



GOODFRIENDS



Weekly Newsletter

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[“Good Friends” aims to help the North Korean people from a humanistic point of view and publishes “North Korea Today” describing the way the North Korean people live as accurately as possible. We at Good Friends also hope to be a bridge between the North Korean people and the world.]

[Hot Topics No. 322]

Soonam Market in *Chungjin* to be Closed in March

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500 *Won* Levied for 3 Great Revolution Red Flag Nomination Project Fund Burdens Farmers

[Hot Topics No. 322]

***Soonam* Market in *Chungjin* to be Closed in March**

North Korean authorities are to close down *Soonam* market in *Chungjin*, North *Hamgyong* Province in March following the shutdown of *Pyongsung* market in South *Pyongan* Province last June. The cabinet decided on a measure to cease the operation management of the *Soonam* market on December 30, which practically means a closure. Hereafter, North *Hamgyong* Provincial Party Committee will take charge of the closing process and take the party leadership initiative. The provincial party decided “to implement a propaganda campaign project in order to control opinions and utterances of the residents.” The intention is to eradicate possible strong resistance of the residents by means of a carefully designed ideology campaign. Having been in operation only for five years, *Soonam* market is

located between *Chumok-dong* and *Chungnam-dong* in *Soonam* District. The Provincial Party plans to demolish the market beginning in March and build trendy parks and houses. The decision to close *Soonam* market is expected to shock the residents who rely on trading just like the closing down of *Pyongsung* market. *Soonam* market is well-known as 'the Republic's Wholesale Market' along with *Pyongsung* market. It is a market with the most commercial activities in the country, and business in trucks is active in particular. As such, the market was regarded by the North Korean authorities as a breeding ground of anti-socialist phenomena, especially unlawful activities. *Soonam* market is also a place where a group of female merchants protested in opposition to a measure that banned women under 50 from doing business in March, 2008, which perplexed the Central Party.

A South *Hamgyong* Provincial Party official explained, "There is no other reason for the Party to close down *Soonam* market than to pave the way to the Strong and Prosperous Nation." Currently, approximately more than 40% of residents of *Chungjin* are estimated to rely on *Soonam* market, so the impact of its closure is expected to be substantial. Households that make livings by trading at the market are deeply concerned about their future without the market already.

***Chupyung* Market in *Hamheung* to be Closed Following *Soonam* Market**

Chupyung market in *Hamheung*, North *Hamgyong* Province is soon to be closed following *Soonam* market in *Chungjin*, North *Hamgyong* Province. *Hamheung* City is the largest industrial district in the northern region and has a substantial amount of production and demand of handicraft manufacturing and industrial edge processing products. Located in *Sapo* District in *Hamheung* City, *Chupyung* market is a whole sale market for edge processing products manufactured by individuals. It is as large and crowded with wholesale merchants as *Pyongsung* market. As the market is crowded and busy, crime activities including fraud and robbery have occurred frequently. As such, authorities announced the closing down decision explaining, "The operating manner of the high-profile markets in the northern region is notorious even overseas. Difficult situations of the residents have been broadcasted (overseas) and often used by the media to criticize the Military First Policy of the Republic. It is certainly defamation of the country's reputation and authority." All the advantages and disadvantages resulting from the closing down of *Pyongsung* market in last June are to be analyzed and based on the experience, *Soonam* market in *Chungjin* will be closed in the first quarter. In the same period, *Chupyong* market will be put in a pre-closure phase. After the closure of *Soonam* market is completed, *Chupyong* market will finally stop operating in the second quarter. The Party order illustrated that the purpose of the market closure is "to expedite the realization of the Strong and Prosperous Nation, so all the citizens live equally well in the Strong and Prosperous Nation in 2012."

Salary Payment Brings 100% Attendance Rate for Laborers Performing Hazardous Work

As far as the salary is concerned, the workers in the 2nd labor unit of the mechanical factory in *Raman* coal mine, *Chung-Jin* City, North *Hamgyong* Province receive relatively high salary. The amount of salary they have received this time was 9,500 NK *won*. They received

relatively higher salary because of the hazardous work condition they are in. When the amount of salary was known, more and more workers desired to work in this labor unit. Some of the workers were spotted visiting homes of the higher officials in an attempt to bribe them for an assignment in the labor unit. This is an astonishing change compared to the situation in just a couple of months ago considering the fact that, until last November, no one wanted to work in this unit even with provision of ration because salary was not paid. By that time, only about 10 out of 17 workers regularly reported to the work. Ever since salary was paid on the 23rd of December, all the workers reported to work every day. *Kim, Hyuck-Cheol*, who works in this unit, is eager to work every day and does not want to miss a single day despite the advice from his physician who issued a medical note so that he can take a month off because of his medical condition. He does not want to take time off because there is no guarantee that he will get the job back when he returns to work.

***Hoeryong* Enterprise Provision Prices Lower than Market, but Higher than Distribution Agency**

December 28, factories and public enterprises in *Hoeryong*, North *Hamgyong* Province provided grains to laborers. They bought imported rice for 30 *won* and flour for 28 *won* from the city grain administration agency and distributed at a slightly higher price to laborers: 35 *won* for rice and 32 *won* for flour. Some laborers are complaining that enterprises and factories are profiting from laborers. However, the price is still lower than the market price, so regular laborers rush to purchase food at their factories and enterprises. Currently in *Hoeryong* market one kilogram of rice, flour and corn is traded at 45-50 *won/kg*, 50 *won/kg*, and 20 *won/kg* respectively.

Rising Cost of Living Offsets Potential Benefits of the New Currency Exchange

After receiving salaries and estimating the living expenses which include November rent fees, electricity and water bills, residents feel that rising living expenses are offsetting the potential benefits of the enhanced value of new currency. *Shin Hwa-myung* (alias), a resident in *Siniju*, North *Pyongan* Province, said that each household pays from 300 to 600 *won* for rent in the apartment complex where she currently resides. In addition to the rent fees, people need to spend substantial amount of money to purchase grains, foods, and other basic commodities. If you also count the additional amount of money people have to spend for medicine due to the new H1N1 flu virus, which is sweeping the country, living expense rises way beyond the one-month budget of an average resident. *Shin* said, "My salary is not enough to afford haircuts, perm, and bath. Electricity lasts barely an hour in a day. Even that electricity is strong low voltage not suitable for TV. I thought about buying a power meter, but it was as much as 30 Euros." Although the value of the currency has increased 100 times, *Shin* feels that the prices of goods have increased just as much, leaving her standard of living unchanged.

Farmers Are Buying up Goods Didn't Sell Much Before

With the one-year worth of new currency distribution money in hand, farmers crowd into the markets to shop, keeping the markets brisk. Farm households with individuals who

received 15,000 *won* each, especially couples with 30,000 *won* and families of three that received over 40,000 *won* in total, are beginning to purchase household goods. As they have always been short on money, farmers with cash are now on shopping spree. Even the products that did not sell very well before are now worth more than 150% of the old price and out of stock. With laborers who recently received wages joining the buyer's parade, supply falls short of the buyers' needs and prices keep rising. Merchants who were frustrated by the market contraction after currency revaluation now seem to be relieved due to the increase in daily earnings. Some of the merchants who had built up a large stock of products before the revaluation measure have earned more than 100,000 *won* in new currency already as the prices soared. On the contrary, petty merchants who buy goods from providers on credit and live on the daily earnings have difficulties in saving money. After repaying the credit to the providers, they are left with little profits in hand. After all, the situations suggest that those with money (foreign currency) or business resources (products) are rapidly recovering from the aftermath of currency revaluation while daily earning merchants who experienced temporary relief are regressing back to the same difficult condition in the past.

500 *Won* Levied for 3 Great Revolution Red Flag Nomination Project Fund Burdens Farmers

Although farmers seem to be actively participating in economic activities at least temporarily by purchasing goods in markets with the cash distribution, the future does not seem all that optimistic. People fear that, after deducting some elements, including nontax payment and food loans, it may result in a loss rather than a profit, and the fear seems to present itself as a reality already. For those households that borrowed food in the spring hardship season, they are required to repay the loan. Conflicts have occurred between lenders and borrowers when they convert the debt to new currency. The issue was raised to City Parties and police stations, and City Party officials and police officers have been conducting follow-up activities on the use of distributed money since December 26 under the direction of City Party. In addition, a levy of 500 *won* to fund the Three Great Revolution Red Flag Nomination Project imposed on farmers aggravates the financial burden. Kim Jungbin (alias) in *Hameung*, South *Hamgyong* Province said, "During the currency revaluation, they only allowed 1,000 *won* in new currency per household, but now they are asking us to donate 500 *won*, a half of the whole amount, to fund the Three Great Revolution Red Flag Nomination Project. It is absurd. Although the fundraising is more like a loyalty competition among units based on voluntary participation, the money comes from the farm laborers after all." ❁



Good Friends: Center for Peace, Human Rights, and Refugees



Please become a good friend of the Good Friends

Good Friends– An International NGO for Peace, Human Rights and Refugees

Good Friends provides relief works for international refugees to become all lives' friends, peace movement to fundamentally resolve disputes and conflicts that human beings face, and human rights movement to protect human rights.

Good Friends has been providing information on food shortages in North Korea, raising funds for humanitarian assistance, dispatching activists to national border areas between China and DPRK and having them investigate local situations, and publishing reports on food shortages in North Korea.

Currently, Good Friends is making efforts to improve humanitarian and human rights situation of North Korean people and to inform this situation to the international community by:

- 1) Collecting information on food shortages, public health conditions, education, the basic necessities situations and inform humanitarian organizations so that they can support North Korean people effectively.
- 2) Reporting the current human rights situation in North Korea where rights duly protected by law are being violated; assessing incidents of human rights violations in the process of arrest, punishment, and imprisonment and informing international communities; and requesting that the North Korean Government act to improve human rights.
- 3) Investigating the current situations of North Korean refugees in China, and providing protections and aid for them and their children in particular.

For these purposes, Good Friends USA publishes the weekly newsletter North Korea Today (English edition) to inform the international public.

You can make a difference by donating to **Good Friends USA, Inc.** Contributions to the Good Friends USA, Inc. (a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code) are tax deductible.

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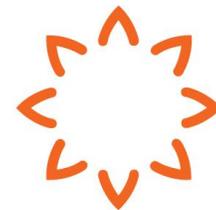
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