

DEMOCRATIC PEOPLES REPUBLIC OF KOREA

By a Special Contributor

Although North Korea (DPRK) is virtually bankrupt, the Stalinist state under Kim Jong Il has nuclear missiles, sales of which were Pyongyang's biggest source of foreign exchange, peaking at about an annual US\$700 million some years ago, according to South Korean observers. Many of the DPRK's industries are carrying large idle capacity and the foreign exchange crunch has prevented import of equipment and spare parts. Also, the policy of *juche*, or self-reliance, has prevented the inflow of technology and, as a result, industry is saddled with outmoded plant and machinery. DPRK has two oil refineries with a capacity of 3 Mt/y but supply of crude from China is not adequate.

The country is endowed with iron ore and coal resources which have supported a steel industry. There are iron-ore mines at Musan, Unryul, Songhung, Komdok, Toksong, Tokhyon, Chaeyong, Hason, Tokonsong and Sehaeri. The Musan iron ore complex, the biggest of them, has been producing some 10 Mt/y and the ore is moved in slurry form by pipeline to the Kim Chaek steel plant in the vicinity. This plant has a capacity of 4 Mt/y, but is in dire need of modernisation. Another steel plant at Nampo was expanded from 1 Mt/y to 3 Mt/y a few years ago. South Hamgyong Province has promising deposits of magnetite ore.

DPRK has large deposits of coal, estimated at 12,000 Mt, but metallurgical grade is limited. The production of coal, when last reported, was 90 Mt/y. The Anju region is the major repository of coal, with deposits estimated at over 10,000 Mt. Coal production capacity in the Anju region has increased to around 7 Mt/y after the commissioning of new mines at Chili and Soho, and the addition of new equipment in the Saebjol and southern districts of North Hamgyong Province. The capacity of the Sunchon district coal complex increased to 3 Mt/y some time ago. Output of metallurgical grade coal was 1 Mt/y at the Kukdon and Yangjong mines. New coal deposits were discovered some time ago in Ryanggang Province.

A lead-zinc ore processing complex with a capacity of 100,000 t/y was operating at Komdok and efforts have been proposed to modernise the facilities. Upgrading of extraction technology for non-ferrous ores was to be undertaken. Copper concentrates, wollastonite and molybdenum concentrates and kaolin are exported. In the west, near the Chinese border, monazite deposits, estimated at 500,000 t, occur at the Chelsan mine. The monazite is processed at a 1,500 t/y plant operated by International Chemical Joint Venture Corp., jointly owned by the state-run Korea Ryongaksan General Trading Co. and a Japanese company.