

Agreement on Normalization of the Gaeseong Industrial Complex

Unofficial Translation by the ROK Ministry of Unification

From July 6 to August 14, South and North Korea held seven rounds of working-level talks to resolve the GIC-related issues and achieve an ‘advanced level of normalization’ of the Gaeseong Industrial Complex. The Agreement between South and North Korea reads as follows:

1. South and North Korea agreed that a temporary suspension of the GIC caused by the withdrawal of workers and disapproval of entry should not occur again. Without being affected by any political situation, South and North Korea must guarantee normal operation of the GIC, including South Korean workers’ entry into North Korea, North Korean workers’ regular working hours, and protection of company assets.

South and North Korea shall discuss ways to compensate for the GIC companies’ financial losses incurred by the suspension of the GIC operation at the meeting of the “South-North Joint Committee for Gaeseong Industrial Complex,” which will be launched in the near future.

2. South and North Korea must guarantee the safety of all South Korean citizens who enter the GIC, protect the companies’ invested assets and resolve the issues pertaining to the “3C’s” (Come-and-Go, Communications and Customs).
 - i. South and North Korea must ensure South Korean citizens’ safe entry into North Korea and guarantee their safety while they are in North Korea.
 - ii. South and North Korea must protect South Korean companies’ invested assets. In case of a violation of the agreement, South and North Korea agreed to establish a systematic way to coordinate a joint investigation, to compensate for the companies’ damages and to settle the disputes.
 - iii. In order to resolve the issues pertaining to the 3C’s, South and North Korea agreed to take measures to guarantee South Korean workers’ entry into North Korea at all times, provide internet connection and telecommunication for cell phones, simplify and expedite the customs clearance. South and North Korea shall discuss these issues through the “South-North Joint Committee for Gaeseong Industrial Complex.”

3. South and North Korea agreed to guarantee the business activity conditions that meet the international standards for South Korean companies and promote internationalization of the GIC.
 - i. South and North Korea shall strive to attract foreign companies.
 - ii. South and North Korea shall bring GIC's legal system on labor, tax, pension and insurance up to the level of the international standards.
 - iii. South and North Korea shall seek for ways to receive preferential tariff when exporting the products produced in the GIC as a way to internationalize the GIC.
 - iv. South and North Korea shall hold joint briefing sessions on foreign investment.
4. South and North Korea shall establish and manage the "South-North Joint Committee for Gaeseong Industrial Complex" to help the implementation of the agreements. An affiliated subcommittee should also be established.

South and North Korea shall sign the "Agreement on the establishment and operation of the South-North Joint Committee for Gaeseong Industrial Complex" in the near future and begin the operation.

5. South and North Korea agreed to help the South Korean companies repair the facilities and resume the operation by installing an institutional tool that guarantees South Korean workers' safe entry and stay in the GIC and protection of the companies' invested assets

August 14, 2013

Kim Ki Woong
Head of
the South Korean Delegation
to the Working-level talks
on Gaeseong Industrial Complex

Pak Chol Su
Head of
the North Korean Delegation
to the Working-level talks
on Gaeseong Industrial Complex