

## DPRK to Set Up Special International Tour Zone at Mount Kumgang

According to KCNA news agency, the Presidium of the DPRK Supreme People's Assembly issued a decree on April 29 to set up a special zone for international tours at Mount Kumgang. It reported the special zone in Kangwon Province would include Kosong-eup and Onjong-ri of Kosong County; Samil-po, Hae-Kumgang, and Nae-Kumgang areas in Kumgang County, and Thongchon County.

The Central Tourist Guidance Agency expressed its intentions of increasing new tourist destinations depending on the progress made in the special zone. In addition, it also announced the annulment of October 2002 decree on the Kumgang Special Tourism Zone, which rescinded the exclusive rights of Hyundai Asan.

Previously on April 8, the DPRK's Korean Asia-Pacific Peace Committee (KAPPC) informed Hyundai Asan that it would retract the monopoly rights of Hyundai. Instead, it expressed plans of entrusting the tours from the North through foreign businesses while Hyundai will continue to lead the tours from the South. The North announced the Mt. Kumgang tours will be renewed through appropriate national measures.

The KCNA explained, "The DPRK's sovereignty will be exercised in the special tour zone." Additionally, the DPRK is encouraging free investment in the special zone by corporations, individuals and other economic bodies and such investments are protected by law.

On the May issue of South Korean monthly magazine *Minjog* 21, the Committee of Investment and Joint Ventures of the DPRK and Kempinski Group was reported to have reached an agreement on its entrance into the Kumgang tourism project. The magazine also reported the Kempinski Group's plans of modernizing the Wonsan Airport, development of Wonsan City into a resort town, and building roads connecting Wonsan with Kumgang.

Kempinski Hotels is a luxury hotel group known for its five-star hotels and resorts and recently expanded into Asia with current projects underway with India and China. Kempinski is majority owned by the Crown Property Bureau of Thailand and the royal family in Bahrain. Once the Kempinski Hotel is completed in Wonsan, it is expected to become an international resort town linked with Mt. Kumgang Special Zone.

The Mt. Kumgang tours from the North are expected to be managed by the Kempinski Hotels while the tours from the South will be still managed from Hyundai. An interview on April 13 by Ri Jong Hyok, vice-chairman of the KAPPC commented, "The buildings and facilities built by Hyundai will come to ruins if left at its current unoccupied stage. This is the reason why we are attempting to restart the tours, but only until the South decides to resume the tours."

The Committee of Investment and Joint Ventures was upgraded from Joint Venture and Investment Guidance Bureau last July, becoming a central state organization in charge of all projects related to investments and joint ventures from overseas.