

Development of Infrastructure as a Top Priority of Regional Cooperation in Northeast Asia

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Recently, Northeast Asian nations have been confronted with the task of developing and utilizing the most effective way of cooperatively harnessing the economic potential of the region. The Northeast Asian region encompasses a vast area abundant in natural resources and economic endowments and including cheap but high quality labor. Yet the degree of economic cooperation in Northeast Asia is one of the lowest in the world due to the impact of the East-West Cold War in the wake of the Second World War. For this reason, the abundant potential in the region has not been effectively tapped. Today, however, the Cold War is gone and it is all the more necessary now than ever before for Northeast Asian countries to enhance their cooperation and interchange for their common interests. Strengthened intra-regional cooperation and exchange will make a tangible contribution to the enhancement of Northeast Asia's counterbalancing role and bargaining power in a world of economic regionalization and consequent emerging protectionism. The key to sustained rapid growth in Northeast Asia is the pooling of efforts to fully harness the resources of the region and to give full play to the compound effect of comparative advantages.

Beginning in the early 1990s, debates and brisk activities centered on the developed of the Tumen River area were conducted to intensify regional cooperation among Northeast Asian economies. In December 1995, in New York, the Agreement on the Establishment of the Consultative Commission for the Development of the Tumen River Economic Development Area and Northeast Asia, the Agreement on the Establishment of the Tumen River Area Development Coordination Committee and the Memorandum of Understanding on Environmental Principles Governing the Tumen River Economic Development Area and Northeast Asia were signed between Northeast Asian countries under the patronage of UNDP. These agreements have laid a firm foundation for furtherance of regional cooperation at an intergovernmental level. Today, the task is to establish those organizations and speed up regional development. With the help of such organizations, Northeast Asian countries can bypass competition and

confrontation and give priority to the common interests of the region, thus solidifying regional cooperation on the principle of intra-regional economic cooperation rather than inter-regional competition.

In previous conferences, Northeast Asian nations have stressed that regional cooperation should begin with development of the Tumen River area. The lower reach of the Tumen River is a focal point of global attention since it can be a vital conduit to, and an important player in, the development of Northeast Asia. But the Tumen River area is not playing its expected role due to ill-planned and outdated infrastructure. As a result, Northeast Asian economies have encountered a hurdle in economic trade and interchange and are sustaining large opportunity costs. Indeed, this situation explains explicitly why Northeast Asian countries rich in human, material and other resources have failed to cooperatively utilize their collective comparative advantage. Thus improvement of infrastructure in the Tumen River delta is the initial task for Northeast Asian and riparian country cooperation.

Indeed infrastructure in the Tumen River delta must be improved if the area is to become a hub of sea-born and land-backed multimodal transportation for Northeast Asia.

Without improved infrastructure in the Tumen River delta it will not be possible to achieve the objective of Northeast Asian regional development. Infrastructure development in Northeast Asia, including the lower Tumen River area is essential to the upgrading of the economy in western Japan, which is less developed than its eastern portion, to the acceleration of development of northeastern China, including the implementation of Jilin Province's strategy of development of coastal and border areas, to the development of the Russian Far East, and to the provision of access to the Pacific Ocean for Mongolia. The overall improvement of the Northeast Asian economy with the lower Tumen River area as its axis can facilitate a broad economic exchange among the region's countries in various sectors, including tourism, trade, resource development and direct investment, thereby enabling every country of the region to benefit equally. Thus upgrading and continuous improvement of infrastructure is the key not only to the development of the lower Tumen River area but also to the overall development and prosperity of Northeast Asia.

Close cooperation and coordination among Northeast Asian countries is crucial to the formation of the most economically efficient infrastructure network and the avoidance of unnecessary competition and overlap. Thus the Northeast Asian countries should focus their attention and efforts on the development of infrastructure in the downstream of the Tumen River and actively cooperate on the principle of ensuring efficiency and common interests in the region. In addition to cooperatively designing an efficient

infrastructure network in the region, the Northeast Asian countries should take practical measures to intensify cooperation in the funding of its development. The Northeast Asian countries should accelerate the establishment of a Northeast Asian Development Bank or a Tumen River Trust Fund as a regional cooperative organization which would provide the financing needed for regional development. The Bank would have to be independent and make a real contribution to the promotion and facilitation of regional development. At the same time, the riparian countries along the Tumen River and other countries of Northeast Asia should intensify their cooperation in the creation of favorable legal and institutional conditions to facilitate effective utilization of the infrastructure network.

With a view to strengthening and developing economic exchange and cooperation with Northeast Asian countries, the DPRK Government has declared the Rajin-Sonbong area along the lower Tumen River as a Free Economic and Trade Zone and is now accelerating its development. The DPRK is trying to turn this Zone into a center of regional exchange and cooperation. This is the DPRK's contribution to intensifying cooperation with Northeast Asian countries and, particularly with its neighbors.

While continuing to transport transit cargos using existing infrastructure, the DPRK is also strengthening cooperation with its neighboring countries in the improvement of infrastructure. The DPRK is discussing and solving matters of mutual concern in infrastructure development through regular negotiation sessions. It is rebuilding and expanding seaports, railways and highways linking the DPRK with Russia and China, and it is close to completing an optic fiber network connection with China. A liner service has already been started and the transit cargo transportation system is being advanced via the port of Rajin which is now designated a free trade port. Tourism has also made its debut in the zone.

These are only first steps forward. The growth of demand urgently requires updating and improvement of all infrastructure in the Zone by cooperatively designing it in good harmony with neighboring countries, and providing opportunities for investment in the chartering of wharves, and large-scale site development. As the saying goes: "Well begun is half done." The DPRK will continue to direct a great deal of effort towards the strengthening of cooperation already set in motion with neighboring countries. The Rajin-Sonbong Zone will play a major role in catalyzing this economic collaboration among Northeast Asian nations, thus fueling regional development. The DPRK sincerely hopes that Northeast Asian countries will cooperate positively to develop infrastructure of the Tumen River area on the principle of economic efficiency as well as independence.