

UPF Europe and Middle East: The Democratic People's Republic of Korea Within

Jacques Marion
February 23, 2023



Friendly gesture: Felix Abt and his wife (sitting on the ground) are spontaneously invited for beer and snacks by North Koreans in a park on a holiday. [Photo: Felix Abt / copyright ©. All rights reserved]

Mr. Felix Abt, an entrepreneur and business affairs specialist on North Korea and Vietnam, participated in a recent webinar entitled, "Viewing the Democratic People's Republic of Korea (DPRK) from Within".

Mr. Abt was one of the first foreign entrepreneurs to seek to do business in contemporary North Korea, where he lived between 2002 - 09, developing and operating businesses (power generation and transmission, modernization of mines, pharmaceutical production and retail, garment production, IT and e-commerce). He was also a co-founder and president of the [first foreign chamber of commerce](#) in Pyongyang and a co-founder and director of North Korea's [first business school](#). At the request of North and South Koreans he also got involved in the negotiations and preparations of [joint North-South business projects](#) (mineral water production on Mount Paekdu, dairy production in the North etc.). Based on his experiences, he has written books that show complementary perspectives to those the Western world is used to read.

At the following link, you can view some of Mr. Abt's recent experiences in North Korea:
felixabt.substack.com/p/north-korea-update-what-next



North Korea Update: What Next?

What's going on, is North Korea stuck in the past, and what are the chances for peaceful development in the most isolated country? Answers from a businessman who lived and worked there for 7 years.

 Felix Abt
Mar 11



Friendly gesture: Felix Abt and his wife (sitting on the ground) are spontaneously invited for beer and snacks by North Koreans in a park on a holiday. [Photo: Felix Abt / copyright ©. All rights reserved]

In advance of a webinar hosted by the Canadian chapter of the Universal Peace Federation (UPF), which describes itself as a global network of peacemakers, to which I was invited to speak in February 2023, I was asked four important questions. The mainstream media would not ask me such questions. Is there something wrong with my answers or with these media? I share my replies with you and leave you to judge.

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1. UPF: How did the ongoing changes with regards to DPRK's relationship with the West impact your ability to do business there?

FA: When I settled in North Korea (a.k.a. Democratic People's Republic or DPRK), there was a spirit of optimism there, even a slight euphoria among some, which could also be felt on the other side of the demilitarized zone, in South Korea. The will to reform was clearly noticeable. Although an interesting experiment had already been taking place in Rason on the Chinese border since the 1990s, modeled on Chinese industrial zones and even allowing South Korean companies to set up factories there, this newly perceived drive was to turn into a nationwide upheaval.





Factories and other buildings in Rason Special Economic Zone. [Source: [reddit.com](https://www.reddit.com)]



From left to right: the chairman of the Rason Special Economic Zone as well as Susan Kim, Korean-American scholar who conducted business training courses for North Korean executives in Rason, and Felix Abt [Photo: Felix Abt / copyright ©. All rights reserved]

So the first few years required a lot of persuasion, mutual learning, and experimentation with new business approaches. Although difficult, it was ultimately rewarding for my North Korean business stakeholders, such as clients and suppliers, as well as for the authorities, my staff, and myself, as we were able to produce some fruitful outcomes. I'll give you a couple of examples:

On behalf of European mining equipment producers, I was able to sell equipment to mines that enhanced productivity while improving worker safety and significantly reducing the likelihood of accidents. Or in a drug factory I oversaw, my staff and I became the first pharmaceutical company in North Korea to achieve the WHO-certified international standard of "Good Manufacturing Practice," which also allowed us to take part in international tenders and outbid foreign rivals for contracts. Producing a wide range of quality medicines at affordable prices made us all happy, as the lives of many patients could be saved.

2. UPF: How do the existing sanctions impact business activity in DPRK?

FA: To demonstrate the effect, allow me to go on with the previous example: The pharmaceutical company occasionally requires replacement parts and even new equipment, both of which can only be purchased abroad with hard currency, which the nation must earn through the export of goods like clothing, fish, coal, metals, and minerals.

However, since sanctions have made it illegal to export these goods, earning hard currency is no longer possible, at least not legally. In addition, the factory requires a functioning microbiology lab to identify contamination in raw materials and finished goods, just like all pharmaceutical and food processing facilities in North Korea.

Sanctions also prohibit the use of such apparatus and consumables, such as reagents. As a result, North Korea is the only country in the world where drug and food manufacturers are unable to guarantee the safety of their products for consumers.

3. UPF: How does the current situation impact personal safety?

FA: When I lived there and later when I visited the country, I always felt safe. Of course, anyone who goes there trying to play James Bond and attempting to recruit spies, or obtain a political trophy by removing a government poster from a hotel floor that is off limits to the public, insult politicians, or attempt to "liberate" North Koreans will run afoul of the law. However, not many people are foolish enough to do this, and when they are, they are typically sent on the following flight out of the country.

4. UPF: If you had to advise Western political leadership on how to relate to DPRK, what do you consider the most important point to explain to them?

FA: I would strive to convince them that increasing pressure will not make the nation give up its nuclear missiles; on the contrary, it considers them essential for survival.

Moreover, the country has achieved remarkable self-sufficiency, so pressure is pointless.

Imagine that my home country, Switzerland, is as mountainous as North Korea and has as little arable land, 17%, as North Korea, but must import most of its food. North Korea had already begun a massive land reclamation campaign in

the 1990s to increase its agricultural production. In Asia, where rice is the staple food, it is also the only country that has carried out an incredible "potato revolution" and now produces huge quantities of potatoes, which, unlike rice, thrive in mountainous areas, and has bred millions of goats, which, unlike cows, can live in mountainous regions that are difficult to access. These goats now produce a lot of meat, milk, yogurt and cheese.

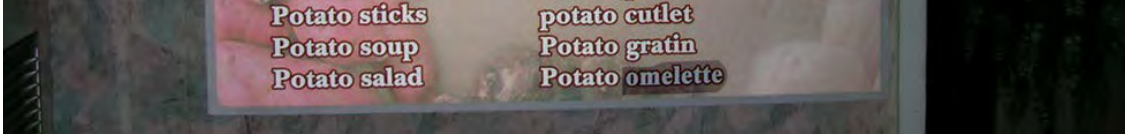


North Korean goat farmers in the mountainous countryside making goat milk yogurt. [Photo: Felix Abt / copyright ©. All rights reserved]



North Korean farmers harvesting potatoes in Yanggang Province. [Source: Rodong Sinmun]





Within just ten years of the start of the cultivation campaign, the area under cultivation grew to [200,000 hectares](#), and potato consumption rose to 60 kg per capita. Improved quality of potato seed and seed production, as well as cultivation methods such as pest control and appropriate use of fertilizers, and new storage methods contributed to this success. Even the noodles in North Korea's famous cold noodle soup are made from domestic potato starch. And North Korean restaurants have added several new potato dishes to their menus, as this poster from a restaurant in Pyongyang shows. [Photo: Felix Abt / copyright ©. All rights reserved]

Finally, as we have already seen, engagement is effective, and I would also urge the politicians to reach a compromise that takes into account North Korea's security needs. I am confident that this would result in a reduction in tension, a peace agreement, and the normalization of relations between the conflicting parties. Additionally, it is a necessary condition for the re-unification of the two Koreas.

A few impressions



No sweatshop: The pharmaceutical company managed by Felix Abt in North Korea offered generous workplaces, if possible with daylight, canteen, staff bus, sports field, showers and internal table tennis facilities, as well as living wages and additional benefits. [Photo: Felix Abt / copyright ©. All rights reserved]





Customers in a pharmacy owned by the first foreign-invested pharmaceutical company. It was one of the first stores in the country where people could pay with payment cards. [Photo: Felix Abt / copyright ©. All rights reserved]



At a company outing with North Korean employees [Photo: Felix Abt / copyright ©. All rights reserved]



Sports with North Korean employees [Photo: Felix Abt / copyright ©. All rights reserved]





Together with North Korean executives of the company headed by Felix Abt during a business visit to Shanghai.
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