

The Second Economic Committee

The Second Economic Committee is the central coordinating body of the DPRK's military-defense industry. The North Korean "second" economy refers to the DPRK's military industrial complex. It began in 1961 as the Second Machine Industry Machinery organizationally subordinate to the DPRK Cabinet (at that time called the State Administration) and its management being a Secretariat for Munitions in the Korean Workers' Party. It evolved into the KWP Second Economic Committee during the Fifth Party Congress in 1970. It is a quasi-independent organ, occupying the interstices of the Korean Workers' Party (through the Munitions Industry Department of the CCKWP Secretariat) and the National Defense Commission, to which it is both subordinate.

Since the late 1970's and certainly through the DPRK's economy collapsing into the 1990's, the North Korean military industry has been the country's only growth sector. The Second Economic Committee is responsible for the financing, planning, research, development, manufacturing, production and foreign acquisition of the DPRK's artillery, aviation, naval, missiles, strategic weapons and military communications and logistics. The Second Economic Committee also has jurisdiction of the DPRK's foreign arms and missile sales. Since the late 1970's the DPRK has sold missiles, missile and communications technology and defense-related construction services or technical advice to several countries including Iran, Cuba, Sudan, Algeria, Pakistan, Syria, Libya, Egypt, the United Arab Emirates and (according to some reports) Myanmar (Burma). The Second Economic Committee has processed these sales through several front companies (such as the Maebong Trading Corporation) institutionally tied to the KWP's Third Floor which has direct links to Kim Jong-il's Personal Secretariat. Some of the Second Economic Committee's front companies are subjected to UNSC Resolution #1874.

There are ten (10) bureaus subordinate to the Second Economic Committee that fulfill its respective production, acquisition and sales needs. The central executive offices are located in Kangdong County, Pyongyang, 35 miles north east of the city's centre. The Kangdong Complex is highly secured (there are no direct roads or rails into it) and even senior DPRK leaders are prohibited access. Manufacturing facilities are dispersed throughout the DPRK, with a plurality located under mountains in Jagang Province. The DPRK has supplied Iran and Syria with the technical knowledge and human resources to construct underground production and testing facilities; these transactions are processed through the Second Economic Committee.

It also has manufacturing facilities for arms and parts located in Hamhung, South Hamgyong and Pyongwon County, South Pyongan and the city of Tokchon in northeast South Pyongan. There are also facilities located in Ryongsong District (*kyok*), Pyongyang, but these may be linked to the Second National Academy of Science. Within the "first" economy, the Second Economic Committee maintains small manufacturing units in such factories as the Sunchon Vinalon Factory in South Pyongan. The Second Economic Committee also maintains a testing facility in Kilju County, North Hamgyong, where the DPRK has tested its nuclear and chemical weapons, most recently the nuclear test on 25 May, 2009.

Despite being the KPA, KPN and KPAF's primary (indeed, only) supplier the Second Economic Committee's management is primarily civilian, particularly after the retirement after its former Chairman, KPA General Kim Chol-man. Since its formal inception in the early 1970's the primary managing executive has been Jon Pyong-ho, the Korean Workers' Party Secretary for Munitions. Mr. Jon began working in the North Korean military-defense industry during the Korean War when he was manager at the Kanggye Tractor Factory. Mr. Jon is supported by Second Economic Committee vice Chair and deputy director of the CCKWP Munitions Department Ju Kyu-chang, the Second Economic Committee's representative and an alumnus of the Second National Academy of Science and concurrently a deputy director of the KWP Organization and Guidance Department. Mr. Ju has served as vice chair since the mid-1970's. The current chair of the Second Economic Committee is Paek Se-bong. Mr. Paek was unknown to external Pyongyang watchers until he became a member of the National Defense Commission after the 11th Supreme People's Assembly in 2003. Little else is currently known about Paek Se-bong, and it is likely that this is an alias. All three (3) of these men are members of the National Defense Commission, giving the Second Economic Committee (and the munitions industry) one quarter (25%) of the organ's membership.

A further note about the Second Economic Committee; while it supplies and draws some of its personnel from the military, the Second Economic Committee is not part of the control or reporting channels of the Ministry People's of Armed Forces or the North Korean military. As it is subordinate both to the NDC and the KWP, actual control over the Second Economic Committee resides, first with Kim Jong-il, and secondly with its direct civilian management. Its professional technical personnel are primarily civilian and its military personnel are subject to Party/NDC controls as well as the horizontal communications channels of the KPA. It has nominal reporting and control obligations to the KWP Central Military Committee, but this is a Party entity and its aging membership may indicate that its control is nominal and possibly superficial. This may indicate that KPA (et al.) access to the Second Economic Committee and its facilities is subject to Kim Jong-il's, the KWP's or NDC's approval. The intention of such a restricted channel is limiting power and physical access to the DPRK's strategic military assets.