

## KOREA (DPR)

*By a Special Contributor*

One of the world's most obscure economies, North Korea, has few hard statistics to publicise, most of the scanty data coming in the form of comparative percentages. A modest recovery is thought to be under way after several years of severe recession and famine under the policy of "juche" or self-reliance. Pyongyang took special interest to attend the last annual meetings of the World Bank and the IMF in Prague as an observer. It is widely believed that North Korea needs an infusion of investment to revive its dilapidated infrastructure.

While the reunification of North and South Korea is still a distant goal, there has been evidence of a thaw in the relations between the two. The isolationist policy of "juche" has rendered North Korea's economy outdated and backward, and industry is hamstrung by obsolete plant and machinery. However, the country is generously endowed with natural resources, including minerals such as iron ore and coal.

While DPRK is burdened with several handicaps, the major constraint arises from a severe energy shortage. It has two refineries with a capacity of 3 Mt/y but the disintegration of the Soviet Union has deprived it of cheap oil and other supplies. It has substantial coal reserves, estimated at 12,000 Mt, but coking coal for the metallurgical industries is limited. Annual coal output used to be around 90Mt, the bulk of it coming from the Anju region where reserves are estimated at over 10,000 Mt. Production capacity in the region rose to around 7 Mt/y, with the installation of new

facilities at Saebjol and new mines opened at Soho and Chili in the Anju region. Coking coal comes mainly from, Kukdon and Yangjong mines, which together yield 1 Mt/y. New coal deposits were located some years ago in Ryanggang region.

North Korea is operating iron mines at Musan, Unryul, Songhung, Komdok, Toksong, Tokhyon, Chaeyong, Hason, Tokonson and Sehaeri. The largest iron-ore producer is the Musan iron-ore complex with an output of 10 Mt/y. Concentrate is transported by pipeline in slurry form to the nearby Kim Chaek Steel Works. This plant, with a capacity of 4 Mt/y, was upgraded some time ago with assistance from the Pohang Iron & Steel Co. in South Korea. The capacity of Nampo was trebled to 3 Mt/y some time ago. The Chollima steel complex was also expanded to 2 Mt/y.

There were plans to upgrade extraction technology for non-ferrous ore. A lead-zinc processing plant at Komdok, which has a capacity of 100,000 t/y, has been partly modernised.

Monazite deposits, estimated at 500,000 t, occur at Chelsan, near the Chinese border in the west. The monazite is processed by the Japanese-owned International Chemical Joint Venture Corp. and the government-owned Korea Ryongaksan General Trading Co., at a factory with a capacity of 1,500 t/y. The refined rare-earth products are shipped to Japan. South Hamgyong Province has promising deposits of magnetite ore.