

## **DPRK HOLDS ANNUAL LOTTERY FOR GOVERNMENT BOND REPAYMENTS**

North Korea has announced the winners of its sixth drawing for payouts of 'People's Life Bonds', through which it provides ticket buyers with not only payment of principal, but also additional lottery winnings. From July to November of 2003, North Korea sold 10-year bonds worth 500, 1000, and 5000 won, and since then has held drawings once or twice per year repaying the bonds and lottery winnings as a way to pull in idle cash from the people.

(North) Korean Central TV reported that the 6<sup>th</sup> People's Life Bond drawing had taken place and provided some numbers regarding the payments. In the latest drawing, thirteen 5000 won, eight 1000 won, and ten 500 won tickets were drawn. The television announcement explained that winners could report to the appropriate bank during the first quarter of 2008 to collect their winnings. It was also reported that during the latest fourth-quarter drawing, one first-prize, ten second-prizes, and fifteen third-prizes had been chosen, but provided no concrete details regarding the amount of the prize winnings. North Korean bonds do not pay interest to the investors, but rather, provide prize winnings greater than the amount of interest that would have been paid to winners each quarter.

The fifth round of drawings took place in January 2006 in Sariwon, North Hwanghae Province, when thirty tickets were drawn. North Korea's savings and bond lottery system appears to be an attempt at improving financial difficulties faced due to the government's collection of idle hard currency from each family.