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SOVIET EXPANSION OF THE KIMCHAEK IRON AND
STEEL PLANT IN NORTH KOREA

OFFICE OF RESEARCH AND REPORTS

CENTRAL INTELLIGENCE AGENCY

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SOVIET EXPANSION OF THE KIMCHAEK IRON AND
STEEL PLANT IN NORTH KOREA

In February 1960, the Industrial Economic Gazette of the USSR announced that the Soviet Union was going to oversee an extensive expansion of the Kimchaek iron and steel plant located on the north-east coast of North Korea in the city of Chongjin. 1/ This relatively small plant, which in 1959 produced only 484,000 tons of pig and sponge iron, is to become an integrated steel mill by 1965 with an annual production capacity of 2.2 million tons of pig iron, 2 million tons of crude steel, and 1.4 million tons of finished steel products. 2/ Production at the planned level would be roughly three times North Korea's total iron and steel output in 1959 and would rank the Kimchaek plant as one of the largest and most modern metallurgical enterprises in Asia.

According to radio TASS, the Soviet Union will furnish the plans, equipment and most of the technical personnel necessary to carry out the expansion program. 3/ Planned for installation are four new blast furnaces ranging in size from 1,000 to 1,719 cubic meters. The latter size furnace is 200 cubic meters larger than any heretofore provided by the USSR to Communist China and is equal in size to the three largest furnaces in operation in the Soviet Union during 1959. For steel making, two 100-ton top-blown oxygen converters of recent Soviet design are scheduled for installation. These converters, over twice as large as any currently in operation in the USSR, will have an annual output capacity of 750,000 to 850,000 tons of crude steel each. 4/

The program at Kimchaek is the first Soviet sponsored oxygen converter plant, including oxygen making facilities, to be announced for construction in the Far East. The oxygen converter process a relatively new development in steel making, combines the low investment and operating costs and high production potential of the Bessemer converter with quality control comparable to the open hearth process. Its introduction at the Kimchaek plant in North Korea will be an important technological gain for North Korea's metallurgical industry.

When completed, the Kimchaek plant expansion program should insure for North Korea its output goal of 3 to 3.5 million tons of crude steel by 1965-66, which would increase per capita output from the 45 kilograms in 1959 to 300 to 350 in 1966. 5/ This is an amount significantly greater than anticipated for any other Far Eastern country including Japan which will have an estimated per capita output of 285 kilograms. It is presumed that by 1965-66 North Korea will be able to export a substantial percentage of its steel production.

Analyst: [REDACTED]

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Sources:

1. Promyshlenno-Ekonomicheska Ya Gazeta, 5 Feb 60. U.
2. Korea Today, No. 39, 1959, p. 22. U.
3. SWB, Weekly Supplement, Part III The Far East, 3 Feb 60,
p. B/26. U.
4. Iron and Coal Trades Review, 27 Nov 59, p. 947. U.

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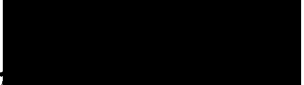

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