

6

Development of the Lower Tuman (Tumen) River Area: North Korean Perspective

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In the previous international forum, the Rajin and Sonbong area in North Korea has been recognized as the best place for a free economic trade zone in view of its natural and economic conditions and efficient investment in the development of the Lower Tuman (Tumen, spelt Tuman in Korean) River area. This area is located in the most favorable position as the best route linking Asia and Europe since the area shares borders with China and Russia by the Tuman River.

The seaports, railway lines, and roads in the Rajin—Sonbong Free Economic Trade Zone will form a route connecting the Pacific coastal countries including Japan, the Asian Continent, and the European Continent. It will also be the starting point of an inland route. In addition, Mongolia and Northeastern China could have the shortest access to the Korean East Sea (the Sea of Japan) when the Rajin—Sonbong Free Economic Trade Zone is established in the Rajin—Sonbong area.

The existing ports in the Rajin—Sonbong Free Economic Trade Zone can be in continuous service all the year around since they are non—freezing ports. The existing railway and road beltline networks are connected to the adjacent countries. Taking all the factors into consideration, the Administration Council of DPRK declared last December that 621 km² of land in the Rajin—Sonbong area would be a free economic trade zone and is accelerating the preparation activities for the development of this area.

Recently the other countries have brought out alternatives for the development of the Lower Tuman River area, but an agreement on the alternatives has not been reached yet. Under such circumstances it would be reasonable that each of the three countries sharing borders along the Tuman River should establish a free economic trade zone respectively and then interconnect infrastructure to coordinate their use and operation.

In order to consult on and coordinate about issues raised in the development of the Lower Tuman River area, we propose setting up a non—standing body, something like the Tuman River Area Development Operation Coordination committee and an implementing body under it, such as a fulltime secretariat which will review and

promote implementation of points discussed and decided in the Committee. The *Coordination Committee would function to consult on and coordinate about key points such as defining a boundary of a free economic trade zone in each country and other issues raised in distribution, interconnection, and utilization of infrastructures.*

Northeast Asia, which is different from either Europe or North America, has various social systems and economic conditions. Therefore, it would be reasonable that each country in the Northeast Asian Region should establish a free economic trade zone or a special economic zone in conformity with its own situation, and activate cooperation and exchange through the zones. Establishment of a free economic trade zone by an individual country in the Tuman River area on its territory and proper coordination for smooth interconnection can bring an active development of this region.

Various types of free economic trade zones exist in the world. The owners of such free economic trade zones are the government and people of the country. The experiences and lessons gained so far show that it is better when each country sets up a free economic trade zone on its own area through coordination for mutual benefits instead of setting up an international free economic trade zone to be jointly owned, managed, and used by the concerned countries. Then responsibility can be clearly defined, and disputes can be prevented beforehand while responsibilities and roles of each country in the development of the area can be enhanced further.

The problem to be solved jointly by each country at present in the development of the Lower Tuman River area is to provide proper coordination to maximize economic efficiency. We think the first priority is to make smooth cooperation through coordination in construction of infrastructures. Creation of an efficient transportation network in the Lower Tuman River area which is regarded as a key factor for economic cooperation and exchange in the Northeast region is becoming a particularly essential priority in realizing the regional economic cooperation. Formation of an efficient traffic network in the Lower Tuman River area will increase traffic capacity in the region while shortening distance and time and eventually will provide great economic benefits not only to the countries in the region but also to other countries which will use the network.

The new transport route can, when it is materialized in the Lower Tuman River area, provide a shorter route in terms of time than the existing route based on Dalian Port as the main transit point. For example, the transport route from Manzhouli to Niigata via Rajin Port, Manzhouli, Tuman, and Namyang—Rajin—Niigata will shorten the railway transport distance by 280 km compared to the previous route through Dalian—Manzhouli—Changchun—Shenyang—Dalian—Niigata (Changchun—Dalian 842 km, Changchun—Rajin 562 km). In case of a sea transport route, the Chongjin—Niigata route is 583 miles shorter than the Dalian—Niigata route (Dalian—Niigata 1,070 miles and Chongjin—Niigata 487 miles) and will reduce time by 53 hours (in case of 20 km or 11 knots per hour).

The existing railway and road networks in the Lower Tuman River area provide favorable conditions to form an efficient transport network without a large investment but instead with minor improving and supplementing the existing ones. In the Rajin—Sonbong area the ports, the railways, and the road network are interconnected to form

an integrated transport system and can be easily used by the neighboring countries.

The Rajin Port with a capacity of 3 million tons and the Chongjin Port with a capacity of 8 million tons are directly connected to Northeast China and the Khasan area in Russia by railway and road across the Tuman River. Expansion and modernization of the existing equipment in those ports will easily increase the handling capacity of the ports from 11 million tons to 20 million tons and even 50 million tons with some investments. In addition, the ports can operate continuously all the year around since they are ice-free ports. In case of the Rajin Port, the handling capacity of the port can be expanded up to 70 million tons per year without building a breakwater.

The 103 km railway beltline network established in our territory of the Lower Tuman River area is interconnected with the railway lines in China and Russia through Sambong, Namyang, and Tumangang stations, and common track exists for Tumangang—Rajin—Chongjin. Electrification of some parts of the existing railway beltline network will bring the traffic capacity up to 20 million tons annually, and double tracking in the key parts with replacement by heavy duty locomotives will increase the capacity up to 50 million tons annually. Besides the railway network, the 380 km road beltline network is connected to China through Hoiryong—Namyang—Saebyo and Wonjong in the area. Therefore, an economical transport network would be established with minimal investment if the existing transport networks in the Rajin—Sonbong area are properly utilized.

Should a new economical transport network be formed in the area based on the existing transport network in the Rajin—Sonbong area, the new network will be the most economic transportation route linking Northeast Asia to the European Continent in the long term. At present Northeast Asian countries take a Vladivostok—Siberia railway route or a sea transport via Suez Canal and a route going around Capetown to reach Europe. When a new transport network is formed in the Lower Tuman River, not only Northeast Asian countries but also European countries will enjoy tremendous economic benefits from the shortened distance, time, and decreased costs in transportation, because the routes are much shorter than the previous routes to Europe.

Compared to the inland transport route between Rajin and the European Continent, the maritime route via Suez Canal is 2.2 times as long, and the maritime route circling around Capetown is 2.8 times the distance. These routes require longer time and more cost in transportation. Taking the Rajin—Tuman—Manchuria—Karelskoye railway line instead of the 3,122 km long railway from Vladivostok to Karelskoye (Station before Chita of Russia) will shorten the distance by 1,066 km.

Even though the Northeast Asian region is rich with unlimited natural resources and production development elements including labor resources, all the potentials have not been developed effectively because of the lack of an economical and efficient transport network in this area. In this regard it can be stated that the creation of an economical transport network in the area is vital for the regional development and crucial for the overall prosperity of the region. Also, we have to assess correctly the current status and advantages of the existing transport network to choose the most realistic transport network in terms of their operation and usage conditions for efficient development of the Lower Tuman River area. The Northeast Asian countries

shall build the most reasonable and economic transport network in the Lower Tuman River area. They will find out a mode of investment and a way of cooperation to realize the development plan.

In order to create an economical transport network in the Lower Tuman River area, we intend to improve and modernize the existing railways, roads, and ports in the Rajin—Sonbong area by establishing the combined goods transport system and increasing considerably the capacity of handling goods.

To this end the traffic and handling capacity in the railways and ports will be up respectively to 20 million tons by 1995 and 50 million tons by 2000. In the long term the ports' capacity of handling trade goods will increase up to 100 million tons by expanding the ports in accordance with future increases in volume of cargoes.

In 1943, Japan carried more than 2.3 million tons of cargoes through the railway bridge Sambong—Kaishantun which was built for the purpose of aggression to Manchuria. We regard it would be important to use this route and to increase the railway traffic capacity in the area to reconstruct the railway bridges from Sambong—Kaishantun and Hunyung—Hunchun while building a second railway bridge between Tumangang and Khasan.

For the road network we plan to establish the beltline network by building highways and to connect it with the frontier points of China and Russia. That would create a traffic capacity in the road networks up to 53 million tons in the direction to China and 13 million tons in the direction to Russia.

Realization of these projects will form a triangle beltline network by railway, ports, and roads connecting the Rajin—Sonbong area in North Korea, the Yanji and Hunchun area in China, and the Khasan area in Russia. The triangle beltline network will, without any doubt, make great contributions to the development of trade among the countries of the region. We intend to finalize the works to be done with priority in establishing the Free Economic Trade Zone, such as preparation of a master plan for national land development and legislation of laws and rules which are in the final stage. We plan to start construction of infrastructures in the area during next year. We are convinced that the economical transport network design and the way of cooperation would surely work out if North Korea, China, and Russia seriously consult and discuss about the creation of an economical transport network in the Lower Tuman River area.

It is also necessary to cooperate and coordinate with each other not only in construction of infrastructures but also in distribution of industries and promotion of foreign investments including an international development fund so as to avoid repetition and unnecessary competition.

Moreover, close cooperation in different areas such as exchange of information including immigration rules applicable to the free economic zone, tourism, and service industries could be promoted through coordination.

Since the Pyongyang International Conference was held in April of 1992, we are pushing ahead with the activities relating to the establishment of Rajin—Sonbong Free Economic Trade Zone through the newly formed body for this purpose in particular based on the development concept mentioned above.

We have already completed a detailed site investigation in the Rajin—Sonbong

area. We plan to prepare the comprehensive master plan for a national land development of this area within the third quarter of this year and submit it to the government for its review and approval.

At the same time legal experts are engaged in drafting different laws and rules applicable to the zone. The "Foreign Investment Law," "Foreign Enterprise Law" and "Law on Co—production" have already been presented, approved, and will be proclaimed, at the latest, within the third quarter of this year. Other laws, rules and regulations including laws on taxes under preparation will also be proclaimed as soon as possible.

While actively pushing ahead the activities to establish Rajin—Sonbong Free Economic Trade Zone with the principles of independence, equality and mutual benefit, we will smoothly solve problems raised in the development of the Lower Tuman River area through coordination.