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DPRK CELL PHONE SUBSCRIBERS TOP 20,000- COSTS, SERVICES DETAILED

Since 3G cellular phones were first offered in North Korea last December, more than 20,000 customers have signed up for service. According to a recent report by the Choson Sinbo's Pyongyang correspondent, the North's cellular network is capable of providing voice and SMS services to as many as 126,000 customers in the Pyongyang area and along the highway between Pyongyang and Hyangsan, and is available to North Korean residents as well as foreigners in the North.

Anyone can procure a cell phone in the North by submitting required information on an application to a service center, along with an application fee of 50 Yuan, or approximately one Euro, or 130 Yen. Currently, telephones are selling for between 110 Euros for basic handsets, to as much as 240 Euros for phones with cameras and other functions. When a phone is turned on, a white 'Chollima' horse graphic appears over 'Koryolink' in blue, all with a red background. The trademark is said to mean, "The Choson spirit, moving forward at the speed of the Chollima to more quickly and more highly modernize the information and communication sector."

To use one's phone, a pre-paid phone card must be purchased. Three types of phone cards are sold for 850 won (A), 1700 won (B), and 2500 won (C), with 'B' and 'C' cards offering 125 and 400 minutes 'free air time', respectively. In order to see to it that its customer base continues to grow, the communications company plans to adjust prices, and offer services such as television and data transmission. Video and picture transmission and other technological preparations have already been made.

As has been previously reported, the service is provided by CHEO Technology Joint Venture Company, owned by the Choson Posts and Telecomm Corporation (KPTC) and Egypt's Orscom Telecom Holding. There are now two service centers within Pyongyang. In December of last year, only one International Communications Center was established, but as service grew, a temporary sales office was set up in mid-March. The North Korean government purports to provide cellular service as part of its plan to improve the lives of the masses, and the number of subscribers is climbing daily. CHEO Technology plans to extend the coverage area to every major city, along all highways and along major rail routes throughout



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| the country by the end of the year, with the ultimate goal of providing cellular service to every | y |
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| residential area in the nation by 2012. | |