

ORASCOM AND DPRK TO COMPLETE RYUGYONG HOTEL CONSTRUCTION

Sources recently returning to China from Pyongyang have reported that North Korea has resumed efforts to complete the 105-story Ryugyong Hotel. With only 20 buildings in the world taller than the 330-meter structure, it would be by far the largest building in all of North Korea.

Baekdu Mountain Architects and Engineers began building the highrise in 1987 but halted construction in 1992 amid economic hardships and rumors of structural deficiencies. The North has been seeking foreign investment of up to 300 million USD to complete the structure.

Traders in Shenyang, China with ties to Pyongyang say the North has now found that funding, partnering with Egypt's Orascom Group. Orascom has publicized significant investment plans for North Korea in the last twelve months. Orascom Telecom Holding announced on January 30 of this year that it had been granted the first-ever commercial license to provide WCDMA 3G technology-based cellular service to North Korea, and put forth plans to invest 400 million USD to create a nationwide infrastructure.

This deal followed on the heels of Orascom's first venture into DPRK investment, announced in mid July, 2007, when Orascom Construction Industries purchased a 50 percent stake in the North's Sangwon Cement Factory near Pyongyang. This venture involved the injection of 115 million USD, which is being used to modernize the facility and increase production capacity from 2.5 million tons to 3 million tons per year.

In addition to Orascom Telecom Holding and Orascom Construction Industries, the Orascom Group also includes Orascom Hotels and Development and Orascom Technology Solutions.