



# New Economic Initiative on the Korean Peninsula and Northern Gyeonggi Development Strategy

This study suggests a development strategy centered on the border region between South and North Korea when the denuclearization negotiations between the Korean government and North America proceeded smoothly and sanctions were substantially alleviated. Also, based on the H-shaped New Economic Initiative on the Korean Peninsula, this study predicted what changes would occur in the three axes of Gyeonggi-West coast axis, Gyeongwon axis, and DMZ axis, and suggested the development plan accordingly.

Fifteen tasks were set in six strategies that were considered critical at this point, and detailed tasks were proposed for each task. In order to improve the practicality of this report, the detailed tasks for each task were classified into what can be done immediately before the lifting of the UN sanctions, what can be started after the lifting of the sanctions, and what should be prepared and pursued in the long term.

Since most North Korean projects have been led by the state, the proposal of this project is a mixture of national projects and Gyeonggi-do projects. Proposals for projects at the national level will be used for suggestions to the state, and projects at the Gyeonggi-do level will be carried out directly.

Six strategies and fifteen tasks are as follows.

Strategy 1. Construction of the West Sea Coastal and Gyeoneui Axis as a Center of the Korean Peninsula Mega Region

Task 1-1 Construction of the West Sea Special Economic Zone

Task 1-2 Peaceful utilization of the Han River Estuary in conjunction with the West Sea Special Economic Zone

Task 1-3 Restoration of Gyeongui Line and Construction of High Speed Rail Network

Task 1-4 Expansion and Upgrade of Kaesong Industrial Complex

Task 1-5 Construction of Smart City

Strategy 2. Leading North-South Integration through the Ecology and Culture of the DMZ

Task 2-1 Creation of DMZ Peace Eco Park

Task 2-2 DMZ World Heritage Listing, Preservation and Utilization Plan

Task 2-3 Promoting South-North Tourism Cooperation through DMZ

Strategy 3 Build Gyeongwon Axis as a continental tourism and logistics hub

Task 3-1 Restoration of Gyeongwon Line Road and Railway

Task 3-2 Establishment of Gyeongwon Logistics Hub

Task 3-3 Gyeongwon Axis Twin City (Special Economic Zone) and Inter-Korean Cooperation Base

Strategy 4. Establishing a base for inter-Korean cooperation behind the border region: Developing a return donation zone for US forces

Task 4-1 Designation of Free Economic Zone for the US Military Bases Returned to Korea for Inter-Korean Cooperation Zone

Strategy 5. Cooperation in Water Resources and Energy Infrastructure

Task 5-1 Establishment of DMZ and Border Area Water Supply and Management Methods

Task 5-2 Cooperation in Building a Sustainable Energy System

Strategy 6. Legal Issues and Countermeasures of Borderland Land Ownership

Task 6-1 Legal system maintenance about land ownership and use of border area

In order to implement this plan, clear principles at the national level must first be established, and the roles of the state, local governments, and the private sector must be clearly distinguished and cooperated.

The success of this plan also depends on the smooth communication, joint research and joint efforts with North Korea. Therefore, when making the plan more concrete, it is better to proceed with a good grasp of North Korean demand.

The above plan includes Gyeonggi Bay area, Gyeongui axis, Gyeongwon axis, and DMZ axis. In South Korea, the Seoul metropolitan area is included. In North Korea, Kaesong, Gaepoong, Haeju, Nampo, Pyongyang, Cheorwon, and Pyeongyang etc., the whole capital region are also included. It is necessary to establish a “South-North Joint Committee of Korean Peninsular Economic Area”, in which government agencies, universities and research institutes representing South and North Korea, and private inter-Korean cooperation organizations

participate.

This study assumes the situation of full-scale inter-Korean cooperation. But even before the UN lifts sanctions, there are many things that North and South Korea can do if they want to. If we continue to do this, we will be able to successfully implement inter-Korean cooperation without any fuss after sanctions. This study has only presented the basic directions for the full-scale cooperation between the two Koreas. The agendas presented in this study will be dealt with in more detail in the follow-up studies, and are expected to develop into practical ideas through inter-Korean consultations.

**Keyword**

New Economic Initiative on the Korean Peninsula, the Korean Peninsula Mega Region, the West Sea Special Economic Zone, Peaceful utilization of the Han River Estuary, DMZ Peace Eco Park, Gyeongui Axis, Gyeongwon Axis, Twin City