

Gyeongui Line to Resume Normal Operations

Railroad services to Kaesong Industrial Complex on the Gyeongui Line increased from 21 to 23 times a day from April. Mainly a seasonal change, the last departure service into Kaesong has been pushed back to 5:00 pm from 4:30 pm and the arrival time also changed accordingly from 5:00 pm to 5:40 pm.

With the half of the Mount Kumgang tours, the Donghae Line is running on a more flexible schedule based on demand. Currently both lines are operating. There are 417 South Korean citizens currently residing in North Korea, with the majority (404 people) at the Kaesong Industrial Complex

According to the Export-Import Bank of Korea, the volume of loans by the businesses operating economic cooperation with North Korea increased over the years, from 10.8 billion KRW in 2008, to 15.4 billion KRW in 2009, and 41.6 billion KRW in 2010. The increase comes as a surprise considering the enforcement of sanctions against the North from the Cheonan incident caused all inter-Korean exchanges and cooperation to discontinue except for the KIC.

The Export-Import Bank (Exim Bank) in coordination with the Ministry of Unification has continued to provide loans to businesses engaged in inter-Korean cooperation through a special loan program called, "Special Economic Exchanges and Cooperation Loan." Special consideration was given to these small businesses suffering since the imposition of government sanctions.

Last year, a total of 25 businesses (11 economic cooperation-related, 13 exchange-related) received special loans from the Exim Bank. The loans were used mainly for stabilizing the business management to cover various business expenses including tariffs, shipping, material, distribution, manufacturing and labor costs, as well as other additional taxes and interests.

On the other hand, North Korea's Korean Asia-Pacific Peace Committee informed Hyundai that it would retract the company's monopoly over the tour of Mt. Kumgang, which was supposed to expire in 2028. Hyundai Asan expressed regret over the North's decision by saying, "The agreements that were reached on Mt. Kumgang tourism must be honored and cannot be declared void or lose their validity on unilateral notification. The North's statement should be withdrawn."

The spokesperson of Hyundai also stated, "The root of this problem is caused by the stalled tourism project. The only solution is to resume the tours to Mt. Kumgang at the earliest time possible." It further added its intention of working closely with the South Korean government to restart the tours. Since the suspension of Mt. Kumgang tours after a female tourist was shot and

killed in July 2008, Hyundai Asan has been hitting dead ends with the project.

Regarding its plan to retract Hyundai, North Korea is pointing the finger at the "South Korean government's vicious North Korea policy." According to North's Uriminzokkiri website, terminating Hyundai's monopoly rights was an "inevitable decision based on low prospect for resuming the tours of Mount Kumkang." It further added, "Although the South Korean government is condemning our decision as against international norms, the situation is compelling the DPRK to exercise our rights which is in accordance with domestic and international laws."