural reluctance to withdraw from a border over which sailors have died, but it is probably more than that. This is where clashes between North and South occur, as fishing boats from both sides compete for rich crab resources. It is the only place where armed conflict between North and South have happened in recent years, and the only place where it is still feasible. A better maritime border, which would inevitably approximate the North's proposal, would much diminish the likelihood of conflict, and tension, and may not be to everyone's desire.

WESTERN MARITIME BOUNDARIES



This past week has seen the resumption of the Six Party Talks and the issue here will be whether what has been presumably been agreed between the US and the DPRK in private bilateral negotiations will be formally brought into the Six Party process. This would involve 'disablement' and 'disclosure' on the part of the DPRK, and 'delisting the DPRK as a terrorism sponsor and lifting all sanctions that have been applied according to the Trading with the Enemy Act' by the US. How the thorny issue of the alleged Heavy Enriched Uranium programme will be tackled remains to be seen.

An indication of how the vagaries of US domestic and imperial politics impact on the Beijing talks was given by three events in late September. South Korean newspapers expressed bemusement at 'mixed signals' coming from Washington on the eve of the resumptions of the delicate negotiations. Firstly, the State

Department, of which US negotiator Chris Hill is an Assistant Secretary, announced sanctions against a North Korean company for arms exports. Not only are DPRK arms exports the tiniest fraction of those of the United States, the world's largest exporter of weapons, but they are small compared with that of the ROK, which aims to be one of the world's top ten by 2010. Why did the State Department take this gratuitous step?

Next came President Bush's speech to the United Nations in which he denounced North Korea as a 'brutal regime'. This may not have made Ambassador Hill's task of persuading the Koreans that the US was genuinely seeking a peaceful resolution any easier. President Bush, not bashful in the face of reality, informed us in the same sentence that "the people of Lebanon and Afghanistan and Iraq have asked for our help, and every civilized nation has a responsibility to stand with them", for which the dead, maimed, and displaced are no doubt truly grateful.

Then there was the Syria affair. On 6 September it appears that Israeli planes raided a target in Syria. No official explanation was offered (for what was a violation of international law) but Israeli intelligence was very active leaking stories to the media, which in most cases had no scruples in reporting the stories as revealed truth. There was a large number of conflicting rumours many of which, but not quite all, mention North Korea. What seems to be going on is another episode in Israel's continuing efforts to embroil the US in a

war with Iran, of which an attack on Syria is considered by many as to be an essential precursor. In this case Israel, always adept at manipulating the American political elite, threw in the titbit of North Korean nuclear (or was it missile?) assistance to Syria. The experts seem not to have taken the nuclear story very seriously; Syria does not have a significant nuclear programme (unlike Israel which is the only nuclear power in the Middle East), and it would be very strange of Pyongyang to imperil its negotiations with the Americans for no great advantage. Significantly, this seems to have been the assessment of Condoleezza Rice. Although she, and other leaders, made the obligatory noises, Hill was sent off to Beijing, despite the fulminations of John Bolton, to rejoin the Six Party Talks.

It seems that October is going to be a crucial time for the Korean peninsula. The summit in Pyongyang, the talks in Beijing, are both hugely important. That Bush is giving an audience to visiting conservative presidential candidate Lee Myung-bak in mid October, in violation of the convention of not appearing to be involved in the electoral affairs of other countries, indicates just how keen the White House is that the next occupant of the Blue House will be more amenable to discipline than Kim Dae-jung and Roh Moo-hyun. But, as always, it's what happens in Washington that will ultimately count.

Tim Beal

GROSS DOMESTIC PRODUCT OF NORTH KOREA IN 2006

North Korea's real annual GDP decreased 1.1% in 2006, turning negative after seven consecutive years of positive growth. This was mainly attributable to decreased production in the agriculture, forestry & fisheries, and construction sectors.

North Korea's general economy faced difficult circumstances in 2006 due to the deterioration of its international relationships resulting from the nuclear weapons issue and to its lack of resources.

Real GDP growth, North and South Korea, 1990-2006

year	DPRK	ROK	year	DPRK	ROK
1990	-3.7	9.2	2001	3.7	3.8
1995	-4.1	9.2	2002	1.2	7
1996	-3.6	7.0	2003	1.8	3.1
1997	-6.3	4.7	2004	2.2	4.7
1998	-1.1	-6.9	2005	3.8	4
1999	6.2	9.5	2006	-1.1	5
2000	1.3	8.5			

Source: Bank of Korea, Seoul, 16 August 2007

ROH SEES NK'S ECONOMIC BOOM

With two weeks to go before a summit with North Korean leader Kim Jong-il, President Roh Moo-hyun said Wednesday that North Korea will have a chance to see its economy grow at a faster pace...//..

When the armistice regime is transformed into a peace regime and when the South and North join hands to bring in a new economic era, the (Korean) Peninsula will certainly become the hub of the Northeast Asian economy," he said.

The South will energetically expand into the Eurasian continent and place itself on the map as the hub of trade in logistics, financial services and business, he said. "And the North will enjoy an opportunity to achieve epoch-making economic development."

To attain the goal of a simultaneous boom, Roh emphasized that the summit slated for Aug. 28-30 in Pyongyang should be a stepping stone in which the two Koreas will confirm their determination to fulfill previous agreements.

He said now is the time for the parties concerned to strive to put the accords into practice.

Regarding the inter-Korean economic cooperation, Roh said the two sides need to develop cooperation into "productive investment" collaboration and into "two-way" cooperation. "In this way, the South will have more investment opportunities, while the North will have a chance to make an economic turnaround."

Apparently mindful of critics of the summit, Roh expressed hopes that people would not impose burdens on him. "I do not plan to be overly ambitious in the forthcoming talks. I would rather not try to make a new historic turning point with this meeting."

He indirectly asked the conservative Grand National Party (GNP) to show a cooperative attitude toward the summit.

Source: Korea Times, Seoul, 15 August 2007

INVEST IN THE NORTH, KIM TELLS U.S.

NEW YORK U.S. businesses should help counter China's growing role in North Korea's economy by investing in the North once Pyongyang's nuclear program is eliminated, former South Korean President Kim Dae-jung said Tuesday. "We should expedite our entry into North Korea so as to attain balance against China," Kim told the Korea Society in New York.

Kim, who won the Nobel Peace Prize for his landmark meeting in 2000 with North Korean leader Kim Jong-il and efforts to promote Korean reconciliation, said China was "extensively involved" in the North's economy.

The International Monetary Fund, Asian Development Bank and Western firms should "advance into North Korea together with South Korea" following denuclearization of the North, he said...//..

Source: JoongAng Ilbo, Seoul, 27 September 2007

GLIMMER OF PEACE

Former President Kim Dae-jung speaks at the National Press Club in Washington D.C

I took office as the president of South Korea in February 1998. After my inauguration, I proposed the Sunshine Policy, which was based on the three principles of unification, namely, peaceful coexistence, peaceful exchange, and peaceful unification, and the three-stage unification of South-North confederation, South-North federation, and lastly, complete unification as the Korean government's policy toward North Korea.

The policy received full support of the Clinton administration. It also gained support from across the world including China, Russia, Japan, and EU.

In June 2000, I visited Pyongyang and made an agreement between the two Koreas for peaceful coexistence, peaceful exchange, and peaceful unification.

Following my visit, North Korean leader Kim Jong-il considered my recommendations and sent

Jo Myong-nok, the second most powerful man in North Korea, to the U.S. to meet President Clinton.

In return, Secretary of State Albright traveled to the North for further consultations. As the result of such consultations, both sides were on the verge of an agreement regarding North Korea's missile and nuclear issue, as well as the normalization of their relations.

However, the U.S. policy completely changed as soon as the Bush administration was launched in 2001. President Bush declared that "there cannot be any reward to bad behaviors," refusing to have direct dialogue with North Korea, and listed North Korea as an "axis of evil."

The U.S.-DPRK relations drastically deteriorated once again. As the president of South Korea, at the time, I repeatedly insisted that President Bush pursue direct dialogue and give and take negotiations with North Korea. However, without much success to this end, I left office in February 2003.

Nevertheless, I have continued to make the same argument even after my retirement. With the abrupt nuclear testing of North Korea in October last year, resistance not only from South Korea but from across the world arose like a storm. However, I stood firm in my view and made the following statement via numerous press interviews at home and abroad.

I stated that, "The reason North Korea wants to go nuclear is because they want direct dialogue with the U.S. through which they want to discuss security assurance, lifting of economic sanctions, and normalization of relations with the U.S. Therefore, the U.S. should change its attitude and pursue dialogue and give and take negotiations with the North. Then North Korean nuclear issue will be resolved."

Recently, President Bush changed the U.S. policy toward North Korea and under the Feb. 13 agreement, which was reached during the six-party process, the U.S. agreed with North Korea on the give and take negotiations based on the action for action approach...//..

In regards to the voice of dissatisfaction towards the U.S., I believe that the Korean people are expressing their dissatisfaction towards the U.S. policy and not to the U.S. itself.

The Korean people want their opinions to be taken into full account when the U.S. implements its policies toward North Korea and as such some critical views have been expressed toward Bush administration's former stance on the North Korean issue.

The six-party process is headed in the direction of success. The inter-Korean relations and the ties between the U.S. and North Korea are expected to be significantly improved.

Let us seize this opportunity and make sure we establish peace on the Korean Peninsula and

stability in Northeast Asia. Now we can see a glimmer of peace on the Korean Peninsula.

Source: Korea Times. Seoul, 19 September 2007

BANK ACCUSED OF AIDING N. KOREA WILL RETURN TO OWNER

By Tim Johnson

BEIJING — A tiny bank in Macau that was at the center of stalled talks over North Korea's nuclear program will be quietly returned to its former owner Saturday, a move that seems to clear him of charges that he helped Pyongyang launder counterfeit U.S. cash.

In a one-paragraph statement, the government in Macau, a former Portuguese colony that's a burgeoning gambling haven, said Banco Delta Asia had shown "remarkable improvement" during two years of government oversight.

It said that Stanley Au, a former gold dealer who ceded control of the bank in September 2005, would be put in charge of the bank again Saturday.

The bank issued a statement quoting Au saying that its return "reflected the exoneration of the bank and clearance of its name as well as its staff from taking part in any illicit activities."

The return of the bank without any criminal charges is the latest strange twist in the saga of Banco Delta Asia. The family-owned bank was drawn into a political storm two years ago that led to the suspension of nuclear talks with North Korea, adding to the tensions that indirectly prompted Pyongyang to conduct a nuclear test 11 months ago.

U.S. Treasury Department officials claimed that the bank had for two decades abetted North Korean-linked companies and individuals engaged in crime, including drug trafficking and circulating sophisticated counterfeit U.S. bills...//..

The Banco Delta Asia statement suggested that the bank had become a pawn in a conflict between the United States and North Korea.

"The 'BDA Affair' is neither a commercial nor a business dispute. It is a political case and BDA has been unwillingly and unknowingly dragged into the epic center of a political whirlpool," it said.

In May, the 66-year-old Au sought to regain control of his bank with a sworn statement that included a pledge not to rehire any former employees of the bank who'd prompt objections from the U.S. Treasury Department.

In a sign that Treasury's allegations against the bank appear to have been withdrawn, Banco Delta Asia appears ready to rehire a number of former employees. In its statement, it listed 12 board members and executive staff who'd return to the bank under Au's direction. Only three are new.

"The rest have been with us for some time," bank spokeswoman Eva Hui said, "but they may have had other positions in the past."

Source: McClatchy newspapers, Washington, 28 September 2007

INTER-KOREAN INDUSTRIAL PARK

By Tong Kim

This is part of a description of a visit to Kaesong (Gaesong) by former senior interpreter at the U.S. State Department

Recently I visited Gaeseong with a South Korean humanitarian group that provides anthracite for fuel to underprivileged people in both Koreas. The group carries out a voluntary campaign in the name of "sharing love and anthracite." It so far has provided the poor with over ten million pieces of processed anthracite...//..

From Bongdukni we went to Gaeseong City, where we visited several famous historic sites of the old capital of the Goryeo Dynasty (918-1392), including the Seonjuk bridge, where the stain of bloodshed by a king's royal servant remains, still detectable. Standing at the courtyard of Sungkyunkwan, which was the dynasty's highest royal educational institute, were gigantic ginkgo trees more than a thousand years old.

The buildings were impressively well maintained. On display inside the buildings were neatly arranged historical artifacts, which help visitors see what life was like in Korea a millennium ago. With other cultural assets, like the royal tombs and an old Buddhist temple, I thought Gaeseong would present itself as an excellent tourist attraction...//..

After I saw the vast area of the industrial park _ one million pyeong (approximately 25 square miles) _ I felt there would be no way to reverse the course of inter-Korean economic cooperation. Under a 50-year lease, Hyundai Asan has cleared the land by leveling off the hills and filling the rice paddies and fields, and it is still building the necessary infrastructure to support the industrial park.

At present 22 South Korean companies _ mostly small- and medium-sized firms _ are operating in the complex and five new plants are under construction. On this North Korean territory, about 12,000 North Korean employees are working with 680 South Koreans, who are largely managers. By 2012, the complex is expected to employ over 100,000 North Koreans.

These companies produce goods _ including shoes, clothes, watches, kitchenware, plastic containers and electric cords _ mostly for South Korean consumers. Under a neo-liberal policy pursued by the ROK government, the complex makes sense as the average monthly wage is only \$57, which is only half of Chinese labor costs and less than 5 percent of South Korean counterparts' salaries. ...//..

Perhaps the future of the expanding industrial park depends very much on the exportability of its products to overseas markets including the United States. This brings up two points: resolution of the North Korean nuclear issue and the inclusion of the complex as an "outward processing zone" as discussed but still pending resolution in the agreed Free Trade Agreement with the United States.

Without exportability, which I doubt would be fully feasible before North Korean denuclearization, the industrial complex may not be able to attract big international companies who keep looking for lower labor costs to compete in the contemporary neo-liberal global market.

There are other problems with the inter-Korean industrial park, including the transparency of the payment system, labor practices and environmental concerns. But these are only peripheral issues compared to the issue of war and peace, which also affects the South Korean economy. As the nuclear issue seems to be moving forward, and as I believe it will be resolved at the end, I do see good prospects for success of the complex...//..

I know the conservatives blame the North Korean regime for this. My problem with them is such blame or hard-line policy has not helped alleviate the hardship of the poor people whose poverty is not their fault. I support humanitarian aid to the North, despite some negative views.

I know North Korea is trying hard to improve its economy in order to better feed, clothe and house its people. I have seen some encouraging indicators of change in North Korea. Once it feels free of perceived threat from outside, I expect the North to give up its nuclear program and concentrate on transforming the economy, which will eventually lead to political and social transformation as well. ...//..

Source: Korea Times, Seoul, 1 July 2007

ROK GOODS NOW HOT SELLERS IN DPRK MARKETS

South Korean wares have become very popular with North Korean residents, and they are being openly sold in DPRK markets. According to a source inside North Korea, ROK goods with the 'Made in Korea' label are highly popular among those more wealthy shoppers in markets in Pyongyang, Shinuiju, Hamheung, Chunjin, and other large cities. However, these days, ROK goods must be labeled 'Made in Korea' to be recognized as having come from the South, and therefore can be sold for high prices. ...//..

The best selling South Korean goods are Cuckoo rice cookers, household hot/cold water dispensers, cosmetics, air fresheners, computers, toothpaste, medicines, and candy. North Koreans have a high degree of trust in South Korean pharmaceuticals. It was said that ROK drugs and confectionaries are both used past their expiration dates.

Because the quality of Chinese goods is so poor, in recent times North Koreans with a little bit of money primarily used Japanese goods, despite their exorbitant prices. Now that Japanese goods are in short supply, that demand is being filled by goods from the South. However, just as before, Japanese goods are still preferred in the North, with Korean goods next, and Chinese goods least. Prices follow demand, and so Japanese goods are also the most expensive, Chinese goods, the cheapest. In general, those in the North with some extra money are using one or two South Korean goods.

Currently, South Korean toothpaste in Shinuiju's central market is selling for 5,000 won (1,667 ROK won), and one set of air fresheners (one canister and two gas cartridges) sells for 30,000 won (10,000 ROK won). Duty-free 'Time' cigarettes go for 3,000 won (1,000 ROK won) per pack, although the cost in Shinuiju is lower than prices found deeper inside North Korea due to counterfeit 'Time' cigarettes produced in China. [1000 ROK won is approximately NZ\$1.50]

Source: Institute for Far Eastern Studies, Kyungnam University, Seoul, 5 September 2007

GNP PRESIDENTIAL CANDIDATE TO MEET U.S. PRESIDENT AHEAD OF ELECTION

Controversy could ensue over degree of U.S. influence in S. Korea's upcoming presidential election

Lee Myung-bak, the presidential candidate of the main opposition Grand National Party, will visit the United States on October 14-17 for meetings with U.S. President George W. Bush and other politicians, the party's spokesman, Park Hyung-joon, said yesterday.

It is rare for a U.S. president to meet a presidential candidate of a certain nation ahead of the nation's presidential election. The meeting is likely to spark controversy ahead of the December vote, as some critics may accuse Bush of supporting the candidate. ...//..

Source: Hankyoreh, Seoul, 29 September 2007

MANY PROBLEMS MAY EMERGE AT NEW ROUND OF 6-WAY TALKS-LOSUYKOV

BEIJING, September 26 (Itar-Tass) - Head of the Russian delegation at the six-sided talks on the North Korean nuclear problem settlement Alexander Losyukov believes that "many problems may arise" at the forthcoming round of the talks. "They arise quite unexpectedly, however we try to settle them," the Russian deputy foreign minister said at the airport of the Chinese capital on Wednesday.

The deputy foreign minister also stressed that "there is limited success - the talks continue and are yielding certain results." Losyukov noted, however that at the forthcoming round "it is necessary to look what the results are like."

According to the Russian delegation head, "It is necessary first of all to assess prospects of the freezing process, denuclearisation and disabling" of North Korean nuclear facilities.

Besides, "it is necessary to look in what mood are the North Korean colleagues regarding the fulfillment of the planned programmes," he pointed out. In the view of Losyukov, representatives of Pyongyang "will be interested in the compensation measures fulfillment." ..//..

The steps include making public by North Korea of the full list of remaining nuclear facilities and their following total liquidation in exchange for economic aid and normalization of relations with Tokyo and Washington.

Source: ITAR-Tass, Moscow, 26 September 2007

NZ-DPRK RELATIONS

Government level

- NZ Government has donated NZ\$500,000 through the Red Cross for flood relief.
- Winston Peters is scheduled to make the first-ever visit of a NZ Foreign Minister to DPRK in November

People-to-People level

The NZ-DPRK Society has sent \$20,000 from Christian World Service and \$5,000 from the Presbyterian Church of Aotearoa New Zealand Global Ministries Fund.

This is a lightly edited and reformatted report from the DPR Korea-NZ Friendship Society in Pyongyang

Report on floods and NZ assistance

Weather in August

- Torrential rain, started on 5th August, continued until 17th August
- Between 7th–14th, August severe downpours (600~850mm), the highest record in the past 40 years, in 9 provinces especially in Kangwon, N.Hwanghae, S.Hamgyong & S.Pyongan

Types of Disasters

- Burst-out of many river embankment & irrigation reservoirs
- Huge scale mud-slides & land slides

National damage

- Affected population: 963,887
- Homeless: 169,561
- Affected area: 149 counties out of 200
- Affected houses
 - Completely destroyed :40,463
 - Partly destroyed : 67,056
 - Submerged : 133,732
- More than 30 reservoirs
- 600km of river banks & 19km of dikes
- More than 10 % of farmland

- 8,500 public buildings & infrastructure affected
- 709 km of road cut, 135 km of railroad bed washed away
- Cut of electricity and drinking water in the affected areas
- Risk of second disaster coming from contamination of water and poor hygienic environment
- 562 hospitals and 2,175 clinics destroyed or heavily affected
- Support and Donation through government and non-government levels.
- China, USA, EU, Russia, Australia, New Zealand, Egypt, UN, Sweden, Denmark, Japan, Singapore, England, Czech, Slovak, ECO, etc.

Damage to Haksan (NZ Friendship Farm) and neighbouring farm

- Vegetable field: 100% washed away.
- Rice field: Among 950 hectares (Haksan 300, neighbour farm 650) 500 hectares are buried under silt and water. And no expectation of harvest this year.
- Houses: 15 houses are completely or partly destroyed. 60 members are suffering damages.
- 6 waterways are destroyed.
- Electricity and water supply is stopped broke off.

Korea-New Zealand in Action

- Dispatched more than 300 people for the flood rehabilitation to Haksan and its neighbour farm.
- Asked for the emergency aid

Donation from CWS and Global Mission via NZ-DPRK Society

Euro 12,520

Distribution plan(draft)

Item	Euros
Cement (20 tons)	800
Gasoline to till the silty rice field and for transportation (5 tons)	3,050
Sand (40 tones)	200
Purchase of foodstuffs* (25 tons)	7,500
Kitchen utensils (15packs)	300
Other daily necessities: water purifier, quilt, clothes (including transport fee)	571
Total	12,421

* price of rice is highly accelerating.

NZ-DPRK Society

Prior to the floods the NZ-DPRK Society had raised funds to make various donations to the Haksan (NZ Friendship Farm). This is a report from Peter Wilson.

Since the cooperative farm at Haksan in Hyongsan district near Pyongyang became the New Zealand Friendship Farm three years ago, a number of projects have been accomplished.



Tractor and truck purchased with funds raised by NZ-DPRK Society parked outside the offices of the Friendship Farm

(1) Donation of South Korean agricultural Text Books.

Technical people in DPRK are very isolated and are not readily able to take advantage of research and development taking place elsewhere, including next door in South Korea. To help overcome this, the NZ-DPRK Society has purchased and donated South Korean agricultural text books to the Management Team at the NZ Friendship Farm.

Contact has been established also with the Sariwan Livestock Research Institute. It was a surprise to find out they too had never seen a any non-DPRK texts. Some technical books have also been donated to the Institute.

(2) Donation of a 28 hp diesel tractor

Like all cooperatives in DPRK, the Friendship Farm has a fleet of old Chollima tractors. These are all 15 or 25 years old. At best, these tractors are very inefficient, being of a Russian circa 1920's design. In 2006, a DPRK-assembled Naenara 28 hp diesel tractor was purchased and given to the farm. This has been very well received and is proving very useful. The Farm Manager reports that whereas it takes 50 litres of diesel to plough one hectare with a Chollima, it only takes 35 litres with the Naenara.

(3) Pump and Piping to Provide Water to the Piggery.

The farm has about 90 sows which are bred to provide piglets which are sold to the farm families for backyard fattening. Although the sow pens were cleaned out manually every day, hygiene was not of a high standard because the piggery had no running water. This has been rectified with purchase and installation of a water pump, piping and taps. Now, not only has hygiene been improved, but sows can have better access to drinking water and can be cooled down in the hot summer months.

(4) Purchase of Fertiliser.

In acknowledgement of the damage done to fields by flooding, in early 2007 a one-off donation was made of three tonne of urea.

(5) Donation of a Truck.

In the past transportation of compost, fertiliser, harvests and produce for market has been limited to tractor trailers. These have limitations because of small capacity and the need at times to move large volumes of fertiliser or produce in a short very period of time. Further, tractor trailers are not suitable for transporting surplus production to the open market in the city.

The need for a truck was raised with the NZ-DPRK Society in 2005 and was accepted as a project. By mid-2007, adequate funds had been raised and a second hand Dong Feng tip truck was purchased from China.

A ceremony to mark the handover of the six ton truck was held at the farm on 5th July. The NZ-DPRK Society was represented by Mr. Peter Wilson. In receiving the truck, the Farm Manager said that they knew NZ was a small country and that they felt that the big gift of a truck came from the very hearts of New Zealanders.



Farm manager Kim Jong Ho and Peter Wilson

If you wish to contribute financially, or otherwise, or would like some more information, please contact Stuart Vogel at s.vogel@xtra.co.nz...

Further information may be obtained from: <http://www.vuw.ac.nz/~caplabtb/dprk/>

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