

DPRK EVICTS SOUTH KOREANS FROM KAESONG INDUSTRIAL COMPLEX

The South Korean Unification Ministry announced in a press conference that the North Korean government has demanded South Koreans working in the Inter-Korean Cooperation Office in the Kaesong Industrial Complex (KIC) return home.

On March 26, South Korean Unification Minister Kim Ha-joong said in a speech, “Expansion of the KIC would be difficult without resolution of [North Korea’s] nuclear issues.” He went on to say that the success or failure of the joint venture was up to the North, not the responsibility of the South.

In response, North Korea demanded to South Korean officials at the office for inter-Korean cooperation that all workers must leave the North within three days. In the early morning hours of March 27, eleven of the thirteen South Koreans working in the office left the country.

So far, the eviction has had no noticeable affect on the strength of the South Korean won, but some in Seoul are concerned that as the situation unfolds, it could negatively impact the won’s relative strength against the U.S. dollar. Currency traders are concerned that the Lee Myung-bak administration’s tougher stance on North Korea, after ten years of relative appeasement, will lead worsening relations that would affect international investors’ interest in the Korean Peninsula.