

# T FOREIGN Trade

OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

- Year of Epochal Change That Demonstrated Might of Self-supporting Economy
- Fundamentals of Investment Policy of DPRK
- Ryongsong Machine Complex
- Korea General Machinery Trading Corporation

JUCHE 113  
(2024)

1



# For Clear and Soft Skin

Jinbo-brand cosmetics are winning popularity among women.

Their main ingredient is *Rana ornativentris* extract, reputed worldwide to be good for skincare products.

The whitening gel, lotion and cream are highly effective in removing wrinkles, pimples and dark spots as well as moisturizing, so they make the skin of not only young but also middle-aged women clear and soft as that of the babies.

The cosmetics won the DPRK patent in Juche 112 (2023).



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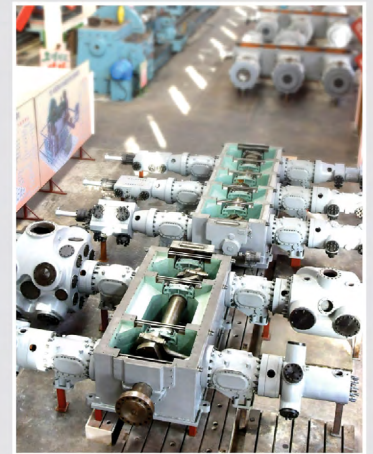
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Ryongsong Machine Complex

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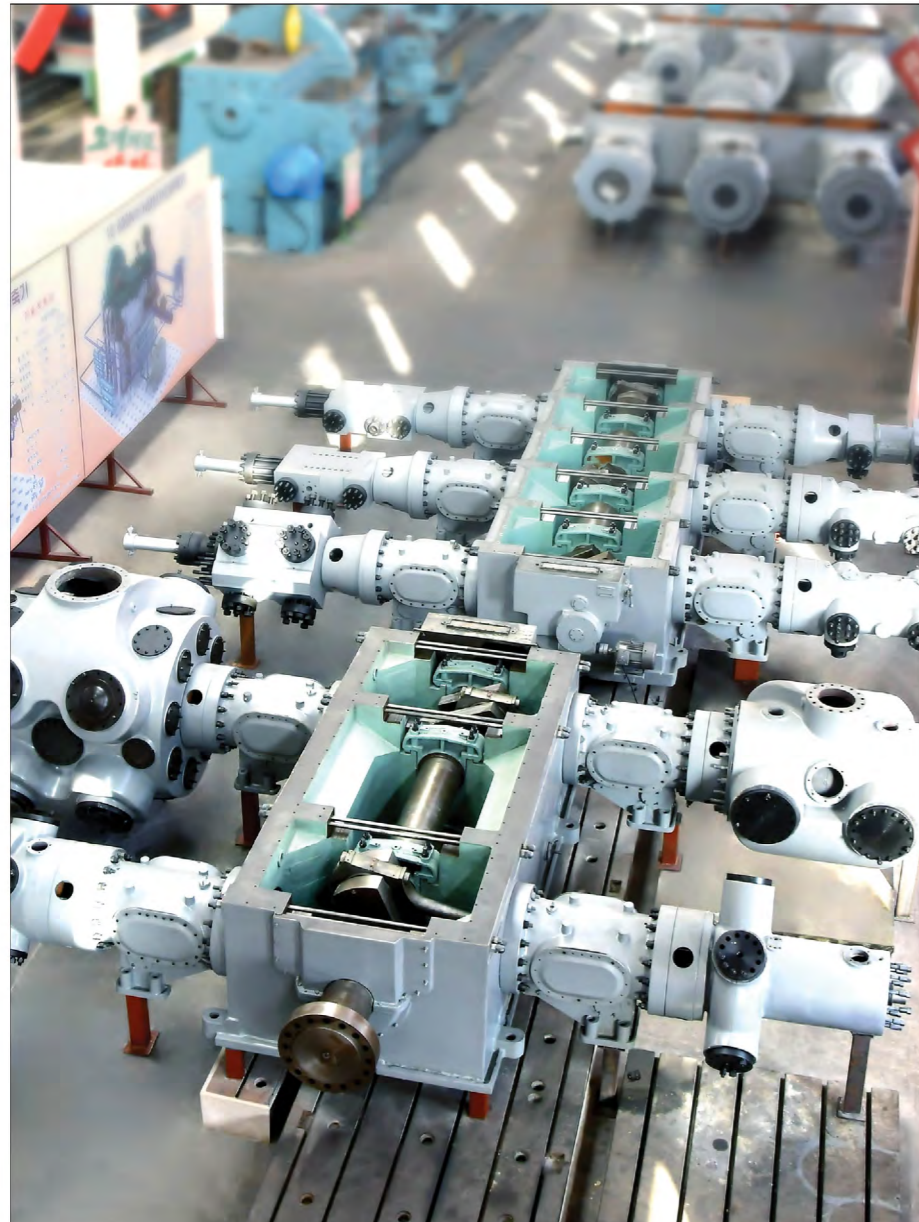


# Year of Epochal Change That Demonstrated Might of Self-supporting Economy

Last year the Democratic People's Republic of Korea brought about a fresh change in the socialist economic construction, actively overcoming the hardships in unfavourable situation at home and abroad.

It put forward an advance

objective and fighting tasks for the overall development of socialism through the Sixth Plenary Meeting of the Eighth Central Committee of the Workers' Party of Korea and other meetings, and directed all its efforts to their implementation, thereby making miraculous achievements.



The key industrial sector brought about a remarkable increase in production and many readjustment and reinforcement projects were completed in the course of the struggle to attain the major goals for national economic development.

The Ryongsong Machine Complex, which can be called the backbone of the machine-building industry, modernized its core processing facilities on a higher level, increased annual output of feed materials by five times, manufactured high-performance large compressors and thus contributed to the development of the chemical industry. The Taean Heavy Machine Complex, Kumsong Tractor Factory, Ragwon General Machine Enterprise and other factories and enterprises developed and produced high-efficiency generating facilities, new-type tractors and farm machines for various purposes and vigorously pushed forward the effort to develop modern vehicles to turn out new models of buses and trolley buses.

An efficient recycling technical process was established for remaking the machinery and equipment in accordance with the global trend, and introduced to other specialized machine-building factories in a planned way.

The metallurgical industry sector simultaneously pushed ahead with the efforts to normalize production, consolidate the Korean-style iron-making method, expand the production capacity and modernize production processes.

An energy-saving oxygen blast furnace and oxygen separators with the capacity of 15 000 cubic metres per hour installed additionally at the Kim Chaek Iron and Steel Complex



successes constituted a great stride in making the metallurgical industry Juche-based and modern.

The chemical industry sector set up new production lines and produced and supplied raw and other materials

construct subsidiary objects. A crystal thenardite production process based on glauberite abundant in the country was established at the December 5 Youth Mine, opening up a bright prospect for increasing



doubled the steel production. The Chollima Steel Complex and Hwanghae Iron and Steel Complex completed the projects to install the continuous ingot moulder and induction furnace, and the Chongjin Steel Works established the steel production process by entirely relying on Samhwa iron. All these

needed in the sectors of agriculture and light industry.

The Hungnam Fertilizer Complex and Namhung Youth Chemical Complex reconstructed the production processes in a rational way and completed the projects to establish additional process of urea synthesis, reinforce the cleaning process and

the proportion of self-sufficiency in such basic chemical products as sodium carbonate urgently needed in different sectors of the national economy. The February 8 Vinalon Complex increased the production of chemical goods including vinalon, caustic soda and polyvinyl chloride. The inauguration of the







nutritious solution fertilizer factory built at the Suncheon Chemical Complex made it possible for greenhouse farms in the west coastal areas to increase the production drastically.

The Musan Mining Complex, Komdok Mining Complex, Hyesan Youth Mine, Unpha Mine and other mines and enterprises in the mining industry sector upgraded the facilities and introduced advanced technologies so as to maximize the mineral ore production. Amid brisk efforts to develop new mines and strike new mineral veins, a branch mine of the Unnyul Mine was developed in the Sohae-ri area and went into operation.

The Sangwon Cement Complex, Suncheon Cement Complex, Taeon Friendship Glass Factory and



Chollima Tile Factory that take the lion's share in the building-materials industry, and building-



materials production bases in every province, city and county,

expanded their capacities, operated the machines at full capacity, newly established production lines and erected new factories. By doing so, they rendered a tangible contribution to satisfactory supply of raw materials for production and construction.

The light industry and foodstuff factories across the country normalized their production, reconstructed the production equipment and processes on a modern basis to economize labour and energy to the maximum and increase production capacity, diversified consumer goods in kind and type,

produced by relying on domestic raw and other materials world-



famous goods and commodities with competitive edge.

Various exhibitions were organized in the capital city of Pyongyang and other provinces and cities to make the people enjoy a cultured life, conduct brisk competitions among enterprises and generalize experience, thereby firing the enthusiasm for consumer goods production and achieving a number of successes in the light industry sector to stabilize and improve the people's living standards.

Amid vigorous drives for building 50 000 flats in the capital city and for regional and rural construction waged in the construction sector, the people-oriented policy of the WPK and the government of the DPRK to provide the people with more cultured living conditions and environment was translated in reality.

Another 10 000 flats in Hwasong District and over 4 100 flats on Jonwi Street in the capital city were built, providing a guarantee for making Pyongyang citizens move into new houses in a short period of time. And the construction of more than 20 000 flats formed a new mountain-gorge city in the Komdok area.

The Kangdong Greenhouse Farm is under construction to make a positive contribution to improving the Pyongyang citizens' diet.

The construction projects of rural dwelling houses reflecting the regional features and modern beauty made progress under the state support and assistance, and merry house-moving events took place across the country.

In addition, a hundred and scores of construction projects were completed and many units



reconstructed on a modern basis in Pyongyang and other parts of the country, thus greatly contributing to the economic construction and the improvement of people's living

standards. As mentioned above, 2023 was the year of great turn and change that fully demonstrated the might of self-supporting economy.



# Fundamentals of Investment Policy of DPRK

The investment policy pursued by the government of the Democratic People's Republic of Korea focuses on reinforcing the self-supporting economic foundations of the country and improving the people's living standards by developing external economic relations.

The government of the DPRK has enacted laws on foreign investment, contractual joint venture, equity joint venture, wholly foreign-owned enterprise, foreign-invested bank, foreign-invested business and foreign individual tax, land lease and others so as to encourage foreigners to make investment in the territory of the DPRK on the principle of equality and mutual benefit.

It encourages corporate bodies and individuals of foreign countries and overseas Korean compatriots to invest in the territory of the DPRK.

A foreign-invested enterprise that invests in the sectors of cutting-edge science and technology, scientific research and development of technology, construction of infrastructure facilities, and manufacturing of internationally competitive goods, shall enjoy such privileges and special treatments as reasonable income tax, favourable conditions for land use and preferential bank loans.

Investment shall be either prohibited or restricted in the projects that export natural resources without processing them, violate the environmental protection criteria, hinder the national economic development, and are technically outdated and detrimental to national security.

The government of the DPRK protects the investment of foreigners and provides them with legal rights and interests.

It has provided legal guarantees for the rights and interests of foreign investment and investors and overseas investment of the DPRK businesses by concluding agreements on encouraging and protecting investment with 28 countries and those on preventing double taxation with 15 countries.

It shall not nationalize or expropriate the properties of foreign-invested enterprises (contractual or equity joint venture enterprises and foreign enterprises) and foreign investors. When unavoidable circumstances lead to their nationalization or expropriation, prompt compensation shall be made for the foreign-invested property on the principle of equivalent compensation and for the value by reference to the international market price.

A foreign investor can remit out of the territory of the DPRK without tax such incomes as profits and dividend legitimately earned from business operation.

A foreign investor is allowed to establish and operate equity joint venture, contractual joint venture or foreign enterprises in the territory of the DPRK.

An equity joint venture is a form of business activity whereby investors from the DPRK and a foreign country jointly invest, conduct export and import operations independently and distribute profits proportionate to the shares of their investment.

A contractual joint venture is a form of business activity whereby investors from the DPRK and a foreign country jointly invest, the management is undertaken by the DPRK side and the share of the investment made by the foreign investor is redeemed or the profits are distributed, according to the terms of the contract.

A foreign enterprise is a form of business whereby a foreigner invests the capital required for the establishment and operation thereof and operates it independently only in the economic development parks designated by the state.

A foreign investor shall transfer, mortgage and inherit the real property acquired by investing in the sector of real estate.

He shall lease the land required for developing real estate and setting up and operating a business for 50 years at the most, and may transfer the land. In this case, the rent of the land to be transferred should be paid beforehand in accordance with the land lease contract, or the investment and construction on the land should be finished.

He may invest the leased land (right to use the land) in the business and sell, lease, mortgage and inherit the buildings and flats constructed on the land as well as the leased land that has been developed.

The government of the DPRK provides foreign-invested enterprises and banks with preferential treatment in taxation.

Preferential treatment and exemption of the enterprise income tax shall be given when investment is made in the state-encouraged sectors, special economic zones and a sector of producing internationally competitive goods, when a loan is granted by a foreign government or an international financial organization, and when a foreign bank grants a loan to the enterprise on favourable terms.

When a foreign investor reinvests in the territory of the DPRK some or the whole incomes earned from business operation, some or the whole of the income tax that had been paid shall be refunded.

A foreign-invested enterprise shall employ the labour of the DPRK. Some of the managerial personnel and technicians and skilled workers for special jobs stipulated in the contract may be employed from abroad subject to the agreement of the relevant organ.

As a corporate body of the DPRK, a foreign-invested enterprise shall be qualified as a direct party to economic transaction, have an organizational structure for business activities, have assets, account books and bank accounts of its own, and act in accordance with and under the protection of the DPRK's foreign investment-related laws.

A foreign-invested enterprise shall be a corporate body of the DPRK from the date of its registration.

Foreign-invested enterprises shall be provided with free economic activities in the economic development parks.

Since Juche 102 (2013) the government of the DPRK has established economic development parks of various types, including special economic zones, in every province across the country as suited to their specific features, newly enacted the law and regulations on the economic development parks, and taken necessary measures to offer favourable environment for foreign investors in their investment and business activities.

Foreign investors shall establish enterprises, branches and offices in the economic development parks and conduct business operations freely by the relevant laws.

Taxes and tax rates applied in the special economic zones and economic development parks shall differ from those applied outside the zones.

The government of the DPRK shall protect the intellectual property rights, ensure favourable conditions for business activities and provide legal guarantee to them.

Foreign investors shall conduct economic and technical exchange and cooperation as well as trading activities in contact with the Korea External Economic and Investment Cooperation Committee and based on the investment-related policy of the DPRK government and favourable environment for investment and development.

# Wiwon Industrial Development Park

It is aimed at building an industrial development park for the exploration of mineral resources, processing of minerals, timber, and agricultural produce, and manufacture of machinery.

The development area occupies 2.3 square kilometres, including some parts of Kojin-ri and Togam-ri in Wiwon County, facing Jian, Jilin Province of China.

It is situated 20km away from the Wiwon border-crossing point, 80km away from the Manpho border-crossing point and 180km away from the Junggang border-crossing point, all leading to Jilin Province of China, thus providing favourable conditions for personnel and material transportation.

At present the development park is provided with industrial foundations for foodstuff, timber, daily necessities, textile, garments, building materials,

paper, glass, ceramics, chemical goods, machinery and pharmaceuticals.

It also abounds with such underground resources as lead, zinc, iron, graphite, limestone, mica and quartz.

Investors can set up businesses appropriate to local economic foundations.

It is also planned to build a hotel and comprehensive centres for sports, recreation and ecotourism.

As the development projects in the park are being pushed forward on a full scale on the basis of rich underground, forest and hydro-power resources, the park will be expanded in area.

The mode of development is the contractual or equity joint venture between a business in the DPRK and a foreign investor, or solely by a foreign investor.

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**Garlic and Nano-silver Injection**

**H**akbong Pharmaceutical Factory under the Hakbong Medicament Company has newly invented garlic and nano-silver injection, a broad-spectrum antimicrobial drug.

The injection made of garlic prized for its medicinal properties and silver nanocrystals with strong bactericidal effects, so it is highly efficacious in the treatment of tuberculosis and respiratory diseases.

It obtained a patent of the DPRK in February Juche 109 (2020).

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# TO PROVIDE FAVOURABLE CONDITIONS AND ENVIRONMENT FOR EXTERNAL TRADE

The DPRK Chamber of Commerce, entrusted with a mission to represent and protect the interests of the trading companies and businesses in the country, provides them with favourable conditions, environment and opportunities to promote exchange and cooperation in the trade and investment by establishing close relations with the

exhibitions, seminars and business consultations at home and abroad for the purpose of establishing commercial ties between local and foreign businesses and trading companies, and offers assistance, like information on international markets and commercial products, advisory service, introduction of businesses, and arbitration of commercial

DPRK CC acts as members of ten commissions under it, including Commission on Arbitration and ADR, and Trade and Investment Commission, thus bolstering exchange and cooperation with the ICC.

It publishes its periodical *Foreign Trade of the DPRK*.

**Reporter:** How many trading companies at home and abroad are enrolled as your CC members?

**President:** At present we have a membership of more than 200 businesses.

We have nominated trading companies and export-related businesses, contractual and equity



International Chamber of Commerce (ICC) and other national and regional chambers of commerce.

The reporter for *Foreign Trade of the DPRK* interviewed Ryu Hyon Chol, president of the DPRK CC.

**Reporter:** I know the DPRK Chamber of Commerce is a civilian-level permanent organization established on August 25, 2004, for promoting trade and investment. Would you tell me about its functions in detail?

**President of DPRK CC:** The DPRK CC organizes expositions,

disputes.

It also disseminates knowledge of international customs and practices such as Incoterms, rules on standardization of letter of credit, and standard commercial form, and issues authentication and confirmation documents required for external trading activities, investments and joint ventures like written confirmation of corporate body, certificates of business categories, purpose of use, origin, and written confirmation of force majeure.

As a member of the ICC, the

joint ventures in the country as our members, and foreign companies and businesses seeking trading and economic relations and cooperation with local businesses as associate members. As many influential businesses are acting as board members of the ICC and national chambers of commerce, we have organized the Board of the DPRK Chamber of Commerce comprised of excellent business members in the country.

For instance, the DPRK Jewelry Association and Pyongyang SGS

Office are the members of the DPRK CC.

The DPRK Jewelry Association deals with problems arising at home and abroad in the production, processing and export of jewelry, pioneers markets for precious stones and their processed articles, authenticates jewelry, applies as agent for issuing certificates of appellation of origin of precious stones, and conducts exchange and cooperation with counterparts in other countries and international jewelry association.

Pyongyang SGS Office, in regular contact with the SGS, provides pre-shipment SGS inspection of exports and imports at the request of local and foreign trading companies, thereby preventing disputes relating to quality and enhancing the international competitiveness of exports.

**Reporter:** I think what is important in your activities is to create favourable international environment for expanding and developing external economic relations with many countries and regions through exchange of delegations, expositions, business consultations, briefings on investment and other occasions.

**President:** The DPRK CC participated in the fourth and sixth conferences of the Federation of World Chambers held respectively in June 2005 in South Africa and in June 2009 in Malaysia, in which it agreed with the ICC on issues of expanding and developing bilateral cooperation and exchange.

In 2007 it sent a delegation comprising scores of excellent businesses in the country to Turin, Italy, for the DPRK-EU seminar. It also invited businesspersons of the EU, including Germany, France, Austria

and Sweden, to Pyongyang to hold the DPRK-EU seminar on economic cooperation, and the DPRK-Mongol business seminar was held.

During the Shanghai world expo held in China between May and



trade conference of the ICC in April 2023, which drew over 900 members from 40-odd national chambers of commerce, as well as economic and law specialists, to understand the developing trend and reality of digitization of the current world

October in 2010, the DPRK pavilion was established and successfully operated.

Between 2018 and 2019 business delegations were exchanged on more than 60 occasions, through which over 500 briefings on investment and interviews were organized to promote trade and investment.

Even in the worldwide public health crisis since 2020, the DPRK CC arranged its board members to participate in the video-conferences hosted by the ICC, thus proactively creating opportunities for solidarity and the leverage of exchange with the ICC, national chambers of commerce and individual businesses.

Business members and experts of the DPRK CC attended the digital

trading activities.

**Reporter:** Tell me about your recent cooperation with national chambers of commerce of other countries.

**President:** Despite the worldwide health crisis, the DPRK CC signed the agreements on cooperation with scores of national and regional chambers of commerce including those in Sakhalin of Russia, Indonesia, Mongolia, Hubei Province of China, and Sao Paulo of Brazil.

Some years ago it sent a working-





level delegation made up of officials from the country's trading companies to the international cooperation consultation hosted by the Tianjin sub-council of the China Council for the Promotion of International Trade to create an environment for cooperation in trade. It provided the trading companies in the country with favourable conditions for their external economic activities, and various projects are in progress accordingly.

economic and trade cooperation and exchange with the Russian Federation through the operation of the DPRK-Russia Business Association.

It has enlisted in the association domestic trading companies willing to cooperate with the Russian counterparts and is operating it with the main emphasis on energizing the export of processed goods and

businesses under the Russian CC to introduce the trade policy and investment environment of the DPRK, thus creating an atmosphere for trade cooperation between the Russian and DPRK businesses and laying foundations for determining the directions of the cooperation for the promotion of bilateral trade relations and implementing them.

The DPRK CC held video-conferences recently with sub-commissions of the Russian CC so as to find Russian markets for the domestic products and cooperate in various fields of the economy.

In the future, the DPRK CC will make brisk activities in the external economic exchange and cooperation with foreign countries in a multifaceted and proactive way and promote civilian trade and investment conducive to the improvement of the external environment of the Republic.

**Reporter:** Thank you, and I wish you greater success in your work.

trade in technology and service.

It sent its delegation to Moscow and St Petersburg in Russia in December 2018 for meetings with



It adopted an agreement on bilateral cooperation with the China Overseas Development Association which plays an important role for overseas advance and investment of domestic businesses under the guidance of the China National Development and Reform Commission, by means of video-conferencing, and is making headway in the negotiations for investment and cooperation in various projects.

The DPRK CC is also facilitating

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Member of the DPRK Chamber of Commerce

# Pukchang Hwaryok Trading Company



CEO Kim Kil Sok



The Pukchang Hwaryok Trading Company, established in November Juche 100 (2011), is earning substantial economic profits from recycling.

High-grade ferrosilicon, residue-type iron oxide and insulating bricks made of fly ash take up major portions of the portfolio of its products.

It is concentrating its investment on developing new products such as composite fertilizers, heat-insulating materials, wall and floor tile additives by utilizing eco-friendly and cost-effective recycling technology in the treatment of hundreds of thousands of tons of fly ash annually produced from relevant enterprises.

Along with the development of new technical goods, the company is pushing ahead with the work to open up new markets for them.

Setting up a goal of becoming a green enterprise in keeping with world trend, the company is bolstering ties with businesses at home and abroad in the technical exchange and joint venture to establish advanced production processes for recycling.



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Last year witnessed exhibitions related to people's living held in larger numbers and scales than ever before.

What was characteristic of those exhibitions was that they were designed to learn from each other and share

years under the concern of the Workers' Party of Korea and the government of the DPRK.

Put on display were over 10 000 articles including garments, footwear, household electric appliances, cosmetics, school

An employee of the Pyongyang Essential Oil Factory who participated in the exhibition said: "While exchanging experience in a diversified way during the exhibition, I thought we should work harder."

## Exhibitions Provide Springboard for Light Industry Development

experience and thus served as a significant occasion for promoting the development of various sectors of the national economy and making another fresh leap forward in the development of light industry.

Meetings for experience-sharing and technical exchange organized during the exhibitions fostered a sense of competition among the units and acted as a catalyst for the effort to increase the technical strength and improve quality of products.

The light industrial goods exhibition "Development of Light Industry-2023" opened in late October last year. The exhibition, on the theme of "Undying exploits and precious fruition that will shine forever along with the development of light industry," was the largest in scale as it showed the development of the country's light industry for over a decade.

It drew attention of the people as it brought together typically excellent products made in the country and also enabled the visitors to realize the aspects, level and prospect of the development of the country's light industry which has been consolidated and developed for over ten

things and stationery, reflecting the increasing cultural standards, tastes and aesthetic sense of the people.

Various products presented by Pyongyang Kim Jong Suk Textile Mill, Sosong Unha Garment Factory, Phyongsong Bag Factory, Mindulle Notebook Factory and Puksae Electronic Trading Company and others were highly appreciated as they were manufactured by regarding the people's demands in living as the standard and giving priority to ensuring the quality.



A technician from the Thongyon Cosmetics Manufactory said: "I see even products from advanced units have shortcomings and those presented by backward units have something to be adopted. This specially arranged venue of exchange is a good opportunity for me to broaden my vision."

According to a researcher from the Pyongyang Cosmetics Factory, through meetings to learn from the experience of others new ideas were developed for some technical problems that had not yet

been solved.

The advanced sci-tech and products show-2023 was held with the aim of disseminating new technology and experience, increasing the speed of technology transfer and stimulating the social interest in science and technology so as to make the whole country seethe with enthusiasm for intellectual product development.

The exhibition was also characterized by the prevailing climate of sharing sci-tech achievements and experience among the participants.

The booth of the Sonchon Mine attracted many visitors with its exhibit, non-electric detonation system *Pulkkot*, an advanced blasting technology developed jointly with a research unit. The technology won favour of visitors for its remarkable decrease in the loss of explosion energy conducive to reducing the occurrence of boulders as well as the crushing costs.

Oxide-film insulating aluminum wire presented by Paekjon Joint Venture Company also drew attention of experts, as



it was produced by advanced technology to replace the insulating copper wire used for electric motors, transformers and other

electric equipment.

The national spring footwear exhibition-2023, national autumn footwear exhibition-2023, national exhibition of August 3 consumer goods-2023, provincial building materials exhibition-2023, the 14th Pyongyang Department Store No. 1

refined and elegant clothes arranged to produce formative beauty, three-dimensional and rhythmic effects made the exhibition venue modern.

The international trade fair-2023 was held in the form of virtual exhibition through the national data communications



commodity exhibition, and many other exhibitions held in Pyongyang and other parts of the country last year played an important role in giving strong impetus to the effort for the improvement of the people's living.

The spring women's clothes show-2023 and the autumn clothes show-2023, with its wide-ranging display of garments in new kinds and styles that had not been in previous exhibitions, showcased the aspect of the ever-developing garment processing techniques of the country.

In particular the autumn clothes show-2023 held on the theme of "Resplendently like our era, beautifully like our ideal" brought together garments of various materials and designs, including suits, coats, overcoats, and others made of natural and artificial leather, fur, and other materials, and those for women, men and children.

According to Yun Hong Gil, official of the Garment Industry Association of Korea, the exhibitions, whose forms and methods are being diversified continuously, played an important role in further developing the dress culture of the people.

Saying that the joint section dedicated to the display of garments representing the units participating in the exhibition exerted a strong effect on stimulating the competitiveness among the participants, he added that the large LED screen and holography projection screen displaying

network, featured by a rich stock of display, multifaceted negotiations and passionate exchange.

The event on the theme of "For common development and co-prosperity" served as an important occasion in putting the international commodity shows on a digitized and electronic footing, expanding the development of new products and export of processed goods and boosting exchange and cooperation among countries in the fields of economy, science and technology.

Besides, the national sci-tech exhibition of the nanotechnology sector-2023, national exhibition of IT achievements-2023 and 17th national inventions exhibition were held last year to open up prospects for promoting economic construction and the improvement of the people's standard of living by dint of science and technology.





# Ryongsong Machine Complex

The Ryongsong Machine Complex is a large machine-building enterprise that produces the machinery and equipment for major industrial sectors of the country.

In the past it manufactured large-size machines including 70-metre gantry planer, 10 000-ton press, heat pump, and hydraulic turbine.

On the basis of such production potentials, it modernized the core processing facilities in close collaboration with technicians and thus increased the annual output of feed materials by five times.

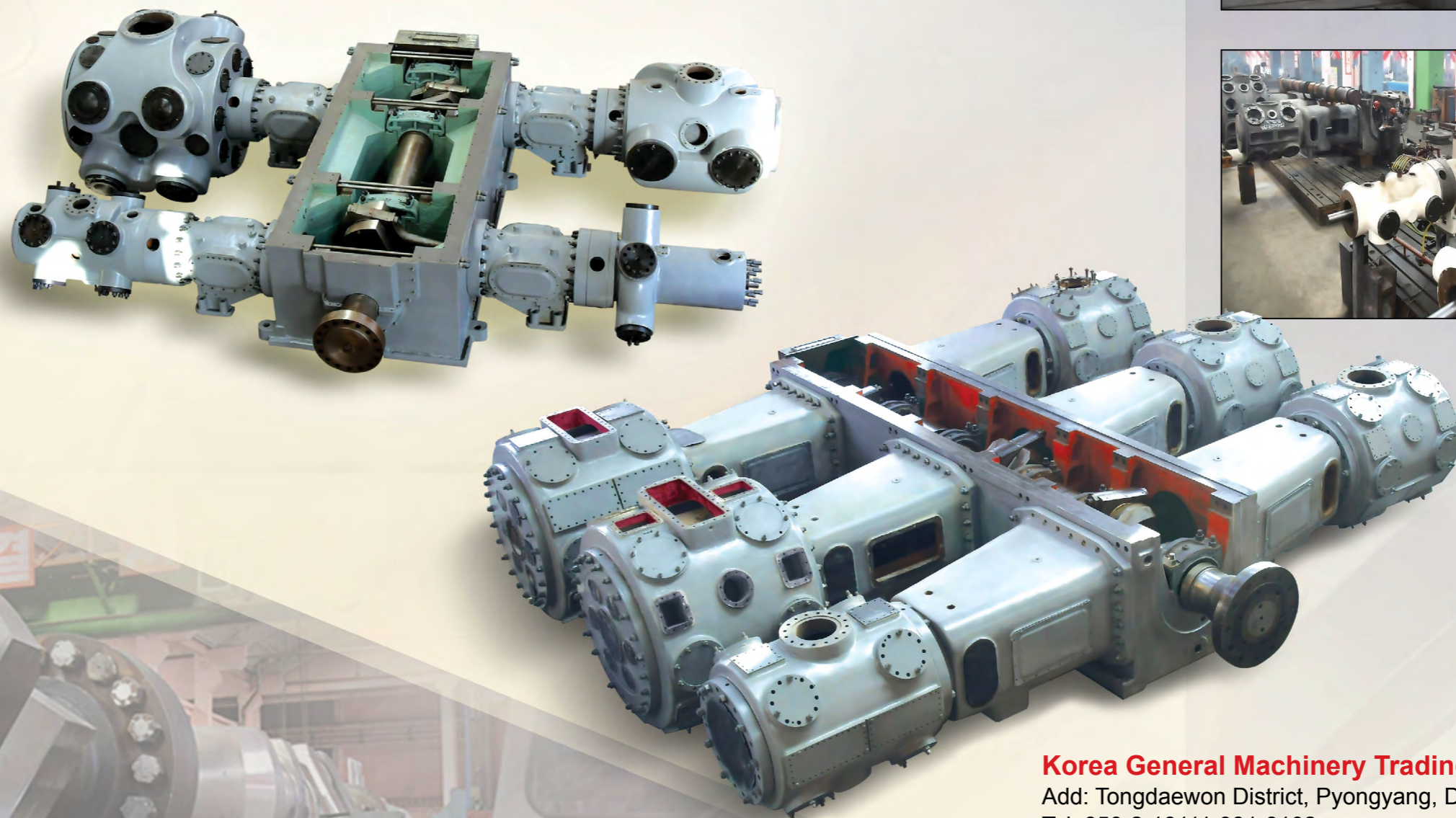
Recently, the complex introduced the combustion moulding technology into casting 20 ton-heavy main frames and several hundred bulky parts in scores of kinds needed for manufacturing large-size high-pressure compressors.

It also applied the laser heat treatment method to the processing of spare parts to double the processing speed and technically guarantee the precision rate of processing and surface roughness, thereby achieving marked growth in production.

It is paying attention to promptly introducing advanced technologies, increasing investment in developing new products, and pushing ahead with the remodelling of the production lines by stages based on a long-term plan.

High-performance large compressors and other machinery of the complex are used in chemical industry and other sectors of the national economy.

It is now promoting economic and technical exchange and cooperation with relevant enterprises at home and abroad.



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# Expansion Vermiculite Slab

The Korea Kumbyol Trading Company developed the expansion vermiculite slab, a new kind of building material for interior design.

Building materials made of vermiculite are attracting greater attention worldwide, and the new product is recognized as an idealistic functional material for its effectiveness in thermal insulation, humidity control, sound absorbability, fire protection, antibiosis and air purification.

It is widely used in the construction sector for its simple application and lower cost.

The company is paying close attention to technical exchange and cooperation with foreign building-materials producers in order to establish the advanced production processes and go into overseas markets.

## Technical specifications

Thickness	10, 20, 25mm
Size	300×600mm
Density	below 80kg/m <sup>3</sup>
Thermal conductivity	below 0.09W/(m•K)
Bending strength	above 60kPa
Compression strength	above 100kPa
Melting point	above 1 200°C
Anion formation	650 anions/cm <sup>3</sup>
Activity	11Bq/kg
Amount of volatile organic compounds	45 μg/m <sup>2</sup> h



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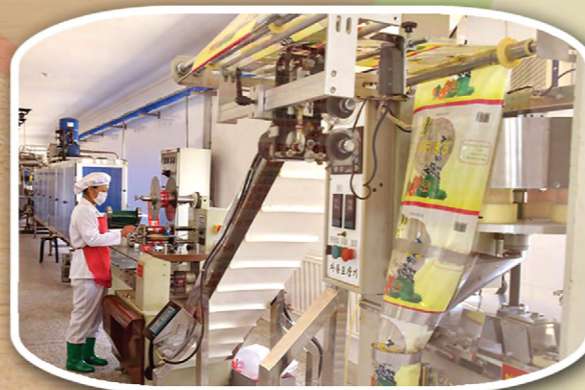
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# Changsong Foodstuff Factory



Changsong Foodstuff Factory in Changsong County of North Phyongan Province is famous for its products made from wild fruits.

It is fully equipped with production lines to turn out over 40 kinds of food products, including confectionery, jams, sweet pickles, liquors and functional beverages, with such wild fruits as wild grapes, wild pears, white apricots, fruits of *Actinidia arguta*, *Crataegus pinnatifida* and *Schizandra chinensis*, acorns and pine nuts, all collected from the mountains in the region.

The products are rich in vitamins and preserve tastes indigenous to wild fruits, so they are very popular among customers.

The factory has outlets in the county, as well as in Pyongyang and Sinuiju.

It is directing efforts to develop natural health foods and functional beverages good for promoting health and retarding aging, while strengthening economic exchange with foreign enterprises.

**Foodstuff Trading Company**

Add: Rangnang District, Pyongyang, DPR Korea

Tel: 850-2-18111-341-8597

E-mail: [pymf@star-co.net.kp](mailto:pymf@star-co.net.kp)



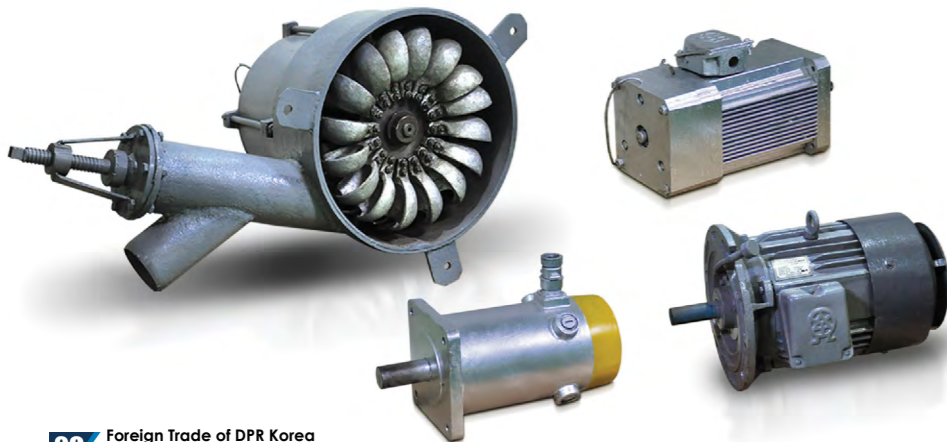
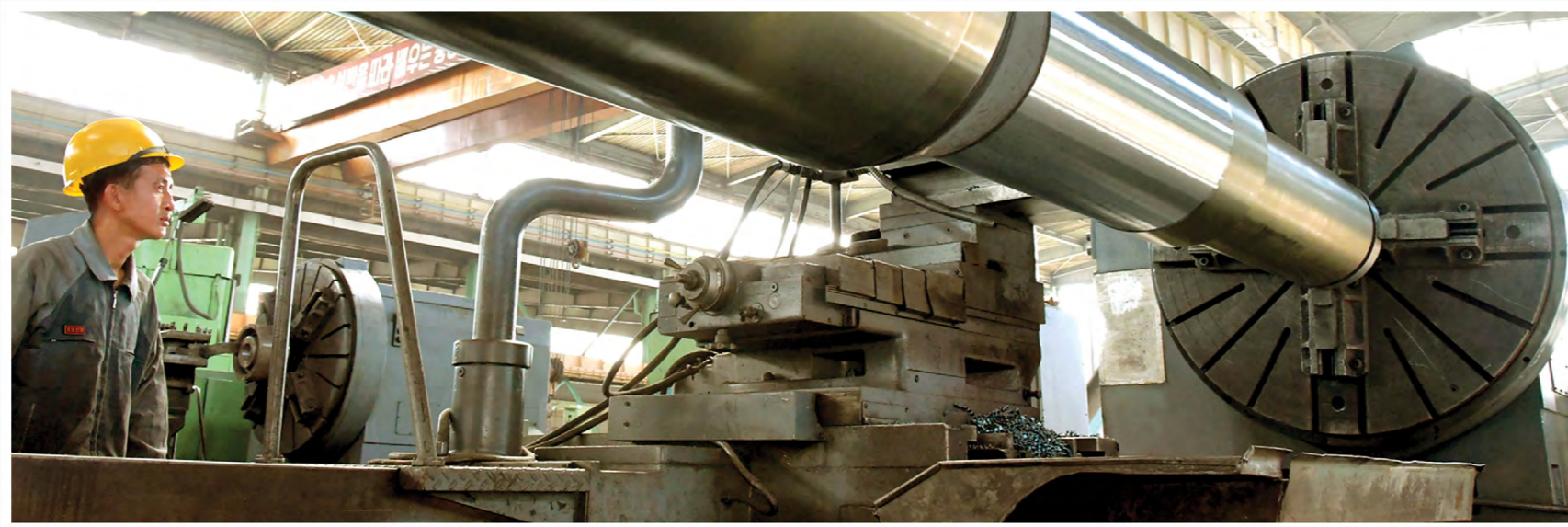
# KOREA GENERAL MACHINERY TRADING CORPORATION

The Korea General Machinery Trading Corporation, founded in September Juche 47 (1958), mainly engages in the sale and export of various machines and parts.

In the past the Ryongsong Machine Complex, Ryangchaek Bearing Factory, Anju Insulating Materials Factory, Songchongang Electrical Appliances Factory and other industrial establishments turned out products which are diversified in kind and excellent in performance. They were exported through the corporation's agencies in different countries or direct dealings with foreign counterparts.

Thanks to its efforts directed to diversifying the business management, it is exporting its machinery and doing business with foreign countries in bonded processing, manufacture of machinery and electrical machine parts to order and technical service through economic exchanges.

It is conducting brisk trade activities with foreign counterparts on the credit-first principle and strengthening technical exchange and economic cooperation with those hoping to work together in the machine-building sector.



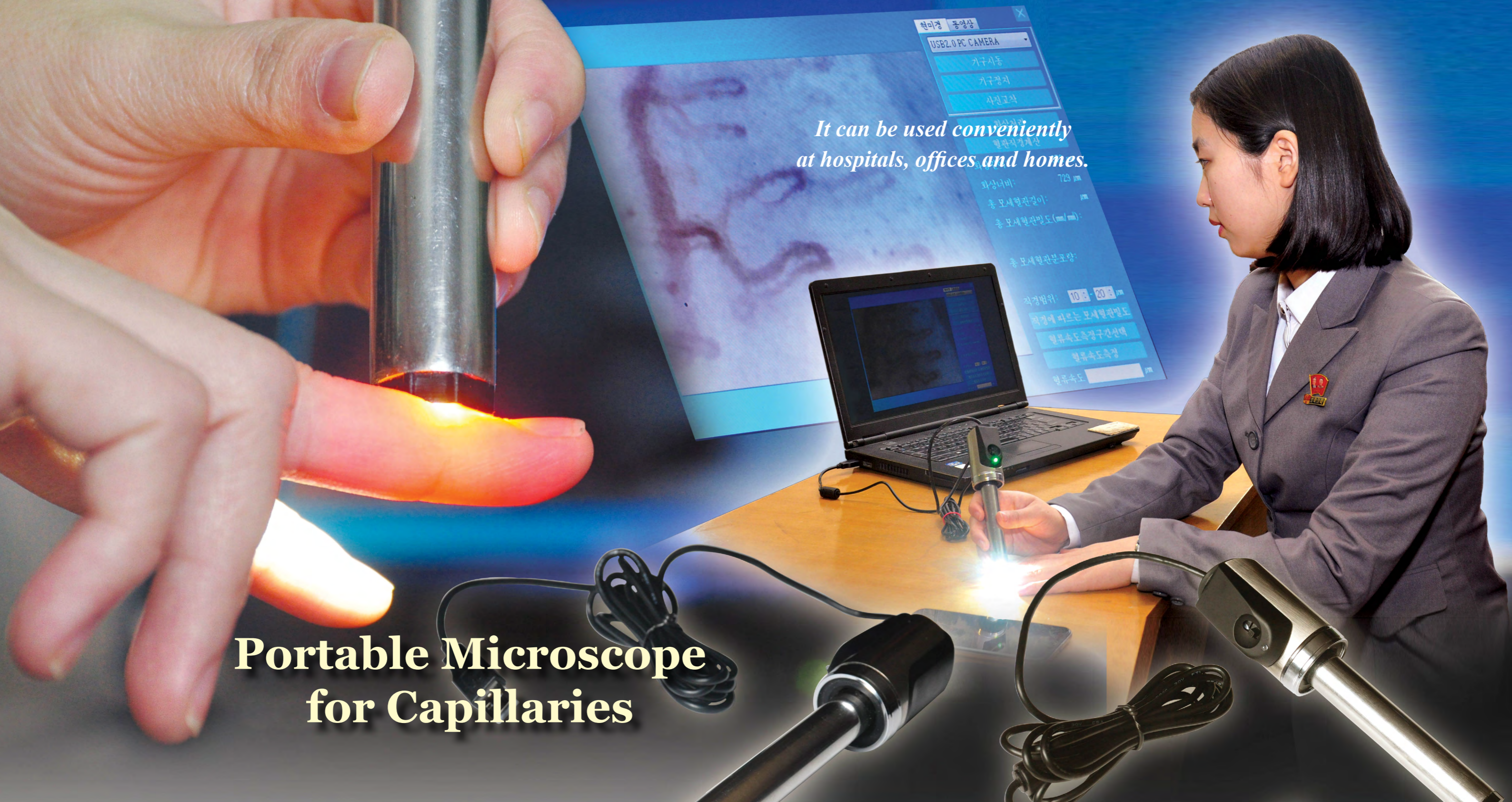
**Korea General Machinery Trading Corporation**

Add: Tongdaewon District, Pyongyang, DPR Korea

Tel: 850-2-18111-381-8102

E-mail: machine@star-co.net.kp





*It can be used conveniently  
at hospitals, offices and homes.*

## Portable Microscope for Capillaries

It is used for examining the agglutination of blood cells and their flow in the capillaries to evaluate the state of the blood and diagnose resultant diseases in early stages.

Based on the test results, such diseases and symptoms as diabetes, arteriosclerosis, hypertension,

headache and dizziness can be diagnosed, organ failure in early stage of sepsis be predicted, and skin aging and the severity of a burn be estimated.

It is convenient to use at hospitals, offices and home.

### *Technical specifications*

Magnification: 50-250x

Size: 15mm in diameter, 200mm in length

Weight: 100g

Relative error in measuring capillary diameter:  $\pm 0.02$

Relative error in determining blood flow:  $\pm 0.01$

### **Intellectual Property Administration of the DPRK**

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# Law of Democratic People's Republic of Korea on Foreign-invested Banks

*Adopted by Decision No. 42 of the Standing Committee of the Supreme People's Assembly on November 24, Juche 82 (1993),  
Amended and supplemented by Decree No. 484 of the Presidium of the SPA on February 26, Juche 88 (1999),  
Amended by Decree No. 3400 of the Presidium of the SPA on November 7, Juche 91 (2002),  
Amended and supplemented by Decree No. 2051 of the Presidium of the SPA on December 21, Juche 100 (2011),  
Amended and supplemented by Decree No. 2168 of the Presidium of the SPA on March 8, Juche 107 (2018), and  
Amended and supplemented by Decree No. 331 of the Standing Committee of the SPA on June 19, Juche 109 (2020)*

## Chapter 1 Fundamentals

### Article 1 (Mission)

This Law is enacted for the purpose of promoting and expanding cooperation with foreign countries in the area of finance.

### Article 2 (Classification and definition)

Foreign-invested banks shall include joint-venture banks, wholly foreign-owned banks and branches of foreign banks.

A joint-venture bank shall be a bank that is established and operated by the joint investment of a DPRK investor and a foreign investor and whose profit is distributed in proportion to the amount of contribution.

A wholly foreign-owned bank shall be a bank established and operated by a foreign investor independently.

A foreign bank branch shall be a branch invested, established and operated by the headquarters of a foreign bank.

### Article 3 (Location)

A foreign investor may establish and operate a bank within the territory of the DPRK.

A joint-venture bank shall be established within an approved region of the DPRK.

A wholly foreign-owned bank and branch of foreign bank shall be established in special economic zone.

### Article 4 (Ownership, independent management)

A foreign-invested bank shall have ownership of its property and be independent in its management.

### Article 5 (Protection of rights and interests, preferential treatment)

The State shall protect the legal rights and interests of foreign-invested banks established in the territory of the DPRK and give preferential treatment to their business activities.

### Article 6 (Governing law)

Foreign-invested banks shall be operated pursuant

to the relevant laws and regulations.

### Article 7 (Supervisory and control organ)

Foreign-invested banks shall be under the supervision and control of the Central Bank and the central taxation institution.

### Article 8 (Applicability)

This law shall be applicable to foreign-invested banks established and operated within the territory of the DPRK.

## Chapter 2 Establishment and Operation of Foreign-invested Banks

### Article 9 (Submitting the application for the establishment)

An investor who wishes to establish a foreign-invested bank shall submit an application to the Central Bank.

In this case, the application shall be accompanied by relevant documents authenticated by a notary's office.

### Article 10 (Application for the establishment of a joint-venture bank)

The application for the establishment of a joint-venture bank shall be made by the investor of the DPRK concerned.

The investor of the DPRK shall only be a financial institution.

The application shall be accompanied by such documents as the contract of joint-venture bank, articles of association, feasibility study report, a copy of the business licence of the investor, balance sheets of the previous 3 years audited by the country concerned, and résumé of investor and bank president.

### Article 11 (Application for the establishment of a wholly foreign-owned bank)

The application for the establishment of a wholly foreign-owned bank shall be submitted by the foreign investor concerned.

The application shall be accompanied by such documents as the articles of association, feasibility study report, a copy of the business licence of the investor, balance sheets of the previous 3 years audited by the country concerned, and résumé of investor and bank president.

### Article 12 (Application for the establishment of a branch of a foreign bank)

The application for the establishment of the branch of a foreign bank shall be submitted by the headquarters of the bank concerned.

The application shall be accompanied by such documents as the articles of association, annual reports, balance sheets, profit and loss account, a copy of the business licence of the headquarters, written guarantee by the headquarters against the tax and debts of the branch, feasibility study report of the branch, a copy of the document of approval for foreign exchange transactions, and résumé of its president.

### Article 13 (Approval and rejection of establishment of foreign-invested banks)

The Central Bank shall decide on approval or rejection of the application for the establishment of a foreign-invested bank within 30 days of its receipt.

In case of approval, a notice of approval shall be issued, and, in case of rejection, a notice shall be sent with the reasons thereof stated.

### Article 14 (Preparatory period for business operation)

A foreign-invested bank that has obtained the approval for the establishment shall finish preparations for business operation before the start of the term of operation prescribed in the document of the approval.

The Central Bank, in case the foreign-invested bank fails to finish the preparations within the designated time, shall cancel the approval of its establishment, withdraw the document of approval and notify the relevant organ of it.

### Article 15 (Preparatory work of foreign-invested bank)

During the preparatory period a foreign-invested bank shall;

1. register its address and make tax registration according to relevant laws and regulations;
2. open an account for deposited money with the bank prescribed by the Central Bank;
3. employ as bank clerks those with careers in banking, experts, and those who received special education, in accordance with fixed staff number;

4. engrave the official seal, stamp, actual seal and signboard of the bank;

5. be provided with such facilities as safes, means of communications and safety devices, as well as business documents, programs and settlement conditions;

6. work out internal business guidelines by categories and make bank staff be well versed in them;

7. reposit more than 50 per cent of the registered capital as the primary paid-up capital in the bank designated by the Central Bank and have the actually-made investment confirmed; and

8. deposit the fixed reserve in the Central Bank.

### Article 16 (Application for business licence)

A foreign-invested bank that has finished preparations for business operation shall submit an application for business licence to the Central Bank.

The application shall be accompanied by the written notice of approval for the establishment, internal business guidelines of the bank, certificate of business registration, certificate of tax registration, audit report of the investment actually made, certificate of establishment of deposited money account, and certificate of receipt of reserve fund.

### Article 17 (Approval of business licence)

The Central Bank, within 30 days of the receipt of the application for business licence of a foreign-invested bank, shall examine the application, conduct field survey of the preparations, and decide on approval or rejection of the application.

In case of approval, a business licence shall be issued, and, in case of rejection, a notice of denial with reasons thereof stated be sent.

Foreign-invested banks shall get their business licences renewed once every year.

### Article 18 (Term of business operation and extension)

Foreign-invested banks shall be in operation for 20 years.

Where a foreign-invested bank wishes to continue its banking business beyond its term, it shall submit an application to the Central Bank for the approval of the extension of the term 6 months before the expiry of the term.

### Article 19 (Establishment of banking offices)

A foreign-invested bank, where necessary, may establish under it a banking office in charge of economic survey, data supply and public relations. In this case, it shall get an approval from the



Central Bank.

It shall not establish its local branch or agent's office in charge of banking business nor allow its banking office to engage in banking business.

**Article 20** (Alteration of registration)

Where a foreign-invested bank wishes to revise its articles of association, merge or divide the bank, make changes in the registered capital, place of business and categories of business or replace the president or a vice-president of the bank, applications shall be submitted to the Central Bank for approval and the particulars of the change shall be registered.

### Chapter 3 Capital and Reserve Funds of Foreign-invested Banks

**Article 21** (Registered capital and term of payment)

The registered capital of a foreign-invested bank is the monetary property contributed for the banking business, so it can be used in banking business only.

The term of depositing paid-up capital shall be one year since the primary paid-up capital was deposited.

**Article 22** (Scale of registered capital)

The scale of the registered capital of a foreign-invested bank shall be fixed by the Cabinet of the DPRK.

A foreign-invested bank may expand the scale of the fixed registered capital, but cannot reduce it.

**Article 23** (Accumulation of provision)

A foreign-invested bank shall accumulate the provision in the Central Bank in a scale fixed by it.

The provision accumulated in the Central Bank shall not calculate interests and may be drawn only when the foreign-invested bank is merged or separated or dissolved.

**Article 24** (Accumulation of reserve funds)

A foreign-invested bank shall set aside as a reserve fund 5 per cent of its annual profits each year until it amounts to 25 per cent of the registered capital.

The reserve fund shall be used for the purpose of increasing the capital or compensating for the operational loss.

**Article 25** (Determination and use of allowances)

A foreign-invested bank shall determine as its allowances 15 per cent of its annual profits.

The allowances may be used for bonus, welfare, training of employees, production expansion, R&D and the like.

### Chapter 4 Business, Account Settlement and Dissolution

**Article 26** (Business categories)

A foreign-invested bank may engage in the following transactions with foreign-invested enterprises and foreign individuals:

1. acceptance of foreign currency deposits;
2. granting of loans in foreign currencies and foreign currency investment;
3. foreign exchange transactions;
4. overdraft transactions and discounting of foreign currency bills;
5. guarantee on foreign currency liabilities and implementation of contractual obligations;
6. remittance of foreign currency;
7. clearing of the importer's and exporter's bills of exchange;
8. credit survey and confirmation, and consultation;
9. trust banking;
10. issuance of cards to customers; and
11. offshore banking.

**Article 27** (Granting loans in foreign currencies and foreign currency investment for institutions, enterprises and organizations of the DPRK)

A foreign-invested bank may grant loans in foreign currencies to and invest in the banks, institutions, enterprises and organizations of the DPRK. In this case, other transactions are not allowed, except for granting loans and investment.

**Article 28** (Limit of bank loan)

A foreign-invested bank shall not loan more than 25 per cent of its capital exclusively to one institution or enterprise or organization, except for financial institutions.

**Article 29** (Maintenance of cash reserve)

A foreign-invested bank shall maintain cash reserve for normal payment of deposits. In this case, 30 per cent of money from depositors shall be kept in cash.

**Article 30** (Fiscal year)

The fiscal year of a foreign-invested bank shall begin on January 1 and end on December 31 each year.

Annual settlement of accounts shall be completed by not later than February the following year.

**Article 31** (Submission of annual business report)

A foreign-invested bank shall submit the annual business report to the Central Bank by March the following year.

The annual business report shall be accompanied by the account report audited by relevant audit office

and certificate of tax payment by taxation institution.

**Article 32** (Submission of financial management and settlement documents)

A foreign-invested bank shall conduct its financial management in accordance with the laws and regulations on financial management of foreign-invested enterprises.

Documents of quarterly and yearly financial settlement shall be submitted to the taxation institution concerned within 15 days of the month following the end of the quarter and not later than February of the following year, respectively.

**Article 33** (Preferential treatment)

A foreign-invested bank shall be accorded the following preferential treatment:

1. No enterprise income tax shall be payable for the interest accruing from loans granted on favourable terms to the banks and enterprises of the DPRK;
2. Where dividends are reinvested to increase the registered capital, 50 per cent of the enterprise income tax paid on the reinvested amount shall be refunded; and
3. The income accruing from the banking business and the residual fund after the liquidation of the bank may be remitted out of the territory of the DPRK without any restriction.

**Article 34** (Transfer of invested capital)

An investor in a foreign-invested bank may, with the approval of the Central Bank, transfer to a third party part or whole of the capital invested. In this case the investor of the joint-venture bank shall seek consent of the other party.

**Article 35** (Reasons of dissolution)

A foreign-invested bank shall be dissolved in case where:

1. the term has expired;
2. it is merged;
3. its capital is transferred;
4. it has become insolvent;
5. it has failed to carry out contractual obligations;
6. it has failed to accumulate fixed registered capital and provision;
7. it has suffered from natural disasters; and
8. it cannot continue its business for other reasons.

**Article 36** (Application for dissolution)

A foreign-invested bank to be dissolved shall submit an application for its dissolution to the Central Bank.

In case it is to be dissolved by the judgment of a court or by the decision of the Central Bank, it shall not submit the application.

**Article 37** (Liquidation committee)

The Central Bank, upon the receipt of the application for the dissolution of a foreign-invested bank, shall examine it and organize a liquidation committee comprised of officials of the Central Bank, relevant taxation institution, auditing organ and the foreign-invested bank.

The liquidation committee shall submit to the Central Bank its review report after liquidation, along with the certificate of approval of the establishment of the foreign-invested bank and its business licence.

**Article 38** (Approval of dissolution, cancellation of registration)

The Central Bank shall examine the review report of the liquidation committee and approve the dissolution of the foreign-invested bank.

Upon obtaining the approval for dissolution, the foreign-invested bank shall register its cancellation with the registration institution.

### Chapter 5 Sanctions and Settlement of Disputes

**Article 39** (Fines)

A foreign-invested bank shall be fined in cases where it:

1. failed to set aside the reserve fund and allowances of prescribed amount;
2. made advances exceeding the scale of the registered capital fixed for an enterprise; and
3. failed to maintain ordinary cash reserve of prescribed amount.

**Article 40** (Suspension of business)

Operation of a foreign-invested bank may be suspended in case where it:

1. changed its address or name without approval;
2. engaged in transactions other than those approved;
3. disturbed or hindered the supervisory work; and
4. failed to file a regular report within the designated time limit or has misrepresented it.

**Article 41** (Administrative or penal responsibility)

A person who has caused serious consequences through violation of this Law shall, depending of the seriousness of the offence, be liable to administrative or penal responsibility.

**Article 42** (Settlement of disputes)

Any dispute concerning business of foreign-invested banks shall be settled through consultation.

In case of failure in consultation, it shall be settled through mediation, arbitration or legal procedures.



# Pyongyang Moranbong Trading Corporation



CEO Ri Sung Phil



Pyongyang Moranbong Trading Corporation engages mainly in the sale of processed non-ferrous metals and also other businesses such as marine transportation and IT development.

Non-ferrous metals of high grade produced at the mines of the corporation take a large share in its business transactions.

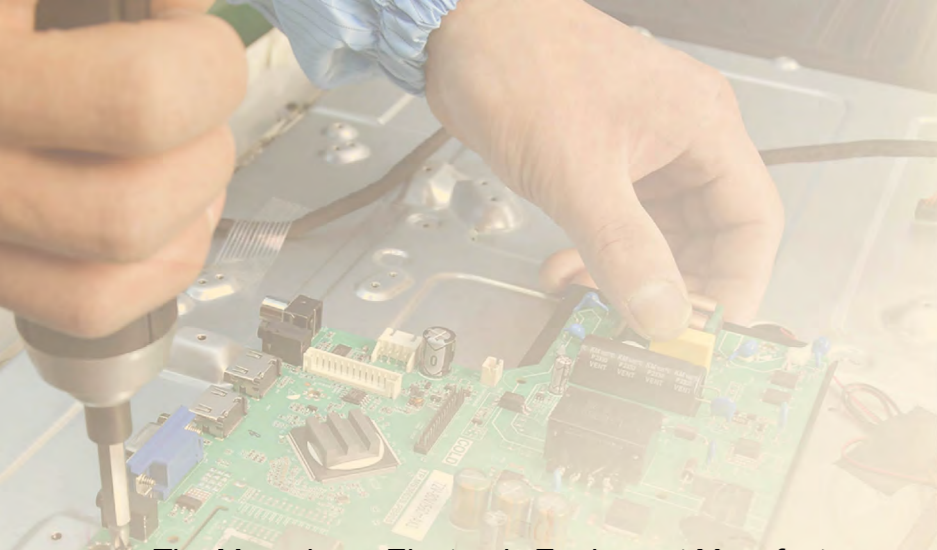
The corporation has several cargo vessels and oil tanker for marine transportation at home and abroad.

It is focusing its investment on the development of new IT products following the global trend toward fast cycle of technical product update. A variety of its IT products have already made inroads into overseas markets.

The Moranbong Economic Development Bank affiliated to it is a state commercial bank for international settlements in its export and import activities, providing financial service in close contact with banks and financial institutions at home and abroad.







The Moranbong Electronic Equipment Manufactory under the corporation produces various kinds of electronic goods including Ponnamu-brand LED TV sets of various sizes.

The corporation's commercial outlets in Pyongyang and other regions of the country deal with not only the products of the corporation but also famous domestic and foreign goods.

It is holding fast to the credit-worthiness as the principle of its business management and also making great efforts to find new markets and further strengthen the economic cooperation and technical exchange with foreign counterparts.

**Pyongyang Moranbong Trading Corporation**

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E-mail: moranbong424@star-co.net.kp



*Banking, Electronic Goods Production, Fuel Oil Service, Restaurants, Shops*







CEO Kim Song Il

# Songaksan Trading Company

Add: Kaesong, DPR Korea  
Tel: 850-2-18111-049-35-0502  
E-mail: kaesong@star-co.net.kp



The Songaksan Trading Company conducts business in processing and tourism.

It has several bases for producing ceramics, garments, foods and others.

Its major items, such as inlaid porcelains, liquors and garments, are in great demand at home and also exported to neighbouring countries.

It has Kaesong Folk Hotel and other service establishments for tourists.

Kaesong Folk Hotel with an accommodation capacity of over 120 people has a restaurant, banqueting hall, shop and other service facilities. It serves steamed chicken stuffed with Kaesong Koryo insam, *yakkwa* (fried flour-and-honey cake) and other local specialties.

The company is exerting efforts to set up new bases for processed exports to make its trading activities diversified.

Along with this, it is striving to promote economic exchange with foreign companies.







## Products Favoured and Demanded by Customers

Foodstuff Trading Company with several production bases including the Rangnang Potato Processing Factory with large production capacity is making substantial investment in developing new products, including health foods, household utensils and toys, to meet the tastes and demands of customers. It is also exerting great efforts to meet the ISO standards in the production through technical consultations with counterparts, thus earning handsome profits in sale and export.

In keeping with the global trend of fast equipment updating cycle, it is encouraging investment in the technical modernization of equipment of the production bases so that the business management can promptly and accurately cope with the developing technology and varying demands of the customers.

It is increasing the variety of processed export goods and pioneering new markets to meet the ever-changing overseas demands.

Along with this, it is striving to conduct brisk economic and technical exchange and trading activities with foreign countries.

### Foodstuff Trading Company

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## 농기계공업발전 2023



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### Korea Kumwon Trading Company

Add: Rangnang District, Pyongyang, DPR Korea

Tel: 850-2-18111-381-4105

Fax: 850-2-381-4720

① 5.3-horsepower gasoline engine ② 6-horsepower diesel engine ③ 8-horsepower diesel engine ④ 22-horsepower diesel engine



# Disinfectant Generator

## Kumbok Trading Company

Add: Ranganng District, Pyongyang,  
DPR Korea

Tel: 850-2-18111-341-8277

E-mail: kb315@star-co.net.kp

The generator consumes less electricity, generates highly concentrated disinfectant, is convenient to operate, and has high hourly output.

It can be manufactured for home, office, kitchen and other uses as demanded by customers.

*Technical specifications (1 500-type generator)*

Concentration of the disinfectant:

5 000-7 500mg/L

Production output: 300-1 000L/h



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