

# *Economic Contacts between the DPRK and the Russian Far East: 1992-2005*

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## **Abstract**

The article is based on Russian local statistical data materials and other not widely known documents, which permit to do objective conclusion on the North Korean economic potential and the nature of its economic contacts with the Russian Far East. The article declares that the DPRK is not an economically isolated country and continues to preserve economic relations not only with China, but with other ex-socialist countries, the first of all with Russia.

**Key Words:** economic relations, North Korean workers, labor migration, Russian Far East, joint ventures

## **Introduction**

During the Soviet era, the Russian Far East had very intensive economic contacts with the neighboring DPRK. After the collapse of the USSR, Russian-North Korean economic relations continued, but they were not as wide nor intense as they became later. At present, the contacts are concentrated on North Korean workers' migration to the

Russian Far East and the cooperation between Russian and North Korean companies involved in the following industries; producing canned fish, mining, construction, logging, etc. Therefore, the main purpose of this article is to demonstrate that the DPRK is not an economically isolated state and has economic relations not only with the Chinese Northeast, but with the Russian Far East, as well.

### **The DPRK Workers in the Russian Far East**

There were three waves of North Korean labor migration to the Russian Far East: (1) the first one was during the period from 1945 to the beginning of the 1950s, which was stimulated by a labor shortage in the Russian Far East and had positive political and economic outcomes for both sides; (2) the second one from 1967 till the beginning of the 1990s, which was provoked by political reasons as the former Soviet Union was an ally of the DPRK, but did not engender any economic benefits for the economy of the Russian Far East; and (3) the third one from 1992 till the present. This was a time when it became a balance between the political and economical interests of the both sides. The North Korean labor migration became more economically expedient, and the situation with North Korean labor migration reflected the political reasoning of Russia and the DPRK authorities.

North Korean workers who came to the former Soviet Union during the first two periods pursued two diametrically opposite targets: to make more money than they could at home or to change their citizenship.

During the third period they come to the Russian Far East solely to earn money, because they receive their earnings at home in North Korean currency. Nevertheless, while living in Russia they can find by themselves illegal, untaxed work in addition to their official work

place and receive wages for it in Russian currency. However, as the majority of North Korean workers continue to be un-skilled, they receive poorly paid work.

During the *first period*, North Korean laborers began to work at construction, logging and fishing sites in the Soviet Far East. Such work resumed following an interruption during the 1950-53 Korean War. As none volunteered, criminals, who had committed a succession of crimes, were first mobilized. At the protest of the Soviet government, North Korea began to send model workers to Russian logging sites in the 1970s. In the absence of volunteers, the authorities still had to resort to forceful means in sending loggers to Russia.

In due course, however, the North Korean loggers invited the envy of neighbors when they returned home bringing with them electric home appliances and food. North Korean public perception of loggers began to improve from that time. Upon arriving at logging sites, North Korean workers exerted themselves to make money. Having exhaustively bought up commodities available in the local market, North Korean loggers earned the nickname of “grasshoppers” in the 1980s. Kim Il Sung, during his visit to Moscow in 1984, raised the wage of the loggers in Khabarovskiy Krai to 20,000-30,000 rubles and changed the currency paid to them from the North Korean won to rubles.<sup>1</sup>

Those changes resulted in a golden age for the North Korean loggers in Russia for some time. Earning over 100 rubles (equivalent to US\$120 at that time) a month, some successful loggers returned home carrying 2.4 tons of daily necessities. The following perception prevailed, “You can bring home appliances; including TV sets, refrigerators and tape recorders. Once you manage to get there, you can make money without fail.” This gave rise to bribing North Korean

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<sup>1</sup>L. V. Zabrovskaya, *Russia and North Korea: Past Experience and New Perspectives for Interrelations (The 1990s)* (In Russian) (Vladivostok: DVGU Press, 1998), pp. 38-39.

officials in an attempt to get recruited for the logging operation in Russia's Khabarovskiy krai. To prevent possible escapes from the work sites, needless to say, successful applicants had to meet the three conditions of holding party membership, favorable family background and being married.

However, for the entire three-year contract period the loggers had to endure a hellish bachelor-like life at the logging sites in thick forests. Not every logger could make money, either. Bribes were essential if one wanted to get assigned to a favorable working site with parts and necessary tools. Even remittance back home of earned money sometimes needed bribes. As a consequence, some loggers ended up accumulating debts.

When the Soviet Union collapsed in the beginning 1990s, making money got even more difficult due to serious inflation and the suspended supply of spare parts. Then began the *second period* of North Korean labor migration to Russia. Nonetheless, many ordinary North Koreans still aspire to work as loggers in Russia in a move to improve their fate. Once they become loggers, they can at least eat full, ordinary meals which are a far cry from the reality in the DPRK.

At the end of the 1990s the number of North Korean loggers in Russia was not more than 7,000 people. Since it's difficult to accumulate money through logging alone, many of them are engaged in side jobs as well like commerce and building work for local Russians. By working in side jobs, North Korean workers earned over US\$200-300 a month at Primorye or more then US\$300 a month at Sakhalinian oblast. Most of this, they must give to the North Korean Consulate at Nakhodka-city. Therefore, every year North Korean Consulate accumulates US\$2 mln, which it spends on making investments in Russia, paying for export goods from Russia, for sending money to the DPRK and finally buying food. This is one of the ways for the realization of the *juche* philosophy in the realm of economics.

During the last ten years (the *third period*) the total number of North Korean workers in Primorye and Khabarovskiy Krai and Amurskaya oblast has increased year by year (see the Table 1, 3, 4). They worked at the building-sites of the joint-stock companies “Dalrubstroj” and “AKFES,” and in the farms of the Khasanskiy district of Primorye. In many cases, the Russian Koreans who have their own firms invited North Korean workers to work for them.

In summer 2000, Russian President Vladimir Putin paid a visit to Pyongyang. The rapprochement developed further next year, with the North Korean leader Kim Jong Il making a return visit that took him rumbling across Russia in a train under heavy security. The results of Kim’s visit include the Moscow Declaration that he signed with President Putin. The document says that the DPRK’s missile program does not threaten countries respecting its sovereignty. In another achievement, Russia and the DPRK signed an agreement to connect Russia’s Trans-Siberian railroad with a Trans-Korean one, reaching the South Korean port of Pusan. The rail link between North and South Korea is yet to be restored. However, Russia and the DPRK agreed to start a feasibility study for the project in 2001-2002. During that period, some delegations of experts from the Russian Railways Ministry arrived in the DPRK to commence the work.

In the August 2001 during the official visit of the North Korean leader Kim Jong Il to Moscow, the DPRK authorities proposed the sending every year to Russia of more than 5,500 North Korean workers. A year later, in August 2002, during his second unofficial visit to Primorye and Khabarovskiy Krai, Kim Jong Il asked to send another extra 2,500 North Korean workers per year to the Russian Far East. However, Russian Far Eastern local authorities were not eager to give permission for their migration, as there was not enough work places for them. Besides, Russian local authorities began to look on North Korean workers with some prejudice, because, later, many of

them became involved in drug trafficking.<sup>2</sup>

Therefore, to avoid problems with North Korean workers, Russian businessmen who have their own firms in the Russian Far East are afraid to invite many North Korean workers. Therefore, the number of places where North Korean laborers can find work in the Russian Far East is not large and is limited to logging at Khabarovskiy Krai and Amurskaya oblast' or working at farms or construction sites in Primorye (see the Table 1, 2).

*During the 1990s and at the beginning of the 21<sup>st</sup> century, the DPRK was suffering high unemployment. Therefore, the North Korean authorities tried to send their workers to other countries, not only to Russia, but to China - 2,000-3,000 people every year, Mongolia - 2,000 people a year, European ex-socialist countries - around 50 people a year. Meanwhile, the total number of North Koreans working in Far Eastern Russia has reached 11,862 people in 1998, 9,983 in 1999, 13,219 in 2000, 12,500 in 2001, 11,164 in 2002, 11,290 in 2003, 13,294 in 2004, and 13,806 in 2005. Many of them arrived for three or six month working periods, but very few for 1-3 years.*

Table 1. The Number of North Korean Workers at Primorye in 1992-2005

	%* - of a total foreign workers in Primorye													
Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total	1,779	1,181	1,421	3,956	4,144	3,119	2,134	2,373	1,369	2,013	2,089	2,020	3,126	5,693
%*	20.1	15.2	25.5	30.8	30.6	27.6	20.6	23.5	12.5	13.6	14.0	13.0	17.6	16.7

Sources: *Primorye in 1994 Year: Statistical Yearbook* (Vladivostok: Primorye's State Board of Statistic, 1995), p. 16; *Primorskiy Kray in 1999 Year: Statistical Yearbook* (Vladivostok: Primorye's State Board of Statistics, 2000), p. 188.

<sup>2</sup> *Vladivostok* (A newspaper), Vladivostok, April 5, 2002, p. 19.

Table 2. The Number of the Russia-North Korean Joint Ventures in Primorye in 1992-2005

Year	%* - of all JV in Primorye													
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total	2	2	2	4	3	3	2	2	3	2	3	3	6	7
%*	1.1	1	0.7	1.3	0.8	0.7	0.6	0.5	0.6	0.4	0.6	0.6	1.3	1.1

Sources: *Primorye in 1994 Year: Statistical Yearbook* (Vladivostok: Primorye's State Board of Statistic, 1995), p. 198; *Primorskiy Kray in 1999 Year: Statistical Yearbook* (Vladivostok: Primorye's State Board of Statistics, 2000), p. 188.

As one can see, only a few North Korean workers find work at Primorye. They are engaged in apartment construction, agriculture and fishing, according to Russian Koreans engaged in farming businesses who employ North Korean laborers in Primorye. Most North Korean workers in Primorye are concentrated near the Pacific port of Vladivostok where they can find illegal untaxed work on the side, with their superiors' encouragement.<sup>3</sup>

It is remarkable that at the end of the 1990s, there has not yet been a single case of North Korean workers in the Russian Far East fleeing to South Korea. The first reason for this is that the ones who come to Russia are ideologically reliable and they have been able to prove they will not escape. Second, they have families and there is an incentive - to make more money and make their lives better off at home.

The wages of North Koreans working in Russian apartment construction averaged US\$120 - 130 a month, half the rate of Russian laborers. North Koreans also agree to be paid only after a building is completed and apartments are sold, providing Russian companies with more working capital during construction.

Finally, North Koreans are undemanding when it comes to creature comforts. Primorye's constructing firms house them in

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<sup>3</sup><http://vl.vladnews.ru>, April 2, 2002.

barracks crammed with bunk beds just a few steps away from the construction site. Make shift wooden shelves overhead hold the workers' few personal belongings, a pair of TV sets by which they can watch Pyongyang TV and a VCR. As usual, the only decorations are portraits of the North Korean leader and his late father Kim Il Sung. The North Korean bosses and translators inhabit a separate but similarly unenviable dwelling - a large metal crate.

The workers voice just one complaint about life in Vladivostok: high crime. "More than once Russian hooligans have attacked, beaten and robbed us," they said. The workers have chained a snarling dog near their barracks to scare off strangers, and they travel around Vladivostok in threes - though Russian officials say that's as much to do with watching each other as for protection.

North Korean workers say that Khabarovskiy Krai continues to be the favored place for making good money. They can receive good pay - 5-6 thousand rubles per month (\$170-190) for logging in Khabarovskiy Krai, but there exists very strong competition among North Koreans to be sent there for work (see the Table 3). A candidate for a good working place must be a member of the ruling party, have a spotless biography, be married, etc. At the same time, to work in logging requires no qualifications. As a result, in Russia, he will be forced to do very hard and labor-intensive work.

It has been stated that most North Koreans who are working in Khabarovskiy Krai are in their 30s and they have completed their military service. They are, also, better paid and record a good work performance and a low-rate of leaving their workplaces.

According to a related official, the monthly wage for Khabarovskiy Krai North Korean workers reaches about \$300. Deducting various taxes and living expenses, around \$100 can be saved a month which is a large amount, considering the average cost of living for a 4-member household for six months in Pyongyang is no higher than \$500. If a North Korean worker saves \$100 a month, he would be able to make

as much as \$3,000 for three years working in Khabarovskiy Kray.

The North Korean workmen have not only worked in the woodland area in the Northwestern part of the above-mentioned district, but on road paving work and creating parks within the city area of Khabarovsk. During 2003, the number of the North Korean workers amounted to around 500 in the city area, and up to 1,100 in the Khabarovsk area as a whole. In the meantime, around 4,000 North Koreans are engaged in the logging work in Irkutsk and Krasnoyarsk oblast' of Russia.

Table 3. The Number of North Korean Workers at Khabarovskiy Kray in 1995-2005

Year	%* - of a total foreign workers in Khabarovskiy Kray										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total	319	296	1,050	1,065	2,020	1,363	1,383	1,735	1,982	1,723	2,010
%*	6.9	5	27	29.6	46.1	19	20	20.9	22.1	23.6	25.5

Sources: *Statistics of Khabarovskiy Kaiy* (1990-1998) (Khabarovsk: Khabarovskiy State Board of Statistics, 1999), p. 81; *Khabarovskiy Kraiy in 2000, Statistical Yearbook* (Khabarovsk: Khabarovskiy State Board of Statistics, 2001), p. 40; Motrich H. L, Foreign Workers in of Khabarovskiy Kaiy/Economic Policy in the Russian Far East, papers of International Conference (Habarovsk: RIOTIP Press, 2001), p. 180; *Economic Situation of Khabarovskiy Kaiy. 1992-2002 Years* (Khabarovsk: Khabarovskiy State Board of Statistic, 2003), pp. 30-81.

A significant number of North Korean workers are working on Sakhalin Island and Amurskaya oblast. They are engaged in construction, agriculture, mining, logging, etc. Fishing and mining are the main fields of their work on Sakhalin. Every year about 200 North Koreans work on this Russian island.

Table 4. The Number of North Korean Workers at Amurskaya Oblast in 1995-2005

%* - of a total foreign workers in Khabarovskiy Kray											
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total	2,800	1,350	1,560	1,400	1,670	2,698	2,901	3,450	3,269	3,520	3,423
%*	72	35	42	40	46	71.7	69.6	53.6	35.4	34	33.6

Sources: V. Kudinov, *The Far Eastern Worker's Market, The District becomes a Market for Foreign Workers, The Far Eastern Capital* (Vladivostok, 2004), No. 11, p. 20.

At present, to receive good money is the main goal for North Korean workers in the Russian Far East. Sometimes they kill each other for money when they are going back home. As one can see, North Korean economic reforms have helped change North Korean people into pragmatists.

Nevertheless, North Korean people continue to live in a very bureaucratic and feudal society. There is one more thing that irks the Russian officials and businessmen about their North Korean workers. They demand that the Russians offer congratulation messages to Kim Jong Il on occasion such as every holiday, be it the New Year or the Day of the Creation of the Korean Workers' Party or the birthday of Kim Il Sung. As usual, the Russians tell them, "We couldn't care less but if you need it, bring the text and we will sign it."

Usually, North Korean Workers give the following reasons for why they come to Russia: "We are here to build friendship between Russia and the DPRK." Actually, the relationship is based more on money than friendship. It is built on a profitable, three-way arrangement: cheap labor for Russian construction firms, wages for desperately poor North Korean workers, and a trickle of revenues for the DPRK.

The main results of sending North Korean workers to the Russian Far East are bringing foreign currency into the DPRK and creating a middle class which is ideologically loyal to the North Korean ruling authorities.

“In the near future, the presence of North Korean workers in the Russian Far East is justified for political and economical reasons,” so said General Konstantin Pulikovskiy, the presidential representative to the Far Eastern Federal District of Russia.<sup>4</sup>

### **The Economic Cooperation between the DPRK and the Russian Far East: Proposals and Progress**

After the three high-level Russia-DPRK Summits of 2000-2002 there was an increase in the economic contacts between the Russian Far East and the DPRK. In 2003 the total volume of Russian Far Eastern-DPRK trade had doubled.

Besides this, there were exchanges by some economic delegations of the two sides. On April 15, 2002 high-ranking 14-member North Korean delegations arrived in the Russian Pacific port of Vladivostok, kicking off an eight-day tour around the Russian Far East in search of closer economic relations.<sup>5</sup>

The delegation, headed by North Korean Deputy Prime Minister Cho Chan Dok, sought to boost the once abundant ties that have all but deteriorated since the collapse of the Soviet Union, but have been on the mend in the past two years.

However, Mr. Cho said in a statement that North Korea worried about the lack of progress in the project to link the Trans-Siberian Railroad with the railway across the Korean Peninsula, which would provide a shorter and cheaper route for South Korean exports to Europe. “The implementation of the project has lately experienced an incomprehensible pause,” the statement said.

Outlining areas for more cooperation, it said the DPRK wanted to expand logging in Russia using the current arrangement, under

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<sup>4</sup> *ITAR/TASS*, February 5, 2003.

<sup>5</sup> <http://vl.vladnews.ru>, April 15, 2002.

which the DPRK sends its loggers to Russia and imports a portion of the logs they cut.

The DPRK proposals included increasing its construction and farming workforces in Russia. The DPRK authorities said it hoped to import some of the wheat that its workers would grow in Russia.

The statement also called on Russia to help further develop a coalmine in the northern republic of Yakutia, in which the DPRK wanted to invest \$2.8 million.

Besides this, it said the DPRK wanted an upgrade of its Soviet-built oil refinery with a subsequent increase of Russian oil supplies for it, up to 1.5 million metric tons per year. Moreover, Mr. Cho invited Russia to explore whether there are oil reserves on the North Korean sea shelf. Besides this, the DPRK authorities plan to take part in the exploitation of the Sakhanian oil deposit.

Russia should also consider using the DPRK's port of Rajin, mining ores such as zinc, copper and titanium, and starting joint ventures for processing sea food.

In October 2003, during the last visit to Pyongyang by Primorskiy Governor Sergei Darikin, there were negotiations about the lease of the Rajing port by Russia. Mr. Darikin hopes that the railway between Russia and Rajing would be in good working condition by 2004 and the refining of Russian crude petroleum would be performed via oil-refining facilities of the former Soviet Union.

Rajing can play the role of a strategic port in the Primorskiy area. At present, Moscow financial circles are reportedly showing an interest in the lease of this port. South Korean experts consider that "the Russia's lease of Rajing port may spark a delicate war of nerves between Russia and China,"<sup>6</sup> as China has recently expanded its power and influence on the Korean Peninsula. Nevertheless, Chinese private capital from Jilin province was more dynamic and grasped the

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<sup>6</sup> *KOTRA*, Osaka, December 10, 2003.

initiative: at the end of 2005 they leased the Rajing port for 49 years.

One of the results of Kim's official visit to Moscow was a Russian promise to supply power from the Far East to North Korea. In the beginning of December 2001 this issue was discussed in the Vladivostok's meeting attended by a North Korean mission headed by the Deputy Minister of the Ministry of Power and Coal Industries and the representatives from both the Russian power company and the Vostok energy company.

During the meeting, protocols were exchanged between the North Korean mission and the Vostok energy company and the Russian scheme for supplying 2-4% of available power of Primorye to North Korea in the initial stage was discussed. It also came to light that the contemplated supply of power would require installation of distribution lines between North Korea and the southern part of Primorye and additional voltage transformers.

Victor Mianakov, acting president of the Vostok energy company, emphasized in the meeting that in order to realize the supply of power to North Korea, the relevant budget for construction of the infrastructure for power transmission should be earmarked first and that the project should be executed in a mode to achieve the mutual interests of both countries. Mianakov further made it known that the Russian power company would call the second meeting between the two parties in Vladivostok soon to discuss working-level matters and technical issues.

The Russian side disclosed that it regarded the project very workable and was planning to construct the energy infrastructures for distribution of energy to North Korea and also to China in the long term. The survey, however, has revealed that this long-term plan would definitely require Russia building additional hydroelectric power plants and to expand associated infrastructure for the expansion of power generating capacity.

It has been learned that the aggravated power shortage in North

Korea is one of its most threatening economic problems and owing to its obsolete power plant facilities coupled with its fuel shortage, the power being generated now barely reaches 20% of its capacity. It seems Russia's power supply scheme, surfacing amid exchanges between North Korea and Russia gradually picking up since the 2001 summit meeting between the two countries, could help Russia in holding the steering wheel in its negotiations with North Korea for other projects including the Trans Siberian Railroad connection project.

In reality, however, Primorye does not have enough power supply for its own demands so that in the last few years, the Russian Far East experienced a great setback in its power supply in winter and suffered a power crisis. Under such circumstances, it remains to be seen whether Russia can supply a substantial amount of power to North Korea without first expanding its power generating capacity.<sup>7</sup>

The second meeting between experts of the Russian power company and the North Korean Ministry of Power and Coal Industries was held in Vladivostok in April 2002. Working-level matters and technical issues were discussed. Because of Primorye's electric power shortage, both sides failed to come to an agreement on the point.

As part of widening cooperation with the DPRK, the Primorye fishing company Dalmoreproduct, which is the main fish food producer in the Russian Far East, reported that it had signed a contract to start from November 2001 repairing the automotive strip on the Korean side of the single rail and a truck bridge connecting the two nations.<sup>8</sup>

The truck lane on the Friendship Bridge across the Tumen River is laid with railway ties which have long been worn out and

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<sup>7</sup>Kim Sam-sik, "Russia to supply power of the Far East to North Korea," *KOTRA*, Vladivostok, December 6, 2001.

<sup>8</sup><http://vl.vladnews.ru>, November 1, 2001.

Dalmoreproduct, or DMP, plans to replace them. The company has already completed some work on the bridge which stretches some 900 meters. Starting in January 2001, its construction division repaired all 90 meters on the Russian side and the 50 meters of the approaching passage. Encouraged by prospective joint business with the fishing company, the DPRK agreed to finance DMP for the renovation of the longer Korean span of the structure.

The Friendship Bridge will be relied on for the transportation of canned fish to Russia that a North Korean cannery will be producing for DMP, starting in 2001. The company intends to haul the cans by trucks, which is less expensive than by rail, he said. The single-track railway running on the bridge next to the truck lane will not be covered by repairs.

According to the contract, DMP will supply the cannery in the town of Siphon with various fish, for example, herring and cans. It has already shipped 400,000 cans of 220-gram capacity to wait for the commencement of fish supplies.

On the whole, the fishing giant, which operates 96 ships, heads for an expansion of business ties with North Korea, a longtime trading partner in Soviet times. The drive received additional impetus after President Vladimir Putin's visit to the country in 2000 and is also feeding on the hopes of unification of the two Koreas.

Dalmoreproduct's collection of contracts with the communist nation for this year includes an agreement with Tevesusan, an association for foreign fisheries, for the refrigerating and marketing of 5,000 metric tons of seaweed. North Korean fishing boats will collect the sea-borne plant in their economic zone and deliver it to the Rybak Vladivostok factory ship for freezing. DMP will then sell the seaweed in Russia and Japan, paying its North Korean partner 30 percent of the profits.

Another Dalmoreproduct ship will use the same financial arrangement to catch 3,000 tons of squid in North Korean waters.

From August through October, ships of the two countries are scheduled for a joint trip to fish Pacific sardines off the Kuril island of Shikotan.

There are also projects which are still awaiting signing. In many of them, DMP likewise focuses on exploiting the largely unharvested fish resources, including crab, in the neighboring nation.

“North Korean ships don’t have much capacity. Their few ships are all old,” said DMP officials. “They are able to catch only 15 percent of their quotas of fish in Russian economic waters. We could use their quotas [fishing licenses] to catch, process and sell fish.” DMP is offering 10 percent of sales receipts to the licensor for crabs while for the rest of the fish it is ready to pay 30 percent of the earnings.

The Russian regional authorities are enthusiastic about sending local boats to fish abroad, saying fish stocks in the Russian Far East are sufficient to employ only half of Primorye’s fishing fleet. “That’s why we welcome any opportunity for our ships to take part in fishing off the coasts of foreign states,” said Ilya Ivanov, deputy head of the region’s fisheries committee.

Nevertheless, according to Viktor Tikhomirov, Deputy Director of Primorye regional administration’s international relations department, Dalmoreproduct is the region’s only company to currently have business with the country that largely remains in self-imposed isolation.

Boris Sharapov, head of the international relations department at Dalryba fishing company, said most other companies are not adequately equipped to form similar agreements while DMP’s assets are huge. For one, only a corporation such as DMP can afford to run squid boats since squid season lasts only a few months, with the boats having to be idle the rest of the year.<sup>9</sup>

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<sup>9</sup>L. V. Zabrovskaya, *The DPRK in the Age of Globalization: From the Hermit Life to the Openminded* (in Russian) (Vladivostok: PCSR, 2006), pp. 90-91.

Dalmoreproduct's other plans for cooperation include equipping a fish processing plant in Radjin coupled with the extending of the plant's pier and deepening of the harbor where it stands. DMP would also like to build a facility in the DPRK for repairing of its fishing outfit, expand the practice of repairing its ships there and finally use the country as a destination for pleasure trips for its employees.

## **Conclusion**

As one can see, the DPRK is not an economically isolated country and continues to preserve economic contacts not only with China, but with other ex-socialist states, and with Russia most of all. During recent years, Russia and the DPRK have strengthened their local economic contacts, which touch on many subjects such as sending North Korean workers for work in the Russian Far East, economic cooperation between Russian and North Korean firms in fishing and fish food production, construction, logging, etc.

Both countries have experienced severe internal economic problems. Therefore, they lack the financial means for making investments in mutual projects. There are very few Russia-North Korean joint ventures.

The Russian authorities do not demonize the DPRK nor its foreign policies and respect North Korean rights to strengthen their defense capabilities, to preserve their sovereignty and independence. All this has a strong influence on Russia-North Korean economic relations. Russia will continue to send humanitarian help to the DPRK. There are many complimentary ways to rebuild traditional economic ties between Russia and the DPRK.