

FOREIGN Trade

OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

- For the Development of Foreign Trade
- Hwanghae Iron and Steel Complex
- Madusan Economic Federation

JUCHE 111
(2022)

2

Products of Thosong Pharmaceutical Factory

Pharmaceutical products made with natural medicinal herbs are good for health and longevity of the people.



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OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

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Hwanghae Iron and Steel Complex

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For the Development of Foreign Trade

Foreign trade plays an important role in accelerating economic construction, improving people's livelihood and developing economic cooperation with other countries.

President Kim Il Sung regarded as a steadfast principle to develop foreign trade independently in accordance with actual conditions and interests of the country and clarified that foreign trade should be conducted in a multilateral and diversified way on the trade- and credit-first principles.

He advanced such policies on foreign trade as to strengthen the unified guidance and control of foreign trade by the state, realize the integration of production and foreign trade, increase production of export goods and improve their quality, assess prices, employ marine transport as suited to the specific features of a maritime country, make efficient use of tariff leverage and other trading methods, establish new international trade order for developing countries, and the like.

Penetrating deep into the position and role of foreign trade in the construction of the national economy after the liberation of Korea (August 15, 1945) from the Japanese military occupation, he set forth an original policy to build a self-supporting national economy under the banner of self-reliance and expand and develop the external economic relations on the principle of independence, equality and mutual benefit.

He had the foreign trade department set up under the trade bureau of the Ten Administrative Bureaus of North Korea organized in November 1945, and the Trade Commission of the Provisional People's Committee of North Korea in September 1946 as the first organ for unified supervision and guidance of foreign trade in the country.

The President saw to it that trade agreements were concluded with former Soviet Union, China and other countries and external economic activities conducted proactively.

Even in the difficult days of the Fatherland Liberation War, he paid close attention to ceaselessly conducting foreign trade in accordance with wartime conditions. He took necessary measures to extract nonferrous and other mineral ores at the rehabilitated mines, and increase the export of medicinal and edible herbs, insam, industrial crops such as hop, and fish.

He ensured that foreign trade with other countries should be developed by establishing credit, expanding foreign markets and widening the scope of trade transactions.

He also saw to it that the trade laws and regulations were enacted to put the foreign trade of the country on the legal basis.

He specified practical issues in promoting external economic relations through joint venture in forestry, wood processing, construction, farming, machine-building industry, and other fields.

Entering the 1990s, he instructed that efforts should be made to develop foreign trade in line with the changed situation by continuing trade activities with East European countries and also directing greater efforts to developing foreign trade with those countries in Southeast Asia.

At present, the DPRK is conducting external

economic cooperation, technological exchange and trade activities in a multilateral and proactive way to supplement the sections and components urgently needed in strengthening its economic foundations, according to the consistent trade policy of the Party and government and based on the construction line of the independent national economy. □

To Expand and Develop External Economic Relations

The Democratic People's Republic of Korea expands and develops its external economic relations so as to consolidate the foundations for independent national economy and improve the people's living standards.

In the past it established economic and diplomatic relations with over one hundred and scores of countries and achieved considerable successes.

At present it is making efforts to build up the competent scientific and technological potentialities to produce raw and other materials for production and construction by relying on rich domestic resources, and at the same time expanding external economic relations as demanded by the developing times.

It has taken into good account the worldwide trend and specific conditions of the country in defining correct types of external economic relations, and is rationally combining the bilateral and regional types, putting a main emphasis on the former.

It ensures that goods produced in the

country's special economic zones are exported to neighbouring and other countries without being inflicted by tariff barriers and matter of provenance. It also encourages foreign-invested businesses in the special economic zones to be proactive in investment cooperation so as to provide them with more competitive opportunities in price and sales profit.

It is defining items of goods to be produced in the zones, reckoning the exact international demands, and applying appropriate tariffs on them, so that it reduces investment risks of foreign businesses and ensures profitability in trade.

Legal guarantees and relevant measures adopted by the DPRK government for the development of external economic relations bolster friendly and cooperative relations with foreign countries and promote sustained development of trading relations.

The government of the DPRK strives hard to develop economic cooperation with the countries that respect its sovereignty and are friendly to it. □

HWANGHAE Iron and Steel Complex

Hwangchol Trading Company

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Hwanghae Iron and Steel Complex takes a lion's share in iron and steel production of the DPRK.

It has ore mines, marine transport company and other processes for steel production, and conducts business activities based on IMS.

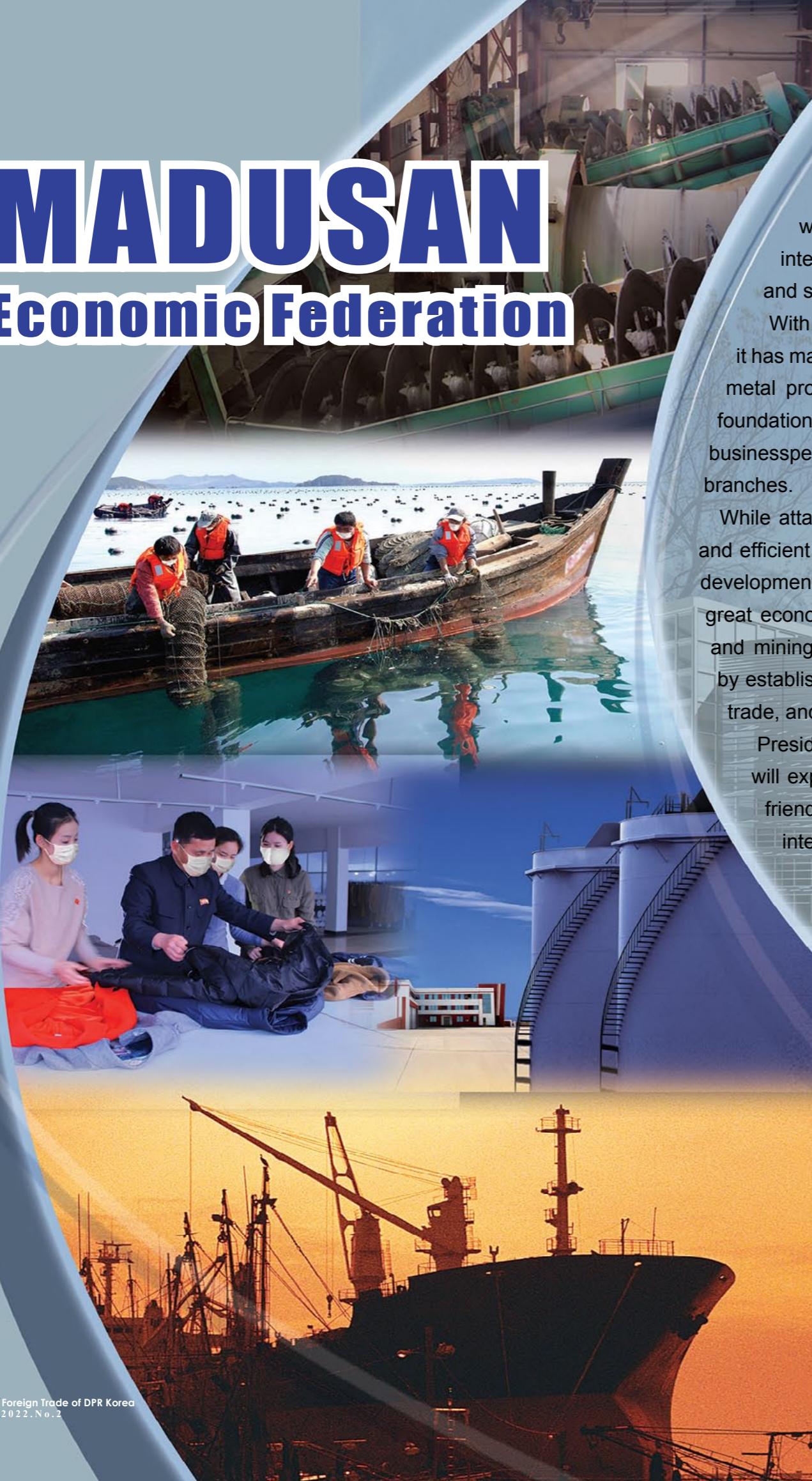
It manufactures heavy rails, steel sheets and bars.

While ensuring profitability in business management on a scientific basis, it has recently introduced a new iron-making technology into production and is stepping up the construction of a new-type oxygen-blast furnace at its final stage.

The complex strives to bolster collaboration with domestic iron and steel manufacturers and also intensify technical cooperation with foreign counterparts.



MADUSAN Economic Federation



The Madusan Economic Federation, established in May 2018, is engaged in the wide-ranging and comprehensive business activities including the development of international economic zones and energy and mineral resources, trade in technology and service, and processing trade.

With an innovative view of business management and relying on talented personnel, it has made bold investments in real estate, fishing industry, electronic products, precious metal processing, harbour operation and so on, thus laying solid and future-oriented foundations and developing in a short time into an economic federation with promising businesspersons with practical abilities, scores of production units and several foreign branches.

While attaching importance to talents and high technologies and pursuing an advanced and efficient management method, it makes large investments in such priority items as the development of international economic zones in Sinuiju and Wihwa Islands which are of great economic significance in promoting the regional development, energy development and mining exploration. It also plans to secure the domestic market with their products by establishing the compound industrial structures and actively combining production and trade, and further tap into international markets and make world-famous products.

President Jang Chol Min of the Madusan Economic Federation says that the federation will expand the scope of its business activities at home and abroad and develop the friendly and many-sided transactions and cooperation with foreign counterparts and international federations and organizations.



President Jang Chol Min



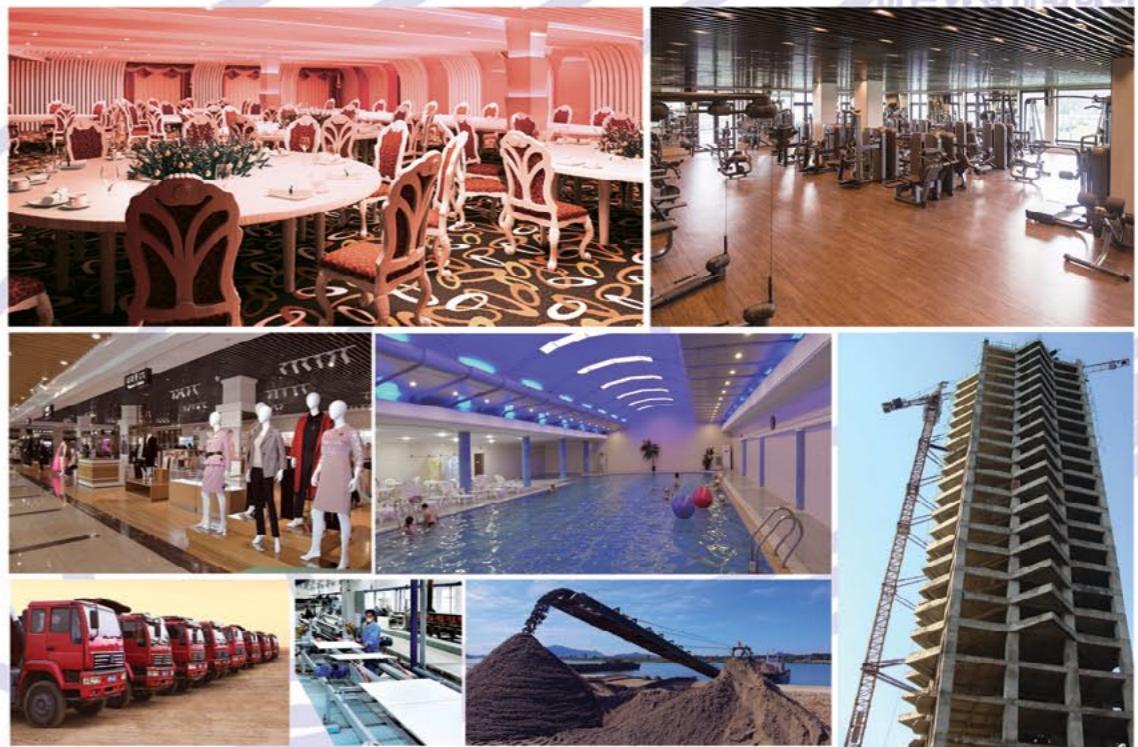
정보기술

전자제품

식당, 상점

편의봉사

부동산업



마두산전자제품들



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Investment Encouragement System in the DPRK

The Democratic People's Republic of Korea encourages foreign investment in its territory on the principle of complete equality and reciprocity, protects investors and provides them with legitimate rights and interests.

The DPRK has an advantageous socio-economic system for attracting and realizing foreign investment.

Article 37 of the Socialist Constitution of the DPRK stipulates as follows: "The State shall encourage institutions, enterprises and organizations in the country to conduct equity or contractual joint ventures with foreign corporations and individuals, and to establish and operate enterprises of various kinds in special economic zones."

The DPRK adopted the law on equity joint venture on September 8, 1984, the first investment-related law, and dozens of other laws in 2008, including laws on contractual joint venture, foreign investment, wholly foreign-owned enterprises, taxation for foreign individuals, customs, environmental protection, insurance and external economic arbitration. And it amended and supplemented the laws and regulations in conformity with actual conditions of the country and the trend of development in international investment relations. It also adopted a law with an aim of establishing economic development parks in several regions of the country and promoting external economic relations with foreign countries.

These laws and regulations comprehensively clarify principled matters and procedures for foreign-invested businesses, such as establishment of equity and contractual joint ventures and their operation, settlement of accounts, profit distribution, dissolution of businesses, liquidation and settlement of dispute.

Foreign-invested businesses are provided with special and preferential treatments.

Equity and contractual joint ventures established in the DPRK shall not be charged with taxes on incomes from dividends of business operation, and a foreign-invested bank, which has granted a loan to either the DPRK government or a state bank on such favourable terms as low interest rates and more than ten years of redemption including a grace period, shall not pay business tax for the interest accruing from them.

And a foreign-invested enterprise either invested in an encouraged sector or production sector in the Rason Economic and Trade Zone that is operated for more than 10 years shall be entitled to full exemption from enterprise income tax for three

years from the first profit-producing year and to a reduction of up to 50 percent for the following two years.

The businesses engaged in infrastructure construction shall be granted full exemption from enterprise income tax for four years from the first profit-producing year and a reduction of up to 50 percent for the following three years. And where a foreign business invests in the sectors encouraged by the state, introduces cutting-edge science and technology and equipment, produces goods with high competitive edge in international markets, and conducts scientific and technological development, it shall be granted various special and preferential treatments, such as favourable conditions for land use, preferential bank loans, partial or full return of enterprise income tax.

The government of the DPRK is adhering to its foreign investment policies on the principle of protecting political and economic interests of the country so as to invite foreign-invested businesses conducive to its economic development and improvement of the people's living standards. It is also establishing and perfecting the legal system in keeping with the external economic development to provide foreign investors with more favourable environment for investment. □

Onsong Tourist Development Zone

The Onsong Tourist Development Zone is situated in Onsong County of North Hamgyong Province, the Democratic People's Republic of Korea.

The development zone, some 80m above sea level and mainly composed of flat land with a gradient of less than one degree, covers an area of 1.69km² and is designed for folk-themed tourist service and export processing industry.

It comprises some areas in Namyang with the railway and bridge bordering the DPRK and China and the Onsong Island 12km away towards the lower part of the Tuman River.

It has favourable traffic conditions for the flow of people and materials necessary for the development of the zone, tourism and processing industry with railways and roads to Rason, Hoeryong and the port of Chongjin.

The zone is designed to turn into a tourist resort with accommodation buildings for tourists, golf course and other recreational facilities, folklore tourism, and sightseeing tour of the Tuman River. It also hopes to engage in electronic goods production and their assembly, marine, building stone and garment processing, and transit trade.

To this end, it plans to build new bridges linking the DPRK and China and construct infrastructure facilities for

ensuring promptness in customs, inspection and quarantine, and supplying electricity, heating, gas, water, sewage treatment and communications.

The development mode of the zone is solely by a foreign investor or a joint development between relevant businesses of the DPRK and foreign investors.

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Products of Mirae Science and Technology Institute

Neodymium oxide

| | |
|----------------------------------|---|
| Rare-earth content: | over 99.5% |
| Nd ₂ O ₃ : | over 97.0% |
| Impurity content: | lower than 0.2% of La ₂ O ₃ |
| | lower than 0.3% of CeO ₂ |
| | lower than 2.4% of Pr ₅ O ₁ |
| | lower than 0.1% of Sm ₂ O ₃ |



Cermet Tools



Technical specifications

| | |
|-----------------------|--|
| Chemical composition: | Al ₂ O ₃ -TiB ₂ -SiCw, Si ₃ N ₄ -TiB ₂ -SiCw |
| Hardness: | HRA93-94 |
| Bending strength: | 750-900MPa |
| Toughness: | 7.8-9.5MPam ^{1/2} |

Mirae Science and Technology Institute

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Unsan Cement Factory



Korea Kumpit Mining Trading Company
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Unsan Cement Factory has put all the production lines, including mining of limestone and crushing and grinding, on a modern footing and set up an integrated manufacturing system in the control and operation of them.

It is directing efforts to increasing the production and, at the same time, paying primary attention to improving the quality through scientific analysis of raw materials and products.

It is also pushing forward the work to develop and produce a variety of cement for various purposes by relying on its own technical personnel.

It is now introducing new technologies aimed at remarkably increasing cement production so as to satisfy the growing demand for cement in the building industry sector.

Its products were also exported to other countries.

At present the factory is making efforts to intensify technical collaboration with relevant producers at home and economic and technical exchange with foreign counterparts.



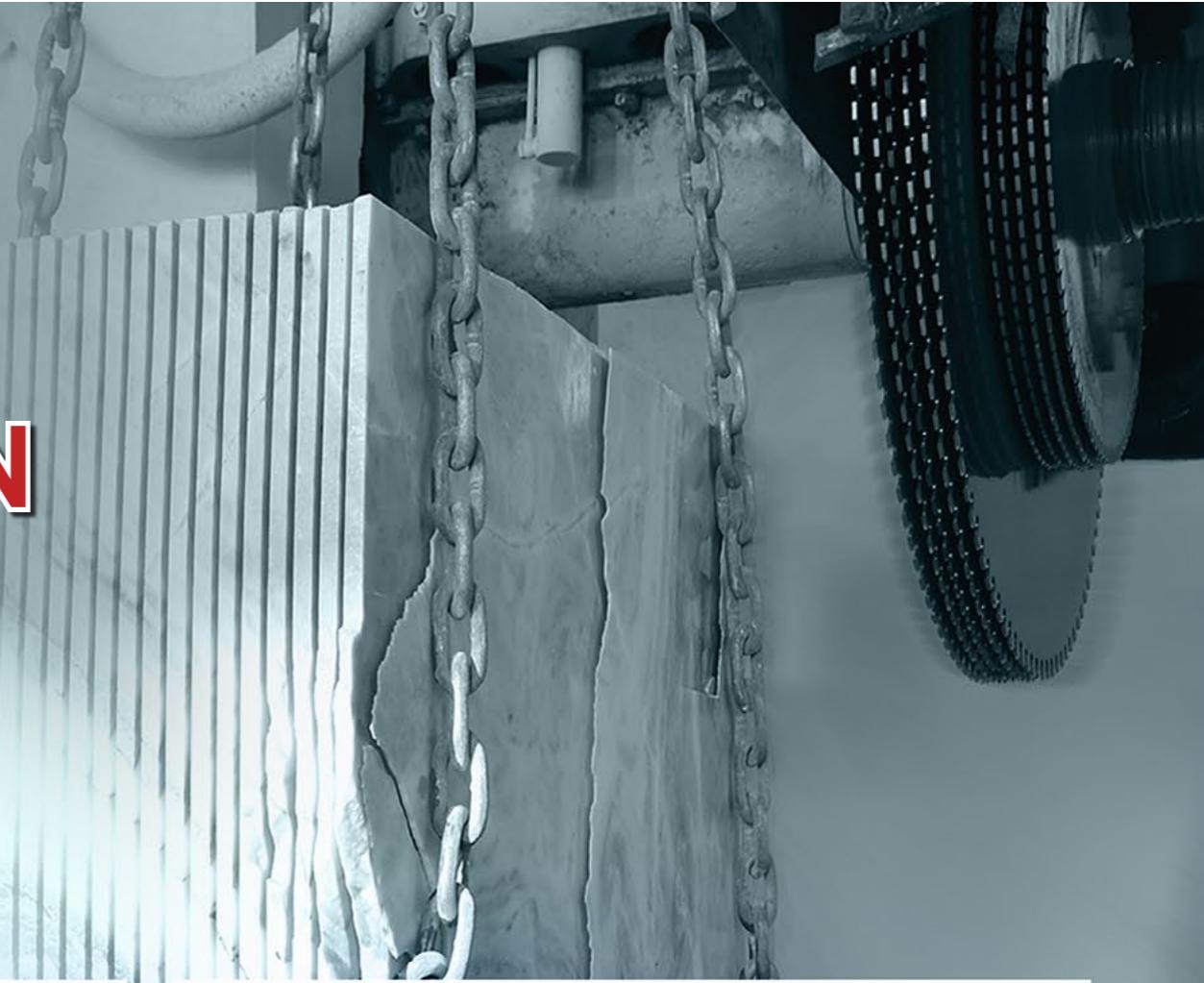
KOREA SUYANGSAN TRADING CORPORATION



President Pak Sung Ryong

The Korea Suyangsan Trading Corporation leads foreign trade in South Hwanghae Province, DPRK.

It has developed a mine in the outskirts of Haeju, the provincial seat, where hundreds of millions of quality granite are deposited, and is turning out stone products of various sizes. Processed goods of serpentine, mined in Pyoksong County, are high in demand not only at home but also abroad for the beautiful pattern and high quality.



조선수양산무역회사



The corporation has under it large-scale enterprises for producing wigs and building materials and processing agricultural produce; it is also engaged in marine transport, taxi and commercial services, and is farming kelp, seaweed, crabs, abalone, trepang and other shellfish in thousands of hectares of offshore farms, laid out in line with the favourable local conditions. It has organized programming teams, developing software on order and conducting joint programming with the IT companies of other countries.

The corporation, which gives priority to credit-worthiness and mutual benefit with its joint-venture partners, will promote its own development while encouraging multifaceted exchanges and cooperation with them in various economic fields.

Korea Suyangsan Trading Corporation

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Mining Industry Conducive to Development of Foreign Trade

The Democratic People's Republic of Korea has given priority to the development of mining industry to actively exploit and make an effective use of abundant underground resources of the country.

It has paid primary attention to the geological prospecting under a long-term plan.

To this end, it has consolidated material and technical foundations of the sector and carried out prospecting for present and future purposes and detailed prospecting in a planned way, so that deposits at the existing mines have been expanded and new fields developed.

Lots of nonferrous mineral production bases are built to produce gold, silver, copper, lead, zinc, molybdenum, titanium and others.

Large-scale nonferrous mineral producers in the Tanchon and Hyesan areas and other parts of the country have strengthened their material and technical foundations, and medium- and small-scale mines are developed to increase the output of nonferrous minerals.

Ferrous mineral production bases including large iron ore mines in Musan, Unnyul and Jaeryong are also increasing their output.

In order to make mining machinery modern and large-sized and put the mining industry on a mechanized footing, large machine-building bases and other factories

specializing in the production of machines and facilities needed in coal and ore mines strive to manufacture a variety of machines, such as rock-drills, wagon-mounted drills, metal-prop loaders, spallers, crushers, bogies, winches, compressors and so on.

While making effective use of natural resources in the socialist economic construction, the DPRK is developing foreign trade.

Many nonferrous and ferrous metal factories are concentrating investment on the modernization of the mines to increase the output of nonferrous and ferrous metal products. Accordingly, Korea Zinc Industry Group, Yugwang Trading Company, Korea Kumgang Group and Korea Ferrous Metal Import and Export Company are increasing the export of nonferrous and ferrous metal products.

The sector of mining industry is introducing advanced sci-tech achievements into prospecting and inviting investment in the form of equity and contractual joint ventures to exploit new resources.

It is thus achieving considerable successes in reinforcing and expanding its production foundations and meeting the needs of the national economy for nonferrous metal and non-metallic minerals during the period of the new five-year plan and also rendering an active contribution to the development of the foreign trade. □

Producer of Quality Magnetite

The Kangnyong Ponghwa Mine in Kangnyong County of South Hwanghae Province is a magnetite producer furnished with high-capacity concentration facilities, including jaw crushers, hammer crushers, grinding mills, vibrating screens and magnetic concentrators.

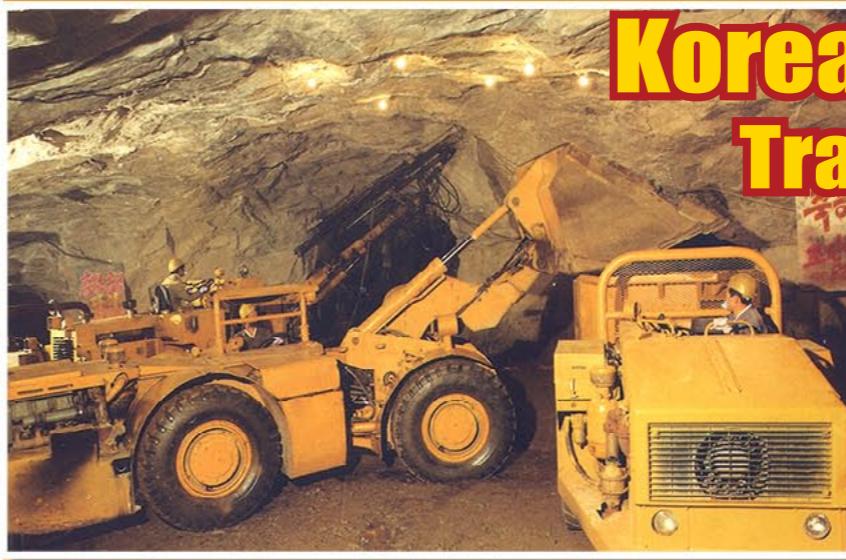


Its open-air stope on the soft limestone bed has deposits of scores of millions tons of magnetite and provides favourable

conditions for mining without blasting, and it is near to the dressing plant, thus ensuring prompt delivery of ores.

The mine has introduced rational methods and technical processes of ore dressing to maximize the actual dressing rate, thus increasing mineral production with less manpower and obtaining titanium and other valuable minerals.

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Korea Kumpit Mining Trading Company



Established in February 1988, the Korea Kumpit Mining Trading Company specializes in the processing and sale of nonferrous metals.

It has mines of gold, copper and other nonferrous metals with high grade, and several factories and production units.

The Phyongsong Plastic Processing Factory, Ryomyong Garment Factory and timbre processing and foodstuff factories under the company turn out a wide variety of quality plastic goods, fixtures, garments and nutritious foodstuffs. The company products are satisfying the domestic demands.

At present it concentrates investments on the effort to develop new goods and raise the proportion of domestically-produced raw and other materials and equipment.

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Kanghan Timber Joint Venture Company

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Fax: 850-2-341-4410



The Kanghan Timber Joint Venture Company, based in Kanggye of Jagang Province, specializes in the manufacture and sale of various wooden products.

Its timber mill has perfected material and technical foundations for wood processing and turns out a wide variety of furniture with high practicality and aesthetic beauty.

The company directs efforts to making graceful and solid furniture preserving original fine grain of the wood by introducing advanced technologies in keeping with the

global trend, while focusing investment on the modernization of the timber mill.

Its wooden products are counted as specialties of Jagang Province.

The company also offers services for interior design of dwelling houses and other buildings and their execution on order.

It looks forward to its bright prospect, as it is entirely based on local raw materials and rich production potentials.

It manages business in an

innovative way to develop into material- and labour-saving enterprise with high wood-processing techniques, and strengthens exchange and cooperation with foreign counterparts.



Producer of Koryo Paper

The Munbong Trading Company is known across the DPRK as a producer of Koryo paper, which had been only found in historical documents.

From a decade ago the Sunan Koryo Papermaking Station under the company prepared competent technical personnel and invested in the papermaking with main stress put on reviving traditional methods, thus achieving good results.

Paper products in various colours made by the station are high in quality, and rarely mothy and discoloured, so they are widely used for calligraphy, painting and decoration. They are popular at home and were exported to neighbouring countries.

The company also has a garment factory with an annual production capacity of several hundreds of thousands of clothes, and engages in software development and sale of marine products.

It gives priority to credit-worthiness and profitability, and conducts trade activities and economic and technical cooperation with other countries on the principle of mutual prosperity and benefit.

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Fax: 850-2-381-4410/4416



Bead Handbags Win Favour

Bead handbags produced by the Ryonghung Daily-necessity Production Station under the Ryonghung Trading Company are winning favour among users.

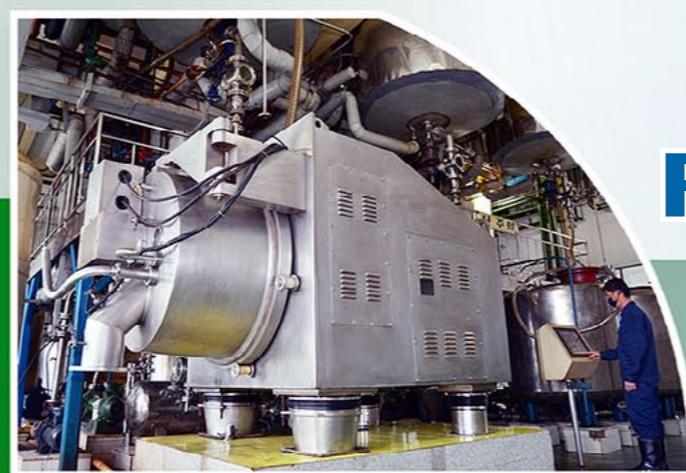
Handbags are hand-embroidered with variegated, decorative beads to stimulate palms and regulate psychological responses of the people to various colours.

Ryonghung Trading Company

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With the Main Emphasis Put on Synthetic Medicines



The Hungnam Pharmaceutical Factory, situated in the city of Hamhung in South Hamgyong Province, was established in 1947.

As a factory that produces raw materials for other pharmaceutical factories across the country, it has established a technical foundation for producing synthetic medicines with raw materials abundant in the country with its own competent technical forces. It has renovated production for the mass-production of dimethyl aminoethanol, chloraniline, thionyl chloride, benzyl chloride and other intermediate

raw materials and paracetamol, nicotinic acid, rivanol, Furazolidonum, Dipheninum and dozens of other synthetic medicines.

It has renovated air compressors, refrigeration and boiler rooms, water purification and waste water treatment facilities and other production support facilities in line with the GMP standards.

Having put production on an intensive footing, the factory is rendering a contribution to promoting people's health.

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Law of the Democratic People's Republic of Korea on Foreign Trade Amended

Adopted by Resolution No. 104 of the Standing Committee of the Supreme People's Assembly on December 10, 1997

Amended by Decree No. 483 of the Standing Committee of the Supreme People's Assembly on February 26, 1999

Amended by Decree No. 807 of the Standing Committee of the Supreme People's Assembly on December 7, 2004

Amended by Decree No. 2195 of the Standing Committee of the Supreme People's Assembly on March 27, 2007

Amended by Decree No. 160 of the Standing Committee of the Supreme People's Assembly on July 21, 2009

Amended by Decree No. 2052 of the Standing Committee of the Supreme People's Assembly on December 21, 2011

Amended by Decree No. 2303 of the Standing Committee of the Supreme People's Assembly on April 3, 2012

Amended by Decree No. 849 of the Standing Committee of the Supreme People's Assembly on December 23, 2015

Amended by Decree No. 2387 of the Standing Committee of the Supreme People's Assembly on September 6, 2018

Amended by Decree No. 256 of the Standing Committee of the Supreme People's Assembly on March 26, 2020

Amended by Decree No. 847 of the Standing Committee of the Supreme People's Assembly on January 28, 2022

The Law of the DPRK on Foreign Trade is comprised of 70 articles in five chapters.

Chapter 1 Fundamentals

Article 1 (Objective)

The Law is enacted for the purpose of setting up a strict system and discipline in foreign trade, thereby contributing to expanding and developing it and consolidating the foundations of the independent national economy

Article 2 (Fundamental principles)

It is the consistent policy of the Democratic People's Republic of Korea to develop foreign trade.

The State shall pay close attention to improving the structure of foreign trade in such a way as to increase the proportion of processed goods export and trade in technology and services, and expand and develop trade in the direction of promoting the independent development of the national economy.

Article 3 (Principle of making trade multilateral and diverse)

Making foreign trade multilateral and diverse is the fundamental way to conduct trade in a broad way.

The State shall ensure that bias in foreign trade is eliminated and it is conducted with several countries and regions in various forms and by various methods.

Article 4 (Principle of maintaining credit-worthiness)

Maintaining credit-worthiness in foreign trade is a prerequisite for developing trade relations with foreign countries.

The State shall ensure that credit-worthiness is strictly maintained in foreign trade by faithfully implementing the terms of the contract.

Article 5 (Principle of abiding by trade plan and contract discipline)

Foreign trade in the DPRK is conducted in accordance with the national economic plan and contract.

The State shall ensure that the plan and contract discipline is strictly kept in foreign trade.

Article 6 (Principle of guidance and control of trade)

The State shall intensify centralized and unified guidance and control of foreign trade by proactively applying various rational methods, such as export and import licensing and quota systems.

Article 7 (Principle of most favoured nation treatment and national treatment)

The State shall accord to a contracting party the most favoured nation or national treatment on the principle of reciprocity under the agreements in the foreign trade sector.

Article 8 (Countermeasures for sanctions, limitations and prohibitions)

The State may take measures corresponding to the sanctions, discriminatory limitations and prohibitions taken against our country in the foreign trade sector.

Article 9 (Exchange and cooperation in the foreign trade sector)

The State shall promote exchanges and cooperation with foreign countries and international organizations in the foreign trade sector.

Article 10 (Foreign trade order in the special economic zones)

Foreign trade in the special economic zones shall be governed by the relevant laws and regulations.

Chapter 2 Foreign Trade Transactions

Article 11 (Parties concerned)

Foreign trade transactions shall be made by institutions, enterprises and organizations authorized by the State with the rights to trade.

Article 12 (Organ authorized to approve trade transactions)

Foreign trade in goods and technology shall be approved by the central trade guidance organ, and trade in service

by either the central trade guidance organ or the institution concerned.

Article 13 (Preparation and registration of export goods production bases)

Institutions, enterprises and organizations wishing to engage in trade in goods shall create export goods production bases and register them at the central trade guidance organ.

In case they wish to register bases for export of resources, they shall be approved by the Cabinet.

Article 14 (Approval for trade in goods)

Institutions, enterprises and organizations wishing to engage in trade in goods shall submit to the central trade guidance organ an application for the business licence, accompanied with the certificate of registration of the export goods production base in accordance with business categories and indices.

The central trade guidance organ shall review the application and issue to the applicant the business licence upon approval.

The business licence shall be renewed by the central trade guidance organ every year.

Article 15 (Approval for trade in technology)

Institutions, enterprises and organizations wishing to engage in trade in technology shall submit to the central trade guidance organ an application for the business licence of indices.

The central trade guidance organ shall review the application and register the approved technical trade indices on the business licence.

Trade in technology shall include intellectual property rights, such as patent, trademark, industrial design, design, copyright and software, as well as overseas technical cooperation.

Article 16 (Method of trade in technology)

Trade in technology shall be conducted in the form of giving permission for the right to use relevant technology and obtaining the permission between involved parties.

It may also be conducted in the form of transferring ownership to technology, technical development on order, joint research and development and similar technical cooperation.

Article 17 (Encouragement of trade in technology, and limitation and prohibition items)

The central scientific and technological administrative and guidance organ shall decide technical items to be encouraged, limited and prohibited on the principle of introducing advanced technologies and send them to the central trade guidance organ.

Article 18 (Approval for trade in service)

Trade in service shall be subjected to the procedures specifically defined by the central trade guidance organ or relevant organ.

Trade in service shall include service in transport, tourism, construction and medical treatment conducted between the party concerned on our side and a foreign cooperate body, individual, government, social organization or international

organization.

Article 19 (Scope of trade transaction)

Institutions, enterprises and organizations shall make import and export entry and trade transactions within the approved categories and indices.

It is forbidden to make transactions in the categories and indices that are not approved, enlist export resources in illegal ways, or transfer or take over trade plans without approval.

Article 20 (Limitation in import and export)

Import and export shall be limited in the following cases:

1. In case the domestic demand should be satisfied, and natural resources and environment be protected.
2. In case it may impede national economic development.
3. In case the balance between international and trade payments should be met.
4. In case import and export should be limited in accordance with relevant treaty or agreement.
5. In case sanctions or discriminative limitations against our country are taken.

Article 21 (Prohibition of import and export)

Import and export shall be prohibited in the following cases:

1. In case it infringes on the security of the country and public security.
2. In case it endangers the life of human being.
3. In case it has an adverse effect on environmental protection and the growth of animals and plants.
4. In case it has little economic profit.
5. In case import and export should be prohibited in accordance with relevant treaty or agreement.
6. In case sanctions or discriminative limitations against our country are taken.

Article 22 (Monopoly of import and export, limitation)

Monopoly of import and export shall be allowed for the objects specified by the State.

Article 23 (Conclusion of trade contract)

Institutions, enterprises and organizations shall conclude exact contracts in case they wish to make transactions with foreign counterparts.

In case an important contracts on trade in goods, technology and service, they shall commit the draft contract to deliberation by the central trade guidance organ before the conclusion of contract.

Article 24 (Commission of trade transaction)

Institutions, enterprise and organizations may commission import and export to other institutions, enterprises and organizations with the same categories and indices. It is impossible to commission import and export of indices, in case there is no trade plan on the relevant indices.

Article 25 (Full responsibility of approving the prices, taking in and taking out)

The central trade guidance organ shall take full responsibility of approving prices and the taking in and out.

Institutions, enterprises and organizations shall not make

trade transactions without obtaining approval for prices and taking in and out from the central trade guidance organ.

Article 26 (Approval for prices)

Institutions, enterprises and organizations wishing to make trade transactions shall obtain approval for price from the central trade guidance organ.

The central trade guidance organ shall take into consideration prices of indices by category one by one and approve or reject prices.

Article 27 (Approval for taking in and out)

Institutions, enterprises and organizations wishing to make trade transactions shall obtain approval for taking in and out from the central trade guidance organ.

Approval for taking in and out of materials donated or provided by foreign governments, international organizations, social organizations, enterprises and individuals for the purpose of grant or assistance shall be obtained.

Article 28 (Change of categories and indices)

Institutions, enterprises and organizations shall register the changes of categories and indices with the central trade guidance organ or relevant organ.

Article 29 (Violation of the intellectual property right)

Institutions, enterprises and organizations shall not violate copyright, industrial property and other intellectual property rights of other institutions, enterprises, organizations and individuals.

Article 30 (Payment in advance, and offer of commodity, technology and service)

Institutions, enterprises and organizations shall neither pay in advance nor offer commodity, technology and service to the counterpart without receiving bank or other legal warranties.

Article 31 (Establishment of affiliates, branch offices and agencies)

Institutions, enterprises and organizations may establish affiliates, branch offices and agencies in the country or other countries and regions. In this case they shall be permitted by the Cabinet through the central trade guidance organ.

Article 32 (Reissuance and return of business licence)

In case an institution, enterprise or organization has either lost its business licence or changed its name or superior organ, it shall have the business licence reissued.

In case of its merge or dissolution, it shall return the business licence to the central trade guidance organ or relevant organ.

Article 33 (Clearing of bills and financial review)

Institutions, enterprises and organizations shall clear bills through the fixed bank.

Financial review of trade transactions shall be made based on the relevant documentary evidence, such as general declaration, and certificates of inspection and quarantine of import and export goods, approval of price and copy of contract.

Article 34 (Limits of responsibility of institutions,

enterprises and organizations)

Institutions, enterprises and organizations have independence in trade transactions.

Claims and obligations caused during trade transactions shall be settled between the parties concerned, and other institution, enterprise, organization or the state shall not be liable to it.

Article 35 (Transfer of credit and debt)

Credits and debts of institutions, enterprises and organizations shall be divided in case of separation, and shall be transferred to the existing ones in case of merge.

Credits and debts of those to be dissolved shall be dealt by the fixed liquidator.

Chapter 3 Foreign Trade Plan

Article 36 (Contents)

Foreign trade plan is an important item in the national economic plan.

Foreign trade plan includes plans of trade in goods, trade in technology, trade in service, trade cargo transportation, invisible trade, foreign currency income and expenditure.

Article 37 (Planning and notification)

Foreign trade plan shall be mapped out by the central planning guidance organ.

The central planning guidance organ shall notify institutions, enterprises and organizations of the following year's foreign trade plan until the designated date every year.

Article 38 (Method of planning of the central planning guidance organ)

Foreign trade plan shall be mapped out through the stages of reserve figure, statistical figure and planned figure.

Institutions, enterprises and organizations shall submit draft plans and data needed in planning to the central planning guidance organ in time.

The central planning guidance organ shall work out scientific foreign trade plans based on the submitted materials, such as draft plans, import and export prices, registration of export goods bases, business licences of trade and commercial service.

Article 39 (Planning method of relevant organs)

Institutions, enterprises and organizations shall work out monthly plans in line with the foreign trade plans drawn and notified by the central planning guidance organ and execute them upon approval of higher organs.

Article 40 (Procedure of approval for import and export)

Draft foreign trade plans for import and export entitled to be approved by relevant organs by state measure shall be submitted to the central planning guidance organ through relevant organs.

In case of the imports and exports that are difficult to confirm in the stage of trade planning, they shall be approved in the stage of executing trade plans.

Article 41 (Report of import and export results)

Institutions, enterprises and organizations shall report the implementation of foreign trade plans every month to the higher organs, the central trade guidance organ, the central financial guidance organ and relevant statistical organ.

The central trade guidance organ and the central statistics organ shall submit to the central planning guidance organ every month the actual trade results, the central financial guidance organ, financial settlement results every quarter, and the central customs guidance organ, the customs statistics results every month.

Article 42 (Planning of trade cargo transportation)

Institutions, enterprises and organizations shall work out yearly, quarterly and monthly draft plans of trade cargo transportation for institutions, varieties, transportation means and sections and submit them to the central planning

guidance organ.

Article 43 (Notification of trade cargo transportation plan, conclusion of trade cargo transportation contracts)

The central planning guidance organ shall work out quarterly plans for trade cargo transportation of the year and notify transport and relevant organs of them.

Institutions, enterprises and organizations shall, based on the trade cargo transportation plan, conclude monthly contracts with transport organs.

Article 44 (Change of foreign trade plan)

Foreign trade plan shall not be changed without approval.

In case of change of plans for unavoidable reasons, institutions, enterprises and organizations shall submit relevant documents to the central planning guidance organ.

(To be continued)

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Fax: 850-2-381-4540

E-mail: ptc20@star-co.net.kp

Kanggye Koryo Medicine Pharmaceutical Factory

Add: Kanggye, Jagang Province, DPR Korea

Tel: 850-2-18111-067-43-0501

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The Kanggye Koryo Medicine Pharmaceutical Factory has a long history of producing Koryo medicines with medicinal herbs abundant in the region.

All production lines ranging from sorting, washing, drying, crushing and mixing of medicinal herbs to manufacturing of pills conform with GMP. The factory observes a strict rule in selecting medicinal herbs and auxiliary materials.

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alpine areas.

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Evening primrose seed oil, raisin seed oil and higher fatty acid extracted from beeswax are highly acclaimed at home and abroad.

The factory produces taxinine injection and scores of Koryo medicines, which are enjoying great demand.



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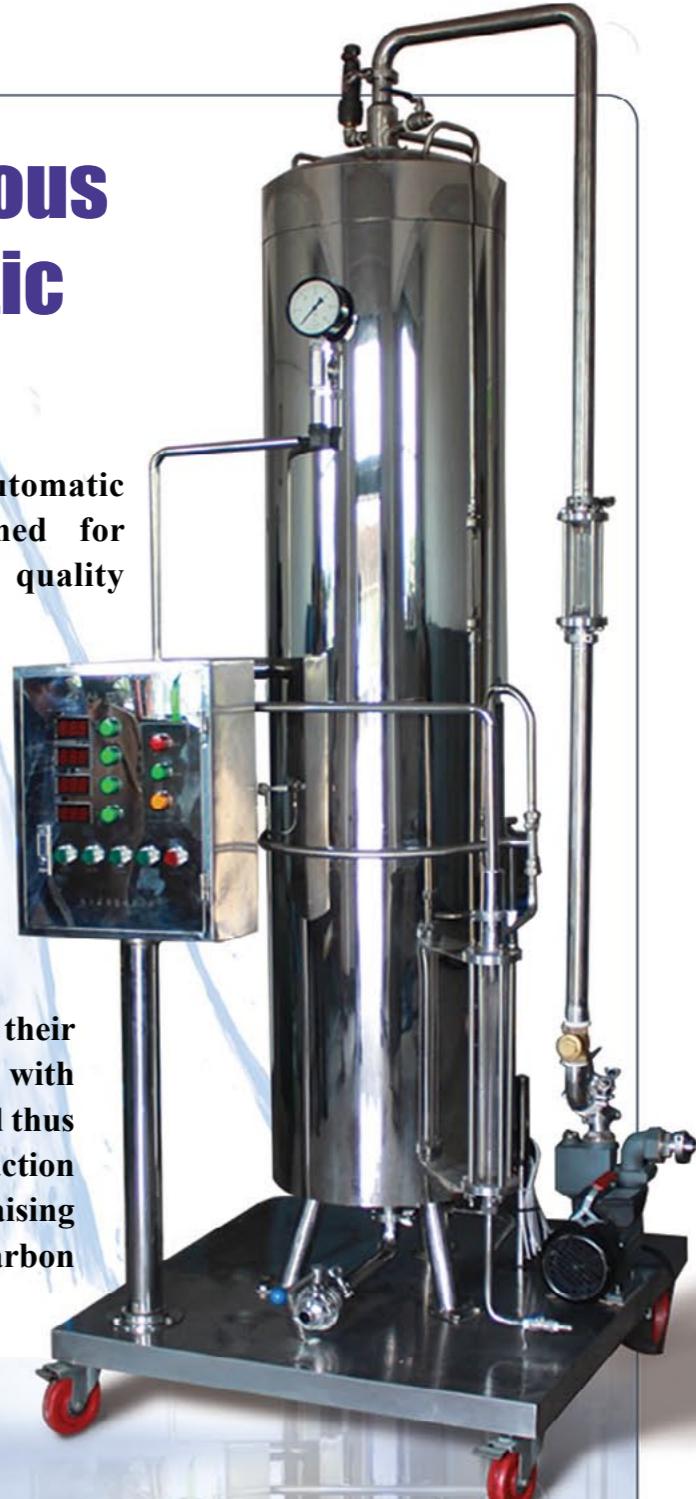


Miyon Food Pharmacy
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KUSONG 6D

Kusong 6D is CNC lathe designed for cutting external, internal and end surfaces of cylindrical and conical workpieces as well as various threading.



Technical specifications:

- | | | | |
|------------------------------|--|-----------------------|---|
| 1. Max. swing: | over bed 480mm over carriage 230mm | 6. Min. setting unit: | X axis 0.001mm Z axis 0.001mm |
| 2. Distance between centres: | 800mm | 7. Motor: | Main drive motor 11kW/4P X axis 7.7Nm Z axis 10Nm |
| 3. Spindle speed: | 32 - 3 200rpm Taper bore Morse 6 Diameter of passing bore 58mm | 8. Size (L×B×H): | 2 195×1 180×1 600mm |
| 4. Feeds: | X axis 260mm Z axis 800mm | 9. Weight: | 1 937kg |
| 5. Max. traverse speed: | X axis 8m/min Z axis 10m/min | | |



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