

# Establishment and Management of the Economic Development Zone is an Important Task of the External Economic Sector

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It is an important task put forward by our Party in the development of an external economic branch to establish and manage an economic development zone suitable to the reality of each province.

The great leader Comrade **Kim Jong Il** said as follows.

**“The development of economic and cultural cooperation and exchange between nations will enable them to develop rapidly by making up for each other’s shortages and through joint efforts and to consolidate their political unity.”** (“KIM JONG IL SELECTED WORKS” Vol. 1 P. 91)

Today establishing an economic development zone and achieving its peculiar development in each province in our country has a great significance in developing an economic and technical exchange and cooperation with many foreign countries at a higher stage on the basis of the self-reliance national economy.

An economic development zone is a special area where an economical preferential treatment to the economic activity is assured. It is also a special area where serves to realize the economic and technical exchange and cooperation with other countries steadily and effectively by consolidating a technical basis in the given industries or provide it with economic and legal environment for exports processing.

First of all, it is an essential requirement of external economic development based on the independent basis of national economy to establish and well manage an economic development zone in every province.

A socialist self-reliance economy is an economy which develops on the basis of country’s own resources, technology and creative labor of its own people. It is an important requirement of the socialist self reliance economy to expand an economic exchange and cooperation with other countries in variety of forms including a foreign trade and joint ventures in accordance with a rapid growth on the basis of modern technology and an advanced science.

Our socialist self reliance economy which was built through a difficult struggle of our people under the wise leadership of the Party so far is a firm objective basis for expanding an economic exchange and cooperation with other countries by setting an economic development zone. We should increase the production of exports and expand the external market with adhering to the principle of independence in external economic relation on the basis of the self reliance national economy.

Secondly, establishing and well managing an economic development zone in every province reflect the world trend that accelerates an economic growth through economic development zone in many countries.

At present, governments in several countries are taking national actions subject to an establishment of an economic development zone in many parts of their territory and gaining much of success.

A country in Northeast Asia, for instance, had formatted 14 economic and technological

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development zones in the opening cities in coasting areas for the first step for introducing the foreign investments and boosting the exports. After that the economic technological development zones was expanded, with ranging from coasting cities to inland regions. In the process of establishing and managing the economic and technical development zones, the value of exports in these zones has increased by several billions of US\$.

A number of local administrative organs are actively sticking at establishing the economic development zone since the preferential treatments are provided for an investment in the economic development zone. So the number of the economic development zones in this country was increased by more than 32 today.

Today in a country in South Asia IT industry have become an engine of the economy and the important reason might be an establishment and well operation of the technology zone for developing softwares.

The government of this country set forth an ambiguous target of training 0.5 millions of IT talents every year and took an action for extensively increasing software technology area as the center of development of softwares ordered in more than 50 areas.

We should expand and develop an economic and technical exchange and cooperation with several countries of the world by establishing and well managing the economic development zone in accordance with not only our actual condition, definite reality and interest of our people but also world trends.

In the past, in conformity with of the far reaching conception of the great Generalissimos we put a great attention on and push ahead the task of rational use of several forms of external economy including a foreign trade and investment in accordance with our reality.

The experience and basis we accumulated through a development and operation of the Rason Economic Trade Zone, Hwanggumphyong and Wihwado economic zones is an important foundation for us to develop the economic and technical exchange and cooperation with many countries at the newly higher stage.

The first task in establishing and operating an economic development zone is to establish the zones in accordance with the character in each province.

The main purpose of an establishment of an economic development zone in each province is to provide them with the condition and environment for solving the problems arising in their economic life by themselves through economic exchanges and cooperation with foreign countries lively and creatively. That is why the economic development zone to be established in each province should be coincided with their specific condition and environment.

While there is a certain difference in their distribution of productive power, the central and the local economy in each province are located in well balanced situation. These differences in resources and productive basis in their local lives and physical condition and human ability for an economic exchange with foreign countries are the objective condition for establishing a development zone in accordance with provincial reality and for developing them specifically.

For these reasons we can establish and prospectively develop a exports processing zone in industry oriented provinces, an agricultural technology development zone in agricultural provinces,

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a tourism development zone in provinces with having the peculiar tourist resources and a cutting age technology development zone in the provinces with having science and technology ability focusing on their commercialization.

The second important task in establishing and operating an economic development zone is to set and operate an economic development zone in direction of realizing the economic policy of the Party as to the construction of the knowledge-oriented economic powerful state by hastening the industrial revolution of the new century.

According to an analysis about the experience of establishment and operation in other countries now they had been established and operated the labor intensive economic development zone for certain period of time and then are changing them into zone whose character is in the technology intensive one.

We should establish and operate an economic development zone with having a higher task for accomplishing the task within only a few years that it took several dozens of years for them to do it by making an our own way development strategy and embodying the spirit of “all in a breath” other than following the steps of development that other countries have passed through.

The third important task in establishing and operating an economic development zone is that we realize the unified direction of the state while making each province raise their responsibility and creativeness at maximum in establishing and operating of an economic development zone.

A success in the economic development zone affairs which reflects the requirement of the newly external economic relation development in our country largely depends on their responsibility and role of each province. While each province should specify the purpose and duty of establishment of an economic development zone in accordance with their concrete reality and ability and actively mobilize the human and physical resources, we make the economic development zone really contribute to the their economic development and improvement of people’s livelihood by receiving the necessary fund and technology from other countries.

It is necessary to bring a leadership and assistance in step so that the success in this works to really contribute to the economic development and people’s livelihood in a given province in order to make each province as the master deploy an establishment and operation of an economic development zone creatively and lively.

The economic direction organs of the state should take hold of the affairs for establishing and operating an economic development zone in each province from the national standpoint and should actively drive forward.

The national direction to and assistance for setting an economic development zone should principally be realized in the direction of actively raising the responsibility and the attitude of master of each province. The state direction should be oriented to enlighten the creativeness and to raise the work attitude of master and should be things to push and encourage for the economic development zone to contribute to the economic development and people’s livelihood in their provinces.

The state direction to an establishment and operation of an economic development zone in each province may include an offer of information about the experience and success of the world subject to an establishment and an operation of an economic development zone immediately and sufficiently and

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setting-up of the work system and order for conducting all the steps and elements such as government to government economic diplomatic matters, communications and approvals and formality matters in the unified way which can be supported by state.

The national assistance subject to an establishment and an operation of an economic development zone in each province should be made in the direction of assuring and overall balance while decreasing the differences in human and physical resources between regions

The details of national assistance could be specified by including matters such as a precedence of concluding an agreement with foreign government subject to the development zone considering the reality of province with making them participate in it. And the means and methods for national assistance could be specified in the direction of the right selection and the rational use of the economic instruments and administrative tools.

All functionaries in external economic sector should take a serious view of an establishment and an operation of an economic development zone in each province and work with devoting their all wisdom and passion so that we should actively contribute to demonstrating the power of our economy that is on the rapid progress under the wise leadership of the respected Comrade **Kim Jong Un** to all direction of the world.