North Korea: Government-Sponsored Drug Trafficking

Lieutenant Commander Cindy A. Hurst, U.S. Naval Reserve

On 16 April 2003, off the coast of Australia, aerial surveillance of the North Korean freighter *Pong Su* led police to follow two Chinese suspects as they left the beach and headed for a nearby hotel. The following morning police apprehended them, seized 50 kilograms of pure heroin, and discovered the body of a North Korean buried near a dinghy on the beach where the two Chinese suspects had been seen the day before. The North Korean had drowned after his dinghy capsized while bringing the heroin ashore.

The next day, the *Pong Su* headed east through Bass Strait, then turned north up the Australian coast. Police intercepted the ship but were unable to board because of heavy seas. Police summoned the Navy, and early on 20 April, Her Majesty’s Australian Ship *Stuart* radioed the *Pong Su* to prepare to be boarded. Special Air Service troops descended from a helicopter while others boarded the *Pong Su* using rigid-hull, inflatable boats. The force captured 30 crewmembers, ending a 72-hour incident that proved what many had suspected: North Korea is involved in producing and trafficking drugs. North Korea vehemently denies this, but evidence to the contrary is mounting. According to the Bureau for International Narcotics and Law Enforcement Affairs at the U.S. Department of State, at least 50 incidents in more than 20 countries around the world link drug trafficking to North Korea.

In other countries, the drug business is operated by underground organizations; in North Korea, government-run trade companies or military authorities headquartered in Pyongyang operate the business. According to international affairs specialist Raphael Perl, North Korea is probably the only country in the world whose government is heading its drug-trafficking effort. What is driving North Korea to engage in drug trafficking? The answer lies in the fact that the country is economically crippled, having an annual gross domestic product per person in 2003 of just $1,000 and a nuclear energy and weapons program that cost $200 million (in 1998).

North Korea began producing drugs in the late 1970s in the mountainous Hamgyong and Yanggang provinces, selling the drugs in earnest when Kim Il-Sung, former leader of the Democratic Peoples Republic of Korea, toured Hamgyong-Bukto province and designated Yonsa an opium farm. The local province party committee created the farm and guarded it with security agents. The North Koreans then began producing opium at collective farms in Hoeryong, Musan, and Onsong. North Korea does not hide the fact it cultivates poppies, but claims the plants are used to produce pharmaceuticals.

In 1995, North Korea allegedly harvested 40 metric tons from a 4-square-mile area, qualifying the nation as a major drug-producing country under the terms and conditions of the Foreign Assistance Act of 1961. However, because of insufficient data to substantiate North Korea’s production levels, North Korea was not placed on the “Drug Majors” list.

In the 1990s, North Korea’s economy suffered greatly when Chinese and Russian aid was reduced and legitimate exports fell more than half. To offset its losses, North Korea began a search for new sources of foreign currency. By 1999, in a money-saving effort, North Korea shut some of its embassies and required others to support themselves financially. Diplomats either had to work to make money or use locally established trading companies, which in reality were offshoots of bigger trading corporations based in Pyongyang. The embassies were expected to be self-sufficient and to send money back to Pyongyang. According to one source, it did not matter how they raised the money.
Production and Distribution

The CIA doubts North Korea cultivates poppies only to produce pharmaceuticals. Having watched the area during the Clinton Administration, the Agency estimates North Korea has from 10,000 to 17,000 acres (16 to 27 square miles) under poppy cultivation, which would allow it to manufacture 30 to 44 tons of opium, enough to make 3 to 4.5 tons of heroin per year.\(^9\)

A North Korean testifying before the U.S. Senate Committee on Governmental Affairs said Kim Jong-II ordered each collective farm in North Korea to grow approximately 25 acres of poppies beginning in 1998.\(^10\) According to South Korea’s National Intelligence Service (nis), North Korea operates a narcotics-processing factory inside a pharmaceutical facility operated by the People’s Armed Forces Department in North Hamgyong Province. The factory reportedly produces 1 ton each of heroin and opium per month.\(^11\) The drug factory, established in 1993 at the specific instruction of Kim Il-Sung, reportedly processes opium into heroin before it is distributed by companies and diplomatic economic departments.\(^12\)

Substantiating claims of government involvement in drugs is difficult because of the closed nature of North Korean society, but North Korean defectors say North Korea is involved. Ho Chang Gol, a former North Korean pharmacist, claimed that in November 1996 the Pyongyang government cultivated poppies at 10 farms to produce high-grade opium for export.\(^13\) Ju Song Ha marched his students into the poppy fields where they would work 4 or 5 hours after school, gathering poppies for their “Dear Leader” Kim Jong-II.\(^14\) Park Sung Hak helped enforce production quotas laid down by the state, punished farmers who had shortfalls, and “kept them in the dark” about the opium’s use.\(^15\)

Kim Young Chul drove heroin to the docks of Chongjin, a large port city on North Korea’s northeast coast. “I’d pick it up and drive it to the harbor, and it would be taken out to sea to be picked up by ships heading for Singapore, Hong Kong, Cambodia, and Macau,” he said, adding that no one ever questioned the activities.\(^16\) People believed they were showing loyalty to Kim Jong-II who, they had hoped, would use the money to improve their lives.

Kim Dok Hong, a senior North Korean official who defected in 1997, says that in 1993 Kim Il-Sung visited a collective farm in Namjak-Ri and ordered managers to produce more opium, which was to be bartered for food. He claimed to have read the comments in official Communist Party bulletins, adding that in 1997, during speeches to party cadres, Kim Jong-II spoke of how opium could be a crucial means for earning hard currency. According to Central Committee documents, Kim Jong-II traveled to provincial towns where meetings were held to discuss North Korea’s approach to growing opium poppies. The government chose the provinces of Southern and Northern Hamkyung.\(^17\) Kim Dok Hong said he was personally involved in escorting Southeast Asian “drug lords” around Pyongyang.

Lee Joo II, who defected in 2000 and is now a human rights activist in Seoul, outlined the key military players in the production of opium. Under specific instructions from Kim Jong-II to establish a “Million Dollar Area,” each military post is required to produce items capable of generating $1 million to offer to the regime.

According to a former member of the 3rd Revolutionary Group, to procure foreign currency, the cooperative farm in Pukchong became a military base under Zone 1 of the 25th Bureau of the People’s Armed Forces. The farm’s main product was opium.\(^18\)

Ties to Global Crime Syndicates

North Korea has ties with global crime syndicates such as Chinese triads and Japanese yakuza. Japanese sources believe the North Koreans have linked up with the yakuza to transfer drugs at sea off Japan’s long coastline. Some Japanese sources believe half the drugs imported into Japan originate...
from North Korea. Witnesses also link North Korean drug smuggling with the Russian mafia and other international criminal organizations in Europe and Southeast Asia. Also, intelligence indicates that North Korea has been attempting to build drug-trafficking links with Taiwanese gang members. According to an anonymous intelligence source, “Pyongyang actually invited these gangsters for a visit.”

North Korea has been shown to have ties to the so-called Golden Triangle, Southeast Asia’s opium- and heroin-production zone in Myanmar, Thailand, and Laos. One report states that the North Korean Government hired experts from the Golden Triangle to supervise the refining of poppies into heroin. Drugs seized on the Pong Su originated from the Golden Triangle. This suggests North Korea is not only selling drugs but delivering them from other countries.

A great need for currency to meet military objectives and an inadequate export system of legitimate goods make it difficult for North Korea to turn away from drug trafficking. According to Perl, “The government has become addicted to it. It has a life of its own.” Perl adds that a possible solution to the problem would be to bring the North Koreans back into the international community. “I would try to buy the North Korean Government out, try to negotiate with them, make it more profitable for them to stop drug trafficking,” stated Perl.

Bringing North Korea to a satisfactory level of producing legitimate trade items for the world market would take billions of dollars because North Korea lacks the resources to conduct enough trade to bolster its failing economy. U.S. foreign aid is restricted to supplying food for humanitarian aid because of North Korea’s repeated support for acts of international terrorism.

In 1999, North Korea reportedly began concentrating more energy on smuggling stimulant drugs into the United States, with Vancouver, Canada, as a relay base. However, there is no real evidence that illicit North Korean drug trafficking has affected the United States, either directly or indirectly, which does not mean it has not or never will. If drugs are being used to finance weapons of mass destruction, the United States along with the rest of the world should certainly keep a watchful eye on the situation.

**NOTES**

5. According to the U.S. Forces Korea Support Unit in Hawaii, “do” translates to provinces while “buuko” translates to northern province (author’s E-mail, request for information from Foreign Military Studies Office Southeast Asia Team Leader, SFC M. Miyasato, 29 April 2004).
12. Choi Young Jae.
15. Anthony Spaeth, “Kim’s Racket,” Time Asia, 2 June 2003. Although this information is directly from the source, there is a discrepancy: Chongju is located in the northeastern part of North Korea, not the northeastern part.
17. Spaeth.
18. Solomon and Dean.
19. Anonymous source.
25. Ibid.

**Lieutenant Commander Cindy A. Hurst, U.S. Naval Reserve, is a research analyst with the Foreign Military Studies Office, Fort Leavenworth, Kansas. She received a B.A. from the University of Nevada, Las Vegas. She has served in various positions in the continental United States, Hawaii, Japan, and Cuba.**

**GLOBAL ILLICIT POTENTIAL PRODUCTION OF OPIUM DURING 2002**

(percentage of metric tons)

- **Afghanistan**: 76%
- **North Korea**: 18%
- **Laos**: 2%
- **Myanmar**: 18%
- **Other Asian Countries**: 1%
- **Mexico**: 1%
- **Colombia**: 1%
- **Afghanistan**: 76%
- **North Korea**: 18%
- **Laos**: 2%
- **Myanmar**: 18%
- **Other Asian Countries**: 1%
- **Mexico**: 1%
- **Colombia**: 1%