

NEW DPRK REGULATIONS ON TOBACCO TRADE

It has been reported that North Korea has established the 'Choson Tobacco Association' and through it, is centrally regulating tobacco exports, cooperative ventures, and other activities of the tobacco industry.

On January 16, the North's 'Tobacco Regulation Law' stipulated the formation by DPRK authorities of persons involved in the trade, taxation, and production of tobacco into the Choson Tobacco Association. Furthermore, the law mandates that tobacco export, joint ventures or cooperative enterprises must get permission for such activities from this association. In order to receive permission from the association, an import/export request must be submitted, providing the name and country of origin of the entity with which one wishes to do business, as well as an explanation of the business at hand, expected worth, and other detailed information. The association will then consider the application and grant or deny permission within fifteen days.

The Tobacco Regulation Law strengthens the powers of customs agents for border inspection and quarantine of equipment, supplies, and products related to the tobacco industry. However, while the export of leaf tobacco is not allowed as a general rule, special permission has been granted for its sale in order to raise capital to purchase supplies and goods necessary to boost production. The law also requires permission be granted from central authorities to all industries and enterprises wishing to engage in the production and sale of filtered tobacco. This is to ensure standardization and normalization in tobacco-producing facilities.

By enacting the law, DPRK authorities have laid down complex criterion for the production, export, and joint venture activities of the tobacco industry, which appears to be related to the international society's recent condemnation of the North as the origin of the world's counterfeit cigarettes. The American tobacco giant Phillip Morris USA claims that, over the past several years, North Korean counterfeit cigarettes have shown up in more than 1,300 markets from New York to Seattle to Los Angeles, and that the North's production capacity is over 20 million packs per year. Since North Korea's counterfeit money and drug circulation issue has arisen, domestic decrees have been issued, warning that production and circulation of drugs or counterfeit money will be treated as felony crimes.