

North Korea Planning Special Economic Zone in Wonsan and Mt. Kumgang Regions

North Korea announced plans to develop a special tourism zone in the Mount Kumgang region and recently established detailed plans to connect five countries in the Northeast Asian region by land, sea and air routes. In particular, it specified construction plans for the Tongchon Special Economic Zone (SEZ) in Tongchon County of Kangwon (Gangwon) Province.

Currently, there are four SEZs in North Korea: Rajin-Sonbong (Rason) SEZ, Hwanggumpyong SEZ, the Kaesong Industrial Complex, and Mt. Kumgang Tourism Zone. Tongchon will be a special case where a free economic trade zone will be located within the Mt. Kumgang Tourism Zone linking the areas of Wonsan and Mt. Kumgang.

Growing attention is being paid to the “Tongchon Special Economic Zone in the Mt. Kumgang Tourism Zone.” Industrial service facilities will be built in the Tongchon SEZ along the coastline including, “comprehensive industrial, merchandise, and communication service center zone,” “international multipurpose building zone,” “international finance, trade, and business center,” and a golf course.

Construction inland is currently underway for regular and high-tech industrial complexes in the following areas: IT, LCD, and electronics; home electronics; automobile; new energy and environmental protection; and biomedical and breeding.

Tongchon Port is equipped to accommodate 100,000-ton vessels and there are plans of constructing beaches, a marine park, hot springs, and luxury hotels, and vacation homes in the vicinity.

According to a five-page blueprint for the “Choson Wonsan-Mt. Kumgang Development Plan” (in Chinese), North Korea has set 10 million tourists per year as its goal and is preparing to attract large investment of over 10 billion USD over the next ten years.

Although it is unclear who has prepared the blueprint, it is most likely that North Korea has prepared the plan in Chinese to promote the SEZ internationally. North Korea recently distributed briefing materials in Chinese at the 7th China Jilin-Northeast Asia Investment and Trade Expo (JNIT), which was held last September.

The report included plans of constructing Wonsan International Airport at an estimated cost of 150 million USD.

The ten-year development plan is further divided into three periods: October 2011 to December 2013 (short-term); 2014 to 2016 (mid-term); and 2017 to 2020 (long-term).

In addition, the report included the detailed plans of road and facility renovations. The Pyongyang-Wonsan-Mt. Kumgang highway that stretches 310 km will be renovated with investments worth around 150 million USD. A four-lane highway will also be added. The seaside areas of Wonsan and Mt. Kumgang and the tourism zone will be reconstructed with major facilities and electricity worth 10 billion USD and a new town is also being designed to accommodate a population between 800,000 and 1 million people.

The report “Establishment of International Travel between Mt. Kumgang and Five Countries in Northeast Asia” included details of 18 air routes from Beijing, Changchun, and Shenyang to Wonsan International Airport; 8 sea routes to Nampo Port and the routes from South Korea, Japan, Russia, and the Northern Pacific rim using the port in Mt. Kumgang. In addition, a land route connecting Dandong of China to Mt. Kumgang is also included in the plan, via Shinuiju.

It is designed to develop Mt. Kumgang into an international tourism zone making it accessible by land, sea, and air transportation to South Korea, China, Russia, and Japan.

Specifically, Niigata Port of Japan, Vladivostok Port of Russia, and Jeju, Busan, and Sokcho Ports of South Korea were mentioned as the major ports for the sea travel to North Korea.

Travelers from China will be connected to Mt. Kumgang by rail (from Wonsan to Mt. Kumgang) and by sea (from Rajin-Sonbong Port to Mt. Kumgang Port).

Interestingly, no land route was designated for travel from South Korea. The previously used Donghae Line to travel from Kosung to Mt. Kumgang by road and railroad was omitted from the plan.