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A New Paradigm for Tourism Development in North Korea

Introduction

The cooperative tourism project between South Korea and North had been an icon of the promotion of peace. However, the North Korean soldier's shooting on a female Korean tourist in 2008 suspended the project that shuttled Korean tourists to Mt. Kungang resort in the North. After such an incident, Kim Jong-un has taken his office, attempting attacks on South Korean territories and conducting a series of missile launches and nuclear tests. In response to those attempts, South Korean government has prohibited all inter-Korean trade and contacts. This is called as the May 24 Measures. Consequently, all cooperative projects, which include the Kaesong Industrial Complex in North Korea, have been suspended at this point.

Ironically, however, Kim Jong-un has tried to pursue tourism development, economically benefiting from it. During the United Nations sanction on North Korea, Kim ordered his army to build a world-class ski resort, the Masikryong resort and hotel complex. He also established Wonsan-Mt. Kungang International Tourist Zone, and Mubong Special Zone for International Tour near Mt. Baekdu, attracting foreign tourists into North Korea. This is because the government has acknowledged the positive impacts of tourism on its country. However, its tourism industry is suffering from lack of tourists and foreign investment, trying to find a solution for promoting it.

One could be re-establishing a joint-project between South Korea and North. According to Kim and Prideaux (2003), tourism between hostile nations could reduce tension, promoting peace. It is also argued that tourism builds positive image, eliminating stereotypes toward a hostile nation (Chen, Lai, Petrick, & Lin, 2016; Cho, 2007; Kim & Prideaux, 2006; Pratt & Liu, 2016). However, it is very difficult for two Koreas to recover the tourism project previously conducted because surroundings and a political situation have been dramatically changed since 2008.

The aim of this research is to provide a theoretical framework for facilitating tourism development in North Korea as well as practical measures for a joint tourism project between two Koreas in this changed environment.

Tourism development in North Korea

North Korea started developing tourism since the late 1980s, establishing DPRK National Tourism Administration (NTA) in 1986 and joining World Tourism Organization (UNWTO) in 1987. In 1998, the regime opened the Mt. Kungang tourist region to South Koreans, developing an inbound tourism market. The Mt. Kungang project has been regarded as the most successful joint project between South Korea and North (Kim, Timothy, & Han, 2007). From 1998 to 2008, 1,930,000 tourists visited the Mt. Kungang resort. Figure 1 shows the trends of visitation to the resort.

Figure 1. The trends of visitation to the Mt. Kumgang resort



Data source: Ministry of Unification

In 2008, the North Korean soldier's shooting halted the tourism project, increasing tension between two Koreas. After the incident, some attempts had been made to resume the project, but it was unsuccessful. North Korea regime has changed its tourism development strategies. For example, North Korea is allowing Chinese and Russian tourists to enter its boundaries without a visa. They are required to send a photo copy of their passport and identification document before their travel. In addition, the regime removed the limitation of American tourists' length of stay in 2010.

North Korea has tried to attract foreign investment into the tourism industry. The regime allowed foreigners to invest Mt. Kumgang tourist region in 2010. Kim Jong-un also declared that some special economic zones are merged into Wonsan-Mt. Kumgang International Tourist Zone to take the initiative in tourism development. The regime plans to invest 7.8 billion USD in the zone.

Currently, the major target market of the tourism industry is Chinese travelers (Li & Ryan, 2015). Table 1 shows that 230,000 Chinese travelers visited North Korea in 2012, and it became the 24th popular tourism destination of Chinese travelers.

Table 1. Chinese outbound tourists' top 25 destinations in 2012

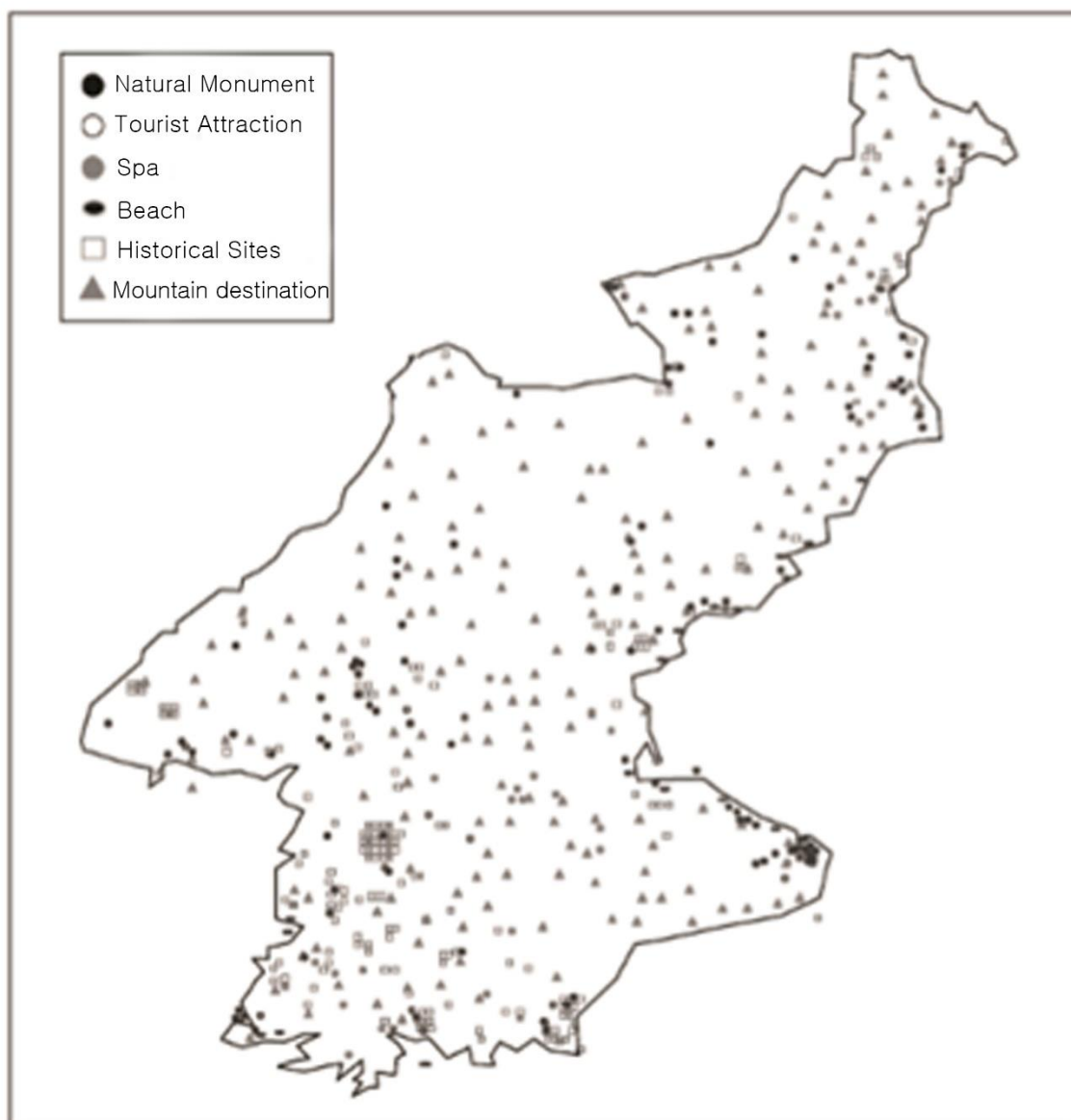
| Destinations | Reception of Chinese Mainland Tourists (First Destination)(Unit in 10,000 persons) |
|--------------------|--|
| Hong Kong | 3495.56 |
| Macau | 2150.29 |
| South Korea | 299.51 |

| | |
|----------------------|--------------|
| Taiwan | 263.02 |
| Thailand | 224.48 |
| Japan | 196.22 |
| Cambodia | 184.54 |
| United States | 172.20 |
| Malaysia | 137.22 |
| Vietnam | 133.99 |
| Singapore | 116.67 |
| Russia | 86.91 |
| Australia | 72.93 |
| Indonesia | 71.36 |
| Myanmar | 54.57 |
| Italy | 43.33 |
| Canada | 41.79 |
| United Kingdom | 40.60 |
| Germany | 37.67 |
| France | 36.97 |
| Guinea-Bissau | 36.20 |
| Mongolia | 32.50 |
| Philippines | 27.22 |
| North Korea | 23.74 |
| United Arab Emirates | 23.60 |

Data source: China National Tourism Administration

Another source of travelers to the North comes from western countries, at least five thousand people every year. Travel agencies run by western people are about forty. While the North offered uniform trip programs mostly to Pyeongyang, Nampo, Gaeseong, Panmunjeon, Mt.Kumgang, and Mt. Myohyang, these agencies have suggested and developed various kinds of activities in different areas from before. Now, the trip programs are decorated with diverse themes such as architecture, horticulture, fishing, surfing, etc. Moreover, the North recently opened its national marathon tournament to foreigners, attempting to attract more western tourists.

Figure 2. Distribution map of tourism resources in North Korea



Source: Kim, Lee, & Jo (2004) Proposal for building peace belt in the Western Sea border area between North and South Korea

Methods and expected outcome

Considering that the North's great interests on developing its tourism industry, this study examines possibilities to engage in the North Korean local community through tourism development. In order to conduct consultation meetings with North Korean regime officials, international organization staff were dispatched into North Korea in the late of 2016. Even though the May 24 measure prohibits direct contacts between two Koreas, academic research

through an international organization (e.g. FAO) was allowed at that point. The authors have attempted to conduct an in-depth interview with the FAO staff so as to examine travel condition and tourism infrastructure of North Korea.

FAO formed two investigation teams, which travelled local communities of the west coast and east of North Korea. The team visited the following cities, collecting fisheries information and having a meeting with government officials.

Table 2. Investigation teams' meeting schedule with North Korean officials

| Meeting schedule | East coast cities | West coast cities |
|------------------|-------------------|-------------------|
| 5 Sept. 2016 | Hwangsook | Pupo |
| | Kosong | |
| 6 Sept. 2016 | Hongwon | Kumipo |
| 7 Sept. 2016 | Yanghwa | Kamapo |
| | Riwon | Hanchon |
| 8 Sept. 2016 | Kimchak | Cholsan |
| 9 Sept. 2016 | Komalsan | |
| | Jikha | |

The authors assumed that the FAO team members had travel experience in local areas of North Korea. If the authors successfully extract their travel experience through structured interview questions, interview results would expand the understanding of tourism in North Korea, giving a clue for developing the country's tourism and contributing a peace between South Korea and North.

The interview questions consists of basic travel experience items such as transportation mode, meal, expenditure, accommodation, difficulties, and contacts with local residents. Such information would be helpful for building a new paradigm for tourism development in North Korea because the regime is trying to expand tourism to the local areas rather than a capital city. The perspectives from western travelers should be essential for formulating tourism products for the inbound tourism market. Key findings will be presented in the final paper.

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